MEETINGS SCHEDULED FOR APRIL

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

THURSDAY, APRIL 22, 2021

Regular Board Meeting
1:00 p.m.

Conference Call

Toll-free dial-in number (U.S. and Canada):
1-877-568-4108

Access code:
147-491-549

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, April 22, 2021.

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

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

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Mission

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

Vision

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

AGENDA
Minnesota Housing Board Meeting
Thursday April 22, 2021
1:00 p.m.

1. **Call to Order**
2. **Roll Call**
3. **Agenda Review**
4. **Approval of Minutes**
   A. (page 5) Regular Meeting of March 25, 2021
5. **Reports**
   A. **Chair**
   B. **Commissioner**
   C. **Committee**

6. **Consent Agenda**
   None.

7. **Action Items**
   A. (page 9) Approval, Program and Manual Changes, Enhanced Financial Capacity Homeownership Program
   B. (page 33) Approval, Selection and Commitment, Rental Rehabilitation Deferred Loan (RRDL) - Sundquist Apartments, Virginia, MN D8360
   C. (page 41) Approval, Selection and Commitment, Bridges and Bridges Regional Treatment Center (RTC) Rental Assistance Programs Funds
   D. (page 49) Approval, Changes to the Housing Trust Fund Rental Assistance Program Guide

E. (page 101) Approval, Modification to Housing Trust Fund (HTF) and Bridges and Bridges Regional Treatment Center (RTC) Rental Assistance Programs COVID-19 Remote Inspections Procedure
F. (page 105) Adoption, Series Resolution Authorizing the Issuance and Sale of Homeownership Finance Bonds (HFB)
G. (page 201) Adoption, Series Resolution Authorizing the Issuance and Sale of Residential Housing Finance Bonds (RHFB)

8. Discussion Items

A. (page 319) Update: Federal COVID-19 Assistance Programs

9. Information Items

A. (page 321) Post-sale Report, RHFB 2021 Series AB
B. (page 335) Annual Report of Actions Taken Under Delegated Authority -- Multifamily Division
C. (page 345) Annual Report of Actions Taken Under Delegated Authority – Single Family Division

10. Other Business

None.

11. Adjournment

DRAFT Minutes
Minnesota Housing Board Meeting
Thursday, March 25, 2021
1:00 p.m.
Via Conference Call

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

2. **Roll Call.**
   Members Present via conference call: Chief Executive Melanie Benjamin, Chair John DeCramer, Craig Klausing, Stephanie Klinzing, Stephen Spears and Terri Thao.
   Minnesota Housing Staff present via conference call: Noemi Arocho, Jules Atangana, Ryan Baumtrog, Vi Bergquist, Chuck Commerford, Kevin Carpenter, Jimena Dake, Jessica Deegan, Michelle Doyal, Allison Ehlert, Rachel Franco, Anne Heitlinger, Darryl Henchen, Jennifer Ho, Summer Jefferson, Hannah Jirak, Kasey Kier, Katey Kinley, Greg Krenz, Tresa Larkin, Debbi Larson, Brad LeBlanc, James Lehnhoff, Amanda Lor, Nira Ly, Shelly Madore, Paul Marzynski, Sarah Matala, Jill Mazullo, Don McCabe, Leighann McKenzie, Betsy Michels, Katie Moore, John Patterson, Devon Pohlman, Caryn Polito, William Price, Paula Rindels, Cheryl Rivinius, Lael Robertson, Rachel Robinson, Dani Salus, Joel Salzer, Megan Sanders, Anne Smetak, Corey Strong, Kim Stuart, Jodell Swenson, Susan Thompson, Mike Thone, Ted Tulashie, Nancy Urbanski, Carrie Weisman, Jennifer Willette, Carole Wohlk, Sarah Woodward and Kristy Zack.
   Others present via conference call: Ramona Advani, Minnesota Office of the State Auditor; David R Anderson, All Parks Alliance for Change; Anne Mavity, Minnesota Housing Partnership.

3. **Agenda Review**
   None.

4. **Approval**
   A. Regular Meeting Minutes of February 25, 2021
   Motion: Chief Executive Benjamin moved to approve the February 25, 2021 Regular Meeting Minutes. Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

5. **Reports**
   A. Chair
   None.

   B. Commissioner
   Commissioner Ho shared the following with the Board:
   - Welcome new staff members Kelsey Skelly and Michelle Doyal

- Met with Latino Economic Development Center staff to thank them for their work on the COVID-19 Housing Assistance Program
- Virtual meetings with Representatives Stauber, Craig, Phillips and Omar during National Council of State Housing Agencies Legislative Conference
- Townhall Meeting with State Rep. Agbaje, Rep. Lee and Sen. Champion
- Participated in events with Minnesota Housing Partnership, Milbank Memorial Fund, Citizens League, Linking Leaders, National Alliance to End Homelessness, Minnesota Coalition for the Homeless, Prosperity's Front Door, National Council of State Housing Agencies and Minnesota Housing Partnership.
- COVID-19 Housing Assistance Program Update
- COVID-19 Emergency Rental Assistance Update

C. Committee

None.

6. Consent Agenda

A. Community Housing Development Organization Capacity Building Grant Extensions

Motion: Stephanie Klinzing moved to approve Community Housing Development Organization Capacity Building Grant Extensions. Seconded by Ramona Advani. Roll call was taken. Motion carries 7-0. All were in favor.

7. Action Items

A. Approval, Community Homeownership Impact Fund Scoring Revisions for the 2021 Single Family Request for Proposals

Song Lee presented to the board a request for approval of the Community Homeownership Impact Fund Scoring Revisions for the 2021 Single Family Request for Proposals. Chair DeCramer opened up the discussion. Board members asked a series of questions and staff provided answers.

Motion: Terri Thao moved Approval, Community Homeownership Impact Fund Scoring Revisions for the 2021 Single Family Request for Proposals. Seconded by Craig Klausing. Roll call was taken. Motion carries 7-0. All were in favor.

B. Early Debt Forgiveness, Rental Rehabilitation Deferred Loan Program - Seaway, D7627, Duluth, MN

Megan Sanders presented to the board a request for adoption of a resolution authorizing the early forgiveness of the following forgivable loan made to the Housing and Redevelopment Authority of Duluth: Rental Rehabilitation Deferred Loan (M16710). Chair DeCramer opened up the discussion.

Motion: Stephanie Klinzing moved Early Debt Forgiveness, Rental Rehabilitation Deferred Loan Program - Seaway, D7627, Duluth, MN**.** Seconded by Terri Thao. Roll call was taken. Stephen Spears was not present for the vote. Motion carries 6-0. All were in favor.

C. Selection and Funding Recommendations: Workforce Housing Development Program

Sara Bunn presented to the board a request for approval and adoption of the resolution authorizing the selection and funding of three Workforce Housing Development Program projects for a total amount of $1,869,500. Chair DeCramer opened up the discussion. Board members asked a series of questions and staff provided answers.
Motion: Craig Klausing moved Selection and Funding Recommendations: Workforce Housing Development Program. Seconded by Chief Executive Benjamin. Roll call was taken. Stephen Spears was not present for the vote. Motion carries 6-0. All were in favor**.**

D. 2020 Multifamily Consolidated RFP Housing Infrastructure Bonds Advancing Selections – Amortizing and Deferred Loans

William Price presented to the board a request for approvals related to the 2020 Multifamily Consolidated Request for Proposals:

- Adoption of a resolution approving the selection of projects for further processing, and the commitment of deferred financing, subject to final underwriting and due diligence, authorizing the closing of loans related to the following programs and/or funding sources:
  - Housing Infrastructure Bonds
  - Flexible Financing for Capital Costs
- Adoption of a resolution approving the selection of projects for further processing under the Low and Moderate Income Rental (LMIR), and LMIR Bridge Loan, programs
- Approval of a waiver of the predictive cost model 25% threshold for Garitz Grove.

Chair DeCramer opened up the discussion. Board members asked a series of questions and staff provided answers.
Motion: Craig Klausing moved 2020 Multifamily Consolidated RFP Housing Infrastructure Bonds Advancing Selections – Amortizing and Deferred Loans. Seconded by Ramona Advani. Roll call was taken. Motion carries 7-0. All were in favor.

E. Selection and Commitment, Low and Moderate Income Rental Loan - BROWNstone, D7722, St. Paul, MN

Caryn Polito presented to the board a request for selection and adoption of a resolution authorizing the issuance of a Low and Moderate Income Rental program commitment in the amount of up to $1,425,000. All commitments are subject to the terms and conditions of the Agency term letter. Chair DeCramer opened up the discussion. There were no questions from the board.
Motion: Terri Thao moved Selection and Commitment, Low and Moderate Income Rental Loan - BROWNstone, D7722, St. Paul, MN. Seconded by Stephanie Klinzing. Roll call was taken. Motion carries 7-0. All were in favor**.**

8. Discussion Items

None.

9. Information Items

A. Variable Rate Debt and Swap Report as of January 1, 2021

B. Post-Sale Report, Minnesota Homeownership Finance Bonds 2021 Series A (Taxable)

10. Other Business

None.

11. Adjournment

The meeting was adjourned at 2:45 p.m.

_____

John DeCramer, Chair

MINNESOTA HOUSING

Board Agenda Item: 7.A
Date: 4/22/2021

Item: Approval, Program and Manual Changes, Enhanced Financial Capacity Homeownership Program

Staff(s): Que Vang, 651.296.7613, que.vang@state.mn.us
Tal Anderson, 651.296.2198, tal.anderson@state.mn.us

Request Type:

☒ Approval
- ☒ Motion
- ☐ Resolution

☐ No Action Needed
- ☐ Discussion
- ☐ Information

Summary of Request:
Staff requests board approval for the following changes to the Enhanced Financial Capacity Homeownership Program ("Homeownership Capacity Program"): 1.) Modify the current administrative fee structure from general operating expense to a per-client fee for service ("fee for service") model and 2.) Approve manual revisions that update corresponding fee structure sections in the Homeownership Capacity Program Manual, that provide clarifying or apply plain language principals and update language to be consistent with other Single Family manuals.

Fiscal Impact:
The Homeownership Capacity Program is funded from Pool 3. Individual awards are structured as grants to administrators which do not earn interest for the Agency.

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

Attachment(s):
- Background
- Enhanced Financial Capacity Homeownership Program Manual

Background

The Enhanced Financial Capacity Homeownership Program ("Homeownership Capacity Program") expands the efforts of organizations that deliver enhanced financial education and one-on-one financial coaching to Black, Indigenous, and People of Color (BIPOC) communities and low-income households.
The Homeownership Capacity Program was launched in response to Minnesota's large disparities in homeownership rates between white households and BIPOC communities and aligns with the Agency's strategic priority of making homeownership more accessible. Clients who enter the Homeownership Capacity Program may receive program services from the program administrators for up to four years.

Under the Homeownership Capacity Program, organizations provide financial empowerment services that include, but are not limited to:

- Financial goal attainment
- Money management skills
- Improved savings, debt levels and credit scores
- Financial confidence

The chart below provides additional information about the households served since the Homeownership Capacity Program's inception:

Program Demographics Overview	
Identify as a BIPOC household	86%
Median Income at Intake	$ 36,000
Median Credit Score at Intake	592

The Homeownership Capacity Program has met or exceeded expected program outcomes, further supporting the value of long-term enhanced financial coaching and education for BIPOC communities and low-income renters with the goal of homeownership. Since the launch of the program in August 2014, 5,110 households have started receiving program services. Of those 5,110 households, 1,197 (23%) have completed the program, 1,965 (39%) are still active and 2,071 (41%) have stopped communication.

Of the 1,197 households who completed the Homeownership Capacity Program, 1,044 (87%) have reported the following outcomes:

Outcomes	Percent of Households
Home purchase	53%
Actively pursuing homeownership 1 year after Program Complete	15%
Decided not to purchase	32%

The Homeownership Capacity Program awards the grantee a two-year commitment. The current disbursement structure advances 12.5% of the funds at grant contract execution, then switches to a quarterly reimbursement schedule based on the number of clients served. The reimbursement amount ranges between $400 - $1,200 per client, with an average per client of $1,013. The current maximum per client amount is $1,200. The per client amount is determined by the grantees' request at the time of the application for funding.

Analyzing Program Processes, Requirements and Outcomes

Through a current evaluation of the program, below are the key findings:

- 88% of the clients who reached Program Completion, completed in under 18 months;
- 77% of the clients who reached an Outcome, reached their outcome under 12 months;
- The median increase of clients who enter the program with a credit score less than 500 was 117 points;
- The median increase of clients who enter the program with a credit score between 501 – 600 was 72 points; and
- The average cost to serve a financial empowerment client is $2,800, where Minnesota Housing supports an estimated 36% or $1,013 per client.

Staff met with each grantee to discuss their overall performance. Many of the grantees expressed interest in the potential for increasing their awards, allowing flexibility in the use of the grant funds and better reporting of client outcomes.

Program Fee Structure Changes

Staff recommends modifying the current administrative fee structure from a general operating expense to a per-client fee for service ("fee for service") model. The fee for service model will allow Minnesota Housing to prioritize the achieved Program Performance Thresholds while improving client follow up, outcomes and reporting.

The fee for service may be disbursed quarterly to the grantees once the clients progress through the Homeownership Capacity Program and achieve the following coaching activities/Program Performance Thresholds:

Program Performance Thresholds	**Fee for Service**	***Conditions**
Intake *	$1,100	
Program Completion *	$ 100	
Program Completion Credit Change ^	$ 100	*Credit Score at Intake must be <640 and must demonstrate =/> 50 points increase*
Outcome *	$ 100	
Outcome is Purchase ^	$ 100	*Client Purchases a Home*
TOTAL Potential Earning	**$1,500**	

** Performance thresholds incorporated into the Program design*
^ Additional Fee for Service for achieving certain Program Performance Thresholds

As illustrated in the chart above:
INTAKE: Grantees will receive a fee of $1,100 per client at Intake. Intake is when the client agrees to program services by the grantee, client data is collected and entered into the data collection system.

PROGRAM COMPLETION: is when a client has achieved financial empowerment or is no longer progressing towards their financial goal. The grantee receives an additional $100 for each client who reaches Program Completion.

PROGRAM COMPLETION CREDIT CHANGE: For each client with a credit score less than 640 at Intake and achieves a credit score increase of 50 points or more at Program Completion, the grantee will receive an additional $100. Minnesota Housing recognizes that clients with a credit score greater than 640 may have additional barriers to homeownership; however, credit is the main contributing factor to BIPOC communities and low-income households' inability to access homeownership. The purpose of this fee for service is not to reward the 50 points increase in score, but rather to encourage and support grantees who work with clients with lower scores.

OUTCOME: Grantees will receive an additional $100 when a final outcome for a client is collected and entered. Outcome is defined as one of the following: 1) Client is financially empowered and purchases a home; 2) Client is financially empowered and is still pursuing homeownership; or 3) Client is financially empowered and decided not to purchase.

OUTCOME IS PURCHASE: The goal of the program is homeownership and grantees that assist the client in reaching for and obtaining their final goal of homeownership will receive a final $100 fee for service if the client purchases a home and the administrator completes the final reporting.

Grantee Impact

In the current general operating expense disbursement structure, grantees receive between $400 - $1,200 per client, averaging $1,013. The maximum per client amount is currently $1,200. The per client amount is determined by the grantees' request at the time of the application for funding. The fee for service would allow the grantees to earn up to $1,500 per client while improving client outreach and outcomes.

Staff in partnership with the agency's research department did an assessment of impact to grantee administrator fees and determined that all grantees have the potential of increase in what they are currently receiving based on review of past performance and current projections with limited to no reductions in disbursements. Projected disbursements are expected to be within the Affordable Housing Plan forecasts for this biennium with slight/modest increases projected for the next Affordable Housing Plan as more clients progress through their financial empowerment coaching (clients may be in the program up to four years).

Manual Changes

Staff revised the Homeownership Capacity Program Manual to implement the new fee for service structure, clarified existing procedures and incorporated plain language. Other recommended changes are proposed to make the Homeownership Capacity Program Manual consistent with other Single Family program manuals including using standard template language for sections such as Responsibilities and Warranties, Fair Housing, Fraud, Misuse of Funds, Conflict of Interest, Suspension and Disclosure and Reporting.

Due to the significant number of changes throughout the manual, attached is a clean version of the manual. The red-lined version is available upon request.

Request for Approval

Staff requests approval of the revised Homeownership Capacity Program fee for service structure to begin in the 2021 Program Year.

Program Performance Thresholds	Fee for Service
Intake	$1,100
Program Completion	$ 100
Program Completion Credit Change	$ 100
Outcome	$ 100
Outcome is Purchase	$ 100
TOTAL Potential Earning	**$1,500**

Following board approval, the revised Homeownership Capacity Program Manual will go into effect May 1, 2021.

Enhanced Financial Capacity Homeownership Program Manual

May 1, 2021

EQUAL HOUSING OPPORTUNITY

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.

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Introduction

Mission Statement

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

Background

The Minnesota Housing Finance Agency ("Minnesota Housing") was created in 1971 by the Minnesota Legislature. For more than 50 years, we've worked to provide access to safe, decent and affordable housing and to build stronger communities across the state.

Enhanced Financial Capacity Homeownership Program

Minnesota Housing offers funding through a Request for Proposal ("RFP") to eligible organizations that deliver enhanced financial education and one-on-one financial coaching to Black, Indigenous, and People of Color (BIPOC) communities and low-income households.

The goal of the Enhanced Financial Capacity Homeownership Program ("the Program") is to increase the probability of successful homeownership and household stability through intensive financial empowerment coaching and homeowner education.

Chapter 1 – Responsibilities and Warranties

1.01 Manual

This Manual, including subsequent changes and additions, is a supplement to Minnesota State Statutes Section 462A.209 ("the Act"), Grant Contract and all amendments executed between the Grantee and Minnesota Housing.

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.

Minnesota Housing may grant exceptions, alterations or revisions to the requirements in this Manual at its sole discretion.

1.02 The Grant Contract

The Grant Contract is a legal contract executed between Minnesota Housing and the Grantee which outlines the responsibilities between the Grantee and Minnesota Housing and establishes the terms and conditions of the Enhanced Financial Capacity Homeownership Program the dollars awarded to a Grantee by Minnesota Housing for the specific purpose of conducting eligible activities under the Program.

Chapter 2 – 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 the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, as well as the Minnesota Human Rights Act. Housing providers are expected to comply with the applicable statutes, regulations, and related policy guidance. Housing providers should make sure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements

Chapter 3 – Fraud, Misuse of Funds, Conflict of Interest, Suspension, and Disclosure and Reporting

3.01 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 ways described in Section 3.05.

3.02 Misuse of Funds

A loan or grant agreement is a legal contract between Minnesota Housing and the borrower or grantee. 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 ways described in Section 3.05.

3.03 Conflict of Interest

A conflict of interest, actual, potential, or perceived, 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 or perceived 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 the award is or 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, perceived or potential conflicts of interest through one of the ways described in Section 3.05.

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

3.04 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. Refer to Minnesota Housing's website for a list of suspended individuals and organizations.

3.05 Disclosure and Reporting

Minnesota Housing promotes a "speak-up, see something, say something" culture whereby internal staff, external business partners (e.g., Grantees, borrowers) and the general public are encouraged to report instances of fraud, misuse of funds, conflicts of interest, or other concerns without fear of retaliation. You may report wrongdoing or other concerns by contacting:

- Minnesota Housing's chief risk officer
- Any member of Minnesota Housing's Servant Leadership Team
- EthicsPoint, the Minnesota Housing hotline reporting service vendor

Chapter 4 – Grant Administration

4.01 Data Privacy, Authorization and Disposal

The Grantee must establish and follow a data privacy, authorization and disposal that meets the minimum standards established in the Grant Contract. See the Grant Contract for requirements.

4.02 Records Retention

The Grantee must establish and follow a records retention policy that meets the minimum standards established in the Grant Contract. See the Grant Contract for requirements.

4.03 Fee for Service

The Grantee is compensated a Fee for Service for meeting each Program Performance Threshold(s), obtaining required documentation and entering Client data into the Data Collection System. As the Program Performance Threshold(s) are achieved, additional fee(s) may be disbursed to the Grantee. Please refer to the Grant Contract for the Fee for Service disbursement structure, the maximum potential fee earnings and the Program Performance Thresholds(s) which will be required to release each Fee for Service.

4.04 Disbursement Schedule

Grantee will be disbursed the Fee for Service according to the Program Disbursement Schedule, which is outlined in the Grant Contract.

4.05 Narrative and Data Collection Reports

See the Reporting Schedule outlined in the Grant Contract to determine when the Narrative and Data Collection Reports are due to Minnesota Housing.

4.06 Incentive Funds

The Incentive Fund may provide additional funding for Grantees who have met their original Clients served goals, per the Grant Contract. Incentive Funds are contingent on availability of resources and may vary each Program Term. Grantee may apply for the Incentive Fund if available during the Program Term. Eligibility criteria are outlined in the Incentive Fund Application Form. The Disbursement Schedule for the Incentive Funds is outlined in the Grant Contract.

4.07 Monitoring

Minnesota Housing may conduct monitoring to review Grantee's records relating to the administration of the Program. Reviews may include but are not limited to review of Client files and financial records. The intent of monitoring is to ensure the Grantee's Program follows the Grant Contract, the Manual and to identify capacity building opportunities. Minnesota Housing will notify the Grantee prior to the monitoring activity and will provide guidance and documentation requirements for the review.

4.08 Electronic Signatures

Minnesota Housing will accept documents executed via electronic signatures (eSignatures) to the extent the Grantee complies with all applicable state and federal electronic signature laws, as well as any counterparty requirements (e.g., credit bureaus, Housing Urban Development (HUD), Fannie Mae, Federal Housing Administration, etc.). However, eSignatures are not acceptable on any document that needs to be recorded or notarized. Under no circumstances may a Client be required to use electronic signatures.

Chapter 5 – Program Eligibility and Requirements

5.01 Eligible Grantee Organizations

- Local units of government and political subdivisions;
- A nonprofit organization as defined in Minn. Stat. 462A.03 Subd. 22, as such may subsequently be amended, modified or replaced;
  - A housing and redevelopment authority,
  - A partnership, joint venture, corporation, or association established for purpose not involving monetary gain to the members, partners, or shareholders,
  - A private nonprofit corporation (established under and in compliance with Chapter 317A).
- Proof of Eligibility:
  - Grantee must have a current 501(c)(3) determination letter from the Internal Revenue Service;
  - Grantee must be in good standing and authorized to do business in Minnesota.

5.02 Grantee Staff Certification

- At least one staff member per Grantee must have achieved a financial capability or empowerment certification by the end of the Program Term;
  - Certification by a HUD-approved certifying entity must be obtained when available;
  - A copy of the certification or proof of certification must be provided to Minnesota Housing upon request;
- Continuing education is optional. If taken, continuing education should be relevant to financial empowerment, coaching, homeownership or effective education methods;
  - It may include diversity, equity and inclusion training applicable to the Program;
  - It may be provided by a non-HUD-approved certifying entity;
- Certification or continuing education not sponsored by Minnesota Housing will be at the expense of the Grantee, unless an exception is provided in writing by Minnesota Housing.

5.03 Eligible Program Services

Financially empowered means:

- Knowing when and how to find reliable information to make financial decisions
- Knowing how to process financial information to make financial decisions
- Knowing how to execute financial decisions and adapt as necessary to stay on track

There are three eligible Program Services:

- Financial Education
- Financial Coaching
- Post-Completion Services

Financial Education

Financial Education may assist with the Clients' knowledge of current and ongoing financial obligations, their ability to feel secure in their financial future and more empowered to make financial choices that allow them to enjoy life.

Financial Education may be delivered in person, phone or online in a group setting. Topics must be discussed more general, be culturally relevant and allow for peer sharing.

Financial Coaching

Financial coaching must be individualized based on the unique needs of each Client and their financial goals. Financial Coaching is non-judgmental, supportive and encouraging while providing the Client with tools to make informed financial decisions.

Financial Coaching may be delivered in person, phone or online and focus on the Client's progress toward reaching their financial goals.

The Financial Coaching session(s) should be culturally relevant to the Client(s) and may include, but are not limited to, the following topics:

- Financial goal attainment
- Money management skills
- Improved savings, debt levels and credit scores
- Financial confidence
- Other financial empowerment services could include or be referred for the following, as applicable:
    - Workforce or career development
    - Entrepreneurship opportunities
    - Educational opportunities
    - Other services needed as identified by the Client

Post-Completion Services

Post-completion services are continued Financial Education or Financial Coaching after the Client had reached Program Completion or an Outcome. It may include educational opportunities specific to post-home purchase (e.g., home maintenance basics, home insurance coverage, home equity, home sale, etc.) as well as continued one-on-one Financial Coaching regardless of the Outcome. Post-completion is recommended for any Client interested in continued services and may be delivered to Clients in person, phone or online.

- Other financial empowerment services could include or be referred for the following, as applicable:
    - Workforce or career development
    - Entrepreneurship opportunities
    - Educational opportunities
    - Other services identified by the Client

5.04 Eligible Client(s)

Upon Intake, a Client is eligible to receive Program Services if they meet all of the below:

- Reside or intend to reside in Minnesota;

- Have expressed an interest in obtaining homeownership or improving their homeownership potential as a goal;
- Have demonstrable barriers to achieving homeownership and have a likely path to addressing such barriers within three years of working with Grantee;
- Have adequate income needed to support homeownership or will achieve adequate income through the support of Program Services; and
- Are willing to make a commitment to working with Grantee in a timeframe agreed upon by the Client and provider to increase Client's financial empowerment and the probability of successful homeownership;

5.05 Program Delivery

The Grantee must:

- Maintain a conflict of interest policy and submit it to Minnesota Housing upon request;
  - Not engage in exclusivity agreements with Clients seeking Program Services or interested parties such as servicers or lenders;
  - Not engage in practices which exclude other Program Grantees from working with its Clients that willingly seek assistance from another Grantee;
  - Not provide Program Services in any capacity under the Program and vice versa, if staff is also providing loan origination services;
  - If a conflict exists, it must be fully disclosed to the Client on the Coaching Agreement/Disclosure Form. The Coaching Agreement/Disclosure Form must meet all the requirements outlined in the Housing Counseling Grantee Disclosure & Privacy Act Notice;
- Have offices and services that are accessible to people with disabilities or have a referral list for Clients that need accessibility if Grantee's building does not provide access;
- Have the ability, through bi/multi-lingual staff or through the use of translation services, to provide services for non-English speaking Clients;
- Charge fees to Clients for Program Services that are reasonable and only to pay for actual expenses (not marked-up) that are not covered by the Fee for Service(s);
- If it charges fees to Clients, the fee policy must be provided to and approved by Minnesota Housing;
- Provide Program Services for the duration of the Program Term and beyond for any Clients still actively participating in Program Services;
- Communicate to Minnesota Housing in writing if changes to the Program Services are anticipated. Minnesota Housing reserves the right to accept or deny those changes at its sole discretion.

Chapter 6 – Program Performance Thresholds and Data Collection System Requirements

The descriptions below outline the Coaching and Client Performance Thresholds (the "Program Performance Thresholds") and must be followed by all Grantees.

- Intake
- Program Completion
- Program Outcome

The Program Performance Thresholds all have the option to enter a Client as "Client Stopped Communication" at any point after the Intake. The Program Services are to be provided until the Client reaches Program Completion or Outcome, which may extend beyond the Program Term identified in the Grant Contract.

6.01 Intake

The Financial Coach determines that the Client is an Eligible Client. The Client completes the Intake and obtains the required documentation with the Grantee for participation in the Program. For additional guidance, refer to the Client File and DCS Reporting Chart, where it outlines the required Client File documentation and Data Collection System (DCS) entry fields.

6.02 Program Completion

Program Completion is when a Client has achieved financial empowerment or is no longer progressing towards their financial goal. Clients will either be:

- Pursuing homeownership
  - If the Client is pursuing homeownership, they must be referred to pre-purchase homebuyer education and counseling.
- Not pursuing homeownership
  - If the Client is not pursuing homeownership, a Program Outcome should still be reported if the Client is financially empowered.
  - If the Client is not pursuing homeownership and if the Client is not financially empowered, an Outcome should not be entered.

Program Completion can occur any time after Intake. For additional guidance, refer to the Client File and DCS Reporting Chart, where it outlines the required Client File documentation and Data Collection System (DCS) entry fields.

6.03 Program Outcomes

The Financial Coach must continue to engage with the Client until one of the following Outcomes occur:

- Client is financially empowered and purchases a home.
- Client is financially empowered and is pursuing homeownership one year after Program Completion.
- Client is financially empowered and decided not to purchase.

Supporting documentation for "Client is financially empowered and purchases a home" is required. Program Outcome can occur up to 12 months after Program Completion. For additional guidance, refer to the Client File and DCS Reporting Chart, where it outlines the required Client File documentation and Data Collection System (DCS) entry fields.

6.04 Client Stopped Communication

At any point after Intake, a Client may be entered as "Client Stopped Communication." This option should only be selected once the Financial Coach has made a minimum of two attempts to reach the Client after at least three months of no communication with the Client. The two attempts must be within 30 days. The communication attempts must be documented in the case notes and retained in the Client File.

If the Client was listed as "Client Stopped Communication" under the Program at any time and wishes to start receiving Program Services six months after the date listed for "Client Stopped Communication," the Grantee may consider that Client as a new Client and enter them as such in the DCS.

If the Client re-engages within six months of the "Client Stopped Communication" date, the Grantee must contact Minnesota Housing to remove the "Client Stopped Communication" status in the DCS so the Grantee can continue to report in the existing Client file.

6.05 Client File and Data Collection System (DCS) Requirements

Grantee agrees to:

- Track and report each Program Performance Threshold in the Homeownership Capacity Data Collection System ("the DCS"). Each Program Performance Threshold will vary depending on the Client.
- Program Performance Threshold data should be reported into the DCS within 60 days. If the data or supporting documentation is older than 60 days from the DCS date, new data must be collected, reported in the DCS and retained in the Client file.
- Satisfy reporting requirements for Clients from any Program Term that have not exited the Program. Client file and DCS reporting requirements outlined in this Manual should be followed for all Clients, including those from previous Program Terms.
- Retain all supporting documentation for the data reported in the DCS in the Client file. Grantees are not required to use the forms provided by Minnesota Housing but must meet the Client file documentation requirements should they choose to use their own forms.
- Client file documentation may be stored electronically or hard copy. Follow the Data Privacy, Authorization and Disposal guidance and Records Retention Policy.
- Follow the Homeownership Capacity Data Collection System User Guide for DCS assistance.
- Use the Client File and DCS Reporting Chart to guide each client file and data to be collected.

Appendix A: Definitions

Term	Definition
Fee for Service	The amount the Grantee will receive for each Program Performance Threshold achieved.
Client(s)	An Individual(s) receiving Program services.
Data Collection System (DCS)	The web-based data reporting tool required for use by Grantees.
Grantee(s)	A nonprofit or a governmental entity recipient of funds awarded under the Program and with which Minnesota Housing, in its sole discretion, enters a Grant Contract for local administration of the Program.
Financial Coach	An Individual providing Program services on behalf of the Grantee. A trained professional who collaborates and guides Clients to reach their financial goals. The process is personalized and non-judgmental. Financial Coaches provide support, encouragement, accountability, and tools to help the Client make informed decisions.
Incentive Fund	Grant Funds set aside for Grantees who exceed the original goal stated in the Grant Contract and have additional Clients that could be served in the Program Term.
Manual	The Enhanced Financial Capacity Homeownership Program Manual.
Minnesota Housing	Minnesota Housing Finance Agency
Program	The Enhanced Financial Capacity Homeownership program.
Request for Proposal	The process by which the Single-Family Division of Minnesota Housing solicits grantee applications to receive funds under the Program. The application is prepared and submitted by a Grantee, who will agree to accept conditions, restrictions, or limitations contained in the Grant Contract.

Appendix B: Forms

The forms listed below are available on Minnesota Housing's Homeownership Capacity webpage.

Housing Counseling Grantee Disclosure & Privacy Act Notice
Action Plan (template)
Program Performance Process
Outcome Data Form
Spending Plan (template)
Client File and DCS Reporting Chart
Homeownership Capacity Data Collection System (DCS) User Guide
Incentive Fund Application Form

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MINNESOTA HOUSING

Board Agenda Item: 7.B
Date: 4/22/2021

Item: Approval, Selection and Commitment, Rental Rehabilitation Deferred Loan (RRDL)
- Sundquist Apartments, D8360, Virginia, MN

Staff Contact(s):
Irene Ruiz-Briseno, 651.296.3837, irene.ruiz-briseno@state.mn.us

Request Type:

☒ Approval
- ☒ Motion
- ☒ Resolution

☐ No Action Needed
- ☐ Discussion
- ☐ Information

Summary of Request:
Agency staff has completed the underwriting and technical review of the proposed development and recommends the development for selection and commitment and adoption of a resolution authorizing the issuance of a Rental Rehabilitation Deferred Loan (RRDL) program commitment in the amount of up to $490,000.

All commitments are subject to the terms and conditions of the Rental Rehabilitation Deferred Loan Pilot Program Interim Guide and the attached resolution.

Fiscal Impact:
The RRDL loan will be funded from state appropriations and will not earn interest for the Agency.

Meeting Agency Priorities:

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

Attachments:
- Development Summary
- Resolution

DEVELOPMENT SUMMARY

SECTION I: PROJECT DESCRIPTION AND RECOMMENDATIONS

Project Information				
Development Name	Sundquist Apartments		**D#**	**M#**
Address	701 12th Street North		D8360	M20381
City	Virginia	**County**	Saint Louis	
Date of Selection	April 22, 2021	**Region**	NE	

A. Project Description and Population Served

- The project involves the rehabilitation of a 14-unit development located in the city of Virginia. It is a two-story walkup building with nine one-bedroom and five two-bedroom units.
- The development will serve general occupancy households that have incomes less than 80% of the greater of state or area median income (AMI) for a family of four, not adjusted by family size, at initial occupancy; however, currently all units have rents that are deeply affordable at the 40% multifamily tax subsidy project (MTSP) level.
- The development currently has no rent or income restrictions, but seven of 14 units are assisted by tenant-based Section 8 vouchers.
- The scope of work includes addressing the following critical needs: Conversion from district steam to natural gas heat (required by the Virginia Public Utility system); replacement of the original flat roof, which is currently leaking; replacement of original windows with more energy efficient windows.
- The project is anticipated to begin construction in spring 2021 upon successful closing of the RRDL.

B. Mortgagor Information

Ownership Entity:	Sundquist Apartments, LLC
Sponsor:	Sundquist Apartments, LLC
General Partner(s)/ Principal(s):	Doug Aysta
Guarantor(s):	N/A

C. Development Team Capacity Review

Sundquist Apartments, LLC has the experience and capacity to complete the project. Doug Aysta is the sole member of Sundquist Apartments, LLC and has owned the property since 2009. While Doug Aysta has not received any prior funding from Minnesota Housing, he owns and operates many residential housing properties and has years of experience managing similar properties through Aysta Properties, Inc.

Aysta Properties, Inc. will continue to manage the subject property. They have been in the business of property management since 1999 and currently manage 33 properties; current staff has over 22 years of experience.

Architectural Resources, Inc. is the architect and has the capacity to effectively design the project. Sundquist Apartments, LLC will act as the general contractor and will manage three sub-contractors; two of which have previous experience with RRDL rehabilitation projects. A Minnesota Housing staff architect has approved Sundquist Apartments, LLC to act as the general contractor.

None of the development team partners, comprised of the developer, architect and general contractor, represents a Black, Indigenous, People of Color-owned Business Enterprise/Women-owned Business Enterprise.

D. Current Funding Request

Loan Type	Source	Amount	IR	MIP	Term	Amort	Recourse	Lien Priority	Const. or End Loan	Cash Flow Prov.
Deferred	RRDL	$490,000	0%	N/A	20 yrs.	N	N	2	Construction to Permanent	N

- RRDL terms include up to 10% forgiveness for maintaining rent and income compliance requirements for the full term of the loan.

E. Significant Changes Since Date of Selection

None

SECTION II: FINAL SOURCES AND USES; FINANCING DETAILS

A. Project Uses

Description	Amount	Per Unit
Construction Costs	$ 485,816	$ 34,701
Professional Fees	$ 22,500	$ 1,607

Financing Costs	$ 184	$ 13
Total Development Costs	**$ 508,500**	**$ 36,321**

B. Permanent Capital Sources

Description	Amount	Per Unit
Agency Deferred Funding (RRDL)	$ 490,000	$ 35,000
Other: Owner's Funds	$ 18,500	$ 1,321
Total Permanent Financing	**$ 508,500**	**$ 36,321**

C. Financing Structure

$490,000 Rental Rehabilitation Deferred Loan at 0% interest with a 20-year term and up to 10% forgiveness for maintaining rent and income compliance requirements for the full term of the loan.

SECTION III: UNDERWRITING

A. Rent Grid

Unit Type	Number of Units	Net Rent*	Rent Limit (% of MTSP or AMI)	Income Limit (%, of MTSP or AMI)	Rental Assistance Source
1 BR	1	$ 575	Affordable to local workforce	80% AMI	n/a
1 BR	1	$ 565			
1 BR	4	$ 545			
1 BR	3	$ 520			
2 BR	2	$ 595			
2 BR	1	$ 600			
2 BR	1	$ 605			
2 BR	1	$ 640			

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

B. Feasibility Summary

The project has been underwritten within the RRDL program underwriting guidelines. This includes previous years' management and operating expenses, vacancy rate, rent and income inflators, and annual replacement reserve contributions. The project has also undergone a sensitivity analysis on property operations to further enhance underwriting.

- All units are restricted to rents at or below the Affordable to Local Workforce limit for Saint Louis County. Currently the rents are 41-49% below those limits. The rents are below the payment standard for the area.
- The project maintains positive cash flow for 15 years, with a projected debt coverage ratio in year 15 of 1.66.

- The property has been operating at a vacancy < 2%; however, the project has been underwritten using a 7% vacancy rate, which is equivalent to one unit being vacant during a given year. One unit has been offline as a result of water damage from the leaking roof.
- The income inflator used for years 1 and 2 is 0% due to COVID-19; after that the income inflator is 2%. The expense inflator used is 3% beginning in year 1.

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

RESOLUTION NO. MHFA 21-XX

RESOLUTION APPROVING SELECTION AND MORTGAGE LOAN COMMITMENT
RENTAL REHABILITATION DEFERRED LOAN (RRDL) PROGRAM

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

Name of Development:	Sundquist Apartments
Sponsors:	Sundquist Apartments, LLC
Guarantors:	N/A
Location of Development:	Virginia, Minnesota
Number of Units:	14
Amount of RRDL: (not to exceed)	$490,000

WHEREAS, Agency staff has determined that such application is eligible under the program guidelines and thresholds of the Rental Rehabilitation Deferred Loan program.

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby authorizes Agency staff to issue a selection letter and commitment to provide a Rental Rehabilitation Deferred Loan funded by state appropriations to said applicant for the indicated development, upon the following terms and conditions:

1. The amount of the loan shall not exceed $490,000; and
2. The interest rate of the loan shall be 0%; and
3. The term of the loan shall be 20 years; and
4. The loan closing must occur within 12 months of the date of this Resolution; and
5. The proposed rehabilitation project must be completed within 18 months of the loan closing and any funds not used by the end of this period shall be determined to be unneeded and ineligible for disbursement; and
6. The mortgagor shall agree with the terms set forth in Minnesota Housing's Rental Rehabilitation Deferred Loan Pilot Program Interim Guide; and

7. The sponsor, the general contractor, the architect, the mortgagor, and such other parties as Agency staff in its sole discretion deems necessary, shall execute all such documents relating to said loan, as Agency staff in its sole discretion deems necessary.

Adopted this 22nd day of April 2021

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CHAIRMAN

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MINNESOTA HOUSING

Board Agenda Item: 7.C
Date: 4/22/2021

Item: Approval, Selection and Commitment, Bridges and Bridges Regional Treatment Center (RTC) Rental Assistance Programs Funds

Staff Contact(s):
Ellie Miller, 651.215.6236, ellie.miller@state.mn.us
Joel Salzer, 651.296.9525, joel.salzer@state.mn.us

Request Type:

☒ Approval
- ☒ Motion
- ☒ Resolution

☐ No Action Needed
- ☐ Discussion
- ☐ Information

Summary of Request:
Staff requests adoption of the attached resolution authorizing $6,786,327 in Bridges and Bridges Regional Treatment Center (RTC) program funds. These funds will allow the Agency to execute 25 Grant Contract Agreements with 20 administrators from July 1, 2021 through June 30, 2023 to serve an estimated 441 households each month.

Fiscal Impact:
Bridges and Bridges RTC are state appropriated resources, with individual awards structured as grants, which do not earn interest for the Agency.

Meeting Agency Priorities:

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

Attachment(s):
- Background
- Resolution

Program Overview: Bridges and Bridges RTC (program[s]) promote the integration of people with mental illnesses into their communities by helping connect participants who have a Bridges rental subsidy to supportive mental health services. The programs play a key role in the Agency's contribution to the goals of Minnesota's Olmstead Plan as well as those identified in Heading Home Together: Minnesota's Plan to Prevent and End Homelessness. Bridges and Bridges RTC are cooperatively administered, monitored, and evaluated by Minnesota Housing and the Minnesota Department of Human Services (DHS) Behavioral Health Division. This collaboration is essential to effectively operate the programs, as is the collaboration of housing and behavioral health agencies at the regional, county, and tribal levels. Bridges grantees are required to work with their local Adult Mental Health Initiative, Local Mental Health Authority, and/or their Tribal Mental Health Agency in order to implement the programs.

Funds available under the Bridges and Bridges RTC programs provide temporary rental subsidy payments, and in some instances, security deposits or payment for a rental housing application fee. The programs require participants to register for a permanent rental subsidy, primarily housing choice vouchers (Section 8), when the waiting lists are open.

The first Bridges RTC awards in 2016 were funded from a combination of the Bridges state appropriations and DHS Transitions to Community funds. Bridges RTC participants often have some of the most complex physical and mental health conditions, as well as high barriers to housing. The Bridges and Bridges RTC programs have the same priority population; therefore, the total bridges funding for the 2021-2023 RFP will be used to support both programs.

Program Performance: Bridges and Bridges RTC served 750 unique households in FY 2020 and 785 households in FY 2019. The average assistance per unit for 2020 was $5,042. The programs currently serve 30.6% Black, Indigenous, People of Color households.

Request for Proposals: Minnesota Housing issued a competitive Request for Proposals (RFP) on February 16, 2021, and applications were due on March 19, 2021. Bridges is a state appropriated resource and staff anticipates a continuation of the program's base level of funding of $8,676,000 for the FY 22-23 biennium. Staff also anticipates a contribution for Bridges RTC from DHS via an Interagency Agreement in the amount of $384,000. Selections in the attached Resolution are contingent on the 2021 Minnesota Legislature approving the Bridges and Bridges RTC state appropriations and receipt of funds from DHS.

The RFP was open to housing agencies currently operating a Bridges and/or Bridges RTC program as well as new applicants. Minnesota Housing received 25 proposals; seven for Bridges RTC and 18 for Bridges. Seventeen proposed serving Greater Minnesota and eight proposed serving the metro area for a total request of $7,980,803 to provide housing assistance for an estimated 462 households each month. All but two proposals (Olmstead County HRA, Dakota County CDA) were submitted by current Bridges or Bridges RTC grantees.

Three current grantees, Mora HRA, Cass County HRA, and Metropolitan Council HRA, did not submit an application under this RFP. Staff is actively working with these three entities to develop transition plans for participants who will still be in the program at the end of the grantee's contract period, which is June 30, 2021. The goal is to transition these participants to other grantees who will continue to serve them, uninterrupted, beginning July 1, 2021. This would require amending contracts for grantees who would

accept these participants; these contract amendments would be approved either by the Commissioner via delegated authority or by the board if the request exceeds the parameters of the delegated authority. Minnesota Housing is holding back on the commitment of approximately $2.9 million of available funding under this RFP so that it can commit those funds, at a later point, to the grantees who will accept the additional program participants. This amount is based on the number of households we anticipate transitioning, an average rent amount for the area and the duration of the contract period.

The scoring methodology includes 65 points scored by reviewers and 35 points based on current performance, as determined by the staff program manager. Minnesota Housing staff, DHS staff, and community members employed at nonprofits reviewed the funding requests and participated in the selection committee meeting. The proposals were assessed based on ability to serve the priority population and program design and implementation, with an emphasis on resources, practices, and partners to serve the intended region. The ability to be inclusive of diverse populations disparately impacted by homelessness was also assessed. Additionally, the selection committee discussed the housing and mental health collaborative partnerships and the access to mental health services provided to Bridges participants.

Minnesota grants management policies require a financial evaluation of each non-governmental applicant to help determine financial stability to carry out the purpose of the grant. The evaluation includes a review of the overall operating, unrestricted net assets, and working capital. If a deficit exists, a more robust financial review is completed by Minnesota Housing's credit risk officer. Six applicants met the definition of a non-governmental entity and were reviewed. All passed the financial review.

Overall, the applications demonstrated commitment to serving the priority population for Bridges. Applicants demonstrated capacity to serve people with mental illness and have programs that implemented foundational service practices in their organization to create better access for the targeted population. The applicants have well-developed partnerships with behavioral health organizations and are working to create practices that help ensure effective referral and service delivery for Bridges and Bridges RTC participants.

Selected applicants will receive additional guidance in the 2021-2023 contract round on how to develop a referral process for households with significant or complex barriers that are exiting correctional facilities or that are on supervised release, as assisting these populations will be required under the expanded definition of institution in the Program Guide that was adopted by the board in February 2021. The behavioral health partners will also receive assistance in partnering with housing stabilization service providers, as this is a new service line offered during this contract period.

Once selected for funding, grantees will be required to evaluate the effectiveness of their practices and models by maintaining a continuous improvement plan and collecting data on the outcomes listed in the plan. Grantees will develop a continuous improvement plan that will help them monitor, make needed changes, and reassess their practices and models throughout the grant term. Grantees will be expected to report on these outcomes during their annual narrative report.

Recommendations for Funding Selection: The funding recommendations include committing a total of $6,786,327 ($384,000 of Bridges RTC and $6,402,327 of Bridges) to 20 administrators with 25 contracts (separate contracts for Bridges and Bridges RTC awards).

ADMINISTRATOR	REQUESTED FUNDING	TARGET HH	RECOMMENDED FUNDING	TARGET HH
BRIDGES				
Brainerd Housing and Redevelopment Authority	$ 148,824	13	$ 148,824	13
Carver County Community Development Agency	$ 369,234	18	$ 266,669	13
Cloquet Housing and Redevelopment Authority	$ 148,152	12	$ 111,114	9
Dakota County Community Development Agency	$ 411,750	25	$ 270,668	16
Douglas County Housing and Redevelopment Authority	$ 165,000	15	$ 120,956	11
Housing and Redevelopment Authority of Bemidji	$ 297,325	25	$ 118,930	10
Housing and Redevelopment Authority of Duluth	$ 507,072	38	$ 507,072	38
Koochiching County Housing and Redevelopment Authority	$ 39,080	4	$ 19,540	2
Kandiyohi County Housing and Redevelopment Authority	$ 182,136	14	$ 181,776	14
Mental Health Resources, Inc. (MHR)	$ 1,219,660	65	$ 1,219,660	65
Moorhead Public Housing Agency	$ 301,440	26	$ 301,440	26
Owatonna Housing and Redevelopment Authority	$ 487,650	45	$ 487,650	35
Olmstead County Housing and Redevelopment Authority	$ 630,500	50	$ 220,538	16
Red Wing Housing and Redevelopment Authority	$ 206,784	12	$ 206,784	12
Scott County Community Development Agency	$ 269,921	15	$ 192,900	10
St. Cloud Housing and Redevelopment Authority	$ 523,920	37	$ 523,920	37
Tri-Valley Opportunity Council, Inc.	$ 238,358	13	$ 189,660	10
Washington County Community Development Agency	$ 600,670	35	$ 502,570	29
TOTAL BRIDGES	**$ 6,747,476**	**462**	**$ 5,590,671**	**366**
BRIDGES RTC				
Mental Health Resources, Inc (MHR)	$ 775,192	45	$ 775,192	45
Carver County Community Development Agency	$ 59,319	3	$ 59,319	3

ADMINISTRATOR	REQUESTED FUNDING	TARGET HH	RECOMMENDED FUNDING	TARGET HH
Guild Incorporated	$ 204,377	13	$ 204,377	13
Olmstead County Housing and Redevelopment Authority	$ 70,999	5	$ 33,328	2
Scott County Community Development Agency	$ 60,096	3	$ 60,096	3
St. Cloud Housing and Redevelopment Authority	$ 25,584	2	$ 25,584	2
Southwestern Minnesota Adult Mental Health Consortium	$ 37,760	3	$ 37,760	3
TOTAL BRIDGES RTC	**$ 1,233,327**	**74**	**$ 1,195,656**	**71**
TOTAL	**$ 7,980,803**	**536**	**$ 6,786,327**	**437**

*HH refers to households.

Agenda Item: 7.C
Resolution

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

RESOLUTION NO. MHFA 21-XXXX

RESOLUTION APPROVING SELECTION/COMMITMENT
BRIDGES AND BRIDGES REGIONAL TREATMENT CENTER (RTC)

WHEREAS, the Minnesota Housing Finance Agency (Agency) will execute new contracts with grantees to provide rental assistance across the state to prevent and end homelessness; and

WHEREAS, Agency staff have reviewed the applications and determined that they are in compliance with the Agency's rules, regulations and policies; that such grants are not otherwise available, wholly or in part, from private lenders or other agencies upon equivalent terms and conditions; and that the applications will assist in fulfilling the purpose of Minn. Stat. ch. 462A.

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby authorizes Agency staff to enter into Grant Contract Agreements using state and Agency resources outlined in this resolution, subject to changes allowable under Agency and Board policies:

1. Agency staff shall review and approve the following recommended Grantees for up to the total recommended amount for the grant period of July 1, 2021 through June 30, 2023; and

Applicant	2022-23 Award
BRIDGES	
Brainerd Housing and Redevelopment Authority	$ 148,824
Carver County Community Development Agency	$ 266,669
Cloquet Housing and Redevelopment Authority	$ 111,114
Dakota County Community Development Agency	$ 270,668
Douglas County Housing and Redevelopment Authority	$ 120,956
Housing and Redevelopment Authority of Bemidji	$ 118,930
Housing and Redevelopment Authority of Duluth	$ 507,072
Koochiching County Housing and Redevelopment Authority	$ 19,540
Kandiyohi County Housing and Redevelopment Authority	$ 181,776
Mental Health Resources Inc. (MHR)	$ 1,219,660
Moorhead Public Housing Agency	$ 301,440

Applicant	2022-23 Award
Owatonna Housing and Redevelopment Authority	$ 487,650
Olmstead County Housing and Redevelopment Authority	$ 220,538
Red Wing Housing and Redevelopment Authority	$ 206,784
Scott County Community Development Agency	$ 192,900
St. Cloud Housing and Redevelopment Authority	$ 523,920
Tri-Valley Opportunity Council, Inc.	$ 189,660
Washington County Community Development Agency	$ 502,570
BRIDGES RTC	
Mental Health Resources, Inc. (MHR)	$ 775,192
Carver County Community Development Agency	$ 59,319
Guild Incorporated	$ 204,377
Olmstead County Housing and Redevelopment Authority	$ 33,328
Scott County Community Development Agency	$ 60,096
St. Cloud Housing and Redevelopment Authority	$ 25,584
Southwestern Minnesota Adult Mental Health Consortium	$ 37,760
Total	**$ 6,786,327**

2. This approval is contingent on legislative approval of Bridges and Bridges RTC appropriations in sufficient amounts to fund the awards; and
3. The Bridges RTC awards are contingent on execution of an Interagency Agreement between Minnesota Housing and the Minnesota Department of Human Services (DHS) and transfer of Bridges RTC funds to the Agency; and
4. The issuance of Grant Contract Agreements in form and substance acceptable to Agency staff and the execution of the Grant Contract Agreements shall occur no later than six months from the adoption date of this Resolution; and
5. The sponsors and such other parties shall execute all such documents relating to said grant, as the Agency, in its sole discretion, deems necessary.

Adopted this 22nd day of April 2021

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CHAIRMAN

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MINNESOTA HOUSING

Board Agenda Item: 7.D
Date: 4/22/2021

Item: Approval, Revisions to the Housing Trust Fund Rental Assistance Program Guide

Staff Contact(s):
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Request Type:

☒ Approval
- ☒ Motion
- ☐ Resolution

☐ No Action Needed
- ☐ Discussion
- ☐ Information

Summary of Request:
Staff proposes revisions to the Housing Trust Fund Rental Assistance Program Guide

Fiscal Impact:
None

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

Attachment(s):
- Housing Trust Fund Rental Assistance Program Guide

Program Description:
The Housing Trust Fund (HTF) Rental Assistance program provides temporary rental assistance, housing related expenses such as application fees and security deposits, and access to supportive services for high priority homeless (HPH) families and individuals with incomes at or below 60% area median income limits (AMI), with most at or below 30% AMI at initial occupancy. HPH is defined as households prioritized for permanent supportive housing by the Coordinated Entry system. The rental assistance programs funded with HTF serve multiple populations, including households of color, households headed by single adults or youth, and persons with disabilities.

Summary:
HTF staff are preparing for the next biennium's request for proposals (RFP) and two-year grant contract period that will begin in October 2021 and extend through September 2023. The RFP is anticipated to be published within the next few weeks with selections recommendations brought to the board in July. The recommended HTF Program Guide changes will provide support to HTF providers, help create access to the program for underserved populations, and will help address issues of underutilization of program resources.

The HTF Program Guide content has been reorganized to align with both the Agency's program guide template format as well as specific rental assistance language found in the Bridges Rental Assistance Program Guide. These efforts have created significant revisions that make it difficult to read when reviewing the guide in the "track-change" format; however, below are the material or significant program policy and procedural changes recommended for the HTF Rental Assistance program, as outlined in the revised HTF Program Guide:

1. Update eligibility requirement for all participants to be high priority homeless (HPH) (Chapter 2.02):
    - In 2019, HTF shifted to require all participants to be HPH and referred through the local Continuum of Care Coordinated Entry system.

2. Increase administration fee for inflation; added definition of administrative responsibilities (Chapter 7.01):
    - The HTF administrative fee mirrors that of the Bridges program. The Bridges administrative fee research that was conducted included a review of federal program administrative fees and Bridges provider responses indicated administrative fees were low when compared to federal programs and should be increased, or at a minimum, adjusted for inflation.
    - The administrative fee range was increased in the HTF Program Guide to reflect the new dollar amounts. The HTF administrative fee has not increased since 2007. Minnesota Housing will approve administrative fees that range from $60 per household per month to $68 per household per month, up from $45 and $60 respectively. The administrative fee amount is based on the target number of

households, the amount of the grant, the geography of the Service Area, and other relevant criteria.

- Administrative duties were defined and the definitions were added to the HTF Program Guide as outlined in the Administrative Rules 4900.3767 Subpart 7: Responsibilities of Administrator

3. Allow virtual housing quality standards (HQS) inspections as an Inspections method option (Chapter 5.03):
    - As a result of the COVID-19 pandemic, HUD presented guidance allowing virtual inspections as a possible method to complete HQS inspections; Minnesota Housing followed this guidance allowing HTF administrators to complete the inspections virtually. Since initiating this new option, staff have received positive feedback from providers, gained confidence in the virtual inspection process and identified efficiencies.
    - Subject to the provisions outlined in Section 5.03, the proposed changes allow the Agency to continue offering this virtual option for initial, reinspection and annual inspections. For quick reference, the virtual inspection provisions are:

        Minnesota Housing allows up to 50% of all Assisted Units to use virtual HQS inspections except under the following circumstances:

        - *Properties built before 1978*
        - *Units owned or leased by landlords unfamiliar to the Administrator*
        - *Landlord, Participant, or other party requests a physical inspection*
        - *Landlord and/or Participant does not have the technology or resources to complete a virtual inspection*

        NOTE: *Re-inspections of failed items can be completed either as a physical or virtual inspection regardless of the method used in the first inspection. Re-inspections would not count toward the 50% limit on virtual inspections.*

        Virtual inspections must be completed using the same HQS forms, procedures, and standards as physical inspections. Special safeguards may need to be taken to protect Participant information.

4. Temporary expansion of housing related expenses (Chapter 5.07):
    - Housing related expenses such as security deposits, damage claims and vacancy payments, application fees, and utility connection fees are already eligible activities under HTF.
    - To support enhanced utilization of program resources, staff proposes to expand the following housing related expenses through the next grant term:

- Increased allowance for double security deposits when required by landlords
- Increased allowance for payment of up to three application fees
- Expanded allowance for payment of background checks
- Expanded allowance for payment of past due utilities

5. Offer second round of housing navigation funding through a competitive process (Chapter 5.07):
   - Housing navigation funds were offered as a one-time opportunity in the last RFP to enhance utilization and increase housing access for HTF participants. The funds are to be used in conjunction with HTF rental assistance programs.
   - Staffing to help the HPH household navigate the housing search process provides the extra support households may need to secure housing, particularly those with significant challenges or barriers.
   - Eligible uses include:
     - Utilizing housing search engines to locate opportunities
     - Assisting households in completing housing applications
     - Assisting household in obtaining application fees, if needed
     - Transporting the household to housing appointments
     - Assisting the household in communicating to a potential landlord any housing barriers
     - Providing tenant education on landlord and tenant rights and responsibilities
     - Expediting the move-in timeline when feasible, between the date of acceptance and lease signing

6. Administrative and procedural changes:
   - Decrease in the local payment standard affecting the subsidy amount (Chapter 6.03)
     - The HTF Administrative Rule sets the maximum subsidy limit to the local payment standard, established by the public housing authority or housing and redevelopment authority based on 90-110% HUD's Fair Market Rent, minus 30% of the household gross monthly income
     - Revise the practice so a decrease in the local payment standard does not affect the subsidy amount at the second annual recertification and instead allow the current HTF household to maintain their subsidy level as long as they remain in their current unit
   - Portability allowance only upon approval by Minnesota Housing on a case by case basis (Chapter 5.05)

    - Generally, the HTF subsidy is not portable outside of the service area unless the administrator notes safety concerns and can help ensure continuity of services.
- Enhanced requirements for subgrantee formal agreements (Chapter 2.01 and 8.01)
    - Indicate the estimated number of households to be served
    - Mirror contractual expectations regarding termination notice and competitive bidding process
- Added equity section (Chapter 2.03)
    - *An underlying strategy in Heading Home Together: Minnesota's Plan to Prevent and End Homelessness is to address the racial disparities that exist among Minnesotans experiencing homelessness. Minnesota Housing will prioritize housing stability efforts led by, and in consultation with Tribal Nation and communities most impacted by homelessness including Black and Indigenous Minnesotans and Minnesotans of color. Applicants are strongly encouraged to have human-centered and equitable approach in the strategies they use to serve disparately impacted communities and provide services that are responsive to the cultures, languages, and needs of those being served.*
- Added Office of Grants Management requirements (Chapter 7.05) including:
    - Annual progress report
    - Annual grantee meeting

Ongoing Discussion:
Throughout the next grant term, HTF administrators, stakeholders and Minnesota Housing staff will continue discussion and further evaluation related to the following areas:

- Administrator survey and research on administrative responsibilities and appropriate administrative compensation
- Continued research on HTF participants' housing cost burden that exceeds 30% gross monthly household income including Homework Starts with Home participants receiving rental assistance under HTF rules; exploring a potential request for waiver to the maximum subsidy limit
- Population-specific alternative referral systems

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Housing Trust Fund (HTF)
Rental Assistance Program Guide

April 2021

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Chapter 1 – Program Overview

1.01 Background

The Minnesota Legislature established the Housing Trust Fund (HTF) Rental Assistance Program in 1988 to support the development of affordable housing for low-income individuals and families. Revenue for the HTF Program is generated from the interest earnings on real estate broker's trust accounts as provided under Section 82.75, subdivision 8; money appropriated and transferred from other state appropriated funds; gifts, grants, and donations received from the United States, private foundations, and other sources.

In 2001, the Minnesota Legislature, at the request of the Minnesota Housing Finance Agency (Minnesota Housing), made substantial changes to the HTF Program, including the expansion of its funding activities. Since 2002, the HTF Program may be used for operating subsidy and rental assistance funding, in addition to the capital funding it has historically provided.

In 2005, the HTF Program rules were again modified to add a funding priority for developments and programs that serve Households Experiencing Long-Term Homelessness (LTH) in response to Heading Home Together: Minnesota's Plan to Prevent and End Homelessness.

In 2019, the HTF Program shifted to require all Participants to be High Priority Homeless (HPH) who are assessed as needing Permanent Supportive Housing (PSH) and referred through their local Continuum of Care (CoC) Coordinated Entry (CE) system.

The HTF Program funds three general types of activities:

- Capital funding: Construction and permanent financing for rental housing
- Operating subsidy: Minnesota Housing may provide an operating subsidy for rental housing for which Minnesota Housing has provided capital funding. The operating subsidy may be used for two cost categories:
  - Unique costs: For those unique costs associated with operating low-income rental or supportive housing including tenant service coordination, front desk, and security costs.
  - Revenue shortfall: To cover revenue shortfalls caused by differences between operating costs of the housing development and rents paid by eligible tenants.

  NOTE: There is currently no new funding available for operating subsidies.
- Rental assistance: Two available options:
  - Tenant-Based Rental Assistance: Rental subsidies for eligible housing of the Participant's choice within the Administrator's Service Area. Tenant-Based Rental Assistance cannot be committed to any specific development.
  - Sponsor-Based Rental Assistance: Rental subsidies in developments that also received capital funding through Minnesota Housing. Minnesota Housing is not currently offering new funding for Rental Assistance opportunities in capital funded developments.

1.02 Overview

The HTF Program is a state-funded rental assistance program administered by Minnesota Housing. Minnesota Housing contracts with eligible entities to provide Rental Assistance and connect services to eligible households.

The HTF Program provides a temporary housing subsidy to HPH households who are referred through the local CE system. HPH households served through the HTF Program must have Gross Annual Household Income at or below 30% area median income (AMI) at the time of initial eligibility.

Per statute, an eligible Participant may have a Gross Annual Household Income, at the time of initial eligibility, up to 60% AMI adjusted for household size with priority to serve those at 30% AMI. Minnesota Housing has further restricted the HTF Program eligibility to meet the local HPH criteria.

HTF Program funds may be used to provide rent directly to a landlord, as well as security deposits, application fees and other fees necessary to obtain owner participation or to prevent repeat episodes of homelessness.

Participants do not have to be eligible for the Housing Choice Voucher Section 8 (HCV) program to be eligible for Rental Assistance funded by the HTF Program.

This HTF Program Guide outlines the requirements of the HTF Program. Administrators are responsible for creating and maintaining their Local Program policies and procedures using this HTF Program Guide as a basis for their development.

1.03 Governing Statute and Administrative Rules

The HTF Program provides Rental Assistance in accordance with Minnesota legislation that authorizes and appropriates funds under provision of Minnesota Statute Section 462A.201 and following Minnesota Administrative Rules 4900.3760 - 4900.3769.

Chapter 2 – Basic Program Requirements

2.01 Eligible Entities

To be eligible to apply to administer rental assistance funding under the HTF Program, an entity must be any of the following:

- A nonprofit organization, as defined in Minnesota Statutes, section 462A.03, subdivision 22
- A for-profit organization
- A limited dividend entity, as defined in Minnesota Rules, part 4900.0010, subpart 14
- A cooperative housing corporation, as defined in Minnesota Rules, part 4900.0010, subpart 8
- A city, as defined in Minnesota Statutes, section 462A.03, subdivision 21
- A joint powers board established by two or more cities
- A public housing agency
- An Indian tribe or tribal housing corporation
- A natural person

Entities must demonstrate experience and ability in the administration of housing assistance payments or experience in housing management or must contract with an organization with experience and ability in the administration of housing assistance.

Subgrantees

Administrators may partner with subgrantees such as other Administrators, a qualified nonprofit, or a tribal nation to administer the HTF Program and serve Participants in the region. If a subgrantee arrangement exists, Administrators are expected to enter into formal agreements with subgrantees and impose, at a minimum, the same expectations that Minnesota Housing requires of Administrators. The formal agreement should outline how the activities described in the Administrator's Program Summary will be performed on the local level. The formal agreement must remain in effect during the term of the Grant Contract Agreement; any changes must be communicated to Minnesota Housing at least 60 days prior to the change. In addition, Administrators should help ensure that communication received from Minnesota Housing is relayed to subgrantees.

Partnering Service Provider

The Administrator, if not the primary service provider, is required to enter into an MOU or other formal agreement with Partnering Service Provider(s) to make services available to Participants. The MOU between the Administrator and their Partnering Service Provider(s) should outline how the activities described in the Administrator's Program Summary will be performed on the local level and include an estimated number of households to be served. An MOU ensuring service provisions must remain in effect during the term of the Grant Contract Agreement. Any changes in the MOU must be communicated to Minnesota Housing at least 60 days prior to the change.

2.02 Eligible Recipients of Funds

The HTF Program provides temporary Rental Assistance to:

- All households must meet HPH eligibility criteria as established by the local CoC. Persons verified as meeting Long-Term Homeless (LTH) eligibility criteria are considered to meet HPH criteria.
- People and families whose Gross Annual Household Income, at the time of initial eligibility, is at or below 30% AMI for the household size.
- Per statute, an eligible Participant may have a Gross Annual Household Income, at the time of initial eligibility, up to 60% AMI adjusted for household size with priority to serve those at 30% AMI. Minnesota Housing has further restricted the HTF Program eligibility to meet the local HPH criteria.

Administrators can propose deeper income or population targets in their applications as approved by Minnesota Housing in accordance with HTF Program requirements. Participants do not have to be eligible for the HCV program in order to be eligible for Rental Assistance funded by the HTF Program.

2.03 Equity

An underlying strategy in Heading Home Together: Minnesota's Plan to Prevent and End Homelessness is to address the racial disparities that exist among Minnesotans experiencing homelessness. Minnesota Housing will prioritize housing stability efforts led by, and in consultation with Tribal Nation and communities most impacted by homelessness including Black and Indigenous Minnesotans, and Minnesotans of color. Applicants are strongly encouraged to have human-centered and equitable approach in the strategies they use to serve disparately impacted communities and provide services that are responsive to the cultures, languages, and needs of those being served.

2.04 Eligible Uses of Funds

HTF Program funds may be used to provide any of the following:

- Tenant-Based Rental Assistance
- Sponsor-Based Rental Assistance
- Administrative Fee to Administrators of Tenant-Based and Sponsor-Based Rental Assistance
- Security deposits, damage claims, and/or vacancy payments
- Application fees
- Utility connection fees
- Other fees, as approved by Minnesota Housing necessary to obtain landlord participation or to prevent repeat episodes of homelessness

2.05 Service Area

An Administrator of an HTF Program will operate in the geographic area indicated in its Grant Contract Agreement. The geographic area is known as the Service Area. Minnesota Housing must approve in writing any change in the Service Area designation.

2.06 Funding Cycles

Funding for the HTF Program will be allocated through a Request for Proposals (RFP) process. All current Administrators and interested eligible parties are encouraged to apply for HTF Program funds.

Administrators with a current Grant Contract Agreement may be considered for funding based on the results of performance reviews, need, and utilization. New applications may be solicited, with preference given to Administrators proposing to meet state or local needs as established through the CoC CE system. New applicants will be assessed on experience, need and capacity to administer grant funds. Grant terms are typically two years.

The scoring methodology is designed to incentivize Administrators to be high performing entities that strive to:

- Identify and serve the HPH populations as identified through the regional CoC CE system
- Improve program design and procedures to efficiently serve the region identified in the Grant Contract Agreement
- Develop staffing models and practices that create access for homeless and diverse populations who have high barriers to housing
- Create collaborative partnerships that promote the best possible service outcomes for Participants
- Track outcomes to show improved HTF Program practices

Chapter 3 – Services

3.01 Services Expectations

The HTF Program has the expectation that Rental Assistance is provided in partnership with supportive services to promote housing stability. Because the Rental Assistance is temporary, Administrators are required to design their programs with transition goals in mind. Such program designs should focus on providing services necessary to assist the household in transitioning from the Rental Assistance. This can be accomplished by assisting Participants in increasing their incomes or locating an alternative source of assistance. Transition goals must be established at admission and reviewed at least annually, and documentation of the review(s) must be kept in the household's housing file. Expectations include the following:

- A memorandum of understanding (MOU) or other formal agreement and ongoing communication is required if the Administrator is not the primary service provider.
- Sufficient staffing and funding to implement the proposed services
- The Administrator has a clear plan to:
  - Assist Participants to locate and access housing
  - Help Participants maintain their housing
  - Engage Participants in services they may need to maintain housing stability
  - Assist Participants to successfully transition from Rental Assistance, including the creation of a transition plan and ongoing assessment

An Administrator cannot terminate a Participant solely for not completing or complying with their service or transition plan goals.

3.02 Preliminary Practice Model

In 2018, several state agencies and the Heading Home Minnesota Funders Collaborative identified key elements of a preliminary practice model. The components described below are recommended practices:

Equity focus. Because homelessness impacts specific groups of people at disproportionate rates (e.g., Indigenous, Blacks, People of Color, LGBTQI persons), effective responses must be attuned to the populations at greatest risk for homelessness. While these populations vary across communities, identifying specific strategies to help ensure that interventions for homelessness are representative of the populations being served and responsive to the specific needs of those populations is critical.

"Nothing about us without us." Persons experiencing housing crises or homelessness have lived experience of how and where support systems are most effective and where they fail. Helping ensure that this expertise informs and guides community responses to homelessness can increase the likelihood of deploying resources effectively, create shared ownership of solutions, and leverage the resilience of people who have experienced homelessness. For this to occur, persons

with lived experience of homelessness must have meaningful ways to participate in shaping and implementing a community's response to homelessness.

Early identification and trauma-informed responses. Early identification of housing instability coupled with an affirmative response to those housing challenges can mitigate trauma that could otherwise occur. Often, implementing an effective response will require partnerships among entities that allow data sharing and deploy crisis-oriented resources to respond quickly to the specific circumstances of each household. Given the traumatic nature of homelessness itself and the trauma that often precedes homelessness, these responses themselves must be trauma-informed and help support households in their recovery from trauma.

Two-generational approaches. Two-generational (2-Gen) or whole-family approaches recognize that impacting outcomes for children require supporting their parents, and vice versa. While many specific programs or funding streams focus on children or adults, 2-Gen approaches encourage looking at families holistically, focusing on outcomes that impact whole families, and whenever possible, combining programs and resources so that effective whole-family solutions are possible. 2-Gen approaches may include a mindset (e.g., considering parents and their children, not just one or the other), specific strategies (e.g., programs designed to support parents and children together), or systems-level organization (e.g., organizing services so that parents and children receive support simultaneously).

Progressive Engagement. A progressive engagement approach provides a structured way for services to be tailored dynamically to the specific and changing needs of each household experiencing homelessness so that people receive the support that they need. At a systems level, this approach also helps ensure that resources are available to help support the greatest number of people possible. A progressive engagement approach involves assessing initial needs and providing modest support responsive to those needs. If that is sufficient to help the household stabilize, those supports can be continued or weaned as ongoing needs dictate. If initial supports are not sufficient, a progressive engagement approach identifies paths for increasing or diversifying the supports available. This process continues iteratively as long as needed until the household achieves stability.

Housing First orientation Access to permanent housing is the fundamental solution to homelessness. A Housing First approach honors this fact by reducing barriers to accessing housing so that housing itself can serve as a platform for addressing any other challenges that someone experiencing homelessness may face. This approach is contrasted with a "housing readiness" approach that defines preconditions (e.g., sobriety, income, compliance with services) prior to receiving support to access permanent housing. In addition, client choice in housing selection and supportive services is an important factor of the Housing First philosophy.

Leveraging mainstream resources. Resources specifically intended to serve people experiencing homelessness provide important tools in effective community responses to homelessness, but they are small compared to mainstream programs serving low-income or vulnerable populations. Mainstream programs may include health programs, housing voucher or public housing programs, economic assistance, employment and training programs, or other social services designed to help people obtain stability or improve well-being. While these programs are typically not focused

specifically on people experiencing homelessness, their impact for people experiencing homelessness can be significant, particularly if they implement strategies to make these programs accessible and responsive to people experiencing homelessness. Given the way that funding streams, outcomes, and lines of accountability are structured, linking mainstream programs to responses to homelessness often does not occur "naturally," but instead requires deliberate action.

Continuous improvement. Adapting and implementing effective solutions to homelessness requires ongoing refinement and attention to evolving needs and opportunities. Rather than expecting that a proposed intervention is complete or optimal as it was initially designed, a continuous improvement approach recognizes that ongoing participation from all stakeholders to identify successes, areas for improvement, and unanticipated needs will result in a stronger and more resilient long-term implementation.

Chapter 4 – Intake, Income, and Rent

4.01 Referrals

All referrals for the HTF Program are expected to come through the local CoC CE. CE provides the opportunity for people to more easily access appropriate housing and services. CE, which includes maintaining a centralized waiting list, allows communities to prioritize households with the highest need for Rental Assistance and support services.

Administrators must notify the CoC CE contact whenever Rental Assistance from the HTF Program is available, and they must agree to accept referrals to the HTF Program for eligibility screening. The exact referral process is determined by the local CoC and participating providers.

4.02 Appeals Process

If the Administrator determines that the household is not eligible, the Administrator must promptly notify the applicant in writing. The notice must:

- Set forth the reason for the ineligibility; and
- Provide notice that the household has fourteen days to respond in writing to request an informal hearing to discuss the decision.

If the household appeals the decision, the Administrator must provide a written final decision within five business days of the response or meeting.

4.03 Calculating Gross Annual Household Income

Determination of Household Income. The Administrator must determine the income eligibility of Participants prior to the approval of Rental Assistance and entering into Leasing forms. Eligibility for Rental Assistance is calculated based on Gross Annual Household Income. Gross Annual Household Income includes all income expected to be received in the next 12 months for all household members age 18 and over.

Gross Annual Household Income includes, but is not limited to:

- The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services
- Net income from operating a business or profession or from rental of real or personal property
- Interest and dividends
- The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and similar types of periodic payments
- Unemployment, disability, or workers' compensation or severance pay, and similar types of payments in lieu of income
- Public assistance payments

- Periodic allowances such as alimony, child support, gifts/contributions received from people not residing with the Participant
- Regular and/or special pay and allowances for a member of the armed services who is the head of household or the spouse of the head of household

Gross Annual Household Income does **not** include:

- Earned income of minors (age 17 and under)
- Income of live-in healthcare aides
- Casual, sporadic, or irregular gifts
- Amounts specifically for reimbursement of medical costs, including Medicaid spend-down
- Inheritances, one-time insurance payments, capital gains, settlements for personal losses or property losses, and similar lump sum amounts
- Educational grants or scholarships paid expressly for tuition, fees, books, or equipment (amounts not for these purposes are counted as income)
- Combat pay for a Participant head of household who is in the armed services
- Relocation payments made under the federal Uniform Relocation Act (URA)
- Foster care payments
- Value of allotments such as food stamps and fuel assistance
- Payments made for people participating in federal or state volunteer programs

4.04 Verification of Income and Assets

Administrators should attempt to use third-party verification first, with review of alternative documentation related to income and assets only if third-party verification cannot be obtained.

Verified information must be no more than 120 days old prior to the award of the Certificate of Participation – Statement of Participant Obligations or other documentation of eligibility for assistance. Income and assets to be verified are:

- Records of earned income:
  - Income tax return – state and/or federal (most recent)
  - Paycheck stubs
  - W-2 forms
- Records of other income:
  - Pensions and annuities – latest check stub from issuing organization
  - Social Security – current award letter
  - Unemployment compensation – determination letter or latest check stub
  - Supplemental Security Income (SSI) – award letter/most recent check stub

  - Minnesota Family Investment Program (MFIP) – award letter/most recent check stub
  - Workers' Compensation – determination letter, recent check stub
  - Child support – copy of court order
  - Alimony – copy of court order
  - Educational scholarships/stipends (federal Title IV grants are excluded) – award letter
  - Other public assistance – award letter
  - Income from assets – credit union/bank/savings and loan statements, etc.
- Assets to be evaluated include, but are not limited to:
  - Checking and savings accounts or Certificates of Deposit
  - Stocks and bonds
  - Mortgage note or property tax statement
  - Life insurance policy redemption or cash surrender value
  - Net equity in real property
  - Personal property held as an investment

4.05 Certificate of Participation – Statement of Participant Obligations

The Administrator will issue a Certificate of Participation – Statement of Participant Obligations to each eligible Participant when offered Rental Assistance from the HTF Program. This document certifies that the Participant is eligible for the HTF Program and outlines the criteria for an eligible Assisted Unit. The document also describes the process and required documents for obtaining the Rental Assistance as well as the Participant's obligations.

The Certificate of Participation – Statement of Participation allows the Participant 180 days to locate an eligible Assisted Unit and submit necessary documents to the Administrator. If a unit is not located within that timeframe, the Administrator has the discretion of extending the Certificate of Participation – Statement of Participant Obligations.

A signed Certificate of Participation – Statement of Participant Obligations is retained in the Participant file after it is issued at a briefing session where the program requirements are verbally explained to the Participant. The Administrator must inform the Participant during the briefing session that if they need additional time to locate an eligible Assisted Unit, they should contact the Administrator to request an extension of the certificate.

4.06 Unit Size (Occupancy Standards)

Unit Size. The Administrator may use the unit size (occupancy standard) established for the HCV program in the jurisdiction. The Administrator must maintain written policies and procedures governing the determination of unit size in its files.

Exceptions may be considered for unusual circumstances, fully documented in the Participant file, and approved in writing by Minnesota Housing. The bedroom size allocated to a Participant must count full-time household members, children expected to reside in the Assisted Unit, and any live-in attendant necessary to care for a household member living with a disability, regardless of age. The Administrator must count the child or children:

- Of a pregnant woman
- Being adopted
- Whose custody is being obtained
- In joint custody, as long as the child/children will live in the Assisted Unit at least 50% of the time
- Who are in the unit under foster care
- Who are temporarily absent due to placement in a foster home

4.07 Rent Limits

Rent Limits and Payment Standard Waivers. It is the Administrator's responsibility to determine that the Assisted Units are rent reasonable, which means that the total rent requested for the unit and utilities is reasonable given the average rate for other similar type units, market conditions, and any other unique contributing factors. In general, it is preferred that Gross Rents do not exceed the Payment Standard for the HCV jurisdiction in which the unit is located. Exception Payment Standard rents, if applicable for the jurisdiction, are allowable. The maximum Rental Assistance amount available is the difference between 30% of the household's Gross Annual Household Income and the local Payment Standard. The landlord may not charge more rent for units assisted with the ram Rental Assistance than for comparable unassisted units.

The Participant may wish to rent a unit that exceeds the Payment Standard. In this event, the Participant will be responsible for their designated portion as well as the difference between the Gross Rent and the area Payment Standard amount. Administrators must work collaboratively with the household to discuss the impact of the additional expense and determine if the rent is reasonable given their monthly budget. To document that rent reasonableness was considered and affordability was discussed with the household, the Administrator must complete the Minnesota Housing Payment Standard Waiver form and maintain it in the Participant's file.

4.08 Calculating Participant Rent

Amount of Rental Assistance. The maximum Rental Assistance available through the HTF Program is the difference between 30% of the Gross Monthly Household Income and the lesser of the Gross Rent (Contract Rent plus Utility Allowance) or area Payment Standard. The minimum Participant Rent is 30% of their Gross Monthly Household Income.

If zero income is claimed, the Participant must provide a signed Verification of Zero Income to the Administrator. The Administer may establish more frequent assessments until a source of income is established. It is important for the Administrator and Partnering Service Provider to collaborate in order to serve the target number of households by connecting households to eligible benefits and employment services.

Working within the guidelines on the maximum Rental Assistance, Administrators have flexibility to structure their programs to best serve their target population and maximize scarce resources. One example of differently structured programs includes subsidy cap programs in which the maximum Rental Assistance is based on the unit size. Program structures should be proposed at the time of application and are subject to Minnesota Housing approval. Administrators who wish to change the structure of their existing program should contact Minnesota Housing.

Administrators are required to keep a copy of each Rental Assistance calculation in the Participant's file. A Request for Payment Standard Waiver may be used, or the Administrator may create their own form, as long as it contains the same information.

Rental Assistance Calculation	$ Amount
Contract Rent	
Utility Allowance	
Gross Rent (Contract Rent plus Utility Allowance) • Cannot exceed local Payment Standard of $_____ for a ___ bedroom unit • If Gross Rent exceeds the local Payment Standard, check here to indicate that the Waiver from Payment Standard form is in Participant file	
30% of Gross Monthly Household Income • Gross Annual Household Income ÷ 12 x .30 • Round figure up if 50 cents or more, round down if 49 cents or less (whole numbers only)	
Rental Assistance • Enter the difference between **30% of Gross Monthly Household Income** and the lesser of the **Gross Rent** or the Payment Standard (Gross Rent cannot exceed the Payment Standard) OR • The program subsidy cap of _____, if applicable.	
Participant Rent • Equals the difference between the **Contract Rent** minus the **Rental Assistance**.	
Excess Utility Expense (Optional, per Administrator policy) • Excess Utility Expense results when 30% of Gross Monthly Household Income is less than the amount of the Utility Allowance. When this occurs, the Excess Utility Expense is the difference between 30% of the Gross Monthly Household Income and the Utility Allowance	

Rental Assistance Calculation	$ Amount
• If Gross Rent exceeds the local Payment Standard, the excess utility expense is limited to the difference between the Payment Standard adjustment and the excess utility expense • If Rental Assistance is capped by the Administrator, the maximum amount of excess utilities is the difference between the Rental Assistance and the cap. (If the Participant is receiving the full capped subsidy amount, they are not eligible for payment of excess utilities.) • Excess Utility Expense should be paid directly to the utility company, and payments must be made monthly, and not accrued. Presentation of a utility bill is not required. If the excess utility expense payment results in a credit balance, that is acceptable and can follow the Participant if they leave the HTF Program. The Administrator must keep records of payments to utilities made on a Participant's behalf.	

Chapter 5 – Leasing Process

5.01 Eligible Units

The following types of units that are eligible for Rental Assistance include:

- Units owned or substantially controlled by an Administrator, so long as:
  - All the units in the development are available for occupancy by the general public; and
  - The rents are market rate and are subsidized only with Rental Assistance.
- Manufactured homes, with Rental Assistance going only toward rental payments for the unit and/or the lot. Rental Assistance cannot be used for mortgage payments on manufactured homes.
- Housing Cooperatives, so long as Minnesota Housing reviews and approves each Participant receiving assistance.
- Units that were constructed with federal or state assistance such as Section 236 or Farmers Home Administration, so long as:
  - The rents approved for Participants are the market rate for the building; and
  - No other rental subsidy (i.e., rent based on 30% of income) is provided to the Participant.
- Rental Assistance cannot be provided for landlord-occupied units unless the Participant leases a portion of the unit, such as a basement, that contains a private entrance, private bath, and private kitchen.
- Rental Assistance cannot be used for mortgage payments.

5.02 Utility Allowance

Rental Assistance is calculated using the Utility Allowance schedule(s) for all Service Areas specified in the Grant Contract Agreement. A copy of the Utility Allowance schedule used for each Rental Assistance calculation must be kept in the Participant file.

5.03 Inspections – Housing Quality Standards

All units to be leased under the HTF Program must be inspected by the Administrator or a contracted housing professional qualified to perform Housing Quality Standards (HQS) inspections. (Qualifications may include training, certification, licensure, and/or experience including, but not limited to, HQS Certification, UPCS Certification, building code inspection, licensed contractor, licensed property manager, or other comparable training and/or experience, as approved by Minnesota Housing.) An inspection form approved by HUD must be used for reporting and kept in the Participant's file. Units must pass the inspection before the Administrator makes a Rental Assistance payment to the landlord on behalf of the Participant. If the local jurisdiction has a housing maintenance code and the unit is locally certified on a regular basis, the local certification satisfies the requirement of ensuring the unit provides safe, sanitary, and decent housing conditions. Exceptions may be considered for unusual circumstances, fully documented in the Participant file, and approved in writing by Minnesota Housing

In the event that the unit does not pass inspection on or by the date that the Rental Assistance is scheduled to begin, the HTF Program payment shall be prorated based on the date that the unit passes inspection. Administrators should determine the pro-rated figure by dividing the Rental Assistance by 30 days and then multiplying the daily Rental Assistance by the number of eligible days for payment.

Units must be inspected at least annually. The Administrator should schedule the inspection well in advance of the annual due date in order to allow time for repairs, if needed. A copy of all HQS or the local housing maintenance code inspections, including passes and fails, must be kept in the Participant's file.

Minnesota Housing allows up to 50% of all Assisted Units to use virtual HQS inspections annually except under the circumstances listed below:

- Properties built before 1978
- Units owned or leased by landlords unfamiliar to the Administrator
- Landlord, Participant, or other party requests a physical inspection
- Landlord and/or Participant does not have the technology or resources to complete a virtual inspection

NOTE: Re-inspections of failed items can be completed either as a physical or virtual inspection regardless of the method used in the first inspection. Re-inspections would not count toward the 50% limit on virtual inspections.

Virtual inspections must be completed using the same HQS forms, procedures, and standards as physical inspections. Special safeguards may need to be taken to protect Participant information.

5.04 Leasing Procedures

Initial Lease terms may range from thirty days to one year. Landlords may use their own Lease form; however, the landlord and the Participant must execute a Lease Addendum in the format required by Minnesota Housing. The Lease Addendum is designed to incorporate all required provisions for participating in the HTF Program. The landlord and the Administrator must execute a Rental Subsidy Contract, which provides for the payment of the Rental Assistance to the landlord by the Administrator. The Lease Addendum and the Rental Subsidy Contract can be found on the Minnesota Housing website. All documents relating to leasing shall be maintained in the Participant's file.

The typical leasing procedure is as follows:

- The Participant and Administrator work together to locate a suitable unit
- The Participant submits a signed request for Lease approval to the Administrator
- The Administrator conducts an HQS inspection or arranges for a qualified contracted housing professional to conduct the HQS inspection or the local housing maintenance code, as applicable.
- When the unit passes the HQS inspection or the local housing maintenance code, as applicable, the landlord/management company and the Participant sign the Lease and the Lease Addendum, and the landlord/management company and the Administrator sign the Rental Subsidy Contract

The Administrator should work with the Participant to secure housing as quickly as possible. If the Participant is unable to locate suitable housing within 180 days, the Administrator may seek approval from Minnesota Housing for a housing search extension.

5.05 Portability

Participants must lease a unit within the Service Area of the Administrator who is providing the Rental Assistance. The Rental Assistance is not portable outside of the Service Area unless approved in writing by Minnesota Housing in its sole discretion.

5.06 Amendment to the Lease Addendum/Extensions

Minnesota Housing requires the Lease Addendum to provide for a renewal of the Lease after its initial term. Renewals may be month-to-month or longer, up to a maximum of one year. At Lease renewal, the landlord/management company and the Participant may opt to sign the Amendment to the Lease Addendum, which is a shortened version of the Lease Addendum. All documents pertaining to the leasing process must be maintained in the Participant's file.

In case of income changes at annual or interim recertification, which result in a change to the Rental Assistance and Participant Rent, an Amendment to the Lease Addendum is not required, but verification and the calculation of the Rental Assistance must be retained in the Participant file. The Administrator must notify the landlord and the Participant, in writing, of the new amounts.

5.07 Housing Related Expenses

If the Administrator designated Housing Related Expenses in their budget with approval from Minnesota Housing and provisions in their administrative plan, they may utilize a portion of their HTF Program funds for Housing Related Expenses, which may include security deposits, application fees, utility connection fees, damage claims, vacancy payments, and other fees, as approved in writing by Minnesota Housing, that are necessary to obtain landlord participation or to prevent repeat episodes of homelessness. Administrators are responsible for communicating to Participants the funds available for Housing Related Expenses, how to access them, how frequently a Participant can access the funds, how award amounts are determined, if there is a limit, etc. The Administrator will be required to track and report to Minnesota Housing the amount and type of Housing Related Expenses paid on behalf of Participants.

Security Deposits.
If the Participant cannot afford to make a security deposit for the Assisted Unit and no other resource is available within a reasonable amount of time, the Administrator, upon request of the Participant, may pay the security deposit to the landlord using HTF Program funds. The security deposit may not be paid until after a unit passes inspection.

To enhance utilization, Minnesota Housing is temporarily supporting payment of double security deposits, which is allowable when required by landlords. If no other resource is readily available, double security deposits or payment of the second deposit will be payable through HTF Program funds without requesting approval by Minnesota Housing. (Note that payment of the last month's rent is not allowed.)

If the Participant leaves a unit and the unit has damages or unpaid rent and/or unpaid utilities, then the landlord retains all or part of the security deposit to pay for unpaid rent and/or unpaid utilities or damages to the unit or property. The landlord must provide documentation to the Administrator and Participant that the deposit, plus interest, was used to offset expenses.

Participants who are transferring to a new Assisted Unit may request assistance from the Administrator for a new security deposit, which may be permitted at the Administrator's discretion.

A Participant may keep all or part of the security deposit, plus interest, when any of the following apply. The Participant:

- Leaves a unit and the unit has no damages
- Leaves a unit and the unit has damages in an amount less than the security deposit
- Stays in a unit, leaves the HTF Program

Damage Claims and Vacancy Payments. An Administrator may pay a damage claim or vacancy payment on behalf of a Participant when:

- The documented damages were attributable to the Participant residing in the Assisted Unit and the damages exceed the security deposit that was collected by the owner at initial occupancy.
- The owner experiences a vacancy loss when a Participant leaves the unit without proper notification to re-rent the unit, and/or repairs for the damages incurred by the Participant prolong the ability of the landlord to re-rent the unit. Vacancy claims can be made for the respective unit, for a maximum of 30 days, when the vacancy expenses for the unit (not to exceed the cost of one month's rent) exceed the security deposit collected by the owner at initial occupancy.

Minnesota Housing's written approval is required prior to the Administrator disbursing funds for damage claims and vacancy payments. The Administrator shall require appropriate documentation from the landlord regarding the requested damage and/or vacancy claim and shall review such documentation for feasibility before submitting the request to Minnesota Housing. Minnesota Housing will review the documentation and notify the Administrator regarding approval. Approval may be for an amount that is less than requested. In addition, to claim documentation and reasonableness, Minnesota Housing will consider the impact on the program budget. Vacancy payments will not be approved by Minnesota Housing until the period of vacancy has ended. If the unit is re-leased for part of the month, a pro-rated payment may be approved.

Application Fees

To enhance utilization, Minnesota Housing is temporarily supporting an Administrator paying up to three application fees per adult in the household. Written approval is required for more than three application fees. Application fees can be reimbursed from HTF Program funds once the household has secured housing through the HTF Program.

Utility Connection Fees, Past due Utilities, etc.
An Administrator may pay a utility reconnection fee and/or other fees, as approved in writing by Minnesota Housing, that are necessary to obtain landlord participation or to prevent repeat episodes of homelessness. The Participant must have exhausted all other mainstream resources such as emergency assistance, energy assistance, and/or local service organizations that usually provide financial assistance for such activities.

To enhance utilization, Minnesota Housing is temporarily supporting households whose past due utilities accrued prior to admission to the HTF Program and the past due payments are a barrier to securing a unit. The HTF Program will pay utility arrearages, limited to one time per household and capped at a maximum of $1,000 per household. Amounts exceeding $1,000 should be submitted to Minnesota Housing for approval on a case-by-case basis. Activities to reduce the amount owed or find other resources to assist should continue. The household must be housed through the HTF Program for past due utility costs to be reimbursed from HTF Program funds.

Housing Navigation
To enhance utilization and increase housing access for Participants, Minnesota Housing is temporarily supporting the following housing navigation activities funded as a limited time opportunity through a competitive process for Tenant-Based Rent Assistance Administrators only. Eligible uses include:

- Utilizing housing search engines to locate opportunities
- Assisting households in completing housing applications
- Assisting household in obtaining application fees, if needed
- Transporting the household to housing appointments
- Assisting the household in communicating to a potential landlord any housing barriers
- Providing tenant education on landlord and tenant rights and responsibilities
- Expediting the move-in timeline when feasible, between the date of acceptance and Lease signing

5.08 Payment Terms

Rental Assistance payments will be made by the Administrator to the landlord on behalf of the Participants when all of the following payment terms have been met:

- The Participant leases a unit within HUD's published local Payment Standard, or if the rent exceeds these rates, a Payment Standard Waiver has been completed
- The Participant's unit has passed an HQS inspection or the local housing maintenance code, as applicable
- The landlord and the Administrator have signed and dated a Tenant-Based Subsidy Contract or Sponsor-Based Rental Subsidy Contract
- The Participant and landlord have signed and dated an approved Lease

The landlord may not charge more rent for Assisted Units than for comparable unassisted units. Rental Assistance payments on behalf of Participants meeting the above requirements for payment will continue until the Participant receives a permanent housing subsidy, becomes ineligible and is suspended or terminated from the HTF Program, voluntarily withdraws from the HTF Program, or the HTF Program terminates.

Chapter 6 – Changes During Tenancy

6.01 Interim Changes

All decreases in the Gross Monthly Household Income, regardless of the amount, must be verified and the changes implemented on the first day of the next month after the Administrator receives the information about the decrease (e.g., a verified decrease in income reported in June would result in a reduced Participant Rent on July 1). Written notice of the change in Participant Rent and the amount of the subsidy must also be provided to the Participant and landlord.

Changes related to increases to the Gross Monthly Household Income must be handled in compliance with the Administrator's written policies.

Participants who wish to add another adult to the Lease must inform both the Administrator and the landlord in advance. A Participant must be informed that they must seek the landlord's permission to add an additional adult to the Participant's Lease or they could be evicted. The landlord may deny permission of an additional adult, based on the landlord's usual Participant screening procedures. All income of the additional adult must be verified and added to the Gross Monthly Household Income. An Amendment to the Lease Addendum must be used when adding an additional adult to the lease.

The Participant should review the Lease for requirements regarding reporting additional minors. If a larger unit is needed, the Participant should notify the Administrator.

A new Lease and leasing forms are required if a Participant moves to a new unit. An HQS inspection or the local housing maintenance code, as applicable must be conducted on the new Assisted Unit before the Participant moves or payment from the HTF Program is made.

6.02 Annual Recertification

For Participants with an annual Lease, the recertification will coincide with the effective date of a new Lease. It is not necessary to verify income if the most recent interim change was done within the last 120 days. If the verification indicates that 30% of the Gross Monthly Household Income equals or exceeds the Contract Rent for the Assisted Unit for four consecutive months, then the Participant will be declared ineligible because the Participant Rent will be equal to the Contract Rent and no Rental Assistance is provided. Participants who are determined ineligible due to income must be notified in writing and given the option to request an informal hearing if they disagree with the findings.

For households receiving Rental Assistance from the HTF Program through Sponsor-Based Rental Assistance grants, and whose income at recertification is determined to be too high to be eligible to continue to receive the Rental Assistance, it is important to remember that households who are still in need of supportive services will retain their HPH eligibility or LTH eligibility at the property. The property should follow procedures outlined in the Supportive Housing Information and Resources document, Chapter 10, Section 10.2, "Rents for Supportive Housing Units without a Rent Subsidy".

6.03 Rent Changes

The landlord may increase the rent only upon the expiration of the Lease term and execution of a new or renewal Lease. A Participant's Contract Rent may not exceed contract rents paid by unassisted tenant at the same property.

If the local Payment Standard is increased during the term of the lease, the increased Payment Standard amount shall be used to calculate the monthly housing assistance for the household beginning at the effective date of the household's next annual recertification on or after the effective date of the increase in the Payment Standard amount.

If the amount of the Payment Standard is decreased during the term of the lease, the lower Payment Standard amount must be used to calculate the monthly Rental Assistance for any new households following the effective date of the decrease in the Payment Standard amount. The current Payment Standard will continue to be used for Participants that remain in their current unit. If they decide to move, the new Payment Standard policy will be applied.

6.04 Length of Rental Assistance

The HTF Program is designed to be temporary in nature. A Participant shall not receive Rental Assistance for longer than five consecutive years. This time limit does not apply to eligible Participants who have applied for federal rental assistance but have not been able to apply due to closed waiting lists or been accepted in such programs due to funding limitations, or who are ineligible for federal rental assistance.

An Administrator must not commit to provide Rental Assistance to an eligible Participant for amounts or terms in excess of funding allowable under the Grant Contract Agreement between the Administrator and Minnesota Housing.

Because of the temporary nature of the HTF Program, Administrators are required to design their programs with transition goals in mind. Such program designs should focus on providing services necessary to assist the household in transitioning from the HTF Program by assisting Participants in increasing their income or locating an alternative source of assistance or otherwise affordable housing that is not limited to a specific period. Transition goals must be reviewed at admission and at least annually, and documentation of the transition goal review(s) must be kept in the household's housing file. An Administrator cannot terminate a Participant solely for not completing or complying with their service or transition plan goals.

6.05 Absence from Unit

Absence from Unit: First 60 days

During an absence from the rental unit for medical or mental health treatment, hospitalization, or incarceration, the Rental Assistance may be paid for up to 60 days from the first day of the month following the Participant's notice to the Administrator of the expected absence. During this period, the Participant will be shown on the payment log as if they were active. The absence should be noted in the "Comments" portion of the log, and documented in the Participant's file, along with the notice of absence. The Participant will continue to be responsible for the Participant Rent during this time.

Absence from Unit: More than 60 days
If the absence is expected to be longer than 60 days, the Participant can give notice to vacate their unit or seek alternative resources to pay the subsidized portion of their rent for the remainder of their absence. If the Participant utilizes alternative resources to pay the subsidized portion of their rent after the first 60 days, and does not give up the unit, they will be in "Suspended" status on the payment log, which is allowed for up to four months. If at the end of the four-month suspension period the Participant is not yet in residence, they will be terminated from the HTF Program. Sixty days written notice should be given to the Participant prior to the last day of the second month of suspension that they will be terminated from the HTF Program, and a copy of this notice should be kept in the Participant's file.

6.06 Lease Termination

Participant Chooses to Move. When a Participant chooses to move, written notice must be given by the Participant to the landlord and the Administrator in accordance with the Lease. If the Participant intends to continue receiving Rental Assistance, they must additionally notify the Administrator at least 31 days before they intend to move. When the Participant locates a new unit, the Administrator must use the same procedures as described in the Leasing Process (Chapter 5 of this HTF Program Guide).

Unit Does Not Meet HQS. If at recertification the Administrator determines that the Assisted Unit is not in compliance with HQS or the local housing maintenance code, as applicable, the Administrator must give the landlord reasonable time to correct the deficiencies. The Administrator may retain the Rental Subsidy until the unit passes HQS or the local housing maintenance code, as applicable. If the landlord fails to comply in reasonable time, the Administrator must notify the landlord and the Participant in writing that subsidy payments will be suspended, and the Rental Subsidy Contract will be terminated. If the Participant wishes to continue receiving a Rental Assistance at a different location, they must notify the Administrator. When the Participant locates a new unit, the Administrator must use the same procedures as described in the Leasing Process (Chapter 5 of this HTF Program Guide).

Landlord Gives Participant Notice to Move. The landlord may give the Participant notice to move (not connected with an eviction) only if the Lease provisions permit such a notice. The landlord must notify the Administrator. The Participant may wish to locate to a new unit and continue to receive the Rental Assistance. When the Participant locates to a new unit, the Administrator must use the same procedures as described in the Leasing Process (Chapter 5 of this HTF Program Guide).

Landlord Issues an Eviction Notice to Participant. If the landlord issues an eviction notice, the requirements of the Lease and state and local laws must be followed, which may permit the landlord to evict the Participant for one or all of the following:

- Serious and repeated Lease violations
- Violations of federal, state, or local law(s) in connection with the occupancy or use of the Assisted Unit and surrounding premises
- Other good cause

The landlord must send a copy of the eviction notice to the Administrator at the same time it is served to the Participant. The Participant may remain eligible, at the Administrator's discretion, to participate

in the HTF program, subject to the provisions of Section 5.04 of this HTF Program Guide and may seek other housing. When the Participant locates a new unit, the Administrator must use the same procedures as described in the Leasing Process (Chapter 5 of this HTF Program Guide).

6.07 Termination of Participant Eligibility

Required Termination. The Administrator must terminate Rental Assistance to a Participant when 30% of the Gross Monthly Household Income for four consecutive months equals or exceeds the Gross Rent.

For Participants receiving Rental Assistance from the HTF Program through Sponsor-Based Rental Assistance grants, and whose income at recertification is determined to be too high to be eligible to continue to receive the Rental Assistance, it is important to remember that households who are still in need of supportive services will retain their HPH eligibility or LTH eligibility at the property. The property should follow procedures outlined in the Supportive Housing Information and Resources document, Chapter 10, Section 10.2, **"**Rents for Supportive Housing Units without a Rent Subsidy".

Optional Termination.

- An Administrator may terminate a Participant's Rental Assistance if the Participant is evicted by its landlord for (1) serious or repeated violations of terms and conditions of its Lease or (2) violation of any federal, state, or local law(s) that imposes obligation on the household in connection with occupancy or use of the unit in which the household resides.
- An Administrator may terminate a Participant's Rental Assistance if the Participant fails to cooperate with the annual recertification process, including a property inspection. The Administrator may terminate Rental Assistance to a household if the Administrator does not receive future funding from Minnesota Housing under the HTF Program.

Other Reasons for Termination.

- Participant Chooses to Move: If a Participant chooses to move; written notice must be given to the landlord and the Administrator in accordance with the Lease. If the new rental unit is still in the Administrator's Service Area and the Participant is still eligible for the HTF Program, the Administrator must use the leasing procedures described in this guide to qualify the new rental unit. If the new rental unit is not in the Administrator's Service Area, the Administrator may terminate the Participant's Rental Assistance. Such practice must be outlined in the Administrator's policies and procedures.
- Unit Does Not Meet HQS: If at recertification the Administrator determines that the unit is not in compliance with HQS or the local housing maintenance code, as applicable, the landlord must be given a reasonable time (generally 30 days) to correct the deficiencies. The Administrator may put the Rental Assistance on hold until the unit meets HQS or the local housing maintenance code, as applicable. If the landlord fails to comply in a reasonable time, the Administrator must notify the landlord and the Participant that Rental Assistance will be suspended, and the Rental Subsidy Contract terminated. If the Participant wishes to continue receiving Rental Assistance at a different location, the Administrator must use the leasing procedures described in this guide to qualify the new unit.

- Transition Plans and Other Local Program Requirements: The HTF Program is a temporary program and requires that an Administrator establish a plan(s) for transitioning Participants from Rental Assistance. The transition plans should be flexible in nature, possibly changing over time to meet the individual needs of the Participant. Administrators **cannot** terminate the Rental Assistance solely because a Participant fails to cooperate with the terms of their service plan. The Administrator can terminate and/or transition a Participant from Rental Assistance once the Participant has received Rental Assistance for the maximum time limit, based on the program's design. This time limit does not apply to eligible Participants who have applied for federal rental assistance but have not been accepted in such programs due to funding limitations, or who are ineligible for federal rental assistance. This time limit does not apply to eligible Participants who cannot apply for such programs because the application process is closed. The Administrator may wish to ask its legal counsel to review the addendum for compliance with Fair Housing laws and for more information on transition plans and other Local Program requirements.
- Threats and/or Acts of Violence: The HTF Program does not expect Administrators to tolerate threats and/or acts of violence from Participants. Administrators should establish and provide Participants with a written copy of their policies regarding threats and/or acts of violence. Contact Minnesota Housing at mhfa.rental-assistance@state.mn.us to discuss potential remedies, if such a situation should arise.

Notice of Termination for Participants.

- If an Administrator terminates a Participant's Rental Assistance because the Gross Annual Household Income at recertification exceeds the limits set forth above, the Administrator must provide written notice to both the household and the landlord that the Rental Assistance will end on the last day of the second month following the month in which the notice is given. A Participant shall be given an opportunity to meet with the Administrator and submit any information documenting that income did not exceed the limits and justifies continuing the Rental Assistance.
- If an Administrator gives notice to terminate a Participant's Rental Assistance because the Participant is being evicted, the Administrator must provide written notice to both the Participant and the landlord that the Rental Assistance will end on the last day of the month in which the Participant vacates the unit.
- If an Administrator gives notice to terminate a Participant's Rental Assistance because the Participant is not cooperating with the annual recertification process, which may include the annual HQS inspection, the Administrator shall submit written notice to the Participant and landlord that the Participant has 60 days to comply with recertification requirements. If the Participant does not comply with recertification requirements within 60 days, the Administrator shall submit written notice to the Participant and landlord that the Rental Assistance will end on the last day of the month in which the Participant receives the notice.
- If an Administrator gives notice to terminate a Participant's Rental Assistance for reasons outlined above, the Participant shall be given an opportunity to meet with the Administrator to determine if the conditions causing possible termination can be resolved and the Participant can continue receiving the Rental Assistance.

Chapter 7 – Administration Fee and Responsibilities

Administrators' responsibilities include activities such as marketing the program, establishing Participant selection criteria, communicating and coordinating work with the Partnering Service Provider to help ensure transition plan goals are being followed, determining Gross Annual Household Income , paying Rental Assistance to landlords on behalf of Participants, conducting property inspections, creating program forms in addition to Minnesota Housing provided forms, and complying with Minnesota Housing's reporting requirements.

7.01 Administrative Fee

Administrative Fee ranges from a minimum of $60 per household per month to a maximum of $68 per household per month.

The Percentage Rate Schedule. Minnesota Housing has developed a compensation schedule for the administration of the HTF Program. The Administrative Fee is partially based on the number of households that the Administrator is funded to serve. The percentage rate schedule is below:

# of Households Targeted in Grant	Maximum Percentage Available for Rental Assistance Administration
0 – 10	10%
11 – 25	9.5%
26 – 50	9.1%
51 – 100	8.8%
101 – 250	8.4%
251- 500	8%
501- 1000	7%
1001- 2000	6%

Compensation for Applicants/Administrators who Serve Large Geographic Areas. An additional $5 a month per household may be added onto the maximum eligible Administrative Fee to compensate for the additional time and travel expense associated in administering programs that cover a geographic Service Area of a 50-mile radius or larger.

The Flat Percentage. Administrators who offers a subsidy cap of $400 or less per month are eligible for a maximum Administrative Fee of up to 13% of the total funds received pursuant to the HTF Program.

With this Administrative Fee, the Administrator is required to provide the following activities:

- Recruit landlords
  - Landlord recruitment, including outreach to an organization's network of existing landlords

  - Attaining ongoing communication with landlords to engage, maintain a positive relationship with, and mitigate any issues that may arise
  - Keeping an active list of subsidized housing waiting list openings
- Recruit and determine eligibility of Participants
  - Conduct verification, interim (if/when necessary) and annual recertification of Participant income
- HQS inspection: Help ensure the quality of the Assisted Unit
- Create, implement, and assess Participant transition plans
  - Participant Communication: Provide sufficient notification in the case of Rental Assistance termination
- Payment/Accounting
  - Paying Rental Assistance directly to owners or management agents in a timely manner
  - Monthly invoicing to Minnesota Housing for Rental Assistance repayment
  - Financial management to include oversight of funding utilization
- Reporting/Records
  - Meet reporting requirements
  - Maintain and retain records

7.02 Payment Process

Administrator Monthly Draw Request. Minnesota Housing will reimburse Administrators for eligible monthly expenses directly related to the Rental Assistance and Housing Related Expenses involved in the administration of the HTF Program. To receive a payment, the Administrator is required to submit a completed Draw Request Form - Rental Assistance Payment Request Workbook. The payment request and log forms must be submitted monthly to Minnesota Housing. The Draw Request Form must describe the number of households that the Administrator served during the past month and the amount of Rental Assistance and Housing Related Expenses (and Administrative Fee, if applicable) associated with the assisted Participants during the past month. Any known adjustments for previous months should be included in the monthly Draw Request Form.

The Administrator must submit the Draw Request Form -Rental Assistance Request Workbook to Minnesota Housing using the Partner Login Secure Upload. Draw Request Forms should be submitted to Minnesota Housing no later than the fifteenth day of the month in which the Rental Assistance, Administrative Fee, and Housing Related Expenses are incurred.

Minnesota Housing will have 20 days to process the Draw Request Form. Administrators will be asked to correct incomplete or unsubstantiated data submitted. In most cases, complete and accurate Draw Request Forms will be processed, and Administrators will receive the payments in fewer than 20 days. Draw Request Forms will be processed in the order in which they are received and can be submitted prior to the fifteenth of the month. Forms and technical assistance resources are available on Minnesota Housing's Rental Assistance webpage.

Questions and concerns can be submitted via e-mail at MHFA.rental-assistance@state.mn.us. Emails should not contain specific household information such as names or addresses.

Required Documentation for Monthly Draw Request. The documentation required for each monthly payment includes a monthly Draw Request Form, monthly participation log for the applicable month, and eligibility and annual certification forms in the Participant file for every household experiencing activity such as a new admission, annual recertification, unit transfer, interim rent adjustment, or termination, etc., during the applicable reconciliation period. All other required forms and documents must also be maintained in the Participant's housing file.

Rental Assistance Payment to Landlords. The Administrator must ensure the timely payments of Rental Assistance funds to landlords on behalf of Participants. Payment must be made from the Administrator's accounts.

In the event of overpayment of Rental Assistance, all excess funds paid to the Administrator must be returned to Minnesota Housing prior to the closeout of the grant term.

7.03 Data Privacy, Data Entry, and Reporting

Data Privacy. In working with applicants and Participants, the Administrator and any subgrantees or Partnering Service Providers must comply with applicable data privacy laws and regulations, including the Minnesota Government Data Practices Act. The Minnesota Housing Government Data Practices Act Disclosure Statement is available online. This form must be completed at initial occupancy by each adult in the household and retained in the Participant's file. Additionally, the Administrator must use their own Release of Information (ROI) forms to share Participant information and complete income verification inquiries. Finally, any households entered into the Homeless Management Information System (HMIS) need to sign another required ROI form to allow their Participant data to be entered into HMIS. This form is available on the HMIS website.

All ROIs that are signed by the Participant must be kept in Administrator, subgrantee and/or Partnering Service Provider files, as applicable.

Homeless Management Information System (HMIS). The Administrator must agree that it will utilize HMIS on behalf of all assisted household(s). The Administrator must agree that it will cooperate in good faith with the HMIS Lead Agency, the Institute for Community Alliance (ICA), and any successors and/or assigns of the HMIS Lead Agency rights and responsibilities regarding the HMIS database to:

- Participate in and receive any training which the HMIS Lead Agency may require, from time to time, to become trained and maintain user license(s) for HMIS, and
- Satisfy other reasonable requirements which may be imposed by the HMIS Lead Agency and Minnesota Housing in connection with HMIS, and
- Request HMIS identified information from HPH or LTH households that it serves through the HTF Program, and
- Input such information into HMIS in a timely manner, and

- Run reports and test data for accuracy, as directed by the HMIS Lead Agency and Minnesota Housing, and
- Obtain any and all necessary disclosures, releases, and consents in connection with the HTF Program to permit Minnesota Housing to access information and receive periodic reports from the HMIS Lead Agency.

The Administrator may contract with their service provider and/or other entity to complete HMIS data entry requirements. Such an arrangement must be agreed upon in writing and the contract must be made available to Minnesota Housing. Additional information on HMIS is available at www.hmismn.org.

Reports. Semi-annual self-sufficiency matrix reports must be submitted to Minnesota Housing. All adults in each participating household must have a self-sufficiency matrix assessment for all LTH and HPH Participants served during the year at entry, interim assessments every six months, and an exit assessment when Participants leave the program

An annual progress report must be submitted to Minnesota Housing by the established due dates in the template Minnesota Housing provides. These reports will include actual program results compared to objectives outlined in each Grant Contract Agreement's Program Summary.

7.04 Applicant/Participant Records

Each Administrator will establish files for applicants and Participants. Minnesota Housing requires that these files contain copies of all applicant, Participant, and property related forms listed below. Many of the following forms are available on Minnesota Housing's website at https://www.mnhousing.gov/sites/multifamily/htf. Some of the following required documents do not have a specific form, as noted below, and Administrators are expected to provide documentation in a format that contains the required elements. Administrators are responsible for using the most current version of the required forms.

Required file documentation:

Form	Required – Specific Format	Required – Various Formats Accepted	Required Annually
HPH or LTH Verification	X		
Income and asset verification forms		X	X
Participant Rent and Rental Assistance calculation form for each income recertification		X	X
Certificate of Participation – Statement of Participant Obligations		X	
Participant letter of understanding		X	
Government Data Practices Act Disclosure Statement	X		

Form	Required – Specific Format	Required – Various Formats Accepted	Required Annually
(signed by all adults 18 or older on lease)			
Request for Payment Standard Waiver (if applicable)	X		
Request for Lease Approval	X		
Executed Lease (must be one to 12-month term) and Lease renewals		X	
Rental Subsidy Contract (Tenant-Based or Sponsor-Based)	X		X
Lease Addendum (Tenant-Based or Sponsor-Based)	X		X
Amendment to the Lease Addendum	X		
Housing Quality Standards Inspection Form	X		X
Housing Quality Standards Signature Page	X		X
Lead-based Paint Certification (if applicable)		X	
Annual Recertification Notice		X	X
Eligibility/ineligibility notices sent to applicants by Administrator or subgrantee/Partnering Service Provider		X	
Letters and notifications of outcome from informal hearings		X	
Document and correspondence concerning the Participant's application and participation in the HTF Program including evidence of communication regarding the transition plan		X	
Notice of Termination		X	

The main file for each applicant and Participant is kept by the Administrator. The Administrator may share any documentation that may be needed by subgrantee or Partnering Service Provider in carrying out its responsibilities to provide supportive services or rental administration, provided an ROI has been completed. Both the Administrator and the subgrantee or Partnering Service Provider need to retain a copy of the ROI in its permanent records. The sharing of information and documents must be outlined in the subgrantee contract or Partnering Service Provider MOU.

7.05 Monitoring and Evaluation

Minnesota Housing will conduct ongoing evaluations of the financial reports and Participant files submitted by the Administrator. If the grant award is over $250,000, annual monitoring will be required. If the grant award is less than that amount, monitoring will be required once during the biennium.

Minnesota Housing will review Participant files kept on site by the Administrator during site visits or through an audit of requested files. The review may contain the following components:

- Participant files:
  - Verification of income and eligibility
  - Calculation of Participant Rent
  - Payment Standards and Utility Allowance
  - Lease and contracts
  - Housing Quality Standards (HQS)
  - Additional information as required
- Financial records detailing:
  - Expenditures for Rental Assistance payments to landlords
  - Security deposits
  - Application fees
  - Utility connection fees
  - Other fees including vacancy payments, damage claims, and other fees approved by Minnesota Housing
  - Balance sheet and check register
- Memorandum of Understanding:
  - Partnership, roles, and communication
  - Management of capacity and funds
  - Administrator adherence to this HTF Program Guide
- Administrator Performance:
  - Timely submission of draw requests to Minnesota Housing
  - Management and effective utilization of HTF Program funds
  - Administrator's ability to link, coordinate, partner with, and/or provide appropriate services so Participants avoid future episodes of homelessness and successfully maintain stable housing
  - Administrator's ability to provide the necessary supports and referrals so that Participants exit from the program to permanent affordable housing, self-sufficiency, etc.
  - Administrator's timely and accurate data and outcome reported in HMIS
  - Administrator's participation in Administrator meetings
  - The extent to which Assisted Units are in compliance with HQS or the local housing maintenance code, as applicable
  - Fair and consistent application of the program administrative policies

- Maintenance of Participant files
- Consistent adherence to Administrator policies and procedures, which may include:
  - Tenant selection process
  - Transition plan goals
  - Annual income and interim re-certification processes
  - Unit inspection procedures
  - Security deposit policy
  - Termination process
  - Program application form
  - Participant letter of understanding form

State Monitoring of Administrators: Administrators and subgrantees are responsible for maintaining financial records that document the use of all HTF Program funds and that include all eligible payments. Administrators will be required to provide Minnesota Housing with a monitoring summary on the annual narrative report, which will include information on subgrantees. After completion of the grant term, Administrators and subgrantees are expected to maintain all records for a minimum of six years after the grant term has ended. In addition to program financial records, Participant records must also be maintained for a minimum of six years after the grant term has ended. In addition, Minnesota Housing reserves the right to review financial and client records during this period, and records must be made available upon request.

Administrator Monitoring of Subgrantees: Administrators are expected to monitor subgrantee activities as defined in the formal agreement. Subgrantees should not receive advanced payment; rather, they should be required to submit an invoice with supporting documentation for services and assistance prior to receiving reimbursement from Administrators. Administrators must determine that the Participants meet all eligibility requirements prior to the subgrantee providing assistance. Subgrantees that provide Rental Assistance calculations, verification of income and HQS inspections must submit results to Administrators before Administrators can request from Minnesota Housing a rental payment for the Participant. Any payments made in error to an unqualified Participant, or incorrectly calculated, will be the responsibility of the Administrator. Minnesota Housing is not responsible for reimbursement of ineligible, erroneous or incorrectly calculated payments made to subgrantees.

In addition, if subgrantees are responsible for maintaining Participant files, Administrators must, at a minimum, monitor these files annually to help ensure proper procedures are followed and documentation is collected (refer to Participant file requirements for details).

Administrators must communicate, in a timely manner, with Minnesota Housing staff any concerns that arise regarding the performance of a subgrantee, through monitoring or any other means. Minnesota Housing may recommend Administrators take further action such as providing additional monitoring or developing a performance improvement plan with subgrantees.

7.06 Financial Management/Records

The Administrator must establish one or more separate bank accounts (checking or savings) for HTF Program payments from Minnesota Housing. The Administrator may combine these funds with other funds in a consolidated account, provided that the Administrator's banking system can adequately segregate the various restricted funds within one account. Any interest earned on these funds may be retained locally and may be used in paying administrative expenses. Minnesota Housing will request financial information at least once during the biennium due to financial reconciliation requirements. The Administrator must maintain and make available records of payments to landlords.

7.07 Funding Reimbursement

Administrators will prepare and submit to Minnesota Housing monthly draw requests that detail actual expenditures and Participant information for the previous month. The required Draw Request Form is available on Minnesota Housing's website. The information collected on the Draw Request Form includes:

- Actual expenses incurred in the payment of rent and eligible Housing Related Expenses for the previous month
- A monthly Participant log for the previous month, which consists of information such as Participant name, unit address, move-in date, move-out date, Contract Rent, Participant Rent, Rental Assistance amount, and security deposit amount, if paid from HTF Program funds.

Minnesota Housing will use the monthly Draw Request Form data to determine the reimbursement amount to be sent to the Administrator. The Administrator should submit the request for funds to Minnesota Housing no later than the 15th of each month, unless other arrangements have been approved by Minnesota Housing. At the end of the Grant Contract Agreement, the Administrator must refund any excess HTF Program funds.

Chapter 8 – Termination of Administrators

8.01 Termination

Minnesota Housing may terminate an Administrator for failure to comply with any terms and obligations pursuant to the HTF Program.

Termination of Subgrantee or Partnering Service Provider

Expectations that Minnesota Housing requires of Administrators that are further extended to a subgrantee or Partnering Service Provider must have a fully executed MOU or formal agreement in effect during the term of the Grant Contract Agreement. If the Administrator's MOU or formal agreement with a subgrantee or Partnering Service Provider is terminated by either party, the Administrator must communicate this change to Minnesota Housing at least 60 days prior to the termination. Minnesota Housing will work with the Administrator to develop a plan to help ensure contractual and bidding requirements are being met.

8.02 Notification to Participants of Termination

If Minnesota Housing terminates an Administrator, the Administrator must give written notice to all applicable Participants and landlords that the Rental Assistance will end on the last day of the second month following the month in which the notice is given.

8.03 Notification to Participants of Lack of Funding

If Minnesota Housing does not approve an extension of funding for an Administrator, the Administrator must provide written notice to all applicable Participants and landlords that the Rental Assistance will end. This notice must be given no fewer than six months before the Rental Assistance will end.

Chapter 9 – 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 the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, as well as the Minnesota Human Rights Act. Housing providers are expected to comply with the applicable statutes, regulations, and related policy guidance. Housing providers should make sure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements.

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 terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- Engage in any conduct relating to the provision of housing that otherwise makes 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;
- 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 housing providers to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

Applicants will be required to submit an Affirmative Fair Housing Marketing Plan at the time of application, to update the plan regularly and to use affirmative fair housing marketing practices in soliciting renters, determining eligibility and concluding all transactions.

As a condition of funding through Minnesota Housing, housing providers are not permitted to refuse to lease a unit to, or discriminate against, a prospective resident solely because the prospective resident has a housing choice voucher or other form of tenant-based rental assistance.

Chapter 10 – Fraud, Misuse of Funds, Conflict of Interest, Suspension, and Disclosure and Reporting

10.01 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 ways described in section 10.05.

10.02 Misuse of Funds

A loan or grant agreement is a legal contract between Minnesota Housing and the borrower or grantee. 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 ways described in section 10.05.

10.03 Conflict of Interest

A conflict of interest, actual, potential, or perceived, 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 or perceived 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 the grant award is or 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 a grant 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, perceived or potential conflicts of interest through one of the ways described in section 10.05.

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

10.04 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. Refer to Minnesota Housing's website for a list of suspended individuals and organizations.

10.05 Disclosure and Reporting

Minnesota Housing promotes a "speak-up, see something, say something" culture whereby internal staff, external business partners (e.g., grantees, borrowers) and the general public are encouraged to report instances of fraud, misuse of funds, conflicts of interest, or other concerns without fear of retaliation. You may report wrongdoing or other concerns by contacting:

- Minnesota Housing's chief risk officer
- Any member of Minnesota Housing's Servant Leadership Team
- EthicsPoint, the Minnesota Housing hotline reporting service vendor

Appendix A: Terms

Administrative Fee: A fee paid to an Administrator by Minnesota Housing for administering its Local Program. The Administrator of a Tenant-Based or Sponsor-Based Rental Assistance program may be eligible to request a monthly Administrative Fee for each month in which an eligible household resides in a rental housing unit. Minnesota Housing approves the applicant's Administrative Fee, based on the applicant's proposed budget, not to exceed the Administrative Fee schedule listed in Chapter 7.

Administrator: An entity that has applied for and has been awarded funds from the HTF Program.

Assisted Unit: An eligible unit that is occupied by a Participant, who has executed an approved Lease with the landlord and is receiving Rental Assistance from the HTF Program.

Continuum of Care (CoC): A CoC is a local planning body that coordinates housing and services planning and funding for homeless families and individuals. A CoC plan is required to be eligible for HUD McKinney Vento Homeless Assistance funds.

Contract Rent: Total amount of rent listed on the Lease due monthly to landlord.

Coordinated Entry (CE): CE means a centralized or coordinated process for conducting a needs assessment and referrals to housing and services for people seeking housing assistance. A CE system is easily accessible in the geographic area of the CoC and includes a comprehensive and standardized assessment tool. The goal of CE is to match people to the most appropriate service(s) based on the person's needs and to prioritize households with the highest need.

Exception Payment Standard: Rent paid for a unit under the HUD HCV program that is higher than the Payment Standard and that is established by a public housing authority by requesting a waiver from HUD.

Excess Utility Expense: Excess Utility Expense is the difference between 30% of the Gross Monthly Household Income and the Utility Allowance. A Local Program may choose to establish policies in alignment with HTF Program criteria to cover this expense through HTF Program funds.

Grant Contract Agreement: The agreement between Minnesota Housing and the Administrator that governs the Administrator's use of the HTF Program funds.

Gross Annual Household Income: The total annual household income received by all household members age 18 and older from all sources, including but not limited to wages, salaries, tips, interest, dividends, self-employment, and subject to exclusions as approved by Minnesota Housing board members and available to applicants in writing.

Gross Monthly Household Income: The total household income received in a calendar month by all household members age 18 and older from all sources, including but not limited to wages, salaries, tips, interest, dividends, self-employment, and subject to exclusions as approved by Minnesota Housing board members and available to applicants in writing.

Gross Rent: The sum of the rent paid to the landlord for an eligible unit under the HTF Program by the Administrator, the Participant, and any other source, plus the Utilities for which the Participant is Responsible.

High Priority Homeless (HPH): Households prioritized for PSH by the CE system. All households served with HTF Program funds after October 1, 2019 should be HPH.

Homeless Management Information System (HMIS): Minnesota's HMIS is a local web-based information technology system used to collect client-level data and data on the provision of housing and services to individuals and families experiencing or at risk of homelessness.

HMIS Lead Agency: The HMIS Lead Agency is responsible for managing the HMIS for the geographic area, in accordance with the requirements prescribed by HUD. The Institute for Community Alliance (ICA) is the designated HMIS Lead Agency for the State of Minnesota.

Housing Choice Voucher Section 8 (HCV): The housing assistance programs created by and administered in accordance with Section 8 of the United States Housing Act of 1937, as amended.

Housing First: A homeless assistance approach that prioritizes providing permanent housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life.

Housing Quality Standards (HQS): The HQS adopted by HUD in its regulations, which are set forth at 24 CFR § 982.401.The HTF Program requires eligible units to pass HQS inspection or the local housing maintenance code.

Housing Related Expenses: Housing Related Expenses may include security deposits, application fees, utility connection fees, damage claims, vacancy payments, and other fees, as approved in writing by Minnesota Housing, that are necessary to obtain landlord participation or to prevent repeat episodes of homelessness.

HTF Program: Minnesota Housing's Housing Trust Fund Rental Assistance Program.

HUD: The United States Department of Housing and Urban Development.

Lease: A written agreement between a landlord and a Participant for the lease of a particular housing unit.

Lease Addendum: Minnesota Housing requires the landlord and Participant to enter into a lease addendum provided on Minnesota Housing's format. The lease addendum is available on Minnesota Housing's website at http://www.mnhousing.gov/get/MHFA_006233.

Local Program: The Rental Assistance program established by each Administrator for its Service Area and approved by Minnesota Housing.

Long-Term Homeless (LTH): Households experiencing Long-Term Homelessness (LTH) means individuals, unaccompanied youth, or families with children who lack a permanent place to live continuously for a year or more or at least four times in the past three years. Any period of institutionalization or incarceration must be excluded from the determination of the duration of homelessness. NOTE: This definition does not require that the person have a disabling condition.

Memorandum of Understanding (MOU): The MOU is an agreement that is used when multiple entities partner to deliver the essential components of supportive housing. The MOU promotes a mutual understanding between the sponsor/owner, management agent and partnering service provider. The MOU outlines roles and responsibilities, scope of services and the purpose of the development. An MOU is required between entities if the Administrator is not also the service provider.

Minnesota Housing: The Minnesota Housing Finance Agency.

Participant: A person who eligible to participate in the HTF Program.

Participant Rent: A portion (30% unless the Minnesota Housing Payment Standard Waiver form is completed) of the rent payable by the Participant to the landlord.

Partnering Service Provider: If the Administrator is not the primary service provider, the Administrator must enter into an MOU or other formal agreement with Partnering Service Provider(s) to make services available to participating households as described in the Administrator's Program Summary.

Payment Standard: The maximum monthly rent paid for a unit under the HUD HCV program. Public housing authorities establish Payment Standard amounts by unit size between 90% and 110% of the Fair Market Rents (FMRs) published annually by HUD.

Permanent Supportive Housing (PSH): Permanent rental housing affordable to the population served where supportive services are available to participants. PSH is available to individuals and families with multiple barriers to obtaining and maintaining housing, including those who are homeless and those with mental illness, substance abuse disorders, and other disabilities.

Program Summary: A summary of the Local Program included as an exhibit in the Tenant-Based or Sponsor-Based Rental Assistance Grant Contract Agreement.

Project-Based Rental Assistance: Rental Assistance provided for a household that resides in a specific housing development owned by the Administrator of the Project-Based Rental Assistance. Minnesota Housing is not currently funding Project-Based rental assistance through the HTF Program.

Release of Information (ROI): Administrator-created form signed by the Participant to allow sharing of the Participant's personal information.

Rental Assistance: A portion of the Gross Rent paid to a landlord on behalf of a Participant by Minnesota Housing under the HTF Program.

Service Area: The geographic area in which an Administrator will operate its HTF Program.

Sponsor-Based Rental Assistance: Rental Assistance provided for an individual household through a sponsor organization that owns or leases rental housing units in various or single site location(s) or that has contracts with property owners to make the rental housing units available to eligible households. Minnesota Housing is not currently funding new Sponsor-Based Rental Assistance through the HTF Program.

Tenant-Based Rental Assistance: Rental Assistance provided for an individual household that chooses its own rental housing unit from a landlord willing to participate in the HTF Program.

Utilities for which the Participant is Responsible: One or more of the following utilities, as specifically provided for in the Lease between the landlord and a Participant: water, sewer, gas, and/or electric.

Utility Allowance: Utility costs for the area (and in the case of partial utilities, compute cost for utilities excluded from the rent), computed by using the Utility Allowance schedule provided by the Administrator in accordance with HUD-52667, Allowance for Participant Furnished Utilities and Other Services.

MINNESOTA HOUSING

Board Agenda Item: 7.E
Date: 4/22/2021

Item: Approval, Modification to Housing Trust Fund (HTF) and Bridges and Bridges Regional Treatment Center (RTC) Rental Assistance Programs COVID-19 Remote Inspections Procedure

Staff Contact(s):
Ellie Miller, 651.215.6236, ellie.miller@state.mn.us

Request Type:

☒ Approval
☒ Motion
☐ Resolution

☐ No Action Needed
☐ Discussion
☐ Information

Summary of Request:
Staff requests approval to modify the COVID-19 remote inspections procedure outlined in the April 23, 2020 board report for the Bridges and Bridges RTC and Housing Trust Fund (HTF) rental assistance programs to allow staff to waive the requirement that the units be subject to retroactive physical inspections after the end of the peacetime emergency.

Fiscal Impact:
N/A

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

Attachment(s):
N/A

Background:

The HTF program authorized under Minnesota Statute Section 462a.201 requires that "rental assistance may only be used for rental housing units that meet the housing maintenance code of the local unit of government in which the unit is located, if such a code has been adopted, or the housing quality standards adopted by the United States Department of Housing and Urban Development, if no local housing maintenance code has been adopted." The Bridges and Bridges Regional Treatment Center (RTC) Rental Assistance program incorporates the same housing quality standard.

In response to the COVID-19 pandemic, the board approved a revision to Section 5.03 of the HTF Program Guide in April 2020 that allowed local administrators to request exceptions to the HTF initial unit inspection process. This exception process was already included in the Bridges and Bridges RTC Program Guide, thus a revision to that Program Guide was not necessary. This revision was approved so that local administrators could maintain compliance with applicable statutes, continue to assist homeless households in securing housing, and be responsive to the administrators' and participants' health and safety needs with respect to the COVID-19 pandemic. For quick reference, this is the language that was added to Section 5.03 of the HTF Program Guide in April 2020 related to the initial unit inspection process:

> *Exceptions may be considered for unusual circumstances, fully documented in the Participant file, and approved in writing by Minnesota Housing, so long as Minnesota Housing has adequate assurances that the unit satisfies HQS[1] or the applicable local standard.*

This revision introduced flexibility for local administrators without removing the requirement for units to meet applicable HQS requirements or the local housing maintenance code. The following inspection procedure was also included in the April 2020 board report to help clarify how this exception process would be operationalized during the COVID-19 peacetime emergency for HTF and Bridges rental assistance programs:

- Submit a written request to Minnesota Housing for a waiver, demonstrating a hardship that prevents completion of the inspection prior to the household moving into the unit;
- Affirmative acknowledgement from the administrator and the landlord that the unit is required to meet the local housing maintenance code or HUD HQS standards;
- Submit documentation that provides Minnesota Housing adequate assurances that the unit currently meets the local housing maintenance code or HUD HQS standards; and
- Agree to complete a physical inspection within 30 days after the peacetime emergency ends. The inspection documentation must be provided to Minnesota Housing, and owners will have 30 days from the time of the inspection to cure violations, if any. If the unit does not meet all requirements at that time, rental assistance may be terminated.

Since the peacetime emergency went into effect, staff has approved exception requests for 195 new admission and unit transfer inspections. This number may continue to increase depending on the duration of the peacetime emergency and program utilization.

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[1] HQS are the housing quality standards adopted by the United States Department of Housing and Urban Development (HUD).

The fourth bullet of the procedure adopted in April 2020 requires that once the peacetime emergency expires, local administrators would return to these 195 units and physically inspect them, along with any other new admissions and unit transfers.

Virtual inspections and landlord self-certification were a temporary solution to continue to house people during the pandemic. New virtual inspection procedures have since been developed and were added to Section 4.04 of the Bridges and Bridges Regional Treatment Center Rental Guide at the February 2021 board meeting. Similar inspection procedures are proposed in Section 5.03 of the Housing Trust Fund Rental Assistance Program Guide in a separate action at the April 2021 board meeting. In lieu of requiring the physical inspection for all units after the peace time emergency ends as outlined in those temporary procedures, staff would utilize the new inspection procedures in the respective updated program guides.

To help confirm that housing deficiencies were not missed using this temporary process, staff will require local administrators to notify their participants of this amended procedure and provide households with the opportunity to request a physical inspection if they think housing deficiencies exist in their unit. This process helps provide the necessary safeguards and protections needed for participants in these programs and complies with the statutory requirements without adding additional burden to local administrators. After the peacetime emergency ends, new units will no longer be inspected using these temporary procedures

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MINNESOTA HOUSING

Board Agenda Item: 7.F
Date: 4/22/2021

Item: Adoption, Series Resolution Authorizing the Issuance and Sale of Homeownership Finance Bonds (HFB).

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

Request Type:

☒ Approval
- ☒ Motion
- ☒ Resolution

☐ No Action Needed
- ☐ Discussion
- ☐ Information

Summary of Request:
Agency staff is preparing to issue bonds for the acquisition of newly originated mortgage-backed securities comprised of mortgage loans from the Agency's homeownership program, as well as to refund certain existing debt issued under the HFB indenture. Kutak Rock LLP, the Agency's bond counsel, has prepared a resolution authorizing the terms of one or more bond issues, not-to-exceed $300 million and to be issued prior to the end of 2022. Bond Counsel and Agency staff have also prepared a Preliminary Official Statement for an offering of up to approximately $50 million in Homeownership Finance Bonds, 2021 Series B, which is anticipated to price and close in May of 2021; the attached Preliminary Official Statement describes the entire anticipated transaction.

Fiscal Impact:
Minnesota Housing earns a spread (generally more than 1%) between the rate on the mortgage loans/securities and the interest rate on the bonds used to finance the acquisition of those securities.

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

Attachment(s):
- Preliminary Official Statement
- Resolution

PRELIMINARY OFFICIAL STATEMENT DATED MAY __, 2021

NEW ISSUE

RATING: Moody's: "___"
(See "Rating" herein.)

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

MINNESOTA HOUSING

$50,000,000*
Minnesota Housing Finance Agency
Homeownership Finance Bonds, 2021 Series B (Taxable)
(Mortgage-Backed Securities Pass-Through Program)

Dated Date: Date of Delivery **Due: as shown below**

Tax Matters Interest on the 2021 Series B Bonds (the "Series Bonds") is includable in gross income for purposes of federal income taxation and is includable in the taxable net income of individuals, trusts and estates for state of Minnesota (the "State") income tax purposes. (For additional information, see "Tax Matters" herein.)

Redemption On each monthly interest payment date, a portion of the Series Bonds equal to principal received during the prior month on the 2021B Program Securities will be redeemed, without premium. On or after January 1, 2030* all or a portion of the Series Bonds may be redeemed at the option of the Agency prior to maturity, without premium. (See "The Series Bonds—Mandatory Redemption" and "—Optional Redemption" herein.)

Security Payment of principal and interest on the Series Bonds is secured, on an equal basis with payment of principal and interest on all Outstanding Bonds that the Agency has issued, and may subsequently issue, under the Bond Resolution, by the Agency's pledge of all Program Obligations, Investment Obligations, Revenues and other assets held under the Bond Resolution, except as otherwise expressly provided in the Bond Resolution. The Series Bonds are also general obligations of the Agency, payable out of any of its generally available moneys, assets or revenues. *The Agency has no taxing power. The State is not liable for the payment of the Series Bonds and the Series Bonds are not a debt of the State.* (See "Security for the Bonds" herein.)

Interest Payment Dates The first day of each month, commencing July 1, 2021* and, in respect of a Series Bond to be redeemed, the redemption date.

Denominations $1.00 or any multiple thereof.

Closing/Settlement May __, 2021* through the facilities of DTC in New York, New York.

Bond Counsel Kutak Rock LLP.

Underwriters' Counsel Cozen O'Connor.

Trustee Wells Fargo Bank, National Association, in Minneapolis, Minnesota.

Book-Entry-Only System The Depository Trust Company. (See Appendix D hereto.)

$_____* ___% 2021 Series B Bonds due June 1, 2051* at ___% (CUSIP _____)**

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

RBC Capital Markets

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

The date of this Official Statement is May __, 2021.

* Preliminary; subject to change.

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

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The issuer has deemed this Preliminary Official Statement final, as of its date, except for information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission.

Neither Minnesota Housing Finance Agency nor the Underwriters have authorized any dealer, broker, salesman or other person to give any information or representations, other than those contained in this Official Statement. Prospective investors must not rely on any other information or representations as being an offer to buy. No person may offer or sell Series Bonds in any jurisdiction in which it is unlawful for that person to make that offer, solicitation or sale. The information and expressions of opinion in this Official Statement may change without notice. Neither the delivery of the Official Statement nor any sale of the Series Bonds will, under any circumstances, imply that there has been no change in the affairs of the Agency since the date of this Official Statement.

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

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

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

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

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OFFICIAL STATEMENT
relating to
$_____*
Minnesota Housing Finance Agency
Homeownership Finance Bonds, 2021 Series B (Taxable)
(Mortgage-Backed Securities Pass-Through Program)

This Official Statement (which includes the Appendices) provides certain information concerning the Minnesota Housing Finance Agency (the "Agency") and its Homeownership Finance Bonds, 2021 Series B (Taxable) (Mortgage-Backed Securities Pass-Through Program) (the "Series Bonds") for the information of prospective investors. The Agency is issuing the Series Bonds pursuant to Minnesota Statutes, Chapter 462A, as amended (the "Act"), a resolution of the Agency adopted December 11, 2009 (as amended and supplemented in accordance with its terms, the "Bond Resolution"), and series resolutions of the Agency adopted February 27, 2020 and April 22, 2021 (the "2020/2021 Series Resolutions"). (The Bond Resolution and the 2020/2021 Series Resolutions are herein sometimes referred to as the "Resolutions.")

The Homeownership Finance Bonds Outstanding in the aggregate principal amount of $[1,422,726],000 as of April 30, 2021, the Series Bonds and any additional Homeownership Finance Bonds issued pursuant to the Bond Resolution (collectively referred to as the "Bonds"), are and will be equally and ratably secured under the Bond Resolution (except as otherwise expressly provided therein).

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

INTRODUCTION

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

Since its creation in 1971, the Agency has issued bonds to purchase single family mortgage loans, to purchase home improvement loans and to finance multifamily developments. In addition to financing loans through the issuance of debt, the Agency finances grants and loans through State and federal appropriations and its Alternative Loan Fund in the Residential Housing Finance Bond Fund. Please refer to the information in the notes to the financial statements included in Appendix A-1 to this Official Statement at pages 63 and 64 under the heading "Net Position—Restricted by Covenant."

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

*Preliminary; subject to change.

Prior to the fall of 2009, the Agency implemented its single-family mortgage lending program by purchasing "whole loans" from lenders and financing purchases of the loans with proceeds of its bonds. In September 2009, the Agency began acquiring mortgage-backed securities guaranteed as to timely payment of principal and interest by a Federal Mortgage Agency (as defined in the Resolutions, "Program Securities") instead of directly acquiring mortgage loans from lenders. (See "The Homeownership Finance Program— "'MBS' Model.") To date, only Program Securities have been acquired with Bonds issued pursuant to the Bond Resolution. (See "Security for the Bonds—Program Securities Pledged under the Bond Resolution.")

The Agency is issuing the Series Bonds in part to provide money from proceeds of the Series Bonds to be used, along with certain contributed funds of the Agency, to continue its Program by purchasing Program Securities guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA Securities"), the Federal National Mortgage Association ("Fannie Mae Securities") or the Federal Home Loan Mortgage Corporation ("Freddie Mac Securities"), and backed by pools of mortgage loans ("Program Loans") that certain mortgage lending institutions (the "Lenders") have made to qualified persons or families of low and moderate income to finance the purchase of single-family residences in Minnesota, and in part to provide money for the Agency to be used, together with contributed funds of the Agency, including available funds securing the following series of Bonds Outstanding under the Bond Resolution (the "Series 2009A-5/2011CDFG Bonds"), to pay and redeem all Series 2009A-5/2011CDFG Bonds:

Homeownership Finance Bonds	Principal Amount Outstanding
Series 2009A-5	$6,890,000
Series 2011C	455,000
Series 2011D	5,865,000
Series 2011F	790,000
Series 2011G	7,460,000

The Agency issued the Series 2009A-5/2011CDFG Bonds in connection with its Program of purchasing Program Securities.

Under the Program, each Program Loan must be (i) insured by the Federal Housing Administration (the "FHA") of the United States Department of Housing and Urban Development ("HUD") pursuant to the National Housing Act of 1934, as amended (the "Housing Act"), (ii) guaranteed by the Veterans Administration ("VA") pursuant to the Servicemen's Readjustment Act of 1944, as amended, (iii) guaranteed by USDA Rural Development (formerly Rural Economic and Community Development) ("USDA Rural Development"), under its Guaranteed Rural Housing Loan Program, or (iv) insured by private mortgage insurance issued by an entity acceptable to the Federal National Mortgage Association ("Fannie Mae") or the Federal Home Loan Mortgage Corporation ("Freddie Mac") or having certain loan-to-value ratios or other characteristics acceptable to Fannie Mae or Freddie Mac. Fannie Mae Securities and Freddie Mac Securities may also include Uniform Mortgage-Backed Securities ("UMBS"). (See "The Homeownership Finance Program—Uniform Mortgage-Backed Securities.")

The Program Securities (or participations therein) to be funded in connection with the issuance of the Series Bonds will be GNMA Securities, Fannie Mae Securities or Freddie Mac Securities (the "2021B New Program Securities"). The Agency will apply proceeds of the Series Bonds and Agency funds to acquire, or reimburse itself for its previous acquisition of, the 2021B New Program Securities and will credit those 2021B New Program Securities to the 2021 Series B subaccount in the Acquisition Account on the date of issuance of the Series Bonds. The 2021B New Program Securities are expected to consist of __* GNMA Securities in approximately $__ million* in outstanding principal amount with an average weighted pass-through interest rate of __ percent,* __* Fannie Mae Securities in approximately $__ million* in outstanding principal amount with an average weighted pass-through interest rate of ___ percent* and __* Freddie Mac Securities in approximately $___ million* in outstanding principal amount with an average weighted pass-through interest rate of ___ percent* and are further identified in Appendix F to this Official Statement. Each expected Fannie Mae Security and Freddie Mac Security described in the previous sentence is a UMBS.

*Preliminary; subject to change.

Also, as a result of the payment and redemption of the Series 2009A-5/2011CDFG Bonds, certain Program Securities acquired with proceeds of or otherwise allocated to the Series 2009A-5/2011CDFG Bonds (the "2021B Transferred Program Securities") will become allocated to the Series Bonds. The 2021B Transferred Program Securities, together with the 2021B New Program Securities, are referred to herein as the "2021B Program Securities." The 2021B Transferred Program Securities consist of___* GNMA Securities in approximately $___ million* in outstanding principal amount with an average weighted pass-through interest rate of ___ percent* and __* Fannie Mae Securities in approximately $___ million* in outstanding principal amount with an average weighted pass-through interest rate of ___ percent.* None of the 2021B Transferred Program Securities are UMBS.

Repayments and prepayments of principal of Program Loans backing 2021B Program Securities, which are to be credited to the subaccount in the Revenue Fund related to the Series Bonds, will be applied to the mandatory redemption of the Series Bonds as described under "The Series Bonds—Mandatory Redemption." Approximately 98 percent of the mortgagors that received a Program Loan that backs the 2021B New Program Securities, and [__] percent of the mortgagors that received a Program Loan that backs the 2021B Transferred Program Securities, also qualified for and chose to receive a Deferred Payment Loan, Deferred Payment Loan Plus or Monthly Payment Loan (each a "DPA Loan") from the Agency. (See "Other Programs—Deferred Payment Loans" and "–Monthly Payment Loans;" DPA Loans that were available to mortgagors receiving Program Loans backing the 2021B Transferred Program Securities were Deferred Payment Loans that had a maximum loan amount of $4,500.) The mortgagor must repay the Agency for each DPA Loan, either on sale or transfer of the property or by making monthly payments. The Agency will not apply proceeds of the Series Bonds, and did not apply proceeds of the Series 2009A-5/2011CDFG Bonds, to make the DPA Loans and has not pledged, and will not apply repayments of, the DPA Loans to pay or redeem the Series Bonds.

Payment of principal and interest on the Series Bonds is secured, on an equal basis with payment of principal and interest on all Outstanding Bonds that the Agency has issued, and may subsequently issue, under the Bond Resolution (except as otherwise expressly provided therein), by the Agency's pledge of all Program Obligations, Investment Obligations, Revenues and other assets held and received by the Agency pursuant to the Bond Resolution. Under the Bond Resolution, the Agency is authorized to acquire Program Obligations which consist of (i) Program Securities backed by Program Loans or (ii) Program Loans. (See "Security for the Bonds" and "Appendix C – Summary of Certain Provisions of the Bond Resolution.") As the Agency's Program is an MBS model, it currently expects to use proceeds of Bonds issued under the Bond Resolution to finance the acquisition of Program Securities and not Program Loans.

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

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

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

*Preliminary; subject to change.

THE AGENCY

Purpose

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

Structure

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

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

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

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

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

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

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

Stephen Spears, Member — Term expires January 2022, Plymouth, Minnesota – Banker

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

Staff

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

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

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

Jennifer Ho — Commissioner-Designee, appointed effective January 2019. When Governor Tim Walz took office on January 7, 2019, Ms. Ho was appointed Commissioner and has all of the powers and will perform all of the duties of the office. The appointment of Ms. Ho as Commissioner must be confirmed by the advice and consent of the state of Minnesota Senate. Prior to her appointment, Ms. Ho was the Senior Policy Advisor for Housing and Services at the U.S. Department of Housing and Urban Development during the Obama Administration. Prior to that, she served as deputy director at the United States Interagency Council on Homelessness (USICH), shepherding the creation of Opening Doors, the nation's first-ever comprehensive federal plan to prevent and end homelessness. Ms. Ho worked with former First Lady Michelle Obama to launch the Mayors Challenge to End Veteran Homelessness that resulted in reducing the number of veterans experiencing

homelessness on any night by nearly half. In 1999, as Executive Director of Hearth Connection, a Minnesota non-profit, she began her work to end homelessness by managing a nationally recognized demonstration project on supportive housing and long-term homelessness for single adults, youth and families in Ramsey and Blue Earth counties. Ms. Ho oversaw the replication of that project in 34 additional counties in partnership with the Fond du Lac, Bois Fort and Grand Portage Tribal Bands. She has served on the Boards of Directors for West Side Community Health Services in St. Paul, and nationally for the Corporation for Supportive Housing and the Melville Charitable Trust. Ms. Ho received a Bachelor of Arts Degree in philosophy from Bryn Mawr College.

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

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

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

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

Kasey Kier — Assistant Commissioner, Single Family Division, appointed effective December 2014. Ms. Kier's previous experience with the Agency includes Single Family Business Operations Manager from August 2012 to December 2014, Low Income Housing Tax Credit Program Manager from 2005 to 2012, Multifamily Housing Program Professional from 2000 to 2005 and various positions in the Single Family Division with increasing responsibility from 1994 to 2000. Prior to that, Ms. Kier held positions at Prudential Home Mortgage and ITT Financial Corporation. Ms. Kier holds a Bachelor of Arts Degree in Business Management and Management Information Systems from Augsburg College, Minneapolis, Minnesota. Ms. Kier is a graduate of the Mortgage Bankers Association School of Mortgage Banking and holds the Accredited Mortgage Professional (AMP) specialist designation. Ms. Kier also holds Project Management Professional (PMP) certification through the Project Management Institute and Housing Development Finance Professional certification through the National Development Council.

The Agency's offices are located at 400 Wabasha Street North, St. Paul, Minnesota 55102, and its general telephone number is (651) 296-7608. The Agency's Investor Relations Representative may be reached at the

Agency's general telephone number. The Agency's website address is http://www.mnhousing.gov. No portion of the Agency's website is incorporated into this Official Statement.

Independent Auditors

The financial statements of the Agency as of and for the year ended June 30, 2020, included in this Official Statement as Appendix A-1, have been audited by RSM US LLP, independent auditors, as stated in their report appearing herein. RSM US LLP has not been engaged to perform, and has not performed, any procedures on the financial statements after June 30, 2020. RSM US LLP also has not performed any procedures relating to this Official Statement.

Financial Statements of the Agency

The Agency financial statements included in this Official Statement as Appendix A-1 as of and for the fiscal year ended June 30, 2020 are presented in combined "Agency-wide" form followed by "fund" financial statements presented for its major funds in order to comply with the requirements of Statement No. 34 of the Governmental Accounting Standards Board ("GASB").

Information regarding the Minnesota State Retirement System ("MSRS"), to which the Agency contributes, is included in Appendix A-1 in the Notes to Financial Statements at pages 65 through 67 under the heading "Defined Benefit Pension Plan." The Agency's allocable portion of net pension liability reported at June 30, 2020 with respect to MSRS is $10.412 million.

In Appendix A-2 to this Official Statement, the Agency has included certain unaudited financial statements of the Agency (excluding State Appropriated and Federal Appropriated Funds) as of and for the six months ended December 31, 2020. The Agency has prepared the information in Appendix A-2 and, in the opinion of the Agency, that information reflects all normal recurring adjustments and information necessary for a fair statement of the financial position and results of operations of the Agency (excluding State and Federal Appropriated Funds) for the period, subject to year-end adjustments. The information in Appendix A-2 is not accompanied by a statement from the independent auditors.

Disclosure Information

The Agency will covenant in a Continuing Disclosure Undertaking for the benefit of the Owners and Beneficial Owners (as defined in Appendix B hereto) of the Series Bonds to provide annually certain financial information and operating data relating to the Agency (the "Agency Annual Report") and to provide notices of the occurrence of certain enumerated events. (There is no other obligated person under the Continuing Disclosure Undertaking.) The Agency must file the Agency Annual Report no later than 120 days after the close of each fiscal year, commencing with the fiscal year ending June 30, 2021, with the Municipal Securities Rulemaking Board, at its EMMA internet repository. The Agency also must file notices of the occurrence of the enumerated events, if any, with EMMA. (See "Appendix B — Summary of Continuing Disclosure Undertaking.")

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

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

In addition to the information required by the Continuing Disclosure Undertaking, the Agency also uses its best efforts to prepare a quarterly disclosure report for each of its single family bond resolutions (including the Bond Resolution) and a semiannual disclosure report for its rental housing bond resolution. Recent reports are available at the Agency's website at http://www.mnhousing.gov (click on tab "Investors"), but no information on the Agency's

website is incorporated into this Official Statement. The Agency is also committed to providing appropriate credit information as requested by any rating agency rating the Bonds at the Agency's request.

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

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

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

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

Under the net position requirements and investment guidelines effective January 23, 2014, the required size of Pool 1 (which is intended to be a liquidity reserve) is 1 percent of gross loans receivable (excluding mortgage-backed securities, appropriated loans and loans credited to Pool 3) and the required size of Pool 2 is an amount that would cause the combined net position (exclusive of unrealized gains and losses resulting from marking to market investment securities, including mortgage-backed securities, and swaps entered into by the Agency for which the unrealized loss or gain will not be realized if the security or swap is held to maturity or its optional termination date; and realized gains and losses resulting from the purchase and sale of investment securities between Agency funds) in the General Reserve, in Pool 2, and in the funds pledged under bond resolutions to be at least equal to the combined net position of the same funds as of the immediately preceding fiscal year end. Currently, this amount is $808.448 million, representing the combined net position of these funds so calculated as of June 30, 2020. Pool 2 is intended to comprise amortizing interest-bearing housing loans or investment grade securities. Pool 1 and Pool 2 represent, with assets pledged to pay bonds of the Agency, the sustainable lending operations of the Agency. Pool 3 represents the more mission-intensive operations of the Agency and is intended to comprise deferred, zero percent and low interest-rate loans and grants and, for unapplied funds, investment grade securities. Pool 3 is not subject to the investment guidelines. Loan activity related to loans financed by funds in Pool 2 and Pool 3 is recorded as part of the Alternative Loan Fund. The Agency approves all interfund transfers. A further discussion of Pools 1, 2 and 3 and the amounts credited thereto as of June 30, 2020 appears in the Notes to Financial Statements of the Agency included in Appendix A-1 to this Official Statement at pages 63 and 64 under the heading "Net Position — Restricted by Covenant."

The following summary indicates the revenues earned, the expenses paid, and funds transferred to and from the General Reserve (which contains Pool 1 and net investment in capital assets), for the two most recent audited fiscal years of the Agency and for the six-month period ended December 31, 2020 (unaudited) (in thousands):

	Six months Ended December 31, 2020 (unaudited)	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
Revenues			
Fees earned and other income[1]	$ 6,258	$12,971	$11,212
Interest earned on investments	94	590	704
Unrealized gain (loss) on investments	--	--	--
Administrative reimbursement[2], [3]	16,774	31,336	27,730
Total revenues	23,126	44,897	39,646
Expenses			
Salaries and benefits	15,339	30,283	15,117
Other general operating expenses	2,952	6,900	5,359
Total expenses	18,291	37,183	20,476
Revenues over expenses	4,835	7,714	19,170
Non-operating transfer of assets between funds[4]	(6,224)	(9,876)	(19,320)
Change in net position	(1,389)	(2,162)	(150)
Net position beginning of period	12,307	14,469	14,619
Net position end of period	$10,918	$12,307	$14,469

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

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

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

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

State Appropriations

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

Over the biennial periods ended June 30, 2013, 2015, 2017 and 2019, the total appropriations to the Agency aggregated approximately $392 million. For the biennium ending June 30, 2021, the Legislature has appropriated approximately $120.6 million to the Agency, including an increase of approximately 9.5 percent to the Agency's base budget for State appropriations.

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

Agency Indebtedness

The principal amount of bonds and notes of the Agency that are outstanding at any time (excluding the principal amount of any refunded bonds and notes) is limited to $5,000,000,000 by State statute. The following table lists the principal amounts of general obligation indebtedness of the Agency outstanding as of April 30, 2021 [UPDATE]:

	Number of Series*	Final Maturity	Original Principal Amount* (in thousands)	Principal Amount Outstanding (in thousands)
Rental Housing Bonds	11	2049	$ 53,275	$ 49,890
Residential Housing Finance Bonds	55	2051	2,779,455	1,663,950
Homeownership Finance Bonds	63	2050	2,650,126	1,422,726
Multifamily Housing Bonds (Treasury HFA Initiative)	1	2051	15,000	13,100
Totals	130		$5,497,856	$3,149,666

*Does not include series of bonds or the original principal amount of any bonds that had been, as of April 30, 2021, defeased or paid in full, whether at maturity or earlier redemption.

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

The Agency has entered into liquidity facilities and interest rate swap agreements in respect of its outstanding Residential Housing Finance Bonds that bear interest at a variable rate or floating rate and may be subject to optional and mandatory tender. Certain information related to those variable rate demand bonds, floating rate term bonds, liquidity facilities and swap agreements is included in the Notes to Financial Statements contained in Appendix A-1 to this Official Statement and in the unaudited financial statements contained in Appendix A-2 to this Official Statement. The Agency does not make any representation as to the creditworthiness of any provider or counterparty on facilities and agreements relating to its variable rate demand bonds or floating rate term bonds.

Certain of the swap agreements obligate the Agency to make periodic fixed rate payments and entitle the Agency to receive periodic payments based on the United States dollar-denominated London Interbank Offered Rate ("USD LIBOR"). In 2017, the Financial Conduct Authority, a United Kingdom regulatory body which supervises USD LIBOR's administrator, stated that it would not attempt to persuade or compel panel banks that currently submit interest rate information used in the setting of USD LIBOR rates to continue to do so after December 31, 2021. The Federal Reserve System and the Federal Reserve Bank of New York (the "NY Fed") convened its Alternative Reference Rate Committee ("ARRC") in 2014, consisting of public and private United States capital market participants, to identify alternative reference rates as an alternative to USD LIBOR, identify best practices for contract robustness in the interest rate market, and create an implementation plan to support an orderly adoption of new references rates. In 2017, the ARRC identified the secured overnight financing rate ("SOFR"), which the NY Fed publishes, as the rate that represents best practice for use in certain new U.S. dollar derivatives and other financial contracts. Likewise, the International Swaps and Derivatives Association's ("ISDA") working group chose SOFR as its replacement for USD LIBOR, and on October 23, 2020, ISDA released its IBOR Fallbacks Supplement which amends the 2006 ISDA Definitions (applicable to trades occurring on and after January 25, 2021), as well as its IBOR Fallbacks Protocol, which allows contract participants to amend existing contracts to include the new fallback provision. Each of the NY Fed and ISDA has made certain information concerning their respective activities relating to USD LIBOR and alternative reference rates on their respective websites. The Financial Conduct Authority has indicated that USD LIBOR will continue to be available through June 30, 2023, at which time these amendments are expected to become effective and SOFR will replace USD LIBOR. There can be no assurance as to

the timing or outcome of these and other USD LIBOR-related regulatory developments, or as to the effects of market reaction to such developments. Further regulatory developments, or the official cessation of USD LIBOR publication, might affect the determination of certain scheduled and, if applicable, termination payment obligations upon those derivatives agreements. The Agency continues to monitor the USD LIBOR-related developments and anticipates it will adhere to the IBOR Fallbacks Protocol or enter into substantially similar agreements directly with its swap providers. In addition, the Agency may seek additional amendments to its other agreements which still use USD LIBOR.

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

From time to time, beginning in 2012, the Legislature has authorized the Agency to issue housing infrastructure bonds (the "Housing Infrastructure Bonds") for various purposes payable, like the Nonprofit Housing Bonds, solely from a standing appropriation from the State General Fund and not from any other funds or assets of the Agency. The aggregate principal amount of Housing Infrastructure Bonds that the Agency may issue is $415,000,000. The Agency has issued 23 series of its State Appropriation Bonds (Housing Infrastructure) in 2013 through 2020 in an aggregate principal amount of $290,330,000 under a separate indenture of trust.

On November 12, 2020, the Agency issued its Second Amended and Restated Bank Note (the "Amended Bank Note") to Royal Bank of Canada (the "Bank"), pursuant to a Revolving Credit Agreement dated as of June 1, 2018, as amended by a First Amendment to Revolving Credit Agreement dated as of October 28, 2019, a Second Amendment to Revolving Credit Agreement dated as of November 22, 2019, and a Third Amendment to Revolving Credit Agreement dated as of November 12, 2020 (as further amended by the Fourth Amendment to Revolving Credit Agreement dated as of February 25, 2021, the "Amended Revolving Credit Agreement"), and as further amended from time to time, for the purpose of preserving current private activity bond volume cap by refunding the maturing principal or redemption price, as the case may be, of portions of Bonds and Residential Housing Finance Bonds previously issued by the Agency (collectively, the "Single Family Housing Bonds"). Upon the refunding of Single Family Housing Bonds with amounts advanced to the Agency pursuant to the Amended Revolving Credit Agreement as evidenced by the Amended Bank Note, funds representing prepayments and repayments of mortgage loans financed with Single Family Housing Bonds, and other amounts available under the applicable bond resolution for the payment of those Single Family Housing Bonds, will be deposited into a cash collateral fund established under a separate amended and restated indenture of trust, as amended (the "2018 Revolving Credit Indenture"), between the Agency and Wells Fargo Bank, National Association, as trustee, as security for the repayment of the principal amount of the Amended Bank Note that has been advanced to the Agency. The Bank agrees to make advances until December 31, 2021, a later date if extended by the Bank or an earlier date upon an event of default or a termination pursuant to the terms of the Amended Revolving Credit Agreement or if the Agency elects an earlier termination. The amount of the advances outstanding and not repaid with respect to the Amended Bank Note bear interest at a variable interest rate equal to one month USD LIBOR plus a spread (currently 0.40%) and may not exceed $150,000,000 at any time, and the cumulative amount of the advances made may not exceed $1,100,000,000. The obligation of the Agency to pay the interest on, but not the principal of, the Amended Bank Note is a general obligation of the Agency. The Agency has requested advances in the aggregate principal amount of $[608,487,341], $[83,156,133] of which is outstanding.

Agency Continuity of Operations Plan

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the Agency's ability to conduct its business. A prolonged disruption in the Agency's operations could have an adverse effect on the Agency's financial condition and results of operations. To plan for and mitigate the impact such an event may have on its operations, the Agency has developed a Continuity of Operations Plan (the "Plan"). The Plan is designed to (i) provide for the continued execution of the mission-essential functions of the Agency and minimize disruption if an emergency threatens, interrupts or incapacitates the Agency's operations, (ii) provide Agency leadership with timely direction,

control and coordination before, during and after an emergency or similar event, and (iii) facilitate the return to normal operating conditions as soon as practical based on the circumstances surrounding any given emergency or similar event. No assurances can be given that the Agency's efforts to mitigate the effects of an emergency or other event will be successful in preventing any and all disruptions to its operations.

Cybersecurity

The Agency relies on a complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the Agency faces multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware, phishing, business email compromise, and other attacks on computers and other sensitive digital networks, systems, and assets. Housing finance agencies and other public finance entities have been targeted by outside third parties, including technologically sophisticated and well-resourced actors, attempting to misappropriate assets or information or cause operational disruption and damage. Further, third parties, such as hosted solution providers, that provide services to the Agency, could also be a source of security risk in the event of a failure of their own security systems and infrastructure.

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

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

COVID-19 Economic Disruption

The global outbreak of COVID-19, a respiratory disease declared to be a pandemic (the "Pandemic") by the World Health Organization, is affecting the national capital markets and has negatively impacted the State's housing market and its overall economy. The threat from the Pandemic is being addressed on a national, federal, state and local level in various forms, including executive orders and legislative actions.

On March 13, 2020, the President of the United States declared a national emergency with respect to the Pandemic. In addition, the United States Congress recently enacted several COVID-19-related bills, including the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), signed into law on March 27, 2020, which provides over $2 trillion of direct financial aid to American families, payroll and operating expense support for small businesses, and loan assistance for distressed industries, as well as providing funds to and directing the Federal Reserve System to support the capital markets.

Among other things, the CARES Act also provides that (a) lenders are prohibited from foreclosing mortgage loans that are FHA insured, VA, HUD or USDA Rural Development guaranteed, or purchased or securitized by Fannie Mae or Freddie Mac (collectively, "Federal Single Family Loans") for a period of 60 days ended May 17, 2020, and (b) during the national emergency concerning the Pandemic, borrowers with Federal Single Family Loans directly or indirectly facing economic difficulties as a result of the coronavirus can seek up to 360 days of payment forbearance. In addition to the forbearance, foreclosure and eviction relief provided by the CARES Act, HUD/FHA and the Federal Housing Finance Agency ("FHFA") also extended the maximum

forbearance period by six months for homeowners first requesting forbearance before June 30, 2020 and ordered the servicers of Federal Single Family Loans to suspend foreclosures and evictions with respect to Federal Single Family Loans; HUD/FHA and FHFA have extended their foreclosure and eviction moratoriums for single-family residences until at least June 30, 2021. As of _____, 2021, the Agency had granted forbearance approvals for Program Loans that are not pooled into Program Securities in an aggregate principal amount of approximately [__] percent of the principal amount of Program Loans held under the Agency's Residential Housing Finance Bonds Resolution, and has paused foreclosure actions in an aggregate principal amount of approximately [0.4] percent of the principal amount of Program Loans held under that resolution. (See "Other Programs.") None of these Program Loans secure the Series Bonds or any Bonds the Agency has issued under the Bond Resolution. The Agency also provides loans under its multifamily rental housing program, many of which are covered by the relief provisions of the CARES Act. The Agency's loans provided under its home improvement program and its monthly payment loan program, as well as some loans for single family housing that are not pledged as security for any debt of the Agency, are not affected by the relief provisions of the CARES Act. However, the Agency has granted and may choose to grant forbearance approvals for certain of these loans during the Pandemic. (See "Other Programs" and "Other Programs — Monthly Payment Loans.") It expects to receive and approve additional forbearance requests during the Pandemic.

The CARES Act directs the Federal Reserve Bank to provide liquidity to the financial system through a new facility to purchase certain new issuances of securities by eligible issuers, including housing finance agencies and other state and local governments. Such injection of liquidity follows recent actions by the Federal Reserve Bank, including the purchase of U.S. Treasury securities and the Government National Mortgage Association ("GNMA"), Fannie Mae and Freddie Mac mortgage-backed securities, facilitating the flow of credit to municipalities by expanding its Money Market Mutual Fund Liquidity Facility to include a wider range of securities, including municipal variable rate demand notes (such as variable rate demand obligations of housing finance agencies).

On March 13, 2020, the Governor of the State declared a peacetime emergency with respect to the Pandemic. By various executive orders, which have the force and effect of law during a peacetime emergency, the Governor has directed: residents of the State to first stay at home and shelter in place and subsequently permitting residents to conduct activities outside the home; the closure of schools for the remainder of the school year that ended in June 2020 and then gradually re-opening schools during the current school year; the closure and then partial re-opening of restaurants, bars, other public accommodations and certain non-essential businesses; and the suspension of evictions and lease terminations; in each instance subject to further change. The Governor has extended the peacetime emergency beyond the initial 30-day period, may extend it further and may issue additional executive orders pursuant to his authority during that emergency. The peacetime emergency, since extended beyond 30 days, may be terminated by majority vote of both houses of the legislature of the State.

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

Single Family Mortgage Production Funding Considerations

As a state housing finance agency, the Agency relies on municipal bond markets operating efficiently to fund its Program. When these markets did not perform well, based on historical market relationships, the Agency could not fully realize the benefit of tax-exempt bond financing using traditional bond structures to finance single

family mortgage loans at competitive interest rates. The Agency successfully combined traditional bond structures with economic refunding bonds and bonds secured by excess collateral under the Residential Housing Finance Bond Resolution, and bonds structured with monthly principal pass-through payments from an identified portfolio of GNMA Securities, Fannie Mae Securities and Freddie Mac Securities under the Bond Resolution, to fund single family mortgage production by purchasing Program Securities.

In addition to funding its single family mortgage production by issuing bonds, the Agency from time to time sells Program Securities in the secondary market, including selling Program Securities and later repurchasing an interest-only strip in those Program Securities. Since 2009 the Agency has sold approximately $[1.344] billion of Program Securities, including Program Securities sold with the later repurchase of an interest-only strip, in the open market as of May __, 2021, $[368] million of which would have been eligible to be financed with tax-exempt bonds. In 2013, the Agency also issued and sold three series of its Home Ownership Mortgage-Backed Exempt Securities Certificates in the aggregate principal amount of $32.5 million, each of which is a special, limited obligation of the Agency payable from, and secured solely by, all principal and interest payments made on a single Program Security. Based on market conditions and the availability of economic refunding opportunities, the Agency determines whether to issue Additional Bonds under the Bond Resolution or under the Residential Housing Bond Resolution or to sell Program Securities in the secondary market.

ESTIMATED SOURCES AND USES OF FUNDS

The Agency will apply a portion of the proceeds of the Series Bonds, together with contributed funds of the Agency, including available funds securing the Series 2009A-5/2011CDFG Bonds, to pay and redeem the Series 2009A-5/2011CDFG Bonds and, as a result, the 2021B Transferred Program Securities, originally financed by the Series 2009A-5/2011CDFG Bonds, will become allocated to the Series Bonds. Upon giving effect to the foregoing transactions and a contribution of Agency funds, the estimated sources and uses of funds related to the Series Bonds are as follows:

Sources	
Principal amount of Series Bonds	$
2021B Transferred Program Securities	
Available funds securing Series 2009A-5/2011CDFG Bonds	
Agency Contribution	
Total Sources of Funds	$
Uses	
Deposit to 2021 Series B Acquisition Account	$
2021B Transferred Program Securities to 2021 Series B Acquisition Account	
Redemption of Series 2009A-5/2011CDFG Bonds	
Deposit to Costs of Issuance Account	
Underwriters' Compensation	
Total Uses of Funds	$

The Agency will apply the portion of the proceeds of the Series Bonds deposited in the 2021 Series B subaccount in the Acquisition Account and Agency funds to reimburse itself for its previous acquisition of the 2021B New Program Securities and will credit those 2021B New Program Securities to that subaccount on the date of issuance of the Series Bonds. The Agency will credit the 2021B Transferred Program Securities to the 2021 Series B subaccount in the Acquisition Account on the date of issuance of the Series Bonds.

THE SERIES BONDS

General

The Series Bonds will be fully registered bonds issued in denominations of $1.00 or any multiple thereof. The Series Bonds will initially be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series Bonds. Wells Fargo Bank, National Association, Minneapolis, Minnesota, serves as Trustee under the Bond Resolution. Interest on the Series Bonds will be paid by funds wired by the Trustee to DTC, or its nominee, as registered owner of the Series Bonds, which interest is to be redistributed by DTC. Principal of the Series Bonds will be paid at maturity or earlier redemption upon surrender at the principal corporate trust office of the Trustee. (See "Appendix D — Book-Entry-Only System.")

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

Interest

Interest on the Series Bonds will be paid on the first day of each month, commencing July 1, 2021* (each a "Regular Interest Payment Date"), and, in respect of any Series Bonds then to be redeemed, on the redemption date. Interest on the outstanding principal amount of the Series Bonds at the annual rate set forth on the front cover hereof initially will accrue from the dated date of the Series Bonds to, but excluding, July 1, 2021,* and subsequently will accrue from the first calendar day of each month to, but excluding, the first calendar day of the immediately succeeding month, until payment of the principal or redemption price of the Series Bonds. Interest on the Series Bonds will be computed on the basis of a 360-day year composed of twelve 30-day months and will be paid to the Owners of record in the bond registration books maintained by the Trustee as of the 15th day of the month preceding the regularly scheduled interest payment date, whether or not a business day (the "Record Date" for the Series Bonds).

Mandatory Redemption

The Series Bonds are required to be redeemed, in whole or in part, on each Regular Interest Payment Date, at a redemption price equal to the principal amount of the Series Bonds redeemed plus accrued interest to the redemption date, without premium, in a principal amount equal to all repayments and prepayments of mortgage principal from Program Loans backing 2021B Program Securities received by or on behalf of the Agency in the immediately preceding calendar month, as that amount is reasonably determined by the Trustee.

If the Series Bonds are to be redeemed in part upon any mandatory redemption, the Series Bonds then outstanding will be redeemed in part, pro rata, in proportion to the outstanding principal amount of the Series Bonds to be redeemed to the aggregate outstanding principal amounts of all outstanding Series Bonds. To accomplish this pro rata redemption while the Series Bonds are held in the DTC book-entry-only system, mandatory redemptions will be made as a "Pro-Rata Pass-Through Distribution of Principal" by DTC. This redemption procedure, if effected by DTC, will cause a pro rata redemption of Series Bonds among DTC Participants upon a mandatory redemption, but may not ensure a pro rata redemption of the Series Bonds among all Beneficial Owners thereof. (See Appendix D to this Official Statement for a general description of the DTC book-entry-only system.)

No notice of redemption will be given to any Bondowner or Beneficial Owner of the date or amount of the mandatory redemption of any Series Bond.

Optional Redemption

The Agency may redeem the Series Bonds prior to their stated maturity date at its option, in whole or in part, in the amounts the Agency designates, on July 1, 2030* or any subsequent date, from any amounts available to

*Preliminary; subject to change.

the Agency for that purpose, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest to the date of redemption, without premium.

General Provisions

If a payment of interest, principal or the redemption price of a Series Bond is to be made on a day that is not a Business Day, it will be made on the next succeeding Business Day with the same force and effect as if made on the date of payment, and no interest will accrue thereon for the period after that date.

Except as otherwise provided in the 2020/2021 Series Resolutions, any Series Bonds to be optionally redeemed are to be redeemed only upon receipt by the Trustee of a certificate signed by an officer authorized by the Agency and stating the principal amount of the Series Bonds to be redeemed; provided that optional redemption will be made in such a manner that Revenues and other amounts expected to be on deposit in the applicable Funds and Accounts will be at least equal to all amounts required to be on deposit in order to pay the Debt Service on Outstanding Bonds when due in accordance with a Cash Flow Certificate filed with the Trustee.

If less than all Series Bonds are to be redeemed pursuant to optional redemption and the Series Bonds are not held in the DTC book-entry-only system, the principal amount of each outstanding Series Bond will be redeemed, pro rata, in the proportion that the outstanding principal amount of that outstanding Series Bond bears to the outstanding principal amount of all outstanding Series Bonds. An optional redemption occurring when the Series Bonds are held in the DTC book-entry-only system, will be made as DTC determines under DTC's then current practice. (See Appendix D to this Official Statement.)

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

SECURITY FOR THE BONDS

The Outstanding Bonds, including the Series Bonds, are secured as provided in the Bond Resolution by a pledge of (a) all proceeds of the sale of Bonds (other than proceeds deposited in trust for the retirement of Outstanding Bonds or other obligations and proceeds required by a Series Resolution to be deposited in escrow pending the conditions for the release of those proceeds from escrow being satisfied, which proceeds (and Investment Obligations purchased from those proceeds) are pledged solely to the payment of the Series of Bonds specified), (b) all Program Obligations and Investment Obligations made or purchased from the proceeds, (c) all Revenues, (d) any other loans, funds, securities, Cash Equivalents or other property of the Agency otherwise pledged as security for Outstanding Bonds or Other Obligations pursuant to a Series Resolution; (e) all right, title and interest of the Agency in and to all Participation Agreements and all Servicing Agreements entered into pursuant to a Series Resolution (including all extensions and renewals of their terms, if any) (exclusive of the Agency's rights to receive and enforce payment of money directly and for its own purposes under a Participation Agreement or a Servicing Agreement, exclusive of indemnification rights of the Agency, and exclusive of rights of the Agency to give consents and receive notices), including, but without limitation, the present and continuing right to make claim for, collect and receive any income, revenues, receipts, issues, profits, insurance proceeds and other sums of money payable to or receivable by the Agency under the Participation Agreements or Servicing Agreements with respect to Program Obligations made or purchased from proceeds of the Bonds, whether payable pursuant to the Participation Agreements, the Servicing Agreements or otherwise; the right to bring actions and proceedings under the Servicing Agreements or for the enforcement thereof; and the right to do any and all things which the Agency is or may become entitled to do under the Servicing Agreements; and (f) all money, Investment Obligations and other assets and income held in and receivable by Funds and Accounts established by or pursuant to the Bond Resolution. The Bonds, including the Series Bonds, are also general obligations of the Agency, payable out of any of its moneys, assets or revenues, subject only to the provisions of other resolutions or indentures now or hereafter pledging and appropriating particular moneys, assets or revenues to particular notes or bonds, or State or federal laws or restrictions that particular funds be applied for a specified purpose. The pledge granted by the Bond Resolution is for the equal benefit, protection and security of Owners of all Outstanding Bonds, except as otherwise expressly provided therein or in the Program Series Resolution.

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

Cash Flow Certificate

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

Investment Obligations

The Agency may invest bond proceeds and other funds held in the Acquisition Account, the Mortgage Reserve Fund, the Revenue Fund, the Bond Fund, and the Bond Redemption Fund under the Bond Resolution in Investment Obligations as defined in the Bond Resolution (see "Appendix C – Summary of Certain Provisions of the Bond Resolution – Certain Defined Terms").

Revenues

When Revenues are greater than the amount necessary to pay principal and interest due with respect to the Bonds, the excess may be used, to the extent permitted by applicable federal tax law and the applicable Series Resolution, to make or purchase additional Program Obligations or to redeem Bonds. If Revenues are less than the amount necessary to pay principal of and interest due with respect to the Bonds, then, unless the Agency at its option provides the amount necessary for that payment from the General Reserve Account of the Agency or any other lawful source other than funds and accounts pledged pursuant to the Bond Resolution, the Trustee is to withdraw the necessary amount from the following funds in order of priority: (i) the Bond Redemption Fund, but only to the extent that amounts therein are in excess of amounts required for the redemption of Bonds for which any required notice of redemption has been given, (ii) the Revenue Fund, and (iii) the Mortgage Reserve Fund.

The 2020/2021 Series Resolutions provide that repayments and prepayments of mortgage principal received from the Program Loans backing the 2021B Program Securities are to be applied to the mandatory redemption of the Series Bonds as described under "The Series Bonds—Mandatory Redemption." The Agency will not use excess Revenues to redeem the Series Bonds, except upon an optional redemption as described under "The Series Bonds—Optional Redemption."

Program Securities Pledged under the Bond Resolution

As of December 31, 2020, the following Program Securities (comprised of GNMA Securities, Fannie Mae Securities and Freddie Mac Securities) were pledged to secure Outstanding Bonds under the Bond Resolution:

	Principal Amount Outstanding	Percentage
GNMA II	$ 640,165,566	45.02%
GNMA I	120,330,434	8.46
FNMA	593,602,000	41.75
FHLMC	67,753,000	4.77
Total	$1,421,851,000	100.00%

Mortgage Reserve Fund

Although a Mortgage Reserve Fund has been established under the Bond Resolution, there is no Mortgage Reserve Requirement in respect of any Outstanding Bonds or the Series Bonds.

Additional Bonds

The Bond Resolution and the Program Series Resolution permit the issuance of additional Bonds, upon the adoption of a Series Resolution, without limitation as to amount, to provide funds for the purpose of financing Program Obligations and, in addition, to refund outstanding Bonds or other obligations of the Agency. No additional Series of Bonds may be issued except upon receipt by the Trustee of (1) an Agency Certificate certifying (a) that an amount equal to the Mortgage Reserve Requirement, if any, effective upon issuance of the Bonds will be on deposit in the Mortgage Reserve Fund, and (b) that the estimated Revenues set forth in an Agency Certificate are in excess of required fund transfers and debt service on the Bonds in each Fiscal Year as set forth in the Agency Certificate, (2) a Cash Flow Certificate, giving effect to the issuance of the additional Bonds, and (3) written confirmation that the then existing ratings of the Bonds will not be impaired.

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

State Pledge against Impairment of Contracts

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

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE-BACKED SECURITIES

This summary does not purport to be comprehensive and is qualified in its entirety by reference to the GNMA Mortgage-Backed Securities Guide and to the documents referred to herein for full and complete statements of their provisions. Additional information is available at www.ginniemae.gov.

In response to current financial market and real estate market disruptions due to COVID-19 and the Pandemic, certain federal insurance and guaranty programs for mortgage loans have been changed. See "The Agency—COVID-19 Economic Disruption" herein for a discussion of certain of those related program changes.

The Government National Mortgage Association is a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development with its principal office in Washington,

D.C. The documents and websites referred to above are not a part of this Official Statement, and neither the Agency nor any of the Underwriters takes any responsibility for information contained in any of these documents or websites.

Each GNMA Security is to be issued under either the GNMA I Program or the GNMA II Program. Although there are a number of differences between GNMA I Securities and GNMA II-Custom Pool Securities, those differences do not adversely affect the availability of Revenues with which to pay principal of and interest on Outstanding Bonds. Each GNMA Security is to be backed by a pool of mortgage loans in a minimum aggregate amount of $25,000 and multiples of $1 in excess of $25,000. The Master Servicer is required to pay to the Trustee (in the case of a GNMA I Security) or to the Central Paying and Transfer Agent (in the case of a GNMA II-Custom Pool Security), and the Central Paying and Transfer Agent is required to pay to the Trustee, as the owner of the GNMA Security, the regular monthly installments of principal and interest on the mortgage loans backing the GNMA Security (less the Master Servicer's servicing fee, which includes the GNMA guaranty fee), whether or not the Master Servicer receives those installments, plus any mortgage prepayments received by the Master Servicer in the previous month. The Government National Mortgage Association guarantees the timely payment of the principal of and interest on the GNMA Security.

In order to issue GNMA Securities, the Master Servicer must first apply to and receive from the Government National Mortgage Association a commitment to guarantee securities. Such a commitment authorizes the Master Servicer to issue GNMA Securities up to a stated amount during a one-year period following the date of the commitment. The Master Servicer is required to pay the application fee to the Government National Mortgage Association for the commitments. The amount of commitments to guarantee GNMA Securities that the Government National Mortgage Association can approve in any federal fiscal year is limited by statute and administrative procedures. The total annual amount of available commitments is established in appropriation acts and related administrative procedures.

The issuance of each GNMA Security by the Master Servicer is subject to the following conditions, among others: (i) the purchase by the Master Servicer of mortgage loans in a minimum aggregate principal amount at least equal to the minimum size permitted by the Government National Mortgage Association for each GNMA Security (the origination being subject, among other conditions, to the availability of FHA mortgage insurance and VA guarantees), (ii) the submission by the Master Servicer to the Government National Mortgage Association of certain documents required by the Government National Mortgage Association in form and substance satisfactory to the Government National Mortgage Association, (iii) the Master Servicer's continued compliance, on the date of issuance of the GNMA Security, with all of the Government National Mortgage Association's eligibility requirements, specifically including, but not limited to, certain net worth requirements, (iv) the Master Servicer's continued approval by the Government National Mortgage Association to issue GNMA Securities, and (v) the Master Servicer's continued ability to issue, execute and deliver the GNMA Security, as that ability may be affected by the Master Servicer's bankruptcy, insolvency or reorganization. In addition, the issuance of a GNMA Security by the Master Servicer is subject to the condition that the Government National Mortgage Association must have entered into a guaranty agreement with the Master Servicer. The conditions to the Government National Mortgage Association entering into such an agreement may change from time to time, and there can be no assurance that the Master Servicer will be able to satisfy all the requirements in effect at the time a GNMA Security is to be issued. Moreover, there can be no assurance that all of the above conditions will be satisfied at the time a GNMA Security is to be issued by the Master Servicer for purchase by the Trustee.

GNMA Security

The Government National Mortgage Association is authorized by Section 306(g) of Title III of the National Housing Act of 1934, as amended (the "Housing Act") to guarantee the timely payment of the principal of, and interest on, securities that are based on and backed by a pool composed of, among other things, mortgage loans insured by FHA under the Housing Act or guaranteed by the VA under the Servicemen's Readjustment Act of 1944, as amended. Section 306(g) further provides that "[T]he full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection." An opinion dated December 9, 1969, of an Assistant Attorney General of the United States, states that guarantees under Section 306(g) of mortgage-backed securities of the type to be delivered to the Trustee by the Lenders are authorized to be made by the Government National Mortgage Association and "would constitute general obligations of the United States backed by its full faith and credit."

Government National Mortgage Association Borrowing Authority

In order to meet its obligations under the guaranty, the Government National Mortgage Association, in its corporate capacity under Section 306(d) of Title III of the Housing Act, may issue its general obligations to the United States Treasury (the "Treasury") in an amount outstanding at any one time sufficient to enable the Government National Mortgage Association, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the GNMA Securities. The Treasury is authorized to purchase any obligations so issued by the Government National Mortgage Association and has indicated in a letter dated February 13, 1970, from the Secretary of the Treasury to the Secretary of Housing and Urban Development ("HUD") that the Treasury will make loans to the Government National Mortgage Association, if needed, to implement the aforementioned guaranty.

The Government National Mortgage Association is to warrant to the Trustee, as the owner of the GNMA Securities, that, in the event it is called upon at any time to honor its guaranty of the payment of principal and interest on any GNMA Security, it shall, if necessary, in accordance with Section 306(d), apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make the payment.

Servicing of the Mortgage Loans

Under contractual arrangements that will be entered into by and between the Master Servicer and the Government National Mortgage Association, and pursuant to the Program Documents, the Master Servicer is responsible for servicing and otherwise administering the mortgage loans in accordance with generally accepted practices of the mortgage lending industry and the Government National Mortgage Association Servicer's Guide.

The monthly remuneration of the Master Servicer, for its servicing and administrative functions, and the guaranty fee charged by the Government National Mortgage Association, are based on the unpaid principal amount of each GNMA Security outstanding on the last day of the month preceding the calculation. Each GNMA Security carries an interest rate that is fixed below the lowest interest rate on the underlying mortgage loans because the servicing and guaranty fees are deducted from payments on the mortgage loans before the payments are forwarded to the Trustee.

It is expected that interest and principal payments on the mortgage loans received by the Master Servicer will be the source of money for payments on the GNMA Securities. If those payments are less than the amount then due, the Master Servicer is obligated to advance its own funds to ensure timely payment of all scheduled payments of principal and interest due on the GNMA Securities. The Government National Mortgage Association guarantees the timely payment in the event of the failure of the Master Servicer to pass through an amount equal to the scheduled payments (whether or not made by the mortgagors).

The Master Servicer is required to advise the Government National Mortgage Association in advance of any impending default on scheduled payments so that the Government National Mortgage Association, as guarantor, will be able to continue the payments as scheduled on the third business day after the twentieth day of each month. However, if the payments are not received as scheduled, the Trustee has recourse directly to the Government National Mortgage Association.

Guaranty Agreement

The Government National Mortgage Association guaranty agreement to be entered into by the Government National Mortgage Association and the Master Servicer upon issuance of a GNMA Security, pursuant to which the Government National Mortgage Association guarantees the payment of principal of and interest on that GNMA Security (the "GNMA Guaranty Agreement"), provides that, in the event of a default by the Master Servicer, including (i) a failure to make any payment due under the GNMA Security, (ii) a request to the Government National Mortgage Association to make a payment of principal or interest on a GNMA Security and the utilization thereof by the Master Servicer, (iii) insolvency of the Master Servicer, or (iv) default by the Master Servicer under any other terms of the GNMA Guaranty Agreement, the Government National Mortgage Association has the right, by letter to the Master Servicer, to effect and complete the extinguishment of the Master Servicer's interest in the mortgage loans, and the mortgage loans will thereupon become the absolute property of the Government National Mortgage Association, subject only to the unsatisfied rights of the owner of the GNMA Security. In that event, the GNMA Guaranty Agreement provides that on and after the time the Government National Mortgage Association

directs a letter of extinguishment to the Master Servicer, the Government National Mortgage Association will be the successor in all respects to the Master Servicer in its capacity under the GNMA Guaranty Agreement and the transaction and arrangements set forth or arranged for therein, and will be subject to all responsibilities, duties, and liabilities (except the Master Servicer's indemnification of the Government National Mortgage Association), theretofore placed on the Master Servicer by the terms and provisions of the GNMA Guaranty Agreement, provided that at any time the Government National Mortgage Association may enter into an agreement with any other eligible issuer of GNMA Securities under which the latter undertakes and agrees to assume any part or all responsibilities, duties or liabilities theretofore placed on the Master Servicer, and provided that no agreement is to detract from or diminish the responsibilities, duties or liabilities of the Government National Mortgage Association in its capacity as guarantor of the GNMA Security, or otherwise adversely affect the rights of the owner thereof.

Payment of Principal of and Interest on the GNMA Securities

Regular monthly installment payments on each GNMA Security are required to begin on the fifteenth day (in the case of a GNMA I Security) and on the twentieth day (in the case of a GNMA II-Custom Pool Security) (or in each case if that day is not a business day then the next business day), of the first month following the date of issuance of the GNMA Security and will be equal to the aggregate amount of the scheduled monthly principal and interest payments on each mortgage loan in the mortgage pool backing the GNMA Security, less the monthly servicing and guaranty fees. In addition, each payment is required to include any mortgage prepayments on mortgage loans underlying the GNMA Security.

FANNIE MAE MORTGAGE-BACKED SECURITIES

General

The following summary of the Fannie Mae MBS Program (as defined below), the Fannie Mae Securities, Fannie Mae's mortgage purchase and servicing standards and other documents referred to herein does not purport to be complete and is qualified in its entirety by reference to Fannie Mae's Prospectus, as defined below, the Fannie Mae Single Family Selling and Servicing Guides and the other documents referred to herein.

In response to current financial market and real estate market disruptions due to COVID-19 and the Pandemic, certain federal insurance and guaranty programs for mortgage loans have been changed. See "The Agency—COVID-19 Economic Disruption" herein for a discussion of certain of those related program changes.

Fannie Mae is subject to the supervision and regulation of the Federal Housing Finance Agency to the extent provided in the Housing and Economic Recovery Act of 2008. The FHFA has placed Fannie Mae into conservatorship.

Information on Fannie Mae and its financial condition is contained in Fannie Mae's most current annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K that are filed with the Securities and Exchange Commission (the "SEC"). Fannie Mae files reports, proxy statements and other information with the SEC. Materials that it files with the SEC are also available from the SEC's website, "www.sec.gov." In addition, these materials may be inspected, without charge, and copies may be obtained at prescribed rates, at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington, DC 20549. Investors may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The periodic reports filed by Fannie Mae with the SEC are also available on Fannie Mae's website at http://www.fanniemae.com/ir/sec or from Fannie Mae at the Office of Investor Relations at 202-752-7115. The documents and websites referred to above are not a part of this Official Statement, and neither the Agency nor any of the Underwriters takes any responsibility for information contained in any of these documents or websites.

Fannie Mae

Fannie Mae is a government-sponsored enterprise that was chartered by the U.S. Congress in 1938, organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. 1716 et seq. (the "Charter"). Fannie Mae has a public mission to support liquidity and stability in the secondary mortgage market, where existing mortgage loans are purchased and sold. Fannie Mae securitizes mortgage loans originated by lenders in the primary mortgage market into mortgage-backed securities ("Fannie Mae MBS"), which can then be bought and sold in the secondary mortgage market. Fannie Mae also participates in the secondary mortgage market by purchasing mortgage loans (often referred to as "whole loans") and mortgage-related securities, including Fannie Mae MBS, for Fannie Mae's mortgage portfolio. In addition, Fannie Mae makes other investments to increase the supply of affordable housing, however, pursuant to the Charter, Fannie Mae may not lend money directly to consumers in the primary mortgage market. *Although Fannie Mae is a corporation chartered by the U.S. Congress, the conservator of Fannie Mae is a U.S. Government agency, and the United States Department of Treasury ("Treasury") owns senior preferred stock and a warrant to purchase common stock of Fannie Mae, the U.S. Government (including Treasury) does not guarantee, directly or indirectly, the securities or other obligations of Fannie Mae.*

On September 6, 2008, the Director of the Federal Housing Finance Agency ("FHFA"), the safety, soundness and mission regulator of Fannie Mae, placed Fannie Mae into conservatorship and appointed FHFA as the conservator. As the conservator, FHFA succeeded to all rights, titles, powers and privileges of Fannie Mae, and of any stockholder, officer or director of Fannie Mae with respect to Fannie Mae and the assets of Fannie Mae. As such, FHFA has the authority to conduct all business of Fannie Mae. Pursuant to the Housing and Economic Recovery Act of 2008, FHFA, as conservator, may take "such action as may be necessary to put the regulated entity in a sound and solvent condition." Fannie Mae has no control over FHFA's actions or the actions it may direct Fannie Mae to take. The conservatorship has no specified termination date; Fannie Mae does not know when or how the conservatorship will be terminated. In addition, the Board of Directors of Fannie Mae does not have any fiduciary duties to any person or entity except to FHFA, as conservator. Accordingly, the Board of Directors is not obligated to consider the interests of Fannie Mae or the stockholders of Fannie Mae unless specifically directed to do so by FHFA, as conservator. The United States Department of Housing and Urban Development, however, remains Fannie Mae's regulator with respect to fair lending matters.

Mortgage-Backed Security Program

Fannie Mae has implemented a mortgage-backed securities program pursuant to which Fannie Mae issues securities backed by pools of mortgage loans (the "MBS Program"). **The obligations of Fannie Mae, including its obligations under the Fannie Mae Securities, are obligations solely of Fannie Mae and are not guaranteed by the United States Government (including Treasury) and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof, including Treasury and FHFA, other than Fannie Mae.**

The terms of the MBS Program are governed by the Fannie Mae Single Family Selling and Servicing Guides (the "Fannie Mae Guides"), as modified by a pool purchase contract, and, in the case of mortgage loans such as the Program Loans exchanged with Fannie Mae, a single family master trust agreement (the "Trust Indenture"), and a supplement thereto to be issued by Fannie Mae in connection with each pool. The MBS Program is further described in a prospectus issued by Fannie Mae (the "Fannie Mae Prospectus"). The Fannie Mae Prospectus is updated from time to time.

Fannie Mae Securities

Fannie Mae Securities are mortgage-backed pass-through securities issued and guaranteed by Fannie Mae under its MBS Program. As of June 3, 2019, each Fannie Mae Security will be a Uniform Mortgage-Backed Security ("UMBS") (see "The Homeownership Finance Program—Uniform Mortgage-Backed Securities"). Each Fannie Mae Security will represent the entire interest in a specified pool of mortgage loans purchased by Fannie Mae from the Master Servicer and identified in records maintained by Fannie Mae. The Pool Contract requires that each Fannie Mae Security be in a minimum amount of $250,000 (or, in each case, the lesser amounts as may be approved by Fannie Mae). The mortgage loans backing each Fannie Mae Security are to bear interest at a rate higher than each Fannie Mae Security (the "pass-through rate"). The difference between the interest rate on the mortgage

loans and the pass-through rate on the Fannie Mae Security is to be collected by the Master Servicer and used to pay the Master Servicer's servicing fee and Fannie Mae's guaranty fee.

Fannie Mae will guarantee to the registered holder of the Fannie Mae Securities that it will distribute amounts representing scheduled principal and interest at the applicable pass-through rate on the mortgage loans in the pools represented by the Fannie Mae Securities, whether or not received, and the full principal balance of any foreclosed or other finally liquidated mortgage loan, whether or not that principal balance is actually received. **The obligations of Fannie Mae under these guarantees are obligations solely of Fannie Mae and are not backed by, nor entitled to the faith and credit of the United States. If Fannie Mae were unable to satisfy these obligations, distributions to the Trustee, as the registered holder of the Fannie Mae Securities, would consist solely of payments and other recoveries on the underlying mortgage loans and, accordingly, monthly distributions to the Trustee, as the holder of the Fannie Mae Securities, and payments on Outstanding Bonds would be affected by delinquent payments and defaults on those mortgage loans**.

Payments on the Mortgage Loans; Distributions on the Fannie Mae Securities

Payments on a Fannie Mae Security will be made on the 25th day of each month (beginning with the month following the month the Fannie Mae Security is issued), or, if the 25th day is not a business day, on the first business day next succeeding the 25th day. With respect to each Fannie Mae Security, Fannie Mae will distribute to the Trustee an amount equal to the total of (i) the principal due on the mortgage loans in the related pool underlying the Fannie Mae Security during the period beginning on the second day of the month prior to the month of the distribution and ending on the first day of the month of distribution, (ii) the stated principal balance of any mortgage loan that was prepaid in full during the second month next preceding the month of the distribution (including as prepaid for this purpose at Fannie Mae's election any mortgage loan repurchased by Fannie Mae because of Fannie Mae's election to repurchase the mortgage loan after it is delinquent, in whole or in part, with respect to four consecutive installments of principal and interest; or because of Fannie Mae's election to repurchase that mortgage loan under certain other circumstances), (iii) the amount of any partial prepayment of a mortgage loan received in the second month next preceding the month of distribution, and (iv) one month's interest at the pass-through rate on the principal balance of the Fannie Mae Security as reported to the Trustee (assuming the Trustee is the registered holder) in connection with the previous distribution (or, respecting the first distribution, the principal balance of the Fannie Mae Security on its issue date).

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

FREDDIE MAC MORTGAGE-BACKED SECURITIES

General

The following summary of the Freddie Mac Guarantor Program, the Freddie Mac Securities, Freddie Mac's mortgage purchase and servicing standards and other documents referred to herein does not purport to be complete and is qualified in its entirety by reference to Freddie Mac's Mortgage Participation Certificates Offering Circular, applicable Offering Circular Supplements, Freddie Mac's Information Statement, any Information Statement Supplements, the Freddie Mac Securities and any other documents made available by Freddie Mac. Copies of the Offering Circular, Information Statement and any supplements to those documents and other information can be obtained by calling Freddie Mac's Investor Inquiry Department (telephone (800) 336-3672) or by accessing Freddie Mac's World Wide Web site.

In response to current financial market and real estate market disruptions due to COVID-19 and the Pandemic, certain federal insurance and guaranty programs for mortgage loans have been changed. See "The Agency—COVID-19 Economic Disruption" herein for a discussion of certain of those related program changes.

Freddie Mac is subject to the supervision and regulation of the FHFA to the extent provided in the federal Housing and Economic Recovery Act of 2008. The FHFA has placed Freddie Mac into conservatorship.

Freddie Mac is a publicly traded company listed on the New York Stock Exchange (symbol: FRE). Information on Freddie Mac and its financial condition is contained in annual, quarterly and current reports, proxy statements and other information that Freddie Mac files with the SEC. You may read and copy any document Freddie Mac files with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. These SEC filings are also available to the public from the SEC's website at http://www.sec.gov. The documents and websites referred to above are not a part of this Official Statement, and neither the Agency nor any of the Underwriters takes any responsibility for information contained in any of these documents or websites.

Freddie Mac

Freddie Mac is a shareholder-owned government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459 (the "Freddie Mac Act"). Freddie Mac's statutory mission is (i) to provide stability in the secondary market for residential mortgages; (ii) to respond appropriately to the private capital market; (iii) to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities); and (iv) to promote access to mortgage credit throughout the United States (including central cities, rural areas and underserved areas) by increasing the liquidity of mortgage financing. Neither the United States nor any agency or instrumentality of the United States is obligated, either directly or indirectly, to fund the mortgage purchase or financing activities of Freddie Mac or to guarantee Freddie Mac's securities or obligations.

Freddie Mac's principal business consists of the purchase of (i) first-lien, conventional residential mortgages subject to certain maximum loan limits and other underwriting requirements under the Freddie Mac Act and (ii) securities backed by those mortgages. Freddie Mac finances its mortgage purchases and mortgage-backed securities purchases through the issuance of a variety of securities, primarily pass-through mortgage participation certificates and unsecured debt, as well as with cash and equity capital.

On September 7, 2008, the Director of the Federal Housing Finance Agency ("FHFA") appointed FHFA as conservator of Freddie Mac in accordance with the Federal Housing Finance Reform Act of 2008 (the "Reform Act") and the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. On September 7, 2008, in connection with the appointment of FHFA as conservator, Freddie Mac and the U.S. Department of the Treasury ("Treasury") entered into a Senior Preferred Stock Purchase Agreement. Also, pursuant to its authority under the Reform Act, Treasury announced that it has established the Government Sponsored Enterprise Credit Facility (a lending facility to ensure credit availability to Freddie Mac, Fannie Mae, and the Federal Home Loan Banks that will provide secured funding on an as needed basis under terms and conditions established by the Treasury Secretary to protect taxpayers) and a program under which Treasury will purchase Government Sponsored Enterprise (including Freddie Mac) mortgage-backed securities (MBS) in the open market. The announcements by FHFA and Treasury and descriptions of these programs are available at their respective websites: http://www.OFHEO.gov and http://www.Treasury.gov.

Freddie Mac Guarantor Program

Freddie Mac has established a mortgage purchase program pursuant to which Freddie Mac purchases a group of mortgages from a single seller in exchange for a Freddie Mac certificate representing an undivided interest in a pool consisting of the same mortgages (the "Guarantor Program"). Freddie Mac approves the institutions that may sell and service mortgages under the Guarantor Program on an individual basis after consideration of factors such as financial condition, operational capability and mortgage origination and/or servicing experience. Most sellers and servicers are HUD-approved mortgagees or FDIC-insured financial institutions.

Freddie Mac Securities

Freddie Mac Securities will be mortgage-backed pass-through securities issued and guaranteed by Freddie Mac under its Guarantor Program. As of June 3, 2019, each Freddie Mac Security will be a Uniform Mortgage-Backed Security ("UMBS") (see "The Homeownership Finance Program—Uniform Mortgage-Backed Securities"). Freddie Mac Securities are issued only in book-entry form through the Federal Reserve Banks' book-entry system. Each Freddie Mac Security represents an undivided interest in a pool of mortgage loans. Payments by borrowers on the mortgage loans in the pool are passed through monthly by Freddie Mac to record holders of the Freddie Mac Securities representing interests in that pool.

Payments on Freddie Mac Securities that are not UMBS begin on or about the 15th day of the first month following issuance. Payments on Freddie Mac Securities that are UMBS begin on the 25th day of the first month following issuance, or, if the 25th day is not a business day, on the first business day next succeeding the 25th day. Each month, Freddie Mac passes through to record holders of Freddie Mac Securities their proportionate share of principal payments on the mortgage loans in the related pool and one month's interest at the applicable pass-through rate. The pass-through rate for a Freddie Mac Security is determined by subtracting from the lowest interest rate on any of the mortgage loans in the pool the applicable servicing fee and Freddie Mac's management and guarantee fee, if any. The interest rates on the mortgages in a pool formed under Freddie Mac's Guarantor Program must fall within a range from the pass-through rate on the Freddie Mac Securities plus the minimum servicing fee through the pass-through rate plus 250 basis points.

Freddie Mac guarantees to each record holder of a Freddie Mac Security the timely payment of interest at the applicable pass-through rate on the principal balance of the holder's Freddie Mac Security. Freddie Mac also guarantees to each holder of a Freddie Mac Security (i) the timely payment of the holder's proportionate share of monthly principal due on the related mortgage loans, as calculated by Freddie Mac, and (ii) the ultimate collection of the holder's proportionate share of all principal of the related mortgage loans, without offset or reduction, no later than the payment date that occurs in the month by which the last monthly payment on the Freddie Mac Security is scheduled to be made.

Freddie Mac may pay the amount due on account of its guarantee of ultimate collection of principal on a mortgage at any time after default, but not later than 30 days following (i) the foreclosure sale of the mortgaged property, (ii) if applicable, the payment of an insurance or guaranty claim by the mortgage insurer or guarantor or (iii) the expiration of any right of redemption that the borrower may have, whichever is the last to occur. In no event, however, will Freddie Mac make payments on account of this guarantee later than one year after an outstanding demand has been made on the borrower for accelerated payment of principal or for payment of the principal due at maturity.

The obligations of Freddie Mac under its guarantees of the Freddie Mac Securities are obligations of Freddie Mac only. The Freddie Mac Securities, including the interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. If Freddie Mac were unable to satisfy its obligations under its guarantees, distributions on the Freddie Mac Securities would consist solely of payments and other recoveries on the related mortgages; accordingly, delinquencies and defaults on the mortgage loans would affect distributions on the Freddie Mac Securities and could adversely affect payments on Outstanding Bonds.

Mortgage Purchase and Servicing Standards

All mortgage loans purchased by Freddie Mac must meet certain standards established by the Freddie Mac Act. In addition, Freddie Mac has established its own set of mortgage purchase standards, including credit, appraisal and underwriting guidelines. These guidelines are designed to determine the value of the real property securing a mortgage loan and the creditworthiness of the borrower. Freddie Mac's administration of its guidelines may vary based on its evaluation of and experience with the seller of the mortgage loans, the loan-to-value ratio and age of the mortgage loans, the type of property securing the mortgage loans and other factors.

Freddie Mac has also established servicing policies and procedures to support the efficient and uniform servicing of the mortgage loans it purchases. Each servicer must perform diligently all services and duties customary to the servicing of mortgage loans in a manner consistent with prudent servicing standards. The duties performed by a servicer include collection and remittance of principal and interest to Freddie Mac; administration of escrow

accounts; collection of insurance or guaranty claims; property inspections; and, if necessary, foreclosure. Freddie Mac monitors servicers' performance through periodic and special reports and inspections.

In the event of an existing or impending delinquency or other default on a mortgage loan, Freddie Mac may attempt to resolve the default through a variety of measures. In determining which measures to pursue with respect to a given mortgage loan and when to initiate those measures, Freddie Mac seeks to minimize the costs that may be incurred in servicing the mortgage, as well as Freddie Mac's possible exposure under its guarantees. However, the measures that Freddie Mac may choose to pursue to resolve a default will not affect Freddie Mac's guarantees. In any event, Freddie Mac generally repurchases from a pool any mortgage loan that has remained delinquent for at least 120 consecutive days and makes payment of principal to record holders pursuant to Freddie Mac's guarantee of ultimate collection of principal.

THE MASTER SERVICER

U.S. Bank National Association currently serves as Master Servicer for the Agency's MBS Program, including the Program Securities to be financed with proceeds of the Series Bonds. The Agency has entered into a Servicing Agreement, dated as of October 17, 2013 (the "Servicing Agreement"), with U.S. Bank National Association, as master servicer (the "Master Servicer"), for an indefinite term (subject to termination rights), which replaces the previous servicing agreement executed by the Agency and the Master Servicer. The Program Securities acquired with proceeds of the Series Bonds are expected to be serviced by the Master Servicer.

THE FOLLOWING INFORMATION ABOUT THE MASTER SERVICER RELATES TO AND WAS SUPPLIED BY U.S. BANK NATIONAL ASSOCIATION. NONE OF THE AGENCY, THE UNDERWRITERS, THEIR COUNSEL OR BOND COUNSEL HAS VERIFIED THIS INFORMATION OR GUARANTEES IT AS TO COMPLETENESS OR ACCURACY. POTENTIAL INVESTORS SHOULD NOT CONSTRUE THIS INFORMATION AS A REPRESENTATION OF ANY OF THE AGENCY, THE UNDERWRITERS, THEIR COUNSEL OR BOND COUNSEL.

As of December 31, 2020, the Master Servicer serviced 1,315,046 single-family mortgage loans purchased through its U.S. Bank Home Mortgage Division, with an aggregate principal balance of approximately $209 billion. The Master Servicer currently services single-family mortgage loans for state and local housing finance authorities, mutual savings banks, life insurance companies, savings and loan associations, commercial banks, as well as Fannie Mae, GNMA and Freddie Mac.

As of December 31, 2020, according to its unaudited quarterly financial statements, U.S. Bancorp had total assets of approximately $553.9 billion and a net worth of $53.1 billion. For the twelve months ended December 31, 2020, the Master Servicer, through its U.S. Bank Home Mortgage Division, originated and purchased single-family mortgage loans in the total principal amount of approximately $89.1 billion.

The Master Servicer is (i) an FHA- and VA-approved lender in good standing. (ii) a GNMA-approved seller and servicer of mortgage loans and an issuer of mortgage-backed securities guaranteed by GNMA, (iii) a Fannie Mae approved seller and servicer of Fannie Mae Securities, and (iv) a Freddie Mac approved seller and servicer of Freddie Mac securities.

The Master Servicer is not liable for the payment of the principal of Outstanding Bonds or the interest or redemption premium, if any, thereon.

The holding company for U.S. Bank National Association is U.S. Bancorp, the fifth largest financial services holding company in the United States.

THE HOMEOWNERSHIP FINANCE PROGRAM

General

The following provides a general description of the Agency's Program in respect of the Program Securities backed by Program Loans to be purchased with proceeds of the Series Bonds, which is subject to change from time to time as provided in the Resolutions and is also subject to applicable federal and State law.

Under the Bond Resolution, the Agency may issue Bonds to finance Program Obligations to provide financing for single family, owner-occupied housing. All Series of Bonds issued under the Bond Resolution are secured on an equal basis, except as otherwise expressly provided in the Bond Resolution. The Agency will use proceeds of the Series Bonds to purchase Program Securities backed by Program Loans. The Agency does not currently anticipate that future Series of Bonds issued under the Bond Resolution will finance Program Obligations other than Program Securities, but the Bond Resolution permits Additional Bonds to be issued to finance Program Loans directly if the conditions for issuance of the Additional Bonds are met. (See "Security for the Bonds—Additional Bonds.")

History and Transition to "MBS" Model

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

The Agency has acquired the 2021B New Program Securities pursuant to the Servicing Agreement from the Master Servicer for an amount equal to between 101.5 percent and 103.5 percent of the principal amount of each 2021B New Program Security, plus accrued interest, if any, and any applicable fees or charges payable to a Federal Mortgage Agency and not paid by the mortgagor. The Trustee will disburse moneys from the 2021 Series B Acquisition Account to reimburse the Agency for the amount paid by the Agency to acquire the 2021B New Program Securities.

Procedures for Origination, Purchase and Pooling

Application

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

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

Qualified Borrowers

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

Household Size	11-County Twin Cities Metropolitan Area*	Dodge and Olmsted Counties	Balance of State
1 or 2 Persons	$103,400	$101,200	$91,800
3 or more Persons	$118,900	$116,300	$105,500

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

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

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

Lenders must underwrite the borrower's credit in compliance with the underwriting standards of FHA, VA, USDA Rural Development (formerly the Rural Housing and Community Development Service), Fannie Mae, Freddie Mac or the insuring private mortgage insurance company, as applicable, and of the Master Servicer.

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

Certain Fannie Mae Loan Products

In May 2012, the Agency began offering the Fannie Mae HFA Preferred Risk Sharing™ loan product for borrowers who meet the qualifying guidelines. The HFA Preferred Risk Sharing™ loan product enabled eligible state housing finance agencies to deliver loans with up to 97 percent loan-to-value ratios without mortgage insurance. The loan product carried a higher Fannie Mae guarantee fee and the Agency had to agree to repurchase the loan if it becomes delinquent in the first 12 months and remains delinquent for four consecutive months thereafter, or if the loan is delinquent at the 12th month, does not become current and remains delinquent for four consecutive months thereafter. To date, Fannie Mae has requested that the Agency repurchase 26 loans. If those loans are Program Loans pooled into Program Securities, those Program Securities have the same Fannie Mae guaranty as other Fannie Mae Securities.

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

Uniform Mortgage-Backed Securities

On June 3, 2019, Fannie Mae and Freddie Mac began issuing new, common, single mortgage-backed securities, formally known as the Uniform Mortgage-Backed Security ("UMBS"). The UMBS finance the same types of fixed-rate mortgages that back Fannie Mae Securities and Freddie Mac Securities issued before that date and are guaranteed by either Fannie Mae or Freddie Mac depending upon which issues the UMBS. The UMBS have characteristics similar to Fannie Mae Securities that are not UMBS and Freddie Mac is offering investors the opportunity to exchange existing Freddie Mac Securities for "mirror" UMBS backed by the same loans as the

existing securities. Proceeds of the Series Bonds will be used to purchase Program Securities, which include UMBS. For purposes of this Official Statement, the term "Program Securities" includes UMBS.

Qualified Real Property

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

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

If the property to be mortgaged is located in:	
Twin Cities Metropolitan Area	$340,000
Balance of State	$294,600

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

Targeted Areas

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

Servicing of Program Securities

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

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

OTHER PROGRAMS

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

For example, as of December 31, 2020, the Residential Housing Finance Bond Fund (excluding Pool 2 and Pool 3) had outstanding mortgage loans receivable of $293,269,000 gross and $1,354,015,000 in outstanding principal amount of mortgage-backed securities, which were financed from the proceeds of the Agency's residential housing finance bonds. As of December 31, 2020, the Agency had outstanding home improvement loans receivable of $76,706,000 gross. *None of these loans secure or are available for the payment of principal of or interest on the Bonds*.

Step Up Program

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

Deferred Payment Loans

The Agency has established The Deferred Payment Loan Program, a Homeownership Assistance Fund program funded by State appropriations. Under The Deferred Payment Loan Program there are two options: the Deferred Payment Loan and the Deferred Payment Loan Plus. The Alternative Loan Fund within the Residential Housing Finance Bond Resolution is also a source of funding for these loans. A loan originated under either of these options is a junior lien loan from the Agency to the mortgagor.

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

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

Down payment and closing cost assistance under either of these options is an interest-free, deferred loan that is due on sale or transfer of the property or when the property is no longer occupied by the mortgagor.

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

Monthly Payment Loans

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

TAX MATTERS

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

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

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

Characterization as Indebtedness

The Agency intends for applicable tax purposes that the Series Bonds will be indebtedness of the Agency secured by the pledged Program Obligations and other assets. The owners of the Series Bonds, by accepting Series Bonds, have agreed to treat the Series Bonds as indebtedness of the Agency for federal income tax purposes. The Agency intends to treat this transaction as a financing reflecting the Series Bonds as its indebtedness for tax and financial accounting purposes. Bond Counsel is of the opinion that the Series Bonds should be treated as indebtedness of the Agency for federal income tax purposes.

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

the separate entity would be subject to corporate tax on income from the pledged Program Obligations and other assets, reduced by interest on the Series Bonds. Any such tax could materially reduce cash available to make payment on the Series Bonds.

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

Taxation of Interest Income of the Series Bonds

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

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

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

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

Sale or Exchange of the Series Bonds

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

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

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

Backup Withholding

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

Tax Treatment of Original Issue Discount

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

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

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

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

Tax Treatment of Bond Premium

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

State, Local or Foreign Taxation

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

Tax-Exempt Investors

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

Certain ERISA Considerations

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

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

the Code, with respect to an ERISA Plan or a plan or arrangement subject to Code Sections 4975 or 503. Prohibited transactions within the meaning of ERISA and the Code may arise if the Series Bonds are acquired by those plans or arrangements with respect to which the Agency or any Underwriter is a party in interest or disqualified person.

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

State Law Considerations

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

LITIGATION

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

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

LEGAL MATTERS

The validity of the Series Bonds is subject to the opinion of Kutak Rock LLP, Bond Counsel. The opinion of Bond Counsel will be provided in substantially the form set forth in Appendix E attached hereto. Certain legal matters will be passed upon for the Underwriters by their counsel, Cozen O'Connor.

RATING

The Series Bonds are rated "___" by Moody's Investors Service, Inc. ("Moody's"). The rating and any associated outlook reflect only the views of Moody's, and an explanation of the significance of the rating and outlook may be obtained only from Moody's and its published materials. The rating described above is not a recommendation to buy, sell or hold the Series Bonds. There can be no assurance that the rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of Moody's, circumstances so warrant. Therefore, after the date hereof, investors should not assume that the rating is still in effect. A downward revision or withdrawal of the rating is likely to have an adverse effect on the market price and marketability of the Series Bonds. The Agency has not assumed any responsibility either to notify the owners of the Series Bonds of any proposed change in or withdrawal of the rating subsequent to the date of this Official Statement, except in connection with the reporting of events as provided in the Continuing Disclosure Undertaking (see Appendix B to this Official Statement), or to contest any revision or withdrawal.

FINANCIAL ADVISOR

CSG Advisors Incorporated (the "Financial Advisor") is serving as financial advisor to the Agency with respect to the planning, structuring and sale of the Series Bonds. The Financial Advisor assisted in the preparation of

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

UNDERWRITING

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

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

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

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of WFC and its subsidiaries, including WFBNA, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of WFBNA, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA is serving both as one of the Underwriters and as Trustee for the Series Bonds. WFBNA will be compensated separately for serving in each capacity.

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

MISCELLANEOUS

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

The Agency has authorized the execution and delivery of this Official Statement.

MINNESOTA HOUSING FINANCE AGENCY

By _____
Commissioner

Dated: _____, 2021.

APPENDIX A-1

AUDITED FINANCIAL STATEMENTS OF THE AGENCY FOR THE FISCAL YEAR ENDED JUNE 30, 2020

APPENDIX A-2

FINANCIAL STATEMENTS OF CERTAIN FUNDS OF THE AGENCY
(EXCLUDING STATE APPROPRIATED AND FEDERAL APPROPRIATED FUNDS)
AS OF DECEMBER 31, 2020
AND FOR THE SIX MONTHS THEN ENDED (UNAUDITED)

AS PREPARED BY THE AGENCY'S ACCOUNTING DEPARTMENT

APPENDIX B

SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING

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

Purpose

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

Definitions

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

"*Annual Financial Information*" means the following financial information and operating data (in addition to Audited Financial Statements): information about the outstanding principal amounts and types of Program Securities pledged to the payment of Bonds outstanding under the Bond Resolution as the end of such fiscal year of a type substantially similar to that under the heading "Security for the Bonds—Program Securities Pledged under the Bond Resolution" in the Official Statement.

"*Annual Financial Information Disclosure*" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as described under "Annual Financial Information Disclosure" herein.

"*Audited Financial Statements*" means the audited financial statements of the Agency, prepared pursuant to the standards and as described under the caption "Annual Financial Information Disclosure."

"*Beneficial Owners*" means (1) in respect of a Series Bond subject to a book-entry-only registration system, any person or entity that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Series Bond (including persons or entities holding Series Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Series Bond for federal income tax purposes, and such person or entity provides to the Trustee evidence of such beneficial ownership in form and substance reasonably satisfactory to the Trustee; or (2) in respect of a Series Bond not subject to a book-entry-only registration system, the registered owner or owners thereof appearing in the bond register maintained by the Trustee, as Registrar.

"*Commission*" means the Securities and Exchange Commission.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Financial Obligation*" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or, (iii) guarantee of either (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

"*Listed Event*" means the occurrence of any of the events with respect to the Series Bonds set forth below:

1. Principal and interest payment delinquencies;

2. Nonpayment-related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

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

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Agency (within the meaning of the Rule);

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

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Agency, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Agency, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Agency, any of which reflect financial difficulties.

"*Listed Events Disclosure*" means dissemination of a notice of a Listed Event as described under the heading "Listed Events Disclosure" in this Appendix B.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Participating Underwriter*" means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series Bonds.

"*Prescribed Form*" means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Listed Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

"*Rule*" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"*Undertaking*" means the obligations of the Agency described under the headings "Annual Financial Information Disclosure" and "Listed Events Disclosure" in this Appendix B.

Annual Financial Information Disclosure

The Agency shall disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below) for each fiscal year of the Agency, commencing with the fiscal year ending June 30, 2021, by one of the following methods: (i) the Agency may deliver such Annual Financial Information and the Audited Financial Statements to the MSRB within 120 days of the completion of the Agency's fiscal year or (ii) delivery of an Official Statement of the Agency to the MSRB within 120 days of the completion of the Agency's fiscal year, but only to the extent such Official Statement includes such Annual Financial Information and Audited Financial Statements.

The Agency shall deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Agency shall disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Disclosure Undertaking, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

All or a portion of the Annual Financial Information and the Audited Financial Statements may be included by reference to other documents that have been submitted to the MSRB or filed with the Commission. The Agency shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 120 days after the last day of the Agency's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to the Agency.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by the Disclosure Undertaking, including for this purpose a change made to the fiscal year-end of the Agency, the Agency will disseminate a notice to the MSRB of such change in Prescribed Form.

Listed Events Disclosure

The Agency shall disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Listed Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series Bonds or defeasance of any Series Bonds need not be given under this Disclosure Undertaking any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series Bonds pursuant to the Resolution. In addition, notice of the mandatory redemption of the Series Bonds is not required to be given as a Listed Event.

Consequences of Failure of the Agency to Provide Information

The Agency shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Agency to comply with any provision of this Disclosure Undertaking, the Bondowner or Beneficial Owner of any Series Bond may seek specific performance by court order to cause the Agency to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Resolution or any other agreement, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Agency to comply with this Disclosure Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of this Disclosure Undertaking, the Agency may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Agency or type of business conducted;

(ii) This Disclosure Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Bondowners of the Series Bonds, as determined either by parties unaffiliated with the Agency (such as the Trustee) or by an approving vote of the Bondowners of the Series Bonds holding a majority of the aggregate principal amount of the Series Bonds (excluding Series Bonds held by or on behalf of the Agency or its affiliates) pursuant to the terms of the Resolution at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Termination of Undertaking

This Disclosure Undertaking shall terminate when the Agency shall no longer have any legal liability for any obligation on or relating to the repayment of the Series Bonds. The Agency shall give notice to the MSRB in a timely manner and in Prescribed Form if the Undertaking is so terminated before the final stated maturity of the Series Bonds.

Additional Information

Nothing in this Disclosure Undertaking shall be deemed to prevent the Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Agency chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the Agency shall not have any obligation under this Disclosure Undertaking to update such information or include it in any future disclosure or notice of the occurrence of a Listed Event.

Beneficiaries

This Disclosure Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Disclosure Undertaking shall inure solely to the benefit of the Agency, the Bondowners and Beneficial Owners of the Series Bonds, and shall create no rights in any other person or entity.

Recordkeeping

The Agency shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following statements are brief summaries of certain provisions of the Bond Resolution and particular provisions of the 2020/2021 Series Resolutions. Terms defined herein are identical in all material respects with the definitions in the Bond Resolution and the 2020/2021 Series Resolutions.

CERTAIN DEFINED TERMS

Business Day: Any day (a) on which banks in the cities in which the Corporate Trust Office of the Trustee and the principal office of any applicable Paying Agent are located are not required or authorized by law to be closed and (b) on which the New York Stock Exchange is open.

Cash Flow Certificate: A certificate from an Authorized Officer giving effect to the action proposed to be taken and demonstrating that in the current and in each succeeding Fiscal Year in which Bonds are scheduled to be Outstanding that Revenues and other amounts expected to be on deposit in the Funds and Accounts established hereunder or under any Series Resolution (excluding, except to the extent otherwise provided in a Series Resolution, the Single Family Housing Fund) will be at least equal to all amounts required to be on deposit in order to pay the Debt Service on the Bonds and to maintain the balance in the Mortgage Reserve Fund at the Mortgage Reserve Requirement; provided that, to the extent specified in a Series Resolution, a Fund or Account (other than the Single Family Housing Fund as excluded above) shall not be taken into account when preparing such Cash Flow Certificate. The Cash Flow Certificate shall set forth the assumptions upon which the estimates therein are based, which assumptions shall be based upon the Agency's reasonable expectations at the time such Cash Flow Certificate is filed.

Code: The Internal Revenue Code of 1986, as amended, and the applicable temporary, proposed and final Treasury regulations promulgated thereunder or applicable thereto.

Counterparty Hedge Payment: A payment due to or received by the Agency from a Hedge Counterparty pursuant to a Hedge Agreement (including, but not limited to, payments in respect of any early termination of such Hedge Agreement) and amounts in respect thereof received by the Agency under any related Hedge Counterparty Guarantee.

Debt Service: As of the date of calculation and with respect to any particular Fiscal Year, an amount equal to the sum of (i) all interest payable on all Outstanding Bonds during such Fiscal Year, plus (ii) any Principal Installment with respect to all Outstanding Bonds during such Fiscal Year; provided, that, if any Bonds bear interest at a rate that is not, as of the date of calculation, determinable for all or any portion of a Fiscal Year, the Agency may make reasonable assumptions regarding the interest rate borne by such Bonds during such period.

Fannie Mae: The Federal National Mortgage Association, a federally-chartered and stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. §1716 et seq., or any successor thereto.

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

Federal Mortgage Agency: GNMA, Fannie Mae, Freddie Mac and such other public or private agencies or corporations as the United States Congress may create for the purpose of housing finance and which are an agency or instrumentality of the United States or sponsored thereby.

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

Finance or finance: When used with reference to a Program Obligation, shall be construed to include (i) the making or purchase of such Program Obligation, (ii) the participation by the Agency, either with itself or with others, in the making or purchase thereof, or (iii) the permanent financing of a Program Obligation which has been temporarily financed by the Agency through the issuance of notes or other obligations or otherwise.

Fiscal Year: The period of 12 calendar months commencing on July 1 in any calendar year and ending on June 30 in the following year, or such other 12-month period as may be designated by the Agency by Agency Certificate delivered to the Trustee.

Freddie Mac: The Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States, created pursuant to the Federal Home Loan Mortgage Act (Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459), and any successor to its functions.

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

GNMA: The Government National Mortgage Association, a government-sponsored enterprise organized and existing under the laws of the United States within HUD, and any successor to its functions. Its powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C., §1716 et seq.).

GNMA Security: The GNMA I Mortgage Pass-Through Certificate or a GNMA II Mortgage Pass-Through Certificate issued by the Servicer in the name of the Trustee in exchange for Mortgage Loans and guaranteed as to timely payment of principal and interest by GNMA pursuant to Section 306(g) of Title III of the National Housing Act of 1934 and the regulations promulgated thereunder, and in the form of Appendix 39 "Single Family Mortgage-Backed Certificate" of the GNMA Guide.

GSE: Either Fannie Mae or Freddie Mac or both, collectively, as the context may require.

Hedge Agreement: with respect to any Bonds, a payment exchange agreement, swap agreement, forward agreement or any other hedge agreement between the Agency and a Hedge Counterparty, as amended or supplemented, providing for payments between the parties based on levels of, or changes in, interest rates or other indices, including, without limitation, interest rate exchange agreements, floors or caps, which allows the Agency to manage or hedge payment, rate, spread or similar risk with respect to any Bonds outstanding or proposed to be issued and which is entered into in accordance with the Bond Resolution.

Hedge Counterparty: any Person with whom the Agency has from time to time entered into a Hedge Agreement, as specified in a Series Resolution or other resolution of the Agency.

Hedge Counterparty Guarantee: a guarantee in favor of the Agency given in connection with the execution and delivery of a Hedge Agreement, as specified in a Series Resolution or other resolution of the Agency.

Interest Requirement: With respect to Outstanding Bonds and as of any particular date of calculation, except as otherwise required in a Series Resolution with respect to a Series of Bonds, the amount equal to unpaid interest then due, plus an amount equal to the interest to become due on each Outstanding Bond of all Series on the next respective Interest Payment Date or Dates within the next succeeding six months and, if any Bonds bear interest at a rate which is not determinable to and including the day preceding the next Interest Payment Date thereon, the Interest Requirement shall be calculated as if such Bonds continue to bear interest to, but not including, the next Interest Payment Date at the interest rate in effect on the Bonds on the date of calculation.

Investment Obligations: Any of the following securities and other investments (other than Program Securities), if and to the extent the same are at the time legal for the investment of the Agency's moneys:

(a) Direct obligations of, or obligations the timely payment of principal and interest on which are insured or guaranteed by, the United States of America, which obligations include, but are not limited to,

the following: (i) United States Treasury obligations which are direct or fully guaranteed obligations, and (ii) obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by GNMA;

(b) Obligations (i) which are backed by the full faith and credit of any state of the United States of America, (ii) of any agency of the United States of America, or (iii) of any public corporation sponsored by the United States of America, provided that, at the time of purchase, such obligations shall not impair the Rating of any Outstanding Bonds;

(c) Federal Home Loan Mortgage Corporation participation certificates guaranteed by Freddie Mac as to timely payment of principal and interest and senior debt obligations;

(d) Fannie Mae's mortgage-backed securities and senior debt obligations, excluding interest-only stripped securities;

(e) Interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with any bank, trust company, national banking association or other savings institution (including any Fiduciary) whose outstanding unsecured short-term debt obligations are rated by Moody's not less than P-1 (or such comparable rating from each Rating Agency then providing a rating on the Bonds); provided that (i) such deposits, certificates and other arrangements are fully insured by the Federal Deposit Insurance Corporation or guaranteed by the State, the proceeds of which insurance are timely available, or (ii) such Depository has combined capital and surplus of at least $75,000,000 and such deposits, certificates and other arrangements are fully secured by obligations described in clause (a) or (b) of this definition, or a combination thereof, at such levels and valuation frequency as shall not impair the Rating of any Outstanding Bonds, or (iii) the deposit of funds with such Depository will not impair the Rating of any Outstanding Bonds;

(f) Any repurchase agreement and reverse repurchase agreement with banks which are members of the Federal Deposit Insurance Corporation, or with government bond dealers reporting to and trading with the Federal Reserve Bank of New York, which agreement is secured by obligations described in the preceding clauses (a) and (b) of this definition, as long as such agreement, as of the date of its execution and delivery, does not impair the Rating of any Outstanding Bonds;

(g) Shares of (i) an investment company registered under the federal investment company act of 1940, whose shares are registered under the federal securities act of 1933, whose only investments are in securities described in subparagraphs (a), (b) or (f) above, or (ii) a common trust fund established by a national banking association or a bank or trust company organized under the laws of any state with combined capital and surplus of at least $75,000,000, under the supervision and regulation of the Comptroller of the Currency pursuant to 12 C.F.R. 9, or any successor regulation, whose only investments are in securities described in subparagraphs (a), (b) or (f) above, and, in the case of both (i) and (ii), which are not rated less than "Aaa" by Moody's (or such comparable rating from each Rating Agency then providing a Rating on the Bonds);

(h) Any investment contract with any provider as long as such investment contract, as of the date of its execution and delivery, does not impair the Rating of any Outstanding Bonds; and

(i) Any other investment that as of the date made does not impair the Rating of any Outstanding Bonds.

Lender: Unless otherwise provided in a Series Resolution, a Person executing a Participation Agreement and which is: (i) a bank, savings bank, credit union, mortgage company or nonprofit corporation organized or licensed under the laws of the State or the United States, or a mortgagee or lender approved or certified by the Secretary of Housing and Urban Development or by the Administrator of Veteran Affairs; or (ii) an agency or instrumentality of the United States or the State, or a political subdivision of the State.

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

Mortgage Reserve Requirement: As of any particular date of computation, the sum of amounts, if any, established for each Series of Bonds by each Series Resolution.

Other Obligations: a Hedge Agreement or, if and to the extent provided in a Series Resolution or other resolution of the Agency, with respect to Bonds of one or more Series, an insurance policy insuring, or a letter of credit, line of credit, surety bond or standby bond purchase agreement providing a direct or indirect source of funds for, the timely payment of principal of or interest on such Bonds (but not necessarily principal due upon the acceleration thereof), or any or all of the remarketing agreements, depository agreements, credit facilities, reimbursement agreements, standby bond purchase agreements and the like pertaining to Bonds with a tender right granted to or tender obligation imposed on the Owner thereof.

Outstanding: When used with respect to Bonds, as of any date, all Bonds theretofore authenticated and delivered under the Resolution except:

(a) any Bond cancelled or delivered to the Trustee for cancellation on or before such date;

(b) any Bond (or any portion of any Bond) (i) for the payment or redemption of which there shall be held in trust under the Resolution and set aside for such payment or redemption, moneys and/or Government Obligations maturing or redeemable at the option of the holder thereof not later than such maturity or redemption date which, together with income to be earned on such Government Obligations prior to such maturity or redemption date, will be sufficient to pay the principal or Redemption Price thereof, as the case may be, together with interest thereon to the date of maturity or redemption, and (ii) in the case of any Bond (or any portion of any Bond) to be redeemed prior to maturity, notice of the redemption of which shall have been given in accordance with the Resolution or irrevocably provided for in a manner satisfactory to the Trustee;

(c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to the Resolution; or

(d) any Bond deemed to have been paid as provided in the Resolution.

Parity Certificate: An Agency Certificate, giving effect to the action proposed to be taken in connection with the filing thereof, showing that (A) the sum of (i) the moneys, Investment Obligations and Cash Equivalents then credited to the Acquisition Accounts, the Revenue Fund, the Bond Fund Principal Account, the Bond Fund Interest Account and the Mortgage Reserve Fund, (ii) the unpaid principal amount of all Program Obligations credited to the Acquisition Accounts, and (iii) any other moneys, Investment Obligations and Cash Equivalents and the unpaid principal amount of all Program Obligations otherwise specifically pledged to the payment of Outstanding Bonds by a Series Resolution, exceeds (B) an amount equal to 103% of the principal amount of Outstanding Bonds of all Series. If, however, on the date the Agency Certificate is to be delivered, the aggregate outstanding principal amount of all Program Securities held by the Trustee is equal to or greater than the aggregate principal amount of all Bonds then Outstanding, as certified in the Agency Certificate, then the percentage in clause (B) of the immediately preceding sentence shall be 100%.

Participation Agreements: One or more of the Participation Agreements, as amended, relating to the origination of Program Loans under the Program, between the Agency or the Master Servicer and a Lender.

Private Mortgage Insurer: Any private mortgage insurance company that is licensed to do business in the State and that is approved by the applicable Federal Mortgage Agency and the Agency and providing private mortgage guaranty insurance on Conventional Mortgage Loans.

Principal Requirement: As of any particular date of calculation with respect to Bonds Outstanding on that date, the amount of money equal to any unpaid Principal Installment then due plus the Principal Installment to become due on each Series of Bonds on the next respective Principal Installment Date within the next succeeding six months.

Private Mortgage Insurer: Any private mortgage insurance company approved by the applicable Federal Mortgage Agency and the Agency and providing private mortgage guaranty insurance on Conventional Mortgage Loans.

Program: The program for the financing of Program Obligations for Housing established by the Agency pursuant to the Act, as the same may be amended from time to time, and the Bond Resolution and for financing Other Obligations.

Program Loan: A loan for Housing secured by a mortgage, made by a Lender in accordance with the Act and the Program.

Program Obligation: Any Program Loan or Program Security acquired by the Agency by the expenditure of amounts in an Acquisition Account.

Program Security: An obligation representing an undivided interest in a pool of Program Loans issued and acquired pursuant to the Program, to the extent the payments to be made on such obligation are guaranteed or insured by a Federal Mortgage Agency.

Program Series Resolution: The Series Resolution adopted December 11, 2009 with respect to the Homeownership Finance Bonds, 2009 Series A (Mortgage-Backed Securities Program) (Treasury HFA Initiative).

Rating: With respect to any Series of Outstanding Bonds, the rating issued by a Rating Agency in force immediately prior to the proposed action to be taken by the Agency hereunder, and an action that does not "impair" the Rating with respect to any Series of Outstanding Bonds shall be an action which will not cause the Rating Agency to lower, withdraw or suspend the rating it has assigned to the Series of Outstanding Bonds.

Rating Agency: Any nationally recognized entity that, upon the request of the Agency, has issued a credit rating on any Series of Bonds issued pursuant to the Resolution.

Revenues: With respect to the Outstanding Bonds, (i) all payments, proceeds, rents, premiums, penalties, charges and other cash income received by the Agency from or on account of any Program Obligation (including any payments received from a Federal Mortgage Agency, scheduled, delinquent and advance payments of, and any net insurance or guaranty proceeds with respect to, principal of and interest on any Program Obligation or the net operating income or net proceeds of sale of any property acquired thereunder), (ii) all income received by the Trustee from or in connection with any Servicing Agreement or by the Trustee or the Agency from or in connection with any Participation Agreement, unless otherwise provided in a Series Resolution with respect to all or a part thereof (but exclusive of indemnification rights of the Agency), (iii) any Counterparty Hedge Payments received from any Hedge Counterparty pursuant to a Hedge Agreement or any payments received from another Beneficiary to be applied to the payment of principal of, interest on, or the purchase price with respect to any Bonds, (iv) any amounts deposited in or irrevocably appropriated to any Fund or Account established under the Bond Resolution (other than the Single Family Housing Fund, except as otherwise provided in a Series Resolution) from sources not subject to the lien of the Bond Resolution, and (v) all interest earned or gain realized in excess of losses as a result of the investment of the amount in any Fund or Account established under the Bond Resolution (other than the Single Family Housing Fund, except as otherwise provided in a Series Resolution), but excluding: (a) any amount retained by a servicer (including the Agency) of any Program Obligation as compensation for services rendered in connection with such Program Obligation, (b) any payments for the guaranty or insurance of any Program Obligation, (c) any payments of taxes, assessments or similar charges or premiums or other charges for fire or other hazard insurance (and any escrow payments in connection therewith) called for by or in connection with any Program Obligation, (d) amounts payable with respect to a Program Obligation that represent a return on amounts financed by the Agency or by other Persons pursuant to a participation, forbearance or other arrangement from sources other than proceeds of Bonds or other amounts held hereunder, and (e) to the extent such items do not exceed the income derived therefrom, payments or charges constituting expenses of managing and maintaining property acquired pursuant to a Program Loan.

Series: All Bonds delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to the Bond Resolution.

Series Program Determinations: Determinations by the Agency relating to Program Obligations and certain other matters in connection with a Series of Bonds under the Program to be set forth (or provided to be determined at certain specified times in the future) in a Series Resolution and shall include, to the extent determined by the Agency to be relevant, the following: (i) the terms of the Program Securities or the Program Loans, including such matters as interest rates, payment dates, maturity dates, loan insurance provisions, and similar provisions; (ii) the requirements of the Code applicable to the Program Loans, if any; (iii) provisions relating to sale of Program Obligations and prepayments of Program Obligations, including application thereof for redemption of Bonds or financing new Program Obligations and provisions relating to the investment of funds relating to the Series of Bonds; (iv) the Mortgage Reserve Requirement, if any, and (v) any other provision deemed advisable by the Agency not in conflict with the Bond Resolution; provided that, pursuant to an Agency Certificate delivered to the Trustee, the Agency may amend or revise any of the above determinations with respect to any portion of the proceeds of the Series of Bonds prior to the date that such proceeds are applied to the financing of Program Obligations to the extent that such revisions do not impair the Rating on the Series of Bonds and do not affect the excludability of interest on such Series of Bonds from gross income for federal income tax purposes.

Series Resolution: A resolution of the Agency authorizing the issuance and delivery of Bonds of one or more Series pursuant to the Bond Resolution.

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

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

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

Series Accounts

Unless otherwise provided in a Series Resolution, the Trustee shall establish within each Fund under the Bond Resolution (other than the Single Family Housing Fund), a separate Series Account for each Series of Bonds. The proceeds of a particular Series of Bonds, other amounts made available by the Agency in the Series Resolution or otherwise relating to a particular Series of Bonds and the Revenues relating to a particular Series of Bonds (including the payments on Program Obligations acquired with the proceeds of a particular Series of Bonds or the payments on any other collateral pledged to a particular Series of Bonds and the earnings on investments of any of said proceeds, funds and amounts) shall be deposited or credited to the separate Series Accounts established for that particular Series of Bonds. Where required to assure compliance with the covenants of the Bond Resolution and any Series Resolution, withdrawals from Series Accounts established in connection with a particular Series of Bonds may be made and used (including for purposes of redemption) for any other Series of Bonds. For purposes of investment, the Trustee, may, or shall at the direction of the Agency, consolidate the Series Accounts required to be established in a particular Fund so long as adequate records are maintained as to the amounts held in each such Fund allocable to each Series of Bonds. In addition to the Funds and Accounts established under the Bond Resolution, the Trustee may from time to time, establish, maintain, close and reestablish such accounts and subaccounts as may be requested by the Agency for convenience of administration of the Program and as shall not be inconsistent with the provisions of the Bond Resolution.

Cost of Issuance Accounts

Each Series Resolution authorizing the issuance of a Series of Bonds may, but is not required to, provide for a separate Cost of Issuance Account to be held by the Trustee. Moneys in each such Cost of Issuance Account shall be expended for Costs of Issuance of such Series of Bonds and for no other purpose upon receipt by the Trustee of a requisition signed by an Authorized Officer stating the amount and purpose of any such payment. Any amounts in a Cost of Issuance Account remaining therein upon payment of all Costs of Issuance for such Series of Bonds shall (i) if not proceeds of Bonds, be transferred to the Revenue Fund and (ii) if sale proceeds, investment proceeds or transferred proceeds of Bonds, be transferred to any one or more of the Acquisition Accounts or the

Bond Redemption Fund, upon receipt by the Trustee of a Certificate of the Agency stating that such moneys are no longer needed for the payment of Costs of Issuance whereupon such Account shall be closed. Interest and other income derived from the investment or deposit of each such Cost of Issuance Account shall be transferred by the Trustee upon receipt thereof to the Revenue Fund.

Acquisition Accounts

Each Series Resolution authorizing the issuance of a Series of Bonds shall establish a separate Acquisition Account to be held by the Trustee. There shall be deposited from time to time in an Acquisition Account (i) any proceeds of Bonds or other amounts required to be deposited therein pursuant to the Bond Resolution or the applicable Series Resolution and (ii) any other amounts determined by the Agency to be deposited therein from time to time.

Except as otherwise permitted or required to be transferred to other Funds and Accounts, amounts in an Acquisition Account shall be expended only to Finance Program Obligations. All Program Obligations Financed by application of amounts in an Acquisition Account shall be credited to such Acquisition Account. No Program Loan shall be Financed unless the requirements of the applicable Series Resolution have been met, and no Program Security shall be Financed unless the Program Security represents a pass through or participation interest in a pool of Program Loans and provides for a guaranty of all payments to be made to the Agency thereunder by a Federal Mortgage Agency.

Amounts in an Acquisition Account for a Series of Bonds may be expended for the acquisition of a Program Security, or portion thereof, only if (1) the principal amount of the Program Security is less than or equal to the principal amount of the Program Loans backing the Program Security; (2) the Program Security bears interest at a rate equal to the rate of interest on the Program Loans backing the Program Security minus the applicable servicing and guaranty fees; (3) upon such purchase, the sum of (a) amounts held in all Accounts relating to the Series of Bonds and (b) the aggregate outstanding principal amount at time of purchase by the Trustee of all Program Securities held by the Trustee is equal to or greater than (c) the aggregate principal amount of all Bonds then Outstanding, or if conditions (a), (b) and (c) of this paragraph are not met, such disbursement alone shall not result in a reduction of the Rating on the Series of Bonds following notice by the Trustee to the Rating Agencies; and (4) the Trustee (i) has physical possession of the Program Security and the Program Security is registered in the name of the Trustee, (ii) the Program Security is credited to the account of the Trustee at a clearing corporation, as defined under and pursuant to the Uniform Commercial Code applicable to the clearing corporation, and the clearing corporation is registered as a clearing agency under the Securities Exchange Act of 1934, (iii) for a Program Security issued in book-entry form through a book-entry system operated by the Federal Reserve System, the Program Security shall have been registered on the books of the Federal Reserve Bank in the name of the Trustee (acting as a "depositary" within the meaning of 24 C.F.R. Section 81.44(b)), and the Trustee shall have received confirmation in writing that the depositary is holding the Program Security on behalf of, and has identified the Program Security on its records as belonging to, the Trustee, or (iv) any other arrangement so that, in Counsel's Opinion (with customary exceptions and qualifications), the Trustee has a first perfected security interest in the Program Security.

The Trustee shall pay out and permit the withdrawal of amounts on deposit in any Acquisition Account at any time for the purpose of making payments pursuant to the Bond Resolution, but only upon receipt of the following documents prior to any proposed withdrawal:

(1) an Agency Certificate setting forth the amount to be paid, the Person or Persons to whom such payment is to be made (which may be or include the Agency) and, in reasonable detail, the purpose or purposes of such withdrawal; and

(2) an Agency Certificate stating that the amount to be withdrawn from the Acquisition Account pursuant to the requisition is a proper charge thereon and, if such requisition is made to Finance the acquisition of Program Obligations, that (i) the terms of the Program Obligations conform to the description of the Program Obligations to be Financed from such amount as provided to the Trustee pursuant to the terms of the Bond Resolution, and (ii) the Program Obligations otherwise comply with the provisions of the Bond Resolution.

At any time the Agency, by Agency Certificate, may direct the Trustee to transfer amounts in an Acquisition Account into the Bond Fund Principal Account or Bond Fund Interest Account, as appropriate, to pay principal or Sinking Fund Installments of and interest on the related Series of Bonds, or into the appropriate account in the Mortgage Reserve Fund, which request shall state that such transfer is appropriate to meet the requirements of the Fund.

The interest earned and other income derived from the investment or deposit of each Acquisition Account may be transferred to the appropriate account in the Revenue Fund for the related Series of Bonds by the Trustee upon receipt thereof to the extent that such amounts exceed any losses realized by investment of deposits in such Acquisition Account or may be retained in the Acquisition Account for the Financing of additional Program Obligations, as directed by Agency Certificate.

All amounts deposited into an Acquisition Account shall be disbursed in the manner provided in the Bond Resolution or the Agency may, by Agency Certificate, direct the Trustee to transfer any amounts from the Acquisition Account to the Bond Redemption Fund to be used for the redemption of Bonds of the related Series; provided, however, that (i) the Agency Certificate shall specify the maturities, the principal amounts of each maturity, and the Series of Bonds to be redeemed (including any credits against Sinking Fund Installments on any Term Bonds to be redeemed) and (ii) in the case of any selection method of Bonds for an optional or special redemption different from the selection method assumed in the most recently filed Cash Flow Certificate, the Agency shall file an updated Cash Flow Certificate with the Trustee.

The Agency may establish temporary subaccounts within an Acquisition Account for the collection and custody of fees paid by Lenders or other Persons in connection with the reservation or holding of funds in the Acquisition Account for use in Financing Program Obligations to be originated by such Lenders or other persons. To the extent that the Agency's agreements with such Lenders or other persons provide for the refund of any such fees (or portions thereof), amounts may be withdrawn from any such subaccount or the Acquisition Account in accordance with such agreements, and any amounts not required to be so applied may, pursuant to an Agency Certificate, be applied to any other purpose of the Acquisition Account as provided in the Bond Resolution.

Any moneys deposited in an Acquisition Account which are not used or to be used to purchase Program Securities by the end of the Delivery Period specified in such Series Resolution, or by such earlier date as may be required by the Code and specified in such Series Resolution, shall be transferred by the Trustee to the Bond Redemption Fund in accordance with the provisions of the applicable Series Resolution, and applied to redeem Bonds.

Revenue Fund

The Agency shall cause all Revenues to be deposited promptly with a Depository and to be transmitted regularly to the Trustee. Unless otherwise provided in the Bond Resolution, all such amounts shall be deposited in the Revenue Fund. There shall also be deposited in the Revenue Fund any other amounts required to be deposited therein pursuant to the Bond Resolution or the Series Resolution or other resolution of the Agency.

The Trustee shall withdraw from any money in the Revenue Fund and credit to each of the following Funds and Accounts, or pay to the Person specified, the amount indicated in the following tabulation, at the times indicated in the following tabulation:

(1) on or before the applicable Interest Payment Date, to the Bond Fund Interest Account the amount needed, taking into account any balance then on deposit therein, to increase the balance therein to the Interest Requirement;

(2) on or before the applicable Principal Installment Date, to the Bond Fund Principal Account the amount, needed, taking into account any balance then on deposit therein, to increase the amount therein to the Principal Requirement;

(3) on any date, assuming any prior transfers required pursuant to subsections (1) and (2) above have been made, to the Mortgage Reserve Fund, the amount, if any, needed to increase the amount therein to the Mortgage Reserve Requirement;

(4) if expressly provided in the Series Resolution in respect of a series of Bonds to which a Hedge Agreement relates in whole or in part, on or before the applicable due dates, but only to the extent any prior transfers required pursuant to subsections (1), (2) and (3) above have been made, to any Hedge Counterparty, the Agency Hedge Payments due from time to time pursuant to a Hedge Agreement; provided, however, that if the Series Resolution provides that Agency Hedge Payments exclusive of amounts payable upon any early termination of the Hedge Agreement are to be made on a parity with payment of principal of and interest on Outstanding Bonds, then to the Hedge Counterparty, such portion of Agency Hedge Payments when due, and if the balance in the Revenue Fund is not sufficient to make the transfers then required under subsections (1), (2) and (3) and this payment, then the balance shall be applied, pro rata, to such transfers and this payment;

(5) at any time upon the purchase of Program Obligations from the moneys on deposit in an Acquisition Account, withdraw from the Revenue Fund and pay to the applicable Servicer or other Person the accrued and unpaid interest on the Program Obligations as of the date of purchase; and

(6) to the extent not transferred pursuant to the preceding subsections, the balance shall be held in the Revenue Fund until and unless directed by Agency Certificate to be transferred and utilized as set forth elsewhere.

At such periodic intervals as the Agency, by Agency Certificate, shall direct, the Trustee shall withdraw from the Revenue Fund and transfer to the United States of America such amounts as are necessary to comply with the Code, including particularly the arbitrage rebate requirements of Section 148 thereof.

Amounts credited to the Revenue Fund shall be transferred to the Bond Redemption Fund on or before the designated Redemption Date to be used for the purchase or redemption of Bonds pursuant to the Bond Resolution and the terms of any related Series Resolution upon the filing with the Trustee of (i) an Agency Certificate specifying the maturities, the principal amounts of each maturity, and the Series of Bonds to be redeemed or purchased (including any credits against Sinking Fund Installments on any Term Bonds to be redeemed) and (ii) in the case of any selection method of Bonds for an optional or special redemption different from the selection method assumed in the most recently filed Cash Flow Certificate, a Cash Flow Certificate.

Amounts credited to the Revenue Fund may be transferred to an existing Acquisition Account or a new Acquisition Account to be established to be used to acquire Program Obligations upon filing with the Trustee of (i) an Agency Certificate specifying the amount to be so transferred and either specifying the existing Acquisition Account to which the funds are to be deposited or directing the establishment of a new Acquisition Account for the deposit of the funds and providing the information relating to the new Acquisition Account required by the Bond Resolution and (ii) a Cash Flow Certificate.

Amounts credited to the Revenue Fund, as directed by an Agency Certificate, shall be released to the Agency for the payment of Program Expenses or the establishment of reserves therefor in an amount needed or required to pay reasonable and necessary Program Expenses; provided that if the amount to be released exceeds the amount assumed in the most recently filed Cash Flow Certificate, the Agency shall file a new Cash Flow Certificate with the Trustee.

Amounts credited to the Revenue Fund, except Program Expenses, may be released to the Agency free and clear of the lien of the Bond Resolution, for deposit in the Agency's General Reserve Account or the Single Family Housing Fund, upon the filing with the Trustee of (i) an Agency Certificate directing the same, (ii) a Cash Flow Certificate, and (iii) a Parity Certificate.

Any investment earnings on moneys held in the Revenue Fund shall be retained therein.

Bond Fund Interest Account and Bond Fund Principal Account

The Trustee shall withdraw from the Bond Fund Interest Account, on or immediately prior to each Interest Payment Date of the Bonds, an amount equal to the unpaid interest due on the Bonds on such Interest Payment Date, and shall cause the same to be applied to the payment of said interest when due and is authorized to transmit the same to any Paying Agents which shall apply the same to such payment.

If the withdrawals required with respect to the same and every prior date shall have been made, the Trustee shall withdraw from the Bond Fund Principal Account, on or immediately prior to each Principal Installment Date, an amount equal to the Principal Installments of the Outstanding Bonds, if any, payable on the Principal Installment Date and shall cause the same to be applied to the payment of the Principal Installments when due and is authorized to transmit the same to any Paying Agents which shall apply the same to such payment.

Any amount at any time held in the Bond Fund Interest Account or Bond Fund Principal Account in excess of the Interest Requirement or Principal Requirement may be transferred by the Trustee to the Revenue Fund, if so directed by Agency Certificate, and otherwise shall be retained in the Bond Fund Interest Account or Bond Fund Principal Account, as the case may be.

The interest earned or other income derived from the investment of moneys in the Bond Fund Interest Account and Bond Fund Principal Account shall be transferred by the Trustee to the Revenue Fund (unless the Trustee is directed by Agency Certificate to retain such amounts in the Bond Fund Interest Account or Bond Fund Principal Account, as the case may be).

Upon the purchase of Program Obligations from the moneys on deposit in the applicable Acquisition Account, the Trustee shall, in accordance with the provisions of the applicable Series Resolution, withdraw from the Revenue Fund or, if funds available in the Revenue Fund are not sufficient, from the applicable Bond Fund Interest Account, and pay to the applicable Servicer the then accrued and unpaid interest on such Program Obligations.

Bond Redemption Fund

Subject to the provisions of the respective Series of Bonds and to the provisions of the respective Series Resolutions authorizing the issuance thereof, all amounts deposited in the Bond Redemption Fund shall be applied to the purchase or redemption of Bonds (other than the Single Family Housing Fund), including payment of any redemption premium, on the applicable Redemption Date; provided, however, that in the event the Agency has issued refunding obligations for the purpose of redeeming Bonds of a Series in accordance with the Bond Resolution, upon receipt of an Agency Certificate directing such transfer and confirmation by the Trustee that provisions have been made for wiring proceeds of such refunding obligations to the Trustee, the Trustee, immediately on the date of such confirmation, shall transfer moneys in the Bond Redemption Fund in an amount equal to the amount of refunding proceeds received by the Trustee to the funds or accounts specified in the refunding resolution as specified in the Agency Certificate. The Redemption Price of Bonds subject to redemption by operation of the Bond Redemption Fund in the Bond Fund shall be the price set forth in the applicable Series Resolution. Upon receipt of an Agency Certificate directing the same, the Trustee shall transfer at the time of purchase or no more than 45 calendar days prior to such redemption to the Bond Redemption Fund in the Bond Fund from the Mortgage Reserve Fund the amount stated in such direction, which amount shall be no greater than the amount by which the Mortgage Reserve Requirement will decrease due to the purchase or redemption of Bonds. Subject to the provisions of the Bond Resolution or of any Series Resolution authorizing the issuance of Bonds, requiring the application thereof to the purchase or redemption of any particular Bonds, the Trustee shall apply any amounts deposited in the Bond Redemption Fund to the purchase or redemption of Bonds at the times and in the manner provided in the Bond Resolution. Amounts on deposit in the Bond Redemption Fund for the payment, purchase or redemption of any particular Bonds in accordance with the provisions of any Series Resolution authorizing the issuance of Refunding Bonds shall be segregated and shall be identified as such on the records of the Trustee.

Any earnings derived from the investment of amounts deposited in the Bond Redemption Fund pursuant to the issuance and delivery of Refunding Bonds, to the extent required to provide amounts sufficient for the payment or redemption of Bonds in accordance with the conditions for issuance of Refunding Bonds set forth in the Resolution, be deposited in the Bond Redemption Fund. All other interest earned or other income derived from the investment of moneys in the Bond Redemption Fund shall be transferred by the Trustee upon receipt thereof to the Revenue Fund.

Mortgage Reserve Fund

There shall be deposited in the Mortgage Reserve Fund all amounts required to be deposited therein by the Bond Resolution or any Series Resolution and any other amounts available therefor and determined by the Agency to be deposited therein.

If on any Bond Payment Date the amount in the Bond Fund Interest Account, Bond Fund Principal Account or Bond Redemption Fund, as appropriate, shall be less than the amount required for the payment of the Principal Installments and interest due on the Outstanding Bonds on such date, the Trustee shall apply amounts from the Mortgage Reserve Fund to the extent required pursuant to the Bond Resolution.

If, concurrently with any allocation from the Revenue Fund pursuant to the Bond Resolution, or, on any date upon which a Series Resolution shall be delivered to the Trustee, the amount on deposit in the Mortgage Reserve Fund shall be in excess of the Mortgage Reserve Requirement, the Trustee shall, if so directed in writing pursuant to an Agency Certificate, (1) transfer the amount of such excess which is Revenues to any one or more of the Acquisition Accounts, the Bond Fund Interest Account, the Bond Fund Principal Account, the Bond Redemption Fund or the Revenue Fund as so directed and (2) transfer the amount of such excess which is sale proceeds, investment proceeds or transferred proceeds of Bonds to any one or more of the Acquisition Accounts or the Bond Redemption Fund.

Subject to any limitation provided in the Act, a Series Resolution may provide that the Mortgage Reserve Requirement may be funded through Cash Equivalents. For purposes of determining whether such Requirement has been met, the amount in the Mortgage Reserve Fund so funded shall be deemed to include any amount payable under such Cash Equivalents on the demand of the Trustee.

Any earnings derived from the investment of amounts deposited in the Mortgage Reserve Fund shall, to the extent the balance therein is less than the Mortgage Reserve Requirement, be retained in the Mortgage Reserve Fund and otherwise shall be transferred by the Trustee upon receipt thereof to the Revenue Fund.

Single Family Housing Fund

The Trustee shall deposit in the Single Family Housing Fund any amounts authorized by an Agency Certificate to be withdrawn from the Revenue Fund and deposited therein and any other amounts provided by the Agency for deposit therein. Amounts on deposit in the Single Family Housing Fund, except as may be otherwise provided in a Series Resolution, shall be free and clear of any restrictions on the investment of funds set forth in the Bond Resolution. Amounts deposited in the Single Family Housing Fund may be used for any lawful purpose for which the Agency may from time to time use funds on deposit in its General Reserve Account in connection with (i) the Program and (ii) other programs of the Agency that facilitate the development and maintenance of a sufficient supply of safe and affordable single family residential housing in the State, including but not limited to Agency programs that finance the acquisition, construction, rehabilitation, improvement and betterment of single family residential property, upon such terms as the Agency may determine. Pending such use, such amounts may be invested in any securities or investments permissible generally for the investment of funds of the Agency as specified by Agency Certificate, subject, however, to any covenants or agreements made by the Agency in a Series Resolution. By Agency Certificate furnished to the Trustee, the Agency may at any time appropriate any funds and investments on deposit in the Single Family Housing Fund to any other Account or Fund created pursuant to the Bond Resolution or may direct that such funds and investments be transferred to the Agency's General Reserve Account or to any other fund or account established pursuant to resolution of the Agency, subject, however, to any covenants or agreements made by the Agency in a Series Resolution.

Subject to the uses permitted by the Bond Resolution, funds, securities and other investments, loans and other property held from time to time in the Single Family Housing Fund are available for, and pledged to, the payment of Debt Service on the Bonds when due and the payment of any other amounts required to be paid from time to time from the Funds and Accounts established pursuant to the Bond Resolution or any Series Resolution, including Agency Hedge Payments; provided that the Agency may from time to time pledge all or any of the assets of the Single Family Housing Fund to any other Person or Persons in connection with the programmatic uses permitted by the Bond Resolution upon such terms as the Agency may determine, which pledge may be superior to, on a parity with, or subordinate to the pledge made under the Bond Resolution to the Bondowners or any

Beneficiaries, except as otherwise provided in a Series Resolution or resolution authorizing an Other Obligation. Available cash and cash equivalent funds on deposit in the Single Family Housing Fund may be used to make up deficiencies in the Bond Fund Interest Account or the Bond Fund Principal Account for such purposes and, if directed by an Authorized Officer, shall be transferred to the Bond Fund Interest Account or the Bond Fund Principal Account when required on any Bond Payment Date or other payment date. Unless otherwise specified in a Series Resolution or other resolution of the Agency, the Agency shall not be required to maintain any minimum balance in the Single Family Housing Fund and the Agency makes no covenant to Bondowners or any other Person that funds or other assets will be available in the Single Family Housing Fund in the event of a deficiency in the Bond Fund Interest Account or the Bond Fund Principal Account on a Bond Payment Date or other payment date.

The Agency, by Agency Certificate, may request the Trustee to establish one or more subaccounts in the Single Family Housing Fund to be restricted to such uses, and used in accordance with such terms, as are specified in the Agency Certificate.

Any earnings derived from the investment of amounts deposited in the Single Family Housing Fund shall be retained therein unless otherwise directed by Agency Certificate.

Investment of Moneys Held by the Trustee

Moneys held by the Trustee for the credit of any Account or Fund established under the Bond Resolution (other than the Single Family Housing Fund) shall be invested by the Trustee as directed by the Agency to the fullest extent practicable and reasonable in Investment Obligations which shall mature or be redeemable at the option of the Owner prior to the respective dates when the moneys held for the credit of such Fund or Account will be required for the purposes intended.

The Investment Obligations purchased shall be held by the Trustee and shall be deemed at all times to be part of the Fund or Account or combination thereof, and the Trustee shall inform the Agency of the detail of all such investments. The Trustee shall sell at the best price obtainable, or present for redemption, any Investment Obligations purchased by it as an investment whenever it shall be necessary to provide moneys to meet any payment from a Fund or Account. The Trustee shall not be liable for any depreciation of the value of any investment on the redemption, sale or maturity thereof, and, in the absence of any direction from the Agency, the Trustee shall not be required to invest such funds.

The Trustee may purchase from or sell to itself or an affiliate, as principal or agent, any Investment Obligations. The Trustee shall advise the Agency in writing monthly, unless otherwise directed by Agency Certificate, of all investments held for the credit of each Fund and Account in its custody under the provisions of the Bond Resolution as of the end of the preceding month.

In computing the amount in any Fund or Account, (i) Investment Obligations shall be valued at par or, if purchased at a price other than par, at their Amortized Value, in either event exclusive of accrued interest and (ii) Program Obligations shall be valued at 100% of the outstanding principal balance thereof, plus accrued interest.

Except as otherwise specifically provided in the Bond Resolution or in a Series Resolution, the income or interest earned, or gain, shall be transferred by the Trustee upon receipt thereof to the appropriate subaccount in the Revenue Account.

The Trustee shall not be liable or responsible for the making of any investment authorized by the Bond Resolution in the manner provided in the Bond Resolution or for any loss resulting from any such investment so made, except for its own negligence.

Covenants Relating to Servicing Agreement and Participation Agreements

The Agency agrees that the Trustee in its name or (to the extent required by law) in the name of the Agency may enforce all rights of the Agency and all obligations of a Servicer under and pursuant to a Servicing Agreement for and on behalf of the Bondowners whether or not an Event of Default under the Bond Resolution or the Series Resolutions has occurred or is continuing. The Agency shall supervise, or cause to be supervised, each Lender's compliance with the Participation Agreements. In the event the Servicing Agreement shall be terminated for any

reason, the Agency shall proceed with due diligence to appoint a successor Master Servicer, subject to the provisions of the Servicing Agreement and the Participation Agreements and the requirements of each applicable Federal Mortgage Agency. During the period necessary to obtain such successors, the Trustee shall, subject to the approval of the applicable Federal Mortgage Agency, cause to be performed the duties and responsibilities of the Master Servicer under the Servicing Agreement and shall be compensated therefor, in addition to the compensation payable to it under the Bond Resolution or any other instrument, in the same manner and amounts as provided under the Servicing Agreement.

Sale of Program Obligations

The Agency may at any time sell, assign or otherwise dispose of one or more Program Obligations:

(i) in order to obtain funds to provide for the redemption (whether optional or special, to the extent permitted by the terms of any applicable Series Resolution) or purchase of an amount of Bonds having a value less than or equal to the value of the Program Obligation as reasonably estimated by the Agency; or

(ii) in the event that an Agency Certificate shall be filed with the Trustee and each Rating Agency, which gives effect to the proposed sale, assignment, transfer or other disposition and the application of the proceeds thereof and states that such sale, assignment, transfer or other disposition would not have a material adverse effect on the ability of the Agency to pay the Debt Service on the Outstanding Bonds when due and reasonable and necessary Program Expenses.

Enforcement of Program Securities

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

Modifications of Program Securities

The Agency shall not consent to the modification of the rate or rates of interest, or the amount or time of payment of any installment of interest or principal, or the security for or any of the terms or provisions of any Program Security in any manner that would result in the failure of the Program Securities, in the aggregate, to have scheduled payments of principal and interest at least sufficient, together with other expected Revenues, to pay all Debt Service when due with respect to the Bonds and Program Expenses or which would materially impair the security of the Outstanding Bonds. The Agency may otherwise consent to the modification of the security for, or any terms or provisions of, one or more Program Securities but only if the Agency reasonably determines that the modification will not be materially adverse to the security or other interests of Owners of Outstanding Bonds.

Cash Flow Certificates

The Agency is required to file a Cash Flow Certificate (i) at least once within any 12-month period and (ii) at such other times as may be required pursuant to the provisions of the Bond Resolution or of any Series Resolution authorizing the issuance of Bonds of a Series then Outstanding.

Creation of Liens

Except as permitted for Hedge Agreements, the Agency shall not issue any bonds or other evidences of indebtedness, other than the Bonds, secured by a pledge of Revenues or of the moneys, securities, rights and

interests pledged or held or set aside by the Agency or by any Fiduciary under the Bond Resolution and shall not create or cause to be created any lien or charge on any pledged Revenues or such moneys, securities, rights or interests: provided, however, that nothing in the Bond Resolution shall prevent the Agency from issuing (i) evidences of indebtedness secured by a pledge of Revenues to be derived after any pledge of Revenues provided in the Bond Resolution shall be discharged and satisfied as provided in the Bond Resolution, or (ii) notes or bonds of the Agency not secured under the Bond Resolution; and provided, further, that, to secure its obligation to make Agency Hedge Payments to a Hedge Counterparty pursuant to a Hedge Agreement or to secure the obligations of the Agency under a different Other Obligation, the Agency may grant to the Hedge Counterparty or other Beneficiary a pledge, on a parity with, or junior and subordinate to, the pledge granted to the Trustee to secure payment of Outstanding Bonds, in all or any of the revenues, assets or other collateral pledged to the payment of the Bonds under the Bond Resolution; provided, however, that any Agency Hedge Payments payable upon early termination of a Hedge Agreement may be secured only by a pledge junior and subordinate to the pledge granted to the Trustee.

Defeasance of Bonds

Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee or any one or more of the alternate Paying Agents (through deposit by the Agency of moneys for such payment or redemption or otherwise) at the maturity or Redemption Date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the Bond Resolution. All Outstanding Bonds of any Series shall be deemed prior to the maturity or Redemption Date thereof to have been paid within the meaning and with the effect expressed in the Bond Resolution if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Agency shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail notice of redemption of such Bonds on said date; (ii) there shall have been deposited with the Trustee either moneys in an amount sufficient, or Government Obligations the principal of and the interest on which when due will provide moneys in an amount that, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be. Neither Government Obligations nor moneys deposited with the Trustee pursuant to this section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, of and interest on said Bonds.

Events of Default

Each of the following events shall constitute an event of default under the Bond Resolution: (1) the Agency shall fail to pay any Principal Installment or the Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise, or shall fail to pay the purchase price of any Bond tendered or deemed tendered for purchase on the date established therefor; or (2) the Agency shall fail to pay any installment of interest on any Bond when and as the same shall become due and payable; or (3) the Agency shall fail to perform or observe any other covenant, agreement or condition on its part contained in the Bond Resolution or in the Bonds, and such failure shall continue for a period of 60 days after written notice thereof to the Agency by the Trustee or to the Agency and to the Trustee by the Bondowners of not less than a majority in principal amount of the Bonds Outstanding; or (4) the Agency shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State; or (5) the State limits or alters the rights of the Agency pursuant to the Act, as in force on the date of adoption of the Bond Resolution, to fulfill the terms of any agreements made with the Owners of the Bonds or in any way materially impaired the rights and remedies of Owners of Bonds while any Bonds are Outstanding.

Acceleration; Annulment of Acceleration

Upon the occurrence of an Event of Default, the Trustee may and, upon the written request of the Bondowners of not less than a majority in aggregate principal amount of Bonds Outstanding shall, give 30 days' notice in writing to the Agency of its intention to declare all Bonds Outstanding immediately due and payable; provided, however, that the Trustee may not make any such declaration with respect to an Event of Default under clause (3) above unless (1) the Trustee has received a written request to do so from 100% of the Owners of all

Outstanding Bonds or (2) there are sufficient moneys available in the Funds and Accounts to pay the principal and interest on the Outstanding Bonds upon such declaration. At the end of such 30 day period the Trustee may, and upon such written request of Bondowners of not less than a majority in aggregate principal amount of Bonds Outstanding shall, by notice in writing to the Agency, declare all Bonds Outstanding immediately due and payable and such Bonds shall become and be immediately due and payable, anything in the Bonds or in the Bond Resolution to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon and which will accrue thereon to the date of payment.

At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Bond Resolution, the Trustee may annul such declaration and its consequences with respect to any Bonds not then due by their terms if (1) moneys shall have been deposited in the Bond Fund Interest Account and the Bond Fund Principal Account sufficient to pay all matured installments of interest and principal or Redemption Price or purchase price (other than principal then due only because of such declaration) of all Outstanding Bonds; (2) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agents; (3) all other amounts then payable by the Agency under the Bond Resolution shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (4) every Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

If the Agency shall fail to pay any Principal Installment, the Redemption Price, the purchase price or any installment of interest on any Bond when and as the same shall become due and payable, the Trustee shall, within 30 days, give written notice thereof by first class mail to the Bondowners, shown by the registry of Bondowners required to be maintained at the office of the Trustee.

Additional Remedies and Enforcement of Remedies

Upon the occurrence and continuation of any Event of Default, the Trustee may, and upon the written request of the Bondowners of not less than a majority in aggregate principal amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Bondowners under the Act, the Bonds and the Bond Resolution by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to: (1) suit upon all or any part of the Bonds; (2) suit to require the Agency to account as if it were the trustee of an express trust for the Bondowners; (3) suit to enjoin any acts or things that may be unlawful or in violation of the rights of the Bondowners; (4) enforcement of any other right of the Bondowners conferred by law or by the Bond Resolution; and (5) in the event that all Outstanding Bonds are declared due and payable, by selling Program Obligations.

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Bondowners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Bond Resolution by any acts that may be unlawful or in violation of the Bond Resolution, or (ii) to preserve or protect the interests of the Bondowners, provided that such request is in accordance with law and the provisions of the Bond Resolution.

Application of Revenues Following an Event of Default

The Agency covenants that if an Event of Default shall happen and shall not have been remedied, the Agency, upon demand of the Trustee, shall pay or cause to be paid over to the Trustee (1) forthwith, all moneys and securities then held by the Agency in any Fund or Account under the Bond Resolution, and (2) as promptly as practicable after receipt thereof, any Revenues and other payments or receipts pledged under the Bond Resolution.

During the continuation of an Event of Default the Trustee shall apply such moneys, securities, Revenues, payments and receipts and the income therefrom as follows and in the following order:

(1) To the payment of any expenses necessary in the opinion of the Trustee to protect the interest of the Owners of the Bonds and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under the Bond Resolution;

(2) To the payment of the interest and Principal Installments or Redemption Price then due and payable on the Bonds, as follows:

(a) Unless the principal of all of Outstanding Bonds shall have become or have been declared due and payable:

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

Second: To the payment to the Persons entitled thereto of the unpaid Principal Installments or Redemption Price of any Outstanding Bonds that shall have become due and payable, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all Outstanding Bonds due and payable on any date, then to the payment thereof ratably, according to the amounts of Principal Installments or Redemption Price due on such date, to the Persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of Outstanding Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Outstanding Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference;

(3) To the payment of the amounts required for reasonable and necessary Program Expenses.

Whenever all principal amounts of and interest on all Outstanding Bonds have been paid under these provisions and all fees, expenses and charges of the Trustee and any Paying Agent have been paid, any balance remaining under the Bond Resolution not segregated for the payment of Bonds shall be paid to the Agency.

The Trustee

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Bond Resolution or any Series Resolution authorizing the issuance of a Series of Bonds then Outstanding. In case an Event of Default has occurred and has not been cured, the Trustee shall exercise such of the rights and powers vested in it by the Bond Resolution and use the same degree of care and skill in their exercise as a prudent trustee would exercise or use under the circumstances.

The Trustee, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of the Bond Resolution, shall examine such instrument to determine whether it conforms to the requirements of the Bond Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel to the Agency, and any Counsel's Opinion shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Bond Resolution in good faith and in accordance therewith.

The Agency shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Bond Resolution and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Bond Resolution, and each Fiduciary shall have a lien therefor on any and all Revenues, Program Obligations and Investment Obligations at any time held or received by it under the Bond Resolution (excluding money or Governmental Obligations segregated to pay outstanding Bonds).

The Trustee may resign at any time and be discharged of the duties and obligations created by the Bond Resolution by giving not less than 60 days' written notice to the Agency and mailing notice thereof, at its own expense and without reimbursement therefor, to each Bondowner and Rating Agency, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Agency or the Bondowners as provided in the Bond Resolution, in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor Trustee has been appointed pursuant to the Bond Resolution.

The Trustee may be removed (i) at any time by an instrument or concurrent instruments in writing, filed with the Trustee and each Rating Agency, and signed by the Owners of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Agency and (ii) by the Agency at any time except during the continuation of an Event of Default for such cause as shall be determined in the sole discretion of the Agency by filing with the Trustee and each Rating Agency notice of removal in the form of an Agency Certificate. In no event, however, shall such removal take effect until a successor Trustee has been appointed pursuant to the Bond Resolution.

No successor Trustee may be appointed under the Bond Resolution without the prior written consent of the GSEs, which consent is not to be unreasonably withheld.

Amendments

Amendments of the Resolutions may be made by a Supplemental Resolution.

For any one or more of the following purposes, and at any time or from time to time, a Supplemental Resolution of the Agency may be adopted, which, upon the filing with the Trustee of a copy thereof, shall be fully effective in accordance with its terms, subject, however, to the rights of the GSEs to consent thereto (see "Summary of Certain Provisions of the Program Series Resolution—Covenants Regarding Administration of Bond Resolution and the Series Bonds"):

(1) To close the Bond Resolution or any Series Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Bond Resolution or any Series Resolution on, the delivery of Bonds or the issuance of other evidences of indebtedness;

(2) To add to the covenants and agreements of the Agency in the Bond Resolution or any Series Resolution, other covenants and agreements to be observed by the Agency which are not contrary to or inconsistent with the Bond Resolution or the applicable Series Resolution as theretofore in effect;

(3) To add to the limitations and restrictions in the Bond Resolution or any Series Resolution, other limitations and restrictions to be observed by the Agency which are not contrary to or inconsistent with the Bond Resolution or the applicable Series Resolution as theretofore in effect;

(4) To surrender any right, power or privilege reserved to or conferred upon the Agency by the terms of the Bond Resolution, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Agency contained in the Bond Resolution;

(5) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Bond Resolution or any Series Resolution, of Revenues or of any other securities or funds;

(6) To modify any of the provisions of the Bond Resolution or any Series Resolution in any respect whatever, provided that (a) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, or (b) the modification, in the sole judgment of the Agency, is reasonably necessary to assure that the interest on any related Series of Outstanding Bonds remains, or on any Series of Bonds thereafter issued will be, exempt from income taxation under the Code;

(7) To authorize the issuance of additional Series of Bonds in accordance with the provisions of Article II of the Bond Resolution;

(8) To amend the Bond Resolution by creating and establishing additional accounts;

(9) To amend the provisions described under "Enforcement of Program Securities" above to provide different days on which payments on the applicable Program Security are now payable;

(10) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Bond Resolution or any Series Resolution;

(11) To insert such provisions clarifying matters or questions arising under the Bond Resolution or any Series Resolution as are necessary or desirable and are not contrary to or inconsistent with the Bond Resolution or the applicable Series Resolution theretofore in effect; and

(12) To waive any right reserved to the Agency, provided that the loss of such right shall not adversely impair any Revenues available to pay the Outstanding Bonds of any Series.

Supplemental Resolutions become effective upon consent of the Trustee to make any other change as shall not be, in the opinion of the Trustee, materially adverse to the security or other interests of the Bondowners. With respect to the foregoing, the Trustee may rely upon the opinion of the Rating Agency with respect to whether the Rating of the Bonds has been adversely affected as conclusively establishing whether the change is materially adverse to the security or other interests of the Bondowners.

Other Supplemental Resolutions may become effective only with consent (i) of the Bondowners of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Bondowners of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given.

However, no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price or purchase price thereof or in the rate of interest thereon (except as otherwise provided in a Series Resolution) without the consent of the Bondowners of all such Bonds, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Bondowners of which is required to effect any such modification or amendment or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

Any amendment may be made with unanimous consent of the Bondowners, except that no amendment shall change any of the rights or obligations of any fiduciary without the consent of the Fiduciary.

Certain Rights of GSEs

The Agency in the Program Series Resolution has made certain covenants for the sole benefit of the GSEs so long as any Homeownership Finance Bonds, 2009 Series A (Mortgage-Backed Securities Program) (Treasury HFA Initiative) are Outstanding, including covenants not to amend or supplement the Bond Resolution without the prior written consent of the GSEs (exclusive of amendments solely to provide for the issuance of Additional Bonds), not to issue variable rate Bonds, not to enter into any Hedge Agreement under the Bond Resolution, and not to exercise its right to make voluntary withdrawals of cash or other assets from the lien of the Bond Resolution except

upon certain conditions. Only the GSEs may enforce, or cause the Trustee to enforce, these covenants and either or both GSEs may waive such covenants in their sole discretion.

APPENDIX D

BOOK-ENTRY-ONLY SYSTEM

General

The Depository Trust Company, New York, New York ("DTC"), is to act as securities depository for the Series Bonds. The ownership of one fully registered Series Bond will be registered in the name of Cede & Co., DTC's partnership nominee. *So long as Cede & Co. or another nominee designated by DTC is the registered owner of the Series Bonds, references herein to the Bondowners, Owners or registered owners of the Series Bonds means Cede & Co. or any other nominee and not the Beneficial Owners (as hereinafter defined) of those Series Bonds.*

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

Purchases of beneficial ownership interests in the Series Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series Bonds on DTC's records. The ownership interest of each Beneficial Owner (as defined in Appendix B) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series Bonds, except in the event that use of the Book-Entry System for the Series Bonds is discontinued as described below.

To facilitate subsequent transfers, all Series Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or any other name as may be requested by an authorized representative of DTC. The deposit of Series Bonds with DTC and their registration in the name of Cede & Co. or that other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts those Series Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. For every transfer and exchange of beneficial ownership in the Series Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

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

Redemption notices will be sent to DTC. If less than all of the Series Bonds are being redeemed, unless the "Pro-Rata Pass-Through Distribution of Principal" method is employed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Series Bonds to be redeemed.

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

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

Under the 2020/2021 Series Resolutions, payments made by or on behalf of the Agency to DTC or its nominee will satisfy the Agency's obligations to the extent of the payments so made.

The above information contained in this section "Book-Entry-Only System" is based solely on information provided by DTC. No representation is made by the Agency or the Underwriters as to the completeness or the accuracy of that information or as to the absence of material adverse changes in that information subsequent to the date hereof.

The Agency, the Underwriters and the Trustee cannot and do not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series Bonds (i) payments of principal of or interest and premium, if any, on the Series Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in Series Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Agency, the Underwriters nor the Trustee will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (2) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on the Series Bonds; (3) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Resolutions to be given to Owners of Series Bonds; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of Series Bonds; or (5) any consent given or other action taken by DTC as a Bondowner.

Discontinuation of Book-Entry System

DTC may discontinue its book-entry services with respect to the Series Bonds at any time by giving notice to the Agency and discharging its responsibilities with respect thereto under applicable law. Under those circumstances, the Series Bonds are required to be delivered as described in the 2020/2021 Series Resolutions. The Beneficial Owner, upon registration of those Series Bonds held in the Beneficial Owner's name, will become the Bondowner.

The Agency may determine to discontinue the system of book entry transfers through DTC (or a successor securities depository) for the Series Bonds. In that event, the Series Bonds are to be delivered as described in the 2020/2021 Series Resolutions.

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

[to be dated the date of issuance of the Series Bonds]

_____, 2021

Minnesota Housing Finance Agency
St. Paul, Minnesota 55102

Re: Minnesota Housing Finance Agency
Homeownership Finance Bonds
2021 Series B (Taxable)
(Mortgage-Backed Securities Pass-Through Program)

Ladies and Gentlemen:

We have acted as bond counsel to the Minnesota Housing Finance Agency (the "Agency") in connection with the authorization, issuance and delivery by the Agency of its Homeownership Finance Bonds, 2021 Series B (Taxable) (Mortgage-Backed Securities Pass-Through Program), in the aggregate principal amount of $____ (the "2021 Series B Bonds"), which are issuable only as fully registered bonds.

The 2021 Series B Bonds are dated, mature on the date, bear interest at the rate and are payable as provided in the Series Resolution referenced below. The 2021 Series B Bonds are subject to optional and mandatory redemption prior to maturity, including redemption at par, as provided in the Series Resolution referenced below.

As bond counsel, we have examined certificates as to facts, estimates and circumstances and certified copies of resolutions and proceedings of the Agency and other documents we considered necessary as the basis for this opinion, including the Agency's Bond Resolution adopted December 11, 2009, as amended and supplemented (the "Bond Resolution"), and the Series Resolutions relating to the 2021 Series B Bonds adopted on February 27, 2020 and April 22, 2021 (the "Series Resolutions"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

From such examination it is our opinion that, under state and federal laws, regulations, rulings and decisions in effect on the date hereof: (1) the Agency is a public body corporate and politic, having no taxing power, duly organized and existing under Minnesota Statutes, Chapter 462A, as amended; (2) the Bond Resolution and Series Resolutions have been duly and validly adopted by the Agency and are valid and binding upon it in accordance with their terms, and create the valid pledge and security interest they purport to create with respect to the Program Obligations, Investment Obligations, Revenues, moneys and other assets held and to be set aside under the Bond Resolution and Series Resolutions; (3) the 2021 Series B Bonds are duly and lawfully authorized to be issued and are valid and binding general obligations of the Agency in accordance with their terms, entitled to the benefits granted by and secured by the covenants contained in the Bond Resolution and Series Resolutions, and are further secured by the pledge of the full faith and credit of the Agency, and are payable out of any of its moneys, assets or revenues, subject to the provisions of other resolutions or indentures now or hereafter pledging and appropriating particular moneys, assets, or revenues to other bonds or notes, or state laws appropriating particular funds for a specified purpose, but the State of Minnesota is not liable thereon and the 2021 Series B Bonds are not a debt of the State; (4) the interest payable on the 2021 Series B Bonds is includable in gross income of owners thereof for federal income tax purposes, in taxable net income of individuals, trusts and estates for State of Minnesota income tax purposes and in the income of corporations and financial institutions for purposes of the Minnesota franchise tax; and (5) the 2021 Series B Bonds will not be treated as a taxable mortgage pool within the meaning of Section 7701(i) of the Code.

We express no opinion regarding other federal, state or local tax consequences arising from the ownership or disposition of the 2021 Series B Bonds. All owners of 2021 Series B Bonds (including, but not limited to, insurance companies, financial institutions, Subchapter S corporations, United States branches of foreign corporations and recipients of social security and railroad retirement benefits) should consult their tax advisors concerning other possible indirect tax consequences of owning and disposing of the 2021 Series B Bonds.

The opinions expressed above are qualified only to the extent that the enforceability of the 2021 Series B Bonds and the Bond Resolution and Series Resolutions are subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully yours,

APPENDIX F
IDENTIFICATION OF 2021B PROGRAM SECURITIES

[*]Preliminary; subject to change.

RESOLUTION NO. MHFA 21-018

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF MINNESOTA HOUSING FINANCE AGENCY HOMEOWNERSHIP FINANCE BONDS, 2021/2022 SERIES

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY:

Section 1. Authorization.

(A) General Provisions. By Resolution No. MHFA 09-71, adopted December 11, 2009 (together with any amendments or supplements heretofore or hereafter adopted from time to time as permitted therein, the "Bond Resolution"), the Agency has provided the terms and conditions for the issuance and has established covenants and agreements for the security of its Homeownership Finance Bonds to be issued for the purpose of facilitating the Program, including, among other things, the financing of Homes for persons of low and moderate income through the purchase of Program Securities backed by pools of Program Loans made to qualified persons and families by qualified lending institutions pursuant to the Act. Terms used but not defined in this resolution have the meanings given those terms in the Bond Resolution.

This resolution (this "Series Resolution") is adopted pursuant to Section 2.5 of the Bond Resolution to authorize the issuance and sale and establish the terms and provisions of one or more Series of Bonds of the Agency in the aggregate principal amount to be determined pursuant to the terms of Section 2(D) of this Series Resolution. The first Series of Bonds may be designated as "Homeownership Finance Bonds, 2021 Series B (Mortgage-Backed Securities Pass-Through Program) (Taxable)" (the "2021 Series B Bonds"); an Authorized Officer may revise that designation as may be applicable to the final terms of the 2021 Series B Bonds. Additional Series of Bonds issued pursuant to this Series Resolution will be designated "Homeownership Finance Bonds, [2021][2022] Series (_)," adding "(Mortgage-Backed Securities Pass-Through Program)" and "(Taxable)" as applicable and completing the blank with an uppercase letter as appropriate for the order of that issuance. The maximum aggregate principal amount of all Series of Bonds issued pursuant to this Series Resolution may not exceed $300,000,000; the number of Series of Bonds and their corresponding principal amounts will be as determined by an Authorized Officer pursuant to Section 12 of this Series Resolution, and as set out in the Agency Certificate, or Agency Certificates, as the case may be, delivered pursuant to Section 8(A) of this Series Resolution. All Series of Bonds issued pursuant to this Series Resolution are the "Series Bonds"; Series Bonds may not be issued pursuant to this Series Resolution after December 31, 2022.

(B) Certain Definitions. In addition to terms otherwise defined in the Bond Resolution or elsewhere in this Series Resolution, for purposes of this Series Resolution, unless a different meaning clearly appears from the context, the following terms have the following respective meanings:

"*Business Day*" means any day other than a Saturday, Sunday or legal holiday in the State (a) on which banks in the City of New York, New York and in the cities in which the respective principal offices of the Trustee and any Paying Agent are located are not required or authorized by law to be closed, (b) on which the New York Stock Exchange is open, and (c) on which DTC or any successor Bond Depository for the Series Bonds is open.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*DTC*" means The Depository Trust Company, of New York, New York.

"*New Money Tax-Exempt Series Bonds*" means any Tax-Exempt Series Bonds the sale proceeds of which are intended for the purpose of purchasing Program Securities.

"*Regulations*" means the Income Tax Regulations of the United States Department of Treasury.

"*Tax-Exempt Series Bonds*" means any Series Bonds intended to be bonds the interest on which is excludable from gross income for federal income tax purposes.

Section 2. Authorization of Series Bonds.

(A) Purposes. It is determined to be in the best interests of the Agency to issue the Series Bonds for the purpose of providing funds to be used, along with certain additional funds of the Agency, for the purpose of (i) the purchase of Program Securities, or participations therein, backed by pools of Program Loans that constitute qualified Program Loans in accordance with the provisions of Sections 10 and 11 of this Series Resolution, the Series Program Determinations made for the Series Bonds in Section 7 of this Series Resolution, and, in the case of any Series Bond Program Securities relating to Tax-Exempt Series Bonds, Section 143 of the Code and (ii) refunding, on the date or dates to be determined by the Agency, certain outstanding obligations of the Agency to be listed in the Agency Certificate delivered pursuant to Section 8(A) of this Series Resolution (the "Refunded Bonds"), and the deposit of certain transferred assets and transferred Program Securities (or participations therein) (the "Transferred Program Securities"), and certain "transferred," "replacement" and sale proceeds, that will become allocable to the Series Bonds upon the refunding of the Refunded Bonds, together with certain contributed funds of the Agency, if any, into the Funds and Accounts set forth in Section 9 of this Series Resolution to be expended for the Program.

(B) Single Issue. Pursuant to the provisions of Section 1.150-1(c)(1) of the Income Tax Regulations (the "Regulations"), the Agency will treat any Tax-Exempt Series Bonds sold by the Agency less than fifteen days apart from the sale date of any other Tax-Exempt Series Bonds as a single issue of bonds.

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

(D) Approval of Contract of Purchase. The Agency will negotiate for the sale of each Series of the Series Bonds to RBC Capital Markets, LLC, Piper Sandler & Co., J.P. Morgan Securities LLC and Wells Fargo Bank, National Association (collectively, the "Underwriters"). Any Authorized Officer is hereby authorized to approve the final terms of each Series of the Series Bonds, subject to the following parameters:

(i) the principal amount of each Series of the Series Bonds; provided that the aggregate principal amount of the Series Bonds is not in excess of $300,000,000;

(ii) the date of issuance and the maturity schedule of each Series of the Series Bonds (including any Sinking Fund Installment schedule); provided that each Series of the Series Bonds (a) are issued by December 31, 2022 and (b) mature at any time or times in the amount or amounts not later than 32 years from the date of issuance thereof;

(iii) the interest rates borne by each Series of the Series Bonds; provided that the yield on each Series of the Series Bonds does not exceed 6.00 percent per annum; and

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

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

(E) Official Statement. The Agency has also received and examined a draft of the Preliminary Official Statement relating to the 2021 Series B Bonds, to be dated the date of distribution thereof, containing information relating to the Agency and the 2021 Series B Bonds, and hereby approves and ratifies the use thereof by the Underwriters. An Authorized Officer is hereby authorized to approve any Preliminary Official Statements in substantially similar form to be used by the Underwriters in connection with any additional Series of the Series Bonds authorized by this Series Resolution. Final Official Statements, substantially in the form of the related Preliminary Official Statement except for revisions required or approved by counsel for the Agency and an Authorized Officer, and insertion of the terms of the related Series Bonds as provided in the related Purchase Contract, are approved and authorized to be signed by an Authorized Officer, and furnished to the Underwriters for distribution to investors.

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

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

Section 4. Terms.

(A) Issue and Interest Payment Dates; Denominations; Manner of Payment; Execution and Delivery. The Series Bonds will be dated, as originally issued, as of the date of original delivery thereof. The Series Bonds will be issued as fully registered Bonds in denominations as set forth in the related Agency Certificate delivered pursuant to Section 8(A)(5) of this Series Resolution. Interest will accrue on the outstanding principal amount of the Series Bonds in the manner as set forth in the related Agency Certificate delivered pursuant to Section 8(A)(5) of this Series Resolution, and be paid on the dates as set forth in that Agency Certificate (the Interest Payment Dates for those Series Bonds). Interest will be computed on the basis of a 360-day year composed of twelve 30-day months. Interest on the Series Bonds will be paid by check or draft mailed to the Owners as shown on the registration books of the Agency maintained by the Trustee on the 15th day of the calendar month immediately preceding the Interest Payment Date (the "Record Date") or, upon the written request of an Owner of Series Bonds of a Series in an aggregate principal amount of at least $100,000, in form satisfactory to the Trustee, by wire transfer on each Interest Payment Date from the Trustee to a domestic bank or trust company designated by the Owner; provided, however, that so long as all of the outstanding Series Bonds are registered in the name of DTC or its designee, or other Bond Depository, payment will be made in accordance with the operational arrangements of DTC or its designee, or other Bond Depository, as agreed to by the Agency. The principal of and any redemption premium on the Series Bonds will be payable at the Corporate Trust Office of the Trustee upon presentation and surrender of the Series Bonds on or after the date of maturity or redemption thereof; provided, however, that so long as all outstanding Series Bonds are registered in the name of DTC or its designee, or other Bond Depository, DTC or that other Bond Depository may, in its discretion, make a notation on any Series Bond indicating the date and amount of any reduction of principal except in the case of final maturity or payment in full, in which case the Series Bonds must be surrendered to the Trustee for payment. The Series Bonds will be executed in the manner provided in Article III of the Bond Resolution by the facsimile signatures of the Chair and Commissioner of the Agency. Each Series Bond will be authenticated by the Trustee by the manual signature of its authorized representative on the Trustee's Certificate of Authentication on each Series Bond, attesting that it is delivered pursuant to the Bond Resolution and this Series Resolution, and will be delivered to the Underwriters upon compliance with the conditions set forth in Section 8 of this Series Resolution.

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

The Series Bonds may be subject to mandatory and optional redemption, if any, as set forth in the Agency Certificate(s) delivered pursuant to Section 8(A)(5) of this Series Resolution.

(C) Manner of Redemption.

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

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

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

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

Section 5. [Reserved].

Section 6. Bond Depository.

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

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

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

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

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

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

(D) Transfer and Exchange. In the event that any transfer or exchange of Series Bonds is permitted under Subsection (B) or (C) of this Section 6, that transfer or exchange will be accomplished upon receipt by the Trustee of the Series Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of the Bond Resolution and this Series Resolution. In the event Series Bonds of a Series in the form of certificates are issued to Owners other than Cede & Co., its successor as nominee for

DTC as Owner of all those Series Bonds, or another Bond Depository as Owner of all those Series Bonds, the provisions of the Bond Resolution and this Series Resolution will apply to all matters relating thereto, including, without limitation, the preparation of those Series Bonds in the form of bond certificates, the method of payment of principal of, redemption premium, if any, and interest on those Series Bonds and the method of giving notice of redemption and other events.

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

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

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

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

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

Mortgagor: The obligor or joint obligors on a Program Loan backing a Transferred Program Security or a Series Bond Program Security.

Participation Agreements: One or more of the Participation Agreements, as amended or supplemented from time to time, applicable to the origination of Program Loans under the Program between the Lender and the Agency or the Master Servicer.

Series Bond Program Security: Program Securities, or a participation interest in a Program Security, financed by and relating to a particular Series of Series Bonds, including UMBS.

Transferred Program Security: A Program Security, or participation interest in a Program Security, allocable to a particular Series of Series Bonds after the refunding of certain Refunded Bonds financed with amounts on deposit in the related Acquisition Account, and bearing interest at a rate equal to the stated interest rate on the corresponding pooled Program Loans less the applicable servicing fee and guaranty fee.

UMBS: The common, single mortgage-backed securities backed by fixed-rate mortgages formally known as the Uniform Mortgage-Backed Security, issued as of June 3, 2019 by Fannie Mae and Freddie Mac, guaranteed by either Fannie Mae or

Freddie Mac, depending upon which issues the UMBS. UMBS are a type of Program Security.

(B) Requirements for Transferred Program Securities and Series Bond Program Securities. The Series Bonds that are not Tax-Exempt Series Bonds are not intended to be bonds the interest on which is excludable from gross income for federal income tax purposes.

The Agency represents that the Transferred Program Securities, or the participations therein, relating to any Series Bonds (l) are backed by Program Loans that are in compliance with the Act and the Program, (2) comply with the requirements set forth in the Master Servicing Agreement as in effect at the time the Transferred Program Securities were purchased by the Agency, which provisions will constitute the Series Program Determinations with respect to those Transferred Program Securities, and (3) in the case of Transferred Program Securities allocated to Tax-Exempt Series Bonds, are backed by Program Loans that are in compliance with the Code.

The Agency further represents that the Series Bond Program Securities, or the participations therein, (l) are backed by Program Loans that are in compliance with the Act and the Program, (2) comply with the requirements of the Agency's Mortgage Loan Program Procedural Manual: MBS, the Participation Agreements and the Master Servicing Agreement, (3) in the case of Series Bond Program Securities relating to Tax-Exempt Series Bonds, meet the requirements set forth in Sections 10(B) and 11(B-J and L) hereof and (4) are backed by Program Loans that are in compliance with the Code.

A Transferred Program Security or a Series Bond Program Security may include a participation in a Program Security financed from different sources of funds of the Agency, so long as the interest of each has equal priority as to lien in proportion to the amount of the Transferred Program Security or Series Bond Program Security secured, but those interests need not be equal as to interest rate.

(C) Acquisition of Series Bond Program Securities. (i) For any Series Bonds designated as Mortgage-Backed Securities Pass-Through Program, prior to the issuance of those Series Bonds, the Master Servicer must have acquired Program Loans from Lenders and pooled the Program Loans into Series Bond Program Securities as provided in the Master Servicing Agreement, and (ii) for any Series Bonds not designated as Mortgage-Backed Securities Pass-Through Program, during the Delivery Period for each issuance of a Series or Series of Series Bonds, the Master Servicer will acquire Program Loans from Lenders and pool the Program Loans into 2021/2022 Series Program Securities as provided in the Master Servicing Agreement. In each case, the Trustee will disburse moneys from the related Series Bond Acquisition Account for the acquisition of Series Bond Program Securities pursuant to the Master Servicing Agreement and this Subsection (C). The Trustee will pay the Master Servicer an amount equal to the percentage of the principal amount of each Series Bond Program Security acquired from the Master Servicer that is approved by an Authorized Officer, plus applicable fees or charges payable to a Federal Mortgage Agency and not paid by the Mortgagor, plus accrued interest, if any.

For any Series Bonds with a Delivery Period, the Agency may at any time transfer any proceeds of the Series Bonds in the related Series Bond Acquisition Account to the Series Bond Account in the Bond Redemption Fund to be applied to the redemption of Series Bonds. In addition, the Agency will transfer any remaining proceeds of the Series Bonds in the related Series Bond Acquisition Account to the Bond Redemption Fund to be applied to the redemption of Series Bonds at the end of the Delivery Period; provided that the Agency may (instead of

redeeming Series Bonds from unexpended proceeds) extend the Delivery Period with respect to all or any portion of the unexpended amounts remaining in the Series Bond Acquisition Account, for the period or periods as the Agency determines consistent with the final sentence of this paragraph, but only if the Agency has delivered to the Trustee on or prior to the Business Day next preceding the date 30 days prior to the date of expiration of the then-current Delivery Period an Agency Certificate (i) designating the new ending dates for the Delivery Period, (ii) certifying that the Agency has received a Cash Flow Certificate and a Parity Certificate from an investment banking firm, financial consulting firm or accounting firm, in each case nationally recognized with respect to the cash-flow analysis of qualified mortgage bonds, that shows that that extension will not adversely affect the availability of Revenues sufficient to make timely payment of principal of and interest on the Outstanding Bonds in the current and each subsequent Fiscal Year, and that at all times the assets of the Program will equal or exceed the liabilities of the Program, which Cash Flow Certificate and Parity Certificate must accompany the Agency Certificate; (iii) certifying that, to the extent necessary to satisfy the requirements of the Cash Flow Certificate and each Rating Agency then rating the Bonds, an Investment Obligation has been arranged for investment of amounts in the Series Bond Acquisition Account to a date not earlier than the ending date of the extended Delivery Period; (iv) designating the amount of any additional deposits required by the Cash Flow Certificate, the Parity Certificate and each Rating Agency then rating the Bonds to be made into funds held under the Resolution in connection with that extension, which deposits will be made on or before the date of expiration of the then-current Delivery Period and will be made only from the Agency's funds; and (v) certifying that the Agency has notified each Rating Agency then rating the Bonds that that extension is being planned and has provided copies of the Cash Flow Certificate and Parity Certificate to each Rating Agency then rating the Bonds, together with any other documentation as each Rating Agency then rating the Bonds may request, and has received written confirmation that the Rating of Outstanding Bonds will not be impaired by the extension of the Delivery Period. On any date or dates subsequent to any extension of the Delivery Period, the Agency may transfer any unexpended proceeds remaining in the Series Bond Acquisition Account to the related Series Bond Account in the Bond Redemption Fund to be applied to redemption of Series Bonds. At the end of the Delivery Period, including any extension thereof as provided in this Subsection (C), the Trustee will transfer all amounts remaining in the Series Bond Acquisition Account to the related Series Bond Account in the Bond Redemption Fund to be applied to the redemption of Series Bonds. The Delivery Period may not be extended pursuant to this Subsection (C) beyond the dates set forth in the definition in Subsection (A) of this Section 7.

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

Section 8. Conditions Precedent to Issuance.

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

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

(2) An Opinion of Counsel to the Agency required by Section 2.5(3) of the Bond Resolution.

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

(4) The Counsel's Opinion required by Section 2.5(4) of the Bond Resolution.

(5) An Agency Certificate (i) setting forth the final terms of the Series Bonds not expressly specified herein, including maturity dates, interest rates, Sinking Fund Installments, if any, other redemption provisions, the initial interest payment date and volume cap allocation, (ii) requesting the Trustee to authenticate the Series Bonds, and deliver them to the Underwriters upon payment of the purchase price set forth in the Certificate, (iii) certifying that the Agency is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Bond Resolution, (iv) setting forth the amount of the proceeds of the Series Bonds and other funds to be deposited with the Trustee pursuant to Section 4.1 of the Bond Resolution and the Funds and Accounts into which deposits should be made, (v) stating that the issuance of the Series Bonds will have no adverse material effect on the ability of the Agency to pay the Debt Service on the Bonds then Outstanding and (vi) setting forth the Refunded Bonds, if any, to be refunded with proceeds of the Series Bonds.

(6) An Agency Certificate, including a Cash Flow Certificate, as required by Section 2.5(6) of the Bond Resolution and any information required to be filed with the Trustee upon deposit of amounts in an Acquisition Account pursuant to Section 4.4 of the Bond Resolution.

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

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

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

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

(B) Certification by Trustee. Prior to each delivery of Series Bonds, the Agency will also receive from the Trustee a certificate stating that it has received the documents listed in Subsection (A).

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

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

(D) Documents Required by the Purchase Contract. Prior to each delivery of Series Bonds, an Authorized Officer is authorized to furnish to the Underwriters each of the certificates, opinions and other documents required by the related Purchase Contract.

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

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

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

(A) Series Bond Accounts. Within the Acquisition Account, the Revenue Fund, the Bond Fund Interest Account, the Bond Fund Principal Account and the Bond Redemption Fund, as applicable, the Trustee will maintain Accounts for each Series of Series Bonds, as directed in the related Agency Certificate delivered pursuant to Section 8(A)(5) of this Series Resolution, for the purpose of receiving the proceeds of the related Series Bonds and other amounts directed by this Series Resolution to be deposited therein and the related Transferred Program Securities, Series Bond Program Securities or Investment Obligations purchased therefrom or allocated thereto and the prepayments and other receipts from those Transferred Program Securities, Series Bond Program Securities and Investment Obligations, and the Revenues received with respect thereto. In addition, the Trustee will establish Cost of Issuance Accounts for the Series Bonds.

(B) Deposits of Funds. The proceeds of the Series Bonds and the funds of the Agency will be deposited by the Trustee into the Accounts established pursuant to Section 9(A), as set forth in the related Agency Certificate delivered pursuant to Section 8(A)(5) of this Series Resolution.

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

(D) Application of Series Bond Accounts in the Bond Fund Interest Account. Moneys on deposit in the Account for each Series of the Series Bonds in the Bond Fund Interest Account will be applied to pay interest on the related Series Bonds on the initial Interest Payment Date, and, as applicable, each Interest Payment Date through and including the first Interest Payment Date after the end of the Delivery Period, for those Series Bonds to the extent sufficient moneys are not available in the Account for those Series Bonds in the Revenue Fund to enable the Trustee to make the transfers from the Account for that Series of Series Bonds in the Revenue

Fund as provided in Sections 4.5(B) of the Bond Resolution and, if necessary, to pay accrued interest on the related Series Bond Program Securities.

Any amounts remaining in the Account in the Bond Fund Interest Account relating to a particular Series of Series Bonds after the payment of interest on the related Series Bonds on the related initial Interest Payment Date, or, as applicable, the first Interest Payment Date after the end of the Delivery Period, will be transferred as provided in the related Agency Certificate delivered pursuant to Section 8(A)(5) of this Series Resolution.

Section 10. Tax Covenant and Restrictions Relating to Tax-Exempt Series Bonds.

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

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

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

Section 11. Compliance with Applicable Federal Tax Law Relating to Tax-Exempt Series Bonds.

(A) Code Provisions. The Agency determines that Section 143 of the Code is applicable to any Tax-Exempt Series Bonds as a "qualified mortgage issue." Under Section 143(a), a "qualified mortgage bond" is one issued as part of a qualified mortgage issue, all proceeds of which, exclusive of issuance costs and a reasonably required reserve, are to be used

to finance owner-occupied residences, and which meets the requirements of subsections (c) through (i), inclusive, and (m)(7), of Section 143.

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

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

(D) Three Year Prior Ownership. No Program Loan to be pooled in a Series Bond Program Security to be financed in whole or in part from the proceeds of, or allocated to, any Tax-Exempt Series Bonds will be purchased by the Master Servicer unless the originating Lender secures, or has secured, and retains an affidavit of the Mortgagor stating that he or she has not had a present ownership interest in a principal residence at any time during the three year period ending on the date when the Mortgage is executed, unless the Program Loan is made for a residence within a "targeted area," as defined in Section 143(h) of the Code and Section 6a.103A 2(b)(3) of the Regulations, or the Program Loan is made to a "veteran" borrower (as defined in 38 U.S.C. Section 101) who has not previously obtained mortgage loans financed by single family mortgage revenue bonds utilizing the veteran exception. In addition, except for Program Loans in targeted areas or to "veteran" borrowers, the Lender must secure, or must have secured, from the Mortgagor copies of the Mortgagor's federal tax returns that were filed with the Internal Revenue Service for the preceding three years (if due for these years), in order to ascertain and certify to the Agency whether the Mortgagor has claimed a deduction for taxes on property that was the

Mortgagor's principal residence or for interest on a mortgage secured by that property. The Program Loan may not be purchased if either the Lender or the Master Servicer has reason to believe the affidavit to be false. Notwithstanding the preceding provisions of this Subsection (D) of Section 11, a Program Loan may be made or purchased from the proceeds of, or allocated to, any Tax-Exempt Series Bonds, including by the Master Servicer to be pooled in a Series Bond Program Security, financing the rehabilitation of a Home owned by the Mortgagor, or the purchase of a Home rehabilitated by the seller, of which the Mortgagor is the first resident after the rehabilitation work is completed, provided that the Program Loan is or has been provided in connection with a "qualified rehabilitation" as defined in Section 143(k)(5) of the Code.

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

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

(G) Volume Cap. The unused volume cap of the Agency for the issuance of qualified mortgage bonds is in excess of the principal amount of any New Money Tax-Exempt Series Bonds, together with the amount, if any, by which the issue price of those New Money Tax-Exempt Series Bonds exceeds the principal amount thereof. The Agency will apply the principal amount, and that portion of the issue price, of any New Money Tax-Exempt Series Bonds against that unused volume cap as set forth in the Agency Certificate delivered pursuant to Section 8(A)(5) of this Series Resolution.

(H) Placement in Targeted Areas. To the extent that at least 20 percent of the principal amount of the Series Bond Program Securities delivered on the date of issuance of and relating to any New Money Tax-Exempt Series Bonds does not represent Program Loans for Homes located in the "targeted areas" (as defined in Section 143(j) of the Code), the Agency will make available other funds of the Agency for the purchase of Program Loans in targeted areas upon substantially the same terms as the Program Loans backing the Series Bond Program

Securities for a period of one year subsequent to the date of issuance of any New Money Tax-Exempt Series Bonds.

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

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

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

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

(K) Special Requirements Relating to Use of Certain Amounts on Deposit in the Related Tax Exempt Series Bond Account in the Revenue Fund. The Agency will take all necessary action pursuant to Section 143(a)(2)(A) of the Code to ensure that scheduled repayments and prepayments of principal of Transferred Program Securities and Series Bond Program Securities relating to Tax Exempt Series Bonds are used to pay and redeem those Series Bonds in the amounts and within the time periods mandated by said Section 143(a)(2)(A); provided that the provisions of this Subsection (K) will not generally be applicable if (i) there is a change in the Code or Regulations, or notice or other announcement from the Treasury Department or Internal Revenue Service, that has the effect of removing the requirement for those redemptions of Tax Exempt Series Bonds or (ii) there is delivered to the Trustee an opinion of nationally recognized bond or tax counsel that failure to make those redemptions will not adversely affect the exclusion from federal gross income of interest on the Tax Exempt Series Bonds.

(L) New Mortgage and Assumption Requirements. None of the proceeds of any Tax-Exempt Series Bonds will be used, and none of the proceeds of the Refunded Bonds were used, to acquire or replace an existing mortgage, and all of the lendable proceeds of any Tax-Exempt Series Bonds will be used, and all of the lendable proceeds of the Refunded Bonds were used, to purchase Series Bond Program Securities backed by Program Loans made to persons who did not have a mortgage (whether or not paid off) on the Home securing the Program Loan at any time prior to the execution of the Mortgage, except in the cases of (i) a mortgage securing a construction period loan, (ii) a mortgage securing a bridge loan, or similar initial temporary financing having a term of 24 months or less, (iii) an existing mortgage in the case of a Program Loan for a qualified rehabilitation as described in Section 143(k)(5) of the Code and (iv) certain contract for deed arrangements as set forth in Section 143(i)(1) of the Code. The relevant instruments relating to each Program Loan and Mortgage purchased in whole or in part from the proceeds of any Tax-Exempt Series Bonds will contain a clause to the effect that the Program

Loan will be due on sale of the Home unless assumption by the purchaser is consented to by the Agency, which consent will be given only if the Agency has determined that the requirements of Subsections (C), (D), (E) and (F) of this Section 11 are met with respect to that assumption. In the event that those requirements are not met, notwithstanding that determination, the error will be corrected as provided in Subsection (B).

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

[Remainder of page intentionally left blank]

Adopted by the Minnesota Housing Finance Agency this 22nd day of April, 2021.

By: _____
Chair

Attest: _____
Commissioner

[Signature page to Resolution No. MHFA 21-018]

EXHIBIT A

FORM OF SERIES BONDS

No. $

UNITED STATES OF AMERICA - STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

HOMEOWNERSHIP FINANCE BOND, [2021][2022] SERIES [___]

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

Rate	Maturity Date	Date of Original Issue	CUSIP

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

CEDE & CO.

or registered assigns, the principal sum of

DOLLARS

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

This Series Bond is one of a duly authorized Series of Homeownership Finance Bonds, [2021][2022] Series [__] [(Mortgage-Backed Securities Pass-Through Program)] [(Taxable)], in the

original principal amount of $[_____] (the "Series Bonds"), issued to provide funds needed for the Agency's Program of making or purchasing Program Securities, or participations therein (the "[2021][2022] [__] Program Securities"), to facilitate the purchase, development or rehabilitation of a sufficient supply of residential housing in Minnesota at prices that persons and families of low and moderate income can afford. The Series Bonds are issued under and pursuant to the Agency's Homeownership Finance Bond Resolution, adopted December 11, 2009, as heretofore or hereafter amended and supplemented (the "Bond Resolution"), and the Agency's series resolution[s], adopted [February 27, 2020 and] [April 22, 2021] ([together], the "Series Resolution"), to which Bond Resolution and Series Resolution, including all supplemental resolutions that have been or may be adopted pursuant to the provisions thereof, reference is made for a description of the revenues, moneys, securities, funds and accounts pledged to the Trustee for the security of the Owners of the Series Bonds, the respective rights thereunder of the Agency, the Trustee and other Fiduciaries and the Owners of the Series Bonds, and the terms upon which the Series Bonds are issued, delivered and secured. [The Series Bonds are being issued contemporaneously with the Agency's Homeownership Finance Bonds, [2021][2022] Series [_] [(Mortgage-Backed Securities Pass-Through Program)].] Capitalized terms not defined herein have the meaning given to those terms in the Series Resolution.

The Series Bonds are issuable in fully registered form. The Series Bonds are issued in denominations of $[____] principal amount or any integral multiple thereof [of a single stated maturity] [not exceeding the principal amount maturing on any Principal Installment Date]. [The Series Bonds that are Term Bonds are required to be redeemed (unless previously redeemed of canceled) by the application of sinking fund installments on the dates and in the amounts specified pursuant to the Series Resolution, at a redemption price equal to the principal amount thereof plus accrued interest, without premium.]

[All Series Bonds are subject to mandatory redemption on each Interest Payment Date, in whole or in part, at a price equal to the principal amount thereof to be redeemed plus accrued interest, without premium, in a principal amount equal to all principal repayments, including Prepayments, on the [2021][2022] [__] Program Securities purchased with proceeds of the Series Bonds on deposit in the Revenue Fund received during the immediately preceding calendar month, as further provided in the Series Resolution.]

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

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

If less than all Series Bonds are to be redeemed, the Trustee will select Series Bonds to be redeemed in accordance with the Series Resolution.

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

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

The Bond Resolution permits, with certain exceptions, the modification or amendment thereof and of the rights and obligations of the Agency and of the Owners of the Bonds thereunder, by a supplemental bond resolution adopted with the written consent, filed with the Trustee, of the Owners of at least a majority in principal amount of the Bonds Outstanding or affected by the amendment at the time the consent is given. That resolution will be binding upon the Agency and all Fiduciaries and Owners of Bonds at the expiration of thirty days after filing with the Trustee of proof of the mailing of notice that the required consent has been given. Supplemental resolutions may also be adopted, effective immediately, for the purpose of adding restrictions on or covenants by or surrendering privileges of the Agency; authorizing additional Bonds, making provisions affecting only Bonds not yet issued or reasonably necessary to assure that interest on an applicable Series of Bonds will be, or remains, excludable from gross income under the Code; curing or correcting an ambiguity, omission, defect or inconsistency, or inserting provisions not inconsistent with, the Bond Resolution or clarifying matters or questions arising under it, and may also be adopted for any other purpose as will not be, in the opinion of the Trustee, materially adverse to the security or other interests of the Bondowners. Every Owner hereof is deemed by its purchase and retention of this Series Bond to consent to be bound by every supplemental resolution and every modification and amendment adopted in accordance with the provisions of the Bond Resolution, whether or not noted or endorsed hereon or incorporated herein.

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

IT IS CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to exist, to happen and to be performed precedent to and in the issuance of this Series Bond in order to make it a valid and binding general obligation of the Agency in accordance with its terms do exist, have happened and have been performed in due form, time and manner as so required and that the issuance of the Series Bonds does not cause the indebtedness of the Agency to exceed any constitutional or statutory limitation.

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

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

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

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

[Remainder of page intentionally left blank]

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

Date of Authentication: _____

Trustee's Certificate

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

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Representative

MINNESOTA HOUSING FINANCE AGENCY

_____
By: (Facsimile Signature)
Chairperson

_____
Attest: (Facsimile signature)
Commissioner

ASSIGNMENT

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

_____

(please print or type name and address of transferee)

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

Dated: _____

_____

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

Signature Guaranteed:

_____

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

Please insert social security or other identifying number of assignee:

_____

MINNESOTA HOUSING

Board Agenda Item: 7.G
Date: 4/22/2021

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

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

Request Type:

☒ Approval
- ☒ Motion
- ☒ Resolution

☐ No Action Needed
- ☐ Discussion
- ☐ Information

Summary of Request:
Agency staff is preparing to issue bonds, under the Residential Housing Finance Bond (RHFB) indenture, to finance the acquisition of newly originated mortgage-backed securities that funded the origination of single family mortgages, to finance the origination of certain down payment and closing costs loans, as well as to periodically refund certain outstanding RHFB debt. This resolution authorizes additional fixed rate RHFB bonds, in an amount up to $300 million over time. The initial bond offering utilizing a portion of this authority will likely be designated 2021 Series CD. The RHFB 2021 Series CD bond issue is expected to be sized at up to approximately $162 million and to price in May and close in June of 2021. The attached Preliminary Official Statement describes the anticipated transaction.

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

Meeting Agency Priorities:

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

Attachment(s):

- Preliminary Official Statement
- Series Resolution

PRELIMINARY OFFICIAL STATEMENT DATED MAY 12, 2021

NEW ISSUE

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

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

MINNESOTA HOUSING

$162,425,000*
Minnesota Housing Finance Agency
$6,000,000* Residential Housing Finance Bonds, 2021 Series C (AMT)
$156,425,000* Residential Housing Finance Bonds, 2021 Series D (Non-AMT)

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

Tax Exemption	Interest on the 2021 Series C Bonds and the 2021 Series D Bonds (collectively, the "Series Bonds") is not includable in gross income for federal income tax purposes or taxable net income of individuals, trusts and estates for state of Minnesota (the "State") income tax purposes. (For additional information, including on the application of federal and state alternative minimum tax provisions to the Series Bonds, see "Tax Exemption and Related Considerations" herein.)
Redemption and Tender	The Agency may redeem all or a portion of the Series Bonds by optional or special redemption, and must redeem a portion of the Series Bonds by mandatory sinking fund redemption, as described under "The Series Bonds" herein**.**
Security	Payment of principal and interest on the Series Bonds is secured, on an equal basis with payment of principal and interest on all Outstanding Bonds that the Agency has issued, and may subsequently issue, under the Bond Resolution, by the Agency's pledge of all Bond proceeds, Program Obligations, Investment Obligations, Revenues and other assets held under the Bond Resolution, except as otherwise expressly provided in the Bond Resolution or in a Series Resolution. The Series Bonds are also general obligations of the Agency, payable out of any of its generally available moneys, assets or revenues. *The Agency has no taxing power. The State is not liable for the payment of the Series Bonds and the Series Bonds are not a debt of the State.* (See "Security for the Bonds" herein.)
Interest Payment Dates	January 1 and July 1, commencing January 1, 2022,* and, in respect of a Series Bond to be redeemed, the redemption date.
Denominations	$5,000 or any integral multiple thereof.
Closing/Settlement	June 17, 2021* through the facilities of DTC in New York, New York.
Bond Counsel	Kutak Rock LLP.
Underwriters' Counsel	Dorsey & Whitney LLP.
Trustee	Wells Fargo Bank, National Association, in Minneapolis, Minnesota.
Book-Entry-Only System	The Depository Trust Company. See Appendix E hereto.

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

RBC Capital Markets

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

The date of this Official Statement is __, 2021.

*Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances will this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The issuer has deemed this Preliminary Official Statement final, as of its date, except for information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES*

2021 Series C Bonds (AMT)

$6,000,000* Serial Bonds

Due*	Principal Amount*	Interest Rate	CUSIP**	Due*	Principal Amount*	Interest Rate	CUSIP**
January 1, 2022		%		January 1, 2023		%	
July 1, 2022							

Price of Serial Bonds — ___%

2021 Series D Bonds (Non-AMT)

$45,775,000* Serial Bonds

Due*	Principal Amount*	Interest Rate	CUSIP**	Due*	Principal Amount*	Interest Rate	CUSIP**
January 1, 2023		%		January 1, 2028		%	
July 1, 2023				July 1, 2028			
January 1, 2024				January 1, 2029			
July 1, 2024				July 1, 2029			
January 1, 2025				January 1, 2030			
July 1, 2025				July 1, 2030			
January 1, 2026				January 1, 2031			
July 1, 2026				July 1, 2031			
January 1, 2027				January 1, 2032			
July 1, 2027				July 1, 2032			

Price of Serial Bonds — ___%

$_____,000* ___% Term Bonds Due July 1, 2036* at ___% (CUSIP _____)**
$_____,000* ___% Term Bonds Due July 1, 2041* at ___% (CUSIP _____)**
$_____,000* ___% Term Bonds Due July 1, 2043* at ___% (CUSIP _____)**
$_____,000* ___% PAC Term Bonds Due January 1, 2052* at ___% (CUSIP _____)**

*Preliminary, subject to change.

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

Neither Minnesota Housing Finance Agency nor any of the Underwriters has authorized any dealer, broker, salesperson or other person to give any information or representations, other than those contained in this Official Statement. Prospective investors must not rely on any other information or representations as being an offer to buy. No person may offer or sell Series Bonds in any jurisdiction in which it is unlawful for that person to make that offer, solicitation or sale. The information and expressions of opinion in this Official Statement may change without notice. Neither the delivery of the Official Statement nor any sale of the Series Bonds will, under any circumstances, imply that there has been no change in the affairs of the Agency since the date of this Official Statement.

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

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

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

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

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OFFICIAL STATEMENT
relating to
$162,425,000*
MINNESOTA HOUSING FINANCE AGENCY
RESIDENTIAL HOUSING FINANCE BONDS,
2021 SERIES C AND 2021 SERIES D

This Official Statement (which includes the cover page, inside front cover and Appendices) provides certain information concerning the Minnesota Housing Finance Agency (the "Agency"), and its Residential Housing Finance Bonds, 2021 Series C (the "2021 Series C Bonds"), and 2021 Series D (the "2021 Series D Bonds," and collectively with the 2021 Series C Bonds, the "Series Bonds"). The Agency is issuing the Series Bonds pursuant to Minnesota Statutes, Chapter 462A, as amended (the "Act"), a resolution of the Agency adopted as amended and restated on August 24, 1995, and as further amended and supplemented in accordance with its terms (the "Bond Resolution"), and series resolutions of the Agency adopted on November 19, 2020 and April 22, 2021 (the "2020/2021 Series Resolutions"). (The Bond Resolution and the 2020/2021 Series Resolutions are herein sometimes referred to as the "Resolutions.")

The Residential Housing Finance Bonds Outstanding in the aggregate principal amount of $[1,663,950],000 as of April 30, 2021 under the Bond Resolution, and any additional Residential Housing Finance Bonds hereafter issued pursuant to the Bond Resolution, including the Series Bonds (collectively referred to as the "Bonds"), are and will be equally and ratably secured under the Bond Resolution (except as otherwise expressly provided therein or in a Series Resolution).

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

INTRODUCTION

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

Since its creation in 1971, the Agency has issued bonds to purchase single family mortgage loans, to purchase home improvement loans and to finance multifamily developments. In addition to financing loans through the issuance of debt, the Agency finances grants and loans through State and federal appropriations and its Alternative Loan Fund in the Bond Resolution. Please refer to the information in the notes to the financial statements included in Appendix A-1 to this Official Statement at pages 63 and 64 under the heading "Net Position — Restricted by Covenant."

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* Preliminary; subject to change.

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

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

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

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

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

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

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

THE AGENCY

Purpose

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

Structure

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

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

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

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

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

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

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

Stephen Spears, Member — Term expires January 2022, Plymouth, Minnesota – Banker

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

Staff

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

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

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

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

Rachel Robinson — Deputy Commissioner, appointed March 2019. Prior to this position, Ms. Robinson was Fund Manager for the NOAH Impact Fund, a subsidiary of the Greater Minnesota Housing Fund, a certified Community Development Financial Institution, from 2016 to 2019, responsible for securing investment commitments, structuring transactions, developing investor and partner relations, and ensuring that social impact goals and compliance requirements were met. She has worked in affordable housing development and finance for over 15 years, including with CommonBond Communities from 2011 to 2015, where as Vice President she developed and led enterprise asset management systems, and as Senior Housing Development Manager from 2008

to 2011. Ms. Robinson was also Director of Property Development at Artspace Projects, Inc. from 2015 to 2016. She holds a Master's degree in Urban and Regional Planning from the University of Minnesota Humphrey School of Public Affairs and a Bachelor of Arts degree in Urban Studies from Macalester College, St. Paul, Minnesota.

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

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

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

Kasey Kier — Assistant Commissioner, Single Family Division appointed effective December 2014. Ms. Kier's previous experience with the Agency includes Single Family Business Operations Manager from August 2012 to December 2014, Low Income Housing Tax Credit Program Manager from 2005 to 2012, Multifamily Housing Program Professional from 2000 to 2005 and various positions in the Single Family Division with increasing responsibility from 1994 to 2000. Prior to that, Ms. Kier held positions at Prudential Home Mortgage and ITT Financial Corporation. Ms. Kier holds a Bachelor of Arts Degree in Business Management and Management Information Systems from Augsburg College, Minneapolis, Minnesota. Ms. Kier is a graduate of the Mortgage Bankers Association School of Mortgage Banking and holds the Accredited Mortgage Professional (AMP) specialist designation. Ms. Kier also holds Project Management Professional (PMP) certification through the Project Management Institute and Housing Development Finance Professional certification through the National Development Council.

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

Independent Auditors

The financial statements of the Agency as of and for the year ended June 30, 2020, included in this Official Statement as Appendix A-1, have been audited by RSM US LLP, independent auditors, as stated in their report appearing herein. RSM US LLP has not been engaged to perform, and has not performed, any procedures on the financial statements after June 30, 2020. RSM US LLP also has not performed any procedures relating to this Official Statement.

Financial Statements of the Agency

The Agency financial statements included in this Official Statement as Appendix A-1 as of and for the fiscal year ended June 30, 2020 are presented in combined "Agency-wide" form followed by "fund" financial statements presented for its major funds in order to comply with the requirements of Statement No. 34 of the Governmental Accounting Standards Board.

Information regarding the Minnesota State Retirement System ("MSRS"), to which the Agency contributes, is included in Appendix A-1 in the Notes to Financial Statements at pages 65 through 67 under the heading "Defined Benefit Pension Plan." The Agency's allocable portion of net pension liability reported at June 30, 2020 with respect to MSRS is $10.412 million.

In Appendix A-2 to this Official Statement, the Agency has included certain unaudited financial statements of the Agency (excluding State Appropriated and Federal Appropriated Funds) as of and for the six months ended December 31, 2020. The Agency has prepared the information in Appendix A-2 and, in the opinion of the Agency, that information reflects all normal recurring adjustments and information necessary for a fair statement of the financial position and results of operations of the Agency (excluding State and Federal Appropriated Funds) for the period, subject to year-end adjustments. The information in Appendix A-2 is not accompanied by a statement from the independent auditors.

Disclosure Information

The Agency will covenant in a Continuing Disclosure Undertaking for the benefit of the Owners and Beneficial Owners (as defined in Appendix B hereto) of the Series Bonds to provide annually certain financial information and operating data relating to the Agency (the "Agency Annual Report") and to provide notices of the occurrence of certain enumerated events. (There is no other obligated person under the Continuing Disclosure Undertaking.) The Agency must file the Agency Annual Report no later than 120 days after the close of each fiscal year, commencing with the fiscal year ending June 30, 2021, with the Municipal Securities Rulemaking Board, at its EMMA internet repository. The Agency also must file notices of the occurrence of the enumerated events, if any, with EMMA. (See "Appendix B — Summary of Continuing Disclosure Undertaking.")

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

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

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

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

In addition to its bond funds pledged to the payment of particular bonds by bond resolutions of the Agency, the Agency has also established certain other funds that it has restricted by covenant. Currently, the restricted funds

are the General Reserve and the Alternative Loan Fund. The General Reserve contains the Housing Endowment Fund (also referred to as "Pool 1") and the Agency's net investment in capital assets. The Alternative Loan Fund, which is held under the Bond Resolution but is not pledged to pay the Bonds, comprises the Housing Investment Fund (also referred to as "Pool 2") and the Housing Affordability Fund (also referred to as "Pool 3"). The net position of the General Reserve and the Alternative Loan Fund is not pledged to the payment of the Bonds or any other debt obligations of the Agency but, to the extent funds are available therein, are generally available to pay any debt obligations of the Agency, including the Bonds.

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

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

Under the net position requirements and investment guidelines effective January 23, 2014, the required size of Pool 1 (which is intended to be a liquidity reserve) is 1 percent of gross loans receivable (excluding mortgage-backed securities, appropriated loans and loans credited to Pool 3) and the required size of Pool 2 is an amount that would cause the combined net position (exclusive of unrealized gains and losses resulting from marking to market investment securities, including mortgage-backed securities, and swaps entered into by the Agency for which the unrealized loss or gain will not be realized if the security or swap is held to maturity or its optional termination date; and realized gains and losses resulting from the purchase and sale of investment securities between Agency funds) in the General Reserve, in Pool 2, and in the funds pledged under bond resolutions to be at least equal to the combined net position of the same funds as of the immediately preceding fiscal year end. Currently, this amount is $808.448 million, representing the combined net position of these funds so calculated as of June 30, 2020. Pool 2 is intended to comprise amortizing interest-bearing housing loans or investment grade securities. Pool 1 and Pool 2 represent, with assets pledged to pay bonds of the Agency, the sustainable lending operations of the Agency. Pool 3 represents the more mission-intensive operations of the Agency and is intended to comprise deferred, zero percent and low interest-rate loans and grants and, for unapplied funds, investment grade securities. Pool 3 is not subject to the investment guidelines. Loan activity related to loans financed by funds in Pool 2 and Pool 3 is recorded as part of the Alternative Loan Fund. The Agency approves all interfund transfers. A further discussion of Pools 1, 2 and 3 and the amounts credited thereto as of June 30, 2020 appears in the Notes to Financial Statements of the Agency included in Appendix A-1 to this Official Statement at pages 63 and 64 under the heading "Net Position — Restricted by Covenant."

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The following summary indicates the revenues earned, the expenses paid, and funds transferred to and from the General Reserve (which contains Pool 1 and net investment in capital assets), for the two most recent audited fiscal years of the Agency and for the six-month period ended December 31, 2020 (unaudited) (in thousands):

	Six months Ended December 31, 2020 (unaudited)	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
Revenues			
Fees earned and other income[1]	$ 6,258	$12,971	$11,212
Interest earned on investments	94	590	704
Unrealized gain (loss) on investments	--	--	--
Administrative reimbursement[2], [3]	16,774	31,336	27,730
Total revenues	23,126	44,897	39,646
Expenses			
Salaries and benefits	15,339	30,283	15,117
Other general operating expenses	2,952	6,900	5,359
Total expenses	18,291	37,183	20,476
Revenues over expenses	4,835	7,714	19,170
Non-operating transfer of assets between funds[4]	(6,224)	(9,876)	(19,320)
Change in net position	(1,389)	(2,162)	(150)
Net position beginning of period	12,307	14,469	14,619
Net position end of period	$10,918	$12,307	$14,469

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

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

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

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

State Appropriations

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

Over the biennial periods ended June 30, 2013, 2015, 2017 and 2019, the total appropriations to the Agency aggregated approximately $392 million. For the biennium ending June 30, 2021, the Legislature has appropriated approximately $120.6 million to the Agency, including an increase of approximately 9.5 percent to the Agency's base budget for State appropriations.

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

Agency Indebtedness

The principal amount of bonds and notes of the Agency that are outstanding at any time (excluding the principal amount of any refunded bonds and notes) is limited to $5,000,000,000 by State statute. The following table lists the principal amounts of general obligation indebtedness of the Agency outstanding as of April 30, 2021 [UPDATE]:

	Number of Series*	Final Maturity	Original Principal Amount* (in thousands)	Principal Amount Outstanding (in thousands)
Rental Housing Bonds	11	2049	$ 53,275	$ 49,890
Residential Housing Finance Bonds	55	2051	2,779,455	1,663,950
Homeownership Finance Bonds	63	2050	2,650,126	1,422,726
Multifamily Housing Bonds (Treasury HFA Initiative)	1	2051	15,000	13,100
Totals	130		$5,497,856	$3,149,666

*Does not include series of bonds or the original principal amount of any bonds that had been, as of April 30, 2021, defeased or paid in full, whether at maturity or earlier redemption.

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

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

Certain of the swap agreements obligate the Agency to make periodic fixed rate payments and entitle the Agency to receive periodic payments based on the United States dollar-denominated London Interbank Offered Rate ("USD LIBOR"). In 2017, the Financial Conduct Authority, a United Kingdom regulatory body which supervises USD LIBOR's administrator, stated that it would not attempt to persuade or compel panel banks that currently

submit interest rate information used in the setting of USD LIBOR rates to continue to do so after December 31, 2021. The Federal Reserve System and the Federal Reserve Bank of New York (the "NY Fed") convened its Alternative Reference Rate Committee ("ARRC") in 2014, consisting of public and private United States capital market participants, to identify alternative reference rates as an alternative to USD LIBOR, identify best practices for contract robustness in the interest rate market, and create an implementation plan to support an orderly adoption of new references rates. In 2017, the ARRC identified the secured overnight financing rate ("SOFR"), which the NY Fed publishes, as the rate that represents best practice for use in certain new U.S. dollar derivatives and other financial contracts. Likewise, the International Swaps and Derivatives Association's ("ISDA") working group chose SOFR as its replacement for USD LIBOR, and ISDA has released its IBOR Fallbacks Supplement which amends the 2006 ISDA Definitions (applicable to trades occurring on and after January 25, 2021), as well as its IBOR Fallbacks Protocol, which allows contract participants to amend existing contracts to include the new fallback provision. Each of the NY Fed and ISDA has made certain information concerning their respective activities relating to USD LIBOR and alternative reference rates on their respective websites. The Financial Conduct Authority has indicated that USD LIBOR will continue to be available through June 30, 2023, at which time these amendments are expected to become effective and SOFR will replace USD LIBOR. There can be no assurance as to the timing or outcome of these and other USD LIBOR-related regulatory developments, or as to the effects of market reaction to such developments. Further regulatory developments, or the official cessation of USD LIBOR publication, might affect the determination of certain scheduled and, if applicable, termination payment obligations upon those derivatives agreements. The Agency continues to monitor the USD LIBOR-related developments and anticipates it will adhere to the IBOR Fallbacks Protocol or enter into substantially similar agreements directly with its swap providers. In addition, the Agency may seek additional amendments to its other agreements which still use USD LIBOR.

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

From time to time, beginning in 2012, the Legislature has authorized the Agency to issue housing infrastructure bonds (the "Housing Infrastructure Bonds") for various purposes payable, like the Nonprofit Housing Bonds, solely from a standing appropriation from the State General Fund and not from any other funds or assets of the Agency. The aggregate principal amount of Housing Infrastructure Bonds that the Agency may issue is $415,000,000. The Agency has issued 23 series of its State Appropriation Bonds (Housing Infrastructure) in 2013 through 2020 in an aggregate principal amount of $290,330,000 under a separate indenture of trust.

On November 12, 2020, the Agency issued its Second Amended and Restated Bank Note (the "Amended Bank Note") to Royal Bank of Canada (the "Bank"), pursuant to a Revolving Credit Agreement dated as of June 1, 2018, as amended by a First Amendment to Revolving Credit Agreement dated as of October 28, 2019, a Second Amendment to Revolving Credit Agreement dated as of November 22, 2019, and a Third Amendment to Revolving Credit Agreement dated as of November 12, 2020 (as further amended by the Fourth Amendment to Revolving Credit Agreement dated as of February 25, 2021, the "Amended Revolving Credit Agreement"), and as further amended from time to time, for the purpose of preserving current private activity bond volume cap by refunding the maturing principal or redemption price, as the case may be, of portions of Bonds and Homeownership Finance Bonds previously issued by the Agency (collectively, the "Single Family Housing Bonds"). Upon the refunding of Single Family Housing Bonds with amounts advanced to the Agency pursuant to the Amended Revolving Credit Agreement as evidenced by the Amended Bank Note, funds representing prepayments and repayments of mortgage loans financed with Single Family Housing Bonds, and other amounts available under the applicable bond resolution for the payment of those Single Family Housing Bonds, will be deposited into a cash collateral fund established under a separate amended and restated indenture of trust, as amended (the "2018 Revolving Credit Indenture"), between the Agency and Wells Fargo Bank, National Association, as trustee, as security for the repayment of the

principal amount of the Amended Bank Note that has been advanced to the Agency. The Bank agrees to make advances until December 31, 2021, a later date if extended by the Bank or an earlier date upon an event of default or a termination pursuant to the terms of the Amended Revolving Credit Agreement or if the Agency elects an earlier termination. The amount of the advances outstanding and not repaid with respect to the Amended Bank Note bear interest at a variable interest rate equal to one month USD LIBOR plus a spread (currently 0.40%) and may not exceed $150,000,000 at any time, and the cumulative amount of the advances made may not exceed $1,100,000,000. The obligation of the Agency to pay the interest on, but not the principal of, the Amended Bank Note is a general obligation of the Agency. A portion of the proceeds of the Series Bonds will be used to repay a portion of the Amended Bank Note and the equivalent amount released from the cash collateral fund under the 2018 Revolving Credit Indenture will be deposited in the 2021 Series C-D subaccount in the Acquisition Account. The Agency has requested advances in the aggregate principal amount of $[689,897,686], $[39,749,201] of which is outstanding.

Agency Continuity of Operations Plan

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

Cybersecurity

The Agency relies on a complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the Agency faces multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware, phishing, business email compromise, and other attacks on computers and other sensitive digital networks, systems, and assets. Housing finance agencies and other public finance entities have been targeted by outside third parties, including technologically sophisticated and well-resourced actors, attempting to misappropriate assets or information or cause operational disruption and damage. Further, third parties, such as hosted solution providers, that provide services to the Agency, could also be a source of security risk in the event of a failure of their own security systems and infrastructure.

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

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

damage could be substantial and such damage to the Agency's reputation and relationships could adversely affect the Agency's ability to conduct its programs and operations in the future.

COVID-19 Economic Disruption

The global outbreak of COVID-19, a respiratory disease declared to be a pandemic (the "Pandemic") by the World Health Organization, is affecting the national capital markets and has negatively impacted the State's housing market and its overall economy. The threat from the Pandemic is being addressed on a national, federal, state and local level in various forms, including executive orders and legislative actions.

On March 13, 2020, the President of the United States declared a national emergency with respect to the Pandemic. In addition, the United States Congress recently enacted several COVID-19-related bills, including the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), signed into law on March 27, 2020, which provides over $2 trillion of direct financial aid to American families, payroll and operating expense support for small businesses, and loan assistance for distressed industries, as well as providing funds to and directing the Federal Reserve System to support the capital markets.

Among other things, the CARES Act also provides that (a) lenders are prohibited from foreclosing mortgage loans that are FHA insured, VA, HUD or USDA Rural Development guaranteed, or purchased or securitized by Fannie Mae or Freddie Mac (collectively, "Federal Single Family Loans") for a period of 60 days ended May 17, 2020, and (b) during the national emergency concerning the Pandemic, borrowers with Federal Single Family Loans directly or indirectly facing economic difficulties as a result of the coronavirus can seek up to 360 days of payment forbearance. In addition to the forbearance, foreclosure and eviction relief provided by the CARES Act, HUD/FHA and the Federal Housing Finance Agency ("FHFA") also extended the maximum forbearance period by six months for homeowners first requesting forbearance before June 30, 2020 and ordered the servicers of Federal Single Family Loans to suspend foreclosures and evictions with respect to Federal Single Family Loans; HUD/FHA and FHFA have extended their foreclosure and eviction moratoriums for single-family residences until at least June 30, 2021. As of May 4, 2021, the Agency had granted forbearance approvals for [343] Program Loans which are not pooled into Program Securities of which [268] Program Loans are still in forbearance in an aggregate principal amount of approximately $[21] million, which is [7.3] percent of the principal amount of all Program Loans not pooled into Program Securities held under the Bond Resolution, and has paused foreclosure actions with respect to [17] Program Loans not pooled into Program Securities in an aggregate principal amount of approximately $[1] million, which is [0.4] percent of the principal amount of all Program Loans not pooled into Program Securities held under the Bond Resolution. As of December 31, 2020, Program Loans not pooled into Program Securities comprised approximately 17.8 percent of the combined Program Loans and Program Securities pledged to the payment of Bonds under the Bond Resolution. (See "The Residential Housing Finance Program – Mortgage Loan Portfolio and Acquired Program Securities.") The Agency expects to receive and approve additional forbearance requests relating to Program Loans during the Pandemic. The Agency also provides loans under its multifamily rental housing program, many of which are covered by the relief provisions of the CARES Act. The Agency's loans provided under its home improvement program and its monthly payment loan program, as well as some loans for single family housing that are not pledged as security for any debt of the Agency, are not affected by the relief provisions of the CARES Act. However, the Agency has granted and may choose to grant forbearance approvals for certain of these loans during the Pandemic. (See "Other Programs" and "Other Programs — Monthly Payment Loans.")

The CARES Act directs the Federal Reserve Bank to provide liquidity to the financial system through a new facility to purchase certain new issuances of securities by eligible issuers, including housing finance agencies and other state and local governments. Such injection of liquidity follows recent actions by the Federal Reserve Bank, including the purchase of U.S. Treasury securities and the Government National Mortgage Association ("GNMA"), Fannie Mae and Freddie Mac mortgage-backed securities, facilitating the flow of credit to municipalities by expanding its Money Market Mutual Fund Liquidity Facility to include a wider range of securities, including municipal variable rate demand notes (such as variable rate demand obligations of housing finance agencies).

On March 13, 2020, the Governor of the State declared a peacetime emergency with respect to the Pandemic. By various executive orders, which have the force and effect of law during a peacetime emergency, the Governor has directed: residents of the State to first stay at home and shelter in place and subsequently permitting residents to conduct activities outside the home; the closure of schools for the remainder of the school year that ended in June 2020 and then gradually re-opening schools during the current school year; the closure and then partial re-opening of restaurants, bars, other public accommodations and certain non-essential businesses; and the suspension of evictions and lease terminations; in each instance subject to further change. The Governor has extended the peacetime emergency beyond the initial 30-day period, may extend it further and may issue additional executive orders pursuant to his authority during that emergency. The peacetime emergency, since extended beyond 30 days, may be terminated by majority vote of both houses of the legislature of the State.

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

Single Family Mortgage Production Funding Considerations

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

In addition to funding its single family mortgage production by issuing bonds, the Agency from time to time sells Program Securities in the secondary market. Since 2009 the Agency has sold approximately $[1.315] billion of Program Securities in the open market as of May __, 2021, $[332] million of which would have been eligible to be financed with tax-exempt bonds. In 2013, the Agency also issued and sold three series of its Home Ownership Mortgage-Backed Exempt Securities Certificates in the aggregate principal amount of $32.5 million, each of which is a special, limited obligation of the Agency payable from, and secured solely by, all principal and interest payments made on a single Program Security. Based on market conditions and the availability of economic refunding opportunities, the Agency determines whether to issue Additional Bonds under the Bond Resolution or under its Homeownership Finance Bond Resolution or to sell Program Securities in the secondary market.

ESTIMATED SOURCES AND USES OF FUNDS

The Agency will apply certain proceeds of the Series Bonds and other funds to the purchase of Program Securities and DPA Loans. The Agency will apply other proceeds of the Series Bonds to refund Refunded Bonds and, as a result, certain Program Securities (the "Transferred Program Securities") financed by those Refunded Bonds will be allocated to the Series Bonds. Upon giving effect to these transactions and the receipt of transferred money that had been allocated to those Refunded Bonds, the estimated sources and uses of funds related to the Series Bonds are as follows:

Sources

Principal amount of Series Bonds .....
Original issue premium .....
Transferred Program Securities and Revenues.....
Agency funds .....
Total Sources of Funds

Uses

Deposit to 2021 Series C-D Acquisition Account
Funds to acquire Program Securities .....
Transferred Program Securities and Revenues .....
Redemption of Refunded Bonds .....
Deposit to Costs of Issuance Account.....
Underwriters' Compensation .....
Total Uses of Funds

Upon issuance of the Series Bonds and as a result of the refunding of the Refunded Bonds, the Transferred Program Securities will be credited to the 2021 Series C-D Acquisition Account. The Transferred Program Securities, with an expected unpaid principal amount of approximately $___ million, have a weighted average maturity of approximately __ months and a weighted average pass-through interest rate of approximately __ percent per annum. Revenues from the Transferred Program Securities may constitute Excess Revenues (as defined under "The Series Bonds—Special Redemption—Excess Revenues" herein) and the Agency may, but is not obligated to, use those Excess Revenues to redeem Bonds, including the Series Bonds, except as otherwise described under "The Series Bonds—Special Redemption."

Based on the Program Securities that the Agency has purchased and expects to purchase from its own funds, the Agency expects to apply and disburse approximately $___ million* of proceeds of the Series Bonds deposited in the 2021 Series C-D Acquisition Account to purchase Program Securities backed by Program Loans with a principal amount of approximately $___ million,* which Program Securities are estimated to have pass-through interest rates ranging from __ percent* to __ percent,* on or before ___ 1, 2021 and to purchase DPA Loans with a principal amount of approximately $__ million* on or before ____ 1, 2021. Any Program Securities and DPA Loans purchased from the Agency will be credited to the 2021 Series C-D Acquisition Account and pledged to the payment of Outstanding Bonds. (See "The Residential Housing Finance Program – Reimbursement of Advances of Agency Funds from Proceeds of Series Bonds.")

* Preliminary; subject to change.

THE SERIES BONDS

General

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

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

Interest on the Series Bonds

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

Sinking Fund Redemption

The Agency is required to redeem the 2021 Series D Bonds with a stated maturity of _____* in part on _____* and on each July 1 and January 1 thereafter to and including _____,* at the principal amount thereof to be redeemed plus accrued interest thereon, without premium, on the dates and in the principal amounts as follows:

Date*	Principal Amount*	Date*	Principal Amount*

The Agency is required to redeem the 2021 Series D Bonds with a stated maturity of _____* in part on _____* and on each July 1 and January 1 thereafter to and including _____,* at the principal amount thereof to be redeemed plus accrued interest thereon, without premium, on the dates and in the principal amounts as follows:

* Preliminary; subject to change.

Date*	Principal Amount*	Date*	Principal Amount*

The Agency is required to redeem the 2021 Series D Bonds with a stated maturity of _____* in part on _____* and on each July 1 and January 1 thereafter to and including _____,* at the principal amount thereof to be redeemed plus accrued interest thereon, without premium, on the dates and in the principal amounts as follows:

Date*	Principal Amount*	Date*	Principal Amount*

The Agency is required to redeem the 2021 Series D Bonds with a stated maturity of _____* and bearing interest at the rate of __% in part on _____* and on each July 1 and January 1 thereafter to and including _____,* at the principal amount thereof to be redeemed plus accrued interest thereon, without premium, on the dates and in the principal amounts as follows:

Date*	Principal Amount*	Date*	Principal Amount*

* Preliminary; subject to change.

The Agency is required to redeem the 2021 Series D Bonds with a stated maturity of _____* and bearing interest at the rate of __% (the "PAC Term Bonds") in part on _____* and on each January 1 and July 1 thereafter to and including _____,* at the principal amount thereof to be redeemed plus accrued interest thereon, without premium, on the dates and in the principal amounts as follows:

Date*	Principal Amount*	Date*	Principal Amount*

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

Special Redemption

Unexpended Proceeds. At its option, the Agency may redeem the Series Bonds prior to maturity, at any time, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest to the redemption date, without premium, (except that any PAC Term Bonds are to be redeemed at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest, plus the unamortized premium thereon as the Agency determines by straight-line amortization of the original issue premium set forth on the inside front cover of this Official Statement between the date of issue and July 1, 2032* (as of which date the premium would reduce to $0)) from moneys representing Series Bond proceeds not used to purchase Program Securities and transferred to the Bond Redemption Fund from the 2021 Series C-D Acquisition Account and any allocable amounts held in the Debt Service Reserve Fund. In the event the Agency determines to redeem any Series

* Preliminary; subject to change.

Bonds from unexpended proceeds, the Agency will select the Series, maturities and amounts of the Series Bonds to be redeemed and the Trustee will select the Series Bonds at random within each Series and maturity.

If the Agency has not expended all proceeds of the Series Bonds credited to the 2021 Series C-D Acquisition Account and the Delivery Period has not been extended (see "The Residential Housing Finance Program—Acquisition of Program Securities"), then the Agency must redeem the Series Bonds from those unexpended proceeds upon the expiration of the Delivery Period at the redemption price specified above.

Based on the Program Securities that the Agency has purchased and expects to purchase from its own funds, the Agency expects to apply and disburse all of the proceeds of the Series Bonds credited to the 2021 Series C-D Acquisition Account to purchase Program Securities with a principal amount of approximately $___ million,* on or before ____ 1, 2021, and to purchase DPA Loans with a principal amount of approximately $___ million* on or before ____ 1, 2021. (See "The Residential Housing Finance Program – Reimbursement of Advances of Agency Funds from Proceeds of Series Bonds" for information with respect to anticipated Agency purchases of Program Securities as of June 17, 2021.)

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

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

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

* Preliminary; subject to change.

Dates*	Percentages*

Prepayments. To the extent not needed to make regularly scheduled principal payments on the Series Bonds, either at maturity or pursuant to sinking fund installments, all prepayments of mortgage principal from Program Loans backing Transferred Program Securities, Program Loans backing Program Securities and DPA Loans financed with the proceeds of the Series Bonds received by or on behalf of the Agency (those amounts herein referred to as the "Series C-D Prepayments") must first be applied to redeem the PAC Term Bonds on a cumulative basis up to the Maximum Cumulative Amounts during each Redemption Period ending on the date therefor set forth in the following table:

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

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

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

* Preliminary; subject to change.

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

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

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

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

The information in the following table, entitled "Projected Weighted Average Lives for the PAC Term Bonds" is based on the assumptions, among other things, that (i) the Transferred Program Securities have an unpaid principal amount of approximately $___ million with a weighted average maturity of approximately ___ months and a weighted average pass-through interest rate of approximately ___ percent per annum, (ii) the Series Bond Program Loans prepay at the indicated percentages of the PSA Prepayment Model and DPA Loans are repaid in full upon the prepayment of the associated Program Loans, (iii) $_____ million* of the proceeds of the Series Bonds in the 2021 Series C-D Acquisition Account are used to purchase Program Securities and $____million* are used to purchase DPA Loans, (iv) the Program Securities financed with the proceeds of the Series Bonds will have a weighted

* Preliminary; subject to change.

average pass-through rate of not less than ___ percent* and will be acquired by ___1, 2021,* (v) the DPA Loans will be acquired by ___ 1, 2021,* (vi) all scheduled principal and interest payments or prepayments on Series Bond Program Loans are received thirty days after the date on which due or assumed to be made and there are no foreclosures or repurchases of those Program Loans, (vii) the PAC Term Bonds are redeemed only on regularly scheduled interest payment dates, and (viii) the Series Bonds, including the PAC Term Bonds, are not redeemed pursuant to optional redemption or from Excess Revenues. Based solely on the assumptions, some or all of which are unlikely to reflect actual experience, the following table provides projected weighted average life information for the PAC Term Bonds.

Projected Weighted Average Lives for the PAC Term Bonds*

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

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

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

Optional Redemption of the Series Bonds

The Agency may redeem Series Bonds with stated maturities on or after January 1, 2031* prior to their stated maturity dates, at its option, in whole or in part, from the Series and in the amounts and from the stated maturities that the Agency designates, on July 1, 2030* or any date thereafter, from any amounts available to the Agency for that purpose, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest to the date of redemption, without premium.

* Preliminary; subject to change.

General Provisions as to Series Bonds

Except as otherwise provided in the 2020/2021 Series Resolutions, any Series Bonds to be redeemed other than upon mandatory sinking fund redemption will be redeemed only upon receipt by the Trustee of a certificate signed by an officer authorized by the Agency and stating (a) the Series of the Series Bonds to be redeemed and (b) the maturities and amounts from which Series Bonds are to be redeemed. If less than all Series Bonds of a Series and maturity are to be redeemed, the Series Bonds of that Series and maturity to be redeemed will be selected at random by a method determined by the Trustee. The Agency will not at any time cause Series Bonds to be redeemed (other than pursuant to mandatory redemption) if this would have any material adverse effect on its ability to pay when due the principal of and interest on the Bonds Outstanding after that redemption.

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

SECURITY FOR THE BONDS

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

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

Cash Flow Certificate

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

irrevocably appropriated to any Fund or Account established under the Bond Resolution (other than the Alternative Loan Fund, unless otherwise provided in a Series Resolution) from sources not subject to the lien of the Bond Resolution will be available in amounts and at times sufficient to pay the Debt Service on Outstanding Bonds of that Series when due and to maintain the Debt Service Reserve Requirement and Insurance Reserve Requirement, if any, in respect of Outstanding Bonds of that Series. As set forth more fully in "Appendix C — Summary of Certain Provisions of the Bond Resolution — Revenue Fund," the Agency may withdraw from the Revenue Fund funds to be released to the Agency free and clear of the lien of the Bond Resolution, for deposit in the Agency's General Reserve Account or deposit in the Alternative Loan Fund, in each case upon the filing with the Trustee a Cash Flow Certificate and a Parity Certificate.

Program Obligations

General information concerning the Agency's Residential Housing Finance Program and the types of Program Obligations that have been and are expected to be financed with the proceeds of the Series Bonds is provided below under the heading "The Residential Housing Finance Program." The Agency expects that approximately $___ million* in aggregate principal amount of Program Securities, and approximately $___ million* in DPA Loans, will be acquired with proceeds of the Series Bonds, and approximately $___ million in aggregate unpaid principal amount of Transferred Program Securities will be transferred within the Bond Resolution and credited to the 2021 Series C-D Acquisition Account as a result of the refunding of the Refunded Bonds. (See "Estimated Sources and Uses of Funds.") Additional information regarding GNMA, Fannie Mae and Freddie Mac and Program Securities and the current Master Servicer is contained in Appendix I to this Official Statement.

Investment Obligations

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

Under the Bond Resolution, the Agency may direct the Trustee to invest funds held thereunder in investment agreements (sometimes referred to as "guaranteed investment contracts"), if that investment agreement does not adversely affect any ratings of the Bonds at the time of execution thereof. As of December 31, 2020, $373,500 on deposit in the Debt Service Reserve Fund held in respect of Bonds under the Bond Resolution is invested in an investment agreement with Transamerica Life Insurance Co.

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

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

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* Preliminary; subject to change.

Revenues

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

Debt Service Reserve Fund

The Bond Resolution creates and establishes a Debt Service Reserve Fund and provides that the Debt Service Reserve Requirement as of any date will be the sum of amounts established for each Series of Bonds by each Series Resolution. The aggregate Debt Service Reserve Requirement with respect to the Series Bonds is equal to $0. The balance in the Debt Service Reserve Fund on [February 1, 2021, was $13,036,319] which was at least equal to the Debt Service Reserve Requirement for all Series of Bonds then Outstanding.

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

> In order to assure the payment of principal and interest on bonds and notes of the agency and the continued maintenance of all debt service reserve funds created and established therefor, the agency shall annually determine and certify to the governor, on or before December 1, (a) the amount, if any, then needed to restore each debt service reserve fund to the minimum amount required by the resolution or indenture establishing the fund, not exceeding the maximum amount of principal and interest to become due and payable in any subsequent year on all bonds or notes which are then outstanding and secured by such fund; and (b) the amount, if any, determined by the agency to be needed in the then immediately ensuing fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all then outstanding bonds and notes secured by a debt service reserve fund the amount of which is then less than the minimum amount agreed. The governor shall include and submit to the legislature, in the budget for the following fiscal year, or in a supplemental budget if the regular budget for that year has previously been approved, the amounts certified by the agency ….

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

Insurance Reserve Fund

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

Additional Bonds

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

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

State Pledge Against Impairment of Contracts

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

THE RESIDENTIAL HOUSING FINANCE PROGRAM

General

Under the Bond Resolution, the Agency may issue Bonds to finance Program Obligations in order to provide financing for housing for low and moderate income persons, including single family loans, home improvement loans, multifamily loans and other housing-related loans, and to secure those loans in the manner as the Agency determines, which would include first mortgage loans, subordinate mortgage loans or loans that are unsecured. All Outstanding Bonds issued under the Bond Resolution are secured on an equal basis, except as otherwise expressly provided in the Bond Resolution or in a Series Resolution. Certain proceeds of the Series Bonds will be used to purchase Program Securities backed by single family mortgage loans and, as a result of refunding the Refunded Bonds, certain Transferred Program Securities will be credited to the 2021 Series C-D Acquisition Account

The following provides a general description of the Agency's Program in respect of the Program Securities backed by single family mortgage loans to be purchased with proceeds of the Series Bonds. *The Series Program Determinations governing the Program Obligations to be financed with proceeds of the Series Bonds may be revised*

by the Agency from time to time as provided in the 2020/2021 Series Resolutions and, consequently, the following general description is subject to change.

"MBS" Model

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

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

Outstanding Bonds have financed both Program Loans and Program Securities.

Reimbursement of Advances of Agency Funds with Proceeds of Series Bonds

The Agency anticipates that it will have purchased with its own funds Program Securities that are eligible to be financed with Bonds of approximately $___ million in unpaid principal balance of mortgage loans as of June 17, 2021, at pass-through interest rates ranging from [2.50] percent to [3.50] percent. The Agency expects that all funds credited to the 2021 Series C-D Acquisition Account will be disbursed by ___ 1, 2021 to purchase, or reimburse the Agency for the purchase of, Program Securities and DPA Loans.

Procedures for Origination, Purchase and Pooling

Application

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

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

Qualified Borrowers

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

Household Size	**11-County Twin Cities Metropolitan Area***	**Dodge and Olmsted Counties**	**Balance of State**
1 or 2 Persons	$103,400	$101,200	$91,800
3 or more Persons	$118,900	$116,300	$105,500

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

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

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

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

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

Certain Fannie Mae Loan Product

In May 2012, the Agency began offering the Fannie Mae HFA Preferred Risk Sharing™ loan product for borrowers who meet the qualifying guidelines. The HFA Preferred Risk Sharing™ loan product enabled eligible state housing finance agencies to deliver loans with up to 97 percent loan-to-value ratios without mortgage insurance. The loan product carried a higher Fannie Mae guarantee fee and the Agency had to agree to repurchase the loan if it becomes delinquent in the first 12 months and remains delinquent for four consecutive months thereafter, or if the loan is delinquent at the 12th month, does not become current and remains delinquent for four consecutive months thereafter. From May 2012 to date, Fannie Mae has requested that the Agency repurchase 26 loans. If those loans are Program Loans pooled into Program Securities, those Program Securities have the same Fannie Mae guaranty as other Fannie Mae Securities.

Effective for loans with application dates in Fannie Mae's underwriting system on and after September 5, 2019, Fannie Mae only made the HFA Preferred Risk Sharing™ loan product available to borrowers whose qualifying income, as calculated pursuant to Fannie Mae's underwriting standards, was not greater than 80 percent

of area median income. E**ffective July 1, 2020, Fannie Mae no longer offers the HFA Preferred Risk Sharing™ loan product; the Agency ceased taking commitments for those loans on April 1, 2020.**

Uniform Mortgage-Backed Securities

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

Program Loans

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

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

Acquisition of Program Securities

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

During the Delivery Period, the Master Servicer is to acquire Program Loans from Lenders and pool the Program Loans into Program Securities as provided in the Servicing Agreement. The Trustee is to disburse moneys from the 2021 Series C-D Acquisition Account for the acquisition of Program Securities pursuant to the Servicing Agreement. The Trustee is to pay the Master Servicer an amount equal to between 101.5 percent and 103.5 percent of the principal amount of each Program Security acquired from the Master Servicer, plus accrued interest, if any, and any applicable fees or charges payable to a Federal Mortgage Agency and not paid by the mortgagor.

The Agency may at any time transfer any proceeds of the Series Bonds in the 2021 Series C-D Acquisition Account to the Bond Redemption Fund to be applied to the redemption of Series Bonds. In addition, the Agency will transfer any remaining proceeds of the Series Bonds in the 2021 Series C-D Acquisition Account to the Bond Redemption Fund to be applied to the redemption of Series Bonds at the end of the Delivery Period; provided that the Agency may (instead of redeeming Series Bonds from unexpended proceeds) extend the Delivery Period with

respect to all or any portion of the unexpended amounts remaining in the 2021 Series C-D Acquisition Account, for the period or periods as the Agency determines consistent with the final sentence of this paragraph, but only if the Agency has delivered to the Trustee on or prior to the expiration of the then-current Delivery Period an Agency Certificate (i) designating the new ending date for the Delivery Period, (ii) certifying that the Agency has received a Cash Flow Certificate and a Parity Certificate confirmed by an investment banking firm, financial consulting firm or accounting firm, in each case nationally recognized with respect to the cash-flow analysis of qualified mortgage bonds, that shows that the extension will not adversely affect the availability of Revenues sufficient to make timely payment of principal of and interest on the Outstanding Bonds in the current and each subsequent Fiscal Year, and that at all times the assets of the Program will equal or exceed the liabilities of the Program, which Cash Flow Certificate and Parity Certificate must accompany the Agency Certificate; (iii) certifying that, to the extent necessary to satisfy the requirements of the Cash Flow Certificate and each Rating Agency then rating the Bonds, an Investment Obligation has been arranged for investment of amounts in the 2021 Series C-D Acquisition Account to a date not earlier than the ending date of the extended Delivery Period; (iv) designating the amount of any additional deposits required by the Cash Flow Certificate, the Parity Certificate and each Rating Agency then rating the Bonds to be made into funds held under the Resolutions in connection with that extension, which deposits must be made on or before the date of expiration of the then-current Origination Period and only from the Agency's funds; and (v) certifying that the Agency has notified each Rating Agency then rating the Bonds that the extension is being planned and has provided copies of the Cash Flow Certificate and Parity Certificate to each Rating Agency then rating the Bonds, together with any other documentation as each Rating Agency then rating the Bonds may request, and has received written confirmation that the Rating of Outstanding Bonds will not be impaired by the extension of the Delivery Period. On any date or dates subsequent to any extension of the Delivery Period, the Agency may transfer any unexpended proceeds relating to the Series Bonds remaining in the 2021 Series C-D Acquisition Account to the Bond Redemption Fund to be applied to redemption of Series Bonds. At the end of the Delivery Period, including any extension thereof, the Trustee is to transfer all amounts relating to the Series Bonds remaining in the 2021 Series C-D Acquisition Account to the Bond Redemption Fund to be applied to the redemption of Series Bonds. The Delivery Period may not be extended beyond the date set forth in the definition under "Certain Defined Terms" in Appendix C to this Official Statement.

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

Qualified Real Property

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

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

If the property to be mortgaged is located in:	
Twin Cities Metropolitan Area	$340,000
Balance of State	$294,600

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

Targeted Areas

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

Servicing of Program Loans

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

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

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

Servicing of Program Securities

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

The Agency has entered into the Servicing Agreement with the Master Servicer to service mortgage loans backing Program Securities. For additional information regarding the Master Servicer, see Appendix I to this Official Statement. The 2020/2021 Series Resolutions provide that in the event the Servicing Agreement is cancelled or terminated for any reason, the Agency must proceed with due diligence to procure a successor Master Servicer, subject to the provisions of the Servicing Agreement and the requirements of each applicable Federal Mortgage Agency. During the period necessary to obtain that successor, the Trustee will, subject to the approval of the

applicable Federal Mortgage Agency, cause to be performed the duties and responsibilities of the Master Servicer, under the Servicing Agreement and will be compensated therefor, in addition to the compensation payable to it under the Resolutions or any other instrument, in the same manner and amounts as provided under the Servicing Agreement.

Applicable Federal Law Mortgage Eligibility Requirements

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

Mortgage Loan Portfolio and Acquired Program Securities

As of December 31, 2020, the Agency had outstanding Program Loans receivable of $293,269,000 gross, which were financed from the proceeds of Bonds. There are no uncommitted proceeds from previous bond sales under the Bond Resolution available for commitment. Certain information relating to mortgage insurance, delinquency and foreclosure statistics and payment forbearances requested and granted pursuant to the CARES Act for the single family mortgage whole loan portfolio funded by Bonds is contained in Appendix G to this Official Statement.

In addition, as of December 31, 2020, the following Program Securities (comprised of GNMA Securities, Fannie Mae Securities and Freddie Mac Securities) were pledged to secure Outstanding Bonds under the Bond Resolution:

	Principal Amount Outstanding	Percentage
GNMA II	$ 710,949,000	52.51 %
GNMA I	70,599,000	5.21
FNMA	485,333,000	35.84
FHLMC	87,134,000	6.44
Total	$1,354,015,000	100.00%

OTHER PROGRAMS

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

For example, as of December 31, 2020, the Homeownership Finance Bond Fund had $1,421,851,000 in outstanding principal amount of mortgage-backed securities, which were financed from the proceeds of the Agency's homeownership finance bonds. As of December 31, 2020, the Agency had outstanding home improvement loans receivable of $76,706,000 gross. *None of these loans secure or are available for the payment of principal of or interest on the Bonds*.

Step Up Program

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

Deferred Payment Loans

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

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

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

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

Monthly Payment Loans

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

TAX EXEMPTION AND RELATED CONSIDERATIONS

The Code establishes certain requirements that must be met subsequent to the issuance of the Series Bonds in order that interest thereon be and remain excludable from gross income for federal income tax purposes. Failure to comply with those requirements could cause the interest on the Series Bonds to be includable in gross income retroactive to their date of original issuance. The requirements of the Code include provisions that restrict the yield and set forth other limitations within which the proceeds made available upon the issuance of the Series Bonds are to be invested, including mortgage eligibility requirements, and require that certain investment earnings be rebated on a periodic basis to the United States Treasury.

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

Under the Code, the following requirements must be met with respect to each Program Loan financed, in whole or in part, with proceeds of the Series Bonds: (a) the residence being financed must reasonably be expected by the Agency to become the principal residence of the mortgagor within a reasonable time after the financing is provided, must not be intended primarily or expected to be used in a trade or business and may not be used as an investment property or as a recreational home; (b) subject to certain exceptions, at least 95 percent of the lendable

proceeds of an issue must be used to finance residences of borrowers who have not had a present ownership interest in a principal residence during the three-year period prior to the date on which the mortgage is executed; (c) the acquisition cost of the residence must not exceed certain limitations; (d) all mortgages must be made to borrowers whose income does not exceed certain limitations; (e) except in certain limited circumstances, proceeds may not be applied to acquire or replace an existing mortgage; and (f) if assumable in accordance with its terms, a mortgage may not be assumed unless requirements (a) through (d) above are met.

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

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

Backup Withholding

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

Opinion of Bond Counsel

In the opinion of Kutak Rock LLP, Bond Counsel, to be delivered, with respect to the Series Bonds, on the date of issuance of the Series Bonds, assuming the accuracy of certain representations and continuing compliance by the Agency with certain covenants, under existing laws, regulations, rulings and judicial decisions, interest payable on the Series Bonds is not includable in gross income of the owners thereof for federal income tax purposes, except as hereafter described. Bond Counsel is of the opinion that (i) interest on the 2021 Series C Bonds will be treated as an item of tax preference in calculating the alternative minimum tax imposed under the Code and (ii) interest on the 2021 Series D Bonds will not be treated as an item of tax preference in calculating the alternative minimum tax imposed under the Code.

In addition, in the opinion of Bond Counsel, interest on the Series Bonds is not includable in the taxable net income of individuals, trusts and estates for State income tax purposes. Interest on the Series Bonds is includable in

the income of corporations and financial institutions for purposes of the State franchise tax. Interest on the 2021 Series D Bonds is not includable in the State alternative minimum taxable income of individuals, estates and trusts.

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

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

Tax Treatment of Premium on PAC Term Bonds

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

Certain State Tax Legislation

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

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

The Series Bonds are "private activity bonds" even though they finance individual residential mortgages, not projects by private entities. Since the Supreme Court's opinion left open the possibility of a challenge to the

State's differential treatment of the interest on private activity bonds issued in other states, the Agency cannot predict the outcome of any challenge. If the State's treatment of those bonds were held to unlawfully discriminate against interstate commerce, the court making the finding would have to decide upon a remedy for the tax years at issue in the case. Even if the remedy applied to those years preceding the decision were to exempt other states' bond interest rather than to tax State bond interest, application of the 1995 statute to subsequent years could cause interest on the Series Bonds to become taxable by the State and the market value of the Series Bonds to decline.

Changes in Federal and State Tax Law

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

LITIGATION

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

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

LEGAL MATTERS

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

RATINGS

The Series Bonds are rated "___" by Moody's Investors Service, Inc. ("Moody's"), and "___" by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"). The ratings reflect only the views of the applicable rating agency, and an explanation of the significance of that rating may be obtained only from the rating agency and its published materials. The ratings described above are not a recommendation to buy, sell or hold the Series Bonds. There can be no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Therefore, after the date hereof, investors should not assume that those ratings are still in effect. A downward revision or withdrawal of either rating is likely to have an adverse effect on the market price and marketability of the Series Bonds. The Agency has not assumed any responsibility either to notify the owners of the

Series Bonds of any proposed change in or withdrawal of any rating subsequent to the date of this Official Statement, except in connection with the reporting of events as provided in the Continuing Disclosure Undertaking (see Appendix B to this Official Statement), or to contest any revision or withdrawal.

FINANCIAL ADVISOR

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

UNDERWRITING

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

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

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

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of WFC and its subsidiaries, including WFBNA, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of WFBNA, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA is also serving as Trustee for the Series Bonds. WFBNA will be compensated separately for serving in each capacity.

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

MISCELLANEOUS

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

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

MINNESOTA HOUSING FINANCE AGENCY

By _____
Commissioner

Dated: May __, 2021.

APPENDIX A-1

AUDITED FINANCIAL STATEMENTS OF THE AGENCY FOR THE FISCAL YEAR ENDED JUNE 30, 2020

APPENDIX A-2

FINANCIAL STATEMENTS OF CERTAIN FUNDS OF THE AGENCY
(EXCLUDING STATE APPROPRIATED AND FEDERAL APPROPRIATED FUNDS)
AS OF DECEMBER 31, 2020
AND FOR THE SIX MONTHS THEN ENDED (UNAUDITED)

AS PREPARED BY THE AGENCY'S ACCOUNTING DEPARTMENT

APPENDIX B

SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING

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

Purpose

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

Definitions

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

"*Annual Financial Information*" means the following financial information and operating data (in addition to Audited Financial Statements): information about the outstanding principal amounts and types of Program Securities pledged to the payment of Bonds outstanding under the Bond Resolution as the end of that fiscal year of a type substantially similar to that under the heading "The Residential Housing Finance Program—Mortgage Loan Portfolio and Acquired Program Securities" in the Official Statement; information of the type set forth in Appendix G to the Official Statement relating to mortgage insurance, delinquency and foreclosure statistics and, so long as applicable, payment forbearances received and granted pursuant to the CARES Act for the single family mortgage whole loan portfolio funded by Bonds; information of the type set forth in Appendix H to the Official Statement relating to liquidity facilities for outstanding Bonds; and information under the heading "Security for the Bonds – Investment Obligations" in the Official Statement concerning funds held in respect of Bonds under the Bond Resolution in investment agreements.

"*Annual Financial Information Disclosure*" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as described under "Annual Financial Information Disclosure" herein.

"*Audited Financial Statements*" means the audited financial statements of the Agency, prepared pursuant to the standards and as described under the caption "Annual Financial Information Disclosure."

"*Beneficial Owners*" means (1) in respect of a Series Bond subject to a book-entry-only registration system, any person or entity that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, that Series Bond (including persons or entities holding Series Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Series Bond for federal income tax purposes, and that person or entity provides to the Trustee evidence of that beneficial ownership in form and substance reasonably satisfactory to the Trustee; or (2) in respect of a Series Bond not subject to a book-entry-only registration system, the registered owner or owners thereof appearing in the bond register maintained by the Trustee, as Registrar.

"CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), signed into law on March 27, 2020.

"*Commission*" means the Securities and Exchange Commission.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Financial Obligation*" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation,

or, (iii) guarantee of either (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

"*Listed Event*" means the occurrence of any of the events with respect to the Series Bonds set forth below:

1. Principal and interest payment delinquencies;

2. Nonpayment-related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

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

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Agency (within the meaning of the Rule);

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

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Agency, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Agency, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Agency, any of which reflect financial difficulties.

"*Listed Events Disclosure*" means dissemination of a notice of a Listed Event as described under the heading "Listed Events Disclosure" in this Appendix B.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Participating Underwriter*" means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series Bonds.

"*Prescribed Form*" means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Listed Events with the MSRB at www.emma.msrb.org (or another address or addresses as the MSRB may from time to time specify), the electronic format, accompanied by the identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of that information.

"*Rule*" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"*Undertaking*" means the obligations of the Agency described under the headings "Annual Financial Information Disclosure" and "Listed Events Disclosure" in this Appendix B.

Annual Financial Information Disclosure

The Agency shall disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below) for each fiscal year of the Agency, commencing with the fiscal year ending June 30, 2021, by one of the following methods: (i) the Agency may deliver that Annual Financial Information and the Audited Financial Statements to the MSRB within 120 days of the completion of the Agency's fiscal year or (ii) delivery of an Official Statement of the Agency to the MSRB within 120 days of the completion of the Agency's fiscal year, but only to the extent that Official Statement includes that Annual Financial Information and Audited Financial Statements.

The Agency shall deliver the information in Prescribed Form and by the time so that those entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Agency shall disseminate a statement to that effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Disclosure Undertaking, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

All or a portion of the Annual Financial Information and the Audited Financial Statements may be included by reference to other documents that have been submitted to the MSRB or filed with the Commission. The Agency shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 120 days after the last day of the Agency's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to the Agency.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by the Disclosure Undertaking, including for this purpose a change made to the fiscal year-end of the Agency, the Agency will disseminate a notice to the MSRB of that change in Prescribed Form.

Listed Events Disclosure

The Agency shall disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Listed Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series Bonds or defeasance of any Series Bonds need not be given under this Disclosure Undertaking any earlier than the notice (if any) of that redemption or defeasance is given to the owners of the Series Bonds pursuant to the Resolution. In addition, notice of the mandatory sinking fund redemption of certain of the Series Bonds is not required to be given as a Listed Event.

Consequences of Failure of the Agency To Provide Information

The Agency shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Agency to comply with any provision of this Disclosure Undertaking, the Bondowner or Beneficial Owner of any Series Bond may seek specific performance by court order to cause the Agency to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Resolution or any other agreement, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Agency to comply with this Disclosure Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of this Disclosure Undertaking, the Agency may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Agency or type of business conducted;

(ii) This Disclosure Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Bondowners of the Series Bonds, as determined either by parties unaffiliated with the Agency (such as the Trustee) or by an approving vote of the Bondowners of the Series Bonds holding a majority of the aggregate principal amount of the Series Bonds (excluding Series Bonds held by or on behalf of the Agency or its affiliates) pursuant to the terms of the Resolution at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Termination of Undertaking

This Disclosure Undertaking shall terminate when the Agency shall no longer have any legal liability for any obligation on or relating to the repayment of the Series Bonds. The Agency shall give notice to the MSRB in a timely manner and in Prescribed Form if the Undertaking is so terminated before the final stated maturity of the Series Bonds.

Additional Information

Nothing in this Disclosure Undertaking shall be deemed to prevent the Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Agency chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the Agency shall not have any obligation under this Disclosure Undertaking to update that information or include it in any future disclosure or notice of the occurrence of a Listed Event.

Beneficiaries

This Disclosure Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Disclosure Undertaking shall inure solely to the benefit of the Agency, the Bondowners and Beneficial Owners of the Series Bonds, and shall create no rights in any other person or entity.

Recordkeeping

The Agency shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure, including the content of that disclosure, the names of the entities with whom that disclosure was filed and the date of filing that disclosure.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following statements are brief summaries of certain provisions of the Bond Resolution. Terms defined herein are identical in all material respects with the definitions in the Bond Resolution or the 2020/2021 Series Resolutions.

Certain Defined Terms

Agency Certificate: As the case may be, a document signed by an Authorized Officer either (i) attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or (ii) setting forth matters to be determined by the Agency or an Authorized Officer pursuant to the Bond Resolution or (iii) requesting or directing the Trustee or other party to take action pursuant to the Bond Resolution.

Agency Swap Payment: A payment due to a Swap Counterparty from the Agency pursuant to the applicable Swap Agreement (including, but not limited to, payments in respect of any early termination of such Swap Agreement).

Authorized Officer: The Chairperson, Vice Chairperson, Commissioner or Deputy Commissioner of the Agency or any other person authorized by resolution of the Agency to perform an act or sign a document.

Bondowner or *Owner*: The registered owner of any outstanding Bond or Bonds which at the time is registered on the registration books maintained by the Trustee.

Cash Flow Certificate: A certificate from an Authorized Officer giving effect to the action proposed to be taken and demonstrating that in the current and in each succeeding Fiscal Year in which Bonds are scheduled to be Outstanding that Revenues and other amounts expected to be on deposit in the Funds and Accounts established hereunder or under any Series Resolution (excluding the Insurance Reserve Fund and, except to the extent otherwise provided in a Series Resolution, the Alternative Loan Fund) will be at least equal to all amounts required to be on deposit in order to pay the Debt Service on the Bonds and to maintain the Debt Service Reserve Requirement and Insurance Reserve Requirement; provided that, to the extent specified in a Series Resolution, a Fund or Account (other than those excluded above) shall not be taken into account when preparing such Cash Flow Certificate. The Cash Flow Certificate shall set forth the assumptions upon which the estimates therein are based, which assumptions shall be based upon the Agency's reasonable expectations at the time such Cash Flow Certificate is filed. The Agency may assume in a Cash Flow Certificate that, if Bonds of a Series are issued for purposes other than the Financing of Program Loans for the acquisition of owner-occupied housing, amounts to be deposited in or irrevocably appropriated to any Fund or Account established under the Bond Resolution (other than the Alternative Loan Fund or, unless otherwise provided in a Series Resolution) from sources not subject to the lien of the Bond Resolution will be available in amounts and at times sufficient to pay the Debt Service on Outstanding Bonds of such Series when due and to maintain the Debt Service Reserve Requirement and Insurance Reserve Requirement, if any, with respect to Outstanding Bonds of such Series.

Code: The Internal Revenue Code of 1986, as amended, and the applicable temporary, proposed and final Treasury regulations promulgated thereunder or applicable thereto.

Counterparty Swap Payment: A payment due to or received by the Agency from a Swap Counterparty pursuant to a Swap Agreement (including, but not limited to, payments in respect of any early termination of such Swap Agreement) and amounts received by the Agency under any related Swap Counterparty Guarantee.

Debt Service Reserve Requirement: As of any particular date of computation, the sum of amounts established for each Series of Bonds by each Series Resolution.

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

Delivery Period: For the Series Bonds, the period of time for the purchase of Program Securities from the Master Servicer; the Delivery Period shall end on December 1, 2021 unless extended by the Agency pursuant to the Series Resolution; provided the Delivery Period may not be extended beyond December 1, 2024.

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

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

Federal Mortgage Agency: The Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Farmers Home Mortgage Corporation and such other public or private agencies or corporations as the United States Congress may create for the purpose of housing finance and which are an agency or instrumentality of the United States or sponsored thereby.

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

Finance or finance: When used with reference to a Program Obligation, shall be construed to include (i) the making or purchase of such Program Obligation, (ii) the participation by the Agency, either with itself or with others, in the making or purchase thereof, or (iii) the permanent financing of a Program Obligation which has been temporarily financed by the Agency through the issuance of notes or other obligations or otherwise.

Fiscal Year: The period of 12 calendar months commencing on July 1 in any calendar year and ending on June 30 in the following year, or such other 12-month period as may be designated by the Agency by Agency Certificate delivered to the Trustee.

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

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

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

Insurance Reserve Requirement: As of any particular date of computation, the sum of amounts, if any, established for each Series of Bonds by the Series Resolution.

Investment Obligations: Any of the following securities and other investments, if and to the extent the same are at the time legal for the investment of the Agency's moneys:

(a) Direct obligations of, or obligations the timely payment of principal and interest on which are insured or guaranteed by, the United States of America;

(b) Obligations (i) which are backed by the full faith and credit of any state of the United States of America, (ii) of any agency of the United States of America, or (iii) of any public corporation sponsored by the United States of America, provided that, at the time of purchase, such obligations shall not adversely affect the Rating of the Bonds;

(c) Interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with any bank, trust company, national banking association or other savings institution (including any Fiduciary) provided that (i) such deposits, certificates and other arrangements are fully insured by the Federal Deposit Insurance Corporation or guaranteed by the State, the proceeds of which insurance are timely available, or (ii) such Depository has combined

capital and surplus of at least $75,000,000 and such deposits, certificates and other arrangements are fully secured by obligations described in clause (a) or (b) of this definition, or a combination thereof, at such levels and valuation frequency as shall not adversely affect the Rating of the Bonds or (iii) the deposit of funds with such Depository will not adversely affect the Rating of the Bonds;

(d) Repurchase agreements and reverse repurchase agreements with banks which are members of the Federal Deposit Insurance Corporation, or with government bond dealers reporting to and trading with the Federal Reserve Bank of New York, which agreements are secured by obligations described in the preceding clauses (a) and (b) of this definition;

(e) Shares of (i) an investment company registered under the federal investment company act of 1940, whose shares are registered under the federal securities act of 1933, whose only investments are in securities described in subparagraphs (a) or (b) above, or (ii) a common trust fund established by a national banking association or a bank or trust company organized under the laws of any state with combined capital and surplus of at least $75,000,000, under the supervision and regulation of the Comptroller of the Currency pursuant to 12 C.F.R. 9, or any successor regulation, whose only investments are in securities described in subparagraphs (a) or (b) above;

(f) Any investment contract with any provider as long as such investment contract does not adversely affect the Rating of the Bonds; and

(g) Any other investment that will not adversely affect the Rating of the Bonds.

Lender: To the extent permitted in the Act, any bank or trust company, savings and loan association, savings bank, credit union, insurance company or other financial intermediary (whether or not organized for profit) approved by the Agency or mortgage banker or mortgage broker authorized to deal in mortgage loans insured or guaranteed by an agency of the United States government. Such Lender shall be authorized to do business in the State, and shall have such qualifications as may be established from time to time by rules and regulations of the Agency. For purposes of the Bond Resolution, Lender shall also be deemed to include any federal or state agency, including the Agency, or any political subdivision of the State or agency thereof.

Parity Certificate: An Agency Certificate, giving effect to the action proposed to be taken in connection with the filing thereof, showing that (A) the sum of (i) the moneys, Investment Obligations and Cash Equivalents then credited to the Acquisition Accounts, the Revenue Fund, the Bond Fund Principal Account, the Bond Fund Interest Account and the Debt Service Reserve Fund, (ii) the unpaid principal amount of all Program Obligations credited to the Acquisition Accounts (other than any Acquisition Account funded with moneys transferred from the Alternative Loan Fund), and (iii) any other moneys, Investment Obligations and Cash Equivalents and the unpaid principal amount of all Program Obligations otherwise specifically pledged to the payment of Outstanding Bonds by a Series Resolution, exceeds (B) an amount equal to 103% of the principal amount of Outstanding Bonds of all Series.

Principal Requirement: As of any particular date of calculation with respect to Bonds Outstanding on that date, the amount of money equal to any unpaid Principal Installment then due plus the Principal Installment to become due on each Series of Bonds on the next respective Principal Installment Date within the next succeeding six months.

Private Mortgage Insurer: Any private mortgage insurance company approved by the applicable Federal Mortgage Agency and the Agency and providing private mortgage guaranty insurance on Conventional Mortgage Loans.

Program: The program for the financing of Program Obligations for Housing established by the Agency pursuant to the Act, as the same may be amended from time to time, and the Bond Resolution and for financing Other Obligations.

Program Loan: A loan for Housing secured in such manner as the Agency may specify in the applicable Series Resolution for Program Loans to be made from the proceeds of a Series of Bonds.

Program Obligation: Any Program Loan or Program Security acquired by the Agency by the expenditure of amounts in an Acquisition Account.

Program Security: An obligation representing an undivided interest in a pool of Program Loans, to the extent the payments to be made on such obligation are guaranteed or insured by a Federal Mortgage Agency.

Rating: With respect to any Series of Bonds, the rating issued by a Rating Agency in force immediately prior to the proposed action to be taken by the Agency under the Bond Resolution, and an action which does not "impair" the Rating with respect to any Series of Bonds shall be an action which will not cause the Rating Agency to lower or withdraw the rating it has assigned to the Series of Bonds.

Rating Agency: Any nationally recognized entity which, upon the request of the Agency, has issued a credit rating on any Series of Bonds issued pursuant to the Bond Resolution.

Revenues: With respect to the Outstanding Bonds, all payments, proceeds, rents, premiums, penalties, charges and other cash income received by the Agency from or on account of any Program Obligation (including scheduled, delinquent and advance payments of, and any net insurance or guaranty proceeds with respect to, principal and interest on any Program Obligation or the net operating income or net proceeds of sale of any property acquired thereunder) (exclusive, however, of Program Obligations, if any, credited to the Alternative Loan Fund), any Counterparty Swap Payments received from any Swap Counterparty pursuant to a Swap Agreement, any amounts deposited in or irrevocably appropriated to any Fund or Account established under the Bond Resolution (other than the Alternative Loan Fund, except as otherwise provided in a Series Resolution) from sources not subject to the lien of the Bond Resolution, and all interest earned or gain realized in excess of losses as a result of the investment of the amount in any Fund or Account established under the Bond Resolution (other than the Alternative Loan Fund, except as otherwise provided in a Series Resolution), but excludes (i) any amount retained by a servicer (including the Agency) of any Program Obligation as compensation for services rendered in connection with such Program Obligation, (ii) any payments for the guaranty or insurance of any Program Obligation, (iii) any payments of taxes, assessments or similar charges or premiums or other charges for fire or other hazard insurance (and any escrow payments in connection therewith) called for by or in connection with any Program Obligation, (iv) amounts payable with respect to a Program Obligation which represent a return on amounts financed by the Agency or by other persons pursuant to a participation, forbearance or other arrangement from sources other than proceeds of Bonds or other amounts held hereunder and (v) to the extent such items do not exceed the income derived therefrom, payments or charges constituting expenses of managing and maintaining property acquired pursuant to a Program Loan.

Series: All Bonds delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to the Bond Resolution.

Series Resolution: A resolution of the Agency authorizing the issuance and delivery of Bonds pursuant to the Bond Resolution.

Swap Agreement: With respect to any Bonds, an interest rate exchange agreement between the Agency and a Swap Counterparty, as amended or supplemented, or other interest rate hedge agreement between the Agency and a Swap Counterparty, as amended or supplemented, for the purpose of converting, in whole or in part, (i) the Agency's fixed interest rate liability on all or a portion of any Bonds to a variable rate liability, (ii) the Agency's variable rate liability on all or a portion of any Bonds to a fixed rate liability or (iii) the Agency's variable rate liability on all or a portion of any Bonds to a different variable rate liability.

Swap Counterparty: Any Person with whom the Agency shall from time to time enter into a Swap Agreement, as specified in a Series Resolution.

Swap Counterparty Guarantee: A guarantee in favor of the Agency given in connection with the execution and delivery of a Swap Agreement, as specified in a Series Resolution.

UMBS: The common, single mortgage-backed securities backed by fixed-rate mortgages formally known as the Uniform Mortgage-Backed Security, issued as of June 3, 2019 by Fannie Mae and Freddie Mac, guaranteed

by either Fannie Mae or Freddie Mac, depending upon which issues the UMBS. UMBS are a type of Program Security.

Series Accounts

Unless otherwise provided in a Series Resolution, the Trustee shall establish within each Fund under the Bond Resolution (other than the Alternative Loan Fund), a separate Series Account for each Series of Bonds. The proceeds of a particular Series of Bonds, other amounts made available by the Agency in the Series Resolution or otherwise relating to a particular Series of Bonds and the Revenues relating to a particular Series of Bonds (including the payments on Program Obligations acquired with the proceeds of a particular Series of Bonds or the payments on any other collateral pledged to a particular Series of Bonds and the earnings on investments of any of said proceeds, funds and amounts) shall be deposited or credited to the separate Series Accounts established for that particular Series of Bonds. Where required to assure compliance with the covenants of the Bond Resolution and any Series Resolution, withdrawals from Series Accounts established in connection with a particular Series of Bonds may be made and used (including for purposes of redemption) for any other Series of Bonds. For purposes of investment, the Trustee, may, or shall at the direction of the Agency, consolidate the Series Accounts required to be established in a particular Fund so long as adequate records are maintained as to the amounts held in each such Fund allocable to each Series of Bonds. In addition to the Funds and Accounts established under the Bond Resolution, the Trustee may from time to time, establish, maintain, close and reestablish such accounts and subaccounts as may be requested by the Agency for convenience of administration of the Program and as shall not be inconsistent with the provisions of the Bond Resolution.

Cost of Issuance Accounts

Each Series Resolution authorizing the issuance of a Series of Bonds may, but is not required to, provide for a separate Cost of Issuance Account to be held by the Trustee. Moneys in each such Cost of Issuance Account shall be expended for Costs of Issuance of such Series of Bonds and for no other purpose upon receipt by the Trustee of a requisition signed by an Authorized Officer stating the amount and purpose of any such payment. Any amounts in a Cost of Issuance Account remaining therein upon payment of all Costs of Issuance for such Series of Bonds shall (i) if not proceeds of Bonds, be transferred to the Revenue Fund and (ii) if sale proceeds, investment proceeds or transferred proceeds of Bonds, be transferred to any one or more of the Acquisition Accounts or the Bond Redemption Fund, upon receipt by the Trustee of a Certificate of the Agency stating that such moneys are no longer needed for the payment of Costs of Issuance whereupon such Account shall be closed. Interest and other income derived from the investment or deposit of each such Cost of Issuance Account shall be transferred by the Trustee upon receipt thereof to the Revenue Fund.

Acquisition Accounts

Each Series Resolution authorizing the issuance of a Series of Bonds shall, unless such Bonds are Refunding Bonds for which no such account is necessary, establish a separate Acquisition Account to be held by the Trustee. There shall be deposited from time to time in each Acquisition Account (i) any proceeds of Bonds or other amounts required to be deposited therein pursuant to the Bond Resolution or the applicable Series Resolution and (ii) any other amounts determined by the Agency to be deposited therein from time to time.

Except as otherwise permitted or required to be transferred to other Funds and Accounts, amounts in an Acquisition Account shall be expended only to Finance Program Obligations. All Program Obligations Financed by application of amounts in an Acquisition Account shall be credited to such Acquisition Account or, if a Series Resolution so provides, to the Alternative Loan Fund. No Program Loan shall be Financed unless the requirements of the applicable Series Resolution have been met, and no Program Security shall be Financed unless the Program Security is registered in the name of the Trustee or is registered in the name of the Agency and delivered to the Trustee with a written assignment thereof to the Trustee pursuant to the Bond Resolution from and after the date such Program Security is Financed hereunder. In addition, no Program Security shall be Financed unless such Program Security represents a pass through or participation interest in a pool of Program Loans and provides for a guaranty of all payments to be made to the Agency thereunder by a Federal Mortgage Agency.

The Trustee shall pay out and permit the withdrawal of amounts on deposit in any Acquisition Account at any time for the purpose of making payments pursuant to the Bond Resolution, but only upon receipt of the following documents prior to any proposed withdrawal:

(1) an Agency Certificate setting forth the amount to be paid, the person persons to whom such payment is to be made (which may be or include the Agency) and, in reasonable detail, the purpose or purposes of such withdrawal; and

(2) an Agency Certificate stating that the amount to be withdrawn from such Acquisition Account pursuant to such requisition is a proper charge thereon and, if such requisition is made to Finance the acquisition of Program Obligations, that (i) the terms of such Program Obligations conform to the description of the Program Obligations to be Financed from such amount as provided to the Trustee pursuant to the terms of the Bond Resolution, and (ii) such Program Obligations otherwise comply with the provisions of the Bond Resolution.

At any time the Agency, by Agency Certificate, may direct the Trustee to transfer amounts in an Acquisition Account into the Bond Fund Principal Account or Bond Fund Interest Account, as appropriate, to pay principal or sinking fund installments of and interest on the related Series of Bonds, or into the appropriate account in the Debt Service Reserve Fund or Insurance Reserve Fund, which Request shall state that such transfer is appropriate to meet the requirements of said Fund.

The interest earned and other income derived from the investment or deposit of each Acquisition Account may be transferred to the appropriate account in the Revenue Fund for the related Series of Bonds by the Trustee upon receipt thereof to the extent that such amounts exceed any losses realized by investment of deposits in such Acquisition Account or may be retained in the Acquisition Account for the Financing of additional Program Obligations, as directed by Agency Certificate.

All amounts deposited into an Acquisition Account shall be disbursed in the manner provided in the Bond Resolution or the Agency may, by Agency Certificate, direct the Trustee to transfer any amounts from the Acquisition Account to the Bond Redemption Fund to be used for the redemption of Bonds of the related Series; provided, however, that (i) the Agency Certificate shall specify the maturities, the principal amounts of each maturity, and the Series of Bonds to be redeemed (including any credits against sinking fund installments on any Term Bonds to be redeemed) and (ii) in the case of any selection method of Bonds for an optional or special redemption different from the selection method assumed in the most recently filed Cash Flow Certificate, the Agency shall file an updated Cash Flow Certificate with the Trustee.

The Agency may establish temporary subaccounts within an Acquisition Account for the collection and custody of fees paid by Lenders or other persons in connection with the reservation of funds in the Acquisition Account for use in Financing Program Obligations to be originated by such Lenders or other persons. To the extent that the Agency's agreements with such Lenders or other persons provide for the refund of any such fees (or portions thereof), amounts may be withdrawn from any such subaccount or the Acquisition Account in accordance with such agreements, and any amounts not required to be so applied may, pursuant to an Agency Certificate, be applied to any other purpose of the Acquisition Account as provided in the Bond Resolution.

Revenue Fund

The Agency shall cause all Revenues to be deposited promptly with a Depository and to be transmitted regularly to the Trustee. Unless otherwise provided in the Bond Resolution, all such amounts shall be deposited in the Revenue Fund. There shall also be deposited in the Revenue Fund any other amounts required to be deposited therein pursuant to the Bond Resolution or the Series Resolution or other resolution of the Agency.

The Trustee shall withdraw from any money in the Revenue Fund and credit to each of the following Funds and Accounts, or pay to the Person specified, the amount indicated in the following tabulation, at the times indicated in the following tabulation:

(1) on or before the applicable Interest Payment Date, to the Bond Fund Interest Account the amount needed, taking into account any balance then on deposit therein, to increase the balance therein to the Interest Requirement;

(2) on or before the applicable Principal Installment Date, to the Bond Fund Principal Account the amount, needed, taking into account any balance then on deposit therein, to increase the amount therein to the Principal Requirement;

(3) on any date, assuming any prior transfers required pursuant to subsections (1) and (2) above have been made, to the Debt Service Reserve Fund, the amount, if any, needed to increase the amount therein to the Debt Service Reserve Requirement;

(4) on any date, assuming any prior transfers required pursuant to subsections (1), (2) and (3) above have been made, to the Insurance Reserve Fund, the amount, if any, needed to increase the amount therein to the Insurance Reserve Requirement;

(5) unless otherwise expressly provided in the Series Resolution in respect of a Series of Bonds to which the Swap Agreement relates in whole or in part, on or before the applicable due dates, assuming any prior transfers required pursuant to subsections (1), (2), (3) and (4) above have been made, to any Swap Counterparty, the Agency Swap Payments due from time to time pursuant to a Swap Agreement; and

(6) to the extent not transferred pursuant to the preceding subsections, the balance shall be held in the Revenue Fund until and unless directed by Agency Certificate to be transferred and utilized as set forth elsewhere in this section.

At such periodic intervals as the Agency, by Agency Certificate, shall direct, the Trustee shall withdraw from the Revenue Fund and transfer to the United States of America such amounts as are necessary to comply with the Code, including particularly the arbitrage rebate requirements of Section 148 thereof.

Amounts credited to the Revenue Fund shall be transferred to the Bond Redemption Fund on or before the designated Redemption Date to be used for the purchase or redemption of Bonds pursuant to the Bond Resolution and the terms of any related Series Resolution upon the filing with the Trustee of (i) an Agency Certificate specifying the maturities, the principal amounts of each maturity, and the Series of Bonds to be redeemed (including any credits against sinking fund installments on any Term Bonds to be redeemed) and (ii) in the case of any selection method of Bonds for an optional or special redemption different from the selection method assumed in the most recently filed Cash Flow Certificate, a Cash Flow Certificate.

Amounts credited to the Revenue Fund may be transferred to an existing Acquisition Account or a new Acquisition Account to be established to be used to acquire Program Obligations upon filing with the Trustee of (i) an Agency Certificate specifying the amount to be so transferred and either specifying the existing Acquisition Account to which the funds are to be deposited or directing the establishment of a new Acquisition Account for the deposit of the funds and providing the information relating to the new Acquisition Account required by the Bond Resolution and (ii) a Cash Flow Certificate.

Amounts credited to the Revenue Fund, as directed by an Agency Certificate, shall be released to the Agency for the payment of Program Expenses or the establishment of reserves therefor in an amount needed or required to pay reasonable and necessary Program Expenses; provided that if the amount to be released exceeds the amount assumed in the most recently filed Cash Flow Certificate, the Agency shall file a new Cash Flow Certificate with the Trustee.

Amounts credited to the Revenue Fund, except Program Expenses, may be released to the Agency free and clear of the lien of the Bond Resolution, for deposit in the Agency's General Reserve Account or deposit in the Alternative Loan Fund, upon the filing with the Trustee of (i) an Agency Certificate directing the same, (ii) a Cash Flow Certificate and (iii) a Parity Certificate.

Any investment earnings on moneys held in the Revenue Fund shall be retained therein.

Bond Fund Interest Account and Bond Fund Principal Account

The Trustee shall withdraw from the Bond Fund Interest Account, on or immediately prior to each Interest Payment Date of the Bonds, an amount equal to the unpaid interest due on the Bonds on such Interest Payment Date, and shall cause the same to be applied to the payment of said interest when due and is authorized to transmit the same to any Paying Agents who shall apply the same to such payment.

If the withdrawals required with respect to the same and every prior date shall have been made, the Trustee shall withdraw from the Bond Fund Principal Account, on or immediately prior to each Principal Installment Date, an amount equal to the principal amount of the Outstanding Bonds, if any, maturing on or before said Principal Installment Date and shall cause the same to be applied to the payment of the principal amount of said Bonds when due and is authorized to transmit the same to any Paying Agents who shall apply the same to such payment.

Any amount at any time held in the Bond Fund Interest Account or Bond Fund Principal Account in excess of the Interest Requirement or Principal Requirement may be transferred by the Trustee to the Revenue Fund, if so directed by Agency Certificate, and otherwise shall be retained in the Bond Fund Interest Account or Bond Fund Principal Account, as the case may be.

The interest earned or other income derived from the investment of moneys in the Bond Fund Interest Account and Bond Fund Principal Account shall be transferred by the Trustee to the Revenue Fund (unless the Trustee is directed by Agency Certificate to retain such amounts in the Bond Fund Interest Account or Bond Fund Principal Account, as the case may be).

Bond Redemption Fund

Subject to the provisions of the respective Series of Bonds and to the provisions of the respective Series Resolutions authorizing the issuance thereof, all amounts deposited in the Bond Redemption Fund shall be applied to the purchase or redemption of Bonds, including payment of any redemption premium, on the applicable Redemption Date; provided, however, that in the event the Agency has issued refunding obligations for the purpose of redeeming Bonds of a Series in accordance with the Bond Resolution, upon receipt of an Agency Certificate directing such transfer and confirmation by the Trustee that provisions have been made for wiring proceeds of such refunding obligations to the Trustee, the Trustee, immediately on the date of such confirmation, shall transfer moneys in the Bond Redemption Fund in an amount equal to the amount of refunding proceeds received by the Trustee to the funds or accounts specified in the refunding resolution as specified in the Agency Certificate. The Redemption Price of Bonds subject to redemption by operation of the Bond Redemption Fund in the Bond Fund shall be the price set forth in the applicable Series Resolution. Upon receipt of an Agency Certificate directing the same, the Trustee shall transfer at the time of purchase or no more than 45 calendar days prior to such redemption to the Bond Redemption Fund in the Bond Fund from the Debt Service Reserve Fund or Insurance Reserve Fund the amount stated in such Request, which amount shall be no greater than the amount by which the Debt Service Reserve Requirement or Insurance Reserve Requirement will decrease due to the purchase or redemption of Bonds. Subject to the provisions of the Bond Resolution or of any Series Resolution authorizing the issuance of Bonds, requiring the application thereof to the purchase or redemption of any particular Bonds, the Trustee shall apply any amounts deposited in the Bond Redemption Fund to the purchase or redemption of Bonds at the times and in the manner provided in the Bond Resolution. Amounts on deposit in the Bond Redemption Fund for the payment, purchase or redemption of any particular Bonds in accordance with the provisions of any Series Resolution authorizing the issuance of Refunding Bonds shall be segregated and shall be identified as such on the records of the Trustee.

Any earnings derived from the investment of amounts deposited in the Bond Redemption Fund pursuant to the issuance and delivery of Refunding Bonds, to the extent required to provide amounts sufficient for the payment or redemption of Bonds in accordance with the conditions for issuance of Refunding Bonds set forth in the Resolution, be deposited in the Bond Redemption Fund. All other interest earned or other income derived from the investment or deposit or moneys in each Bond Redemption Fund in the Bond Fund shall be transferred by the Trustee upon receipt thereof to the Revenue Fund.

Debt Service Reserve Fund

There shall be deposited in the Debt Service Reserve Fund all amounts required to be deposited therein by the Bond Resolution or any Series Resolution and any other amounts available therefor and determined by the Agency to be deposited therein.

If on any Bond Payment Date the amount in the Bond Fund Interest Account, Bond Fund Principal Account or Bond Redemption Fund, as appropriate, shall be less than the amount required for the payment of the Principal Installments and interest due on the Outstanding Bonds on such date, the Trustee shall apply amounts from the Debt Service Reserve Fund to the extent required pursuant to the Bond Resolution.

If, concurrently with any allocation from the Revenue Fund pursuant to the Bond Resolution, or, on any date upon which a Series Resolution shall be delivered to the Trustee, the amount on deposit in the Debt Service Reserve Fund shall be in excess of the Debt Service Reserve Requirement, the Trustee shall, if so directed in writing pursuant to an Agency Certificate, (1) transfer the amount of such excess which is Revenues to any one or more of the Acquisition Accounts, the Bond Fund Interest Account, the Bond Fund Principal Account, the Bond Redemption Fund or the Revenue Fund as so directed and (2) transfer the amount of such excess which is sale proceeds, investment proceeds or transferred proceeds of Bonds to any one or more of the Acquisition Accounts or the Bond Redemption Fund.

Subject to any limitation provided in the Act, a Series Resolution may provide that the Debt Service Reserve Requirement may be funded through Cash Equivalents. For purposes of determining whether such Requirement has been met, the amount in the Debt Service Reserve Fund so funded shall be deemed to include any amount payable under such Cash Equivalents on the demand of the Trustee.

Any earnings derived from the investment of amounts deposited in the Debt Service Reserve Fund shall, to the extent the balance therein is less than the Debt Service Reserve Requirement, be retained in the Debt Service Reserve Fund and otherwise shall be transferred by the Trustee upon receipt thereof to the Revenue Fund.

In order better to secure the Bonds and to make them more marketable and to maintain in the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Requirement, and in accordance with the provisions of Section 22, Subdivision 3 of the Act, the Agency shall cause the Chair annually, on or before December 1 of each year, to make and deliver to the Governor of the State the Chair's certificate stating the sum, if any, that is necessary to restore the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Requirement. All money received by the Agency from the State in accordance with the provisions of Section 22, Subdivision 3 of the Act pursuant to any such certification shall be paid to the Trustee for deposit in and credit to the Debt Service Reserve Fund.

Notwithstanding the provisions of the foregoing paragraph, prior to causing the Chair to execute and deliver the certificate specified therein, the Agency shall first transfer to the Debt Service Reserve Fund from the Alternative Loan Fund such amount as may be available therein to reduce or eliminate, if possible, the deficiency in the Debt Service Reserve Fund.

Insurance Reserve Fund

The Insurance Reserve Requirement, if any, received by the Trustee upon the issuance of a Series of Bonds shall be held in the Insurance Reserve Fund and used for the purpose of paying that portion of the claim for loss with respect to any Program Loan in default, made or purchased from an Acquisition Account, which is not paid by any public or private insuring agency. The Agency shall promptly furnish to the Trustee an Agency Certificate stating the amount of the loss, when determinable, and the Trustee shall forthwith transfer this amount to the extent available from the Insurance Reserve Fund to the Revenue Fund.

If on any Bond Payment Date the amount in the Bond Fund Interest Account, Bond Fund Principal Account or Bond Redemption Fund, as appropriate, shall be less than the amount required for the payment of the Principal Installments and interest due on the Outstanding Bonds on such date, the Trustee shall apply amounts from the Insurance Reserve Fund to the extent required pursuant to the Bond Resolution.

If, concurrently with any allocation from the Revenue Fund pursuant to the Bond Resolution, or, on any date upon which a Series Resolution shall be delivered to the Trustee, the amount on deposit in the Insurance Reserve Fund shall be in excess of the Insurance Reserve Requirement, the Trustee shall, if so directed in writing pursuant to an Agency Certificate, (1) transfer the amount of such excess which is Revenues to any one or more of the Acquisition Accounts, the Bond Fund Interest Account, the Bond Fund Principal Account, the Bond Redemption Fund or the Revenue Fund as so directed and (2) transfer the amount of such excess which is sale proceeds, investment proceeds or transferred proceeds of Bonds to any one or more of the Acquisition Accounts or the Bond Redemption Fund.

Subject to any limitation provided in the Act, a Series Resolution may provide that the Insurance Reserve Requirement may be funded through Cash Equivalents. For purposes of determining whether such Requirement has been met, the amount in the Insurance Reserve Fund so funded shall be deemed to include any amount payable under such Cash Equivalents on the demand of the Trustee.

Any earnings derived from the investment of amounts deposited in the Insurance Reserve Fund shall, to the extent the balance therein is less than the Insurance Reserve Requirement, be retained in the Insurance Reserve Fund and otherwise shall be transferred by the Trustee upon receipt thereof to the Revenue Fund.

Alternative Loan Fund

The Trustee shall maintain the Alternative Loan Fund created within the Bond Resolution and shall deposit therein any amounts authorized by an Agency Certificate to be withdrawn from the Revenue Fund in accordance with the Resolution and any other amounts provided by the Agency for deposit therein. Amounts on deposit in the Alternative Loan Fund shall be free and clear of any lien or pledge created by the Bond Resolution, and free and clear of any restrictions on the investment of funds set forth in the Bond Resolution. Amounts deposited into the Alternative Loan Fund may be used for any lawful purpose for which the Agency may from time to time use funds on deposit in its General Reserve Account and, pending such use, may be invested in any securities or investments permissible generally for the investment of funds of the Agency as specified by Agency Certificate. By Agency Certificate furnished to the Trustee, the Agency may at any time appropriate any funds and investments on deposit in the Alternative Loan Fund to any Account or Fund created pursuant to the Bond Resolution (in which case such funds and investments shall become subject to the lien and pledge thereof) or may direct that such funds and investments be transferred to the Agency's General Reserve Account or to any other fund or account established pursuant to resolution of the Agency.

The Agency, by Agency Certificate, may request the Trustee to establish one or more subaccounts in the Alternative Loan Fund to be restricted to such uses, and used in accordance with such terms, as are specified in the Agency Certificate.

Any earnings derived from the investment of amounts deposited in the Alternative Loan Fund shall be retained therein unless otherwise directed by Agency Certificate.

Investment of Moneys Held by the Trustee

Moneys held by the Trustee for the credit of any Account or Fund established under the Bond Resolution shall be invested by the Trustee as directed by the Agency to the fullest extent practicable and reasonable in Investment Obligations which shall mature or be redeemable at the option of the Owner prior to the respective dates when the moneys held for the credit of such Fund or Account will be required for the purposes intended. Unless otherwise confirmed in writing, an account statement delivered by the Trustee to the Agency shall be deemed written confirmation by the Agency that investment transactions identified therein accurately reflect the investment directions given to the Trustee pursuant to the terms of the Bond Resolution, unless the Agency notifies the Trustee in writing to the contrary within 45 days of the date of such settlement.

The Investment Obligations purchased shall be held by the Trustee and shall be deemed at all times to be part of such Fund or Account or combination thereof, and the Trustee shall inform the Agency of the detail of all such investments. The Trustee shall sell at the best price obtainable, or present for redemption, any Investment Obligations purchased by it as an investment whenever it shall be necessary to provide moneys to meet any payment from a Fund or Account. The Trustee shall not be liable for any depreciation of the value of any investment on the

redemption, sale and maturity thereof, and in the absence of any direction from the Agency, the Trustee shall not be required to invest such funds.

The Trustee may purchase from or sell to itself or an affiliate, as principal or agent, any Investment Obligations. The Trustee shall advise the Agency in writing monthly, unless otherwise directed by Agency Certificate, of all investments held for the credit of each Fund and Account in its custody under the provisions of the Bond Resolution as of the end of the preceding month.

In computing the amount in any Fund or Account, Investment Obligations shall be valued at par or, if purchased at a price other than par, at their Amortized Value, in either event exclusive of accrued interest purchased.

Except as otherwise specifically provided in the Bond Resolution or in a Series Resolution, the income or interest earned, or gain, shall be transferred by the Trustee upon receipt thereof to the appropriate Revenue Account.

The Trustee shall not be liable or responsible for the making of any investment authorized by the Bond Resolution in the manner provided in the Bond Resolution or for any loss resulting from any such investment so made, except for its own negligence.

Program Loans; Modification of Terms

The Agency may consent to the modification of the security for, or any terms or provisions of, one or more Program Loans but only if (1) the Agency reasonably determines that the modification will not be materially adverse to the security or other interests of Owners of Outstanding Bonds, and (2) the modification does not impair any contract of insurance or guaranty of the Program Loan.

Any such modifications shall be reflected in the next Cash Flow Certificate which the Agency is required to prepare and provide to the Trustee pursuant to the provisions of the Bond Resolution; provided, however, that if the cumulative effect of such modifications not reflected in a Cash Flow Certificate previously delivered to the Trustee would reduce estimated Revenues from the Program Loans so modified by more than $500,000 in the current or any future Fiscal Year, then the Agency may not consent to such modifications until it has delivered a Cash Flow Certificate to the Trustee reflecting such modifications.

Sale of Program Obligations

The Agency may at any time sell, assign or otherwise dispose of a Program Obligation (or the premises to which such Program Obligation is related):

(i) in the event that payment under such Program Loan is delinquent more than 90 calendar days or, at any time, in order to realize the benefits of insurance with respect to such Program Obligation or property;

(ii) in order to obtain funds to provide for the redemption (whether optional or special, to the extent permitted by the terms of any applicable Series Resolution) or purchase of an amount of Bonds having a value corresponding to the value of such Program Obligation as reasonably estimated by the Agency; or

(iii) in the event that a Certificate of the Agency shall be filed with the Trustee, and each Rating Agency, which gives effect to the proposed sale thereof and states that such sale, assignment, transfer or other disposition would not have a material adverse effect on the ability of the Agency to pay the Debt Service on the Outstanding Bonds when and as due and payable and reasonable and necessary Program Expenses.

Cash Flow Certificates

The Agency is required to file a Cash Flow Certificate (i) at least once within any 12-month period and (ii) at such other times as may be required pursuant to the provisions of the Bond Resolution or of any Series Resolution authorizing the issuance of Bonds of a Series then Outstanding.

Creation of Liens

The Agency shall not issue any bonds or other evidences of indebtedness, other than the Bonds, secured by a pledge of Revenues or of the moneys, securities, rights and interests pledged or held or set aside by the Agency or by any Fiduciary under the Bond Resolution and shall not create or cause to be created any lien or charge on any pledged Revenues or such moneys, securities, rights or interests: provided, however, that nothing in the Bond Resolution shall prevent the Agency from issuing (i) evidences of indebtedness secured by a pledge of Revenues to be derived after any pledge of Revenues provided in the Bond Resolution shall be discharged and satisfied as provided in the Bond Resolution, or (ii) notes or bonds of the Agency not secured under the Bond Resolution; and provided, further, that, to secure its obligation to make Agency Swap Payments to a Swap Counterparty pursuant to a Swap Agreement, the Agency may grant to the Swap Counterparty a subordinate and junior pledge and security interest (subordinate and junior to the pledge and security interest granted to the Bondowners) in all or any of the collateral pledged to the payment of the Bonds under the Bond Resolution.

Defeasance of Bonds

Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee or any one or more of the alternate Paying Agents (through deposit by the Agency of moneys for such payment or redemption or otherwise) at the maturity or Redemption Date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the Bond Resolution. All Outstanding Bonds of any Series shall be deemed prior to the maturity or Redemption Date thereof to have been paid within the meaning and with the effect expressed in the Bond Resolution if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Agency shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail notice of redemption of such Bonds on said date; (ii) there shall have been deposited with the Trustee either moneys in an amount sufficient, or Government Obligations the principal of and the interest on which when due will provide moneys in an amount that, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be. Neither Government Obligations nor moneys deposited with the Trustee pursuant to this section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, of and interest on said Bonds.

Events of Default

Each of the following events shall constitute an event of default under the Bond Resolution: (1) the Agency shall fail to pay any Principal Installment or the Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise, or shall fail to pay the purchase price of any Bond tendered or deemed tendered for purchase on the date established therefor; or (2) the Agency shall fail to pay any installment of interest on any Bond when and as the same shall become due and payable; or (3) the Agency shall fail to perform or observe any other covenant, agreement or condition on its part contained in the Bond Resolution or in the Bonds, and such failure shall continue for a period of 60 days after written notice thereof to the Agency by the Trustee or to the Agency and to the Trustee by the Bondowners of not less than a majority in principal amount of the Bonds Outstanding; or (4) the Agency shall file a petition seeking a composition of indebtedness under the Federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State; or (5) the State limits or alters the rights of the Agency pursuant to the Act, as in force on the date of adoption of the Bond Resolution, to fulfill the terms of any agreements made with the Owners of the Bonds or in any way impaired the rights and remedies of Owners of Bonds while any Bonds are Outstanding.

Acceleration; Annulment of Acceleration

Upon the occurrence of an Event of Default, the Trustee may and, upon the written request of the Bondowners of not less than 25% in aggregate principal amount of Bonds Outstanding shall, give 30 days' notice in writing to the Agency of its intention to declare all Bonds Outstanding immediately due and payable; provided, however, that the Trustee may not make any such declaration with respect to an Event of Default under item (3) above unless (1) the Trustee has received a written request to do so from 100% of the Owners of all Outstanding Bonds or (2) there are sufficient moneys available in the Funds and Accounts to pay the principal and interest on the

Bonds upon such declaration. At the end of such 30-day period the Trustee may, and upon such written request of Bondowners of not less than 25% in aggregate principal amount of Bonds Outstanding shall, by notice in writing to the Agency, declare all Bonds Outstanding immediately due and payable and such Bonds shall become and be immediately due and payable, anything in the Bonds or in the Bond Resolution to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon and which will accrue thereon to the date of payment.

At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Bond Resolution, the Trustee may annul such declaration and its consequences with respect to any Bonds not then due by their terms if (1) moneys shall have been deposited in the Bond Fund sufficient to pay all matured installments of interest and principal or Redemption Price or purchase price (other than principal then due only because of such declaration) of all Outstanding Bonds; (2) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agents; (3) all other amounts then payable by the Agency under the Bond Resolution shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (4) every Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Default or impair any right consequent thereon.

If the Agency shall fail to pay any Principal Installment, the Redemption Price, the purchase price or any installment of interest on any Bond when and as the same shall become due and payable, the Trustee shall, within 30 days, give written notice thereof by first class mail to the Bondowners, shown by the registry of Bondowners required to be maintained at the office of the Trustee.

Additional Remedies and Enforcement of Remedies

Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon the written request of the Bondowners of not less than a majority in aggregate principal amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Bondowners under the Act, the Bonds and the Bond Resolution by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to: (1) suit upon all or any part of the Bonds; (2) suit to require the Agency to account as if it were the trustee of an express trust for the Bondowners; (3) suit to enjoin any acts or things which may be unlawful or in violation of the rights of the Bondowners; (4) enforcement of any other right of the Bondowners conferred by law or by the Bond Resolution; and (5) in the event that all Bonds are declared due and payable, by selling Program Obligations.

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Bondowners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Bond Resolution by any acts which may be unlawful or in violation of the Bond Resolution, or (ii) to preserve or protect the interests of the Bondowners, provided that such request is in accordance with law and the provisions of the Bond Resolution.

Amendments

Amendments of the Resolutions may be made by a Supplemental Resolution.

Supplemental Resolutions may become effective upon filing with the Trustee if they add limitations and restrictions in addition to the limitations and restrictions contained in the Bond Resolution or Series Resolution, add covenants and agreements of the Agency in the Bond Resolution or Series Resolution that are not contrary to or inconsistent with the Bond Resolution or the applicable Series Resolution in effect at the time, add limitations and restrictions to be observed by the Agency, surrender any right, power or privilege reserved to or conferred upon the Agency or are reasonably necessary to preserve the tax exemption of Outstanding Bonds or permit the issuance of additional tax exempt Bonds.

Supplemental Resolutions become effective upon consent of the Trustee for the following purposes:

(1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Bond Resolution or any Series Resolution;

(2) To insert such provisions clarifying matters or questions arising under the Bond Resolution or any Series Resolution as are necessary or desirable and are not contrary to or inconsistent with the Bond Resolution or the applicable Series Resolution theretofore in effect;

(3) To waive any right reserved to the Agency, provided that the loss of such right shall not adversely impair any Revenues available to pay the Outstanding Bonds of any Series; and

(4) To make any other change as shall not be, in the opinion of the Trustee, materially adverse to the security or other interests of the Bondowners. With respect to the foregoing, the Trustee may rely upon the opinion of the Rating Agency with respect to whether the Rating of the Bonds has been adversely affected as conclusively establishing whether the change is materially adverse to the security or other interests of the Bondowners.

Other Supplemental Resolutions may become effective only with consent (i) of the Bondowners of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Bondowners of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given.

However, no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price or purchase price thereof or in the rate of interest thereon (except as otherwise provided in a Series Resolution) without the consent of the Bondowners of all such Bonds, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Bondowners of which is required to effect any such modification or amendment or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

Any amendment may be made with unanimous consent of the Bondowners, except that no amendment shall change any of the rights or obligations of any fiduciary without the consent of the Fiduciary.

APPENDIX D

MORTGAGE INSURANCE PROGRAMS AND STATE LAWS AFFECTING FORECLOSURES

The following description of certain mortgage insurance programs is only a brief outline and does not purport to summarize or describe all of the provisions of these programs. For a more complete description of the terms of these programs, reference is made to the provisions of the insurance and guaranty contracts embodied in regulations of the Federal Housing Administration ("FHA"), Rural Development ("RD") and the Veterans Administration ("VA"), respectively, and of the regulations, master insurance contracts and other information of the various private mortgage insurers. Program Loans purchased by the Agency are not limited by the Resolutions to the foregoing programs and it is possible that insurance benefits under other federal or private programs in which the Agency may participate could be more or less favorable.

While all Program Loans are subject to the applicable mortgage insurance programs, Program Loans that back Program Securities are further guaranteed by GNMA, Fannie Mae or Freddie Mac as further described in Appendix I to this Official Statement.

Federal Housing Administration Single-Family Mortgage Insurance Programs

The National Housing Act of 1934, as amended, authorizes various FHA mortgage insurance programs, which differ in some respects depending primarily upon whether the mortgaged premises contain five or more dwelling units or less than five units.

The regulations governing all of the FHA programs under which the mortgage loans may be insured provide that insurance benefits are payable upon foreclosure (or other acquisition of possession) and conveyance of the mortgaged premises to the Department of Housing and Urban Development ("HUD").

Under some of the FHA insurance programs, insurance claims are paid by HUD in cash, unless the mortgage holder specifically requests payment in debentures issued by HUD. Under others, HUD has the option, at its discretion, to pay insurance claims in cash or in those debentures. The current HUD policy, subject to change at any time, is to make insurance payments on single family mortgage loans in cash, with respect to all programs covering those units as to which it has discretion to determine the form of insurance payment.

HUD debentures issued in satisfaction of FHA insurance claims bear interest at the HUD debenture interest rate in effect under HUD regulations on the date of the mortgage insurance commitment or of the initial insurance endorsement of the mortgage, whichever rate is higher. The HUD debenture interest rates applicable to the FHA insured mortgages that the Agency has acquired or committed to acquire are in most cases lower than the interest rates of those mortgages.

When entitlement to insurance benefits results from foreclosure (or other acquisition of possession) and conveyance, the insurance payment is computed as of the date of institution of foreclosure proceedings or acquisition of the property. The mortgage holder generally is not compensated for mortgage interest accrued and unpaid prior to that date. Under those circumstances, the amount of insurance benefits generally paid by FHA is equal to the unpaid principal amount of the mortgage loan, adjusted to reimburse the mortgagee for certain tax, insurance and similar payments made by it and to deduct certain amounts received or retained by the mortgagee after default, plus reimbursement not to exceed 2/3 of the mortgagee's foreclosure costs. The regulations under all insurance programs described above provide that the insurance payment itself bears interest from the date of default, to the date of payment of the claim at the same interest rate as the applicable HUD debenture interest rate determined in the manner set forth above.

When any property to be conveyed to HUD has been damaged by fire, earthquake, flood or tornado, or, if the property has suffered damage because of failure of the mortgage holder to take action to inspect and preserve the property, it is generally required, as a condition to payment of an insurance claim, that the property be repaired by

the mortgage holder prior to the conveyance or assignment. For mortgages insured on or after April 19, 1992, if the property has been damaged during the mortgage holder's possession by events other than fire, flood, earthquake or tornado notwithstanding reasonable action by the mortgage holder, HUD may require the mortgage holder to repair the property prior to conveyance to HUD as a condition to payment of an insurance claim.

Veterans Administration Guaranty Program

The Serviceman's Readjustment Act of 1944, as amended, permits a veteran (or, in certain instances, his or her spouse) to obtain a mortgage loan guaranteed by the VA covering mortgage financing of the purchase of a one to four family dwelling unit at interest rates agreed upon by the purchaser and the mortgagee, as the VA may elect. The program has no mortgage loan limits (other than that the amount may not exceed the property's reasonable value as determined by the VA), requires no down payment from the purchaser and permits the guaranty of mortgage loans with terms of up to 30 years. The guaranty provisions for mortgage loans are as follows: (a) for home and condominium loans of $45,000 or less, 50 percent of the loan is guaranteed (for loans with an original principal balance of $45,000 and not more than $56,250, the guaranty will not exceed $22,500); (b) for home and condominium loans of more than $56,250 but less than or equal to $144,000, 40 percent of the loan is guaranteed subject to a maximum guaranty of $36,000; (c) for home and condominium loans of more than $144,000, 25 percent of the principal amount of the loan is guaranteed subject to a maximum guarantee amount hereinafter described; and (d) for loans for manufactured homes, 40 percent of the loan is guaranteed (with a maximum guaranty of $20,000). The maximum guaranty amount for loans greater than $144,000 is generally 25 percent of the Freddie Mac conforming loan limit (currently $417,000); however, pursuant to the Housing and Economic Recovery Act of 2008 and the Veterans Benefits Improvement Act of 2008, the maximum guaranty amount for loans originated in 2009 through 2011 is 25 percent of the greater of (i) the Freddie Mac conforming loan limit or (ii) 125 percent of the area median price for a single family residence in the county in which the property securing the loan is located. The liability on the guaranty is reduced or increased pro rata with any reduction or increase in the amount of the indebtedness, but in no event will the amount payable on the guaranty exceed the amount of the original guaranty. Notwithstanding the dollar and percentage limitations of the guaranty, a mortgage holder will ordinarily suffer a monetary loss only where the difference between the unsatisfied indebtedness and the proceeds of a foreclosure sale of mortgaged premises is greater than the original guaranty as adjusted. The VA may, at its option and without regard to the guaranty, make full payment to a mortgage holder of unsatisfied indebtedness on a mortgage upon its assignment to the VA.

Rural Development (RD) Insured Program

Loans insured by RD may be made to purchase new or existing homes in designated rural areas. Eligible rural areas have a population not in excess of 10,000 persons or if located outside a Metropolitan Statistical Area, not in excess of 25,000. Loans may be made up to 100 percent of the market value of the property or 100 percent of the acquisition cost, whichever is less. The maximum loan amount is the applicable FHA maximum loan amount. The interest rate of these 30 year mortgages may not exceed the higher of the current VA rate or the Fannie Mae required net yield for 90 day commitments on a 30 year fixed rate mortgage with actual/actual remittance plus 60 basis points. RD covers all losses on foreclosed loans up to 35 percent of the original principal. Any loss in excess of this amount carries an 85 percent guarantee. It is the present administrative policy of the Agency to tender a claim to RD by the earlier of (a) six months after the date of acquisition of the property through foreclosure or (b) 30 days after the sale of the property. The Agency retains title to the property and may apply the insurance proceeds and any sale proceeds to the outstanding debt.

Private Mortgage Insurance Programs

Under outstanding Series Resolutions, all Program Loans insured by a private mortgage insurance company are to be in any amount not exceeding the Market Value of the Home, provided that the Agency is issued a mortgage insurance policy under which the minimum insured percentage of any claim filed is at least equal to that percentage of the Market Value or sale price of the Home, whichever is less, by which the original principal amount of the mortgage exceeds 80 percent of that Market Value. Each private mortgage insurer insuring those Program Loans must be a company (a) that is licensed to do business in Minnesota; (b) that has ratings not less than "A2" from Moody's Investors Service, Inc., and "AA" from S&P Global Ratings, Inc., or that is approved to insure mortgages purchased by Fannie Mae and Freddie Mac, or any other agency or instrumentality of the United States to which the powers of either of them have been transferred or which has similar powers to purchase Program Loans; and (c) that,

by insuring Program Loans financed by the Agency, does not cause the Rating on the Bonds to be adversely affected. Both Fannie Mae and Freddie Mac require approval of private mortgage insurance companies before mortgages insured by those companies are eligible for purchase by them.

Among the considerations taken into account by Fannie Mae in determining whether to approve a private mortgage insurer currently are the following: (a) experienced mortgage insurers are expected to have policyholders' surplus of not less than $5 million; (b) it is preferred that an insurer's principal insurance activity relate to loss resulting from nonpayment of mortgages and deeds of trust on residential structures, with total liability not in excess of 25 times its policyholders' surplus; (c) a private mortgage insurer must demonstrate that it possesses the technical expertise necessary to properly evaluate property and credit; and (d) an insurer must expressly consent to and comply with Fannie Mae's requirements for audit and reports concerning changes in personnel, financial structure, qualifications, and rates.

Freddie Mac eligibility requirements for approving private mortgage insurers presently provide that (a) not more than 10 percent of an insurer's mortgage insurance risk may be represented by mortgage insurance covering property other than real property improved by a building or buildings designed for occupancy by one to four families; (b) an insurer shall not insure mortgages secured by properties in a single housing tract or contiguous tracts where the insurance risk applicable thereto is in excess of 10 percent of its policyholders' surplus (net of reinsurance); (c) no insurer shall have more than 20 percent of its total insurance in force in any one Standard Metropolitan Statistical Area nor may any combination of insurance in force in any one state exceed 60 percent of its total insurance in force; and (d) an insurer shall limit its insurance risk with respect to each insured to the maximum permitted under state law.

Freddie Mac also requires the private mortgage insurer to meet the following financial requirements: (a) policyholders' surplus must be maintained at not less than $5 million; (b) an insurer shall maintain an unearned premium reserve computed on a monthly pro rata basis; if a greater unearned premium reserve is required by the state where the insurer is licensed, then that greater requirement shall be met; (c) an insurer shall establish and maintain a contingency reserve in an amount equal to 50 percent of earned premiums; (d) an insurer shall maintain a loss reserve for claims incurred but not reported, including estimated losses on insured mortgages that have resulted in the conveyance of property that remains unsold, mortgages in the process of foreclosure or mortgages in default for four or more months; (e) an insurer shall maintain no less than 85 percent of its total admitted assets in the form of marketable securities or other highly liquid investments that qualify as insurance company investments under the laws and regulations of the state of its domicile and the standards of the National Association of Insurance Commissioners; and (f) an insurer shall not at any time have total insurance risk outstanding in excess of 25 times its policyholders' surplus. Approved private mortgage insurers must file quarterly and annual reports with the Freddie Mac.

It has been the administrative policy of the Agency to require that any private mortgage insurance policy with respect to a Program Loan to be purchased with the proceeds of Bonds contain provisions substantially as follows: (a) the private mortgage insurer must pay a claim, including unpaid principal, accrued interest and certain expenses, within sixty days of presentation of the claim by the mortgage lender; (b) for a mortgage lender to present a claim, the mortgage lender must have acquired, and tendered to the insurer, title to the property, free and clear of all liens and encumbrances, including any right of redemption by the mortgagor; (c) when a claim is presented, the insurer will have the option of paying the claim in full, taking title to the property and arranging for its sale, or of paying the insured percentage of the claim (the Agency's exposure is to be limited to 70 percent or 75 percent, depending on the initial loan-to-value ratio of the mortgage loan) and allowing the insured lender to retain title to the property.

The private mortgage insurance companies providing mortgage insurance on outstanding Program Loans under the Bond Resolution are identified in Appendix G to this Official Statement. There is no assurance that any private mortgage insurance company will be able or willing to honor its obligations under the mortgage insurance policy as provided therein. In particular, certain private mortgage insurance companies have recently experienced substantial financial difficulties and ratings downgrades, and some are in receivership and are paying claims at the rate of 50 cents on the dollar. No representation is made as to the creditworthiness of any private mortgage insurance company.

State Laws Affecting Foreclosures

Mortgage foreclosures in Minnesota are governed by statute and permit two alternative methods, "by action" or "by advertisement." The latter is normally utilized since it is slightly faster, less expensive, and does not have the same tendency to invite contest as does foreclosure by action. The process is normally initiated by the publication, recordation and service of a notice of foreclosure. This notice must include all relevant information on the mortgage loan and the secured premises as well as a statement of the time and place of sale and the time allowed by law for redemption by the mortgagor. This notice must then be published in a legal newspaper each week for six consecutive weeks. Service of the notice on the mortgagor and any other affected party must be completed at least four weeks prior to the designated date of the foreclosure sale. Compliance with the above publication and service of notice requirements within the prescribed time limitations is essential to the validity of the mortgage foreclosure sale.

Prior to the foreclosure sale, the mortgagor has the right to reinstate the mortgage and prevent foreclosure by curing all defaults on a current basis and by paying attorneys' fees and out-of-pocket disbursements to the extent permitted by statute. If the mortgage is not reinstated, the foreclosure sale is held in the sheriff's office in the county in which the real estate being foreclosed is located. Although anyone can bid at a foreclosure sale, the normal result of the foreclosure sale is that the lien holder bids in the debt without competing bidders (and under the Bond Resolution, the Agency is required to do so), and purchases the mortgaged property from the defaulting borrower through the sheriff, subject to the rights of the borrower and subsequent creditors to redeem.

The holding of the foreclosure sale starts the period of redemption. The period of redemption will normally be six months but can be as long as twelve months. During the period of redemption the mortgagor normally retains the right to remain in possession of the mortgaged property without making mortgage payments or paying real estate taxes. During the period of redemption, the mortgagor has the right to pay off the entire indebtedness, including full principal, accrued interest, any amounts reasonably paid by the mortgagee to preserve the security, and attorneys' fees and disbursements to the extent allowed by statute.

After the period of redemption expires, the mortgagee is entitled to possession of the premises, but may have to bring an unlawful detainer proceeding to enforce its possessory rights, and a proceeding subsequent in the case of Torrens property to perfect its title to the mortgaged property.

It is not unusual, therefore, for a mortgagee to be delayed 10 months or more from the date of initiation of the mortgage foreclosure proceeding until it realizes its possessory rights.

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

General

The Depository Trust Company, New York, New York ("DTC"), is to act as securities depository for each Series of the Series Bonds. The ownership of one fully registered Series Bond of each Series for each maturity in the aggregate principal amount of that maturity, will be registered in the name of Cede & Co., DTC's partnership nominee. *So long as Cede & Co. or another nominee designated by DTC is the registered owner of the Series Bonds of a Series, references herein to the Bondowners, Owners or registered owners of those Series Bonds means Cede & Co. or any other nominee and not the Beneficial Owners(as hereinafter defined) of those Series Bonds.*

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

Purchases of beneficial ownership interests in the Series Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series Bonds on DTC's records. The ownership interest of each actual purchaser of each Beneficial Owner (as defined in Appendix B) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series Bonds, except in the event that use of the Book-Entry System for the Series Bonds of the Series is discontinued as described below.

To facilitate subsequent transfers, all Series Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or any other name as may be requested by an authorized representative of DTC. The deposit of Series Bonds with DTC and their registration in the name of Cede & Co. or that other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts those Series Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. For every transfer and exchange of beneficial ownership in the Series Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

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

Redemption notices will be sent to DTC. If less than all of the Series Bonds of a Series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Series Bonds of the Series and maturity to be redeemed.

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

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

Under the 2020/2021 Series Resolutions, payments made by or on behalf of the Agency to DTC or its nominee shall satisfy the Agency's obligations to the extent of the payments so made.

A Beneficial Owner must give notice to elect to have its Series Bonds purchased or tendered, through its Participant, to the Tender Agent and the Remarketing Agent, and must effect delivery of such Series Bonds by causing the Direct Participant to transfer the Participant's interest in the Series Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of Series Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series Bonds to the Tender Agent's DTC account.

The above information contained in this section "Book-Entry-Only System" is based solely on information provided by DTC. No representation is made by the Agency or the Underwriters as to the completeness or the accuracy of that information or as to the absence of material adverse changes in that information subsequent to the date hereof.

The Agency, the Underwriters and the Trustee cannot and do not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series Bonds (i) payments of principal of or interest and premium, if any, on the Series Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in Series Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Agency, the Underwriters nor the Trustee will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (2) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal, redemption price or purchase price of, or interest on, the Series Bonds; (3) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Resolutions to be given to Owners of Series Bonds; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of Series Bonds; or (5) any consent given or other action taken by DTC as a Bondowner.

Discontinuation of Book-Entry System

DTC may discontinue its book-entry services with respect to all or any Series of the Series Bonds at any time by giving notice to the Agency and discharging its responsibilities with respect thereto under applicable law. Under those circumstances, that Series of the Series Bonds are required to be delivered as described in the 2020/2021 Series Resolutions. The Beneficial Owner, upon registration of those Series Bonds held in the Beneficial Owner's name, shall become the Bondowner.

The Agency may determine to discontinue the system of book entry transfers through DTC (or a successor securities depository) for all or any Series of the Series Bonds. In that event, the Series Bonds of that Series are to be delivered as described in the 2020/2021 Series Resolutions.

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

[to be dated the date of issuance of the Series Bonds]

_____, 2021

Minnesota Housing Finance Agency
St. Paul, Minnesota 55102

Minnesota Housing Finance Agency
Residential Housing Finance Bonds
2021 Series C
2021 Series D

Ladies and Gentlemen:

We have acted as bond counsel to the Minnesota Housing Finance Agency (the "Agency") in connection with the authorization, issuance and delivery by the Agency of its Residential Housing Finance Bonds, 2021 Series C, in the aggregate principal amount of $_____ (the "2021 Series C Bonds"), and its Residential Housing Finance Bonds, 2021 Series D, in the aggregate principal amount of $_____ (the "2021 Series D Bonds" and, together with the 2021 Series C Bonds, the "2021 Series Bonds"), each series of which is issuable only as fully registered bonds of single maturities in denominations as are provided in the Series Resolution referenced below.

The 2021 Series Bonds are dated, mature on the dates, bear interest at the rates and are payable as provided in the Series Resolution referenced below. The 2021 Series Bonds are subject to optional, mandatory and special redemption prior to maturity, including special redemption at par, all as provided in the Series Resolution referenced below.

As bond counsel, we have examined certificates as to facts, estimates and circumstances and certified copies of resolutions and proceedings of the Agency and other documents we considered necessary as the basis for this opinion, including the Agency's Amended and Restated Bond Resolution adopted August 24, 1995, as amended and supplemented (the "Bond Resolution"), and Series Resolutions adopted November 19, 2020 and April 22, 2021 (the "Series Resolutions"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Applicable federal tax law, including certain provisions of Sections 143 and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the delivery of the 2021 Series Bonds in order that interest on the 2021 Series Bonds may be excluded from gross income for federal income tax purposes. The Agency has covenanted in the Bond Resolution and Series Resolutions to comply with the requirements of applicable federal tax law and for such purpose to adopt and maintain appropriate procedures. In rendering this opinion, we have assumed compliance by the Agency with and enforcement by the Agency of the provisions of the Bond Resolution and Series Resolutions.

From such examination it is our opinion that, under state and federal laws, regulations, rulings and decisions in effect on the date hereof: (1) the Agency is a public body corporate and politic, having no taxing power, duly organized and existing under Minnesota Statutes, Chapter 462A, as amended; (2) the Bond Resolution and Series Resolutions have been duly and validly adopted by the Agency and are valid and binding upon it in accordance with their terms, and create the valid pledge and security interest they purport to create with respect to the Program Obligations, Investment Obligations, Revenues, moneys and other assets held and to be set aside under the Bond Resolution and Series Resolutions; (3) the 2021 Series Bonds are duly and lawfully authorized to be issued and are valid and binding general obligations of the Agency in accordance with their terms, entitled to the benefits granted by and secured by the covenants contained in the Bond Resolution and Series Resolutions, and are further secured by the pledge of the full faith and credit of the Agency, and are payable out of any of its moneys, assets or revenues, subject to the provisions of other resolutions or indentures now or hereafter pledging and appropriating

particular moneys, assets, or revenues to other bonds or notes, or state laws appropriating particular funds for a specified purpose, but the State of Minnesota is not liable thereon and the 2021 Series Bonds are not a debt of the State; (4) in the Bond Resolution the Agency has created a Debt Service Reserve Fund for the security of the 2021 Series Bonds and other bonds issued or to be issued under the Bond Resolution, to be maintained in an amount specified therein, and has agreed to certify annually to the Governor the sum, if any, necessary to restore the Fund to this amount for inclusion in the next budget submitted to the Legislature, and the Legislature is legally authorized, but is not legally obligated, to appropriate such amount to the Fund; and (5) the interest payable on the 2021 Series Bonds is not includable in gross income of owners thereof for federal income tax purposes or in taxable net income of individuals, trusts and estates for State of Minnesota income tax purposes, but such interest is includable in the income of corporations and financial institutions for purposes of the Minnesota franchise tax.

Interest on the 2021 Series C Bonds will be treated as an item of tax preference in calculating the alternative minimum tax imposed under the Code. Interest on the 2021 Series D Bonds will not be treated as an item of tax preference in calculating the alternative minimum tax imposed under the Code. Interest on the 2021 Series D Bonds will not be treated as an item of tax preference for purposes of calculating the Minnesota alternative minimum tax imposed on individuals, trusts and estates. We express no opinion regarding other federal, state or local tax consequences arising from the ownership or disposition of the 2021 Series Bonds. All owners of 2021 Series Bonds (including, but not limited to, insurance companies, financial institutions, Subchapter S corporations, United States branches of foreign corporations and recipients of social security and railroad retirement benefits) should consult their tax advisors concerning other possible indirect tax consequences of owning and disposing of the 2021 Series Bonds.

The opinions expressed above are qualified only to the extent that the enforceability of the 2021 Series Bonds and the Bond Resolution and Series Resolutions is subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully yours,

APPENDIX G

CERTAIN INFORMATION RELATING TO THE RHFB WHOLE LOAN MORTGAGE PORTFOLIO

Mortgage Insurance for RHFB Whole Loan Mortgage Portfolio as of December 31, 2020

Series	FHA	VA	Rural Development	MGIC	Genworth	Other Private Mortgage Insurers*	Uninsured	Total
Retired	$ 1,487,983	$ 24,129	$ 307,574	$ -	$ -	$ -	$ 218,852	$ 2,038,538
06LMN	41,771	-	-	-	-	-	313,334	355,105
07M	834,076	87,021	1,095,546	764,071	447,919	230,026	2,727,027	6,185,686
07M-40 Year	-	-		1,430,734	294,848	676,050	243,194	2,644,826
12ABCD	11,662,575	442,259	5,391,970	15,446	-	-	4,941,071	22,453,321
13ABC	3,998,212	123,746	2,913,946	222,176	85,025	225,977	4,018,124	11,587,206
14A	2,109,931	149,876	858,525	9,047	38,937	39,511	1,157,807	4,363,634
14B	3,243,880	88,166	1,033,788	82,976	15,364	4,307	799,434	5,267,915
14CDE	13,094,840	918,739	11,746,008	2,890,180	177,050	1,143,255	23,119,585	53,089,657
15ABCD	3,608,679	171,771	2,712,411	894,293	445,087	421,327	8,697,902	16,951,470
15ABCD-40 Year	-	-	-	121,810	-	862,416	171,632	1,155,858
15EFG	6,151,381	335,002	7,858,684	1,720,086	414,610	849,607	15,012,397	32,341,767
15EFG-40 Year	-	-	-	2,448,702	720,546	1,858,370	1,145,056	6,172,674
16ABC	1,825,698	319,253	3,665,028	1,618,134	1,301,127	931,959	10,987,613	20,648,812
16ABC-40 Year	-	-	-	3,837,005	1,328,229	2,240,100	1,752,561	9,157,895
16DEF	2,796,033	285,516	2,072,328	1,184,962	703,411	342,662	4,267,859	11,652,771
16DEF-40 Year	-	-	-	2,131,141	439,190	1,007,007	362,248	3,939,586
17ABC	9,880,701	143,989	4,833,383	840,015	546,026	358,902	7,241,526	23,844,542
17ABC-40 Year	-	-	-	2,761,505	1,134,896	1,257,186	2,251,005	7,404,592
17DEF	5,543,707	-	2,832,192	-	35,158	187,685	3,443,005	12,041,747
17DEF-40 Year	-	-	-	1,735,466	167,211	778,545	1,569,672	4,250,894
18ABCD	5,426,988	108,523	3,358,746	-	12,045	-	3,555,743	12,462,045
19ABCD	16,707,126	234,989	2,865,457	95,461	22,442	59,615	3,273,330	23,258,420
Total Bond Financed	$ 88,413,581	$ 3,432,979	$ 53,545,586	$ 24,803,210	$ 8,329,121	$ 13,474,507	$ 101,269,977	$ 293,268,961
	30.15%	1.17%	18.26%	8.46%	2.84%	4.59%	34.53%	100.00%

Republic 2.167%, United 1.121%, PMI 0.664%, Radian Guarantee Fund 0.352%, Commonwealth 0.181%, Triad 0.108%, Amerin 0.000%

RHFB Whole Loan Mortgage Portfolio

Delinquency and Foreclosure Statistics as of December 31, 2020

			Payments Past Due as a Percentage of the Number of Loans Outstanding								
			30-59 Days		60-89 Days		90-119 Days		120 Days and Greater and Foreclosures[1]		Total [2]
Bond Financed:	Number of Loans	Balance Outstanding	#	%	#	%	#	%	#	%	%
Retired	44.0	$2,038,538	13.0	29.55	1.0	2.27	-	-	7.0	15.91	18.18
06LMN	4.0	355,105	-	-	-	-	-	-	1.0	25.00	25.00
07M	73.6	6,185,686	0.8	1.09	2.0	2.72	0.4	0.54	6.0	8.15	11.41
07M-40 Yr	19.0	2,644,827	-	-	-	-	0.8	4.21	2.8	14.74	18.95
12ABCD	509.0	22,453,321	14.0	2.75	6.0	1.18	4.0	0.79	29.0	5.70	7.66
13ABC	260.0	11,587,206	9.5	3.65	3.0	1.15	2.0	0.77	16.0	6.15	8.08
14A	169.0	4,363,634	1.0	0.59	2.0	1.18	1.0	0.59	6.0	3.55	5.33
14B	189.0	5,267,915	7.0	3.70	1.0	0.53	-	-	8.0	4.23	4.76
14CDE	704.0	53,089,658	25.0	3.55	9.0	1.28	5.0	0.71	52.0	7.39	9.38
15ABCD	203.5	16,951,471	9.0	4.42	3.0	1.47	-	-	21.0	10.32	11.79
15ABCD-40 Year	8.0	1,155,858	-	-	-	-	1.0	12.50	-	-	12.50
15EFG	440.5	32,341,767	15.5	3.52	6.5	1.48	4.5	1.02	29.0	6.58	9.08
15EFG-40 Year	43.0	6,172,674	2.0	4.65	1.0	2.33	-	-	5.0	11.63	13.95
16ABC	247.0	20,648,812	12.0	4.86	3.5	1.42	2.5	1.01	15.5	6.28	8.70
16ABC-40 Year	67.0	9,157,895	5.0	7.46	1.0	1.49	-	-	7.0	10.45	11.94
16DEF	206.4	11,652,771	4.2	2.03	4.0	1.94	2.6	1.26	19.5	9.45	12.65
16DEF-40 Year	28.0	3,939,586	-	-	-	-	1.2	4.29	4.2	15.00	19.29
17ABC	311.5	23,844,542	17.5	5.62	5.0	1.61	4.5	1.44	19.0	6.10	9.15
17ABC-40 Year	65.0	7,404,592	4.0	6.15	2.0	3.08	1.0	1.54	7.0	10.77	15.38
17DEF	150.0	12,041,747	7.0	4.67	2.0	1.33	3.0	2.00	16.0	10.67	14.00
17DEF-40 Year	35.0	4,250,894	-	-	-	-	-	-	1.0	2.86	2.86
18ABCD	233.5	12,462,044	9.0	3.85	4.0	1.71	2.0	0.86	12.0	5.14	7.71
19ABCD	451.0	23,258,418	17.5	3.88	18.0	3.99	3.5	0.78	37.0	8.20	12.97
Total Bond Financed	4,461.0	$293,268,961	173.0	3.88	74.0	1.66	39.0	0.87	321.0	7.20	9.73

All Loans are serviced by US Bank Home Mortgage.

If the number of properties allocated to a series of Bonds in the table is expressed in an increment of 0.5, the allocation r eflects the fact that proceeds of Bonds of the series were used, with an equal amount of funds from another source (which may be another series of Bonds) to purchase the mortgage loan that financed the property. In such cases, while principal repayments and prepayments are allocated equally to each funding source, interest payments on the mortgage loan are not allocated pro rata. However, mortgage loans that were originated with 07LM Bonds were funded with proceeds of 07L (and series of Bonds that refunded 07L) and 07M in the fractions of 0.6 and 0.4, respectively. Currently, allocation of repayments and prepayments to each funding source may be expressed in multiples of 0.1.

(1) Included in "Foreclosures" are loans for which the sheriff's sale has been held and the redemption period (generally six months) has not yet elapsed in addition to those customarily included in delinquency statistics.

(2) 30-59 days not included in total.

See page G-3 for comparative delinquency and foreclosure statistics.

continued from page G-1.

Comparative 60+ Day Delinquency Statistics[1]	**At 9/30/20**	**12/31/2020**
Residential Housing Finance Bond Resolution Loan Portfolio	7.53%	8.74%
Mortgage Bankers Association of America, Minnesota[2]	6.07%	6.51%
Mortgage Bankers Association of America, National[2]	7.04%	6.96%

Comparative Foreclosure Statistics[3]	**At 09/30/2020**	**At 12/31/20**
Residential Housing Finance Bond Resolution Loan Portfolio	0.87%	0.83%
Mortgage Bankers Association of America, Minnesota[2]	0.17%	0.16%
Mortgage Bankers Association of America, National[2]	0.52%	0.52%

(1) This table compares 60+ day delinquency statistics. The delinquency rates do not include those delinquent loans referred to an attorney, where the first legal documents have been filed, or where any further foreclosure proceedings have occurred. Thus, the percentage for the Residential Housing Finance Bond Resolution loan portfolio differs from that in the table on page G-1.

(2) Mortgage Bankers Association of America average of 60+ days delinquency and foreclosure statistics adjusted by the Agency to reflect the proportions of insurance types in the Residential Housing Finance Bond Resolution loan portfolio. The unadjusted 12/31/2020 Mortgage Bankers Association of America average 60+ days delinquency rate is 3.84% Minnesota and 5.32% national. The unadjusted 12/31/2020 Mortgage Bankers Association of America foreclosure rate is 0.13% Minnesota and 0.44% national. None of the delinquency and foreclosure rates presented are seasonally adjusted. Reprinted by permission of the Mortgage Bankers Association. For more information, contact the Mortgage Bankers Association, 1331 L Street NW, Washington D.C. 20005, (202) 557-2700 http://www.mortgagebankers.org

(3) This table compares foreclosure statistics, where "foreclosures" include only those loans referred to an attorney and with the first legal documents filed, but not loans for which a foreclosure sale has been held. Thus, the percentage for the Residential Housing Finance Bond Resolution loan portfolio is not directly comparable to the table on page G-1.

CARES Act Forbearances

Bond Financed	No. of Loans	Loan Balance	Average Balance	Monthly Payment Amount Due	Number of Months (monthly payments) Past Due	Average Number of Months (monthly payments) Past Due
Retired	7.0	273,055	39,008	1,764	36.00	5.14
07M	3.8	418,367	110,097	2,780	22.80	6.00
07M-40 Year	2.8	406,374	145,134	2,126	13.60	4.86
12ABCD	21.0	1,036,113	49,339	9,178	143.00	6.81
13ABC	18.0	957,597	53,200	8,649	94.00	5.22
14A	7.0	143,016	20,431	1,772	23.00	3.29
14B	2.0	139,663	69,832	1,400	14.00	7.00
14CDE	40.0	3,587,287	89,682	25,725	266.00	6.65
15ABCD	13.0	1,278,311	98,332	8,745	76.00	5.85
15ABCD-40 Year	0.0	-	0	-	0.00	0.00
15EFG	26.0	2,450,530	94,251	15,962	182.00	7.00
15EFG-40 year	4.0	660,791	165,198	4,072	14.00	3.50
16ABC	12.0	933,310	77,776	6,546	73.00	6.08
16ABC-40 Year	7.0	1,132,022	161,717	5,532	38.00	5.43
16DEF	9.3	324,119	34,852	3,702	42.40	4.56
16DEF-40 Year	4.2	609,561	145,134	3,189	20.40	4.86
17ABC	20.0	2,085,502	104,275	13,726	127.00	6.35
17ABC-40 Yr	4.0	552,261	138,065	2,648	26.00	6.50
17DEF	17.4	1,581,848	90,911	10,493	128.80	7.40
17DEF-40 Yr	1.0	108,463	108,463	636	9.00	9.00
18ABCD	14.0	962,222	68,730	7,919	48.00	3.43
19ABCD	38.5	2,423,958	62,960	18,419	222.00	5.77
Total	272.0	22,064,371	81,119	154,983	1,619.0	5.95

If the number of properties allocated to a series of Bonds in the table is expressed in an increment of 0.5, the allocation reflects the fact that proceeds of Bonds of the series were used, with an equal amount of funds from another source (which may be another series of Bonds) to purchase the mortgage loan that financed the property. In such cases, while principal repayments and prepayments are allocated equally to each funding source, interest payments on the mortgage loan are not allocated pro rata. However, mortgage loans that were originated with 07LM Bonds were funded with proceeds of 07L (and series of Bonds that refunded 07L) and 07M in the fractions of 0.6 and 0.4, respectively. Currently, allocation of repayments and prepayments to each funding source may be expressed in multiples of 0.1.

APPENDIX H

CERTAIN INFORMATION RELATING TO LIQUIDITY FACILITIES FOR BONDS OUTSTANDING

as of December 31, 2020

(unaudited)

Liquidity Provider	Related Bond Series	Bonds Outstanding	Expiration Date
Royal Bank of Canada	2015 Series D	18,225,000	8/11/2022
	2015 Series G	35,000,000	1/2/2023
	2017 Series F	40,000,000	1/2/2023
	2019 Series D	45,000,000	7/1/2024
		$138,225,000	
Federal Home Loan Bank of Des Moines	2016 Series F	$ 50,000,000	1/2/2024
	2017 Series C	40,000,000	7/19/2024
		$ 90,000,000	
U.S. Bank National Association	2019 Series H	$ 43,985,000	9/10/2024

APPENDIX I

CERTAIN INFORMATION RELATING TO GNMA, FANNIE MAE, FREDDIE MAC AND CERTAIN PROGRAM SECURITIES AND THE MASTER SERVICER

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE-BACKED SECURITIES

This summary does not purport to be comprehensive and is qualified in its entirety by reference to the GNMA Mortgage-Backed Securities Guide and to the documents referred to herein for full and complete statements of their provisions. Additional information is available at www.ginniemae.gov.

In response to current financial market and real estate market disruptions due to COVID-19 and the Pandemic, certain federal insurance and guaranty programs for mortgage loans have been changed. See "The Agency—COVID-19 Economic Disruption" herein for a discussion of certain of those related program changes.

The Government National Mortgage Association is a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development with its principal office in Washington, D.C. The documents and websites referred to above are not a part of this Official Statement, and neither the Agency nor any of the Underwriters takes any responsibility for information contained in any of these documents or websites.

Each GNMA Security is to be issued under either the GNMA I Program or the GNMA II Program. Although there are a number of differences between GNMA I Securities and GNMA II-Custom Pool Securities, those differences do not adversely affect the availability of Revenues with which to pay principal of and interest on Outstanding Bonds. Each GNMA Security is to be backed by a pool of mortgage loans in a minimum aggregate amount of $25,000 and multiples of $1 in excess of $25,000. The Master Servicer is required to pay to the Trustee (in the case of a GNMA I Security) or to the Central Paying and Transfer Agent (in the case of a GNMA II-Custom Pool Security), and the Central Paying and Transfer Agent is required to pay to the Trustee, as the owner of the GNMA Security, the regular monthly installments of principal and interest on the mortgage loans backing the GNMA Security (less the Master Servicer's servicing fee, which includes the GNMA guaranty fee), whether or not the Master Servicer receives those installments, plus any mortgage prepayments received by the Master Servicer in the previous month. The Government National Mortgage Association guarantees the timely payment of the principal of and interest on the GNMA Security.

In order to issue GNMA Securities, the Master Servicer must first apply to and receive from the Government National Mortgage Association a commitment to guarantee securities. Such a commitment authorizes the Master Servicer to issue GNMA Securities up to a stated amount during a one-year period following the date of the commitment. The Master Servicer is required to pay the application fee to the Government National Mortgage Association for the commitments. The amount of commitments to guarantee GNMA Securities that the Government National Mortgage Association can approve in any federal fiscal year is limited by statute and administrative procedures. The total annual amount of available commitments is established in appropriation acts and related administrative procedures.

The issuance of each GNMA Security by the Master Servicer is subject to the following conditions, among others: (i) the purchase by the Master Servicer of mortgage loans in a minimum aggregate principal amount at least equal to the minimum size permitted by the Government National Mortgage Association for each GNMA Security (the origination being subject, among other conditions, to the availability of FHA mortgage insurance and VA guarantees), (ii) the submission by the Master Servicer to the Government National Mortgage Association of certain documents required by the Government National Mortgage Association in form and substance satisfactory to the Government National Mortgage Association, (iii) the Master Servicer's continued compliance, on the date of issuance of the GNMA Security, with all of the Government National Mortgage Association's eligibility

requirements, specifically including, but not limited to, certain net worth requirements, (iv) the Master Servicer's continued approval by the Government National Mortgage Association to issue GNMA Securities, and (v) the Master Servicer's continued ability to issue, execute and deliver the GNMA Security, as that ability may be affected by the Master Servicer's bankruptcy, insolvency or reorganization. In addition, the issuance of a GNMA Security by the Master Servicer is subject to the condition that the Government National Mortgage Association must have entered into a guaranty agreement with the Master Servicer. The conditions to the Government National Mortgage Association entering into such an agreement may change from time to time, and there can be no assurance that the Master Servicer will be able to satisfy all the requirements in effect at the time a GNMA Security is to be issued. Moreover, there can be no assurance that all of the above conditions will be satisfied at the time a GNMA Security is to be issued by the Master Servicer for purchase by the Trustee.

GNMA Security

The Government National Mortgage Association is authorized by Section 306(g) of Title III of the National Housing Act of 1934, as amended (the "Housing Act") to guarantee the timely payment of the principal of, and interest on, securities that are based on and backed by a pool composed of, among other things, mortgage loans insured by FHA under the Housing Act or guaranteed by the VA under the Servicemen's Readjustment Act of 1944, as amended. Section 306(g) further provides that "[T]he full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection." An opinion dated December 9, 1969, of an Assistant Attorney General of the United States, states that guarantees under Section 306(g) of mortgage-backed securities of the type to be delivered to the Trustee by the Lenders are authorized to be made by the Government National Mortgage Association and "would constitute general obligations of the United States backed by its full faith and credit."

Government National Mortgage Association Borrowing Authority

In order to meet its obligations under the guaranty, the Government National Mortgage Association, in its corporate capacity under Section 306(d) of Title III of the Housing Act, may issue its general obligations to the United States Treasury (the "Treasury") in an amount outstanding at any one time sufficient to enable the Government National Mortgage Association, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the GNMA Securities. The Treasury is authorized to purchase any obligations so issued by the Government National Mortgage Association and has indicated in a letter dated February 13, 1970, from the Secretary of the Treasury to the Secretary of Housing and Urban Development ("HUD") that the Treasury will make loans to the Government National Mortgage Association, if needed, to implement the aforementioned guaranty.

The Government National Mortgage Association is to warrant to the Trustee, as the owner of the GNMA Securities, that, in the event it is called upon at any time to honor its guaranty of the payment of principal and interest on any GNMA Security, it shall, if necessary, in accordance with Section 306(d), apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make the payment.

Servicing of the Mortgage Loans

Under contractual arrangements that will be entered into by and between the Master Servicer and the Government National Mortgage Association, and pursuant to the Program Documents, the Master Servicer is responsible for servicing and otherwise administering the mortgage loans in accordance with generally accepted practices of the mortgage lending industry and the Government National Mortgage Association Servicer's Guide.

The monthly remuneration of the Master Servicer, for its servicing and administrative functions, and the guaranty fee charged by the Government National Mortgage Association, are based on the unpaid principal amount of each GNMA Security outstanding on the last day of the month preceding the calculation. Each GNMA Security carries an interest rate that is fixed below the lowest interest rate on the underlying mortgage loans because the servicing and guaranty fees are deducted from payments on the mortgage loans before the payments are forwarded to the Trustee.

It is expected that interest and principal payments on the mortgage loans received by the Master Servicer will be the source of money for payments on the GNMA Securities. If those payments are less than the amount then

due, the Master Servicer is obligated to advance its own funds to ensure timely payment of all scheduled payments of principal and interest due on the GNMA Securities. The Government National Mortgage Association guarantees the timely payment in the event of the failure of the Master Servicer to pass through an amount equal to the scheduled payments (whether or not made by the mortgagors).

The Master Servicer is required to advise the Government National Mortgage Association in advance of any impending default on scheduled payments so that the Government National Mortgage Association, as guarantor, will be able to continue the payments as scheduled on the third business day after the twentieth day of each month. However, if the payments are not received as scheduled, the Trustee has recourse directly to the Government National Mortgage Association.

Guaranty Agreement

The Government National Mortgage Association guaranty agreement to be entered into by the Government National Mortgage Association and the Master Servicer upon issuance of a GNMA Security, pursuant to which the Government National Mortgage Association guarantees the payment of principal of and interest on that GNMA Security (the "GNMA Guaranty Agreement"), provides that, in the event of a default by the Master Servicer, including (i) a failure to make any payment due under the GNMA Security, (ii) a request to the Government National Mortgage Association to make a payment of principal or interest on a GNMA Security and the utilization thereof by the Master Servicer, (iii) insolvency of the Master Servicer, or (iv) default by the Master Servicer under any other terms of the GNMA Guaranty Agreement, the Government National Mortgage Association has the right, by letter to the Master Servicer, to effect and complete the extinguishment of the Master Servicer's interest in the mortgage loans, and the mortgage loans will thereupon become the absolute property of the Government National Mortgage Association, subject only to the unsatisfied rights of the owner of the GNMA Security. In that event, the GNMA Guaranty Agreement provides that on and after the time the Government National Mortgage Association directs a letter of extinguishment to the Master Servicer, the Government National Mortgage Association will be the successor in all respects to the Master Servicer in its capacity under the GNMA Guaranty Agreement and the transaction and arrangements set forth or arranged for therein, and will be subject to all responsibilities, duties, and liabilities (except the Master Servicer's indemnification of the Government National Mortgage Association), theretofore placed on the Master Servicer by the terms and provisions of the GNMA Guaranty Agreement, provided that at any time the Government National Mortgage Association may enter into an agreement with any other eligible issuer of GNMA Securities under which the latter undertakes and agrees to assume any part or all responsibilities, duties or liabilities theretofore placed on the Master Servicer, and provided that no agreement is to detract from or diminish the responsibilities, duties or liabilities of the Government National Mortgage Association in its capacity as guarantor of the GNMA Security, or otherwise adversely affect the rights of the owner thereof.

Payment of Principal of and Interest on the GNMA Securities

Regular monthly installment payments on each GNMA Security are required to begin on the fifteenth day (in the case of a GNMA I Security) and on the twentieth day (in the case of a GNMA II-Custom Pool Security) (or in each case if that day is not a business day then the next business day), of the first month following the date of issuance of the GNMA Security and will be equal to the aggregate amount of the scheduled monthly principal and interest payments on each mortgage loan in the mortgage pool backing the GNMA Security, less the monthly servicing and guaranty fees. In addition, each payment is required to include any mortgage prepayments on mortgage loans underlying the GNMA Security.

FANNIE MAE MORTGAGE-BACKED SECURITIES

General

The following summary of the Fannie Mae MBS Program (as defined below), the Fannie Mae Securities, Fannie Mae's mortgage purchase and servicing standards and other documents referred to herein does not purport to be complete and is qualified in its entirety by reference to Fannie Mae's Prospectus, as defined below, the Fannie Mae Single Family Selling and Servicing Guides and the other documents referred to herein.

In response to current financial market and real estate market disruptions due to COVID-19 and the Pandemic, certain federal insurance and guaranty programs for mortgage loans have been changed. See "The Agency—COVID-19 Economic Disruption" herein for a discussion of certain of those related program changes.

Fannie Mae is subject to the supervision and regulation of the Federal Housing Finance Agency to the extent provided in the Housing and Economic Recovery Act of 2008. The FHFA has placed Fannie Mae into conservatorship.

Information on Fannie Mae and its financial condition is contained in Fannie Mae's most current annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K that are filed with the Securities and Exchange Commission (the "SEC"). Fannie Mae files reports, proxy statements and other information with the SEC. Materials that it files with the SEC are also available from the SEC's website, "www.sec.gov." In addition, these materials may be inspected, without charge, and copies may be obtained at prescribed rates, at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington, DC 20549. Investors may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The periodic reports filed by Fannie Mae with the SEC are also available on Fannie Mae's website at http://www.fanniemae.com/ir/sec or from Fannie Mae at the Office of Investor Relations at 202-752-7115. The documents and websites referred to above are not a part of this Official Statement, and neither the Agency nor any of the Underwriters takes any responsibility for information contained in any of these documents or websites.

Fannie Mae

Fannie Mae is a government-sponsored enterprise that was chartered by the U.S. Congress in 1938, organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. 1716 et seq. (the "Charter"). Fannie Mae has a public mission to support liquidity and stability in the secondary mortgage market, where existing mortgage loans are purchased and sold. Fannie Mae securitizes mortgage loans originated by lenders in the primary mortgage market into mortgage-backed securities ("Fannie Mae MBS"), which can then be bought and sold in the secondary mortgage market. Fannie Mae also participates in the secondary mortgage market by purchasing mortgage loans (often referred to as "whole loans") and mortgage-related securities, including Fannie Mae MBS, for Fannie Mae's mortgage portfolio. In addition, Fannie Mae makes other investments to increase the supply of affordable housing, however, pursuant to the Charter, Fannie Mae may not lend money directly to consumers in the primary mortgage market. *Although Fannie Mae is a corporation chartered by the U.S. Congress, the conservator of Fannie Mae is a U.S. Government agency, and the United States Department of Treasury ("Treasury") owns senior preferred stock and a warrant to purchase common stock of Fannie Mae, the U.S. Government (including Treasury) does not guarantee, directly or indirectly, the securities or other obligations of Fannie Mae.*

On September 6, 2008, the Director of the Federal Housing Finance Agency ("FHFA"), the safety, soundness and mission regulator of Fannie Mae, placed Fannie Mae into conservatorship and appointed FHFA as the conservator. As the conservator, FHFA succeeded to all rights, titles, powers and privileges of Fannie Mae, and of any stockholder, officer or director of Fannie Mae with respect to Fannie Mae and the assets of Fannie Mae. As such, FHFA has the authority to conduct all business of Fannie Mae. Pursuant to the Housing and Economic Recovery Act of 2008, FHFA, as conservator, may take "such action as may be necessary to put the regulated entity in a sound and solvent condition." Fannie Mae has no control over FHFA's actions or the actions it may direct Fannie Mae to take. The conservatorship has no specified termination date; Fannie Mae does not know when or how the conservatorship will be terminated. In addition, the Board of Directors of Fannie Mae does not have any fiduciary duties to any person or entity except to FHFA, as conservator. Accordingly, the Board of Directors is not obligated to consider the interests of Fannie Mae or the stockholders of Fannie Mae unless specifically directed to do so by FHFA, as conservator. The United States Department of Housing and Urban Development, however, remains Fannie Mae's regulator with respect to fair lending matters.

Mortgage-Backed Security Program

Fannie Mae has implemented a mortgage-backed securities program pursuant to which Fannie Mae issues securities backed by pools of mortgage loans (the "MBS Program"). **The obligations of Fannie Mae, including its obligations under the Fannie Mae Securities, are obligations solely of Fannie Mae and are not guaranteed by**

the United States Government (including Treasury) and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof, including Treasury and FHFA, other than Fannie Mae.

The terms of the MBS Program are governed by the Fannie Mae Single Family Selling and Servicing Guides (the "Fannie Mae Guides"), as modified by a pool purchase contract, and, in the case of mortgage loans such as the Program Loans exchanged with Fannie Mae, a single family master trust agreement (the "Trust Indenture"), and a supplement thereto to be issued by Fannie Mae in connection with each pool. The MBS Program is further described in a prospectus issued by Fannie Mae (the "Fannie Mae Prospectus"). The Fannie Mae Prospectus is updated from time to time.

Fannie Mae Securities

Fannie Mae Securities are mortgage-backed pass-through securities issued and guaranteed by Fannie Mae under its MBS Program. As of June 3, 2019, each Fannie Mae Security will be a Uniform Mortgage-Backed Security ("UMBS") (see "The Residential Housing Finance Program—Uniform Mortgage-Backed Securities"). Each Fannie Mae Security will represent the entire interest in a specified pool of mortgage loans purchased by Fannie Mae from the Master Servicer and identified in records maintained by Fannie Mae. The Pool Contract requires that each Fannie Mae Security be in a minimum amount of $250,000 (or, in each case, the lesser amounts as may be approved by Fannie Mae). The mortgage loans backing each Fannie Mae Security are to bear interest at a rate higher than each Fannie Mae Security (the "pass-through rate"). The difference between the interest rate on the mortgage loans and the pass-through rate on the Fannie Mae Security is to be collected by the Master Servicer and used to pay the Master Servicer's servicing fee and Fannie Mae's guaranty fee.

Fannie Mae will guarantee to the registered holder of the Fannie Mae Securities that it will distribute amounts representing scheduled principal and interest at the applicable pass-through rate on the mortgage loans in the pools represented by the Fannie Mae Securities, whether or not received, and the full principal balance of any foreclosed or other finally liquidated mortgage loan, whether or not that principal balance is actually received. **The obligations of Fannie Mae under these guarantees are obligations solely of Fannie Mae and are not backed by, nor entitled to the faith and credit of the United States. If Fannie Mae were unable to satisfy these obligations, distributions to the Trustee, as the registered holder of the Fannie Mae Securities, would consist solely of payments and other recoveries on the underlying mortgage loans and, accordingly, monthly distributions to the Trustee, as the holder of the Fannie Mae Securities, and payments on Outstanding Bonds would be affected by delinquent payments and defaults on those mortgage loans**.

Payments on the Mortgage Loans; Distributions on the Fannie Mae Securities

Payments on a Fannie Mae Security will be made on the 25th day of each month (beginning with the month following the month the Fannie Mae Security is issued), or, if the 25th day is not a business day, on the first business day next succeeding the 25th day. With respect to each Fannie Mae Security, Fannie Mae will distribute to the Trustee an amount equal to the total of (i) the principal due on the mortgage loans in the related pool underlying the Fannie Mae Security during the period beginning on the second day of the month prior to the month of the distribution and ending on the first day of the month of distribution, (ii) the stated principal balance of any mortgage loan that was prepaid in full during the second month next preceding the month of the distribution (including as prepaid for this purpose at Fannie Mae's election any mortgage loan repurchased by Fannie Mae because of Fannie Mae's election to repurchase the mortgage loan after it is delinquent, in whole or in part, with respect to four consecutive installments of principal and interest; or because of Fannie Mae's election to repurchase that mortgage loan under certain other circumstances), (iii) the amount of any partial prepayment of a mortgage loan received in the second month next preceding the month of distribution, and (iv) one month's interest at the pass-through rate on the principal balance of the Fannie Mae Security as reported to the Trustee (assuming the Trustee is the registered holder) in connection with the previous distribution (or, respecting the first distribution, the principal balance of the Fannie Mae Security on its issue date).

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

FREDDIE MAC MORTGAGE-BACKED SECURITIES

General

The following summary of the Freddie Mac Guarantor Program, the Freddie Mac Securities, Freddie Mac's mortgage purchase and servicing standards and other documents referred to herein does not purport to be complete and is qualified in its entirety by reference to Freddie Mac's Mortgage Participation Certificates Offering Circular, applicable Offering Circular Supplements, Freddie Mac's Information Statement, any Information Statement Supplements, the Freddie Mac Securities and any other documents made available by Freddie Mac. Copies of the Offering Circular, Information Statement and any supplements to those documents and other information can be obtained by calling Freddie Mac's Investor Inquiry Department (telephone (800) 336-3672) or by accessing Freddie Mac's World Wide Web site.

In response to current financial market and real estate market disruptions due to COVID-19 and the Pandemic, certain federal insurance and guaranty programs for mortgage loans have been changed. See "The Agency—COVID-19 Economic Disruption" herein for a discussion of certain of those related program changes.

Freddie Mac is subject to the supervision and regulation of the FHFA to the extent provided in the federal Housing and Economic Recovery Act of 2008. The FHFA has placed Freddie Mac into conservatorship.

Freddie Mac is a publicly traded company listed on the New York Stock Exchange (symbol: FRE). Information on Freddie Mac and its financial condition is contained in annual, quarterly and current reports, proxy statements and other information that Freddie Mac files with the SEC. You may read and copy any document Freddie Mac files with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. These SEC filings are also available to the public from the SEC's website at http://www.sec.gov. The documents and websites referred to above are not a part of this Official Statement, and neither the Agency nor any of the Underwriters takes any responsibility for information contained in any of these documents or websites.

Freddie Mac

Freddie Mac is a shareholder-owned government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459 (the "Freddie Mac Act"). Freddie Mac's statutory mission is (i) to provide stability in the secondary market for residential mortgages; (ii) to respond appropriately to the private capital market; (iii) to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities); and (iv) to promote access to mortgage credit throughout the United States (including central cities, rural areas and underserved areas) by increasing the liquidity of mortgage financing. Neither the United States nor any agency or instrumentality of the United States is obligated, either directly or indirectly, to fund the mortgage purchase or financing activities of Freddie Mac or to guarantee Freddie Mac's securities or obligations.

Freddie Mac's principal business consists of the purchase of (i) first-lien, conventional residential mortgages subject to certain maximum loan limits and other underwriting requirements under the Freddie Mac Act and (ii) securities backed by those mortgages. Freddie Mac finances its mortgage purchases and mortgage-backed securities purchases through the issuance of a variety of securities, primarily pass-through mortgage participation certificates and unsecured debt, as well as with cash and equity capital.

On September 7, 2008, the Director of the Federal Housing Finance Agency ("FHFA") appointed FHFA as conservator of Freddie Mac in accordance with the Federal Housing Finance Reform Act of 2008 (the "Reform Act") and the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. On September 7, 2008, in connection with the appointment of FHFA as conservator, Freddie Mac and the U.S. Department of the Treasury ("Treasury") entered into a Senior Preferred Stock Purchase Agreement. Also, pursuant to its authority under the Reform Act, Treasury announced that it has established the Government Sponsored Enterprise Credit Facility (a lending facility to ensure credit availability to Freddie Mac, Fannie Mae, and the Federal Home Loan Banks that

will provide secured funding on an as needed basis under terms and conditions established by the Treasury Secretary to protect taxpayers) and a program under which Treasury will purchase Government Sponsored Enterprise (including Freddie Mac) mortgage-backed securities (MBS) in the open market. The announcements by FHFA and Treasury and descriptions of these programs are available at their respective websites: http://www.OFHEO.gov and http://www.Treasury.gov.

Freddie Mac Guarantor Program

Freddie Mac has established a mortgage purchase program pursuant to which Freddie Mac purchases a group of mortgages from a single seller in exchange for a Freddie Mac certificate representing an undivided interest in a pool consisting of the same mortgages (the "Guarantor Program"). Freddie Mac approves the institutions that may sell and service mortgages under the Guarantor Program on an individual basis after consideration of factors such as financial condition, operational capability and mortgage origination and/or servicing experience. Most sellers and servicers are HUD-approved mortgagees or FDIC-insured financial institutions.

Freddie Mac Securities

Freddie Mac Securities will be mortgage-backed pass-through securities issued and guaranteed by Freddie Mac under its Guarantor Program. As of June 3, 2019, each Freddie Mac Security will be a Uniform Mortgage-Backed Security ("UMBS") (see "The Residential Housing Finance Program—Uniform Mortgage-Backed Securities"). Freddie Mac Securities are issued only in book-entry form through the Federal Reserve Banks' book-entry system. Each Freddie Mac Security represents an undivided interest in a pool of mortgage loans. Payments by borrowers on the mortgage loans in the pool are passed through monthly by Freddie Mac to record holders of the Freddie Mac Securities representing interests in that pool.

Payments on Freddie Mac Securities that are not UMBS begin on or about the 15th day of the first month following issuance. Payments on Freddie Mac Securities that are UMBS begin on the 25th day of the first month following issuance, or, if the 25th day is not a business day, on the first business day next succeeding the 25th day. Each month Freddie Mac passes through to record holders of Freddie Mac Securities their proportionate share of principal payments on the mortgage loans in the related pool and one month's interest at the applicable pass-through rate. The pass-through rate for a Freddie Mac Security is determined by subtracting from the lowest interest rate on any of the mortgage loans in the pool the applicable servicing fee and Freddie Mac's management and guarantee fee, if any. The interest rates on the mortgages in a pool formed under Freddie Mac's Guarantor Program must fall within a range from the pass-through rate on the Freddie Mac Securities plus the minimum servicing fee through the pass-through rate plus 250 basis points.

Freddie Mac guarantees to each record holder of a Freddie Mac Security the timely payment of interest at the applicable pass-through rate on the principal balance of the holder's Freddie Mac Security. Freddie Mac also guarantees to each holder of a Freddie Mac Security (i) the timely payment of the holder's proportionate share of monthly principal due on the related mortgage loans, as calculated by Freddie Mac, and (ii) the ultimate collection of the holder's proportionate share of all principal of the related mortgage loans, without offset or reduction, no later than the payment date that occurs in the month by which the last monthly payment on the Freddie Mac Security is scheduled to be made.

Freddie Mac may pay the amount due on account of its guarantee of ultimate collection of principal on a mortgage at any time after default, but not later than 30 days following (i) the foreclosure sale of the mortgaged property, (ii) if applicable, the payment of an insurance or guaranty claim by the mortgage insurer or guarantor or (iii) the expiration of any right of redemption that the borrower may have, whichever is the last to occur. In no event, however, will Freddie Mac make payments on account of this guarantee later than one year after an outstanding demand has been made on the borrower for accelerated payment of principal or for payment of the principal due at maturity.

The obligations of Freddie Mac under its guarantees of the Freddie Mac Securities are obligations of Freddie Mac only. The Freddie Mac Securities, including the interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. If Freddie Mac were unable to satisfy its obligations under its guarantees, distributions on the Freddie Mac Securities would consist solely of payments and other recoveries

on the related mortgages; accordingly, delinquencies and defaults on the mortgage loans would affect distributions on the Freddie Mac Securities and could adversely affect payments on Outstanding Bonds.

Mortgage Purchase and Servicing Standards

All mortgage loans purchased by Freddie Mac must meet certain standards established by the Freddie Mac Act. In addition, Freddie Mac has established its own set of mortgage purchase standards, including credit, appraisal and underwriting guidelines. These guidelines are designed to determine the value of the real property securing a mortgage loan and the creditworthiness of the borrower. Freddie Mac's administration of its guidelines may vary based on its evaluation of and experience with the seller of the mortgage loans, the loan-to-value ratio and age of the mortgage loans, the type of property securing the mortgage loans and other factors.

Freddie Mac has also established servicing policies and procedures to support the efficient and uniform servicing of the mortgage loans it purchases. Each servicer must perform diligently all services and duties customary to the servicing of mortgage loans in a manner consistent with prudent servicing standards. The duties performed by a servicer include collection and remittance of principal and interest to Freddie Mac; administration of escrow accounts; collection of insurance or guaranty claims; property inspections; and, if necessary, foreclosure. Freddie Mac monitors servicers' performance through periodic and special reports and inspections.

In the event of an existing or impending delinquency or other default on a mortgage loan, Freddie Mac may attempt to resolve the default through a variety of measures. In determining which measures to pursue with respect to a given mortgage loan and when to initiate those measures, Freddie Mac seeks to minimize the costs that may be incurred in servicing the mortgage, as well as Freddie Mac's possible exposure under its guarantees. However, the measures that Freddie Mac may choose to pursue to resolve a default will not affect Freddie Mac's guarantees. In any event, Freddie Mac generally repurchases from a pool any mortgage loan that has remained delinquent for at least 120 consecutive days and makes payment of principal to record holders pursuant to Freddie Mac's guarantee of ultimate collection of principal.

THE MASTER SERVICER

U.S. Bank National Association currently serves as Master Servicer for the Agency's MBS Program, including the Program Securities to be financed with proceeds of the Series Bonds. The Agency has entered into a Servicing Agreement, dated as of October 17, 2013 (the "Servicing Agreement"), with U.S. Bank National Association, as master servicer (the "Master Servicer"), for an indefinite term (subject to termination rights), which replaces the previous servicing agreement executed by the Agency and the Master Servicer. The Program Securities acquired with proceeds of the Series Bonds are expected to be serviced by the Master Servicer.

THE FOLLOWING INFORMATION ABOUT THE MASTER SERVICER RELATES TO AND WAS SUPPLIED BY U.S. BANK NATIONAL ASSOCIATION. NONE OF THE AGENCY, THE UNDERWRITERS, THEIR COUNSEL OR BOND COUNSEL HAS VERIFIED THIS INFORMATION OR GUARANTEES IT AS TO COMPLETENESS OR ACCURACY. POTENTIAL INVESTORS SHOULD NOT CONSTRUE THIS INFORMATION AS A REPRESENTATION OF ANY OF THE AGENCY, THE UNDERWRITERS, THEIR COUNSEL OR BOND COUNSEL.

As of December 31, 2020, the Master Servicer serviced 1,315,046 single-family mortgage loans purchased through its U.S. Bank Home Mortgage Division, with an aggregate principal balance of approximately $209 billion. The Master Servicer currently services single-family mortgage loans for state and local housing finance authorities, mutual savings banks, life insurance companies, savings and loan associations, commercial banks, as well as Fannie Mae, GNMA and Freddie Mac.

As of December 31, 2020, according to its unaudited quarterly financial statements, U.S. Bancorp had total assets of approximately $553.9 billion and a net worth of $53.1 billion. For the twelve months ended December 31, 2020, the Master Servicer, through its U.S. Bank Home Mortgage Division, originated and purchased single-family mortgage loans in the total principal amount of approximately $89.1 billion.

The Master Servicer is (i) an FHA- and VA-approved lender in good standing. (ii) a GNMA-approved seller and servicer of mortgage loans and an issuer of mortgage-backed securities guaranteed by GNMA, (iii) a Fannie Mae approved seller and servicer of Fannie Mae Securities, and (iv) a Freddie Mac approved seller and servicer of Freddie Mac securities.

The Master Servicer is not liable for the payment of the principal of Outstanding Bonds or the interest or redemption premium, if any, thereon.

The holding company for U.S. Bank National Association is U.S. Bancorp, the fifth largest financial services holding company in the United States.

RESOLUTION NO. MHFA 21-019

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF MINNESOTA HOUSING FINANCE AGENCY RESIDENTIAL HOUSING FINANCE BONDS, 2021/2022 SERIES

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY:

Section 1. Authorization.

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

This resolution (the "Series Resolution") is adopted pursuant to Section 2.5 of the Bond Resolution to authorize the issuance and sale and establish the terms and provisions of one or more Series of Bonds of the Agency to be sold prior to December 31, 2022, the first two Series of which may be designated as "Residential Housing Finance Bonds, 2021 Series "C" and "Residential Housing Finance Bonds, 2021 Series "D", each in the aggregate principal amount to be determined pursuant to the terms of Section 2(D) of the Series Resolution (together, the "Series CD Bonds"), with additional Series of Bonds designated as "Residential Housing Finance Bonds, [2021] [2022] Series __," with the blank completed with an uppercase letter as appropriate for the order of issuance and to eliminate any gaps in the designation of Series; any Series issued pursuant to this Series Resolution may additionally be designated with "(Mortgage-Backed Securities Pass-Through Program)". The maximum aggregate principal amount of all Series of Bonds issued pursuant to the Series Resolution must not exceed $300,000,000; the number of Series of the Series Bonds and their corresponding principal amounts will be as determined by an Authorized Officer pursuant to Section 2(D) of the Series Resolution, and as set out in the Agency Certificate or Agency Certificates, as the case may be, delivered pursuant to Section 8(A) of the Series Resolution. All the Series of Bonds issued pursuant to the Series Resolution are the "Series Bonds."

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

Section 2. Authorization of Series Bonds.

(A) Purposes. It is determined to be in the best interests of the Agency to issue the Series Bonds for the purpose of providing funding for the Program, and in particular for the making and purchase of DPA Loans and Program Securities backed by pools of Program Loans,

that constitute qualified Program Loans in accordance with the provisions of Section 143 of the Code and Sections 10 and 11 of the Series Resolution and the Series Program Determinations made for the Series Bonds in Section 7 of the Series Resolution. This funding will be provided by:

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

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

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

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

(D) Approval of Contract of Purchase. The Agency will negotiate for the sale of the initial series of the Series Bonds issued pursuant to this Series Resolution to RBC Capital Markets, LLC, Piper Sandler & Co., Wells Fargo Bank, National Association and J.P. Morgan Securities LLC (collectively, the "Underwriters"). The Agency will negotiate for the sale of additional series of Series Bonds to be issued pursuant to this Series Resolution with the

investment banks selected by the Agency in accordance with its most recent request for proposals for investment banking services.

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

(i) the principal amount of each Series of the Series Bonds; provided that the aggregate principal amount of all Series of the Series Bonds is not in excess of $300,000,000;

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

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

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

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

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

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

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

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

Section 4. Terms.

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

other securities depository, DTC or any other securities depository may, in its discretion, make a notation on any Series Bond of the Series indicating the date and amount of any reduction of principal except in the case of final maturity or payment in full, in which case the Series Bonds of the Series will be surrendered to the Trustee for payment. The Series Bonds will be executed in the manner provided in Article III of the Bond Resolution by the facsimile signatures of the Chair and Commissioner of the Agency. Each Series Bond will be authenticated by the Trustee by the manual signature of its authorized representative on the Trustee's Certificate of Authentication on each Series Bond, attesting that it is delivered pursuant to the Bond Resolution and the Series Resolution, and will be delivered to the Underwriters upon compliance with the conditions set forth in Section 8 of the Series Resolution.

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

(C) Manner of Redemption.

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

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

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

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

Section 5. [Reserved]

Section 6. Securities Depository.

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

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

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

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

(B) General Provisions. The Series Bonds of each Series will be initially issued as separately authenticated fully registered bonds, and one Series Bond will be issued in the principal amount of each Series and stated maturity of the Series Bonds. Upon initial issuance, the ownership of the Series Bonds will be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Trustee and the Agency may treat DTC (or its nominee) as the sole and exclusive owner of the Series Bonds registered in its name for the purposes of payment of the principal or purchase price of, premium, if any, and interest on the Series Bonds, selecting the Series Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to Owners of Series Bonds under the Bond Resolution or the Series Resolution, registering the transfer of Series Bonds, and for all other purposes whatsoever, and neither the Trustee nor the Agency will be affected by any notice to the contrary. Neither the Trustee nor the Agency will have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Series Bonds under or through DTC or any Participant, or any other Person that is not shown on the bond register as being an Owner of any Series Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal or purchase price of, premium, if any, and interest on the Series Bonds, with respect to any notice that is permitted or required to be given to owners of Series Bonds under the Bond Resolution or the Series Resolution, with respect to the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption or mandatory tender of the Series Bonds, or with respect to any consent given or other action taken by DTC as Owner of the Series Bonds. So long as any Series Bond is registered in the name of Cede & Co., as nominee

of DTC, the Trustee will pay all principal and purchase price of, premium, if any, and interest on the Series Bond, and will give all notices with respect to the Series Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all the payments must be valid and effective to fully satisfy and discharge the Agency's obligations with respect thereto to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Series Bonds will be transferable to the new nominee in accordance with Subsection (D) of this Section 6.

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

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

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

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

2021/2022 Series Program Loan: A DPA Loan, a Transferred Program Loan or a Pooled 2021/2022 Series Program Loan.

2021/2022 Series Program Security: A Program Security financed in whole or in part with amounts on deposit in the 2021/2022 Series Acquisition Account and bearing interest at a rate equal to the stated interest rate on the corresponding Pooled 2021/2022 Series Program Loans less the applicable servicing fee and guaranty fee.

Conventional Mortgage Loan: A 2021/2022 Series Program Loan other than a DPA Loan, an FHA Insured Program Loan, a VA Guaranteed Program Loan or a USDA

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

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

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

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

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

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

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

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

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

FHA Insured: Insured by FHA Insurance.

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

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

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

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

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

Lender: Any of the following institutions making or holding a 2021/2022 Series Program Loan: (i) any bank, savings bank, credit union, mortgage company or nonprofit corporation organized or licensed under the laws of the State or the United States, and any mortgagee or lender approved or certified by the Secretary of Housing and Urban Development or by the Administrator of Veteran Affairs; or (ii) any agency or instrumentality of the United States or the State, or a political subdivision of the State.

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

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

Mortgage: A mortgage deed, deed of trust, or other instrument securing a 2021/2022 Series Program Loan and constituting a lien on a Home.

Mortgagor: The obligor or joint obligors on a 2021/2022 Series Program Loan.

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

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

Pool Purchase Contract: (i) Any Fannie Mae Pool Purchase Contract between the Master Servicer and Fannie Mae relating to the sale by the Master Servicer of Pooled 2021/2022 Series Program Loans to Fannie Mae and the servicing thereof, or (ii) any Fannie Mae Pool Purchase Contract between the Agency and Fannie Mae relating to the sale by the Agency of Pooled 2021/2022 Series Program Loans to Fannie Mae and the servicing thereof, or (iii) any Freddie Mac Pool Purchase Contract between the Master Servicer and Freddie Mac relating to the sale by the Master Servicer of 2021/2022 Series Program Loans to Freddie Mac and the servicing thereof.

Pooled 2021/2022 Series Program Loan: A loan to a Mortgagor, secured by a Mortgage on a Home and evidenced by a promissory note, or a security payable from or evidencing an interest in Program Loans, and financed in whole or in part with amounts on deposit in the 2021/2022 Series Acquisition Account, acquired by the Master Servicer pursuant to Subsection (F) of this Section 7.

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

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

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

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

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

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

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

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

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

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

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

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

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

(D) Requirements for 2021/2022 Series Program Securities. The Agency will designate in the Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution whether or not the Series Bonds are intended to be Tax-Exempt Bonds. A portion of the sale proceeds of Series Bonds may be used for the purchase of DPA Loans which were made by the Agency in connection with Program Loans backed by Mortgages that are in compliance with the Act, the Program and the Code. The sale proceeds of Series Bonds not used to purchase DPA Loans or to refund certain obligations of the Agency will be used to purchase Program Securities that (l) are backed by Mortgages that are in compliance with the Act, the Program, and, in the case of Series Bonds that are Tax-Exempt Bonds, the Code, and (2) comply with the requirements set forth in the Master Servicing Agreement. The Agency represents that the Transferred Program Loans were made in accordance with the applicable provisions of the Bond Resolution and the Agency's Mortgage Program Procedural Manual as in effect at the time the Transferred Program Loans were purchased by the Agency, those provisions will constitute the Series Program Determinations with respect to the Transferred Program Loans, and those Transferred Program Loans will be Program Loans within the meaning of the Bond Resolution and the Series Resolution. Except as expressly provided, the provisions of Subsection (E) of this Section 7 will not apply to the Transferred Program Loans. The provisions of the Agency's Start Up Procedural Manual, and the Master Servicer's lending guide, each as most recently revised and as revised from time to time, the applicable Participation Agreements and the Master Servicing Agreement will be used to administer the financing of the Pooled 2021/2022 Series Program Loans.

(E) Acquisition of 2021/2022 Series Program Securities and DPA Loans. For any Series Bonds designated as Mortgage-Backed Securities Pass-Through Program, prior to the issuance of those Series Bonds, the Master Servicer must have acquired Program Loans from Lenders and pooled the Program Loans into Series Bond Program Securities as provided in the Master Servicing Agreement. For any Series Bonds not designated as Mortgage-Backed Securities Pass-Through Program, during the Delivery Period for each issuance of a Series or Series of Series Bonds, the Master Servicer will acquire Program Loans from Lenders and pool the Program Loans into 2021/2022 Series Program Securities as provided in the Master Servicing Agreement. In each case, the Trustee will disburse moneys from the 2021/2022 Series Acquisition Account related to the Series for the acquisition of Program Securities pursuant to the Master Servicing Agreement and this Subsection (E). The Trustee will pay the Master Servicer the purchase price of each Program Security acquired from the Master Servicer as approved by an Authorized Officer, plus applicable fees or charges payable to a Federal Mortgage Agency and not paid by the Mortgagor, plus accrued interest, if any.

The Trustee will disburse moneys from the 2021/2022 Series Acquisition Account related to the Series for the acquisition of DPA Loans as set out in the Agency Certificate or Agency Certificates, as the case may be, delivered pursuant to Section 8(A) of the Series Resolution.

For any Series Bonds with a Delivery Period, the Agency may at any time transfer any proceeds of a Series of the Series Bonds in a 2021/2022 Series Acquisition Account related to the Series to the 2021/2022 Series Account related to the Series in the Bond Redemption Fund to be applied to the redemption of the Series Bonds. In addition, at the end the Delivery Period related to the Series of Series Bonds, the Agency must transfer from the 2021/2022 Series Acquisition Account related to the Series any amounts not expended to that date to the Bond Redemption Fund to be applied to the redemption of Series Bonds within 41 days thereafter; provided that the Agency may (instead of redeeming those Series Bonds from unexpended proceeds) extend the related Delivery Period with respect to all or any portion of the unexpended amounts remaining in a 2021/2022 Series Acquisition Account related to the Series, for the period as the Agency determines consistent with the final sentence of this paragraph, but only if the Agency has delivered to the Trustee on or prior to the expiration of the Delivery Period designated in the related Agency Certificate a Certificate (i) designating the new ending date for that Delivery Period, (ii) certifying that the Agency has delivered a Cash Flow Certificate and a Parity Certificate confirmed by an investment banking firm, financial consulting firm or accounting firm, in each case nationally recognized with respect to the cash flow analysis of qualified mortgage bonds, that Cash Flow Certificate and Parity Certificate will accompany the Agency Certificate; (iii) certifying that, to the extent necessary to satisfy the requirements of the Cash Flow Certificate and each Rating Agency then rating the Bonds, an Investment Obligation has been arranged for investment of amounts in the 2021/2022 Series Acquisition Account related to the Series to a date not earlier than the ending date of the extended Delivery Period; (iv) designating the amount of any additional deposits, if any, required by the Cash Flow Certificate, the Parity Certificate and each Rating Agency then rating the Bonds to be made into funds held under the Resolution in connection with the extension, those deposits must be made on or before the date of expiration of that Delivery Period and must be made only from the Agency's funds; and (v) certifying that the Agency has notified each Rating Agency then rating the Bonds that the extension is being planned and has provided copies of the Cash Flow Certificate and Parity Certificate to each Rating Agency then rating the Bonds, together with any

other documentation as each Rating Agency then rating the Bonds may request, and has received written confirmation that the Rating of Outstanding Bonds will not be impaired by the extension of the Delivery Period. On any date subsequent to any extension of the related Delivery Period, the Agency may transfer any unexpended proceeds remaining in the 2021/2022 Series Acquisition Account related to the Series and allocable amounts, as reasonably determined by the Agency, held in the 2021/2022 Series Accounts in the Debt Service Reserve Fund and Insurance Reserve Fund, in each case allocable to the related Series, to the 2021/2022 Series Account related to those Series Bonds in the Bond Redemption Fund to be applied to redemption of those Series Bonds as provided in Section 4(C) of the Series Resolution. At the end of each Delivery Period for a Series of Bonds, including any extension thereof as provided in this Subsection (E), the Trustee must transfer from the 2021/2022 Series Acquisition Account related to the Series Bonds an amount equal to the amount of proceeds of the Series Bonds in the 2021/2022 Series Acquisition Account not expended to that date and allocable amounts, as reasonably determined by the Agency, held in the 2021/2022 Series Accounts in the Debt Service Reserve Fund and Insurance Reserve Fund, and in each case related to the Series Bonds, to the 2021/2022 Series Account in the Bond Redemption Fund to be applied to the redemption of those Series Bonds in accordance with Section 4(C) of the Series Resolution. The Delivery Period may not be extended pursuant to this Subsection (E) beyond the date named in the related Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution, provided that the date is not greater than 42 months from the Issue Date of the related Series Bonds. Notwithstanding any provision in this Subsection (E) to the contrary, the Trustee must apply amounts in a 2021/2022 Series Acquisition Account related to the Series to the redemption of the Series Bonds in accordance with Section 4(C) of the Series Resolution.

The Agency may participate each 2021/2022 Series Program Security between different sources of funds of the Agency, so long as the interest of each has equal priority as to lien in proportion to the amount of the 2021/2022 Series Program Security secured, but those interests need not be equal as to interest rate.

(F) Enforcement of Transferred Mortgage Loans and DPA Loans.

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

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

(G) Enforcement of 2021/2022 Series Program Securities.

(1) The 2021/2022 Series Program Securities acquired by the Trustee on behalf of the Agency, and the Transferred Program Securities, if any, will be held at all times by the Trustee in trust and subject to the pledge of the Bond Resolution. If the Trustee does not receive a payment on a GNMA I Security when due by the close of business on the 17th day of each month, or if the Trustee does not receive a payment on a GNMA II-Custom Pool Security when due by the close of business on the 22nd day of each month, the Trustee will immediately notify, and demand payment from GNMA. If the Trustee does not receive payment or advice from the depository of payment, with respect to a Fannie Mae Security when due by the close of business on the 25th day of any month (or the next Business Day if the 25th is not a Business Day), the Trustee will immediately demand payment from Fannie Mae in connection with the guaranty of timely payments of principal and interest by Fannie Mae. If the Trustee does not receive payment on a Freddie Mac Security when due by the close of business (a) for Freddie Mac Securities which are not UMBS, on the 18th day of each month (or the next Business Day if the 18th day is not a Business Day) or (b) for Freddie Mac Securities which are UMBS, on the 25th day of each month (or the next Business Day if the 25th day is not a Business Day), the Trustee will immediately demand payment from Freddie Mac.

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

(H) [Reserved].

(I) [Reserved].

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

(K) Amendments. This Section 7 of the Series Resolution may be amended subsequent to the issuance of the Series Bonds to reflect changes in requirements applicable to the 2021/2022 Series Program Securities, DPA Loans or the Transferred Program Obligations; provided that the amendment will become effective only if Bond Counsel renders an opinion to the effect that the amendment will not adversely affect the exclusion of interest on the Series Bonds from gross income of the owners thereof for federal income tax purposes and if the Agency delivers an Agency Certificate to the Trustee to the effect that the amendment will not impair the Ratings on the Series Bonds by each Rating Agency.

Section 8. Conditions Precedent to Issuance.

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

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

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

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

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

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

Series Bonds are intended to be Tax-Exempt Bonds, (viii) setting forth whether any of the funds deposited to the related 2021/2022 Acquisition Account may be used for purchase of DPA Loans as provided in Section 7(E) of the Series Resolution, and (viii) setting forth the terms of the Series Bonds to be specified as provided in Section 2(D) and Section 4(C) of the Series Resolution.

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

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

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

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

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

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

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

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

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

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

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

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

(A) 2021/2022 Series Accounts. Within the Acquisition Account, the Revenue Fund, the Bond Fund Interest Account, the Bond Fund Principal Account, the Debt Service Reserve Fund (but only if the Debt Service Reserve Requirement with respect to the Series Bonds is greater than zero), the Insurance Reserve Fund (but only if the Insurance Reserve Requirement with respect to the Series Bonds is greater than zero) and, as applicable, the Bond Redemption Fund and the Alternative Loan Fund, the Trustee may maintain a combined 2021/2022 Series Account designated for each Series of Series Bonds issued on the same Issue Date, as directed in the Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution, for the purpose of recording the proceeds of the related Series Bonds and other amounts directed by the Series Resolution to be deposited therein and the Transferred Program Obligations, other transferred proceeds, 2021/2022 Series Program Securities, DPA Loans, and Investment Obligations purchased therefrom or allocated thereto and the prepayments and other receipts from the Transferred Program Obligations, the 2021/2022 Series Program Securities, the DPA Loans, and Investment Obligations, and the Revenues received with respect to the related Series of Series Bonds. In addition, the Trustee will establish a separate Cost of Issuance Account for the Series of Series Bonds issued on the same Issue Date.

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

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

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

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

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

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

Section 11. Compliance with Applicable Federal Tax Law.

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

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

(B) Mortgage Eligibility Requirements; Good Faith and Corrective Action. Actions to assure compliance with the requirements of applicable federal tax law as applicable to Tax-Exempt Series Bonds are set forth in Subsections (C) through (L) of this Section 11. As to the mortgage eligibility requirements of applicable federal tax law as set forth in subsections (c) through (f), and (i), of Section 143 of the Code, the Agency and its staff have attempted, and will in good faith attempt, to meet, or cause the Master Servicer to meet, all of them before each Mortgage is executed, and to assure that 95% or more of the proceeds of the Tax-Exempt Series Bonds devoted, directly or indirectly, to owner-financing are devoted to residences with respect to which, at the time the Mortgages were or are executed, all those requirements were or are met, and that any failure to meet those requirements will be corrected within a reasonable period after the failure is first discovered, if necessary by accelerating or selling the Program Loan or replacing it with a qualifying Program Loan. With respect to the Transferred Program Loans, certifications and warranties of Mortgagors, Lenders and the Servicers and provisions of the Mortgages and related promissory notes designed for this purpose were set forth in the Agency's Mortgage Program Procedural Manual as in effect at the time the Transferred Program Loans were executed. With respect to the Pooled 2021/2022 Series Program Loans, certifications and warranties of Mortgagors, Lenders and the Master Servicer and provisions of the Mortgages and related promissory notes designed for this purpose are set forth in the Agency's Mortgage Loan Program Procedural Manual: MBS, the Participation Agreements and the Master Servicing Agreement. As to the arbitrage and recapture requirements of Sections 143 and 148 of the Code, the Agency and its staff will in good faith attempt to meet all the requirements and will take all reasonable steps to avoid failure due to inadvertent error.

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

(D) Three-Year Prior Ownership. No Program Loan will be purchased in whole or in part by the Master Servicer to be pooled in a Program Security, unless the originating Lender secures, or has secured, and retains an affidavit of the Mortgagor stating that he or she has not had a present ownership interest in a principal residence at any time during the three-year period

ending on the date when the Mortgage is executed, unless the Program Loan is made for a residence within a "targeted area," as defined in Section 143(h) of the Code and Section 6a.103A-2(b)(3) of the Regulations, or the Program Loan is made to a "veteran" borrower (as defined in 38 U.S.C. Section 101) who has not previously obtained mortgage loans financed by single family mortgage revenue bonds utilizing the veteran exception. In addition, except for Program Loans in targeted areas, or to "veteran" borrowers, the Lender must secure, or have secured, from the Mortgagor copies of the Mortgagor's federal tax returns that were filed with the Internal Revenue Service for the preceding three years (if due for these years), in order to ascertain and certify to the Agency whether the Mortgagor has claimed a deduction for taxes on property that was the Mortgagor's principal residence or for interest on a mortgage secured by that property. The Program Loan must not be purchased if either the Lender or the Master Servicer, as applicable, has reason to believe the affidavit to be false. Notwithstanding the preceding provisions of this Subsection (D) of Section 11, a Program Loan may be purchased by the Master Servicer to be pooled in a Program Security, financing the rehabilitation of a Home owned by the Mortgagor, or the purchase of a Home rehabilitated by the seller, of which the Mortgagor is the first resident after the rehabilitation work is completed, provided that the Program Loan is or has been provided in connection with a "qualified rehabilitation" as defined in Section 143(k)(5) of the Code.

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

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

(G) Limitation of Amount. Certain Series of the Tax-Exempt Series Bonds will be, for federal tax purposes, current refunding bonds issued pursuant to either the provisions of Section 1313(a) of the Tax Reform Act of 1986 or Section 146(i) of the Code and the Agency

will not be required to apply the principal amount of the Tax-Exempt Series Bonds against the unused volume cap of the Agency for the issuance of qualified mortgage bonds during calendar year 2021, or 2022 if applicable, as provided pursuant to Section 146 of the Code and applicable state law.

The unused volume cap of the Agency for the issuance of qualified mortgage bonds during calendar year 2021, or 2022 if applicable, including the amount carried forward from calendar years 2018, 2019, 2020 and 2021 if applicable, as provided pursuant to Section 146 of the Code and applicable state law, is in excess of the amount of the Tax-Exempt Series Bonds. The Agency must apply the portion of the principal amount of the Tax-Exempt Series Bonds against the unused volume cap as required for the allocation of volume cap pursuant to Section 146 of the Code as set forth in the Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution.

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

With respect to any portion of the Tax-Exempt Series Bonds that are not issued to refund bonds with respect to which the requirements of Section 143(h) of the Code have previously been met, the Agency must make available an amount equal to twenty percent (20%) of the proceeds of the Tax-Exempt Series Bonds deposited into the 2021/2022 Series Acquisition Account for the making of Program Loans in targeted areas (as defined in Section 143(j) of the Code).

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

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

(1) The effective rate of interest on the Transferred Program Loans and the portions of 2021/2022 Series Program Loans purchased with, or allocated to, the proceeds of the Tax-Exempt Series Bonds may not exceed the yield of the Tax-Exempt Series Bonds, computed in accordance with Section 143(g)(2) of the Code and the Regulations, by more than one and one-eighth percentage points.

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

(K) Special Requirements Relating to Use of Certain Amounts on Deposit in the 2021/2022 Series Account in the Revenue Fund. The Agency must take all necessary action pursuant to Section 143(a)(2)(A) of the Code to ensure that scheduled repayments and prepayments of principal of Transferred Mortgage Loans and 2021/2022 Series Program Securities are used to pay and redeem Tax-Exempt Series Bonds in the amounts and within the time periods mandated by that Section 143(a)(2)(A); provided that the provisions of this Subsection (K) will be not generally be applicable if (i) there is a change in the Code or Regulations, or notice or other announcement from the Treasury Department or Internal Revenue Service, that has the effect of removing the requirement for those redemptions of Tax-Exempt Series Bonds or (ii) there is delivered to the Trustee an opinion of nationally recognized bond or tax counsel that failure to make those redemptions will not adversely affect the exclusion from federal gross income of interest on the Tax-Exempt Series Bonds. Notwithstanding any contrary provisions of this Subsection (K), the Agency agrees that, so long as Tax-Exempt Series Bonds maturing on the date or dates and designated as "Specified Bonds," if any, in the Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution (the "Specified Bonds") remain Outstanding, the provisions of Section 143(a)(2), as existing on the date of issue of the Tax-Exempt Series Bonds, will be considered as being in full force and effect (notwithstanding any subsequent change in law or regulation) and the Agency, to the full extent permitted by law, must comply with the provisions of the Agency's final Official Statement furnished to the Underwriters pursuant to Section 2(F) of the Series Resolution relating to the special redemption of Specified Bonds from certain mortgage prepayments and/or regularly scheduled repayments of principal of the Transferred Mortgage Loans and the portion of 2021/2022 Series Program Loans allocable to the Tax-Exempt Series Bonds.

(L) New Mortgage and Assumption Requirements. None of the proceeds of the Tax-Exempt Series Bonds will be used, and none of the proceeds of any of the Refunded Bonds, if any, were used, to acquire or replace an existing mortgage, and all of the lendable proceeds of the Tax-Exempt Series Bonds will be used, and all of the lendable proceeds of any Refunded Bonds were used, to purchase Program Loans, or Program Securities backed by Program Loans, made to persons who did not have a mortgage (whether or not paid off) on the Home securing the Program Loan at any time prior to the execution of the Mortgage, except in the cases of (i) a mortgage securing a construction period loan, (ii) a mortgage securing a bridge loan, or similar initial temporary financing having a term of 24 months or less, (iii) an existing mortgage in the case of a Program Loan for a qualified rehabilitation as described in Section 143(k)(5) of the Code and (iv) certain contract for deed arrangements as set forth in Section 143(i)(1) of the Code. The relevant instruments relating to each 2021/2022 Series Program Loan and Mortgage purchased in whole or in part from the proceeds of the Tax-Exempt Series Bonds will contain a clause to the effect that the 2021/2022 Series Program Loan will be due on sale of the Home unless assumption by the purchaser is consented to by the Agency, which consent will be given only if the Agency has determined that the requirements of Subsections (C), (D), (E) and (F) of this Section 11 are met with respect to that assumption for any 2021/2022 Series Program Loan funded with proceeds of Tax-Exempt Series Bonds. In the event that those requirements are not met, notwithstanding that determination, the error will be corrected as provided in Subsection (B) of this Section 11.

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

[Remainder of page intentionally left blank]

Adopted by the Minnesota Housing
Finance Agency this 22nd day of April, 2021.

By:_____
Chair

Attest: _____
Commissioner

[Resolution No. MHFA 21-019]

EXHIBIT A

[Form of Series Bond]

No. $

UNITED STATES OF AMERICA - STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

RESIDENTIAL HOUSING FINANCE BOND, [2021] [2022] SERIES [_]

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

Rate	Maturity Date	Date of Original Issue	CUSIP
		_____, 2021/2022	

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

CEDE & CO.

or registered assigns, the principal sum of

DOLLARS

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

This Series Bond is one of a duly authorized Series of Residential Housing Finance Bonds, [2022] [2022] Series [_____][(Mortgage-Backed Securities Pass-Through Program)], in the original principal amount of $_____ (the "Series Bonds"), issued to provide funds needed for the Agency's Program of making or purchasing Program Obligations to facilitate the purchase, development or rehabilitation of a sufficient supply of residential housing in Minnesota at prices that persons and families of low and moderate income can afford. The Series Bonds are issued under and pursuant to the Agency's Amended and Restated Residential Housing Finance Bond Resolution, adopted August 24, 1995, as amended and supplemented (the "Bond Resolution"), and the Agency's series resolution[s], adopted [November 19, 2020 and] [April 22, 2021] ([together,] the "Series Resolution"), to which resolutions, including all supplemental resolutions that may be adopted pursuant to the provisions thereof, reference is made for a description of the revenues, moneys, securities, funds and accounts pledged to the Trustee for the security of the Owners of the Series Bonds, the respective rights thereunder of the Agency, the Trustee and other Fiduciaries and the Owners of the Series Bonds, and the terms upon which the Series Bonds are issued, delivered and secured. [The Series Bonds are issued contemporaneously with the Agency's Residential Housing Finance Bonds, [2021] [2022] Series [__][_____][(Mortgage-Backed Securities Pass-Through Program)].]

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

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

[All Series Bonds are subject to mandatory redemption on each Interest Payment Date, in whole or in part, at a price equal to the principal amount thereof to be redeemed plus accrued interest, without premium, in a principal amount equal to all principal repayments, including Prepayments, on the [2021][2022] [__] Program Securities purchased with proceeds of the Series Bonds on deposit in the Revenue Fund received during the immediately preceding calendar month, as further provided in the Series Resolution.]

All Series Bonds are subject to (i) special redemption at any time at a price of par plus accrued interest, without premium, from unexpended proceeds of the Series Bonds not used to purchase Program Obligations and allocable amounts, if any, held in the 2021/2022 Series Accounts in the Debt Service Reserve Fund and Insurance Reserve Fund, and (ii) special redemption at any time at a price of par plus accrued interest, without premium, from Excess Revenues (as hereinafter defined) on deposit in the Revenue Fund. "Excess Revenues," for this purpose, means Revenues, including Prepayments, on deposit in the Revenue Fund received in excess of (i) the Principal Installments and interest from time to time due and payable on Bonds Outstanding under the Bond Resolution, (ii) amounts required by the provisions of series resolutions heretofore or hereafter adopted to be used for the mandatory redemption of certain Outstanding Bonds as specified in said series resolutions, (iii) amounts required to maintain the required balance in the Debt Service Reserve Fund and Insurance Reserve Fund, (iv) amounts

payable to a Swap Counterparty, and (v) amounts required to pay fees and other costs of the Agency in connection with the Program.

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

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

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

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

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

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

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

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

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

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

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

with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the Agency.

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

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

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

Date of Authentication: _____

Trustee's Certificate

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

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By_____
Authorized Representative

MINNESOTA HOUSING FINANCE AGENCY

_____
By: (Facsimile Signature)
Chairperson

_____
Attest: (Facsimile signature)
Commissioner

ASSIGNMENT

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

_____

(please print or type name and address of transferee)

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

Dated: _____

_____

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

Signature Guaranteed:

_____

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

Please insert social security or other identifying number of assignee:

_____

MINNESOTA HOUSING

Board Agenda Item: 8.A
Date: 4/22/2021

Item: Update: Federal COVID-19 Assistance Programs and Resources

Staff Contact(s):
Jennifer Leimaile Ho, 651-296-5738] Jennifer.ho@state.mn.us
Rachel Robinson, [651-297-3125], Rachel.robinson@state.mn.us

Request Type:

☐ Approval
☐ Motion
☐ Resolution

☒ No Action Needed
☒ Discussion
☐ Information

Summary of Request:
Staff will provide an update to the Board on the federal COVID-19 housing assistance resources, including the COVID-19 Housing Assistance program, the COVID Emergency Rental Assistance / RentHelpMN program and additional forthcoming federal assistance resources.

Fiscal Impact:
Varies by resource.

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

Attachment(s):
- None

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MINNESOTA HOUSING

Board Agenda Item: 9.A
Date: 4/22/2021

Item: Post-Sale Report, Residential Housing Finance Bonds (RHFB) 2021 Series AB

Staff Contact(s):
Kevin Carpenter, 651.297.4009, kevin.carpenter@state.mn.us

Request Type:

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

Summary of Request:
The Agency sold $125,000,000 of Residential Housing Finance Bonds on March 3, 2021 with a closing on March 25, 2021. In accordance with the Debt and Balance Sheet Management Policy the attached detailed post-sale report is provided by the Agency's financial advisor, CSG Advisors.

Fiscal Impact:
None.

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

Attachment(s):
Post-Sale Report

CSG | advisors

$125,000,000
Minnesota Housing Finance Agency
Residential Housing Finance Bonds
2021 Series AB

POST-SALE ANALYSIS

KEY RESULTS FOR MINNESOTA HOUSING

Purpose. 2021 Series AB accomplished the following major objectives:

1. Enabled Minnesota Housing to profitably finance tax-exempt eligible first mortgages on the balance sheet and earn net annual income over future years.

2. In addition to financing $119 million of first mortgages, funded $6 million of Minnesota Housing's 0% deferred payment loan second mortgages for lower income borrowers, thus supplementing the Pool 3 and other monies the agency relies on for such lending.

3. By recycling past bond authority, the issue required only $3.9 mill. of carryforward bond cap.

4. Achieved full spread, after utilizing approximately $11 million of Minnesota Housing's existing zero participations.

Key Measurable Objectives and Accomplishments. The results of the issue were very successful:

Objective	***Result***
Finance new production on balance sheet	$119 million of new first mortgage loans in MBS securities and $6 million of second mortgages for downpayment assistance.
Leverage private activity bond volume cap	Leveraged new bond cap approx. 30 times.
Strengthen the RHFB indenture going forward	Increases expected net present value to the Agency.
Achieve full spread on the overall transaction	Agency earned full spread.
Preserve and carry forward existing zeroparticipations	Carried forward zero participations to benefit futuresingle-family bond issues and borrowers.
Minimize use of and/or create zero participations	The agency has about $93 million of zero participations available for future issues.
Achieve cost-effective bond yield	The overall bond yield was 2.04%.
Create future income streams that will support Pool 3	Increases indenture's expected net present value byapprox. $3.7 million at 150% PSA prepayment speed.

TIMING AND STRUCTURE

Timing. The bonds were priced on Wednesday, March 3rd. The bonds are scheduled to close on March 25th.

Sizing. The issue was sized to fund a portion of the current pipeline, while carrying forward past zero participations.

Major Design Decisions. Key decisions by Minnesota Housing were to:

- **Preserve and extend existing zero participations** – a key resource that issuers are allowed under the IRS tax code – to help the agency and borrowers on future bond issues. This resource can only be extended in conjunction with a large enough amount of new tax-exempt debt. The issue was sized as $125 million of tax-exempt debt in order to be able to carry over these past zero participations.

- **Issue solely tax-exempt bonds.** In February, Minnesota Housing had issued $82 million of taxable pass-through bonds and sold $18 million of its Start-Up loans through an interest-only strip transaction, in which the agency continues to earn ongoing interest income on those loans. These were more cost-efficient ways to use taxable financings than to include a taxable series within this RHFB issue. On an aggregate basis, in February and March, Minnesota Housing thus financed a total of $225 million of loans, using $100 million on a taxable basis, and only using $3.9 million of bond cap.

- **For the first time, use bond proceeds to fund 0% downpayment assistance second mortgages (Deferred Payment Loans)**. The agency has always relied solely on Pool 3 monies and state appropriations to fund its Deferred Payment Loans. By using new bond proceeds and zero participations from past bond issues, Minnesota Housing can fund a limited amount of these second mortgages while continuing to earn full spread on its bond issues and meet rating agency requirements for the RHFB indenture. This is a very effective way of utilizing some of the agency's zero participations. It allows the agency to supplement the limited amounts of Pool 3 and state appropriation monies. The plan is to continue this approach on future RHFB issues this year, with second mortgages constituting approximately 5% of the amount of each issue.

Bond Structure Decisions.

- Structure the $23.06 million of AMT bonds (Series A) as shorter serial bonds through 2030, to incur the least additional cost from AMT debt on overall bond yield.
- Utilize $101.94 million of non-AMT bonds (Series B) throughout the maturity schedule, including serials in 2022, 2025, 2026 and 2030-2033, term bonds in 2036, 2041, 2046 and 2051 and a premium PAC bond in 2051 for $38.935 million, 31% of the entire issue.

Rating. Bonds under the RHFB indenture are rated Aa1 by Moody's and AA+ by S & P.

Resiliency in Rising Rate Environment. After many Minnesota Housing bond issues in which market interest rates decreased while loans were being reserved, on this issue rates increased significantly. The issue therefore demonstrated how Minnesota Housing positioned itself to deal with this eventuality:

- First, the pipeline was hedged, so that although Minnesota Housing would be selling bonds at new higher rates, it received gains from its hedge positions. The agency received approximately $800,000 of gains that did not have to be included in the arbitrage analysis, and a subsequent set of $108,000 in gains that were included.
- Second, the agency had built up significant interest rate protection in the form of zero participations from prior issues – precisely to still be able to achieve full spread when bond rates rose. This allowed the agency to earn full spread on 2021AB and still have a large amount of zero participations to protect the agency in the future.

BOND SALE RESULTS

After an extraordinary rally in municipal bonds early in the year, and near all-time low rates when HFB 2021 A was priced on February 10th, municipal bond rates went up significantly later in February. Many investors stepped back from the market, concerned about historically low ratios of the municipal bond index to Treasuries as well as the future direction of interest rates, with an expected $1.9 trillion federal stimulus and increasing vaccinations. Minnesota Housing was the first state single-family issue to re-enter and test this new market.

1. ***Retail Interest*.** This issue had excellent retail demand. There were $63.9 million of retail orders, including $33.3 million from Minnesota investors. This was an excellent performance, especially since the $40 million PAC bond was solely for institutional investors.

2. ***Institutional Interest.*** More than $550 million of institutional orders were received, so that altogether total orders were approximately 5 times the total amount of bonds.

3. ***Overall Pricing.*** Yields were lowered on many of the AMT serials in Series A from 2022-2026 and in 2030 by approximately 5 basis points. The long Non-AMT serials in Series B were lowered by 5 basis points. The 2036 and 2041 term bonds were heavily oversubscribed and yields lowered by an extraordinary 10 basis points. The 2046 and 2061 regular term bonds were lowered by 5 basis points, and the PAC bond, that was 5x oversubscribed was lowered by 6 basis points.

   The issue's performance, especially after the volatility of prior weeks, was extremely helpful in demonstrating the significant market demand for municipal housing bonds.

4. ***Comparable Transactions.***

   Series D: AMT. There are relatively few recent AMT single-family series. The most comparable transaction was 2 weeks before, just prior to the market sell-off, by Pennsylvania. Pennsylvania's spreads to MMD had been especially tight given the level of investor demand during the January/early February rally, and Minnesota's spreads were wider than Pennsylvania's.

   Series E: Non-AMT. There had been several Non-AMT issues 2 weeks prior to Minnesota's sale: Pennsylvania, Florida and Montana. Minnesota priced its Non-AMT serial and regular term bonds at similar spreads to MMD, and by repricing many of these bonds to lower levels was able to achieve tighter spreads than the 3 other states (albeit at higher absolute levels).

   The PAC bond, at almost $40 million, was the key to the issue. In mid-February the demand for PACs had been extraordinary, with investors outbidding each other and driving PAC yields to the low 60 basis point range, about 40 basis points to the comparable MMD. As investors pulled back, many began to indicate they would need levels of 110 basis points, almost 50 basis points higher than just a few weeks earlier. Minnesota was able to attract PAC investors and lower the yield to 1.04%, about 49 basis points to the MMD index.

UNDERWRITING

Underwriters. RBC was senior manager, with J.P. Morgan, Piper Sandler and Wells Fargo as co-managers.

***Sales by Underwriter*.** As indicated above, this RHFB issue received excellent retail demand. Following are the in-state retail orders and allotments.

Member	Role	Minn. Retail Orders	Minn. Retail Allotments
RBC	Senior Manager	**12,430,000**	**7,745,000**
J.P. Morgan	Co-Manager	30,000	30,000
Piper Sandler	Co-Manager	9,525,000	1,935,000
Wells Fargo	Co-Manager	8,655,000	2,960,000
Subtotal Co-Managers		**18,210,000**	**4,925,000**
Robert W. Baird	Selling Group		
Morgan Stanley	Selling Group	1,620,000	760,000
UBS	Selling Group	1,175,000	1,075,000
Subtotal Selling Group		**2,795,000**	**1,835,000**
Total		**33,435,000**	**14,505,000**

In addition to RBC, there were excellent contributions by co-managers, both retail and institutional. J.P. Morgan brought in $23.1 million of orders, including $20.0 million of institutional orders; Wells Fargo brought in $21.44 million, including $3.3 million of institutional orders; and Piper Sandler brought in $16.1 million of orders, including $6.5 million of institutional 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

Key Dates: Pricing: Wednesday, March 3, 2021
Closing Date: Thursday, March 25, 2021

Economic Calendar. Almost all economic news over the last year has been driven by the COIVID-19 pandemic and its current and expected impact on the economy. Eleven months into the pandemic, initial jobless claims remain at over 700,000 per week, and the unemployment rate remains at about 6% (not counting many workers no longer seeking jobs). Nonetheless, the economy has been growing from shutdown levels, with personal income growing from December to January by 10% (compared to 0.6% in the prior month). The increase in vaccinations and the Biden Administration's $1.9 economic stimulus bill suggested to investors further rebound to come; thus, while inflation has remained well below 2% (and the Fed has indicated its willingness to risk inflation in order to get to a full employment economy again), investors have begun to worry about this. This was compounded on the days prior to Minnesota's sale, by construction spending, manufacturing new orders, and manufacturing prices all coming slightly higher than forecast.

Treasuries**.** Yields dropped dramatically in 2020 due to the pandemic, with the 10 year Treasury starting 2020 at 1.88%, reaching as low as .52% in August, and rising late in the year, with positive vaccine news to 0.93% at the end of 2020. The 10 year then broke 1.0% in early January and 1.10% at the beginning of February. It was 1.15% when HFB Series A was priced on February 10th. Treasury yields then increased significantly, especially as the Biden stimulus bill made its way through Congress and the pace of vaccinations improved, rising as high as 1.54% on February 25th. It was 1.47% on the date of the sale, 32 basis points higher than when Minnesota Housing was last in the market, three weeks before.

Municipals**.** When the pandemic first rocked financial markets in March 2020, Treasuries dramatically outperformed municipals, leading to record ratios of MMD to Treasury. The 10 year MMD was 192% of the 10 year Treasury. Starting in late April, however, many investors returned to municipals, driving muni yields

down, often by 5 to 10 basis points per day, and leading to 10 months of straight inflows. The combination of this enormous surge of demand by buyers and limited municipal supply drove municipal yields to lower and lower absolute levels, even as Treasury yields increased. Thus when HFB A was priced on February 10th, the 10 year MMD was only 60% of the 10 year Treasury. Investors were accepting extraordinarily low yields on municipal bonds compared to Treasuries, or put differently, municipal bonds were very expensive relative to Treasuries. This changed dramatically in late February. Since HFB A was priced, while the 10 year Treasury rose 32 basis points, the 10 year MMD rose far more, by 46 basis points. The ratio of municipals to Treasuries is now close to a much typical 80% range, rather than only 60%.

Issue	Date	10-Year Treasury	10-Year MMD	MMD/ Treasury	30-Year Treasury	30-Year MMD	MMD/ Treasury
2019 HFB AB	2/7/19	2.65%	2.14%	80.8%	3.00%	3.00%	100.0%
2019 RHFB ABCD	3/7/19	2.64%	2.08%	78.8%	3.03%	2.92%	96.4%
2019 HFB CD	5/14/19	2.42%	1.73%	71.5%	2.86%	2.39%	83.6%
2019 HFB E	6/13/19	2.10%	1.66%	79.0%	2.61%	2.35%	90.0%
2019 HFB F	7/16/19	2.13%	1.58%	74.2%	2.63%	2.29%	87.1%
2019 RHFB EFGH	8/20/19	1.55%	1.23%	79.4%	2.04%	1.90%	93.1%
2019 HFB G	11/13/19	1.88%	1.58%	84.0%	2.36%	2.19%	92.8%
2019 HFB H	12/11/19	1.79%	1.42%	79.3%	2.23%	2.02%	90.6%
2020 RHFB ABC	1/23/20	1.74%	1.25%	71.8%	2.18%	1.90%	87.2%
2020 HFB A	3/9/20	0.54%	0.78%	144.4%	0.99%	1.38%	139.4%
2020 HFB BC	5/13/20	0.64%	1.09%	170.3%	1.35%	1.90%	140.7%
2020 RHFB DE	6/9/20	0.84%	0.88%	104.8%	1.59%	1.68%	105.7%
2020 HFB D	8/6/20	0.55%	0.59%	107.3%	1.20%	1.28%	106.7%
2020 RHFB FG	9/15/20	0.68%	0.84%	123.5%	1.43%	1.58%	110.5%
2020 HFB E	11/9/20	0.96%	0.86%	89.6%	1.73%	1.61%	93.1%
2020 RHFB HI	12/9/20	0.95%	0.71%	74.7%	1.69%	1.40%	82.8%
2021 HFB A	**2/10/21**	**1.15%**	**0.69%**	**60.0%**	**1.92%**	**1.34%**	**69.8%**
2021 RHFB AB	**3/3/21**	**1.47%**	**1.15%**	**78.2%**	**2.25%**	**1.80%**	**80.0%**
Change from 2021 HFB A		**+32 bp**	**+46 bp**	**+18.2 %**	**+33 bp**	**+46 bp**	**+10.2 %**

AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date		3/3/21		2/18/21		2/17/21		2/10/21		1/6/21	
Amount		$23,060,000		$35,800,000		$4,425,000		$17,525,000		$1,475,000	
Issuer		Minnesota HFA		Pennsylvania HFA		Montana BOH		Connecticut HFA		Colorado HFA	
Series		2021 Series A		Series 2021-134B		2021 Series A-2		2021 Series A-2		2021 Series A	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aa1 / AA+ / -		Aa2 / AA+ / -		Aa1 / AA+ / -		Aaa / AAA / -		Aaa / AAA / -	
Tax Status		AMT		AMT		AMT		AMT		AMT	
Year ('21 pricings)	Maturity	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD
0	2021			0.13*		0.200		0.150		0.150	
1	2022	0.25 / 0.30	+15 / +19	0.23* / 0.28*	+16 / +20	0.25 / 0.30	+18 / +23	0.20 / 0.25	+13 / +18	0.25 / 0.30	+11 / +16
2	2023	0.40 / 0.50	+23 / +29	0.32* / 0.37*	+19 / +23	0.40 / 0.45	+29 / +33	0.35 / 0.40	+26 / +31		
3	2024	0.625 / 0.75	+33 / +41	0.42* / 0.47*	+23 / +27	0.550	+39	0.550	+44		
4	2025	0.85 / 0.875	+42 / +42	0.57* / 0.67*	+32 / +40						
5	2026	1.10 / 1.125	+57 / +56	0.75* / 0.80*	+43 / +46						
6	2027	1.35 / 1.40	+70 / +68	0.85* / 0.90*	+45 / +45						
7	2028	1.55 / 1.60	+76 / +75								
8	2029	1.75 / 1.80	+83 / +83								
9	2030	1.90 / 1.95	+86 / +87								
10	2031										
11	2032										
12	2033										
13	2034										
14	2035										
15	2036										
PAC											
Notes				* All 5% coupons and not subject to redemption prior to maturity (lock out bonds)							
Maturity Dates		1/1 and 7/1		10/1 and 4/1		12/1 and 6/1		11/15 and 5/15		11/1 and 5/1	
Call Provisions		None		None		None		None		None	
Mkt Index		BBI / RBI 2.44% / 2.80%		BBI / RBI 2.17% / 2.54%		BBI / RBI 2.10% / 2.47%		BBI / RBI 2.14% / 2.51%		BBI / RBI 2.12% / 2.53%	
Sr Manager		RBC Capital Markets		Jefferies		RBC Capital Markets		Citigroup		RBC Capital Markets	

AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date		12/9/20		12/8/20		10/21/20		10/7/20		10/1/20	
Amount		$16,525,000		$2,805,000		$56,365,000		$14,690,000		$4,185,000	
Issuer		Minnesota HFA		Massachusetts HFA		Connecticut HFA		Wyoming CDA		Colorado HFA	
Series		2020 Series H		Series 219		2020 Series E-2		2020 Series 3		2020 Series G	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aa1 / AA+ / -		Aa1 / AA+ / -		Aaa / AAA / -		Aa1 / AA+ / -		Aaa / AAA / -	
Tax Status		AMT		AMT		AMT		AMT		AMT	
Year ('21 pricings)	Maturity	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD
0	2021										
1	2022	0.250	+12	0.25*	+12	0.35 / 0.40	+18 / +23	0.30* / 0.35*	+16 / +21	0.30 / 0.35	+18 / +23
2	2023	0.30 / 0.375	+17 / +24	0.35* / 0.40*	+21 / +26	0.50 / 0.55	+32 / +37	0.45* / 0.50*	+30 / +35	0.45 / 0.50	+32 / +37
3	2024	0.55 / 0.60	+40 / +44			0.65 / 0.75	+46 / +56	0.70* / 0.75*	+54 / +59	0.70 / 0.75	+56 / +61
4	2025	0.65 / 0.70	+49 / +52			0.80 / 0.85	+59 / +63	0.80* / 0.85*	+60 / +65	0.80 / 0.85	+63 / +67
5	2026	0.80 / 0.85	+62 / +64			0.95 / 1.00	+69 / +71			0.950	+71
6	2027	1.00 / 1.10	+77 / +80			1.15 / 1.20	+73 / +76				
7	2028	1.20 / 1.35	+89 / +96			1.35 / 1.40	+80 / +81				
8	2029	1.45 / 1.50	+102 / +100			1.65 / 1.70	+96 / +97				
9	2030					1.90 / 2.00	+106 / +113				
10	2031					2.05 / 2.15	+111 / +118				
11	2032					2.250	+121 / +119				
12	2033										
13	2034										
14	2035										
15	2036										
PAC											
Notes				* All 5% coupons and not subject to redemption prior to maturity (lock out bonds)				* All 5% coupons and not subject to redemption prior to maturity (lock out bonds)			
Maturity Dates		7/1 and 1/1		12/1 and 6/1		5/15 and 11/15		6/1 and 12/1		5/1 and 11/1	
Call Provisions		None		None		11/15/29 at par		None		None	
Mkt Index		BBI / RBI 2.13% / 2.58%		BBI / RBI 2.13% / 2.58%		BBI / RBI 2.37% / 2.79%		BBI / RBI 2.25% / 2.67%		BBI / RBI 2.25% / 2.67%	
Sr Manager		RBC Capital Markets		Morgan Stanley		BofA Securities		Barclays		RBC Capital Markets	

AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date		9/15/20		9/15/20		9/2/20		9/1/20		6/9/20	
Amount		$15,630,000		$15,630,000		$2,815,000		$19,245,000		$19,300,000	
Issuer		Minnesota HFA		Minnesota HFA		Massachusetts HFA		SONYMA		Minnesota HFA	
Series		2020 Series F		2020 Series F		Series 217		Series 228		2020 Series D	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aa1 / AA+ / -		Aa1 / AA+ / -		Aa1 / AA+ / -		Aa1 / - / -		Aa1 / AA+ / -	
Tax Status		AMT		AMT		AMT		AMT		AMT	
Year ('21 pricings)	Maturity	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD
0	2021										
1	2022	0.35 / 0.40	+23 / +28	0.35 / 0.40	+23 / +28	0.34 / 0.44	+19 / +29	0.40 / 0.45	+25 / +30	0.45 / 0.50	+29 / +32
2	2023	0.45 / 0.50	+33 / +37	0.45 / 0.50	+33 / +37	0.47 / 0.52	+31 / +36	0.50 / 0.55	+34 / +39	0.60 / 0.65	+42 / +44
3	2024	0.65 / 0.70	+52 / +56	0.65 / 0.70	+52 / +56			0.65 / 0.70	+48 / +53	0.85 / 0.90	+64 / +67
4	2025	0.85 / 0.90	+70 / +72	0.85 / 0.90	+70 / +72			0.85 / 0.90	+65 / +69	1.050	+79 / +75
5	2026	1.05 / 1.10	+85 / +87	1.05 / 1.10	+85 / +87			1.05 / 1.10	+80 / +83	1.35 / 1.40	+101 / +102
6	2027	1.25 / 1.35	+96 / +100	1.25 / 1.35	+96 / +100			1.25 / 1.30	+91 / +94	1.625 / 1.65	+116 / +112
7	2028	1.45 / 1.50	+100 / +102	1.45 / 1.50	+100 / +102			1.40 / 1.45	+93 / +95	1.800	+119
8	2029	1.65 / 1.70	+106 / +109	1.65 / 1.70	+106 / +109			1.60 / 1.65	+100 / +103		
9	2030							1.80 / 1.85	+109 / +113		
10	2031							1.95 / 2.00	+115 / +118		
11	2032							2.10 / 2.15	+123 / +126		
12	2033										
13	2034										
14	2035										
15	2036										
PAC											
Notes						All 5% coupons					
Maturity Dates		1/1 and 7/1		1/1 and 7/1		6/1 and 12/1		4/1 and 10/1		1/1 and 7/1	
Call Provisions		None		None		None		10/1/29 at par		None	
Mkt Index		BBI / RBI 2.22% / 2.64%		BBI / RBI 2.22% / 2.64%		BBI / RBI 2.20% / 2.62%		BBI / RBI 2.20% / 2.62%		BBI / RBI 2.16% / 2.58%	
Sr Manager		RBC Capital Markets		RBC Capital Markets		RBC Capital Markets		Citigroup		RBC Capital Markets	

AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date		1/23/20		8/20/19		3/7/19		11/14/18	
Amount		$20,850,000		$13,225,000		$7,865,000		$14,800,000	
Issuer		Minnesota HFA		Minnesota HFA		Minnesota HFA		Minnesota HFA	
Series		2020 Series A		2019 Series E		2019 Series A		2018 Series F	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aa1 / AA+ / -		Aa1 / AA+ / -		Aa1 / AA+ / -		Aa1 / AA+ / -	
Tax Status		AMT		AMT		AMT		AMT	
Year ('21 pricings)	Maturity	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD
0	2021	1.050				1.850			
1	2022	1.10 / 1.15	+26 / +31	1.200	+24	1.950	+38	2.200	+31
2	2023	1.25 / 1.30	+40 / +45	1.30 / 1.35	+34 / +39	2.150	+57	2.40 / 2.50	+42 / +46
3	2024	1.350	+50 / +50	1.40 / 1.45	+43 / +48	2.250	+65	2.65 / 2.75	+58 / +64
4	2025	1.450	+59 / +59	1.50 / 1.55	+53 / +58	2.400	+78	2.85 / 2.95	+70 / +77
5	2026	1.550	+69 / +68	1.60 / 1.65	+63 / +67	2.450	+76	3.00 / 3.05	+78 / +80
6	2027	1.65 / 1.70	+74 / +76	1.70 / 1.75	+72 / +75	2.625	+86	3.10 / 3.15	+81 / +83
7	2028							3.25 / 3.30	+89 / +90
8	2029							3.40 / 3.50	+93 / +99
9	2030								
10	2031								
11	2032								
12	2033								
13	2034								
14	2035								
15	2036								
PAC									
Notes									
Maturity Dates		7/1 and 1/1		7/1 and 1/1		7/1		7/1 and 1/1	
Call Provisions		None		None		None		None	
Mkt Index		BBI / RBI 2.54% / 3.04%		BBI / RBI 3.10% / 3.58%		BBI / RBI 4.09% / 4.56%		BBI / RBI 4.36% / 4.85%	
Sr Manager		RBC Capital Markets		RBC Capital Markets		RBC Capital Markets		RBC Capital Markets	

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 3 MONTHS PLUS EARLIER MHFA

Pricing Date		3/3/21		2/18/21		2/17/21		2/17/21		2/10/21		2/2/21		2/2/21	
Amount		$101,940,000		$122,125,000		$135,000,000		$38,985,000		$175,515,000		$95,000,000		$197,725,000	
Issuer		Minnesota HFA		Pennsylvania HFA		Florida HFC		Montana BOH		Connecticut HFA		Illinois HDA		Maryland DHCD	
Series		2021 Series B		Series 2021-134A		2021 Series 1		2021 Series A-1		2021 Series A-1,A-3		2021 Series A		2021 Series A	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aa1 / AA+ / -		Aa2 / AA+ / -		Aaa / - / -		Aa1 / AA+ / -		Aaa / AAA / -		Aaa / - / -		Aa1 / - / AA	
Tax Status		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT	
	Maturity	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread
Year ('21 pricings)		Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD
0	2021									0.100		0.100		0.100	
1	2022	0.150	+5			0.100	+3			0.150	+8	0.15 / 0.20	+5 / +10	0.15 / 0.20	+6 / +10
2	2023					0.15 / 0.20	+5 / +9					0.25 / 0.30	+13 / +18	0.20 / 0.25	+9 / +13
3	2024					0.25 / 0.30	+10 / +14	0.300	+14 / +13	0.25 / 0.30	+14 / +19	0.35 / 0.40	+21 / +26	0.30 / 0.35	+17 / +21
4	2025	0.600	+14			0.35 / 0.40	+15 / +18	0.450	+23 / +21	0.40 / 0.45	+24 / +27	0.45 / 0.50	+27 / +30	0.400	+22 / +20
5	2026	0.800	+27			0.45 / 0.50	+20 / +21	0.60 / 0.65	+31 / +34	0.55 / 0.60	+33 / +35	0.55 / 0.60	+30 / +32	0.45 / 0.55	+21 / +27
6	2027			0.800	+35	0.65 / 0.70	+34 / +33	0.75 / 0.80	+39 / +39	0.70 / 0.75	+41 / +41	0.70 / 0.75	+38 / +38	0.700	+39 / +33
7	2028			0.90 / 0.95	+38 / +38	0.80 / 0.85	+37 / +36	0.90 / 0.95	+42 / +42	0.85 / 0.90	+44 / +44	0.85 / 0.90	+41 / +41	0.80 / 0.90	+37 / +41
8	2029			1.10 / 1.15	+46 / +47	1.00 / 1.05	+45 / +45	1.100	+51 / +46	1.05 / 1.10	+53 / +54	1.10 / 1.15	+54 / +55	1.05 / 1.15	+50 / +56
9	2030	1.650	+57	1.35 / 1.40	+60 / +61	1.25 / 1.30	+58 / +59	1.300	+60 / +56	1.30 / 1.35	+67 / +69	1.35 / 1.40	+69 / +70	1.25 / 1.35	+59 / +66
10	2031	1.80 / 1.85	+67 / +68	1.50 / 1.55	+67 / +69	1.40 / 1.45	+65 / +66	1.500	+72 / +69	1.45 / 1.50	+74 / +76	1.45 / 1.50	+71 / +73	1.45 / 1.50	+71 / +73
11	2032	1.950	+76 / +73	1.60 / 1.65	+72 / +74	1.55 / 1.60	+74 / +76	1.60 / 1.65	+77 / +79	1.60 / 1.65	+84 / +86	1.60 / 1.65	+81 / +83	1.55 / 1.60	+76 / +78
12	2033	2.00 / 2.05	+76 / +78	1.700	+77	1.65 / 1.70	+79 / +81	1.700	+82 / +79			1.70 / 1.75	+86 / +88	1.65 / 1.70	+81 / +83
13	2034									1.700	+84				
14	2035														
15	2036	2.100	+70	1.850	+77	1.800	+78	1.850	+83			1.850	+86	1.800	+81
16	2037														
17	2038									1.850	+82				
18	2039														
19	2040														
20	2041	2.300	+70	2.050	+77	2.000	+78	2.000	+78					1.950	+76
21	2042											2.000	+77		
22	2043			2.100	+75									2.000	+74
23	2044														
24	2045														
25	2046	2.450	+70			2.100	+74	2.100	+74						
26	2047														
27	2048														
28	2049														
29	2050							2.150	+75						
30	2051	2.500	+70			2.150	+74								
31	2052														
PAC 1		3.00C/1.04Y	+49 to 5yr	3.00C/0.625Y	+37.5 to 4yr	3.00C/0.68Y	+41 to 5yr	3.00C/0.69Y	+43 to 4.9yr			3.00C/0.68Y	+45 to 5yr	3.00C/0.68Y	+45 to 5yr
Notes		7/1/51 PAC bond has 3% coupon priced at 109.469 to yield 1.04% and has an average life of 5 years from 100-500% PSA		10/1/49 PAC bond has 3% coupon priced at 109.336 to yield 0.625% and has an average life of 4 years from 75-500% PSA		1/1/52 PAC bond has 3% coupon priced at 111.358 to yield 0.68% and has an average life of 5 years from 100-500% PSA		6/1/51 PAC bond has 3% coupon priced at 111.064 to yield 0.69% and has an average life of 4.9 years from 100-400% PSA				4/1/51 PAC bond has 3% coupon priced at 111.342 to yield 0.68% and has an average life of 5 years from 100-500% PSA		9/1/51 PAC bond has 3% coupon priced at 111.352 to yield 0.68% and has an average life of 5 years from 100-400% PSA	
Maturity Dates		1/1 and 7/1		10/1 and 4/1		7/1 and 1/1		6/1 and 12/1		11/15 and 5/15		10/1 and 4/1		9/1 and 3/1	
Call Provisions		7/1/30 at par		10/1/29 at par		1/1/30 at par		6/1/30 at par		5/15/30 at par		4/1/30 at par		3/1/30 at par	
Mkt Index		BBI / RBI 2.44% / 2.80%		BBI / RBI 2.17% / 2.54%		BBI / RBI 2.10% / 2.47%		BBI / RBI 2.10% / 2.47%		BBI / RBI 2.14% / 2.51%		BBI / RBI 2.14% / 2.51%		BBI / RBI 2.14% / 2.51%	
Sr Manager		RBC Capital Markets		Jefferies		Citigroup		RBC Capital Markets		Citigroup		Citigroup		J.P. Morgan	

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 3 MONTHS PLUS EARLIER MHFA

Pricing Date		1/20/21		1/20/21		1/13/21		1/12/21		1/12/21		1/6/21		12/9/20	
Amount		$83,195,000		$71,640,000		$55,945,000		$46,665,000		$99,000,000		$51,525,000		$108,475,000	
Issuer		Iowa FA		Nebraska IFA		Indiana HCDA		Mississippi HC		South Dakota HDA		Colorado HFA		Minnesota HFA	
Series		2021 Series A		2021 Series A		2021 Series A		Series 2021A		2021 Series A		2021 Series B		2020 Series I	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aaa / AAA / -		- / AA+ / -		Aaa / AAA / -		Aaa / - / -		Aaa / AAA / -		Aaa / AAA / -		Aa1 / AA+ / -	
Tax Status		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT	
	Maturity	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread
Year ('21 pricings)		Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD
0	2021			0.100				0.13*		0.050					
1	2022	0.10 / 0.20	-3 / +6	0.15 / 0.20	+2 / +6	0.15* / 0.18*	+2 / +4	0.18* / 0.19*	+4 / +5	0.15 / 0.20	+1 / +6	0.200	+6	0.150	+2
2	2023	0.25 / 0.30	+10 / +14	0.25 / 0.30	+10 / +14	0.21* / 0.25*	+6 / +9	0.21* / 0.23*	+5 / +7	0.250	+9 / +9	0.25 / 0.30	+9 / +14	0.200	+7
3	2024	0.35 / 0.375	+17 / +19	0.400	+22 / +21	0.28* / 0.32*	+10 / +13	0.27* / 0.30*	+8 / +11	0.35 / 0.40	+16 / +21	0.35 / 0.40	+18 / +23		
4	2025	0.40 / 0.45	+19 / +22	0.50 / 0.55	+28 / +31	0.36* / 0.40*	+15 / +17	0.35* / 0.38*	+12 / +13	0.45 / 0.50	+22 / +25	0.45 / 0.50	+25 / +28		
5	2026	0.50 / 0.60	+23 / +28	0.65 / 0.70	+36 / +37	0.49* / 0.54*	+22 / +22	0.49* / 0.55*	+18 / +20	0.55 / 0.60	+25 / +26	0.60 / 0.65	+35 / +36		
6	2027	0.70 / 0.75	+34 / +33	0.800	+42 / +36	0.63* / 0.72*	+27 / +30	0.65* / 0.73*	+24 / +27	0.750	+35 / +30	0.80 / 0.85	+45 / +45		
7	2028	0.85 / 0.95	+37 / +41	0.95 / 1.00	+45 / +44	0.82* / 0.90*	+34 / +36	0.85* / 0.92*	+32 / +34	0.90 / 0.95	+38 / +38	0.95 / 1.05	+48 / +53		
8	2029	1.05 / 1.15	+45 / +50	1.15 / 1.20	+53 / +54	1.00* / 1.05*	+40 / +40	1.01* / 1.20*	+37 / +52	1.10 / 1.15	+47 / +48	1.15 / 1.25	+57 / +63	1.150	+65
9	2030	1.30 / 1.40	+59 / +65	1.35 / 1.40	+63 / +64	1.35 / 1.40	+64 / +65	1.35 / 1.45	+61 / +67	1.35 / 1.40	+62 / +63			1.30 / 1.35	+74 / +74
10	2031	1.50 / 1.60	+71 / +77	1.50 / 1.60	+70 / +76	1.60 / 1.65	+81 / +82	1.55 / 1.65	+73 / +80	1.55 / 1.60	+74 / +75			1.45 / 1.55	+81 / +86
11	2032	1.65 / 1.70	+79 / +81	1.65 / 1.70	+78 / +80	1.70 / 1.75	+84 / +86	1.70 / 1.75	+82 / +84	1.750	+87 / +84			1.700	+97 / +92
12	2033	1.750	+84 / +81	1.75 / 1.80	+83 / +85	1.800	+89 / +86			1.850	+92 / +89			1.75 / 1.80	+95 / +96
13	2034														
14	2035	1.850	+81	1.850	+81			1.800	+76						
15	2036					1.900	+82			1.900	+82			1.875	+90
16	2037			1.950	+83										
17	2038	1.900	+74												
18	2039														
19	2040							2.000	+76						
20	2041					2.050	+77			2.100	+82			2.000	+82
21	2042														
22	2043									2.200	+85				
23	2044							2.125	+75						
24	2045					2.150	+74								
25	2046													2.150	+80
26	2047														
27	2048														
28	2049														
29	2050														
30	2051														
31	2052													2.200	+85 to 30yr
PAC 1		3.00C/0.73Y	+45 to 5yr	3.00C/0.73Y	+45 to 5yr	3.00C/0.73Y	+46 to 5yr	3.00C/0.80Y	+52 to 5yr	3.00C/0.77Y	+49 to 5yr	3.00C/0.80Y	+58 to 4.9yr	3.00C/0.84Y	+61 to 5yr
Notes		1/1/47 PAC bond has 3% coupon priced at 111.071 to yield 0.73% and has an average life of 5 years from 100-500% PSA		9/1/45 PAC bond has 3% coupon priced at 111.066 to yield 0.73% and has an average life of 5 years from 100-500% PSA		* 1/22-7/29 are 5% cpns not subject to redempt (lock out); 7/51 PAC is 3% cpn at 110.094 to yield 0.73% w/ 5 year avg. life 100-400% PSA		* 12/21-6/29 are 5% cpns not subject to redempt (lock out); 12/50 PAC is 3% cpn at 110.721 to yield 0.80% w/ 5 year avg. life 100-400% PSA		11/1/51 PAC bond has 3% coupon priced at 110.881 to yield 0.77% and has an average life of 5 years from 100-400% PSA		5/1/51 PAC bond has 3% coupon priced at 110.401 to yield 0.80% and has an average life of 4.9 years from 100-400% PSA		1/1/51 PAC bond has 3% coupon priced at 110.52 to yield 0.84% and has an average life of 5 years from 100-500% PSA	
Maturity Dates		1/1 and 7/1		9/1 and 3/1		1/1 and 7/1		12/1 and 6/1		11/1 and 5/1		11/1 and 5/1		7/1 and 1/1	
Call Provisions		7/1/30 at par		3/1/30 at par/102.301 PAC		7/1/30 at par		6/1/30 at par		5/1/30 at par		5/1/30 at par		1/1/30 at par	
Mkt Index		BBI / RBI 2.21% / 2.58%		BBI / RBI 2.21% / 2.58%		BBI / RBI 2.17% / 2.56%		BBI / RBI 2.17% / 2.56%		BBI / RBI 2.17% / 2.56%		BBI / RBI 2.12% / 2.53%		BBI / RBI 2.13% / 2.58%	
Sr Manager		Morgan Stanley		J.P. Morgan		RBC Capital Markets		Wells Fargo		Citigroup		RBC Capital Markets		RBC Capital Markets	

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 3 MONTHS PLUS EARLIER MHFA

Pricing Date		12/8/20		12/1/20		12/1/20	
Amount		$102,565,000		$30,000,000		$60,000,000	
Issuer		Massachusetts HFA		Oklahoma HFA		Oregon HCSD	
Series		Series 220		Series 2020B		2020 Series C	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aa1 / AA+ / -		Aaa / - / -		Aa2 / - / -	
Tax Status		Non-AMT		Non-AMT		Non-AMT	
Year ('21 pricings)	Maturity	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD
0	2021						
1	2022			0.150	+1		
2	2023	0.15*	+1	0.20 / 0.25	+6 / +10	0.20 / 0.30	+6 / +15
3	2024	0.20* / 0.25*	+4 / +9	0.30 / 0.35	+14 / +18	0.35 / 0.40	+19 / +23
4	2025	0.30* / 0.35*	+12 / +17	0.40 / 0.45	+22 / +26	0.45 / 0.50	+28 / +31
5	2026	0.40* / 0.45*	+20 / +22	0.50 / 0.60	+30 / +37	0.600	+41 / +38
6	2027	0.55* / 0.60*	+25 / +29	0.70 / 0.80	+43 / +48	0.80 / 0.85	+56 / +54
7	2028	0.70* / 0.75*	+32 / +34	0.90 / 1.00	+55 / +59	0.95 / 1.05	+63 / +65
8	2029	0.85* / 0.95*	+36 / +42	1.10 / 1.20	+64 / +68	1.125 / 1.25	+69 / +74
9	2030	1.05* / 1.35	+44 / +72	1.30 / 1.40	+71 / +77	1.40 / 1.50	+83 / +88
10	2031	1.50 / 1.60	+81 / +89	1.55 / 1.625	+88 / +92	1.60 / 1.70	+95 / +100
11	2032	1.75 / 1.80	+97 / +101	1.65 / 1.75	+90 / +96	1.75 / 1.85	+102 / +107
12	2033	1.85 / 1.90	+101 / +105	1.80 / 1.85	+97 / +99	1.90 / 1.95	+109 / +110
13	2034			1.900	+102 / +99		
14	2035						
15	2036	1.950	+97	1.950	+96	2.000	+101
16	2037						
17	2038			2.100	+103		
18	2039						
19	2040						
20	2041	2.125	+95			2.200	+101
21	2042						
22	2043						
23	2044						
24	2045	2.300	+98			2.350	+102
25	2046						
26	2047						
27	2048						
28	2049						
29	2050						
30	2051						
31	2052						
PAC 1		3.00C/0.88Y	+65 to 5yr	3.25C/0.91Y	+67 to 5yr	3.00C/0.91Y	+67 to 5yr
Notes		* 12/22-6/29 are 5% cpns not subject to redempt (lock out); 12/50 PAC has 3% cpn at 110.301 to yield 0.88% w/ 5 year avg. life 100-400% PSA		9/1/50 PAC bond has 3.25% coupon priced at 111.353 to yield 0.91% and has an average life of 5 years from 100-400% PSA		1/1/52 PAC bond has 3.00% coupon priced at 110.151 to yield 0.91% and has an average life of 5 years from 100-400% PSA	
Maturity Dates		12/1 and 6/1		9/1 and 3/1		1/1 and 7/1	
Call Provisions		6/1/30 at par		9/1/29 at par		7/1/29 at par	
Mkt Index		BBI / RBI 2.13% / 2.58%		BBI / RBI 2.13% / 2.58%		BBI / RBI 2.13% / 2.58%	
Sr Manager		Morgan Stanley		BofA		J.P. Morgan	

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 3 MONTHS PLUS EARLIER MHFA

Pricing Date		9/15/20		6/9/20		1/23/20		8/20/19		11/14/18		6/7/18	
Amount		$109,370,000		$130,700,000		$149,150,000		$96,775,000		$65,200,000		$43,680,000	
Issuer		Minnesota HFA		Minnesota HFA		Minnesota HFA		Minnesota HFA		Minnesota HFA		Minnesota HFA	
Series		2020 Series G		2020 Series E		2020 Series B		2019 Series F		2018 Series E		2018 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 / AA+ / -		Aa1 / AA+ / -		Aa1 / AA+ / -		Aa1 / AA+ / -		Aa1 / AA+ / -	
Tax Status		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT	
	Maturity	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread
Year ('21 pricings)		Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD
0	2021					0.950							
1	2022	0.250	+13	0.30 / 0.35	+14 / +17	0.950	+11	1.050	+9	2.000	+11	1.700	+16
2	2023			0.400	+22							1.80 / 1.90	+15 / +20
3	2024	0.450	+32									2.00 / 2.10	+23 / +29
4	2025											2.15 / 2.20	+29 / +30
5	2026			1.200	+82							2.30 / 2.35	+34 / +35
6	2027			1.40 / 1.45	+93 / +92	1.450	+51	1.500	+50			2.50 / 2.55	+42 / +42
7	2028			1.55 / 1.60	+94 / +96	1.55 / 1.60	+55 / +58	1.55 / 1.60	+53 / +56				
8	2029	1.450	+84	1.750	+105 / +102	1.65 / 1.70	+56 / +58	1.70 / 1.75	+63 / +65	3.000	+49		
9	2030	1.50 / 1.55	+78 / +82	1.85 / 1.90	+107 / +111	1.75 / 1.80	+58 / +61	1.80 / 1.85	+67 / +69	3.10 / 3.15	+54 / +56		
10	2031	1.70 / 1.75	+89 / +92	1.95 / 2.00	+109 / +112	1.85 / 1.90	+60 / +62	1.90 / 1.95	+71 / +73	3.30 / 3.35	+64 / +67		
11	2032	1.80 / 1.85	+93 / +94	2.050	+112 / +108	2.000	+68 / +66	2.00 / 2.05	+73 / +75	3.40 / 3.45	+66 / +69		
12	2033	1.950	+100 / +96	2.15 / 2.20	+112 / +113	2.100	+74 / +72	2.10 / 2.15	+77 / +80	3.55 / 3.60	+74 / +77		
13	2034							2.25 / 2.30	+87 / +90				
14	2035												
15	2036	2.100	+93	2.250	+99	2.400	+88	2.450	+95	3.800	+81	3.450	+76
16	2037												
17	2038												
18	2039												
19	2040											3.650	+81
20	2041	2.300	+92	2.500	+103	2.625	+92	2.550	+84				
21	2042												
22	2043												
23	2044												
24	2045			2.700	+109	2.800	+97						
25	2046	2.450	+92					2.750	+90				
26	2047												
27	2048												
28	2049												
29	2050												
30	2051												
31	2052	2.550	+97 to 30yr										
PAC 1		3.00C/0.98Y	+74 to 5yr	3.50C/1.43Y	+105 to 5yr	3.50C/1.46Y	+60 to 5yr	3.75C/1.59Y	+61 to 5yr	4.25C/3.00Y	+71 to 5yr	4.00C/2.76Y	+77 to 5yr
Notes		1/1/51 PAC bond has 3.00% coupon priced at 109.905 to yield 0.98% and has an average life of 5 years from 100-500% PSA		7/1/50 PAC bond has 3.50% coupon priced at 109.871 to yield 1.43% and has an average life of 5 years from 100-500% PSA		7/1/50 PAC bond has 3.50% coupon priced at 109.724 to yield 1.46% and has an average life of 5 years from 100-500% PSA		1/1/50 PAC bond has 3.75% coupon priced at 110.268 to yield 1.59% and has an average life of 5 years from 100-500% PSA		1/1/49 PAC bond has 4.25% coupon priced at 105.663 to yield 3.00% and has an average life of 5 years from 100-500% PSA		7/1/48 PAC bond has 4% coupon priced at 105.68 to yield 2.76% and has an average life of 4.98 years from 100-500% PSA	
Maturity Dates		1/1 and 7/1		1/1 and 7/1		7/1 and 1/1		7/1 and 1/1		7/1 and 1/1		7/1 and 1/1	
Call Provisions		1/1/30 at par		7/1/29 at par		7/1/29 at par		1/1/29 at par		1/1/28 at par		7/1/27 at par	
Mkt Index		BBI / RBI 2.22% / 2.64%		BBI / RBI 2.16% / 2.58%		BBI / RBI 2.54% / 3.04%		BBI / RBI 3.10% / 3.58%		BBI / RBI 4.36% / 4.85%		BBI / RBI 3.88% / 4.37%	
Sr Manager		RBC Capital Markets		RBC Capital Markets		RBC Capital Markets		RBC Capital Markets		RBC Capital Markets		RBC Capital Markets	

MINNESOTA HOUSING

Board Agenda Item: 9.B
Date: 4/22/2021

Item: Annual Report of Actions Taken Under Delegated Authority -- Multifamily Division

Staff Contact(s):
Jennifer Leimaile Ho, 651.271.1362, jennifer.ho@state.mn.us
James Lehnhoff, 651.296.3028, james.lehnhoff@state.mn.us

Request Type:

☐ Approval
☐ Motion
☐ Resolution

☒ No Action Needed
☐ Discussion
☒ Information

Summary of Request:
The attached report for calendar year ("CY") 2020 describes actions taken under certain Board Delegations related to the Multifamily Division. The delegations included in the report contemplate that the Commissioner will make a written report to the Board annually describing the actions taken using the delegated authority.

Fiscal Impact:
The potential fiscal impact of each action taken under delegated authority is considered at time of approval.

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

Attachment(s):
- Multifamily Delegated Authority CY 2020 Report

The Board has delegated certain authority to the Commissioner pursuant to a series of delegations. The delegations include a determination by the Board that providing authority to the Commissioner improves the efficiency of the Agency's loan and grant programs. Each delegation includes an allowable scope as well as parameters and limitations by which it may be used and how actions may be approved. A number of delegations provide for an annual report to the Board of actions taken pursuant to that authority.

This report includes actions taken under delegated authority that requires annual reporting, related to the Agency's multifamily division, in calendar year 2020.

The following chart is a summary of the actions taken under each of the delegations listed below during calendar year 2020. Following the summary table is a list of actions by project.

Multifamily Delegations			
Resolution No.	**Delegated Authority #**	**Description**	**Number of Actions in 2020**
18-018	5	Deferred Loan Funding Modifications	6
18-019	7	Deferred Loan Debt Forgiveness	3
18-020	8	Deferred Loan Assumptions	8
18-021	9	Loan Commitment Extensions	37
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18-026	15	Grant Funding Modifications	20
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18-029	20	Grant Agreement Extensions	1
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General Delegations			
Resolution No.	**Delegated Authority #**	**Description**	**Number of Actions in 2020**
18-024	13	Changes to Programs and Guides Due to Federal Changes	1

MULTIFAMILY DELEGATIONS

Resolution No MHFA 18-018, Delegation No. 005: Deferred Loan Funding Modifications: To authorize the Commissioner to make certain funding modifications under the Multifamily deferred loan programs.

Actions Taken:

Dev ID # Project #	Development Name	City	Approval Date	Funding Source	Original Selection Amount	Increase	Modified Amount
D8115 M17940	Conifer Villas	Bemidji	2/12/2020	Housing Infrastructure Bonds	$ 5,603,000	$ 53,015	$ 5,656,015
D6180 M20199	Ross Park Apartments	Sleepy Eye	5/29/2020	Publicly Owned Housing Program	$ 101,552	$ 67,814	$ 169,366
D8052 M20304	Austin Scattered Site Housing	Austin	7/22/2020	Publicly Owned Housing Program	$ 148,478	$ 71,361	$ 219,839
D7991 M18064	Decker Dwellings	Duluth	7/29/2020	Economic Development Housing Challenge Program	$ 1,847,073	$ 99,927	$ 1,947,000
D8049 M20211	Laker Apartments	Mountain Lake	7/31/2020	Publicly Owned Housing Program	$ 191,660	$ 65,992	$ 257,652
D8222 M18206	Anishinabe III Supportive Housing	Minneapolis	9/16/2020	Housing Infrastructure Bonds	$ 7,236,673	$ 108,327	$ 7,345,000

Resolution No MHFA 18-019, Delegation No. 007: Multifamily Deferred Loan Debt Forgiveness: To authorize the Commissioner to forgive the principal and/or interest on a deferred loan up to $250,000.

Actions Taken:

Dev ID # Project #	Development Name	City	Approval Date	Funding Source	Original Loan Amount	Forgiven Amount	Remaining Amount
D2467 M2793	Grygla Family Housing	Grygla	4/20/2020	Affordable Rental Investment Fund	$51,550	$51,550	$0

Dev ID # Project #	Development Name	City	Approval Date	Funding Source	Original Loan Amount	Forgiven Amount	Remaining Amount
D2467 M2793	Grygla Family Housing	Grygla	4/20/2020	Economic Development Housing Challenge Program	$ 235,270	$ 198,270	$ 37,000
D3145 M1238203	Lydia Apartments	Minneapolis	12/23/2020	Housing Opportunities for Person's with AIDS	The project had accrued $169,199 of interest that was forgiven. The existing $200,000 loan remains with the project.		

Resolution No MHFA 18-020 Delegation No. 008: Multifamily Deferred Loan Assumptions: To authorize the Commissioner to approve the assumption of Multifamily deferred loans.

Deferred loan assumptions commonly occur when a property add new refinances existing debt, which may be in conjunction with capital improvements.

Actions Taken:

Dev ID # Project #	Development Name	City	Modification Date	Funding Source	Assumed Loan Amount
D1582 M11736	487 Grand Ave	St. Paul	4/22/2020	Affordable Rental Investment Fund	$ 125,000
D3427 M1245572	Willow Wood Estates	Plymouth	5/27/2020	Preservation Affordable Rental Investment Fund	$ 300,000
D2888 MA3285	Tofte Homestead Phase I	Tofte	6/17/2020	Economic Development Housing Challenge Program	$ 260,500
D2888 MA3285	Tofte Homestead Phase I	Tofte	6/17/2020	Innovative & Inclusionary Loan	$ 176,294
D3118 MA3496	Tofte Homestead Phase II	Tofte	6/17/2020	Economic Development Housing Challenge Program	$ 257,237
D3118 MA3496	Tofte Homestead Phase II	Tofte	6/17/2020	Innovative & Inclusionary Loan	$ 241,909
D3145 M1238203	Lydia Apartments	Minneapolis	12/23/2020	Housing Trust Fund Capital	$ 329,584
D3145 M1238203	Lydia Apartments	Minneapolis	12/23/2020	Housing Opportunities for Person's with AIDS	$ 200,000

Resolution No MHFA 18-021, Delegation No. 009: Multifamily Loan Commitment Extensions: To authorize the Commissioner to approve Multifamily loan commitment extensions for Multifamily deferred loans and first mortgage loans for up to 24 months but any one extension cannot exceed twelve months.

Please note that a single project may be listed more than once because the project may involve more than one loan type and may receive more than one extension. Extensions in the publicly owned housing program have become relatively more common because the simplified concept application process shifted work that used to occur before applications to after selections, which makes for a simpler process for the applicant but results in a longer closing process.

Actions Taken:

Dev ID # Project #	Development Name	City	Approval Date	Funding Source	Selected Loan Amount
D7974 M17507	White Pine Apartments	Cloquet	3/25/2020	Economic Development Housing Challenge Program	$ 2,650,000
D7974 M17507	White Pine Apartments	Cloquet	3/25/2020	Low and Moderate Income Rental First Mortgage	$ 817,000
D8052 M20304	Austin Scattered site	Austin	5/13/2020	Publicly Owned Housing Program	$ 219,839
D8063 M20309	Twin Circle Apartments	Tracy	5/13/2020	Publicly Owned Housing Program	$ 383,086
D8064 M20114	Vart Hjem Apartments	Elbow Lake	5/13/2020	Publicly Owned Housing Program	$ 106,740
D7992 M18028	Hilltop Cottages	Pine City	6/15/2020	Economic Development Housing Challenge Program	$ 4,840,000
D7992 M18028	Hilltop Cottages	Pine City	6/15/2020	Low and Moderate Income Rental Bridge Loan	$ 1,326,000
D7992 M18028	Hilltop Cottages	Pine City	6/15/2020	Low and Moderate Income Rental First Mortgage	$ 4,610,000
D7974 M17507	White Pine Apartments	Cloquet	6/24/2020	Low and Moderate Income Rental First Mortgage	$ 817,000
D7990 M17709	15th Street Flats	Willmar	7/15/2020	Low and Moderate Income Rental First Mortgage	$ 1,139,000
D5824 M18091	Malmquist Estates	Red Wing	7/22/2020	Housing Infrastructure bonds	$ 1,623,815

Dev ID # Project #	Development Name	City	Approval Date	Funding Source	Selected Loan Amount
D6106 M18090	North State Apartments	Waseca	7/22/2020	Housing Infrastructure bonds	$ 1,558,011
D8011 M17747	Riverwood Apartments	Cannon Falls	7/22/2020	Preservation Affordable Rental Investment Fund	$ 3,136,474
D8169 M18089	Heather Court	Owatonna	7/22/2020	Housing Infrastructure bonds	$ 2,448,644.00
D8170 M18095	City Centre Apartments	Pine Island	7/22/2020	Housing Infrastructure bonds	$ 899,430.00
D8172 M18094	Town Edge	Gaylord	7/22/2020	Housing Infrastructure bonds	$ 750,000.00
D8173 M18093	Pine West & Springhaven	Cold Spring	7/22/2020	Housing Infrastructure bonds	$ 3,050,000.00
D8191 M18092	Riverside & Hillside	Watertown	7/22/2020	Housing Infrastructure bonds	$ 1,370,770.00
D8108 M17917	Le Sueur Meadows	Le Sueur	7/24/2020	HOME	$ 5,799,000.00
D7974 M17507	White Pine Apartments	Cloquet	8/5/2020	Economic Development Housing Challenge Program	$ 2,650,000
D5973 M20188	Blue Mound Tower	Luverne	10/7/2020	Publicly Owned Housing Program	$ 596,849
D5976 M20204	Pine Mill Court	Virginia	10/7/2020	Publicly Owned Housing Program	$ 615,000
D6379 M20067	Dow Towers	Hopkins	10/7/2020	Publicly Owned Housing Program	$ 393,005
D7618 M20189	Maple Grove Apartments	Wabasha	10/7/2020	Publicly Owned Housing Program	$ 180,553
D7801 M20207	Lakeview Apartments	Willmar	10/7/2020	Publicly Owned Housing Program	$ 397,000
D7817 M20196	Front Apartments	Saint Paul	10/7/2020	Publicly Owned Housing Program	$ 1,000,000
D8050 M20093	Cedar Apartments	Minneapolis	10/7/2020	Publicly Owned Housing Program	$ 1,811,509
D8050 M20093	Cedar Apartments	Minneapolis	10/7/2020	Publicly Owned Housing Program	$ 445,750
D8065 M20208	Hillside Court	Pine City	10/7/2020	Publicly Owned Housing Program	$ 57,664.00
D1310 M17672	The Hylands	Rochester	10/12/2020	Low and Moderate Income Rental First Mortgage	$ 7,864,000

Dev ID # Project #	Development Name	City	Approval Date	Funding Source	Selected Loan Amount
D1310 M17672	The Hylands	Rochester	10/12/2020	Housing Infrastructure bonds	$ 4,223,400
D1310 M17672	The Hylands	Rochester	10/12/2020	Low and Moderate Income Rental Bridge Loan	$ 4,090,000
D7969 M17499	Glen at Valley Creek	Woodbury	10/12/2020	Economic Development Housing Challenge Program (Senior Pilot)	$ 500,000
D7990 M17709	15th Street Flats	Willmar	11/4/2020	Low and Moderate Income Rental First Mortgage	$ 1,139,000
D8011 M17747	Riverwood Apartments	Cannon Falls	11/10/2020	Preservation Affordable Rental Investment Fund	$ 3,136,474
D8108 M17917	Le Sueur Meadows	Le Sueur	11/18/2020	HOME	$ 5,799,000
D5780 M18056	Westfield Apartments	Brooten	11/25/2020	Preservation Affordable Rental Investment Fund	$ 1,300,000

Resolution No MHFA 18-022, Delegation No. 010: Amortizing Loan Prepayment Prohibition: To authorize the Commissioner to waive the prohibition against amortizing loan prepayments.

Actions Taken:

Dev ID # Project #	Development Name	City	Approval Date	Description
D0710 M16660	Todd 27 Apartments	Long Prairie	9/23/2020	The prepayment prohibition period had been set to expire on April 1, 2021. The action waived the remaining months of the lock out period.
D5961	Minnesota Place	Saint Paul	4/29/2020	The prepayment prohibiting period was waived in conjunction with refinancing to a new Agency first mortgage and payment of an approximately $12,000 penalty fee.

Resolution No MHFA 18-026 Delegation No. 015: Multifamily Grant Modifications: To authorize the Commissioner to make certain funding modifications of multifamily grants.

In response to the COVID-19 Pandemic, an additional $500,000 was allocated to the Family Homeless Prevention and Assistance Program (FHPAP) grantees to provide additional program assistance.

Actions Taken:

Program	Grantee	Approval ate	Original Selection Amount	Increase	Modified Amount
Family Homeless Prevention and Assistance Program	Anoka	4/22/2020	$ 906,514	$ 19,550	$ 926,064
Family Homeless Prevention and Assistance Program	Carver/Scott	4/22/2020	$ 640,704	$ 13,800	$ 654,504
Family Homeless Prevention and Assistance Program	Dakota	4/22/2020	$ 939,726	$ 20,250	$ 959,976
Family Homeless Prevention and Assistance Program	Hennepin	4/22/2020	$ 6,053,073	$ 130,400	$ 6,183,473
Family Homeless Prevention and Assistance Program	Ramsey	4/22/2020	$ 3,717,853	$ 80,100	$ 3,797,953
Family Homeless Prevention and Assistance Program	Washington	4/22/2020	$ 573,459	$ 12,350	$ 585,809
Family Homeless Prevention and Assistance Program	Bi-CAP	4/22/2020	$ 393,255	$ 8,450	$ 401,705
Family Homeless Prevention and Assistance Program	Lutheran Social Services-Central MN	4/22/2020	$ 644,440	$ 13,900	$ 658,340
Family Homeless Prevention and Assistance Program	Kootasca	4/22/2020	$ 466,735	$ 10,000	$ 476,735
Family Homeless Prevention and Assistance Program	Lakes and Pines	4/22/2020	$ 704,223	$ 15,150	$ 719,373
Family Homeless Prevention and Assistance Program	Lakes and Prairies	4/22/2020	$ 711,796	$ 15,350	$ 727,146
Family Homeless Prevention and Assistance Program	Lutheran Social Services-Brainerd	4/22/2020	$ 968,517	$ 20,850	$ 989,367
Family Homeless Prevention and Assistance Program	Mahube	4/22/2020	$ 778,548	$ 16,750	$ 795,298
Family Homeless Prevention and Assistance Program	White Earth/Minnesota Tribal Collaborative	4/22/2020	$ 660,237	$ 14,200	$ 674,437
Family Homeless Prevention and Assistance Program	Minnesota Valley Action Council	4/22/2020	$ 968,695	$ 20,850	$ 989,545
Family Homeless Prevention and Assistance Program	St. Louis	4/22/2020	$ 1,037,661	$ 22,350	$ 1,060,011

Program	Grantee	Approval ate	Original Selection Amount	Increase	Modified Amount
Family Homeless Prevention and Assistance Program	Three Rivers	4/22/2020	$ 1,331,357	$ 28,700	$ 1,360,057
Family Homeless Prevention and Assistance Program	Tri-Valley	4/22/2020	$ 416,852	$ 9,000	$ 425,852
Family Homeless Prevention and Assistance Program	United CAP	4/22/2020	$ 1,026,321	$ 22,100	$ 1,048,421
Family Homeless Prevention and Assistance Program	West Central	4/22/2020	$ 273,924	$ 5,900	$ 279,824

Resolution no. MHFA 19-012, Delegation No. 019: Joint Powers Agreements with Suballocating Jurisdictions to Administer Federal Low-income Housing Tax Credits: To authorize the Commissioner to enter into Joint Powers Agreements with cities or counties deemed allocation agencies (also known as suballocators) to administer the Housing Tax Credit (HTC) program for the suballocator in its jurisdiction.

Actions Taken:

Jurisdiction	Approval Date	Purpose
City of Saint Cloud	4/28/2020	Housing Tax Credit Joint Powers Agreement with suballocators who agree to transfer its entire HTC Annual Tax Credit distribution to Minnesota Housing which become part of the Minnesota Housing 2021 HTC ceiling.
City of Duluth	5/6/2020	Housing Tax Credit Joint Powers Agreement with suballocators who agree to transfer its entire HTC Annual Tax Credit distribution to Minnesota Housing which become part of the Minnesota Housing 2021 HTC ceiling.
City of Rochester	5/11/2020	Housing Tax Credit Joint Powers Agreement with suballocators who agree to transfer its entire HTC Annual Tax Credit distribution to Minnesota Housing which become part of the Minnesota Housing 2021 HTC ceiling.

Resolution No MHFA 18-029, Delegation No. 020: Multifamily Grant Commitment Extensions: To authorize the Commissioner to approve grant commitment extensions for all Multifamily Grants.

Action Taken:

Dev ID # Project #	Development Name	City	Approval Date	Funding Source	Extension Length	Selected Loan Amount
D8059 M20111	The Colony	Pelican Rapids	11/4/2020	Workforce Housing Development Program	6 months	$ 767,000

Resolution No. MHFA 20-017, Delegation No. 029: Extensions of Deadline and Authorization of use as Emergency Housing for Federal Low-income Housing Tax Credit Developments Located in a Major Disaster Area: To authorize the Commissioner to approve extensions to Internal Revenue Service (IRS) deadlines under the federal HTC program and to authorize use of HTC developments as Emergency Housing Assistance as permitted by IRS guidance and procedures. This delegation is in effect only in the event that an HTC development is located in a federally declared disaster area.

Action Taken:

Dev ID # Project #	Development Name	City	Approval Date	Description
D7991 M17694	Decker Dwellings	Duluth	9/23/2020	In accordance with IRS Revenue Procedures 2014-49, Minnesota Housing approved an extension of the CPA Certification for the 2019 Carryover application.

GENERAL DELEGATIONS

Resolution No MHFA 18-024, Delegation No. 013: Changes to Programs and Guides Due to Federal Changes: To authorize the Commissioner to make changes to programs and guides due to federal changes.

Program	Approval Date	Purpose
Housing Tax Credits Compliance Guide	12/16/2020	The Housing Tax Credits Compliance Guide was updated in accordance with federal changes made by the Internal Revenue Service (IRS) to the compliance monitoring regulations that tax credit allocating agencies were required to implement by December 31, 2020.

MINNESOTA HOUSING

Board Agenda Item: 9.C
Date: 4/22/2021

Item: Annual Report of Actions Taken Under Delegated Authority – Single Family Division

Staff Contact(s):
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Request Type:

☐ Approval
☐ Motion
☐ Resolution

☒ No Action Needed
☐ Discussion
☒ Information

Summary of Request:
The attached report for calendar year ("CY") 2020 describes actions taken under certain Board Delegations related to the Single Family Division. The delegations included in the report contemplate that the Commissioner will make a written report to the Board annually describing the actions taken using the delegated authority.

Fiscal Impact:
The potential fiscal impact of each action taken under delegated authority is considered at time of approval.

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

Attachment(s):
- Single Family Delegated Authority CY 2020 Report

The Board has delegated certain authority to the Commissioner pursuant to a series of delegations. The delegations include a determination by the Board that providing authority to the Commissioner improves the efficiency of the Agency's loan and grant programs. Each delegation includes an allowable scope as well as parameters and limitations by which it may be used and how actions may be approved. A number of delegations provide for an annual report to the Board of actions taken pursuant to that authority.

This report includes actions taken under delegated authority that requires annual reporting, related to the Agency's Single Family division, in calendar year 2020.

The following actions were taken under each of the delegations listed below during calendar year 2020.

Resolution No. MHFA 18-016, Delegation No. 003: To authorize the Commissioner to grant program and servicing waivers to certain Single Family loan requirements.

Pre-Funding Actions Taken:

Program	Reason for Action	Number
Homeownership-First Mortgage	Program guideline/manual waivers	51
	Interest rate/fee waivers	19
	Document deficiency waivers	11
Homeownership-Downpayment and Closing Cost Loans	Program guideline/manual waivers	66
Home Improvement	Program guideline/manual waiver	1
	Interest Rate	1
Total		**149**

Post-Closing Quality Control Actions Taken:

Program	Reason for Action	Number
Homeownership	Program guideline/manual waivers	19
Home Improvement	Program guideline/manual waiver	85
	Interest Rate	86
Total		**190**

Resolution No. MHFA 18-036, Delegation No. 017: To authorize the Commissioner to make certain funding modifications, herein called "Incentive Fund Awards," under the Community Homeownership Impact Fund ("Impact Fund").

Actions taken:
The Agency received three Incentive Fund applications requesting funds totaling $157,000 for a total of eight units. Staff recommended funding the three applications for a total of $157,000 in Challenge funds and for eight total units for the following Administrators:

Community Neighborhood Housing Services dba NeighborWorks Home Partners (NWHP)	
Impact Fund Award #	11-2018-08
Project Name:	Community Keys
Number of Units:	4
Incentive Fund Amount Awarded	Deferred Loan Funds $30,000 Grant Funds $2,000 (Administration Fee)
The Administrator was awarded Affordability Gap Loan Funds for homebuyer households.	
Historic Saint Paul Corporation	
Impact Fund Award #	11-2018-14
Project Name:	412 Goodrich Rehabilitation
Number of Units:	1
Incentive Fund Amount Awarded	Deferred Loan Funds $30,000 Grant Funds $2,000 (Administration Fee)
The Administrator was awarded Value Gap Funds for the acquisition/rehabilitation/resale for the property located at 47 Douglas Street in Saint Paul in the West 7th neighborhood.	
One Roof Community Housing	
Impact Fund Award #	11-2018-17
Project Name:	One Roof Community Housing Owner-Occupied-Rehab
Number of Units:	3
Incentive Fund Amount Awarded	Deferred Loan Funds: $60,000
The Administrator was awarded Deferred Loan Funds for three homeowners in the pipeline for Owner-Occupied-Rehab projects.	

Resolution No. MHFA 18-033, Delegation No. 024: To authorize the Commissioner to approve grant extensions for all Single Family grants.

Actions taken:
40 extensions approved.

35% (14) of the awards specifically mentioned COVID-19 as reason for delay. Common reasons for delays include being unable to gain access to properties for owner-occupied rehab projects, materials being delayed and contractor delays.

Resolution No. MHFA 18-035, Delegation No. 026: To authorize the Commissioner to grant waivers to certain visitability requirements for single family program related transactions authorized by Minn. Stat. § 462A.34, as it may be subsequently amended or revised.

Actions taken:
Total number of visitability waivers 17.
2019 Impact Fund awards, two administrators for 12 units.
2018 Impact Fund awards, two administrators for 5 units.

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