



NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

BOARD ORIENTATION MATERIAL

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TITLE XVII

HOUSING AND REDEVELOPMENT

Chapter 204-C

HOUSING FINANCE AUTHORITY

Section 204-C:1

204-C:1 Definitions. –

As used in this chapter unless the context clearly indicates otherwise:

I. "Authority" shall mean the New Hampshire housing finance authority.

II. "Board" shall mean the housing finance board.

III. "Bonds" shall mean bonds of the authority issued under this chapter, including refunding bonds.

IV. "Clerk" shall mean the clerk of the municipality or the officer charged with the duties customarily imposed on such clerk.

V. "Development costs" shall mean the total of all costs incurred in connection with housing, which are approved by the authority as reasonable and necessary, which costs shall include, but not be limited to the following: the value of land and any buildings or improvements on the land, including payments for options, deposits or contracts to purchase properties on the proposed housing site or payments for the purchase of such properties; cost of site preparation, demolition, landscaping, development and off-site improvements; fees for architectural, engineering, legal, accounting and other services paid or payable in connection with the planning, execution and financing of such housing; cost of necessary studies, surveys, plans and permits; cost of insurance, interest, financing, tax assessments and other operating and carrying costs during construction; cost of construction, rehabilitation, reconstruction, fixtures, furnishings, equipment, machinery and apparatus related to such housing; organizational expenses, relocation expenses, reasonable expenses in connection with initial occupancy of such housing, a reasonable builder's and developer's profit and risk fee in addition to job overhead; an allowance established by the authority for working capital, contingency reserves and reserves for any anticipated operating deficits during the early years of occupancy; and the cost of such other items as the authority shall determine to be reasonable and necessary for the development of such housing. Such development costs shall be recognized whether paid in cash or in a form other than cash.

VI. "Economic cost" shall mean cost of operating housing, including debt service, finance charges, management fee, heat, utility, maintenance, replacement reserve, on-site management and janitorial costs and other operating expenses approved by the authority, and, with respect to any rental housing, the maximum annual equity distribution on a cumulative basis permitted by the authority with respect to such housing.

VII. "Elderly" shall mean a person who qualifies to live in housing for older persons, as defined in RSA 354-A:15.

VIII. "Eligible low income persons and families" shall mean those eligible persons and families whose annual income is less than the amount necessary to enable them to obtain and maintain decent, safe and sanitary housing without the expenditure of more than 30 percent of such income for basic shelter cost, including the additional cost, if any, of heat, hot water, and other utilities, except telephone.

IX. "Eligible mortgagor" shall mean any individual, joint venture, partnership, limited partnership, trust, firm, association, corporation, cooperative, condominium association, governmental agency, or other legal entity, or any combination thereof approved by the authority as qualified to own, construct, acquire, rehabilitate, operate, manage or maintain housing whether organized for profit, limited profit or nonprofit purposes, in each case subject to the rules of the authority and the provisions of this chapter.

X. "Eligible persons and families" shall mean a person or persons, and families of 2 or more persons, irrespective of race, creed, national origin, sex, or gender identity, determined by the authority to require assistance under this chapter on account of insufficient personal or family income taking into consideration, without limitation, such factors as follows: (a) the amount of the total income of such persons and families available for housing needs; (b) the size of the family; (c) the cost and condition of housing facilities available;

(d) the ability of such persons and families to compete successfully in the normal private housing market and to pay the amounts at which private enterprise is providing decent, safe and sanitary housing; and (e) if appropriate, standards established for various federal programs determining eligibility based on income of such persons and families.

XI. "Federally assisted mortgage" shall mean a mortgage loan for housing, assisted, insured or guaranteed by the United States or a governmental agency or instrumentality of the United States, and shall include a commitment by the United States or a governmental agency or instrumentality of the United States to assist, insure, guarantee or purchase such a mortgage.

XII. "Federal government" shall mean the United States of America, or any agency or instrumentality, corporate or otherwise, of the United States of America.

XIII. "Governing body" shall mean in a city that governing body which is designed as such by the charter of the particular city; in a town, the board of selectmen.

XIV. "Governmental agency" shall mean the United States, the state, any municipality within the state, or any agency, authority, board, commission, department, division, public corporation, public agency or authority, political subdivision or other public instrumentality thereof.

XV. "Housing" shall mean one or more new or existing dwelling units in the state financed pursuant to this chapter, including homes for persons with disabilities, mobile homes, prefabricated homes, any buildings, land, improvements, equipment, facilities or other real or personal properties which are deemed by the authority to be necessary, convenient, ancillary or desirable in connection with such dwelling units, and including, but not limited to, streets, sewers, utilities, parks, site preparation, off-site facilities, landscaping and other nonhousing facilities such as administrative, community, transportation, health, recreational, educational, commercial, retail, welfare and public facilities.

XVI. "Housing project" shall mean any work or undertaking:

- (a) To demolish, clear or remove buildings from any slum area; such work or undertaking may embrace the adoption of such area to public purposes, including parks or other recreational or community purposes; or
- (b) To provide decent, safe and sanitary urban or rural multi-family housing for persons of low income; such work or undertaking may include buildings, land, equipment, facilities and other real or personal property for necessary, convenient or desirable appurtenances, streets, sewers, water service, parks, site preparation, gardening, administrative, community, health, recreational, welfare or other purposes; or
- (c) To accomplish a combination of the foregoing. The term "housing project" also may be applied to the planning of multi-family housing and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration and repair of the improvements and all other work in connection with them.

XVII. "Lending institution" shall mean any bank or trust company; Federal National Mortgage Association approved mortgage banker; savings bank; credit union; national banking association; insurance company; financial institution or governmental agency which customarily provides service or otherwise aids in the financing of mortgages located in the state.

XVIII. "Local authority" shall mean a housing authority constituted under the provisions of RSA 203.

XIX. "Mayor" shall mean the mayor of the city or the officer of the city charged with the duties customarily imposed on the mayor or executive head of the city. "Mayor" shall also mean the selectmen in the case of towns.

XX. "Mortgage" shall mean a mortgage deed, deed of trust, or other instrument which shall constitute or create a security interest in tangible personal property constituting housing, or a lien on real property or on a leasehold under a lease having a remaining term, at any time such mortgage is acquired, which does not expire for at least that number of years beyond the maturity date of the obligation secured by such mortgage as is established by the authority as necessary to protect its interest as mortgagee.

XXI. "Mortgage loan" shall mean an interest-bearing obligation secured by a mortgage.

XXII. "Multi-family housing" shall mean housing consisting of 5 or more units.

XXIII. "Municipality" shall mean any city or town in this state.

XXIV. "Obligations" shall mean collectively any bonds, notes, bond anticipation notes, debentures, interim certificates or other evidence of financial indebtedness issued by the authority pursuant to this chapter.

XXV. "Real property" shall mean all land, including appurtenances, improvements and fixtures on the land, and property of any nature appurtenant to the land, or used in connection with the land, and every estate, interest and rights, legal or equitable in the land, including terms of years and liens by way of attachment, judgment, mortgage or otherwise and the indebtedness secured by such liens.

XXVI. "Slum" shall mean any area where dwellings predominate which, by reason of dilapidation, overcrowding, lack of ventilation, light or sanitary facilities, or any combination of these factors, are detrimental to safety, health or morals.

Source. 1981, 466:2. 1983, 367:2. 1988, 250:4. 1990, 140:2, III, eff. June 18, 1990; 187:5, eff. June 26, 1990. 2014, 323:1, 2, eff. Sept. 30, 2014. 2019, 332:15, eff. Oct. 15, 2019.

Section 204-C:2

204-C:2 Authority Established. – There is hereby created a body politic and corporate having a distinct legal existence separate from the state and not constituting a department of state government, to be known as the New Hampshire housing finance authority to carry out the provisions of this chapter. The authority is hereby deemed to be a public instrumentality and the exercise by the authority of the powers conferred by this chapter shall be deemed and held to be the performance of public and essential governmental functions of the state. The rights, remedies, security and obligations of any person holding an outstanding bond or note issued by the New Hampshire housing finance agency or the New Hampshire housing commission prior to the effective date of this chapter, and the rights, remedies and obligations of any person party to any agreement with such agency or commission which are in existence on the effective date of this chapter shall not be impaired or affected in any way by this chapter. Any naming of or reference to the New Hampshire housing finance agency or the New Hampshire housing commission in any bond resolution or other document shall be deemed to include the authority, and all of the covenants and agreements contained in any such bond resolution or other document executed or adopted by or on behalf of the New Hampshire housing finance agency or the New Hampshire housing commission shall be binding on, shall inure to the benefit of, and shall be performed by, the authority whether so expressed or not. All right, title and interest in and to all assets and all obligations and liabilities of the New Hampshire housing finance agency and the New Hampshire housing commission vested in or possessed by said agency or commission on the effective date of this chapter shall vest in and be possessed, performed and assumed by the authority. The passing of rights, remedies, duties, covenants, agreements, security and obligations in accordance with this section shall not increase or diminish them.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:3

204-C:3 Housing Finance Board. – The powers of the authority shall be vested in 9 members, comprised of men and women, to be appointed by the governor with the advice and consent of the council. One member of the board shall be a person having experience in the construction of single-family real estate; one member shall be a person having experience with the business of selling or renting real estate; one member shall be a person having experience in residential mortgage banking; and at least 2 members shall be persons representing the general public who are neither bankers, builders, nor in the business of selling or renting real estate. No more than 5 members shall be of the same political party. The governor shall appoint annually a chairman and the members shall elect annually from among their number a vice-chairman and such officers as they may determine. Terms of board members shall be 5 years, except that all vacancies shall be filled for the unexpired term. In 1986, members shall be appointed to the following terms: one member to a one-year term, 2 members to a 2-year term, 2 members to a 3-year term, 2 members to a 4-year term, and 2 members for a 5-year term. No member may serve more than 2 full consecutive terms. No member of the board shall serve on any other state board, commission, or in any other state agency during his term of office as a member of the housing finance board. A member shall hold office until his successor has been appointed and qualified. Members shall receive no salary for the performance of their duties under this chapter, but each member shall be reimbursed for reasonable expenses incurred in carrying out his duties under this chapter.

Source. 1981, 466:2. 1985, 230:1, eff. July 30, 1985.

Section 204-C:4

204-C:4 Meetings of Board. – Meetings shall be held at the call of the chairman, executive director or when 3 members so request. Five members of the board shall constitute a quorum and the affirmative vote of 5 members shall be necessary for any action taken by the authority. No vacancy in the membership of the board shall impair the right of a quorum to exercise all the rights and perform all the duties of the authority.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:5

204-C:5 Executive Director; Operations. – Operation of the authority shall be delegated by the board to an executive director who shall be appointed by the board. The executive director shall be a person qualified by training and experience in this field and shall hold office for an indefinite term, at the pleasure of the board. The executive director shall also be the secretary of the authority, shall keep a record of the proceedings of the authority, and shall be the custodian of all books, documents, and papers filed with the authority and of its minute book and seal. He shall have the power to cause copies to be made of all minutes and other records and documents of the authority and to give certificates under the seal of the authority to the effect that such copies are true copies, and all persons dealing with the authority may rely upon such certificates. The executive director shall employ such assistants, clerical and administrative staff as necessary and within limits of funds available for that purpose. The executive director may from time to time establish and maintain such operating divisions within the authority as he shall deem necessary for the proper and efficient conduct of business under this chapter, and may assign such staff members to any such division, consistent with the provisions of RSA 204-C:8, X.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:6

204-C:6 Surety Required. – Before entering into their duties, the members of the board shall obtain a surety blanket bond covering each member in the penal sum of not less than \$50,000, the executive director in the penal sum of not less than \$100,000, and the other officers and employees of the authority in the penal sum of not less than \$50,000. Such surety bond or bonds shall be conditioned upon the faithful performance of the duties of the office covered, shall be executed by a surety company authorized to transact business in this state as surety and shall be approved by the attorney general and filed in the office of the secretary of state. The cost of each such bond shall be paid by the authority.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:7

204-C:7 Disqualification of Member. – Notwithstanding any other provision of law to the contrary, it shall not be nor shall it constitute a conflict of interest for a director, officer or employee of any financial institution, investment banking firm, brokerage firm, commercial bank or trust company, architectural firm, insurance company or any other firm, person or corporation to serve as a member of the board. If any member of the board shall be interested either directly or indirectly or shall be a director, officer or employee of or have an ownership interest in any firm or corporation interested directly or indirectly in any contract with the authority, including any loan to any eligible mortgagor or loan to or purchase of any loan from any lending institution, such interest shall be disclosed to the board and shall be set forth in the minutes of the board and the member having such interest shall not participate on behalf of the authority in any proceedings relating to the authorization of any such contract.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:8

204-C:8 General Powers. –

The authority may:

- I. Sue and be sued in its own name;
- II. Have an official seal and alter the same at pleasure;
- III. Maintain offices at such place within the state as it may designate;
- IV. Explore all sources of federal funding for housing and housing related projects and programs; accept loans, grants, contributions and other financial assistance; acquire, lease, hold, and operate real property; engage in and administer housing and housing related projects and programs including, but not limited to programs and projects under sections 10(c) and 23 of the United States Housing Act of 1937, as amended;
- V. Collect and correlate information regarding housing projects and housing laws either within or without the state, and upon request furnish local housing authorities, cities or towns, information and advice in connection with any housing project; conduct studies of housing needs in the state and use information gained thereby in planning how best to carry out the purposes of this chapter; work with other state and federal agencies in such studies and planning; develop such plans with the United States Department of Housing and Urban Development, the office of planning and development and other state agencies; and when in the opinion of the authority it is feasible to do so, select projects to fund consistent with the requirements of the plan;
- VI. Enforce any of its authorized orders in the courts of the state;
- VII. Make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this chapter with any governmental agency, private corporation, lending institution, or other entity, or individual;
- VIII. Acquire or contract to acquire real or personal property, or any interest in real or personal property, in fee simple or otherwise, in its own name by gift, purchase, transfer, foreclosure, lease or otherwise, including rights or easements in property; hold, sell, assign, lease, encumber, mortgage, or otherwise dispose of any real or personal property or any interest in real or personal property; hold, sell, assign or otherwise dispose of any loan or mortgage interest owned by it or under its control, custody or in its possession at public or private sale, including, without limitation, sales of mortgages or loans to governmental agencies, and release or relinquish any right, title, claim, lien, interest, easement or demand however acquired, including any equity or right of redemption in property foreclosed by it and do any of the foregoing by public or private sale, with or without public bidding, notwithstanding the provisions of any other law;
- IX. Enter into agreements or other transactions with, and accept grants, property loans, financial or other assistance of any governmental agency, lending institution or other source in furtherance of the purposes of this chapter;
- X. Employ architects, engineers, attorneys, accountants, financial experts and such other advisors and employees, consultants and agents as may be necessary in its judgment and fix their compensation, provided that no such person shall be a classified state employee;
- XI. Provide advice, technical information, training and educational services and conduct research and promote the development of housing, building technology and related fields;
- XII. Make mortgage loans upon the terms and conditions set forth in this chapter to eligible mortgagors and eligible persons and families and make loans to lending institutions to finance the acquisition, construction or rehabilitation of housing designed and planned to be made available for eligible persons and families who may include eligible elderly and low income persons and families;
- XIII. Purchase mortgages on housing;
- XIV. Make and execute contracts with lending institutions for the servicing of mortgages or loans acquired by the authority pursuant to this chapter, and pay the reasonable value of services rendered to the authority pursuant to these contracts;
- XV. Procure insurance against any loss in connection with its property and other assets, including mortgages and mortgage loans, in such amounts and from such insurers as it deems desirable;
- XVI. Make loans or advances, with or without interest, and whether or not secured by a mortgage, to eligible persons and families for the costs of reconstruction, rehabilitation or other improvements of existing housing owned and occupied by such eligible persons and families and for down payment costs, closing costs and other initial expenses of acquiring, financing or refinancing housing owned and occupied or to be owned and occupied by such eligible persons and families;
- XVII. Purchase and make commitments for the purchase of securities or other obligations issued by lending institutions to finance housing, subject to any agreement with bondholders or noteholders;

- XVIII. Borrow money and issue bonds and notes or other obligations as it may from time to time determine necessary and convenient to provide sufficient funds for achieving any of its corporate purposes including funds to meet operating expenses for the first 5 years of its existence;
- XIX. Invest or deposit moneys of the authority, subject to any agreement with bondholders or noteholders;
- XX. Renegotiate, refinance or foreclose, or contract for the foreclosure of, any mortgage or loan in default; waive any default or consent to the modification of the terms of any mortgage or loan; commence any action to protect or enforce any right conferred upon it by any law, mortgage, loan, contract or other agreement, and bid for and purchase such property at any foreclosure or at any other sale, or acquire or take possession of any such property; operate, manage, lease, dispose of, and otherwise deal with such property, in such manner as may be necessary to protect the interest of the authority and the holders of its bonds, notes and other obligations; all subject to any agreement with bondholders or noteholders;
- XXI. Institute any action or proceeding against the maker, payor or other party, hereafter referred to as the obligor, who is liable for the payment of any obligation, mortgage or loan held or made by the authority under the provisions of this chapter, or owning any housing under this chapter, in any court of competent jurisdiction in order to enforce the provisions of this chapter, or to foreclose mortgages or loans, or to protect the public interest, the occupants of the housing, or the stockholders or creditors, if any, of such obligor. In connection with any such action or proceeding, the authority may apply for the appointment of a receiver to take over, manage, operate and maintain the affairs of such obligor when so appointed by a court of competent jurisdiction. In the event of the reorganization of any obligor, to the extent possible under the provisions of law, such reorganization shall be subject to the supervision and control of the authority and no such reorganization shall be had without the prior written consent of the authority. In the event of a judgment against any obligor in any action not pertaining to the foreclosure of a mortgage or loan, there shall be no sale of any of the real property included in any residential housing of such obligor except upon 60 days written notice to the authority. Upon receipt of such notice the authority shall take such steps as in its judgment may be necessary to protect the rights of all parties;
- XXII. Consent to any modification with respect to rate of interest, time and payment of any installment of principal or interest, security or any other term of any contract, loan, mortgage, mortgage loan, mortgage loan commitment, contract or agreement of any kind to which the authority is a party, subject to any agreement with bondholders or noteholders;
- XXIII. Procure or agree to the procurement of insurance or guarantees from any governmental agency or from any private insurance company, of the payment of any obligations issued by the authority or bonds or notes or any other evidences of indebtedness thereof issued by any lending institution, including the power to pay premiums on such insurance;
- XXIV. Enter into regulatory and other agreements and contracts with eligible mortgagors under this chapter;
- XXV. Charge and collect from eligible mortgagors, eligible persons and families and lending institutions, such fees and charges as the authority may establish from time to time for its lending programs;
- XXVI. Create and establish such funds or accounts as may be necessary or desirable for furtherance of the purposes of this chapter;
- XXVI-a. Finance, on such terms and conditions as the authority may determine, by the issuance of bonds or otherwise, homes for persons with disabilities without regard to any other requirement of this chapter relating to the making or purchasing of loans or mortgage loans or to the requirements of RSA 204-C:11 if the authority finds that such financing would result in a public benefit;
- XXVI-b. Make loans, on such terms and conditions as the authority may determine, by issuance of bonds or otherwise, secured by homes owned by the elderly without regard to any other requirements of this chapter relating to the making or purchasing of loans or mortgage loans if the authority finds that such financing would result in a public benefit;
- XXVI-c. Issue bonds, without regard to any other requirements of this chapter, for housing, housing projects, or any other facility located outside of the state that could be financed by the authority if it were located within the state, if the authority finds that such financing would result in a public benefit to the state or its citizens, provided that no such bonds shall be considered an obligation or pledge of the faith and credit of the state; and
- XXVII. Do any and all things necessary or convenient to carry out its purposes and exercise, implement and perfect the powers given and granted in this chapter.

Source. 1981, 466:2. 1988, 250:5. 1990, 140:2, III; 187:3. 2003, 319:9. 2004, 257:44, eff. July 1, 2004. 2017, 156:64, eff. July 1, 2017. 2018, 331:14, eff. June 25, 2018. 2021, 91:198, eff. July 1, 2021.

Section 204-C:8-a

204-C:8-a Publication Required. – The authority shall publish annually such information on maximum restricted rents, utility allowances, vacancy rates, and capitalization rates as necessary to appraise property pursuant to RSA 75:1-a.

Source. 2008, 390:6, eff. July 1, 2008.

Section 204-C:8-b

204-C:8-b Terms and Conditions of Municipal Grants or Loans. – Prior to making a grant or loan of funds to a municipality and at least 14 days prior to acceptance of such funds by the municipality, the authority shall fully disclose in writing to the governing body of the municipality all terms and conditions associated with acceptance of such funds. Disclosure shall include all terms and conditions associated with any third party that has provided funding to the authority in connection with such financing, including any federal agencies.

Source. 2015, 16:1, eff. July 4, 2015.

Section 204-C:9

204-C:9 Rulemaking Authority. –

The authority may adopt rules pursuant to its own procedures relative to:

- I. The conduct of its business;
- II. The making, purchasing and sale of loans and mortgage loans under this chapter and the application of proceeds of any sale;
- III. The making of loans to lending institutions;
- IV. The regulation of mortgagors and eligible elderly and low income persons and families and eligible persons and families;
- V. The selection and admission of tenants and other occupants;
- VI. The selection of owners;
- VII. The uses of housing;
- VIII. The establishment of dependency and medical allowances;
- IX. The definition of dwelling unit;
- X. Lending institutions acting as agents of the authority for the purpose of accepting, reviewing and acting upon applications for mortgage loans and preparing, processing and servicing such loans;
- XI. Reasonable fees to be paid to lending institutions for the services described in paragraph X;
- XII. The making of loans to or purchasing of securities from lending institutions and the application of the proceeds of the loans, including, without limitation:
 - (a) The interest rate and terms of loans to be made to lending institutions;
 - (b) The time within which lending institutions must make commitments and disbursements for mortgages;
 - (c) The type and amount of collateral security to be pledged by lending institutions to assure repayment of loans from the agency;
 - (d) Standards as to the construction or rehabilitation for the housing to be financed;
 - (e) Procedures for the submission of requests or the invitation of proposals for loans to lending institutions;
 - (f) Certificates of compliance by the lending institution with the terms and conditions governing the making of loans and purchase of securities, and the application of the proceeds of such loans and securities;
 - (g) Schedules of fees and other charges to be made by the authority and the lending institution in renewing, acting upon, or accepting applications for loans under RSA 204-C:19, and any other matters related to such loans as the authority may deem necessary;

XIII. Such other matters as are necessary to carry out the powers and duties of the agency.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:10

204-C:10 Bonds by Certain Mortgagors. – On all construction loans for the construction or rehabilitation of 11 or more dwelling units, as defined by the authority pursuant to adopted rules, the authority shall require bonds to be furnished by the mortgagor, an equivalent escrow or letter of credit arrangement supervised by the authority, or any other surety sufficient to assure performance by the contractor party to the contracts awarded to carry on such work, and to assure payment out of the construction loan funds for all labor and materials for which claimants would be able to claim a mechanic's lien pursuant to RSA 447.

Source. 1981, 466:2, eff. July 1, 1981. 2019, 116:1, eff. Aug. 20, 2019.

Section 204-C:11

204-C:11 Area of Operation; Sole Statewide Public Housing Agency. – The area of operation of the authority shall be the entire state. The authority is a public housing agency as defined in the United States Housing Act of 1937. The authority is the only statewide public housing agency and is the sole entity authorized in New Hampshire to undertake any statewide contract administration for section 8 project housing assistance contracts issued under the United States Housing Act of 1937. The authority may subcontract such work to any other entities it determines, in its sole judgment, to be qualified to perform the work.

Source. 1981, 466:2. 1983, 367:1. 1988, 250:6, eff. April 30, 1988. 2019, 116:2, eff. Aug. 20, 2019.

Section 204-C:11-a

204-C:11-a Financing for Community Providers. –

I. Notwithstanding any other requirement of this chapter relating to the making or purchasing of loans or mortgage loans or to the provisions of RSA 204-C:28, the authority may make loans on such terms, conditions and security, if any, as the authority may determine, to nonprofit corporations to finance, refinance or reimburse all or a portion of the costs of acquiring, constructing, improving or equipping community provider facilities in the state.

II. For purposes of this section, "community provider facilities" means facilities owned and used by a nonprofit corporation, or a nonprofit affiliate of a nonprofit corporation, including, but not limited to, homes for the disabled, residential and day care facilities, administrative facilities, community facilities, transportation facilities, health facilities, recreational facilities, cultural facilities, educational facilities, and welfare facilities, deemed by the authority to be necessary, convenient, ancillary or desirable in connection with the rendering by such nonprofit corporation of services as a community provider to persons in the state.

III. Before making any loan under this section, the authority shall find that such financing, refinancing or reimbursement will result in a public benefit. Loans made by the authority under this section may be made from the proceeds of obligations issued by the authority or from other sources; provided, however, no such obligation shall constitute a general obligation of the authority or a debt or pledge of the faith and credit of the authority.

Source. 1990, 220:1, eff. June 26, 1990.

Section 204-C:12

204-C:12 Exempt from Department of Transportation Supervision. – Any project or program undertaken under the provisions of this chapter shall be exempt from the provisions of RSA 228.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:13

204-C:13 Repealed by 1988, 240:9, eff. July 1, 1988. –

Section 204-C:14

204-C:14 Bonds Subject to Federal Laws. – All bonds issued by the authority shall be subject to applicable federal law.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:15

204-C:15 Mortgage Loans. –

Without limiting the generality of the powers granted under RSA 204-C:8, with respect to mortgage loans to be made by the authority, the authority may:

I. Make, undertake commitments to make and participate with governmental agencies, lending institutions and other sources in the making of mortgage loans to eligible mortgagors, for the purpose of acquiring, refinancing, building or rehabilitating housing to provide housing for eligible elderly and low income persons and families and other eligible persons and families in accordance with this chapter in locations where, in the judgment of the authority, there is a need for such housing. Such loans may include acquisition loans, refinancing loans, construction loans and permanent loans.

II. Enter into agreements with lending institutions in the state which shall, pursuant to the rules of the authority, act as the authority's agent for the purpose of accepting, reviewing and acting upon applications for mortgage loans and preparing, processing and servicing such loans. For such activities, the lending institutions shall receive reasonable fees as established by rules of the authority.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:16

204-C:16 Conditions on Mortgage Loans. –

Mortgage loans made by the authority to eligible mortgagors shall be made subject to the following terms and conditions:

I. No application for a mortgage loan shall be approved unless the applicant is an eligible mortgagor.

II. Mortgage loans shall be made at interest rates established by the authority. In connection with the making of mortgage loans and commitments for mortgage loans, and in addition to such interest charges, the authority may charge and collect such fees and charges, including, but not limited to, reimbursement of the authority's financing costs, service charges, insurance premiums and mortgage insurance premiums, as the authority determines to be reasonable.

III. The ratio of mortgage loan to project value and the amortization period of federally insured mortgage loans made under this chapter shall be governed by the mortgage insurance commitment for each project concerned, but such amortization period shall not exceed 50 years. In the case of a mortgage loan which is not federally insured, the ratio of loan to project value and the amortization period of loans shall be determined in accordance with rules adopted by the authority; but, in no event, shall such loan-to-value ratio exceed 95 percent of development cost of the housing financed by such mortgage loan, nor shall the amortization period exceed 50 years, except that, in the case of loans to governmental agencies, nonprofit eligible mortgagors, or eligible mortgagors which are organized as condominium associations or cooperatives, such loan shall not exceed 100 percent of such development cost.

IV. Each mortgage shall be in recordable form and each mortgage and promissory note accompanying such mortgage shall retain such terms and provisions and be in such form as may be approved by the authority.

V. With respect to any rental housing, an eligible mortgagor may not in any one year make distributions of income or earnings from or have equity in, or indebtedness from, housing financed by the authority in excess of the amounts prescribed by the rules of the authority; but, in no event, shall a mortgagor make distributions of income of the mortgagor in any one year or cumulatively in excess of such limits as may be established by the authority in rules adopted pursuant to RSA 204-C:53, of the mortgagor's equity in such housing, which for the purposes of this chapter shall be the development cost of the housing, as determined by the authority at the time of making the final mortgage advance, less the amount of the final advance of the mortgage loan to the eligible mortgagor. Such mortgagor's equity shall remain constant as long as the authority's mortgage shall be outstanding unless otherwise provided for by rules of the authority.

Source. 1981, 466:2. 1983, 468:13, eff. June 30, 1983. 2014, 323:3, eff. Sept. 30, 2014.

Section 204-C:17

204-C:17 Purchase of Mortgage Loans and Loans. –

Without limiting the generality of the powers granted under RSA 204-C:8, the authority may:

- I. Invest in, purchase or make commitments to purchase, and take assignments from lending institutions of loans, whether or not secured by a mortgage, mortgage loans and promissory notes accompanying such loans or mortgage loans, including federally insured loans or mortgage loans or participations with lending institutions in such loans, promissory notes and mortgage loans, for the construction, rehabilitation, purchase, leasing or refinancing of housing within the state;
- II. Sell, at public or private sale, with or without public bidding, any mortgage loan, loan or other obligation held by the authority; and
- III. Adopt, modify or repeal rules governing the purchase and sale of loans and mortgage loans and the application of proceeds thereof.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:18

204-C:18 Conditions on Purchase of Mortgage or Loan. –

At or before the time of purchase of any loan or mortgage loan, the lending institution which made such loan or mortgage loan shall certify to the authority with respect to all loans or mortgage loans transferred to the authority:

- I. That the loans or mortgage loans transferred to the authority are primarily for housing for eligible persons and families within the state; or
- II. That the proceeds of such purchase will be reinvested in loans or mortgage loans for housing eligible persons and families.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:19

204-C:19 Loans to Lending Institutions. –

Without limiting the generality of the powers granted under RSA 204-C:8, the authority may:

- I. Make loans to lending institutions under terms and conditions requiring the proceeds of the loans to be used by such lending institutions for the making of new mortgage loans for housing for eligible persons and families;
- II. Purchase securities secured by, or providing financing for, mortgages on housing from lending institutions;
- III. Require that loans to, or such securities purchased from, lending institutions shall be additionally secured as to payment of both principal and interest by a pledge of and lien upon collateral security in such amounts and consisting of such obligations, securities and mortgage loans as the authority shall by resolution determine to be necessary to assure the payment of such loans or such securities purchased and the interest on them as the same become due. The authority may require in the case of any or all lending institutions that any required collateral

be lodged with a bank or trust company located either within or outside the state designated by the authority as custodian for the collateral. In the absence of such requirement, a lending institution shall, if collateral is to be provided for loan of such securities purchased, upon receipt of the proceeds from the authority, enter into an agreement with the authority containing such provisions as the authority shall deem necessary to adequately identify and maintain such collateral and service the same and shall provide that such lending institution shall hold such collateral as an agent for the authority and shall be held accountable as the trustee of an express trust for the application and disposition of and the income from the collateral solely to uses and purposes in accordance with the provisions of such agreement. A copy of each such agreement and any revisions or supplements to the agreement shall be filed with the secretary of state and no further filing or other action under RSA 382-A or any other law of the state shall be required to perfect the security interest of the authority in such collateral or any additions to or substitutions for the collateral; and the lien and trust for the benefit of the authority so created shall be binding from and after the time made against all parties having claims of any kind in tort, contract, or otherwise against such lending institution. The authority may also establish such additional requirements as it deems necessary with respect to the pledging, assigning, setting aside or holding of such collateral and the making of substitutions for or additions to and the disposition of income and receipts from the collateral; and

IV. Collect, enforce the collection of, and foreclose on any collateral securing its loans to, or purchase of securities from, lending institutions and acquire or take possession of such collateral and sell the same at public or private sale, with or without public bidding, and otherwise deal with such collateral as may be necessary to protect the interest of the authority in the collateral, all subject to any agreement with bondholders or noteholders.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:20

204-C:20 Findings. –

Prior to making any mortgage loan or any loan to a lending institution, or prior to purchasing any loan or mortgage loan under this chapter, the authority shall find with respect to each such commitment:

I. That, with respect to rental multi-family housing, eligible elderly and low income persons and families can afford the adjusted rental or carrying charges set for a reasonable number, as determined by the authority, but in no event fewer than

1/8 of the units in the housing, to be financed pursuant to such commitment without the expenditure of more than 30 percent of their annual income for basic shelter cost, including the additional cost, if any, of heat, hot water, and other utilities, except telephone; provided, however, that, if necessary to make the project financially feasible, such percentage of annual income may be increased to 32 percent; and provided further that, if, in order to meet federal requirements or to obtain federal assistance, a different percentage of annual income shall be required, then such percentage of annual income shall be increased, or based on the federal requirement, if applicable;

II. That with respect to housing other than rental multi-family housing, that the general housing market area, as determined by the authority, to be served by such housing does or shall by reason of the housing to be provided include housing for eligible elderly or low income persons and families, as well as eligible persons and families;

III. That there exists a shortage of decent, safe and sanitary dwelling accommodations at rents or carrying charges which eligible persons and families including eligible elderly and low income persons and families can afford within the general housing market area, as determined by the authority, to be served by such housing;

IV. That without the assistance contemplated by such commitment, private enterprise cannot supply such housing in such general housing market area at rentals or carrying charges which eligible persons and families can afford; and at which eligible elderly and low income persons and families can afford without the expenditure of more than 30 percent of their income for basic shelter cost, including the additional cost, if any, of heat, hot water, and other utilities, except telephone;

V. That as to any loan to a lending institution or purchase of a loan or mortgage loan, an inadequate supply of funds for housing loans or mortgage loans exists in normal banking channels within the state and available to the general housing area;

VI. That such housing either is itself designed to house eligible elderly and low income persons and families and

eligible persons and families of varied economic means or shall not create or contribute to an undue concentration of low income families in one neighborhood;

VII. That the housing to be financed by the authority pursuant to such commitment shall increase the supply of or promote the quality of decent, safe and sanitary housing for eligible persons and families, including a reasonable number, as determined by the authority, of eligible elderly and low income persons and families and shall be of public use and provide a public benefit;

VIII. That such housing shall be undertaken, and the eligible mortgagor, eligible person and family or lending institution regulated, pursuant to the rules of the authority and subject to this chapter; and

IX. That the authority's estimate of its revenues from the financing of such housing, together with all subsidies, grants or other financial assistance from governmental agencies or other sources to be received in connection with such housing, shall equal in the aggregate the amount estimated by the authority as necessary for debt service on its bonds and notes to be issued for the purpose of financing such housing.

Source. 1981, 466:2. 1983, 468:10. 1988, 240:6, eff. July 1, 1988. 2014, 323:4, eff. Sept. 30, 2014.

Section 204-C:21

204-C:21 Regulatory Agreements for Mortgage Loans. – With respect to mortgage loans made by the authority under RSA 204-C:15, each mortgage to an eligible mortgagor of multi-family housing shall be subject to a regulatory agreement between the authority and the mortgagor which subjects the multi-family housing, the mortgagor and principals of the mortgagor to limitations established by the authority as to rentals and charges, builder's and mortgagor's profits and fees, the disposition of the said housing subject to the mortgage and maximum distributions and other matters which in the judgment of the authority are necessary or desirable to carry out the purposes of this chapter.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:22

204-C:22 Rent Levels. –

With respect to mortgage loans made by the authority under RSA 204-C:15, the authority shall, pursuant to rules adopted by it, make the following initial rental determinations for the dwelling units included in rental multi-family housing financed under this chapter:

I. The rent or carrying charge to be charged to eligible persons and families other than elderly and low income persons and families, which together with subsidies, if any, shall not be lower than the economic cost of such housing and be sufficiently high to achieve and maintain a sound development; and

II. The rent or carrying charge to be charged to elderly and low income persons and families which rent shall be sufficiently low in the judgment of the authority for at least a reasonable number of the dwelling units, but in no event fewer than

1/8 of such units, to be provided by such housing to enable such persons and families to occupy such units without the expenditure of more than 30 percent of their annual income for basic shelter cost, including the additional cost, if any, of heat, hot water, and other utilities, except telephone; provided, however, that, if necessary to make the project financially feasible, such percentage of annual income may be increased to 32 percent; and provided further that, if, in order to meet federal requirements or to obtain federal assistance, a different percentage of annual income shall be required, then such percentage of annual income shall be increased or based on the federal requirement, if applicable.

Source. 1981, 466:2. 1983, 468:11, eff. June 30, 1983. 2014, 323:5, eff. Sept. 30, 2014.

Section 204-C:23

204-C:23 Adjustments of Rents. – After such initial rental determinations, any adjustment in the rents or carrying charges to be charged for housing financed under this chapter shall either be approved by the authority

or comply with rules, if any, of the authority in effect at the time which govern such adjustment, subject only to the paramount rights of other governmental agencies, if any.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:24

204-C:24 Tenants and Operations. – With respect to mortgage loans made by the authority under RSA 204-C:15, before making a loan commitment for multi-family housing, the authority shall approve a tenant or owner selection plan submitted by the eligible mortgagor. The authority shall make and publish rules from time to time governing the terms of such tenant or owner selection plans. Such plans shall include criteria for tenant or owner selection which establish income limits for eligible persons and families in accordance with rules of the authority, but which may vary with the size and circumstances of such person or family. Tenant or owner selection plans shall provide that as between applicants equally in need and eligible for occupancy of a unit, preference shall be given to persons displaced by public action or natural disaster, pursuant to such rules as the authority may adopt.

Source. 1981, 466:2. 1990, 187:6, eff. June 26, 1990.

Section 204-C:25

204-C:25 Repealed by 2014, 323:7, eff. Sept. 30, 2014. –

Section 204-C:26

204-C:26 Bonds of Authority. – The authority shall have the power, and is hereby authorized to issue its bonds and notes in such principal amount as the authority shall determine to be necessary to provide sufficient funds for achieving any of its corporate purposes, including the making and purchase of mortgage loans, and loans to lending institutions, the payment of interest on notes and bonds of the authority, establishment of reserves to secure such bonds and notes, including the reserve funds created pursuant to RSA 204-C:40, and all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers. Whether or not the bonds and notes are of such form and character as to be negotiable instruments under RSA 382-A:8, they shall be and are deemed to be, for all purposes, negotiable instruments within the meaning of and for all the purposes of RSA 382-A:8 subject only to the provisions of the bonds and notes for registration.

Source. 1981, 466:2. 1987, 120:2, eff. May 7, 1987.

Section 204-C:27

204-C:27 Bonds for Refunding Purposes. – The authority is authorized to provide for the issuance of its bonds or notes for the purpose of refunding any bonds or notes of the authority then outstanding, including the payment of any redemption premium on such bonds and notes and any interest accrued or to accrue to the earliest or subsequent date of redemption, purchase or maturity of such bonds or notes, and, if deemed advisable by the authority, for the additional purpose of paying all or any part of the cost of acquiring, constructing, reconstructing, rehabilitating, or improving any housing, or the making or purchase of any mortgage loan on any housing or the making of any loan to a lending institution. The proceeds of any such bonds or notes issued for the purpose of refunding outstanding bonds or notes, may, in the discretion of the authority, be applied to the purchase or retirement at maturity or redemption of such outstanding bonds or notes either on their earliest or any subsequent redemption date, and may, pending such application, be placed in escrow to be applied to such purchase or retirement at maturity or redemption on such date as may be determined by the authority. Any such escrowed proceeds, pending such use, may be invested and reinvested, subject to any agreements with note or bondholders, in such manner as the authority shall determine, maturing at such time or times as shall be

appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, on the outstanding bonds or notes to be so refunded. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding bonds or notes to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income and profits, if any, earned or realized on the investments may be returned to the authority for use by it in any lawful manner.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:28

204-C:28 General Obligations. –

I. Except as may otherwise be expressly provided by resolution of the authority, every issue of its notes and bonds shall be general obligations of the authority payable out of any revenues or moneys of the authority, subject only to any agreements with the holders of particular notes or bonds pledging any particular revenues. The authority shall not at any time have outstanding obligations, other than obligations to which paragraph II applies, the unpaid principal amount of which is in excess of \$600,000,000 in the aggregate. In computing the total amount of obligations of the authority which may at any time be outstanding for any purpose under this chapter, the amount of the outstanding obligations refunded or to be refunded from the proceeds of the sale of new obligations or by the exchange of new obligations shall be excluded.

II. In addition to the obligations which the authority may have outstanding under paragraph I, the authority may issue notes and bonds not in excess of \$800,000,000 for the purposes specified in this paragraph. Such notes and bonds shall constitute general obligations of the authority payable out of any revenues or moneys of the authority, subject only to any agreements with the holders of particular notes or bonds pledging any particular revenues. The purposes for which such notes and bonds may be issued pursuant to this paragraph shall be to provide sufficient funds for any one or more of the following:

(a) The making of loans and mortgage loans to eligible mortgagors and eligible persons and families and the making of loans to lending institutions in each case to finance the acquisition, construction or rehabilitation of housing designed and planned, or being converted, to consist of not more than 4 family units for occupancy by eligible persons and families and of which at least one unit is occupied or is to be occupied by an eligible person or family owning the housing;

(b) The making of loans or advances with interest and whether or not secured by a mortgage to a single eligible person or family for the costs of reconstruction, rehabilitation or other improvements of existing housing owned by such single person or family and consisting of not more than 4 family units of which one is or is to be occupied by the owner, and for down payment costs, closing costs and other initial expenses of acquiring, financing or refinancing housing owned or to be owned by a single eligible person or family and consisting of not more than 4 family units of which one is or is to be occupied by the owner; the purchase of mortgages on any such housing or securing such loans or advances described above; the establishment of reserves to secure such notes and bonds, including any reserve fund created pursuant to RSA 204-C:40; and

(c) All other expenditures of the authority incident to and necessary or convenient to carry out the issuance of notes and bonds to provide sufficient funds for any one or more of the other purposes enumerated in this paragraph. The provisions of RSA 204-C:41 shall not apply with respect to any bond reserve fund established under RSA 204-C:40 with respect to bonds of the authority to which this paragraph applies.

III. In addition to the obligations which the authority may have outstanding under paragraphs I and II, the authority may issue notes and bonds not in excess of \$600,000,000 for the purposes specified in this paragraph. Such notes and bonds shall constitute general obligations of the authority payable out of any revenue or moneys of the authority, subject only to any agreements with the holders of particular notes or bonds pledging any particular revenues. The purposes for which such notes and bonds may be issued shall be to provide sufficient funds for any purpose authorized by this chapter; such notes and bonds may, at the discretion of the authority, be subject to the provisions of RSA 204-C:41 with respect to any bond reserve fund established under RSA 204-C:40 and may, at the discretion of the authority, be subject to the provisions of RSA 204-C:49, II.

Source. 1981, 466:2. 1983, 468:12. 1985, 203:1. 2007, 263:73, eff. July 1, 2007.

Section 204-C:29

204-C:29 Maturity Dates. – The notes and bonds shall be authorized by resolution of the authority, shall bear such date or dates and shall mature at such time or times in the case of any such note, or any renewals of such note, not exceeding 8 years from the date of issue of the original such note, and in the case of any such bond not exceeding 50 years from the date of its issue as such resolution or resolutions may provide. The bonds may be issued as serial bonds payable in annual installments or as term bonds or as a combination of both. The notes and bonds shall bear interest at such rate or rates, be in such denominations, have such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places within or without the state and be subject to such terms of redemption as such resolution or resolutions may provide. The notes and bonds of the authority may be sold by the authority at public or private sale at such price or prices as the authority shall determine, and the authority may pay all expenses, premiums and commissions which it may deem necessary or advantageous in connection with the issuance and sale of such notes and bonds.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:30

204-C:30 Investment of Authority Money. – Any moneys of the authority including proceeds from the sale of any bonds or notes, and revenues, receipts and income from any of its mortgages or other assets, may be invested and reinvested in such obligations, securities and other investments as shall be provided in the resolution or resolutions under which such bonds or notes are authorized.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:31

204-C:31 Subordinate Obligations. – Issuance by the authority of one or more series of bonds or notes for one or more purposes shall not preclude the authority from issuing other bonds or notes in connection with the same purpose or purposes, but the proceedings under which any subsequent bonds or notes may be issued shall recognize and protect any prior pledge or mortgage made for any prior issue of bonds or notes unless in the proceedings authorizing such prior issue the right is reserved to issue subsequent bonds or notes on a parity with such prior issue.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:32

204-C:32 Conditions on Obligations. –

Any resolution authorizing any notes or bonds or any issue of notes or bonds may contain provisions which shall be part of the contract or contracts with the holders of the notes or bonds, as to:

- I. Pledging all or any part of the revenues of the authority to secure the payment of such notes or bonds, or of any issue of notes or bonds, subject to such agreements with noteholders or bondholders as may then exist;
- II. Pledging all or any part of the assets of the authority, including obligations and mortgages securing the same, to secure the payment of such notes or bonds, or of any issue of notes or bonds, subject to such agreements with noteholders or bondholders as may then exist;
- III. The use and disposition of the gross income from mortgages owned by the authority and the payment of principal of mortgages owned by the authority;
- IV. The setting aside of reserves, including, but not limited to, reserve funds as provided in RSA 204-C:40, and the regulation and disposition of such reserves;
- V. Limitations on the purpose to which the proceeds of sale of notes or bonds may be applied and pledging such proceeds to secure the payment of the notes or bonds or of any issue of notes or bonds;
- VI. Limitations on the issuance of additional notes or bonds; the terms upon which additional notes or bonds

may be issued and secured; and the refunding of outstanding or other notes or bonds;

VII. The procedure, if any, by which the terms of any contract with noteholders or bondholders may be amended or abrogated, the amount of notes or bonds the holders of which shall consent to such amendment or abrogation, and the manner in which such consent may be given;

VIII. Limitations on the amount of moneys to be expended by the authority for operating expenses of the authority;

IX. Vesting in a trustee or trustees such property, rights, powers and duties in trust as the authority may determine;

X. Defining the acts or omissions to act which shall constitute a default in the obligations and duties of the authority to the holders of the notes or bonds and providing for the rights and remedies of the holders of the notes or bonds in the event of such default, including as a matter of right the appointment of a receiver; provided, however, that such rights and remedies shall not be inconsistent with the general laws of the state and the other provisions of this chapter; and

XI. Any other matters, of like or different character, which in any way affect the security or protection of the holders of the notes or bonds.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:33

204-C:33 Perfection of Pledge. – Any pledge made by the authority shall be valid and binding from the time when the pledge is made. The revenues, moneys, or property so pledged and received after the pledge by the authority shall immediately be subject to the lien of such pledge without any physical delivery or further act; and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether such parties have notice of the lien. Neither the resolution nor any other instrument by which a pledge is created need be recorded or filed in order to establish and perfect a lien or security interest in the property so pledged.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:34

204-C:34 Personal Liability Limited. – Neither the members of the board nor the executive director of the authority nor any other person executing such notes or bonds shall be subject to any personal liability or accountability by reason of the issuance of notes or bonds.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:35

204-C:35 Purchase of Obligations by Authority. – The authority may, out of any funds available for bonds and notes, purchase its own bonds or notes. The authority may hold, pledge, cancel or resell such bonds or notes, subject to and in accordance with agreements with bondholders and noteholders.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:36

204-C:36 Conditions for Approval. – Bonds or notes may be issued under this chapter without obtaining the consent of the governor and council or of any department, division, commission, board, body, bureau or agency of the state; and without any other proceedings or the happening of any conditions or things except those proceedings or the occurrence of those conditions or things which are specifically required by this chapter and by the provisions of the resolution authorizing the issuance of such bonds or notes or the trust agreement

securing the same.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:37

204-C:37 Trust Agreements. – In the discretion of the authority, any bonds issued under the provisions of this chapter may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within or outside of the state. Such trust agreement or the resolution providing for the issuance of such bonds may pledge or assign the revenues to be received or proceeds of any mortgage or mortgages pledged and may convey or mortgage the assets of the authority or any portion of such assets. Such trust agreement or resolution providing for the issuance of such bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders and of the trustee or trustees, and may restrict the individual right of action by bondholders. Any such trust agreement or resolution may contain such other provisions as the authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out such trust agreement or resolution may be treated as a part of the cost of the operation of the authority.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:38

204-C:38 Validity of Signatures. – In case any of the members, executive director or officers of the authority whose signatures appear on any notes or bonds or coupons shall cease to be such members, executive director or officers before the delivery of such notes or bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such members, executive director or officers had remained in office until such delivery.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:39

204-C:39 Validity of Obligations. – In any suit, action or proceedings involving the validity or enforceability of any bond or note of the authority or the security for such bond or note, any such bond or note reciting in substance that it has been issued by the authority to aid in financing housing to provide dwelling accommodations for eligible persons and families shall be conclusively deemed to have been issued for housing of such character and said housing shall be conclusively deemed to have been planned, located and constructed in accordance with this chapter.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:40

204-C:40 Reserve Funds. –

I. The authority may create and establish one or more special funds, hereafter referred to as "bond reserve funds", and shall pay into each such bond reserve fund any moneys appropriated and made available by the state for the purpose of such fund; any proceeds of sale of notes or bonds to the extent provided in the resolution or resolutions of the authority authorizing the issuance of such bonds or notes; and any other moneys which may be available to the authority for the purpose of such fund from any other source or sources. All moneys held in any bond reserve fund are hereby pledged to, and charged with, the payment of the principal of and the interest on such bonds with respect to which such bond reserve fund may be established, as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made and the revenues, moneys or property so

pledged subject to RSA 204-C:33. The use and disposition of moneys to the credit of such bond reserve fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or of such trust agreement. Except as may otherwise be provided in such resolution or such trust agreement, such bond reserve fund shall be a fund for all such bonds issued to finance housing without distinction or priority of any bond over another; provided the authority in any such resolution or trust agreement may provide that such bond reserve fund shall be the fund for particular housing and for the bonds issued to finance particular housing and may, additionally, permit and provide for the issuance of bonds having a subordinate lien in respect of the security authorized to other bonds of the authority and, in such case, the authority may create separate or other similar funds in respect of such subordinate lien bonds.

II. Moneys in any bond reserve fund shall not be withdrawn from at any time in such amount as would reduce the amount of such fund to less than the bond reserve fund requirement established for such fund, as provided in paragraph IV, except for the purpose of making, with respect to bonds secured in whole or in part by such fund, payment when due of principal, interest, redemption premiums and the sinking fund payments, if any, with respect to such bonds for the payment of which other moneys of the authority are not available. Any income or interest earned by any bond reserve fund resulting from the investment of such bond may be transferred by the authority to other funds or accounts of the authority to the extent it does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for such fund.

III. The authority shall not at any time issue bonds, secured in whole or in part by a bond reserve fund, if upon the issuance of such bonds, the amount in such bond reserve fund will be less than the bond reserve fund requirement for such fund, unless the authority at the time of issuance of such bonds shall deposit in such fund from the proceeds of the bonds issued, or from other sources, an amount which, together with the amount then in such fund, shall not be less than the bond reserve fund requirement for such fund.

IV. In this section, "bond reserve fund requirement" means, as of any particular date of computation, an amount of money, as provided in the resolution of the authority authorizing the bonds or notes with respect to which such fund is established. In computing the amount of the bond reserve funds for the purpose of this section, securities in which all or a portion of such funds shall be invested shall be valued in such manner as the authority by resolution shall determine.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:41

204-C:41 Requests for Appropriations. –

I. To assure the continued operation and solvency of the authority for the carrying out of its corporate purposes, the chairperson of the authority shall, not later than the twentieth legislative day of each session of the general court, submit to the chairperson of the house finance committee a written request for an appropriation for the sum, if any, required to insure that the bond reserve funds established under RSA 204-C:40 equal the bond reserve fund requirement. All sums appropriated by the general court, if any, paid to the authority pursuant to this section shall be deposited by the authority in the bond reserve fund.

II. All amounts paid over to the authority by the state pursuant to this section shall constitute and be accounted for as advances by the state to the authority and, subject to the rights of the holders of any bonds or notes of the authority theretofore or thereafter issued, shall be repaid to the state without interest from all available operating revenues of the authority in excess of amounts required for the payment of obligations of the authority, the bond reserve funds and operating expenses.

Source. 1981, 466:2. 1995, 9:25, eff. June 11, 1995.

Section 204-C:42

204-C:42 Remedies of Bondholders and Noteholders. – Any holder of notes or bonds issued under this chapter or any of the coupons appertaining to such notes or bonds, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by any resolution authorizing the issuance of, or any such trust agreement securing such bonds, may, either at law or in equity, by suit, action, mandamus or other proceedings, protect and encourage any and all rights under the laws of the state or granted

hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by this chapter or by such resolution or trust agreement to be performed by the authority or by any officer, employee or agent of the authority, including the fixing, charging and collecting of the rates, rents, fees and charges herein authorized and required by the provisions of such resolution or trust agreement to be fixed, established and collected.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:43

204-C:43 Alteration of Rights of Bondholders and Noteholders. – The state does hereby pledge to and agree with the holders of any notes or bonds issued under this chapter that the state shall not limit or alter the rights hereby vested in the authority to fulfill the terms of any agreements made with the said holders of such notes or bonds or in any way impair the rights and remedies of such holders until such notes and bonds, together with the interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state in any agreement with the holders of such notes or bonds.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:44

204-C:44 Credit of State Not Pledged. – Obligations issued under this chapter shall not be deemed to constitute a debt or liability or obligation of the state or of any political subdivision of the state, or a pledge of the faith and credit of the state or of any political subdivision of the state, but shall be payable solely from the revenues or assets of the authority. All such obligations issued under this chapter shall contain on their face a statement to the effect that the authority shall not be obligated to pay the same nor the interest on such obligations except from the revenues or assets pledged for them and that neither the faith and credit nor the taxing power of the state or of any political subdivision of the state is pledged to the payment of the principal of or the interest on such notes and bonds. The issuance of obligations under this chapter shall not directly or indirectly or contingently obligate the state or any political subdivision of the state to levy or to pledge any form of taxation whatever for such obligations or to make any appropriation for their payment.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:45

204-C:45 Obligations as Legal Investments. – The obligations of the authority shall be legal investments in which all public officers and public bodies and authorities of the state, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, banking institutions including savings and loan associations, building and loan associations, trust companies, savings banks and savings associations, credit unions, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds, notes or in other state obligations, may properly and legally invest funds, including capital, in their control or belonging to them. Such obligations of the authority are also hereby made securities which may properly and legally be deposited with and received by all public officers and public bodies of the state or any agency or political subdivision of the state and all municipalities and public corporations for any purpose for which the deposit of bonds, notes or other state obligations is now or may hereafter be authorized by law and shall be eligible as collateral with respect to deposits of state moneys, if any, required to be collateralized. This section shall apply notwithstanding any restrictions on investments contained in other

laws.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:46

204-C:46 Audit and Annual Reports. –

On or before November 1 annually, the authority shall submit a detailed annual report of its operations and a complete financial audit for the preceding fiscal year to the governor, the executive council, the speaker of the house of representatives, the senate president, the house finance committee, the senate finance committee, and the state library. The audit shall be performed by an independent certified public accountant selected by the authority and conducted in accordance with generally accepted accounting principles. The annual report shall:

- I. Provide a complete operating and financial statement of the authority during the previous fiscal year;
- II. Identify all housing projects funded during the last fiscal year, including their location, scope, and status; and
- III. Describe the authority's progress in increasing housing for the elderly.

Source. 1981, 466:2. 1985, 399:3, I, eff. July 1, 1985. 2015, 16:2, eff. July 4, 2015.

Section 204-C:47

204-C:47 Biennial Housing Plan. – The authority shall prepare on or before January 1, 1983, and update biennially thereafter a state housing plan to address the housing needs of persons of low and middle income. The plan shall be submitted to the governor and council, the speaker of the house and the president of the senate for review and comment.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:48

204-C:48 Authorization to Accept State Money. – The authority is authorized to accept such moneys as may be appropriated from time to time by the legislature for carrying out its corporate purpose. The authority shall repay the state all sums which are appropriated to the authority for organizational purposes in 5 annual installments, beginning with the fifth year after the receipt of such funds.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:49

204-C:49 Tax Exemption. –

I. The exercise of the powers granted by this chapter shall be in all respects for the benefit of the people of the state, for their well being and prosperity and for the improvement of their social and economic conditions, and the authority shall not be required to pay any tax or assessment on any property owned by the authority under the provisions of this chapter or upon the income from such property; nor shall the authority be required to pay any recording fee or transfer tax of any kind on account of instruments recorded by it or on its behalf. Any obligations issued by the authority under this chapter, their transfer, and the income from such obligations, including any profits made on their sale shall at all times be free from taxation by the state or any political subdivision of the state, excepting inheritance, estate and gift taxes.

II. The authority may covenant and consent that the interest on certain of its bonds shall be includable, under the Internal Revenue Code of 1954 or any subsequent corresponding internal revenue law of the United States, in the gross income of the holders of the bonds to the same extent and in the same manner that the interest on bills, bonds, notes or other obligations of the United States is includable in the gross income of the holders thereof under said Internal Revenue Code or any such subsequent law. The powers herein conferred shall be in addition to the powers conferred by any other law and such powers shall not be subject to the limitations or restrictions of

any other law, but nothing contained herein shall be construed to covenant or consent, or to authorize any covenant or consent, to the application of any other provision of any other law, federal or state, to the authority or to such bonds, notes, or other obligations, or to the elimination or modification in any way of any other exemption, including without limitation exemption from taxation under RSA 204-C:49, I, privilege, or immunity thereof.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:50

204-C:50 Statutory Construction. – This chapter shall not be construed as a restriction or limitation upon any powers which the authority might otherwise have under laws of the state, and this chapter is cumulative to such powers. This chapter does and shall be construed to provide a complete, additional and alternative method for the doing of the things authorized in said chapter and shall be regarded as supplemental and additional to powers conferred by other laws. However, the issuance of obligations of the authority under this chapter need not comply with the requirements of any other state law applicable to the issuance of bonds, notes and other obligations. Contracts for the acquisition, construction or rehabilitation of any housing undertaken under this chapter need not comply with any other state law applicable to contracts for the construction and acquisition of state owned property and shall be exempt from the provisions of RSA 228. No proceedings, notice or approval shall be required for the issuance of any obligations of the authority or any instrument as security for such obligations, except as is provided in this chapter.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:51

204-C:51 Local Laws and Taxes. –

I. All multi-family housing financed under this chapter shall be subject to the planning, zoning, sanitary and building laws, ordinances and regulations applicable in the municipality in which such multi-family housing is situated. In the planning and location of any multi-family housing, the authority shall take into consideration the relationship of such multi-family housing to any larger plan or long-range program for the development of any such municipality.

II. With the consent of the local governing body of such municipality, the authority may require the eligible mortgagor to enter into an agreement between such municipality and the authority pursuant to which the multi-family housing financed by the authority shall be exempt from local real estate taxes, and the eligible mortgagor shall be required to make payments in lieu of taxes to the state or any political subdivision of the state as the authority finds consistent with the maintenance of the character of such multi-family housing which is occupied by elderly and low income persons and families and for the achievement of the other purposes of this chapter.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:52

204-C:52 Relation to Other Agencies. – The financial and administrative operations of the authority shall be exempt from the rules of any department, commission, board, bureau or agency of the state except to the extent and in the manner provided in this chapter.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:53

204-C:53 Exemption from Administrative Procedure Act. – The authority shall be exempt from the provisions of RSA 541-A and may adopt rules in accordance with its own procedures. The authority shall file in

the office of legislative services a copy of all existing rules adopted by the authority. Any rule adopted after the effective date of this section or any amendment or repeal of any existing rule shall be filed in the office of legislative services within 7 days of such adoption, amendment or repeal.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:54

204-C:54 Separability. – If any clause, sentence, paragraph, section or part of this chapter shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:55

204-C:55 Inconsistent Provisions in Other Laws Superseded. – Insofar as the provisions of this chapter are inconsistent with the provisions of any other law, general or special, the provisions of this chapter shall be controlling.

Source. 1981, 466:2, eff. July 1, 1981.

Section 204-C:56

204-C:56 Definitions. –

As used in this subdivision:

I. "Affordable housing" means:

(a) Housing whose combined rental and utility costs or combined mortgage loan debt services, property taxes and required insurance do not exceed 30 percent of the gross income of persons of low or moderate income, as the case may be.

(b) In cases where there is no direct federal or state rental assistance being provided to the unit or the tenant who occupies it, a housing unit may be deemed affordable if the monthly rent does not exceed 1/12 of the tenant's pro rata share of the annual operating expenses, mortgage payments, and real estate taxes for the project; provided that:

(1) In no case shall depreciation of real or personal property be deemed an operating expense; and

(2) The rent does not exceed the applicable fair market rent, as published from time to time by the United States Department of Housing and Urban Development pursuant to the section 8 existing housing or "housing voucher" programs, 42 U.S.C. section 1437f.

(c) Notwithstanding any other provisions of this section, a unit which exceeds the fair market rent as defined in subparagraph I(b)(2) of this section may be deemed affordable by the housing finance authority if the authority makes the following specific findings:

(1) Assistance from the fund is necessary to prevent the displacement of low or moderate income tenants from a project in which the majority of tenants are of low or moderate income; and

(2) The applicant has made all reasonable efforts to obtain rental assistance for low or moderate income tenants who will be forced to pay more than 30 percent of their income for rent; and

(3) The rents proposed by the applicant are as low as the applicant can possibly charge without endangering the financial and physical integrity of the project.

II. "Eligible applicants" means:

(a) Nonprofit corporations which have obtained or are in the process of obtaining tax exempt status pursuant to section 501(c)(3) of the United States Internal Revenue Code. The authority shall not enter into any final grant or loan contract with a nonprofit corporation until the corporation's tax exempt status has been obtained.

(b) Consumer cooperatives created pursuant to RSA 301-A which limit the equity value of cooperative shares.

- (c) Local housing authorities created pursuant to RSA 203.
- (d) Units of local government.
- (e) The New Hampshire housing finance authority.
- (f) Regional planning commissions created pursuant to RSA 36.
- (g) Limited partnerships, if the general partner is a nonprofit corporation which has obtained or is in the process of obtaining tax exempt status pursuant to section 501(c)(3) of the United States Internal Revenue Code.
- (h) For-profit partnerships, corporations, proprietorships, or joint venture enterprises and all other business organizations.

III. "Fund" means the affordable housing fund established by RSA 204-C:57.

IV. "Person of low income" means any single individual or any family whose gross income is greater than 50 percent and less than or equal to 60 percent of the median income of, respectively, all single persons or all families, adjusted for number of members, residing in the applicable geographical area of the state.

V. "Person of moderate income" means any single individual or any family whose gross income is greater than 60 percent and less than or equal to 80 percent of the median income of, respectively, all single persons or all families, adjusted for the number of members, residing in the applicable geographical area of the state.

VI. "Person of very low income" means any single individual or any family whose gross income is less than or equal to 50 percent of the median income of, respectively, all single persons or all families, adjusted for the number of members, residing in the applicable geographical area of the state.

Source. 1988, 240:5, eff. July 1, 1988. 2021, 81:3, eff. Apr. 1, 2022.

Section 204-C:57

204-C:57 Fund Established. –

I. There is hereby established within the authority an affordable housing fund. All revenues collected from the sources described in RSA 204-C:59 or from government appropriations or grants shall be credited to the fund, but such revenues shall not be deemed to be money received on account of the state, and nothing in this subdivision shall be understood as pledging the faith and credit of the state. Such funds shall be used by the authority to facilitate the purchase and rehabilitation or construction of affordable housing primarily for low and moderate income persons and families, as provided in paragraph II, and for pre-construction technical assistance to entities which undertake such efforts.

II. The authority shall enter into contracts for grants and loans with eligible applicants according to standards and rules that the authority shall adopt and publish. The authority shall make a good faith effort to approve applications from both for-profit and nonprofit organizations consistent with the criteria established in this paragraph. However, when entering into contracts pursuant to this section, the authority shall give priority to the affordable housing projects which meet one or more of the following criteria:

- (a) Projects containing the highest percentage of housing units which are affordable to low income people;
- (b) Projects containing the longest commitment to low-income people;
- (c) Limited equity cooperatives, including, but not limited to, manufactured housing parks and apartment buildings, in which the majority of members are of low or moderate income;
- (d) Projects containing the maximum number of units for low or moderate income families with children; and
- (e) Projects which shall preserve the existing stock of low and moderate income housing.

No application from an eligible applicant shall be rejected solely or primarily because a greater level of assistance will be required to make the proposal feasible due to market conditions prevailing in the geographical area as opposed to other areas of the state.

III. In granting assistance pursuant to paragraph II, the authority shall make all reasonable efforts to assure that all geographic areas from which there are proposals satisfying the criteria of paragraph II shall receive assistance.

IV. The authority shall only provide financial assistance under this subdivision for projects that meet one of the following criteria:

- (a) At least 50 percent of the units shall be affordable to persons of very low, low, or moderate income;
- (b) At least 40 percent of the units shall be affordable to persons of very low or low income; or
- (c) At least 20 percent of the units shall be affordable to persons of very low income.

V. Prior to granting any assistance pursuant to RSA 204-C:57, II, the authority shall find with respect to each

such commitment:

- (a) That there exists a shortage of decent, safe and sanitary housing available at costs which low or moderate income persons can afford within the general housing market area, as determined by the authority;
- (b) That without the assistance contemplated by such commitment, private enterprise cannot supply such housing in such general housing market area at rentals or carrying charges which low or moderate income persons can afford without the expenditure of more than 30 percent of their income; and
- (c) That the assistance contemplated shall preserve or increase the supply of decent, safe and sanitary housing for low or moderate income persons and shall be of public use and provide a public benefit.

VI. Loans made from the fund shall be for periods and terms to be determined by the authority. Such loans may include, but shall not be limited to:

- (a) Long-term mortgage loans to finance the total cost of a project or to supplement other available financing; and
- (b) Short-term loans to supplement use of other funds, including tax-exempt bond proceeds.

VII. Prior to granting any assistance pursuant to 204-C:57, II for new construction, the authority shall hold a public hearing in the community in which the proposed project is to be located.

Source. 1988, 240:5, eff. July 1, 1988. 2021, 81:4, eff. Apr. 1, 2022.

Section 204-C:57-a, 204-C:57-b

204-C:57-a, 204-C:57-b Repealed by 1994, 386:13, I, as amended by 1995, 306:8, eff. July 1, 1996. –

Section 204-C:58

204-C:58 Oversight of Projects. – During the course of construction or rehabilitation of housing in any approved project, it shall be the duty of the authority to render technical assistance to the entity undertaking the project and to oversee the process so as to assure that it is completed in accordance with design specifications, on schedule and within budgetary limits. In case any such project appears to be deviating from specifications, schedule or budget, the authority shall have the option of terminating the project, continuing the project subject to such conditions as appear to the authority to be in the public interest, or condoning the deviations if the authority concludes that they are acceptable. If the authority determines that the entity in charge of the project is not competent to carry the project forward but that the project is still worth completing, it may oust the entity and complete the project through such other means and agents and under such financial conditions as it determines to be in the public interest.

Source. 1988, 240:5, eff. July 1, 1988.

Section 204-C:59

204-C:59 Capitalization of Fund. –

The affordable housing fund shall be capitalized with donations, transfers, set asides, or appropriations authorized by law, including, but not limited to:

I. Fees paid to the authority from the development of qualified residential rental projects financed by bonds issued under section 142(d) of the Internal Revenue Code of 1986, as amended, including projects in operation as of July 1, 1988, provided, however, that the authority may also allocate such fees as matching funds for federal housing programs such as the Home Investment Partnership Program as established by the National Affordable Housing Act of 1990.

II. Repayment of loans made by the fund.

III. Voluntary donations from private persons and entities.

Source. 1988, 240:5. 1992, 289:32, eff. June 17, 1992.

Section 204-C:60

204-C:60 Investments of Funds. – Moneys deposited in the fund may be invested by the authority; provided, however, that sufficient funds are made available to grant applications for emergency assistance and the routine flow of regular applications. Income earned from such investment shall be returned to the affordable housing fund; provided, however, that the authority may use up to 8.4 percent of any such investment income to defray the costs of administering this subdivision.

Source. 1988, 240:5, eff. July 1, 1988.

Section 204-C:61

204-C:61 Role of Authority Concerning Funds. – The fund shall supplement, not supplant, the responsibility of the authority to address the housing needs of persons of low and moderate income.

Source. 1988, 240:5, eff. July 1, 1988.

Section 204-C:62

204-C:62 Rulemaking. –

Pursuant to RSA 204-C:53, the authority shall adopt rules governing the affordable housing fund. Such rules shall include, but shall not be limited to:

- I. Eligibility requirements for applicants.
- II. Criteria for eligible projects, including, but not limited to, construction and quality standards.
- III. Procedures for monitoring the implementation and management of projects.
- IV. Reasonable fees to offset the cost of monitoring the operation of projects funded under this subdivision.
- V. Requirements for long-term affordability of housing units in projects financed under this subdivision. Such requirements shall ensure that, at a minimum, at least 50 percent of the units in a project shall remain affordable to low and moderate income persons for the period of any loan or 20 years, whichever is longer.
- VI. Requirements regarding rents and fees which may be charged for housing units funded under this subdivision.
- VII. Restrictions on the ability of loan recipients to convert housing units constructed under this subdivision to uses other than those permitted by this subdivision and provisions for financial penalties and equity sharing if such conversion occurs.
- VIII. [Repealed.]
- IX. Any other matter necessary for the administration of this subdivision.

Source. 1988, 240:5. 1994, 386:11, eff. June 9, 1994; 386:12, eff. July 1, 1995; 386:13, eff. July 1, 1996.

Section 204-C:63

204-C:63 Purpose. – The purpose of this subdivision is to assist low and moderate income persons and families to purchase, rehabilitate, and improve housing.

Source. 1988, 240:10, eff. July 1, 1988. 2014, 323:8, eff. Sept. 30, 2014.

Section 204-C:64

204-C:64 Program Established. – There is hereby established a low and moderate income housing loan program to be administered by the New Hampshire housing finance authority which shall make low interest loans to low and moderate income persons for the purpose of assisting them to make down payments on single family homes, to pay closing costs and fees associated with the purchase of such homes, and to rehabilitate and improve their homes. For purposes of this section, "low and moderate income persons" shall mean individuals and families whose gross annual income is equal to or less than 100 percent of the median income of the

geographic area in which they reside as determined by the authority.

Source. 1988, 240:10. 1989, 18:1. 1995, 22:1, eff. June 17, 1995. 2014, 323:8, eff. Sept. 30, 2014.

Section 204-C:65

204-C:65 Loans for Down Payments; Priority. –

I. Such funds as the general court may specifically appropriate from time to time to the authority may be loaned to eligible low and moderate income persons or families for the purpose of making down payments on single family homes, paying closing costs and fees associated with the purchase of such homes, and rehabilitating and improving their homes. The appropriations made for purposes of this section and loan repayments, including interest, together with any funds which the authority may allocate from time to time to this program shall constitute a continuing revolving loan fund. The state's and the authority's interest in such property shall be protected by a lien or in such other manner as is acceptable to the authority. The authority shall require the applicant to invest personal funds, to the extent available, to ensure the applicant's commitment to the property purchased.

II. The interest rate and terms of repayment for loans made under this subdivision shall be determined by rules adopted by the authority under RSA 204-C:68.

Source. 1988, 240:10. 1989, 18:2. 1995, 22:1, eff. June 17, 1995. 2014, 323:9, eff. Sept. 30, 2014.

Section 204-C:66

204-C:66 Sale of Property. – The authority and the low or moderate income person shall enter into a contract providing that if the property is sold, or no longer owner occupied, the loan provided under this program shall be immediately due and payable.

Source. 1988, 240:10. 1990, 187:1. 1995, 22:1, eff. June 17, 1995.

Section 204-C:67

204-C:67 Public Benefit. – The authority shall review each request for assistance under this subdivision to objectively determine whether such request is primarily for a public purpose and benefit in accordance with RSA 204-C:20.

Source. 1988, 240:10, eff. July 1, 1988.

Section 204-C:68

204-C:68 Rulemaking. –

Pursuant to RSA 204-C:53, the authority shall adopt rules relative to:

- I. Criteria for eligibility for loans made under this subdivision.
- II. Application procedures for such loans.
- III. Interest rates and amount of loans.
- IV. Procedures for repayment of loans made under this subdivision.
- V. Any other matter necessary to the administration of this subdivision.

Source. 1988, 240:10. 1990, 187:2. 1995, 22:2, eff. June 17, 1995.

Section 204-C:69

204-C:69 Coordination with Other Programs. – The authority shall establish procedures to ensure that the loan program established under this subdivision shall be coordinated with programs administered by the

authority including but not limited to the other mortgage assistance programs administered by the authority.

Source. 1988, 240:10, eff. July 1, 1988.

Section 204-C:70

204-C:70 Investment of Funds. – Moneys appropriated under this subdivision and revenues received from interest payments or loan repayments may be invested by the authority. Income earned from such investment and any interest payments received from loan recipients shall be returned to the program; provided, however, that the authority may use up to 10 percent of any such income earned to defray the costs of administering this subdivision.

Source. 1989, 18:3, eff. June 3, 1989.

Section 204-C:71

204-C:71 Purpose. – The purpose of this subdivision is to assist nonprofit, for-profit, and business child care providers to develop or expand licensed quality child care centers or programs by establishing a guaranteed loan program for such purpose.

Source. 1989, 411:3, eff. July 1, 1989.

Section 204-C:72

204-C:72 Definitions. –

In this subdivision:

- I. "Authority" means the New Hampshire housing finance authority established under this chapter.
- II. "Child day care agency" means any person, corporation, partnership, or other organization registered with the state as a nonprofit or for-profit child care organization, or any business organization which, as a service to its employees, regularly receives for child day care one or more children, unrelated to the operator or staff of the agency. The total number of hours in which a child may remain in child day care shall not exceed 13 hours per day, except in emergencies. The types of child day care agencies are defined as follows:
 - (a) "Family day care home" means an occupied residence in which child day care is provided for less than 24 hours per day, except in emergencies, for up to 6 children from one or more unrelated families. The 6 children shall include any foster children residing in the home and all children who are related to the caregiver, except children who are 10 years of age or older. In addition to the 6 children, up to 3 children attending a full day school program may also be cared for up to 5 hours per day on school days and all day during school holidays.
 - (b) "Family group day care home" means an occupied residence in which child day care is provided for less than 24 hours per day, except in emergencies, for 7 to 12 children from one or more unrelated families. The 12 children shall include all children related to the caregiver and any foster children residing in the home, except children who are 10 years of age or older. In addition to the 12 children, up to 5 children attending a full day school program may also be cared for up to 5 hours per day on school days and all day during school holidays.
 - (c) "Group child day care center" means a child day care agency in which child day care is provided for preschool children and up to 5 school-age children, whether or not the service is known as day nursery, nursery school, kindergarten, cooperative, child development center, day care center, center for the developmentally disabled, progressive school, Montessori school, or by any other name.
 - (d) "Day care nursery" means a child day care agency in which child day care is provided for any part of a day, for 5 or more children under the age of 3 years.
 - (e) "Preschool program" means a child day care agency providing care and a structured program for children 3 years of age and older who are not attending a full day school program. The total amount of hours a child may be enrolled in a preschool program shall not exceed 5 hours per day.
 - (f) "School-age program" means a child day care agency providing child day care for up to 5 hours per school day, before or after, or before and after, regular school hours, and all day during school holidays and vacations,

and which is not licensed under RSA 485-A, for 6 or more children who are 4 years and 8 months of age or older. The number of children shall include all children present during the period of the program, including those children related to the caregiver.

Source. 1989, 411:3. 1990, 257:10, 11, eff. Jan. 1, 1991.

Section 204-C:73

204-C:73 Rulemaking. –

The authority shall adopt rules, pursuant to its own procedures, relative to:

- I. The conduct of its business.
- II. The selection and maintenance of eligible lenders.
- III. The type of security it shall demand of eligible borrowers.
- IV. A schedule of fees to be charged for the issuance of certificates of guarantee or other services.
- V. The term of the loans guaranteed pursuant to this subdivision.
- VI. Such other matters as are necessary to carry out the powers and duties of the authority under this subdivision.

Source. 1989, 411:3, eff. July 1, 1989.

Section 204-C:74

204-C:74 Administration; Eligibility; Demonstration. –

- I. The authority shall make a good faith effort to approve applications from both nonprofit and for-profit child care organizations and business organizations which currently provide or are planning to provide child care services for their employees, consistent with the minimum criteria established in this section. When entering into contracts for guaranteed loans pursuant to this subdivision, the authority shall require that applicants demonstrate that they, at a minimum, meet the requirements of paragraphs II and III.
- II. Each applicant shall:
 - (a) Agree to apply for or hold a child care provider license pursuant to RSA 170-E.
 - (b) Register with the state as a private, nonprofit or for-profit child care organization or be a registered business organization which provides or plans to provide child care services to its employees.
 - (c) Address both a geographic and community need for projected service or agree to provide service to infants and toddlers.
 - (d) Agree to provide service to children who are eligible for Title XX assistance under Public Assistance Manual ITEM 390, sections 3980-3983.
 - (e) Be fiscally sound as shown in a financial statement.
 - (f) Agree to comply, if an applicant establishing a center or program, or comply with, if an existing child care provider, state and local public health, fire and life safety codes and zoning requirements.
- III. Each applicant shall either:
 - (a) Seek a loan guarantee in order to renovate a facility or facilities to comply with life safety, fire, health, or other public codes, whether state or local, and shall demonstrate expected costs of such compliance; or
 - (b) Seek a loan guarantee in order to make capital expenditures necessary to meet licensing requirements related to planned establishment or expansion and shall demonstrate expected costs of such compliance.
- IV. Loan guarantee recipients shall demonstrate to the authority the disposition of any moneys provided under the child care provider guaranteed loan program.

Source. 1989, 411:3, eff. July 1, 1989.

Section 204-C:75

204-C:75 Guarantee. – Upon application from a lender in such form as the authority may require, the authority may issue, or commit itself to issue, payable solely from the funds provided pursuant to 204-C:79, to

the lender or its assigns, a certificate of guarantee equal to 50 percent of the outstanding principal due on the loan made to eligible child care agencies or organizations as defined in RSA 204-C:72. In no event shall any loan principal guaranteed under this section exceed the amount of \$10,000 per recipient.

Source. 1989, 411:3, eff. July 1, 1989.

Section 204-C:76

204-C:76 Guarantee Certificate Conclusive. – The certificate of guarantee issued by the authority, in the hands of the original lender to whom the certificate was issued, shall be conclusive evidence of its validity for the purposes of this subdivision, except for fraud.

Source. 1989, 411:3, eff. July 1, 1989.

Section 204-C:77

204-C:77 Subrogation and Order of Payment. – Whenever the authority pays to a lender any sum in discharge of the state's liability as guarantor under this section, the authority shall be to that extent subrogated to the lender's right, title and interest in any security pledged to the loan. Amounts received by the authority to discharge the state's guarantee shall be returned to the treasury less any costs incurred in collection.

Source. 1989, 411:3, eff. July 1, 1989.

Section 204-C:78

204-C:78 Guarantee Fee. – The authority shall collect from the lender a guarantee fee. Notwithstanding any provision of law to the contrary, such fee may be assessed by the lender against the borrower as a permitted loan charge. The authority shall segregate such fees into a special account subject to withdrawal in order to discharge any of the authority's personnel and administrative expenses.

Source. 1989, 411:3, eff. July 1, 1989.

Section 204-C:79

204-C:79 Guarantee; Credit of State Pledged. – The full faith and credit of the state is pledged to support and redeem the certificates of guarantee issued by the authority. In furtherance of that pledge, the state treasurer shall advance to the authority from available cash in the treasury or from proceeds of bonds or notes of the state issued pursuant to this subdivision, such amounts as may be requested from time to time by the authority to enable it to perform all guarantee obligations punctually and in accordance with their terms. The authority shall request such advances from time to time as additional amounts are required for such purpose. The treasurer shall, subject to the approval of the governor and council, issue full faith and credit bonds of the state from time to time in amounts equal to advances made under this subdivision, and borrow in anticipation of the proceeds of such bonds. The obligation of the state under the provision of this section shall at no time exceed the amount of \$300,000.

Source. 1989, 411:3, eff. July 1, 1989.

Section 204-C:80

204-C:80 Purpose. – The purpose of this subdivision is to establish a homeless prevention program and a fund therefor to be used to provide housing assistance on behalf of very low income persons and families in order to help them meet their housing costs, thereby preventing homelessness resulting from their inability to meet such costs, and to maximize the opportunity for homeless families and individuals to obtain housing in the

private market. This subdivision is also intended to assist persons and families who are receiving public assistance or have recently graduated from public assistance to low wage jobs and persons with disabilities to enable them to afford decent, safe housing.

Source. 1992, 12:1. 2000, 251:2, eff. Jan. 1, 2001.

Section 204-C:81

204-C:81 Definitions. –

In this subdivision:

- I. "Fund" means the homeless prevention fund.
- II. "Housing assistance payments" means rent subsidies, security deposit advances, mortgage assistance payments, and any other shelter cost-related payments made on behalf of very low income households.
- III. "Minor child" means a person under 18 years of age.
- IV. "Severely rent burdened" means a household for which the monthly rent and utility costs exceed 50 percent of the gross monthly income.
- V. "Very low income households" means individuals or families whose gross income is 50 percent or less of the median income, adjusted for household size, as published periodically by the United States Department of Housing and Urban Development.

Source. 1992, 12:1. 2000, 251:2, eff. Jan. 1, 2001.

Section 204-C:82

204-C:82 Fund Established. –

- I. There is hereby established within the authority a homeless prevention fund. The fund shall be comprised of donations from private persons or entities, grants, set-asides, and other appropriations authorized by law. All sums from government appropriations or grants shall be credited to the fund, but such sums shall not be deemed to be money received on account of the state, and nothing in this subdivision shall be understood as pledging the faith and credit of the state.
- II. The authority shall use moneys deposited in the fund for the following purposes:
 - (a) Direct housing assistance payments to eligible very low income persons or households.
 - (b) The provision and coordination of services, such as jobs, training, financial counseling, and other supportive services, which are made available to very low income households participating in the homeless prevention program.
 - (c) The creation of new or rehabilitated dwelling units to be made available to very low income households assisted under this subdivision.
 - (d) Matching grants to units of local government or local housing authorities established under RSA 203 to support homeless prevention programs for very low income households.
 - (e) The purchase of existing single family homes by or on behalf of low income households or to prevent the household occupants from becoming homeless.

Source. 1992, 12:1. 2000, 251:2, eff. Jan. 1, 2001.

Section 204-C:83

204-C:83 Program Design. –

The homeless prevention fund shall be administered so as to promote the following goals and objectives:

- I. Applications for the benefits provided under this subdivision shall be streamlined so as to enable the authority to provide assistance to the eligible households as quickly as practicable.
- II. The program shall be as flexible as possible in order to maximize housing opportunities for very low income people.
- III. Give priority to very low income persons or families who are:

- (a) At households which include an employed person or a person in an employment training program.
- (b) Households which include a minor child or children, and the household is homeless or at risk of homelessness due to severe rent burden.
- (c) Households which are actually experiencing homelessness, and are currently residing in homeless or emergency shelters or receiving services as defined in rules adopted pursuant to RSA 204-C:85.
- (d) Households which consist of one or more disabled person(s) as defined in 42 United States Code, Section 12102.

IV. Assistance shall only be provided to eligible households for dwelling units located in New Hampshire.

V. Assistance granted to a household under this subdivision shall terminate after 36 consecutive months, provided however that the authority shall extend the assistance beyond this time limit when it is necessary to:

- (a) Enable a household member to complete an education, training, or vocational rehabilitation program in which he or she is currently involved when the 36-month time limit expires.
- (b) Provide reasonable accommodation for the disability of a household member.
- (c) Prevent an employed household member from facing a serious risk of job loss due to inability to obtain affordable housing within a reasonable distance from his or her job.

VI. All households which receive assistance under this subdivision shall, within 60 days of obtaining such assistance, make an application to their local public housing authority or the authority for federal rental assistance.

VII. No public housing authority created pursuant to RSA 203 shall reject an applicant for federal rental assistance or deny such applicant a priority on its waiting list for which such applicant would otherwise qualify, on the basis that such applicant is receiving rental assistance under this subdivision.

Source. 1992, 12:1. 2000, 251:2, eff. Jan. 1, 2001.

Section 204-C:84

204-C:84 Investment of Funds. – Moneys deposited into the fund may be invested by the authority. Income earned from such investments shall be returned to the fund, provided, however, that the authority may use up to 10 percent of any such investment income to defray the cost of administering this subdivision.

Source. 1992, 12:1. 2000, 251:2, eff. Jan. 1, 2001.

Section 204-C:85

204-C:85 Rulemaking. –

The authority shall adopt rules, pursuant to RSA 204-C:53, governing the homeless prevention fund. Such rules shall include:

- I. The nature and extent of the rent subsidy authorized under this subdivision.
- II. Qualifications of households eligible to receive direct housing assistance payments.
- III. The nature and extent of ancillary payments on behalf of eligible households to prevent homelessness.
- IV. The types of supportive services which may be eligible for payment from the fund.
- V. The application process for benefits under this subdivision.
- VI. The method of distribution of program funds.
- VII. Any other matters necessary for the administration of this subdivision.

Source. 1992, 12:1. 2000, 251:2, eff. Jan. 1, 2001.

Section 204-C:86

204-C:86 Coordination with Other Programs. – The authority shall ensure that the homeless prevention program supported through the fund is coordinated with other housing assistance programs administered by the

authority, the federal government, state agencies, local public authorities, and local governments.

Source. 2000, 251:4, eff. Jan. 1, 2001.

Section 204-C:87

204-C:87 Assistance to Applicants. – When an individual applies for rental assistance, the authority shall provide the individual with application forms and information about the Link-Up New Hampshire and Lifeline Telephone Assistance programs, shall offer to assist the individual to apply for these programs, and shall provide such assistance.

Source. 2007, 263:172, eff. July 1, 2007.

Section 204-C:88

204-C:88 Definitions. –

In this subdivision:

I. "Multi-unit" means more than one dwelling unit.

II. "Property" means a rental or owner-occupied residential property, or a child care facility licensed under RSA 170-E.

III. "Unit" means a single dwelling unit within a structure that contains more than one dwelling unit. "Unit" may also include any dwelling unit within a structure that is otherwise used for non-residential purposes.

Source. 2019, 346:376, eff. July 1, 2019.

Section 204-C:89

204-C:89 Lead Paint Hazard Remediation Fund Established. –

I. There is hereby established within the authority a fund to be used for the purposes of remediating lead paint hazards in housing, to be known as the lead paint hazard remediation fund. The lead paint hazard remediation fund shall be composed of appropriations, gifts, grants, donations, bequests, or other moneys from any public or private source, but such revenues shall not be deemed to be money received from the state, and nothing in this subdivision shall be construed as pledging the faith and credit of the state.

II. The authority may use the lead paint hazard remediation fund to make loans to owners of properties for the costs of remediation of lead paint hazards. The authority may also make loans to owners of licensed child care facilities for remediation of lead in water. Loans may be made provided that such remediation is conducted in accordance with lead-safe practices under applicable laws and regulations.

III. The authority may use up to 5 percent of any funds deposited in the lead paint hazard remediation fund for program administration.

Source. 2019, 346:376, eff. July 1, 2019.

Section 204-C:90

204-C:90 Eligibility. –

For a property to be eligible to use the funding under this subdivision, the property shall be:

I. An owner-occupied single family home occupied by a household with a child under 6 years or a pregnant woman and where household income is no more than 100 percent of the median income adjusted for household size for the metropolitan area or county in which the housing is located as published annually by the United States Department of Housing and Urban Development;

II. A unit in a multi-unit residential property or a renter-occupied single family home where household income is no more than 90 percent of the median income adjusted for household size for the metropolitan area or county in which the housing is located as published annually by the United States Department of Housing and Urban

Development; or

III. A child care facility licensed under RSA 170-E.

Source. 2019, 346:376, eff. July 1, 2019.

Section 204-C:91

204-C:91 Use of Federal Funds. – The lead paint hazard remediation fund shall only be used to supplement, but not supplant, existing federal resources. If a property or unit is eligible for federal funding from a program in operation by the authority, or by any state agency or political subdivision, the owner of the property shall first apply to that program before applying to the lead paint hazard remediation fund.

Source. 2019, 346:376, eff. July 1, 2019.

Section 204-C:92

204-C:92 Rulemaking. – Pursuant to RSA 204-C:53, the authority shall adopt rules governing the distribution the lead paint hazard remediation fund.

Source. 2019, 346:376, eff. July 1, 2019.

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TITLE XVII

HOUSING AND REDEVELOPMENT

CHAPTER 204-D

SURPLUS LANDS HOUSING PROGRAM

Section 204-D:1

204-D:1 Definitions. –

As used in this chapter:

- I. "Authority" means the New Hampshire housing finance authority established under RSA 204-C.
- II. "Committee" means the long range capital planning and utilization committee established under RSA 17-M.
- III. "Persons of low income" means individuals or families whose gross annual income is equal to 80 percent or less of the median income of the geographic area in which they reside as determined by the authority.
- IV. "Persons of moderate income" means individuals or families whose gross annual income is equal to 120 percent or less of the median income of the geographic area in which they reside as determined by the authority.
- V. "State owned property" means real property owned by the state of New Hampshire and under the jurisdiction of any department, agency, or institution of state government.

Source. 1988, 250:2, eff. April 30, 1988.

Section 204-D:2

204-D:2 Transfer of Property. –

The provisions of RSA 4:40 notwithstanding, the governor and council may transfer surplus state owned property to the authority for use as sites for low and moderate income housing. Transfer of property for this purpose shall occur under the following procedure:

- I. The authority shall petition the head of any department having jurisdiction over property the authority determines to be suitable for use as housing sites to declare such property surplus.
- II. The department head shall notify the authority and the committee in writing whether or not the department considers the property surplus.
- III. If the department considers the property surplus, the committee shall review the property to determine if it is suitable for uses permitted by this chapter.
- IV. If the committee determines that the property is suitable for such uses, the authority shall request that the governor and council transfer the property, without consideration, to the authority.

Source. 1988, 250:2, eff. April 30, 1988.

Section 204-D:3

204-D:3 Highway Fund. –

- I. Surplus property held by the department of transportation which was acquired with highway fund moneys shall be transferred to the authority under the procedures set out in RSA 204-D:2, provided, however, that the authority shall compensate the department for such land in an amount acceptable to the department and the authority. Such amount shall not exceed the original expenditure for the property from the highway fund.
- II. Surplus property held by the department of transportation which was acquired, in whole or in part, with federal or turnpike funds shall be transferred to the authority for the minimum compensation required by federal law or controlling turnpike revenue bond resolution.

Source. 1988, 250:2, eff. April 30, 1988.

Section 204-D:4

204-D:4 Housing Construction. –

- I. The authority may construct multi-family or single family housing on property transferred under this chapter.
- II. The authority shall, where reasonably possible given regulatory, economic, and geographic factors, give preference to the construction of multi-family rental housing units on property transferred under this chapter.
- III. At least 50 percent of the rental housing units constructed on property transferred under this program shall be designed for occupancy by low income persons.
- IV. All single family units constructed under this chapter shall be designed for occupancy by persons of low or moderate income.
- V. The authority may sell or otherwise transfer land transferred to the authority pursuant to this chapter upon which affordable housing has been constructed only if the authority has established controls to ensure that the housing shall remain affordable to persons of low or moderate income for a period of at least 30 years after such sale or transfer. The authority may sell or otherwise transfer undeveloped land transferred to the authority under this chapter if the purchaser or transferee enters into an agreement with the authority that the property will be used substantially for affordable housing purposes. If any property so sold or transferred ceases to be used for such purposes, ownership and or control of the property shall revert to the authority. Without an assurance that the property will be used substantially for affordable housing purposes, the authority may sell or otherwise transfer undeveloped land transferred to the authority under this chapter only after receiving approval from the long range capital planning and utilization committee, with advice from the council on resources and development established in RSA 162-C and final approval by the governor and council. The authority may lease land which is transferred to the authority under this chapter.

Source. 1988, 250:2. 1998, 228:1. 2006, 307:5, eff. July 1, 2006. 2014, 323:6, eff. Sept. 30, 2014.

Section 204-D:5

204-D:5 Limitation on Resale Value. – The authority shall provide for the continued affordability of housing units constructed on state land transferred under this chapter by contracting with the developer or individual mortgagor of such units pursuant to rules adopted under RSA 204-D:6.

Source. 1988, 250:2, eff. April 30, 1988.

Section 204-D:6

204-D:6 Rulemaking. –

The authority shall adopt rules under RSA 204-C:53 relative to:

- I. Eligibility requirements for access to housing units constructed under this chapter.
- II. Application procedures.
- III. Requirements related to occupancy, resale, and continued affordability of housing units constructed under this chapter.
- IV. Such other matters necessary for the proper administration of this chapter.

Source. 1988, 250:2, eff. April 30, 1988.

Section 204-D:7

204-D:7 Coordination with Other Programs. – The authority shall establish procedures to ensure that the housing construction program established under this chapter shall be coordinated with other housing assistance programs administered by the authority.

Source. 1988, 250:2, eff. April 30, 1988.

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TITLE XII

PUBLIC SAFETY AND WELFARE

CHAPTER 162-M

PRIVATE ACTIVITY BOND LIMIT

Section 162-M:1

162-M:1 Definitions. –

As used in this chapter, the following terms shall have the following meanings:

- I. "Carryforward purpose" shall have the meaning given to it in section 146(f)(5) of the code.
- II. "Code" means the United States Internal Revenue Code of 1986, as amended.
- III. "Housing bond" means a qualified mortgage bond as defined in section 143(a)(1) of the code or an exempt facility bond for a qualified residential rental project as those terms are defined in sections 142(a)(7) and 142(d)(1) of the code, respectively.
- IV. "Housing finance authority" means the New Hampshire housing finance authority established by RSA 204-C:2.
- V. "Business finance authority" means the business finance authority of the state of New Hampshire established by RSA 162-A:3.
- VI. "Issuer" means any state or local governmental unit, agency, authority or instrumentality, or any nonprofit or public corporation, authorized to issue private activity bonds or bonds which would be private activity bonds unless an allocation of state ceiling under section 146 of the code is made to such bonds.
- VII. "Private activity bond" shall have the meaning given to it in section 141(a) of the code. The use of such term in this chapter is for reference purposes only and shall not imply that the state has determined that any obligation issued as a private activity bond under the code will not serve a public use or provide a public benefit.

Source. 1987, 120:1. 1992, 262:13, eff. May 15, 1992.

Section 162-M:2

162-M:2 Allocation Formula. –

Pursuant to section 146 of the code, the state hereby establishes for calendar year 1988 and each calendar year thereafter its formula for allocating the state ceiling among issuers as follows:

- I. All of the state ceiling on private activity bonds which may be issued in any calendar year is hereby allocated to the state.
- II. The housing finance authority may from time to time assign up to 1/2 of the state ceiling in any calendar year to and among issuers, including itself, for the purpose of (a) allocating such state ceiling to housing bonds or (b) electing under section 25(c)(2)(A)(ii) of the code not to issue a specified amount of qualified mortgage bonds in order to issue, or reserve the right to issue, mortgage credit certificates pursuant to section 25 of the code. The housing finance authority may also from time to time transfer any portion of the state ceiling within its control pursuant to this section to the business finance authority, which may assign any state ceiling so transferred in addition to and as if it were state ceiling described in RSA 162-M:2, III.

III. The business finance authority may from time to time assign up to 1/2 of the state ceiling in any calendar year to and among issuers, including itself, for the purpose of allocating such state ceiling to (a) private activity bonds other than housing bonds and (b) bonds which would be private activity bonds unless an allocation of state ceiling is made to them. The business finance authority may also from time to time transfer any portion of the state ceiling within its control pursuant to this section to the housing finance authority, which may assign any state ceiling so transferred in addition to and as if it were state ceiling described in RSA 162-M:2, II.

III-a. The housing finance authority and the business finance authority prior to assigning the state ceiling in any calendar year, shall consider the relative needs and priorities of the agencies and, by mutual consent, may set aside the proportionate allocation specified in paragraphs II and III.

IV. Pursuant to section 146(f) of the code, each of the housing finance authority and the business finance authority may carry forward any unused portion of the state ceiling within its control pursuant to this section for any carryforward purpose. Any state ceiling so carried forward shall be assigned or transferred by the authority making the carryforward election in addition to and as if it were state ceiling under the control of such authority pursuant to RSA 162-M:2, II or III, as the case may be.

V. Each assignment of state ceiling made by the housing finance authority or the business finance authority shall be in writing, shall be made for a specific bond issue, and shall specify the date on or before which the bonds must be issued in order for the assignment to be effective. No assignment of state ceiling shall become final until the bonds for which the assignment was made are issued, and the amount of final assignment shall be limited to the aggregate face amount of the bonds issued. Transfers of state ceiling between the housing finance authority and the business finance authority shall be in writing, but need not be for a specific bond issue. An election to carry forward state ceiling need not be for a specific bond issue.

VI. Notwithstanding anything in this chapter to the contrary, in the event the code no longer authorizes the issuance thereunder of mortgage credit certificates or of any one or more particular types of bonds requiring state ceiling under section 146 of the code as in effect on January 1, 1987, or in the event the code as in effect on such date is amended to permit the issuance of additional types of bonds or other obligations or certificates requiring state ceiling, the governor may by executive order adjust the distribution of state ceiling between the housing finance authority and the business finance authority as set forth in RSA 162-M:2, II and III, provided that no such adjustment shall affect any assignment, allocation, transfer or carryforward made by either such authority prior to the date of such executive order.

Source. 1987, 120:1. 1991, 378:2, 3. 1992, 262:13, eff. May 15, 1992.

Section 162-M:3

162-M:3 Policy. – In making assignments of state ceiling under this chapter, the housing finance authority and the business finance authority shall seek to distribute state ceiling as fairly as practicable among state and local issuers and shall take into consideration state and local development plans and policies.

Source. 1987, 120:1. 1992, 262:13, eff. May 15, 1992.

Section 162-M:4

162-M:4 Cooperation. – The housing finance authority and the business finance authority shall cooperate to carry out the purposes of this chapter and to ensure that the state ceiling is utilized to the fullest extent possible.

Source. 1987, 120:1. 1992, 262:13, eff. May 15, 1992.

Section 162-M:5

162-M:5 Reports by Issuers. – Each issuer shall notify the office of investment and debt management and the authority from which it received an assignment of state ceiling of each issuance of bonds that required an allocation of state ceiling by filing a copy of the information reporting statement required by section 149(e) of the code as promptly as possible after the issuance of the bonds. Failure to give such notice shall not affect the validity of the allocation of state ceiling or of the bonds.

Source. 1987, 120:1, eff. May 7, 1987.

Section 162-M:6

162-M:6 Certification by State Official. – Any member or officer of an issuer expressly designated from time to time for the purpose is authorized to make the certification required by section 149(e)(2)(F) of the code.

Source. 1987, 120:1, eff. May 7, 1987.

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TITLE VI

PUBLIC OFFICERS AND EMPLOYEES

CHAPTER 99-D

DEFENSE AND INDEMNIFICATION OF STATE OFFICERS AND EMPLOYEES

Section 99-D:1

99-D:1 Statement of Policy. – It is the intent of this chapter to protect state officers, trustees, officials, employees, and members of the general court who are subject to claims and civil actions arising from acts committed within the scope of their official duty while in the course of their employment for the state and not in a wanton or reckless manner. It is not intended to create a new remedy for injured persons or to waive the state's sovereign immunity which is extended by law to state officers, trustees, officials, and employees. The doctrine of sovereign immunity of the state, and by the extension of that doctrine, the official immunity of officers, trustees, officials, or employees of the state or any agency thereof acting within the scope of official duty and not in a wanton or reckless manner, except as otherwise expressly provided by statute, is hereby adopted as the law of the state. The immunity of the state's officers, trustees, officials, and employees as set forth herein shall be applicable to all claims and civil actions, which claims or actions arise against such officers, trustees, officials, and employees in their personal capacity or official capacity, or both such capacities, from acts or omissions within the scope of their official duty while in the course of their employment for the state and not in a wanton or reckless manner.

Source. 1978, 43:1. 1985, 412:1, eff. July 3, 1985.

Section 99-D:2

99-D:2 Defense and Indemnification. – If any claim is made or any civil action is commenced against a present or former officer, trustee, official, or employee of the state or any agency thereof, including members of the New Hampshire national guard and any justice of the district, municipal, probate, superior, or supreme court, or the clerks or bail commissioners thereof, or any harbor master appointed by the Pease development authority, division of ports and harbors, or officials and employees of the New Hampshire housing finance authority, or directors, officers, and employees of the Pease development authority, members and employees of the lakeshore redevelopment planning commission, or directors, officers, and employees of the land and community heritage investment authority seeking equitable relief or claiming damages for the negligent or wrongful acts and the officer, trustee, official, or employee requests the state to provide representation for him or her, and the attorney general, or, in the case of a claim or civil action commenced against the attorney general, the governor and council, determines that the acts complained of were committed by the officer, trustee, official, or employee while acting within the scope of official duty for the state and that such acts were not wanton or reckless, the attorney general shall represent and defend such person with respect to such claim or throughout such action, or shall retain outside counsel to represent or defend such person, and the state shall defray all costs of such representation or defense, to be paid from funds not otherwise appropriated. In such case the state shall also protect, indemnify, and hold harmless such person from any costs, damages, awards,

judgments, or settlements arising from the claim or suit. The attorney general or governor and council shall not be required to consider the request of such person that representation be provided for him or her unless within 7 days of the time such person is served with any summons, complaint, process, notice, demand, or pleading the person shall deliver the original or a copy thereof to the attorney general or, in the case of an action against the attorney general, to the governor and council. As a condition to the continued representation by the attorney general and to the obligation of the state to indemnify and hold harmless, such officer, trustee, official, or employee shall cooperate with the attorney general in the defense of such claim or civil action. No property either real or personal of the state of New Hampshire shall be subject to attachment or execution to secure payment of or to satisfy any obligations of the state created under this chapter. Upon the entry of final judgment in any action brought under this chapter, the governor shall draw a warrant for said payment out of any money in the treasury not otherwise appropriated, and said sums are hereby appropriated. The attorney general shall have the authority to settle any claim brought under this chapter by compromise and the amount of any such settlement shall be paid as if the amount were awarded as a judgment under this chapter. Indemnification by the state under this section shall be for the actual amount of costs, damages, awards, judgments, or settlements personally incurred by any such officer, trustee, official, or employee, and the state shall not pay any amounts for which payment is the obligation of any insurance carrier or company under a policy or policies of insurance or any other third party under a similar obligation.

Source. 1978, 43:1. 1979, 466:2. 1985, 144:11. 1986, 113:1. 1988, 169:1. 1989, 124:3. 1990, 161:11, 12; 207:1, 2. 2001, 158:11, eff. July 1, 2001; 290:8, eff. July 1, 2001 at 12:01 a.m. 2017, 240:2, eff. July 18, 2017.

Section 99-D:2-a

99-D:2-a Official Duty Defined. – For the purposes of RSA 99-D:2, the term "official duty" shall, in the case of a legislator, mean any duty or action taken in committee or in sessions of the general court or in such other forum where the legislator appears at the request of the house, senate or presiding officer of either body. It shall also include any other act for which immunity is granted under the provisions of RSA 541-B:19. Nothing in this section shall be construed to waive any immunity applicable to the legislator or the actions complained of, including those set forth in RSA 541-B:19, and all other provisions of RSA 99-D:2 shall apply.

Source. 1991, 199:1, eff. Jan. 1, 1992.

Section 99-D:2-b

99-D:2-b Repealed by 2007, 361:35, I, eff. July 1, 2011. –

Section 99-D:3

99-D:3 Insurance. – The state, or any department or agency thereof, shall self-insure against all such damages, losses, and expenses except to the extent that insurance coverage is obtained under the authority of RSA 9:27.

Source. 1978, 43:1. 2003, 150:7, eff. Jan. 1, 2004. 2018, 125:5, eff. May 30, 2018.

Section 99-D:4

99-D:4 Evidence. – Any determination by the attorney general or governor and council pursuant to RSA 99-D:2 shall not be admissible as evidence in the trial of any such action or claim.

Source. 1978, 43:1, eff. June 27, 1978.

Section 99-D:5

99-D:5 Counsel. – Nothing contained in this chapter shall be construed to deprive any such person of his right to select and be represented by private counsel of his own choice at his own expense.

Source. 1978, 43:1, eff. June 27, 1978.

Section 99-D:6

99-D:6 Defenses not Waived. – Nothing contained in this chapter shall be construed or held to constitute a waiver of any defense otherwise available against the claim.

Source. 1978, 43:1. 1985, 412:2, eff. July 3, 1985.

Section 99-D:7

99-D:7 Appeal. – Appeal from denial of representation by the attorney general as provided in RSA 99-D:2 shall be available to any officer, trustee, official or employee who is so denied. Such appeal shall be by petition to the governor and council.

Source. 1978, 43:1, eff. June 27, 1978.

Section 99-D:8

99-D:8 Claims Arising From the Clinical Services Provided to the Department of Health and Human Services. –

I. Without otherwise limiting or defining the sovereign immunity of the state and its agencies, this chapter shall apply to all claims against any nonprofit entity, or any employee, trustee, or director of such nonprofit entity when acting in the scope of such person's elected or appointed capacity and not in a wanton or reckless manner, arising out of clinical services provided in accordance with any contract entered into by the department of health and human services for the clinical operation and administration of the New Hampshire hospital pursuant to RSA 135-C:3 and RSA 135-C:4 or, at the discretion of the commissioner of the department of health and human services, any other public health or clinical service provided to the department.

II. This section shall apply only to claims or civil actions arising out of incidents occurring on or after July 1, 1988.

III. [Repealed.]

IV. [Repealed.]

Source. 1988, 217:4. 1993, 358:19. 1995, 10:16, III; 310:21. 1997, 166:3. 1999, 50:1. 2003, 83:1. 2010, 368:28, XI, eff. Dec. 31, 2010.

Section 99-D:9

99-D:9 Claims Arising From the Clinical Services Provided to the Department of Corrections. –

I. Without otherwise limiting or defining the sovereign immunity of the state and its agencies, this chapter shall apply to all claims against any nonprofit entity, or any employee, trustee, or director of such nonprofit entity when acting in the scope of such person's elected or appointed capacity and not in a wanton or reckless manner, arising out of clinical services of psychiatrists, other medical doctors, or psychiatric/mental health nurse practitioners provided in accordance with any contract limited to such services entered into by the department of corrections.

II. This section shall apply only to claims or civil actions arising out of incidents occurring after the effective date of this section.

III. [Repealed.]

Source. 2000, 301:1. 2001, 72:1. 2010, 368:28, XII, eff. Dec. 31, 2010.

Section 99-D:10

99-D:10 Repealed by 2016, 296:2, eff. June 21, 2016. –

Section 99-D:11

99-D:11 Complaints or Investigations Arising From Licensing Board, Committee, or Regulatory Agency Matters. –

I. Without otherwise limiting or defining the sovereign immunity of the state and its agencies, this chapter shall apply to all complaints filed with or investigations by a professional licensing board, committee, or regulatory agency against any state officer, trustee, official, employee, member of the general court, or other person identified in RSA 99-D:2 when acting in the scope of such person's official elected, appointed, or state employment duty and not in a wanton or reckless manner.

II. This section shall apply only to complaints or investigations arising out of incidents occurring on or after July 1, 2013.

Source. 2016, 296:1, eff. June 21, 2016.

TAB

2

**BY-LAWS OF THE
NEW HAMPSHIRE HOUSING FINANCE AUTHORITY**

**ARTICLE I:
GENERAL**

Section 1:01 Name

The name of the Authority shall be: New Hampshire Housing Finance Authority.

Section 1:02 Seal

The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year of its origination.

Section 1:03 Principal Office

The principal office of the Authority shall be in the town of Bedford, New Hampshire, or such other place in the State of New Hampshire as the members of the Authority may from time to time authorize.

Section 1:04 Fiscal Year

The fiscal year of the Authority shall begin on the first day of July and end on the 30th day of June of the following year.

**ARTICLE II:
MEETINGS**

Section 2:01 Place

Annual, special and regular meetings of the Authority shall be held at the Authority's principal office or at a place so designated in the notice of the meeting as determined by the Chairperson of the Authority.

Section 2:02 Annual Meeting

The annual meeting of the Authority shall be held on the fourth Thursday of July of each year without notice for the purpose of electing a Vice-Chairperson, and any other officers desired by the members of the Authority, receiving the annual report of the Executive Director and for conducting such other business as may be brought before the meeting. If the day fixed for such meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. A special meeting in lieu of the annual meeting may be held at such later date as a majority of the members of the Authority may determine.

**BY-LAWS OF THE
NEW HAMPSHIRE HOUSING FINANCE AUTHORITY**

Section 2:03 Regular Meetings

Regular meetings of the Authority shall be held monthly at the convenience of the Authority members.

Section 2:04 Special Meetings

The Chairperson may, on his or her own initiative and shall at the request of the Executive Director, or any three members of the Authority, call a Special Meeting for the purpose of transacting any business designated in the call, which shall be mailed to the business or home address of each member at least five (5) working days prior, or may be delivered electronically or in hand to each member at least two (2) days prior to the date of such special meeting, so called. At such special meeting no business shall be considered other than as designated in the call, but if all members present at a special meeting, any and all business may be transacted at such special meeting.

Section 2:05 Order of Business

At the regular meeting of the Authority, the following shall be the order of business.

- a) Roll Call
- b) Approval of the minutes of the previous regular meeting and any intervening special meetings
- c) Report of the Executive Director
- d) Report of Committees
- e) Unfinished Business
- f) New Business
- g) Adjournment

**ARTICLE III:
OFFICERS**

Section 3:01 Generally

The Governor shall appoint annually a Chairperson and the members shall elect annually from among their number a Vice-Chairperson and such other officers as they may determine.

**BY-LAWS OF THE
NEW HAMPSHIRE HOUSING FINANCE AUTHORITY**

Section 3:02 Chairperson

The Chairperson shall preside at all meetings of the Authority. Except as otherwise authorized by vote of the Authority, the Chairperson shall sign all contracts, deeds and other instruments made by the Authority. Whenever the title Chairperson is used with reference to the Chairperson of the Authority in any vote, contract, deed or other document or instrument of these By-laws, such title shall mean the Chairman of the Authority referred to in RSA 204-C:3.

Section 3:03 Vice-Chairperson

The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacitation of the Chairperson, and in case of the resignation or death of the Chairperson, the Vice-Chairperson shall perform such duties as are imposed on the Chairperson until such time as a new Chairperson is duly qualified.

Section 3:04 Secretary

The Secretary shall perform such duties as required by law and such other duties as may be required by the Authority.

Section 3:05 Elections

The Vice-Chairperson and any other officers desired by the Authority, except the Secretary, shall be elected at the annual meeting of the Authority, and shall hold office for one year or until their successors are elected and qualified. The Chairperson shall be appointed by the Governor.

Section 3:06 Vacancies

Should any office except the Chairperson and the Secretary become vacant, the members of the Authority shall elect a successor from their membership at the next regular meeting, and such election shall be for the unexpired term of said office. When the office of Secretary becomes vacant, the members of the Authority shall appoint a successor. When the office of the Chairperson becomes vacant, the Governor shall appoint a successor.

**ARTICLE IV:
AMENDMENTS**

Section 4:01 Generally

The By-Laws of the Authority shall be amended only with the approval of at least a majority of the members of the Authority at a regular, special, or annual meeting,

**BY-LAWS OF THE
NEW HAMPSHIRE HOUSING FINANCE AUTHORITY**

but no such amendment shall be adopted unless at least seven days written notice thereof has been previously given to all members of the Authority.

**ARTICLE V:
MISCELLANEOUS**

Section 5:01 Committees

The Authority may create such committees as it deems necessary for the proper functioning of the Authority. The membership of any such committee shall be determined by the Chairperson of the Authority. The Chairperson of the Authority shall designate the committee member who shall chair the committee and who shall report the activities and findings of any such committee back to the Authority.

The Chairperson of the Authority and/or the Chairperson of a committee may appoint a Board member to serve in the capacity of “temporary” committee member when and if a standing committee member is unable to attend a meeting in person. A “temporary” committee member shall temporarily assume the responsibilities of a committee member and the appointment of a “temporary” committee member shall be for the purposes of the designated meeting only.

**ARTICLE VI:
INDEMNIFICATION OF BOARD MEMBERS, EXECUTIVE DIRECTOR, SUBSIDIARY
CORPORATIONS AND EMPLOYEES**

Section 6:01 Liability

The Authority shall indemnify, defend, hold harmless and reimburse the Members of the Authority, the Executive Director, subsidiary corporations and any other employee of the Authority or subsidiary corporation made a party to any action, suit or proceeding by reason of the fact that such party or the person whose legal representative or successor to such party is, or was a Member of the Authority, Executive Director, subsidiary corporation, or an employee of the Authority or subsidiary corporation, for costs including attorney’s fees, and such amount of any judgment, money decree, fine, penalty or settlement for which such Members of the Authority, the Executive Director, subsidiary corporation or an employee of the Authority or subsidiary corporation may have become liable incurred by him or her in connection with the defense or settlement of any such action, suit or proceeding, or any appeal therein, except in relation to matters as to which such party, or the person whose legal representative or successor to such party, is finally adjudged in such action, suit or proceeding not to have acted in good faith or in a manner he or she reasonably believed to be in the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reason to believe his or her conduct was unlawful.

These By-Laws shall take effect on 7/1/81.

**BY-LAWS OF THE
NEW HAMPSHIRE HOUSING FINANCE AUTHORITY**

These By-Laws amended on 7/25/85.

These By-Laws amended on 4/24/86.

These By-Laws amended on 11/20/86.

These By-Laws amended on 7/20/89.

These By-Laws amended on 2/28/91.

These By-Laws amended on 1/23/92.

These By-Laws amended on 2/22/96.

These By-Laws amended on 10/23/97.

These By-Laws amended on 10/23/08.

These By-Laws amended on 1/26/12.

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**BY-LAWS
OF
HOUSING RESOURCES OF NEW HAMPSHIRE**

**ARTICLE I:
GENERAL**

Section 1:01 Name

The name of this corporation shall be Housing Resources of New Hampshire (Corporation).

Section 1:02 Seal

The seal of the Corporation shall be in the form of a circle and shall bear the name of the entity and the year of its origination.

Section 1:03 Board of Trustees

The Board of Trustees shall include no more than nine and no less than five members. The Board shall be the serving Chairpersons of each of the standing Committees of the New Hampshire Housing Finance Authority Board of Directors, the serving Executive Director/CEO of New Hampshire Housing Finance Authority. The Board of Trustees may elect to include up to four additional members.

Section 1:04 Principal Office

The principal office of the Corporation shall be in the town of Bedford, New Hampshire, or such other place in the State of New Hampshire as the Board of Trustees (Trustees) may from time to time authorize.

Section 1:05 Fiscal Year

The fiscal year of the Corporation shall begin on the first day of July and end on the 30th day of June of the following year.

**ARTICLE II:
MEETINGS**

Section 2:01 Place

Annual, special and regular meetings of the Trustees of the Corporation shall be held at the Corporation's principal office or at a place so designated in the notice of the meeting as determined by the Chairperson of the board.

**BY-LAWS
OF
HOUSING RESOURCES OF NEW HAMPSHIRE**

Section 2:02 Annual Meeting

The annual meeting of the Corporation shall be held in the first month of each fiscal year for the purpose of electing a Chairperson and Vice-Chairperson, and any other officers desired by the Trustees of the Corporation, and for conducting such other business as may be brought before the meeting. A special meeting in lieu of the annual meeting may be held on such other date as a majority of the Trustees of the Corporation may determine.

Section 2:03 Regular Meetings

Regular meetings of the Trustees shall be held semi-annually and/or at the convenience of the Trustees.

Section 2:04 Special Meetings

The Chairperson may, on his or her own initiative, and shall at the request of any three Trustees of the Corporation, call a Special Meeting for the purpose of transacting any business designated in the call, which shall be mailed to the business or home address of each Trustee at least five (5) working days prior, or may be delivered electronically or in hand to each Trustee at least two (2) days prior to the date of such special meeting, so called. At such special meeting no business shall be considered other than as designated in the call, but if all Trustees are present at a special meeting, any and all business may be transacted at such special meeting.

Section 2:05 Order of Business

At a regular meeting of the Corporation, the following shall be the order of business.

- a) Determination of quorum/roll call
- b) Approval of the minutes of the previous regular meeting and any intervening special meetings
- c) Report of the Chairperson
- d) Report of Committees
- e) Unfinished business
- f) New business
- g) Adjournment

**BY-LAWS
OF
HOUSING RESOURCES OF NEW HAMPSHIRE**

**ARTICLE III:
OFFICERS**

Section 3:01 Generally

The Trustees shall elect annually from among their number a Chairperson and Vice-Chairperson and such other officers as they may determine. The Secretary shall be the Executive Director/CEO of New Hampshire Housing Finance Authority.

Section 3:02 Chairperson

The Chairperson shall preside at all meetings of the Corporation. Except as otherwise authorized by vote of the Corporation, the Chairperson shall sign all contracts, deeds and other instruments made by the Corporation. Whenever the title Chairperson is used with reference to the Chairperson of the Corporation in any vote, contract, deed or other document or instrument or these By-laws, such title shall mean the Chairperson of Housing Resources of New Hampshire.

Section 3:03 Vice-Chairperson

The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacitation of the Chairperson, and in case of the resignation or death of the Chairperson, the Vice-Chairperson shall perform such duties as are imposed on the Chairperson until such time as a new Chairperson is duly qualified and appointed.

Section 3:04 Secretary

The Secretary shall perform such duties as required by law and such other duties as may be required by the Corporation.

Section 3:05 Elections

The Chairperson, Vice-Chairperson and any other officers desired by the Corporation, shall be elected at the annual meeting of the Corporation, and shall hold office for one year or until their successors are elected and qualified.

Section 3:06 Vacancies

Should any office become vacant, the Trustees of the Corporation shall elect a successor from among the membership at the next regular meeting, and such election shall be for the unexpired term of said office.

**BY-LAWS
OF
HOUSING RESOURCES OF NEW HAMPSHIRE**

Section 3:07 Quorum; Proxies; Voting Rights

A majority of duly elected Trustees shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees, but a lesser number may adjourn the meeting to a specified time and place when and where, a quorum being present, it may be held so long as notice is provided to the absent members, or the meeting may be adjourned. A meeting at which a quorum is initially present may not continue to transact business if a member or members leave the meeting and less than a quorum remains present to conduct business. The remaining members may vote to adjourn or otherwise suspend the meeting to a later date if necessary. No voting by proxy shall be permitted at any meeting of the Board of Trustees. Each Trustee shall be entitled to one (1) vote on matters before the Board.

**ARTICLE IV:
AMENDMENTS**

Section 4:01 Generally

The By-Laws of Housing Resources of New Hampshire shall be amended only with the approval of at least a majority of the Trustees of the Corporation at a regular, special, or annual meeting, but no such amendment shall be adopted unless at least five days written or electronic notice thereof has been previously given to all Trustees of Housing Resources of New Hampshire.

**ARTICLE V:
MISCELLANEOUS**

Section 5:01 Committees

Housing Resources of New Hampshire may create such committees as it deems necessary for the proper functioning of the Corporation. The membership of any such committee shall be determined by the Chairperson of the Corporation. The Chairperson of the Corporation shall designate the committee member who shall chair the committee and who shall report the activities and findings of any such committee back to the Trustees.

The Chairperson of the Corporation and/or the Chairperson of a committee may appoint a Trustee to serve in the capacity of “temporary” committee member when and if a standing committee member is unable to attend a meeting in person. A “temporary” committee member shall temporarily assume the responsibilities of a committee member and the appointment of a “temporary” committee member shall be for the purposes of the designated meeting only.

**BY-LAWS
OF
HOUSING RESOURCES OF NEW HAMPSHIRE**

**ARTICLE VI:
INDEMNIFICATION OF BOARD
MEMBERS AND EMPLOYEES**

Section 6:01 Liability

No Trustee, officer or employee of the Corporation shall be liable for monetary damages for breach of fiduciary duty as a Trustee, officer or employee, except with respect to:

- (1) any breach of the Trustee's, officer's or employee's duty of loyalty to the Corporation and its members;
- (2) acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of the law;
- (3) any transaction from which the Trustees, officer, or employee derived an improper personal benefit.

The provision of this Article shall be construed such that to the fullest extent permitted by New Hampshire RSA 292:2, V-a, as the same exists or may hereafter be amended, a Trustee, officer or employee of Housing Resources of New Hampshire shall not be liable to the Corporation or its members for monetary damages for any action taken or any failure to take action, if he or she acted in good faith and in a manner he or she reasonably believed to be in the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reason to believe his or her conduct was unlawful.

These By-Laws shall take effect on May 24, 2012.

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SECTION I. GENERAL INFORMATION

1. ORGANIZATION AND MISSION

I. GENERAL INFORMATION

1. ORGANIZATION AND MISSION

A. MISSION STATEMENT

New Hampshire Housing promotes, finances, and supports housing solutions for the people of New Hampshire.

B. VISION STATEMENT

New Hampshire where everyone can afford a place to call home.

C. VALUES

1. **Teamwork:** Collaborate with and respond to each other and our partners to identify and exploit opportunities to achieve our common goals.
2. **Leadership:** Motivate and inspire others and ourselves to proactively work together towards achieving common goals.
3. **Stewardship:** Exhibit prudent, ethical, and transparent use of public resources and a commitment to environmental, economic, and social sustainability.
4. **Integrity:** Be honest, accountable, and reliable in all matters and demonstrate actions that will inspire the trust of others.
5. **Respect:** Treat everyone we encounter with dignity; be inclusive, candid, and open in our communications and behavior.
6. **Innovation:** Think objectively and listen with open minds, raise questions, challenge assumptions, and encourage creativity.
7. **Agility:** Be vigilant and alert; adapt to changing conditions, opportunities, and challenges.
8. **Trust:** Assume positive intentions and demonstrate the belief that others will meet their commitments and do their jobs.
9. **Equity:** Strive to ensure transparent access to New Hampshire Housing's opportunities and resources for all New Hampshire residents.
10. **Courage:** Take appropriate risks in service of the mission; acknowledge the inevitability of occasional failures and the desire and ability to learn from them.

SECTION I. GENERAL INFORMATION

2. CODE OF CONDUCT

I. GENERAL INFORMATION

2. CODE OF CONDUCT

D. PURPOSE, STANDARDS AND APPLICATION

1. Purpose of the Code of Conduct

The purpose of these policies is to ensure the proper administration and effective operation of New Hampshire Housing Finance Authority (NH Housing) and to ensure that members of the Board of Directors (Board) and employees be independent and impartial; that service to and on behalf of NH Housing never be used to the detriment of NH Housing; and that there be unquestioned public confidence in NH Housing's integrity as a prudently managed institution operated for the sole and exclusive purpose of providing benefits to the State of New Hampshire and its citizens.

The fundamental principle underlying these policies is that any NH Housing Board member or employee occupies a special position of fiduciary trust and confidence such that they must studiously and conscientiously avoid fiduciary breaches of trust against NH Housing.

2. Definitions

- a) The following words and phrases as used in this policy, unless a different meaning is plainly required by the context, shall have the following meanings:
 - i. "NH Housing" means New Hampshire Housing Finance Authority established pursuant to New Hampshire RSA 204-C.
 - ii. "Board of Directors" (Board) means that Board which administers NH Housing pursuant to RSA 204-C:3.
 - iii. "Conflict of Interest" means a situation, circumstance, or financial interest which causes or would cause a private interest to interfere with the proper exercise of a public duty.
 - iv. "Beneficiary" means any person receiving or entitled to services provided by NH Housing.
 - v. "Employee" means the Executive Director or any employee of NH Housing.
 - vi. "Related" or "relative" means a person's spouse (by marriage, civil union, or legal equivalent thereof), parent, child, grandparent, grandchild and/or sibling as well as respective spouses of any of the foregoing.
 - vii. "Confidential and/or sensitive information" may include client and/or employee information including but not limited to medical history, compensation, benefits, performance evaluations, social security numbers, driver's license numbers, bank account, or credit card numbers, and/or other information in the possession of NH Housing which a reasonable person would not disseminate publicly.

3. Standards of Conduct

- a) Confidential and/or sensitive information shall be used solely for NH Housing purposes and under no circumstances revealed to unauthorized persons, except as required by law. Employees shall not access or attempt to access client and/or employee records or information including confidential and/or sensitive information unless such access is directly related to NH Housing business and is performed in the normal course of the employee's job.
- b) All Board members and employees shall avoid conflicts of interest provided, however, that Board members shall comply with the provisions of RSA 204-C:3. Board members and employees shall not participate in any matter in which they, or their spouse or dependents, have a private interest which may directly or indirectly affect or influence the performance of their duties, except where a Board member having such a conflict of interest has complied with the requirements of RSA 204-C:7, in which case the Board member, their spouse, or dependents may pursue private interests involving NH Housing. Employees shall disclose to the Executive Director matters of which they are aware involving relatives which may have, or give the appearance to have, an effect on their ability to impartially perform their duties; in the case of the Executive Director, such disclosure shall be made to the Chair of the Board.
- c) Information which might reflect favorably or adversely upon the present or future value of any beneficiary or potential beneficiary of NH Housing shall not be used in any manner except solely and exclusively in the interests of NH Housing.
- d) Pursuant to RSA 204-C:7, it shall not be, nor shall it constitute a conflict of interest for a board member, officer or employee of any financial institution, investment banking firm, brokerage firm, commercial bank or trust company, architectural firm, insurance company or any other firm, person or corporation to serve as a member of the Board. If any member of the Board shall be interested either directly or indirectly or shall be a board member, officer or employee of or have an ownership interest in any firm or corporation interested directly or indirectly in any contract with NH Housing, including any loan to any eligible mortgagor or loan to or purchase of any loan from any lending institution, such interest shall be disclosed to the Board and shall be set forth in the minutes of the Board and the Board member or employee having such interest shall not participate on behalf of NH Housing in any proceedings relating to the authorization of any such contract.
- e) No Board member or employee shall, without first complying with the provisions of Section 3(d), make any personal investment, engage in any transaction or professional activity, or incur any obligation of any nature which would create, or which such person should reasonably foresee would create, an interest in a business, contract, property or investment involving NH Housing that would knowingly result in a conflict of interest with NH Housing. Further, no Board member or employee shall directly or indirectly use any information obtained as a result of their affiliation with NH Housing for personal or financial gain.
- f) No Board member or employee shall use his or her position or employment with NH Housing, or use NH Housing facilities, information, equipment, or supplies, except to advance the interests of NH Housing and its beneficiaries.

- g) No Board member or employee or their spouses or dependents shall solicit or accept or agree to accept for themselves or for transfer to others:
 - i. Any gift for themselves or any other person or organization, regardless of value, from any individual, organization, or enterprise which provides services to NH Housing or participates in any program operated or managed by NH Housing, except as noted below in subsection (h);
 - ii. Any direct or indirect benefit, gratuity, or emolument as consideration for a decision, opinion, recommendation, transaction, vote, or other exercise of discretion by a Board member, employee, or other agent or representative of NH Housing; or
 - iii. A gift from a person who is subject to or likely to become subject to or interested in, any matter or action pending before or contemplated by any Board member or employee or by NH Housing.
- h) Nothing in this section shall be construed to prohibit gifts made to NH Housing and accepted in accordance with the law. The following types of gifts are permissible, provided that they are not solicited by the Board member or employee and are not intended to influence the Board member's or employee's official action.
 - i. Items of little economic value which are intended solely for presentation, such as greeting cards, plaques, certificates, and trophies.
 - ii. Gifts of reminder advertising with a value of \$25.00 or less.
 - iii. Gifts clearly given because of a family or personal relationship.
 - iv. Rewards and prizes in contests open to the public.
 - v. Free attendance at an event at which the employee is speaking or presenting information on behalf of NH Housing.
 - vi. Meals and/or refreshments that are part of an official event, such as a conference or seminar.
 - vii. Meals and/or refreshments having a value of \$25.00 or less provided in concert with a business meeting.
 - viii. Token gifts of food and/or refreshments provided during a holiday season which are shared among members or employees.
 - ix. Items received under (iii) and (iv), with a value of \$50 or more, shall be disclosed by employees to the Director, People Operations, in the case of the Executive Director to the Chair of the Board within two business days; by Board Members to the Chair within seven business days; and by the Chair to the Finance and Administration Committee within seven business days.
- i) No Board member or employee shall represent any person in any action or

proceeding before or involving the direct interests of NH Housing except as a duly authorized representative or agent of NH Housing. No former Board member or employee shall, for a period of one year following such service, represent any person or entity on behalf of such person or entity on a specific matter before NH Housing which such former Board member or employee dealt with while a NH Housing employee or Board. Upon the happening of such event, the entity being represented in violation of this Section shall be disqualified from doing business with NH Housing on the matter in question. Subsequent to the one year waiting period, the Board of Directors shall be given written notice of any circumstances in which a former Board member or employee acts as a representative of any person or entity on a matter before NH Housing. The Board of Directors may waive the one-year waiting period if it determines that there is good cause for such a waiver and that such action is in the public interest.

- j) No Board member or employee shall borrow from professional advisors or consultants, banks, or other financial institutions with which NH Housing has a business relationship, except and unless such entities are normally engaged in such lending in the usual course of their business, and then only on terms offered to others under similar circumstances.
- k) No Board member or employee with discretionary authority to appoint, elect, hire, or advance NH Housing staff, whether such authority is granted by statute delegated by the Board or by the Executive Director, shall exercise that authority in favor of persons related (as defined in Section I 2:A.2(a)(vi)) to any Board member or persons related to an employee also in a position to appoint, elect, hire, or advance NH Housing staff. This shall not prevent the retention or advancement of any person employed by NH Housing as of the effective date of this policy, or any person employed by NH Housing for at least 30 days prior to the appointment of a Board member or advancement of an employee to a position of discretionary responsibility over staff; provided, however, that in no instance shall a Board member or employee participate in or influence any deliberation, evaluation, recommendation, or other decision process or discretionary action regarding such related employee.
- l) Board members, employees, or professional advisors to NH Housing shall disclose to the Board any direct or indirect ownership or beneficial interest that such person or his or her relative or co-venturer may have in any organization which provides services to NH Housing, or a beneficiary or potential beneficiary to NH Housing. If a conflict of interest between such persons and NH Housing exists, the Board shall determine the appropriate action to be taken, if any, pursuant to Section 4. However, in no event shall a Board member vote on any question in which they are so interested, whether directly or indirectly, as to impair the independent and impartial exercise of that Board member's judgment.
- m) No Board member or employee, while serving in such capacity and for a period of one year following conclusion of such service, shall solicit or receive political contributions from any individual or organization that provides services to NH Housing.

- n) All Board members and employees shall, upon entering employment with or beginning service for NH Housing, complete the Code of Conduct Certification incorporated as Attachment A of this policy. All Board members and employees shall also review this policy and complete the Code of Conduct Certification prior to July 1 of each year. Professional service providers and advisors approved and/or appointed by the Board (auditors, legal counsel, etc.) shall complete the Code of Conduct Certification prior to providing service to NH Housing.
- o) Pursuant to RSA 21-G, all Board members shall complete the annual Statement of Financial Interests. This form shall be filed with the Secretary of State in January of each year and a copy shall be provided to NH Housing for its official records.
- p) No Board member or employee shall purchase NH Housing bonds or notes. Acquisition of an interest in a bond fund which may include NH Housing bonds, where the Board member or employee does not have direct decision-making authority regarding the assets of the fund, does not constitute purchase of NH Housing bonds.
- q) No Board member or employee with administrative functions or responsibility concerning contract administration under the HUD Annual Contributions Contract (ACC) may, while employed by NH Housing and for a period of one year thereafter, enter into any contract, subcontract, or other arrangement in connection with contract administration under the ACC in which they or any immediate family member (spouse, parent, child, grandparent, grandchild, or sibling) have any direct or indirect interest.
- r) Board members may participate in NH Housing-administered programs consistent with the provisions of RSA 204-C:7. Employees may participate in programs administered by, and/or may purchase property owned by, NH Housing or its agents and sub-contractors for which they are eligible. Participation in programs is defined as receipt of loans, grants or other assistance (including rental assistance) from NH Housing or an agent or contractor of NH Housing through a NH Housing-sponsored or administered program. Board members and employees will be subject to the same program and/or purchase eligibility criteria, processing and compliance rules, and procedures used for other participants.

Prior to submission of an application for participation in a program and/or prior to making an offer to purchase NH Housing-owned property, employees shall submit an Intent to Participate form to the managing director of the division responsible for administration of the program in question. The managing director shall review the employee's Intent to Participate to verify that all potential conflict of interest issues have been considered and that the employee will be required to meet the standards for participation in the program. The Intent to Participate form shall then be submitted to the Executive Director for final approval.

The Executive Director is not eligible to participate in NH Housing-administered programs. Managing directors may not participate in any program for which they have administrative responsibility.

4. Board Action

- a) From time to time, the Board shall seek advisory opinions from legal counsel to NH Housing if it deems such necessary or appropriate to aid in the application of the Code to particular factual situations presenting an apparent ethical issue. Such counsel's opinion shall be advisory only, but any Board member or employee acting in reliance thereon shall be deemed to be acting in good faith compliance with the Code.
- b) If a Board member fails to comply with the provisions of this Code of Conduct, the Chair shall take appropriate action. In the case of a situation involving the Chair, the Finance and Administration Committee shall take appropriate action.
- c) If the Executive Director fails to comply with the provisions of this Code, the Board shall, by vote, take appropriate action.
- d) If any employee other than the Executive Director fails to comply with the provisions of this Code, the Executive Director shall take appropriate action consistent with NH Housing's established employment policies.

ATTACHMENT A

New Hampshire Housing Finance Authority
Code of Conduct Certification

I acknowledge having received and read the New Hampshire Housing Finance Authority Code of Conduct. I understand the standards of conduct contained therein and agree to abide by them.

I further certify that I am in full compliance with the provisions and policies stated in the Code of Conduct except as otherwise explained in the comments below.

Name (Print): _____

Title: _____

Signature: _____ Date: _____

Comments:

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II. BOARD OF DIRECTORS

1. OPERATING POLICIES AND COMMITTEE STRUCTURE

A. RESPONSIBILITIES AND OPERATING AUTHORITY

The purpose of these policies is to identify those matters which require direct approval or other action by NH Housing Board of Directors (Board) and to clearly establish the responsibilities and operating authority of the Executive Director of NH Housing.

1. Officers

- a) The Executive Director is the Chief Executive Officer of NH Housing and shall be primarily responsible to the Board for the implementation of NH Housing programs. The Executive Director is authorized to execute any and all documents necessary for the conduct of NH Housing business within the guidelines established here. This specifically includes the authority to open and have signature authority over escrow and other bank accounts necessary for the operation of NH Housing programs, as well as the authority to act on behalf of NH Housing in all matters related to the foreclosure and disposition of properties financed under NH Housing programs.
- b) The Deputy Executive Director/Chief Legal Officer, Managing Director, Finance/CFO, Managing Director, Assisted Housing, and Managing Director, Administration/CAO are also designated as officers of NH Housing. The Executive Director may delegate, in writing, authority to one or more of these officers as determined to be appropriate by the Executive Director. The Executive Director may also delegate in writing limited authority to execute specific types of documents to other staff.

2. Rules

The Board shall approve the adoption, amendment, or repeal of all NH Housing rules.

3. Program Development

- a) The Board shall approve the establishment, termination, or modification of NH Housing financing programs. This shall include adoption of any implementing rules and/or substantive amendments to such rules. The Executive Director may, however, authorize non-substantive changes without specific Board approval.
- b) The Board shall approve fund allocations for all new and existing NH Housing programs.

4. Staff

- a) The Board shall appoint and establish the compensation of the Executive Director of NH Housing.
- b) The Board shall approve a Code of Conduct for members and NH Housing staff and shall also approve compensation and benefits policies for staff.

- c) The Executive Director shall, as authorized by the Board, approve the administrative budget or other Board action, appoint NH Housing staff, and adopt appropriate human resource policies for such staff. Any separation payments made to current or former employees, other than those provided for under Board approved policy, shall be subject to approval by the Board.

5. Investment Policy

- a) It shall be NH Housing policy to (i) invest monies (whether such monies are derived from bonds or other obligations issued by NH Housing (“NH Housing Bonds”), or from any other source in the investments set forth in Appendix A (such investments constituting “Permitted Investments”); and to (ii) enter into, in furtherance of NH Housing’s investment needs and objectives, arrangements with respect to Permitted Investments with the entities listed in Appendix B (such entities constituting the “Investment Program Participants”), which arrangements may include without limitation, (a) purchasing and selling permitted investments, (b) entering into collateralized and uncollateralized investment agreements and contracts, (c) opening and maintaining trust and brokerage accounts for the purpose of purchasing and selling Permitted Investments on behalf of NH Housing, and (d) opening and maintaining custodial accounts for the safekeeping of NH Housing’s investment securities.
- b) If any NH Housing resolution (whether denominated a general resolution, series resolution, supplemental resolution, or otherwise) requires that NH Housing approve a particular type of investment as a condition of the investment of NH Housing monies (whether such monies are derived from NH Housing Bonds or other sources) (said requirement constituting a “Resolution Investment Requirement”), any investment constituting a Permitted Investment shall be deemed to have met the Resolution Investment Requirements.
- c) The Chair, Executive Director or staff delegated with specific investment policy authority by the Executive Director is authorized to effect on behalf of NH Housing the execution and delivery of any instrument pertaining to any arrangement with an Investment Program Participant.

6. Grants/Requests for Funds

- a) The Executive Director may apply for federal or other funds for activities related to existing NH Housing programs without specific Board approval, provided that the following criteria are met:
 - i. the grant application does not commit NH Housing to provide matching funds or otherwise contribute financial resources to the grant unless such resources are included in the approved annual administrative budget Program Plan, or have otherwise been approved by the Board; and
 - ii. does not require the addition of staff, unless such positions have been approved through the annual operating budget or other Board actions.
 - iii. The Executive Director shall report any such grants received to the Board within 30 days of being notified of a grant award.

- b) The Board must approve, prior to submission of any application, all grant or funding applications which:
 - i. will require NH Housing matching funds not otherwise allocated; and
 - ii. would require addition of staff not otherwise authorized by Board action.

7. Contracts

- a) The Executive Director is authorized to execute any contracts or documents, without further Board review, which are:
 - i. necessary to implement any loan commitments or loan programs approved by the Board;
 - ii. related to funding included in the annual administrative budget (including consultant or professional services contracts except otherwise specified);
 - iii. related to ongoing approved programs (i.e., HUD documents related to Section 8 Program.)
- b) Explicit Board approval is required for all other contracts, agreements, or commitments including, but not limited to, contracts for the following services:
 - i. agreements for legal services;
 - ii. designation of investment bankers (underwriters) for bond financings;
 - iii. agreements related to the annual year-end audit; and
 - iv. contracts for services for which funding is not included in the annual operating budget and which will require a special allocation of funds.

8. Program Administration

The Executive Director is authorized to take action related to administration of existing NH Housing programs without further Board approval, consistent with rules and program guidelines previously approved by the Board. This includes:

- a) Homeownership Programs:
 - i. approve the rental of single family properties financed by NH Housing;
 - ii. approve the assumption of existing single family mortgage loans;
 - iii. approve the transfer of mortgage servicing portfolios;
 - iv. approve and terminate lenders and servicers (the Board will be notified of any action to terminate an approved lender/servicer);

- v. implement loan work-out and restructuring agreements regarding single family loans;
- vi. foreclose upon and dispose of single family properties; and
- vii. authorize bond calls.

b) Multi-Family Programs:

- i. approve the transfer of ownership interests in multi-family properties when it is determined that there is no effect on NH Housing's security interest;
- ii. implement temporary forbearance and work-out plans related to multi-family loans, provided that any work-out plan which involves a permanent reduction in interest rate or change in the term of a loan must be approved by the Board;
- iii. apply for and execute agreements related to the award of rental assistance funds under the Section 8 existing housing program; and,
- iv. authorize bond calls.

9. Execution of Documents

- a) The Executive Director or designee is authorized to sign any and all documents necessary or convenient to implement any activity that is delegated to the Executive Director by these Operating Policies.
- b) All other documents shall be signed by the Chair of the Board or such other person as the Board shall designate.

10. Appointment of Certain Professional Service Providers

This policy governs the appointment of all providers of legal, investment banking, external audit, and other significant financial services, regardless of cost, unless otherwise specified. For purposes of this policy, "other significant financial services" includes financial advisors, commercial banking service providers, line of credit providers, mortgage pool insurers, bond trustees, bond rating agencies, mortgage loan sub-servicers, and letter of credit providers.

- a) Selection of service providers will be based on review of written proposals from at least three qualified providers responding to a written request for proposals (RFP) initiated by NH Housing. Depending on the nature of the services to be purchased, RFPs may be solicited directly from specific qualified providers (invited bids) or through an open public bid process. The Board may authorize the procurement of services from a single source provider for good cause.
- b) Service providers will be subject to review at least once every four years although the Board may waive such review if it determines that such action is in the best interest of NH Housing.

- c) The Board shall approve the appointment of General and Bond Counsel. The Executive Director may, however, contract for special legal services without specific Board approval if the cost of such services is not expected to exceed \$10,000.
- d) The Board may waive any provision of this policy for good cause.

11. Media

Only the Chair of the Board, the Executive Director, or those specifically authorized by the Chair of the Board and/or Executive Director, are authorized to speak with or respond to requests for information from the media on behalf of NH Housing. Any Board Member who is contacted by the media with regard to NH Housing related issues or programs and has not been authorized to speak to the media on behalf of NH Housing, should refer any such inquiry to the Executive Director or the Chair of the Board.

12. Meetings

- a) The Board shall comply with the NH Right-to-Know law (RSA 91-A) when conducting its Board and Committee meetings. In-person attendance by Board members is the preference of the Board.
- b) Board members may participate in meetings remotely only when it is not reasonably practicable for them to attend in person. Provided that at least one-third of the members of the Board are physically present at the meeting location, remotely attending Board members will count towards quorum. When any Board member attends a meeting remotely, all Board members must be able to see and hear each other and members of the public in attendance contemporaneously and throughout the meeting. Board members attending remotely will be asked to state the reason for and location of their remote attendance.
- c) The Board will ensure members of the public are allowed to attend remotely upon request. Remotely attending members of the public shall be allowed to speak at public hearings. All Board members must be able to hear any member of the public recognized by the Chair to speak.
- d) If any Board member attends a meeting remotely, all votes during that meeting must be by roll call.

B. COMMITTEE STRUCTURE AND RESPONSIBILITIES

The following structure is based on the concept that the role of the Board is to establish policy and oversee operations to ensure compliance with those policies. Administrative and operational responsibilities are delegated to staff while Board activities are focused on decisions related to the determination of NH Housing's mission, vision, and goals, establishment of specific programs and strategies to achieve those goals, and adoption of policies and rules to govern approved programs. Further, the Board is responsible for establishing financial and budgetary parameters to govern agency operations and for exercising ongoing oversight of activities to ensure compliance with established policies.

1. General

- a) In general, the following principles shall define the authority/responsibility of the full Board and its Committees. Through adoption of these policies, and other specific actions, the full Board has delegated or may delegate specific authority to its Committees.
- b) Unless otherwise provided for in these policies or in a specific Board vote, full Board action shall be required to commit NH Housing financial resources to a program or project.
- c) The full Board must approve adoption, amendment, or repeal of all NH Housing rules. The Board may specifically authorize a Committee to waive specific NH Housing rules; however, in general, waivers of adopted rules will require full Board action.
- d) In cases where the Board has delegated decision-making authority to staff, the appropriate Committee shall serve as a forum for appeals of such decisions and shall have authority to decide such appeals. The full Board shall hear appeals of Committee decisions/actions.

2. Committees

There will be four standing Committees of the Board as follows:

- a) Finance and Administration Committee – Responsible for matters related to the general administration of NH Housing and general financial policy.
 - i. *Financial Matters:* The Committee will provide oversight and guidance to staff on financial operating and policy matters, including:
 - Reviewing the annual Operating Fund budget and recommending a final annual budget to the full Board. The Committee also oversees the status of the budget and has authority to approve additional expenditures not originally included in the budget document up to a total of \$100,000 in any one year;
 - Conducting an annual review of investment policies;

- Performing a periodic review of outside financial service providers (except fiscal auditors) to include the bond financing team members and commercial banking service providers;
 - Reviewing key changes in financial position and evaluation of important emerging financial issues and trends;
 - Reviewing proposed significant changes to financial and accounting operating policies/procedures; and
 - Monitoring success in achieving general financial objectives and reviewing financial practices relative to financial risk levels and mitigation techniques.
- ii. *Litigation/Legal Matters:* The Committee oversees and gives direction to staff and legal counsel on litigation and legal matter affecting NH Housing, other than loan collection actions under the jurisdiction of the Homeownership and Multi-Family Committees. Decisions to initiate litigation and settlement agreements involving litigation, other than those matters with regard to the servicing of single family loans and administration of rental assistance programs, must be approved by the full Board. The Executive Director is authorized to initiate litigation with regard to the servicing of single family loans as specified in the Homeownership Committee Mortgage Servicing Program policies and with regard to the ongoing administration of the Housing Choice Voucher and other rental assistance programs.
- iii. *Program Policies/Rules:* The Committee shall review and make recommendations to the Board on all proposed policies and rules that are not specifically related to Homeownership Programs or Multi-Family Housing Programs.
- iv. *Grant Requests:* The Committee will review and make recommendations to the full Board on all grant applications received by NH Housing for general housing activities that are not exclusively Multi-Family or Homeownership related.
- v. *Legislation:* The Committee will review matters related to proposed legislation that affects NH Housing and provide guidance to the staff on such matters. The Committee will keep the full Board informed of legislative matters that affect NH Housing.
- vi. *Human Resources Policies:* The Committee shall review and make recommendations to the full Board on compensation and benefit policies and related matters.
- vii. *Housing Awareness Project (HAP):* The Committee will have primary oversight of HAP and may authorize expenditure of funds for research, technical assistance, and other project-related purposes within the amount allocated for HAP in the annual Program and Resource Allocation Plan.

- b) Homeownership Committee – Exercises oversight of NH Housing’s Homeownership Programs.
- i. *Financing Programs:* The Committee will review and make recommendations to the full Board on proposed bond financings for Homeownership Programs.
 - ii. *Policies/Rules:* The Committee will review and make recommendations to the Board on all policies and rules regarding Homeownership Programs.
 - iii. *Application of Rules:* The Committee will review and is authorized to act on appeals of staff decisions regarding matters such as loan assumptions, rental of bond-financed property, and other single family program related issues involving individual loans/borrowers. General waivers of rules with broad application shall be subject to full Board approval.
 - iv. *Special Grant Loans and Fund Commitments:* The Committee will consider and recommend to the full Board action on special loan/grant allocations (i.e., loans/grants which are not part of a standard adopted program) related to homeownership projects including direct commitments of NH Housing mortgage funds.
 - v. *Mortgage Servicing Program:* The Committee will oversee matters related to the servicing of NH Housing’s single family mortgage portfolio including servicer performance and delinquency trends. The Executive Director is authorized to undertake collection actions, including initiation of litigation, when such actions are necessary to protect the interests of NH Housing. The Executive Director may also authorize payments by NH Housing to settle litigation with regard to the servicing of single family loans where such payments do not exceed \$5,000. The Committee will have oversight of settlements in excess of \$5,000 up to \$10,000. Settlements in excess of \$10,000 will require full Board approval.
- c) Multi-Family Housing Committee – Exercises oversight of NH Housing’s Multi-Family Development and Rental Housing Programs.
- i. *Multi-Family Resource Allocations:* The Committee will review and make recommendations to the full Board on all financing and grant requests which involve multi-family rental projects, special needs rental housing, or manufactured housing parks. This includes commitment of Bonding NH Housing, Operating Funds, Housing Tax Credits, HOME funds, the Affordable Housing Fund, and other specific funds available to NH Housing. The Committee may reserve funds for specific projects pending full Board approval of final commitments.
 - ii. *Multi-Family Finance Programs:* The Committee will review and make recommendations to the Board on all multi-family housing finance and development programs, including the adoption of policies and rules to govern such programs.

- iii. *Existing Multi-Family Projects:* The Committee will have jurisdiction over issues related to the management/oversight of existing multi-family loans, including review and approval (without further Board action) of work-out and/or loan restructuring agreements which involve extension of existing loans, changes in interest rate, and adjustments in the terms or conditions of such loans. Any allocation of additional funds to an existing multi-family project will be reviewed by the Committee but will require full Board action. The Committee will also review and approve staff recommendations regarding actions to foreclose upon and dispose of multi-family properties financed by NH Housing and related legal actions. Such actions will be reported to the full Board.
 - iv. *Rental Assistance and Tenant Service Programs:* The Committee will have jurisdiction over and recommend to the full Board matters relating to administration of rental assistance and tenant services programs, including the adoption of policies and rules to govern such programs.
- d) Executive Committee – Consists of the Chair and Vice Chair of the Board and the Chairs of the other standing committees.
- i. The Committee shall act on behalf of the full Board on such matters as authorized by the board including the conduct of annual performance and compensation reviews of the Executive Director, provided that any compensation changes will be approved by the full Board.
 - ii. The Committee shall oversee the Annual Year-End Audit, to include:
 - Recommending to the full Board the appointment of the external auditors;
 - Approving the scope of the year-end audit; and,
 - Receiving the preliminary report of the auditors and making a recommendation to the full Board regarding acceptance of such reports and related matters.
 - iii. The Committee will also receive and review all other independent audits/reviews of NH Housing programs (i.e., HUD management reviews), and make recommendations to the full Board regarding such matters.
 - iv. The Committee may also commission special audits or reviews as it deems appropriate and shall have jurisdiction over matters related to program and regulatory compliance.

C. BOARD EXPENSE REIMBURSEMENT POLICIES

1. Business Travel

NH Housing will reimburse members of the Board for the actual cost of official business-related travel. Long distance business travel will be reimbursed at the business economy air travel rate. If a Board member prefers an alternative form of travel (train, automobile, etc.), they will be reimbursed at the business economy air travel rate or the actual cost of the alternative form of travel, whichever is less.

2. Business Travel Defined

Official business-related travel expenses include air and ground transportation, lodging, and the reasonable and appropriate cost of meals and related gratuities associated with members' attendance at official meetings, conferences, and events.

3. Travel Guests

Expenses associated with accompanying persons or personal guests of Board members are not reimbursable by NH Housing.

4. Expense Reports

Expenses will be reimbursed based upon the submission of an expense report. The expenses included on such report must be substantiated by proof of payment, invoice or other receipt, except that miscellaneous and small charges not exceeding \$20.00 do not need to be documented.

TAB

3

FY 2024 **NEW HAMPSHIRE HOUSING** **PROGRAM PLAN**

JUNE 2023



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MISSION AND VALUES

MISSION STATEMENT

New Hampshire Housing promotes, finances, and supports housing solutions for the people of New Hampshire.

VISION STATEMENT

A New Hampshire where everyone can afford a place to call home.

VALUES

Leadership

Motivate and inspire others and ourselves to proactively work together towards achieving common goals.

Teamwork

Collaborate with and respond to each other and our partners to identify and exploit opportunities to achieve our common goals.

Stewardship

Exhibit prudent, ethical, and transparent use of public resources and a commitment to environmental, economic, and social sustainability.

Integrity

Be honest, accountable, and reliable in all matters and demonstrate actions that will inspire the trust of others.

Respect

Treat everyone we encounter with dignity; be inclusive, candid, and open in our communications and behavior.

Innovation

Think objectively and listen with open minds, raise questions, challenge assumptions, and encourage creativity.

Agility

Be vigilant and alert; adapt to changing conditions, opportunities, and challenges.

Trust

Assume positive intentions and demonstrate the belief that others will meet their commitments and do their jobs.

Equity

Strive to ensure transparent access to New Hampshire Housing's opportunities and resources for all New Hampshire residents.

Courage

Take appropriate risks in service of the mission; acknowledge the inevitability of occasional failures and the desire and ability to learn from them.

AHF (Affordable Housing Fund)

This fund was created by the State Legislature in 1988 with an initial appropriation of \$4 million, and through 2019 it received occasional capital or operating appropriations from the State, totaling over \$22 million. Starting in FY 2020, the Legislature established a dedicated funding source for the AHF: \$5 million annually from Real Estate Transfer Tax revenues. In FY 2021, the Legislature made a one-time appropriation of \$25 million from state general fund surplus. Through FY 2023, total state appropriations to the AHF have been \$62.6 million. In addition to State appropriations, loan receipts from mortgages made using AHF funds are repaid to the fund, and fees charged on NH Housing bond issues are also deposited into the AHF. All AHF resources must be used to support housing in which meet the following targets:

- (a) At least 50 percent of the units are affordable at 80% of the area median income;
- (b) At least 40 percent of the units are affordable at 60% of the area median income; or
- (c) At least 20 percent of the units are affordable at 50% of the area median income.

Bond Proceeds

Proceeds from the issuance of single-family and multifamily mortgage revenue bonds for the financing of affordable housing and associated mortgage reserves. A certain amount of bond allocation has been exchanged for Mortgage Credit Certificates (MCC) as part of the Homebuyer Tax Credit Program.

FAF (Financing Adjustment Factor) Funds

NH Housing's 50% share of the additional spread between mortgage loan and bond interest rates created through the 1991 refunding of certain multifamily bonds. FAF resources must be used to benefit individuals with incomes at or below 50% of the area median income.

GNMA/FNMA (Ginnie Mae/Fannie Mae)

Funds made available from the sale of loans and/or mortgage-backed securities.

HOME

NH Housing receives an annual allocation through the HUD-sponsored HOME Investment Partnerships Program based on state demographics, including homelessness. The funds can be used for the acquisition or rehabilitation of housing for low- and very-low-income individuals.

HOME-ARP

NH Housing received a one-time \$13.9 million allocation of HOME funds through the American Rescue Plan Act in 2022.

HLT (Housing Loan Trust)

This fund was created with an initial appropriation of \$1 million from the State of New Hampshire for the purpose of supporting affordable homeownership programs. The resources are used primarily for downpayment assistance and closing costs, and the beneficiaries must be at or below 100% of statewide median income.

HTF (Housing Trust Fund)

The HTF was established as part of the Housing and Economic Recovery Act of 2008 (HERA). Capitalized by Fannie Mae and Freddie Mac, the HTF primarily provides rental housing for extremely low-income people (<30% AMI). The proceeds are distributed to states and are administered much like HOME, but with deeper targeting and a longer term of affordability (30 years).

Low-Income Housing Tax Credit (LIHTC) Program

The Low-Income Housing Tax Credit (LIHTC) Program provides a strong incentive for private investment in affordable rental housing. It is the largest source of federal capital subsidy to create and preserve affordable rental housing. The LIHTC program, a US Treasury initiative, gives investors a dollar-for-dollar reduction in federal tax liability in exchange for providing funding to affordable housing developments. Tax credits are issued as 4% credits when they are received as part of NH Housing's tax-exempt bond financing, or as 9% credits when awarded under the competitive funding rounds as defined by the Qualified Allocation Plan (QAP).

MRB (Mortgage Revenue Bond)

Funds made available for the acquisition of mortgages, revenue from which pays the debt service.

Operating Fund

Unrestricted NH Housing financial resources available to support both the administrative operations and housing program initiatives of the organization. Operating Fund resources are derived primarily from bond issue residuals, federal program administrative fees, loan servicing fees, other single- and multifamily program activity, and income and principal receipts from prior investments in loans and securities.

Other

This category includes resources provided by other entities that may be provided on a short-term basis or for a specific program, for example: line-of-credit advances.

Section 8 Funding

Federal funds to support rental assistance programs. The principal programs are the Housing Choice Voucher (HCV) Program (tenant-based assistance), and project-based assistance through the Performance Based Contract Administration (PBCA) Program.

FY 2024
PROGRAM PLAN

MULTIFAMILY NEW PRODUCTION, RECAPITALIZATION, AND PRESERVATION PROGRAMS

This section includes all of New Hampshire Housing's multifamily development programs and funding sources. Within this section, resource allocation projections and program goals are broken down into three categories: 1) new production (new units or adaptive reuse); 2) supportive housing; and 3) preservation and recapitalization of existing affordable housing. The projections of loan activity, investment of subsidies, and bond utilization are based on two primary constraints: 1) the availability of those resources; and 2) whether the pipeline of projects that would qualify for the resources are financially feasible and are sufficiently ready for a reservation or commitment of NH Housing financing.

In terms of the allocation of resources, given the dynamics of the specific projects, the market and the funding sources, reallocation of resources will occur during the year, which does not require Board action. Significant departures from the Program Plan allocation of resources would be discussed with the Multifamily Housing Committee. Here is an outline of the process.

- In this Program Plan, the Board approves the overall allocations based on staff's planning conclusions.
- When specific properties have applied for funding:
 - Projects being recommended generally go to the Multifamily Working Group for a reservation of funding.
 - Upon meeting certain milestones, projects are brought back to the Multifamily Working Group, then to the Multifamily Housing Committee, and finally to the Board for project and funding approvals.
- The Board's approvals and the guiding program documents may provide certain delegations to the staff and the Executive Director to finalize the exact deal terms, including the specific resource allocations.

This framework provides both discipline and structure along with sufficient flexibility to get projects funded.

The supportive housing program includes financing programs that NH Housing uses to fund various types of supportive housing, such as permanent supportive housing for individuals and families who are homeless or at risk of homelessness, and recovery housing. In FY 2024, staff intends to meet with supportive housing developers and service providers to revise program guidelines.

The recapitalization and preservation category includes financing programs that NH Housing uses to preserve existing affordable housing, extend affordability covenants, and fund property repairs and improvements. Program tools that are used for this purpose include tax-exempt bond financing, 4% Low-Income Housing Tax Credits (LIHTC), and a small percentage of the state's annual allocation of 9% LIHTCs.

Note: See table below for funding and measures plan.

FY 2024 Program Plan Narrative

Resource allocation projections and program goals for FY 2024 are generally consistent with the program activity of the last several years. In FY 2023, funding sources included two additional resources playing a significant role: 1) HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) funds (approximately \$12 million, net administrative fees); and 2) InvestNH \$10 million allocation to NH Housing.

These resources will continue to be awarded to projects in FY 2024. In early June 2023, the Legislature approved a one-time appropriation to the Affordable Housing Fund (\$25 million). This is in addition to the \$5 million annually dedicated to the Affordable Housing Fund from the state's real estate transfer tax proceeds. The state is also devoting \$4 million from reallocated Emergency Rental Assistance-2 funds.

In addition, more resources could be awarded from the State as it looks to spend the final American Rescue Plan Act (ARPA) funds. NH Housing has a strong pipeline of potential projects that could be funded if additional resources are made available. The challenge will be working the pipeline while controlling expectations.

The real estate development industry continues to face extraordinary challenges, including: 1) volatile construction costs; 2) some material delays and shortages; and 3) continuing labor shortages. Staff continues to monitor interest rates that were in flux over the past year. Though it appears that rates have stabilized recently, the interest rate forecast is uncertain. As in FY 2023, NH Housing must remain agile and responsive to continue to support strong rental production.

HOME-ARP

In March 2021, HOME-ARP funding was allocated to the HOME Investment Partnerships program through ARPA. This appropriation provided for \$13.8 million in additional HOME funds, which must be spent to serve specific “qualifying populations,” including homeless, at risk of homelessness, and fleeing or attempting to flee domestic violence. These funds must: 1) be spent by September 2030; and 2) be used for the creation of rental housing or non-congregate shelters and for supportive services within supportive rental housing. The Department of Housing and Urban Development approved the NH HOME-ARP Allocation Plan on March 21, 2022. The allowable administrative fee is 15% of the total award, which is approximately \$2.081 million, leaving about \$12 million to be awarded to eligible projects.

In FY 2023, just over \$5 million has been reserved or committed to projects. The FY 2024 plan forecasts that the remainder of the funds (about \$6.7 million) will be committed by the end of FY 2024.

Pre-Award Supportive Housing Loan Program – Consulting (\$300,000 plan) (new pilot program)

Over the last two years, NH Housing has received more applications to develop supportive housing than received in previous years. This is a result of more concerted efforts made by staff to encourage the development of supportive housing and a change from one to two notices of funding opportunities per year to a rolling month-to-month application cycle.

The purpose of the Pre-Award Supportive Housing Loan Program– Consulting is to provide funds to organizations that want to create supportive housing to hire an experienced development

consultant. In the past year, it has become clear that entities wanting to develop supportive housing need more support prior to applying for funds through receipt of an award. The development consultant will help the sponsor of the project put together a feasible application and provide consulting to navigate the complexities of securing financing. The supportive housing program allows for a consultant to be paid from project resources, and therefore, the sponsor can continue with the same consultant during the loan closing process and throughout construction and close out.

This project will generally mirror the existing Predevelopment Loan Program (HFA 108) with the following exceptions:

1. The funds can be awarded to both for- and nonprofit organizations.
2. The funds can only be used to pay for an experienced development consultant for the benefit of a proposed supportive housing project.
3. The sponsor must express their intent to apply for funding from NH Housing through the supportive housing program.
4. The sponsor can request up to \$50,000.
5. Funds are expected to be spent within 12 months but can be extended if approved by the Managing Director, Multifamily Housing Development.

Additional details will be developed before the pilot program is launched.

Multifamily New Production and Preservation Program

	FY 2023								FY 2024			
	Tax Exempt Bonds		9% LIHTC Competitive		Supportive Housing		Totals		Tax Exempt Bonds	9% LIHTC Competitive	Supportive Housing	Totals
RESOURCES <i>(\$ in Thousands)</i>	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Plan	Plan	Plan
<i>Long-Term Debt</i>												
Private Activity Bonds	\$75,000	\$88,600	\$0	\$0	\$0	\$0	\$75,000	\$88,600	\$90,000	\$0	\$0	\$90,000
Operating Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$300	\$300
Loan Participations	\$10,000*	\$2,940	\$5,000	\$11,315	\$0	\$0	\$15,000	\$14,255	\$10,000	\$5,000	0	\$15,000
4% Equity Raised	\$40,000	\$52,052	\$0	\$0	\$0	\$0	\$40,000	\$52,052	\$50,000	0	0	\$50,000
9% Equity Raised	\$0	\$0	\$40,000	\$51,429	0	\$0	\$40,000	\$51,429	0	\$50,000	0	\$50,000
HOME	\$4,400	\$0	\$1,400	\$1,670	\$0	\$0	\$5,800	\$1,670	\$4,800	\$1,000	\$0	\$5,800
Operating Fund	\$0	\$1,028	\$0	\$0	\$0	\$0	\$0	\$1,028	\$0	\$0	\$0	\$0
Affordable Housing Fund**	\$7,450	\$10,351	\$1,000	\$787	\$1,800	\$1,467	\$10,250	\$12,605	\$30,300	\$1,750	\$6,000	\$38,050
Housing Trust Fund	\$1,000	\$1,850	\$1,000	\$1,366	\$1,400	\$775	\$3,400	\$3,991	\$1,950	\$1,200	\$0	\$3,150
HOME ARP	\$7,690	\$3,769	\$0	\$0	\$3,000	\$0	\$10,690	\$3,769	\$6,750	\$0	\$0	\$6,750
Invest NH	\$5,000	\$4,855	\$5,000	\$4,845	\$0	\$0	\$10,000	\$9,700	\$0	\$0	\$0	\$0
New Production Units	600	420	275	318	30	38	905	776	575	200	30	805
Preservation Units	150	162	50	0	10	18	210	180	150	50	10	210
# of Projects	7	8	7	9	4	2	18	19	7	5	4	16
Units at or below <60% AMI	70%	88%	70%	96%	90%	100%	77%	92%	70%	90%	100%	87%
General Occupancy Units	70%	71%	70%	100%	70%	0%	70%	76%	70%	90%	0%	80%
% of Projects >95% Occupied	95%	99%	95%	99%	95%	99%	95%	99%	95%	95%	95%	95%
% of Projects on Watch List	<10%	<1%	<10%	<1%	<10%	<1%	<10%	<1%	<10%	<10%	<10%	<10%
% of Projects on Critical Watch List	<2%	<0%	<2%	<0%	<2%	<0%	<2%	<0%	<2%	<2%	<2%	<2%

*Includes Federal Financing Bank loans that are not part of bond transactions.

**FY 2024: Includes \$5M statutory transfer from Real Estate Transfer Tax revenue and \$4M from ERAP2; also includes \$25M Legislative appropriation.

CONSTRUCTION/BRIDGE LENDING PROGRAM

This program provides construction financing for multifamily projects financed by NH Housing. In addition, funds may be used for equity bridge loans to encourage and maximize the impact of investment in Low-Income Housing Tax Credit projects. The Tax-Exempt Bonds number in this forecast reflects the short-term debt associated with bond-financed projects and is generally a part of a much larger financing package.

Construction/Bridge Lending Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Tax-Exempt Bonds	\$0	\$25,820	\$25,000
Operating Funds/Line of Credit	\$15,000	\$22,327	\$15,000

FY 2024 Program Narrative

Construction and bridge loans continue to be one of many tools used for the creation of new affordable housing.

LEAD HAZARD ABATEMENT PROGRAM

On a statewide basis, this program provides lead hazard abatement funds and Healthy Homes intervention funds to single-family and multifamily owners. Priority is given to units with: (1) a documented case of a child under the age of six having elevated blood lead levels; or (2) a pregnant woman residing in the property.

Lead Hazard Abatement Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Operating Fund	\$125	\$29	\$125
State Lead Funds	\$1,000	\$1,323	\$900
Federal Funds	\$1,727	\$1,433	\$1,268
<u>PROGRAM MEASURES</u>			
Inspections / Risk Assessments	77	84	40
Units Completed	61	88	72
Community Outreach Events	35	38	33
Skills Training	30	31	40

FY 2024 Program Narrative

NH Housing's sixth federal grant cycle continues in FY 2024 with \$1,268,000 in federal funds, which may be used through June 30, 2024. This grant cycle will wind down in FY 2024 followed by a closeout period. We plan to apply for a new grant when HUD releases the Notice of Funding Opportunity. In FY 2024 state Lead Paint Hazard Remediation Funds continue to be available as well. As of May 22, 2023, the state revolving loan fund had a balance of \$1,438,101 that will be available through FY 2024. These state funds supplement the federal grant programs, enabling the completion of more lead remediation in single-family and multifamily properties.

Notes:

- The state lead funds will continue to be available throughout the state. All applicants, however, must first seek federal lead funds, which depends on the property's location. Generally, property owners will apply to NH Housing for federal funds, except owners in Manchester, Nashua, and Sullivan County must first apply to those localities.
- While single-family homes are more expensive on a per-project basis, they often house larger families. Therefore, doing lead remediation in single-family homes is critical to combatting childhood lead poisoning across the state.

PERFORMANCE BASED CONTRACT ADMINISTRATION (PBCA)

NH Housing is the HUD-designated Contract Administrator for New Hampshire. There are currently 147 projects under the PBCA contract with a total of 5,755 units.

As the Contract Administrator, NH Housing is directly responsible to HUD for all PBCA program functions and reporting requirements, including:

- Providing general program oversight and administration;
- Conducting management and occupancy reviews;
- Adjusting contract rents;
- Processing monthly Housing Assistance Payments (HAP);
- Processing HAP contract renewals, terminations and/or opt-outs; and
- Responding to health and safety issues.

Performance Based Contract Administration (PBCA)

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Federal Funds – Rent Assistance	\$61,120	\$61,120	\$61,500
<u>PROGRAM MEASURES</u>			
Complete Management Occupancy Review	95%	100%	95%
Review and Pay Monthly Vouchers	95%	100%	95%
HAP Contract Renewals, Terminations, and Expirations	95%	100%	95%

FY 2024 Program Narrative

NH Housing is committed to remaining a strong PBCA contract performer. Staff works to ensure that HUD's Annual Compliance Review continues to acknowledge NH Housing's strong and successful performance.

Effective September 26, 2022, HUD released **Streamlining Management and Occupancy Reviews for Section 8 Housing Assistance Programs**, which will change our compliance oversight from an annual Management and Occupancy Review (MOR) to a "3-2-1" schedule. This will change the annual MOR to one based on the overall score of the respective property. Thus, effective September 26, 2023, the new guidelines will require a change in how we schedule and perform these tasks. Staff will continue to work through this new requirement.

HUD continues to discuss its longstanding plans to re-procure PBCA services across the country and has recently stated it will address it by the end of this calendar year. Staff continues to monitor for any indication that HUD is moving forward with these plans.

SECTION 811 PROJECT RENTAL ASSISTANCE

The federal Section 811 Supportive Housing for Persons with Disabilities Project Rental Assistance Program (811 PRA) is a partnership between NH Housing and the New Hampshire Department of Health and Human Services. The program provides project-based rental assistance to property owners and developers that provide rental opportunities for persons with a disability who are transitioning from institutional settings or homelessness into permanent housing.

Section 811 Project Rental Assistance (PRA)

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Federal Funds – Rent Assistance	\$1,500	\$1,700	\$1,500
<u>PROGRAM MEASURES</u>			
Complete Management Occupancy Review	9	10	8
Number of New Units Under Contract	25	9	10

FY 2024 Program Narrative

The 811 PRA Program provides long-term project-based rental assistance at affordable housing properties owned and operated by NH Housing's multifamily housing partners. The program is administered through a partnership between NH Housing and the Department of Health and Human Services (DHHS) to provide persons with severe mental illness affordable housing with support services from the community mental health centers. NH Housing works with property owners to commit units to the program and administers the voucher payments. DHHS refers eligible applicants to vacant units throughout the state. Under our current 811 PRA contract with HUD, we have been able to commit this rental assistance to 212 units, which is 13 more than estimated to assist under the contract. Currently, 166 of those units are occupied by individuals or families receiving support through the 811 PRA Program.

NH Housing has fully committed all of its funding under its original contract with HUD. However, HUD is expected to release another Notice of Funding Opportunity this coming year for 811 PRA funding that would allow NH Housing to commit additional units to this program. Assuming this funding does come out this year, and that NH Housing is successful in its application for funding, we would hope to apply for funding for an additional 100 units over the course of five years. This is on pace with the number of units we have committed annually in new construction developments over the course of the current contract.

HOME FLEX, HOME PREFERRED AND HOME FIRST MORTGAGE PROGRAMS

Mortgages are purchased from participating lenders and originators (collectively “lenders”) and processed through one of the three loan programs.

1. **Ginnie Mae (“Home Flex”)**: Government-backed mortgages that are pooled into taxable Ginnie Mae Mortgage-Backed Securities (MBS), which NH Housing sells to MBS investors.
2. **Fannie Mae (“Home Preferred”)**: Conventional loans with mortgage insurance that are sold loan-by-loan to Fannie Mae.
3. **Mortgage Revenue Bonds (“Home First”)**: Government-backed mortgages that are funded through Mortgage Revenue Bonds (MRB) and collateralized with MBS.

Due to its Housing Finance Agency (HFA) status, NH Housing can offer unique loan programs with downpayment assistance features on all mortgage programs.

Home Flex GNMA MBS Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Mortgage Purchases	\$190,500	\$78,630	\$21,450
<u>PROGRAM MEASURES (\$ In Thousands)</u>			
Loan Purchases	635	270	65
Average Beneficiary Income	80% SMI	86% SMI	80% SMI
Average Loan Amount	\$300	\$290	\$330

Home Preferred FNMA Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Mortgage Purchases	\$54,000	\$35,640	\$53,625
<u>PROGRAM MEASURES (\$ In Thousands)</u>			
Loan Purchases	215	140	195
Average Beneficiary Income	80% SMI	67% SMI	80% SMI
Average Loan Amount	\$250	\$255	\$275

Home First MRB Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Mortgage Purchases	\$0	\$43,265	\$105,300
<u>PROGRAM MEASURES (\$ In Thousands)</u>			
Loan Purchases	N/A	160	390
Average Beneficiary Income	N/A	76% SMI	80% SMI
Average Loan Amount	N/A	\$270	\$270

FY 2024 Program Narrative

NH Housing will continue to offer a suite of residential mortgage programs that are consistent with its mission and with prudent business practices. These homeownership programs leverage advantages that are provided to state housing finance agencies (HFAs). NH Housing's cash assistance programs – Home *Flex* Plus, Home *Preferred* Plus and Home First Plus – rely on program guidelines from the Federal Housing Administration (FHA) and Fannie Mae. Programs are always subject to revision, sometimes positively and sometimes negatively. Being alert and agile, therefore, remain key principles.

This work will be conducted through two distinct business channels – Participating Lender (lenders sell NH Housing a closed loan) and Participating Originator (lender takes the loan application and NH Housing underwrites and closes the loan). NH Housing, which remains committed to the Participating Lender channel, has been focusing on increasing the volume of the Participating Originator channel, thus allowing NH Housing to work with community banks in more rural communities while diversifying the business model.

To establish the FY 2024 loan volume goals, Homeownership and Finance staff conducted market projections, reviewed program criteria, analyzed financial options and consulted real estate professionals. It was unanimously agreed that low- and moderate-income homebuyers will continue to face a very difficult market. Challenges experienced in FY 2023 included lack of affordable inventory, rising home prices and increased interest rates. Those challenges are anticipated to persist and potentially intensify in FY 2024.

For the past decade, NH Housing has successfully utilized secondary market financing executions through Ginnie Mae and Fannie Mae to support its mortgage programs. These executions worked well in terms of profitability, competitive interest rates and liquidity until early 2022. Recent changes in market pricing have prompted our reintroduction of a Mortgage Revenue Bond (MRB) program to maintain competitive interest rates and keep cash assistance programs operational.

As with the prior fiscal year, staff will diligently pursue volume goals. Staff will remain vigilant about staying up to date on the housing market, the mortgage market and regulatory requirements, and will take steps to respond to those factors. By doing so, we can promptly adapt to external factors and fulfill the mission of assisting eligible borrowers and generating financial returns for the organization.

HOMEBUYER TAX CREDIT (HBTC)

The Homebuyer Tax Credit (HBTC) Program makes homeownership more affordable for first-time homebuyers. Eligible homebuyers receive a Mortgage Credit Certificate (MCC) from NH Housing that provides an annual federal income tax credit of up to \$2,000. The HBTC may be claimed each year for the life of the original mortgage, as long as the homebuyer uses the home as their primary residence. The HBTC can decrease the income taxes owed by the homebuyer, effectively increasing take-home pay that can be used to help pay the mortgage. It is one of NH Housing's key mission-based programs that provides significant benefits to low- and moderate-income first-time homebuyers. It is important to note that the Homebuyer Tax Credit Program utilizes NH Housing's bond issuance authority and is unable to be partnered with the Home First (MRB) program.

Homebuyer Tax Credit

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Tax-Exempt Bond Capacity	\$29,000	\$18,000	\$16,250
<u>PROGRAM MEASURES</u>			
MCCs Issued	450	277	250

FY 2024 Program Narrative

In FY 2024 staff estimates approximately 250 homebuyers will receive an MCC, collectively providing nearly \$375,000 in reduced income tax liability for MCC holders during the first full year of ownership. The transition to Home First, a mortgage revenue bond model, has impacted MCC issuance as these loans are not eligible for the Homebuyer Tax Credit Program.

Staff continues to promote the MCC program for our Preferred loan program and non-NH Housing mortgages so more eligible borrowers can take advantage of this valuable resource. The challenge remains that Treasury requirements are cumbersome and somewhat complex.

SPECIAL HOMEOWNERSHIP PROGRAMS

Special Homeownership Programs complement the core homeownership programs by providing funds for eligible borrowers based on their needs and circumstances. Additionally, these programs provide flexibility to create special initiatives and address new issues and opportunities that directly relate to NH Housing's homeownership mission.

Special Homeownership Programs

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
<i>Housing Loan Trust (HLT)</i>			
Habitat Loans	\$75	\$90	\$75
Housing Loan Trust Initiatives	\$135	\$135	\$80
Habitat Repair Program	\$160	\$0	\$80
<i>Operating Fund</i>			
Emergency Home Repair Loans (EHRL)	\$150	\$121	\$150
Special Initiatives	\$425	\$32	\$425
Accessibility Program	\$250	\$250	\$250
HOPE 3	\$30	\$6	\$24
Program Marketing and Promotion	\$350	\$298	\$350
First-Generation Homebuyer Downpayment Assistance	\$300	\$300	\$300
<u>PROGRAM MEASURES</u>			
Habitat Loans Closed	5	6	5
Average Beneficiary Income	60% SMI	46% SMI	60% SMI
EHRL Loans Closed	10	6	10
Average Beneficiary Income	80% SMI	89% SMI	80% SMI

FY 2024 Program Narrative

Habitat Loans (\$75,000 plan)

NH Housing works with Habitat for Humanity affiliates to make homeownership possible for low- and moderate-income borrowers by providing \$15,000 in downpayment assistance. Habitat affiliates choose the homebuyer and then work with the homebuyer as they construct their new home. Once the home is completed, NH Housing uses Housing Loan Trust (HLT) funds to provide homebuyers with a zero percent, non-amortizing, second mortgage loan, which is due on sale,

refinance, or when the property is no longer owner-occupied. Volume varies based on the activity of the Habitat affiliates.

Housing Loan Trust (HLT) Initiatives (\$80,000 plan)

HLT funds are state-provided funds that are governed by RSA 204-C:64-70. The funds can be used for downpayment assistance, closing costs, other fees associated with a home purchase, or to assist with eligible improvements to a home. Staff periodically makes HLT allocations to nonprofit partners for targeted downpayment assistance programs. In FY 2024, staff may allocate HLT resources for downpayment assistance funds or to continue to support the efforts of Habitat for Humanity.

Habitat Repair Program (\$80,000 plan)

NH Housing will continue to work with Habitat for Humanity affiliates to fund repairs for low- and moderate-income homeowners by providing up to \$20,000 in the form of a second loan. Habitat affiliates identify the homeowner and coordinate the repair efforts relying heavily on a volunteer pool and homeowner sweat equity. NH Housing uses Housing Loan Trust (HLT) funds to provide homebuyers with a zero percent, non-amortizing, second mortgage loan, which is due on sale, refinance, or when the property is no longer owner-occupied. This program will be extended to all Habitat affiliates throughout New Hampshire.

Emergency Home Repair Loans (EHRL) (\$150,000 plan)

The Emergency Home Repair Loan (EHRL) program uses NH Housing-generated funds to provide low-interest loans for emergency home repairs to existing NH Housing borrowers. Typical EHRL repairs are new roofs, heating system replacements, and septic repairs. Homeownership and Servicing staff work together to address borrower needs because staff do not want an emergency to thwart continued ownership. Individual EHRL loans have a maximum loan amount of \$25,000. The demand for EHRL varies by year.

Special Initiatives (\$425,000 plan)

Traditionally, the Board has allocated Special Initiative funds that allow staff to creatively respond to and support mission-based affordable housing programs outside of our traditional mortgage programs. In the past, these Special Initiative funds have been allocated to provide grants to support in-fill manufactured housing, targeted downpayment programs, the Homeownership Fellows program (\$45,000) and other programs that support affordable homeownership. Other than the funding for the Homeownership Fellows, for which a specific amount is included here, staff will present proposed uses of these funds to the Homeownership Committee and the Board for approval.

Accessibility Program (\$250,000 plan)

NH Housing will continue to work with Granite State Independent Living (GSIL) to provide need-based, accessible, home improvement grants to homeowners in need of accessibility modifications and repairs. GSIL evaluates applicants, determines accessibility needs, leverages NH Housing funds with other GSIL funds, and oversees the work. This initiative has been a highly successful partnership for NH Housing, GSIL, and the people who need accessibility improvements.

Typical projects include ramps, stair glides, door widening, and bathroom and/or kitchen modifications that enhance accessibility. Vendors and contractors providing construction and repair services for this program must have GSIL's approval. Between 40 to 50 households will be served through this program in FY 2024.

HOPE 3 (\$24,000 plan)

Working through the Participating Originator channel, this program was designed to provide first-time homebuyers with a discounted interest rate on their mortgage. To qualify for the Home Preferred HOPE 3 program, borrowers must be at or below 80% of AMI, adjusted for family size, and be a first-time homebuyer. In FY 2024 staff may look at alternative uses for the HOPE 3 funds.

Program Marketing and Promotions (\$350,000 plan)

NH Housing operates various homeownership programs including mortgage loans, cash assistance, and Mortgage Credit Certificates (MCC). To help run these programs, NH Housing allocates marketing and promotions resources to complement business development strategies for the various programs. Marketing and promotions resources include marketing efforts to lenders, real estate professionals (e.g., Realtors®), nonprofit partners and borrowers.

In FY 2024, staff will continue to implement a comprehensive business development plan, including the following goals.

- Implement increased outreach and marketing of our Homeownership Programs to all communities, including underserved communities and communities of color throughout New Hampshire.
- Continue to utilize, update, and enhance Customer Relationship Management (CRM) software as an effective tool to engage with and track business partner relationships.
- Increase the role that the Participating Originator (PO) channel plays within the Homeownership Division's loan volume goals.

First-Generation Homebuyer Downpayment Assistance (\$300,000 plan)

Homeownership is the primary strategy for individuals and families to build long-term generational wealth. By supporting first-generation homebuyers, NH Housing provides a hand to those who may not have access to generational wealth. A first-generation homebuyer is defined as a borrower or co-borrower who does not, nor has in the past, owned a home; and their parents and/or legal guardian have never owned a home.

In December of 2022, a first-generation program was launched that provides \$10,000 in downpayment or closing cost assistance to first-generation homebuyers with a zero percent interest rate and that is only payable upon sale or refinance within the first four years of the mortgage.

Additional funding would support the program and expansion from a pilot program to a program that is available to all lenders.

HOMEBUYER/HOMEOWNER EDUCATION AND COUNSELING (HBEC)

This program allocates resources to nonprofits so they may provide homebuyers and homeowners with pre- and post-purchase education and counseling services. This work is coordinated with NH Housing's role as intermediary of the HUD counseling funds discussed on the following page.

Homebuyer/Homeowner Education and Counseling

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
<u>Operating Fund</u>			
Education and Counseling	\$230	\$230	\$100
Community Building and Engagement	\$100	\$0	\$0
<u>PROGRAM MEASURES</u>			
Number of Counseling Related Positions	4.5	4.5	1.5
Homebuyers/Homeowners Counseled*	1,400	1,300	1,000

* Represents all households reported to HUD during the HUD FY22 (October 1, 2021 to Sept 30, 2022).

FY 2024 Program Narrative

Homeownership Education and Counseling (\$100,000)

The FY 2024 Housing Counseling allocation will provide housing counseling agencies with unrestricted resources to respond to counseling needs in their communities. Staff awards these funds in consideration of and coordination with any other federal funds that may be available, such as housing counseling funded through the Homeowner Assistance Fund or HUD's Comprehensive Housing Counseling Program Grant.

The core education and counseling goals are to:

- Provide statewide comprehensive homebuyer education and counseling, including foreclosure counseling and financial fitness counseling, which may include rental counseling.
- Encourage and enhance the counselors' relationships with lenders, real estate partners, and employers to educate those partners about the value of counseling and about the value of NH Housing's homeownership programs.
- Provide outreach to the public about the value of counseling and NH Housing's homeownership programs by providing direct education to pre-purchase households, encouraging participation in regional homebuyer fairs, and being part of other targeted marketing efforts.

HUD HOUSING COUNSELING PROGRAM

New Hampshire Housing administers HUD's Comprehensive Housing Counseling Program Grant for Local Housing Counseling Agencies. The grant supports pre- and post-purchase counseling activities for homeownership as well as targeted homeownership counseling for Housing Choice Voucher participants. The program is conducted through nonprofit housing counseling agencies and NH Housing.

HUD Housing Counseling Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
HUD Housing Counseling Grant	\$200	\$167	\$167
<u>PROGRAM MEASURES*</u>			
# Participating Housing Counseling Agencies and Branches	5	4	4
# Households Receiving Homeownership Education and/or Counseling	1,100	1,025	1,000
# Households Receiving Rental Counseling and/or Financial Education	1,200	98	100
# Households Receiving Post-Purchase and/or Foreclosure Counseling	350	148	200
% Households Below 50% of AMI	60%	65%	60%
% Households Purchasing Homes	5%	4%	5%

* Represents all households reported to HUD during the HUD FY 2022 (October 1, 2021, to Sept 30, 2022)

FY 2024 Program Narrative

In HUD FFY 2022 the HUD Housing Counseling Grant decreased as a result of losing one of our network partners. It is anticipated that the FFY 2023 HUD Comprehensive Housing Counseling grant will be at a similar level to the FFY 2022 HUD award.

Housing counseling and homebuyer education remain an important priority in helping homebuyers and homeowners be successful at homeownership. As a result of the higher housing costs and interest rates, homebuyers need every tool in their toolbox. Homebuyer education and housing counseling are one tool they can count on to be successful. Housing counseling continues to be delivered in a variety of formats to meet the client's needs, including in-person, online, and live webinar format education and counseling.

With the end of the COVID forbearance requirements and the outreach being done for the Homeowner Assistance Fund, the need for pre-foreclosure counseling is expected to continue to increase.

SMALL-SCALE HOUSING PRODUCTION

This program is designed to provide a flexible resource to assist in the production of new single-family and small-scale multifamily housing units. The allocated funds would enable NH Housing to educate aspiring housing developers, cultivate innovative ideas and support developers in generating “incremental housing units”.

Small-Scale Housing Production

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
<i>Operating Fund</i>			
Housing Production	\$3,000	\$2,696	\$200
Small-Scale Developer Workshop & Bootcamp	\$25	\$0	\$25
<u>PROGRAM MEASURES</u>			
Housing Units Created	50	0	-

FY 2024 Program Narrative

While NH Housing has had substantial success in financing the development of large multifamily projects, an enduring challenge is that there is no public subsidy for single-family and small-scale multifamily development. Yet those options may represent a substantial opportunity to help meet the state’s housing shortage. There is a need for creative approaches to facilitate “incremental development,” which means adding units within or adjacent to existing homes, or infill development in existing neighborhoods on vacant lots. Supporting incremental and infill development could help ensure that new development makes use of existing municipal infrastructure, strengthening the local tax base and avoiding blight that could occur as other real estate sectors continue to face significant uncertainty.

Establishment of a flexible funding program that targets small-scale development would allow NH Housing to respond to innovative proposals from developers, property owners, municipalities and others that are facing financial and other barriers to fulfilling their housing development objectives. Some of these barriers include the impact of local land-use regulations, the uncertainty of obtaining local approvals, the lack of public water and/or sewer, the high cost of land and materials, transaction costs, and limitations of conventional financing.

Housing Production

Small-Scale Housing Production continues to be a priority for the upcoming year despite the reduced allocation of program plan funds. This reduced allocation stems from the uncertainty of future opportunities and the slow-moving nature of the initiative. Additionally, commitments received in the prior fiscal years will allow staff to advance the initiative and continue engagement

with developers. If future opportunities do arise, staff will present the requests to the Board for consideration. Potential opportunities may include the following:

- Acquiring surplus land from the New Hampshire Department of Transportation and other owners and then working with an appropriate developer to build new units on that land.
- Seeking infill opportunities to place new manufactured homes in resident-owned communities. Vacant pads represent an opportunity to increase the supply of affordable homes as well as a mortgage lending opportunity for NH Housing.
- Providing housing development subsidies to support the feasibility of new construction units targeted for workforce housing.
- Exploring financing vehicles for accessory dwelling units and for converting a single-family home into a multi-unit property.
- Continuing to advance initiatives that encourage new development, including creating suitable preconditions to development by providing education to would-be developers, and engaging with municipalities that have proactive leadership to identify development opportunities.
- Financing minor improvements to public infrastructure, where a property owner or developer faces financial or other barriers to utilization.
- Providing downpayment assistance and other direct assistance to support housing purchases within new developments.
- Providing technical assistance to help developers and municipal staff evaluate the adaptive reuse of vacant commercial space for residential uses.

Small-Scale Developer Workshop & Bootcamp (\$25,000)

Workshops and bootcamp courses will be made available to interested beginner and/or small housing developers looking to increase the supply of housing. Courses will be designed to increase knowledge, build developer capacity, and provide technical skills to those interested in housing development. Participants will be encouraged to bring their development ideas to the courses to discuss real project challenges.

HOUSING CHOICE VOUCHER (HCV) PROGRAM

This federally funded program enables very low-income households to obtain safe, decent, affordable housing. The qualified household pays a portion of their adjusted income toward rent and utilities, and NH Housing pays the rest directly to the landlord. The HCV program is operated on a calendar year basis.

Housing Choice Voucher Program

	CY 2022		CY 2023
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
HUD – Calendar Year Funding (CY)	\$37,879	39,163	43,574
<u>PROGRAM MEASURES</u>			
Total Vouchers Administered*	3,766	3,766	3,791
Administer Program within Per Unit Cost (PUC) (CY)	\$860	\$890	973
% Leased within HUD Budget (CY)**	98%	98%	98%
Section 8 Management Assessment Program (SEMAP) Score (FY)	N/A	N/A***	N/A
HUD Electronic Submissions - % Submitted	95%	100%	95%

* CY monthly average

** CY Unit Months Leased/Unit Months Available

*** Waived by HUD

CY 2023 Program Narrative

In addition to the 3,791 Housing Choice Vouchers, NH Housing also administers 370 Mainstream Vouchers and 120 Emergency Housing Vouchers for a total of 4,281 vouchers. The HUD CY 2023 Plan above reports the budget and program measures for only the Housing Choice Voucher program as program measures vary by program. The budgets are sufficient to support the participants in all three programs. Staff will continue to make project-based vouchers available for homeless individuals and other targeted populations.

In December 2022, NH Housing was approved as a Moving to Work (MTW) agency by HUD as part of the Asset Building Cohort. Moving to Work is a HUD program that gives housing authorities flexibilities regarding certain rules and regulations and allows the Public Housing Authority (PHA) to implement local changes that will benefit New Hampshire residents.

NH Housing views participation in the MTW program as a powerful opportunity to leverage existing programs and partnerships to increase housing opportunities for low-income households, streamline program administration and improve client satisfaction and outcomes.

NH Housing was approved for MTW participation under the Asset Building Cohort. Staff intends to implement the Opt-Out Savings Option for 500 participants with NH Housing providing a monthly deposit of \$25 per participant over a 24-month period. Our goal in implementing the Opt-Out Savings Account Option is to encourage the growth of savings accounts and increase financial literacy and budgeting skills among HCV households. Through this initiative, participants will be able to accrue savings and improve their ability to develop and live within a household budget.

Upon approval from HUD, NH Housing plans to implement a variety of MTW activities during the FY 2024 Plan year, including activities related to: tenant rent policies, payment standards, reexamination frequency, landlord leasing incentives, Housing Quality Standards (HQS), the Project-Based Voucher (PBV) program, implementation of a short-term assistance program, and additional activities to streamline program operations.

FAMILY SELF SUFFICIENCY (FSS) LOAN AND GRANT PROGRAM

This program provides small loans and grants for transportation and/or other items or services which enhance employability and increase earned income of participants in the Family Self Sufficiency (FSS) program.

FSS Loan and Grant Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Operating Funds	\$40	\$40	\$60
<u>PROGRAM MEASURES</u>			
Number of Grants Awarded	70	60	60
Number of Loans	0	0	0
Number of Homeowners Receiving Home Repair Grants	12	12	12

FY 2024 Program Narrative

The FSS Loan and Grant program effectively assists HCV clients in reducing barriers to increasing their earned income and moving toward self-sufficiency. Program resources will be used for computers, education, and employment-related expenses like dental work, licenses, auto repairs/maintenance and other transportation needs.

Over the past five years, we have steadily increased our FSS caseload to over 200 participants and we anticipate enrollment going as high as 230. With this increase in caseloads coupled with transportation cost needs, and additional financial and employment activities between coaches and participants, additional resources will be needed. Also, FSS participants are now spending \$500-\$700 on suitable computers.

Because of the increase in FSS activity, transportation needs, and the higher cost of computers, a \$20,000 increase is requested.

We anticipate another \$45,000 will be allocated from the Homeownership Division for Home Repair Matching Grants that will provide 12 grants for homeowners using the Voucher-Assisted Mortgage Option and/or USDA Rural Development mortgages.

LANDLORD INCENTIVE PROGRAM (LIP)

This program is designed to provide a landlord incentive, or sign-on bonus, to encourage landlord acceptance of vouchers, build and develop landlord relationships, and improve the voucher holder's ability to lease up.

Landlord Incentive Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Operating Funds	\$100	\$20	\$75
NH Emergency Rental Assistance Program (NHERAP) 2 Admin Fees	\$600	\$270	\$0
Housing Choice Voucher Administrative Fee Reserve Fund	\$0	\$0	\$300
<u>PROGRAM MEASURES</u>			
% FYI and FUP youth vouchers leased	90%	67%	N/A
# of New Participating Landlords	0	110	50
Total Number of Households Assisted (FYI/FUP)	0	12	N/A

FY 2024 Program Narrative

NH Housing proposes to use its Housing Choice Voucher Administrative Fee Reserve Fund to support the following activities:

- Security deposit assistance
- Landlord incentives or sign-on bonuses

HUD permits a housing authority to use its Administrative Fee Reserve fund for this purpose provided the use of these funds is described in the Administrative Plan. We will include this in the next revision of the Administrative Plan, which is projected to be completed in the first quarter of FY 2024. The use of Operating Funds will cover any incentive fee payments that are obligated prior to the approval of the Administrative Plan revision.

For households participating in the Housing Choice Voucher (HCV), especially the Foster Youth to Independence (FYI) and Family Unification Program (FUP) youth, the ability to secure housing and use their voucher depends on the willingness of landlords to accept vouchers. The low rental vacancy rate and high rental costs make finding housing difficult for many HCV holders. As a result, voucher holders are at a severe disadvantage and may have few available housing options.

Landlords who rent to an FYI or FUP youth voucher holder will receive a sign-on bonus of \$1,000 for every new FYI or FUP youth lease and Housing Assistance Payments contract. Landlords can receive more than one bonus. All other landlords who are new to the HCV program will receive \$1,000 for every new unit leased.

The unit must meet Housing Quality Standards and other program requirements. Funds will be disbursed upon tenant move-in and will require a one-year minimum lease and execution of the HAP contract.

HOUSING AWARENESS RESEARCH AND ADVOCACY

This program supports an array of critical education tools designed to improve public understanding of New Hampshire's housing challenges and encourage actions at the local, regional, and state levels to help expand the supply of housing available to all of New Hampshire's people.

Housing Research Awareness and Advocacy

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Operating Funds	\$395	\$284	\$455
<u>PROGRAM USES (\$ In Thousands)</u>			
Mini Conferences and Events	\$20	\$15	\$20
Housing Related Studies	\$125	\$86	\$125
Housing Partnership Grants	\$200	\$133	\$200
Education for Local Governmental Bodies	\$25	\$25	\$25
Communications Toolkit for Housing Advocacy	\$25	\$25	\$25
Housing Data Dashboard	\$0	\$0	\$20
Annual Rental Cost Survey*	\$0	\$0	\$40

* Previously, the Rental Cost Survey was under the Administrative Budget.

FY 2024 Program Narrative

Mini Conferences and Events Topics (\$20,000 plan)

Webinars, seminars, and conferences have become a way for NH Housing to make housing issues and advocacy topics more available to our various audiences. Over the past two years, the ability to host or sponsor a webinar – and have it recorded at no additional cost – has provided a means for NH Housing to support discussion and ideas on housing policy matters. This approach has proven to be a method of making education and advocacy more accessible to a wider audience. Programs in FY 2024 can be a mix of virtual and in-person events on topics of interest. Possible topics for FY 2024 include economics of development, local regulatory changes to accommodate small-scale incremental development, relationship between housing construction and school enrollment, and economics and demographics. This format also allows for co-branding and co-sponsorship of events developed by partner organizations.

Housing Related Studies (\$125,000 plan)

The opportunity to conduct various housing related studies throughout the year allows NH Housing to be a leader in providing information on housing related issues. Among the topics that could be explored include the impact of the short-term rental market on housing supply and affordability, updating information on the impact of new residential development on schools, and analyzing the impact of affordable housing development on the values of surrounding properties.

Housing Partnership Grants (\$200,000 plan)

The use of Housing Partnership Grants will focus on the advocacy activities that are carried out by existing NH Housing partners as well as create opportunities for new ones. This program supports new or existing organizations, or programs within established nonprofit organizations, that wish to focus efforts on education and advocacy regarding housing issues, including communications campaigns for local regulatory change. The grants provide flexible funding that meets the needs of a potentially diverse mix of providers. For-profit organizations and housing development organizations are not eligible for funding. Municipalities are eligible only for Mini Grants. Grants may not be used to conduct regional housing needs assessments.

The Partnership Grant Program has three components of funding:

- **Mini Grants** up to \$5,000 are available to support the housing education and advocacy efforts of local business groups, local economic development groups, regional economic development groups, local and regional ad hoc groups, business and community leaders, local governments, local service organizations, business owners, and nonprofit organizations. Eligible activities include funding technical assistance to explore housing-friendly land use regulations and may also be used for groups to research the feasibility of starting a local or regional housing advocacy initiative, which may include strategic planning efforts.
- **Advocacy Incubator Grants** are *one-time-only* grants with no matching funds required. Primary activities must include efforts to promote an adequate and balanced housing supply at the local and/or regional level and educate the general public and public officials about the relationship between housing and the regional economy. Grantees will be eligible for annual Advocacy Impact Grants (below) after the first year of operation.
 - Grants of up to \$50,000 are available to nonprofit economic development or community development organizations that propose to establish a workforce housing education and advocacy program, or start-up organizations whose primary mission is workforce housing education and advocacy. Organizations must have been established for more than three years and must commit to maintaining the program for at least three additional years.
 - Grants of up to \$20,000 are available to help fund the start-up of new housing education and advocacy organizations.
- **Advocacy Impact Grants** of up to \$40,000 are available to nonprofit economic development or community development organizations that have workforce housing education and advocacy programs, or nonprofit organizations whose primary mission is workforce housing education and advocacy. Organizations must be established for at least one year and 50% matching funds are required. These organizations will be eligible for additional funding based on annual reviews.

Funds would be distributed across the components as needed, allowing for some flexibility during the program year. Staff will seek Finance and Administration Committee approvals for awards of \$20,000 and above, and full Board approval for awards of \$40,000 and above.

Education for Local Governmental Bodies (\$25,000 plan)

Staff will work with partners, such as the state's Office of Planning and Development, the New Hampshire Municipal Association, Center for Ethics in Society at Saint Anselm College, and others to enhance training opportunities, such as offering webinars, and recruiting and securing trainers and national speakers.

Communications Toolkit for Housing Advocacy (\$25,000 plan)

Staff continues to work with partners to build and manage a library of housing-related testimonials, profiles and stories in written, photographic and video formats regarding the need for, and success of, certain state housing policies (e.g., the workforce housing law, the ADU law, housing coalition successes, etc.).

This project will continue to capture these stories on video and other media with the intention of using and distributing them widely for a variety of purposes – stand-alone video shorts, clips for social media, posting on the NHHousing.org website, advertising, sharing with partners, including in presentations, etc. Staff will work with partners to identify people and organizations who are willing to share their stories. A video services company could be hired to shoot, edit, and format video as directed.

This project will also include videos to break down complex subjects to foster easier community-based discussion and understanding and will include development of associated or free-standing infographics on the same or similar topics.

Housing Data Dashboard (\$20,000 plan)

The State's Council on Housing Stability Strategic Plan seeks to aid local planning and decision-making through a public-facing housing data dashboard. This dashboard has been developed to provide transparent and accessible information on statewide housing. As the dashboard is rolled out in its first year, we anticipate discovering areas that require adjustments and enhancements. Consistently updating and maintaining the dashboard is crucial to ensuring its continued usefulness as a resource.

Annual Rental Cost Survey (\$40,000 plan)

New Hampshire Housing has been conducting an annual survey of rental housing costs across the state since 1980. This crucial data helps us keep track of rental unit costs, which we compile into a report for property owners, businesses, public officials, organizations that administer housing programs, and the public.

OTHER GRANTS & SUBSIDIES

This allocation funds various small grants in support of general affordable housing activities that the Board of Directors may choose to approve during the fiscal year.

Other Grants /Subsidies

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Operating Funds	\$175	\$147	\$272
<u>PROGRAM USES (\$ In Thousands)</u>			
Resident Education and Assistance Program – Seacoast Mental Health	\$72	\$72	\$102
Housing Action New Hampshire	\$25	\$25	\$30
Harvey Schwartz Housing Policy Education Fund	\$10	\$2	\$20
William H. Craig Fellowship	\$8	\$8	\$10
Center for Ethics in Society	\$40	\$40	\$40
North Country Employer-Assisted Housing Initiative	\$0	\$50	\$50
Housing Resources of NH	\$0	\$0	\$0
Other	\$20	\$0	\$20

FY 2024 Program Narrative

Resident Education and Assistance Program (REAP) (\$102,000 plan)

The Resident Education Assistance Program administered by Seacoast Mental Health will be awarded funds to provide services including education programs, counseling, and consultation with housing professionals regarding resident behaviors and challenges. The program also trains REAP counselors. REAP has requested additional funding to cope with the significant rise in overhead costs, technology expenses, and staffing expenditures (to provide competitive salaries and benefits).

Housing Action New Hampshire (\$25,000 plan)

Housing Action New Hampshire is an advocacy organization for low-income households in the formulation of federal and state housing policy. Along with other housing partners, we provide funding to support their mission.

Harvey Schwartz Housing Policy Education Fund (\$20,000 plan)

Harvey Schwartz was a member of the Board of Directors who strongly believed in the power of education to facilitate the development of good policy. This scholarship fund was established in his memory and is used to support attendance at conferences, seminars, and other events by our partners and stakeholders. Recipients of the grant are eligible to receive up to \$3,000 per event, per person.

William H. Craig Fellowship (\$10,000 plan)

This Fellowship, named after Attorney William “Bill” H. Craig, was created by New Hampshire Housing to provide opportunities for students at the University of New Hampshire School of Law to gain experience in issues related to affordable housing. Specifically, the Fellowship will provide students with opportunities to gain experience in legal matters related to housing development and finance, landlord tenant law, fair housing law, and how these matters impact the affordable housing opportunities provided to New Hampshire individuals and families. The goal of the Fellowship is to encourage new lawyers to pursue careers that will help add to the state’s supply of affordable housing and support the needs of the low- and moderate-income residents of the state.

Center for Ethics in Society (CES) (\$40,000 plan)

CES at Saint Anselm College will be awarded the first installment of a new three-year grant for its “The Housing We Need” initiative. This program will continue to focus on educating community decision-makers and others about the ways in which affordable housing can enhance their communities, as well as to coordinate the development of the NH Zoning Atlas and to undertake a program seeking to diversify the membership of local land use boards.

North Country Employer-Assisted Housing Initiative (\$50,000 plan)

The North Country Employer-Assisted Housing Initiative engages employers within regional labor market areas in action-oriented working groups to identify and implement projects that improve housing affordability and access under the auspices of North Country Council (NCC). NCC efforts in working group formation, technical assistance, and support will help leverage and support existing collaborations underway in pockets of the planning region. This work builds upon and directly addresses four of the key issues identified in the North County Housing Needs Analysis, specifically:

- Lack of affordability for low-wage workers;
- Lack of awareness and/or lack of buy-in of comprehensive solutions, especially from the business community;
- Propensity to find local solutions for regional problems; and
- Lack of capacity for implementing solutions at the local level.

Housing Resources of NH

Housing Resources of NH is New Hampshire Housing’s 501(c)(3) affiliate.

INVESTNH MUNICIPAL PLANNING AND ZONING GRANT PROGRAM

As part of Governor Sununu's \$100 million InvestNH initiative, \$5 million has been allocated to provide grants to municipalities to analyze and update their land use regulations to help increase housing development opportunities. The NH Department of Business and Economic Affairs has contracted with New Hampshire Housing to administer this program and we received program funds in September of 2022.

New Hampshire Housing has partnered with Plan NH to administer these grants, with guidance from the steering committee. The steering committee is made up of individuals from:

- Plan NH
- UNH Cooperative Extension
- NH Office of Planning and Development
- NH Municipal Association
- Community Development Finance Authority
- New Hampshire Housing

A website, www.NHHOPGrants.org, was created to house information about this municipal grant program.

InvestNH Municipal Planning and Zoning Grants

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Federal Funds	\$0	\$460	\$434
<u>PROGRAM USES (\$ In Thousands)</u>			
Community Housing Navigator Grants Program	\$0	\$200	\$130
Housing Opportunity Planning (HOP) Grants Program	\$0	\$48	\$283
Marketing	\$0	\$12	\$13
Administration (Plan NH)	\$0	\$100	\$100
Housing Academy (UNH Cooperative Extension)	\$0	\$100	\$100

FY 2024 Program Narrative

Community Housing Navigator Grants Program

The Community Housing Navigator Grants Program awarded municipalities and regional planning commissions funding to hire staff who will coordinate local activities related to housing. Five grants were awarded, totaling \$1,235,270, to hire five Community Housing Navigators serving 12 communities across the state. The Community Housing Navigators will serve as local coordinators of housing regulatory changes and housing development activities. This will include working with outside consultants and other municipal staff to identify regulatory changes needed to promote greater levels of housing development.

Housing Opportunity Planning (HOP) Grants Program

The Housing Opportunity Planning (HOP) Grants Program awards municipalities with grant funds to pursue one to three phases of regulatory change for the purpose of increasing housing supply. These phases include 1) needs analysis and planning; 2) regulatory audit; and 3) regulatory development.

Housing Academy

The Housing Academy is a training program for Housing Opportunity Planning (HOP) Grant and Community Housing Navigator Grant recipients to help build and further develop local capacity related to housing matters. UNH Cooperative Extension provides housing education and community engagement training and support to grantees as they develop their local community engagement strategies.

FY 2024
RESOURCE ALLOCATION
PLAN

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
FY 2024 Resource Allocation Plan
New Commitments Only
(\$ Thousands)

<u>PROGRAM ACTIVITY</u>	<u>Operating Fund</u>	<u>Section 8 Funding</u>	<u>Bond Proceeds</u>	<u>GNMA/ FNMA</u>	<u>HOME</u>	<u>HOME ARP</u>	<u>AHF</u>	<u>HLT</u>	<u>HTF</u>	<u>Other</u>	<u>TOTAL</u>
- Homeownership Division											
Ginnie Mae MBS Program				21,450							21,450
Fannie Mae Program				53,625							53,625
Home First MRB Program			105,300								105,300
Homebuyer Tax Credit										16,250 ⁽¹⁾	16,250
Habitat for Humanity								75			75
Emergency Home Repair Loan	150										150
Special Initiatives	425							80			505
Habitat Repair Program								80			80
Accessibility Program	250										250
HOPE 3	24										24
Program Outreach and Promotion	350										350
First-Generation Homebuyer Downpayment Assistance	300										300
Homebuyer/Homeowner Education and Counseling	100										100
Housing Counseling Program										167 ⁽²⁾	167
Small-Scale Housing Production	225										225
- Assisted Housing Division											
Housing Choice Voucher Program		43,574 ⁽³⁾									43,574
FSS Grants / Loans	60										60
Landlord Incentive Program	75									300 ⁽⁴⁾	375

(1) Represents use of converted tax-exempt bond volume cap.

(2) Sourced from HUD

(3) Represents calendar year 2023

(4) Sourced from Housing Choice Voucher Program Administrative Fee Reserve Fund

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
FY 2024 Resource Allocation Plan
New Commitments Only
(\$ Thousands)

PROGRAM ACTIVITY	Operating Fund	Section 8 Funding	Bond Proceeds	GNMA/ FNMA	HOME	HOME ARP	AHF	HLT	HTF	Other	TOTAL
- Multifamily Housing Division											
Tax-Exempt Bonds			90,000		4,800	6,750	30,300 ⁽⁵⁾		1,950	60,000 ⁽⁶⁾	193,800
9% LIHTC Competitive					1,000		1,750		1,200	55,000 ⁽⁷⁾	58,950
Supportive Housing Program							6,000				6,000
Pre-Award Supportive Housing Program - Consulting	300										300
Construction/Bridge Lending Program										15,000 ⁽⁸⁾	15,000
Performance Based Contract Administration Program		61,500 ⁽⁹⁾									61,500
Section 811 Project Rental Assistance (PRA)		1,500 ⁽⁹⁾									1,500
Lead Hazard Abatement Program	125									2,168 ⁽¹⁰⁾	2,293
- Executive Division											
Research / Advocacy	455										455
Other Grants / Subsidies	272										272
InvestNH Municipal Planning and Zoning Grants										4,340	4,340
TOTAL ALLOCATED:	3,111	106,574	195,300	75,075	5,800	6,750	38,050	235	3,150	153,225	587,270

(5) Includes \$5M statutory transfer from Real Estate Transfer Tax revenue and \$4M from ERAP2; also includes \$25M Legislative appropriation.

(6) Represents equity raised from allocation of LIHTC and \$10M in Loan Participations.

(7) Represents equity raised from allocation of LIHTC and \$5M in Loan Participations.

(8) Sourced from warehouse line-of-credit and Operating Revolving Construction Fund.

(9) Represents funds passed through under HUD contracts.

(10) Sourced from HUD and State Lead Funds.



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New Hampshire Housing promotes,
finances, and supports housing solutions
for the people of New Hampshire.

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NEW HAMPSHIRE HOUSING

STRATEGIC PLAN

JANUARY 2023



NEW HAMPSHIRE HOUSING STRATEGIC PLAN

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MISSION, VISION, AND VALUES

As a part of this strategic planning process, New Hampshire Housing adopted new mission and vision statements.

The new mission is:

New Hampshire Housing promotes, finances, and supports housing solutions for the people of New Hampshire.

NH Housing's new vision statement is:

A New Hampshire where everyone can afford a place to call home.

Values guide NH Housing's strategic decisions, community relations, and its behavior and actions toward each other and the people who benefit from our services. These values are:

- **Leadership:** Motivate and inspire others and ourselves to proactively work together towards achieving common goals.
- **Teamwork:** Collaborate with and respond to each other and our partners to identify and exploit opportunities to achieve our common goals.
- **Stewardship:** Exhibit prudent, ethical, and transparent use of public resources and a commitment to environmental, economic, and social sustainability.
- **Integrity:** Be honest, accountable, and reliable in all matters and demonstrate actions that will inspire the trust of others.
- **Respect:** Treat everyone we encounter with dignity; be inclusive, candid, and open in our communications and behavior.
- **Innovation:** Think objectively and listen with open minds, raise questions, challenge assumptions, and encourage creativity.
- **Agility:** Be vigilant and alert; adapt to changing conditions, opportunities, and challenges.
- **Trust:** Assume positive intentions and demonstrate the belief that others will meet their commitments and do their jobs.
- **Equity:** Strive to ensure transparent access to New Hampshire Housing's opportunities and resources for all New Hampshire residents.
- **Courage:** Take appropriate risks in service of the mission; acknowledge the inevitability of occasional failures and the desire and ability to learn from them.

INTRODUCTION

The mission of New Hampshire Housing (NH Housing) is to promote, finance, and support housing solutions for the people of New Hampshire. To accomplish this, NH Housing develops multifamily housing units, advocates for housing, promotes homeownership, and administers vouchers for rental assistance. This work is done to help realize the vision of a New Hampshire where everyone can afford a place to call home.

In the summer of 2022, NH Housing began the process of creating a new strategic plan. This occurred in the context of a great deal of change in both the internal and external environments.

Externally, the coronavirus pandemic and its many ripples intensified challenges in a housing market that was already historically tight. Housing demand was rising due to demographic and economic factors, but it increased even more rapidly during the pandemic. This, combined with low interest rates, caused historic spikes in home prices and rents. Supply chain problems, inflation, and (more recently) increased interest rates put downward pressure on supply as demand was increasing. There were new federal and state funding opportunities, although some of the new programs came with aggressive timelines and reporting requirements which strained existing staff and systems.

Internally, many staff experienced stress from the challenges outlined above. While overall staff satisfaction is extremely high, employees of NH Housing have expressed a desire for more efficient processes (especially fewer layers of approvals), improved IT systems, and increased staffing levels. Perhaps due in part to limited staff bandwidth, external partners expressed a desire for increased engagement with NH Housing.

Key conclusions from this planning process include:

- One of NH Housing's greatest strengths, and a key to solving the housing crisis, is its advocacy and education work.
- NH Housing has a reputation for excellence. However, excellence has come with the price of many process steps that are sometimes unnecessary and decrease efficiency.
- Overall staff satisfaction and retention are very high. Moving forward, the keys to high retention are increased engagement, sufficient staffing, and improved IT infrastructure.
- Given the national history of housing discrimination, it will be important that NH Housing continues to invest in diversity, equity, and inclusion (DEI) work.
- Some partners feel the need for increased engagement with NH Housing.
- Some of NH Housing's marketing and branding have not kept up with changes in demand.

This strategic plan strives to balance new opportunities and historic needs with a need to invest internally in staffing and IT infrastructure. Therefore, the four high-level goals in this strategic plan are:

- Empower and develop our staff to encourage collaboration and innovation;
- Invest in diversity, equity, and inclusion (DEI) work to build a representative culture;
- Increase engagement and outreach with external partners; and
- Maintain excellence in program work through continuous learning and process improvement.

PROGRAM SUMMARY

New Hampshire Housing (NH Housing) promotes, finances, and supports housing solutions for the people of New Hampshire. The organization's vision is to create a state where everyone can afford a place to call home. Established by statute in 1981, NH Housing generates, receives, and administers federal, state, and other affordable housing resources. The organization employs approximately 140 staff members and has a nine-member board appointed by the Governor and Executive Council. Over four decades, NH Housing has helped more than 50,000 families purchase homes and has been instrumental in financing the creation of more than 15,000 multifamily housing units in New Hampshire.

The organization operates three core housing programs: (1) Homeownership; (2) Rental Assistance; and (3) Multifamily Housing. It also has a robust Policy, Planning, and Communications program.

The Homeownership Division works with a statewide network of lenders and real estate professionals to offer mortgage programs that enable low- and moderate-income homebuyers to purchase or refinance a home. These programs serve about 2,000 new households each year. The division also supports homebuyer education and foreclosure counseling activities.

The Assisted Housing Division administers a statewide, federally funded Housing Choice Voucher (HCV) program, also known as Section 8. These tenant-based and project-based vouchers serve close to 4,300 households. Individuals receiving rental assistance are encouraged to participate in financial education and counseling on how to become more self-sufficient.

The Multifamily Housing Division (MHD) finances new, affordable multifamily rental unit construction and refinances and recapitalizes existing properties to preserve affordable housing units. It utilizes a variety of financing tools to fund projects and leverages other funds to provide supportive services to help those in transitional and permanent supportive housing maintain their housing. The Asset Management group within MHD oversees more than 475 properties with more than 15,000 units, ensuring there is quality administration and maintenance of the properties, which house low- and moderate- and extremely low-income residents.

The Policy, Planning, and Communications Group is the state's primary housing research and planning entity. It conducts research, issues reports, and offers presentations and insights on the state's housing needs and conditions. Staff members work with local partners on housing advocacy issues and offer technical assistance to communities throughout the state on housing-related matters.

While each of these program areas has historically developed annual goals, the organization has not conducted a comprehensive strategic plan in the recent past. However, significant changes in NH Housing's internal and external operating environments have led to a desire to take a holistic and strategic approach to this year's planning. Internally, NH Housing saw its first new Executive Director in over a decade in 2022. Additionally, roughly half of its board members were appointed within the last two years. Also, like most organizations, NH Housing is working to learn, and respond to, the post-Covid staffing landscape. Externally, the environment has been affected by new sources of funding generated from the unprecedented need for housing affordability as well as some Covid relief funds being dedicated to housing.

The goals and strategies outlined in this plan represent NH Housing's strong commitment to providing greater housing opportunity, building inclusive and vibrant communities, and supporting New Hampshire residents.

STRATEGIC PRIORITIES AND OBJECTIVES (2023-2025)

STRATEGIC PRIORITY #1: Empower and develop our staff to encourage collaboration and innovation

1. **Objective:** Assess the staffing required to allow for organizational resilience, work-life balance, creativity, and innovation.
2. **Objective:** Empower people to do their jobs more effectively, including improved workflow processes and elimination of unnecessary and bureaucratic layers of approval.
3. **Objective:** Continue to invest in employee development through education, systems, and technological resources.

STRATEGIC PRIORITY #2: Invest in DEI work to build an inclusive and representative culture

1. **Objective:** Work to achieve representation at all levels of our staff and Board of the diverse population we serve by increasing and developing talent from underrepresented sectors.
2. **Objective:** Increase connection and sense of community across levels, roles, and backgrounds; increase DEI skills and engagement across the organization to foster a sense of belonging and drive fairness.

STRATEGIC PRIORITY #3: Increase engagement and outreach with external partners

1. **Objective:** Deepen engagement with existing and potential partners.
2. **Objective:** Engage underrepresented communities to increase the understanding of community needs to design more effective and equitable solutions.
3. **Objective:** Expand local community engagement/advocacy and marketing efforts.
4. **Objective:** Develop a comprehensive communications strategy with a focus on video and non-print media.

STRATEGIC PRIORITY #4: Maintain excellence in program work through continuous learning and process improvement

1. **Objective:** Increase access to NH Housing products for currently underrepresented populations.
2. **Objective:** Support the creation of more diverse housing types.
3. **Objective:** Increase the adoption of high-quality, user-friendly IT systems.
4. **Objective:** Incorporate economic and environmental sustainability objectives in programs, processes, and operations.

CONCLUSIONS

Based on our assessment of both the internal and external environments, we have come to the following conclusions. These conclusions inform the goals and strategic objectives outlined below.

- One of NH Housing's greatest strengths, and a key to housing solutions, is advocacy and education. Finding new ways to leverage this strength should be a key strategic focus over the next three years.
- NH Housing has a reputation for excellence. However, excellence has come with the price of sometimes unnecessary process steps that decrease efficiency and create bottlenecks at the organization's top. Selectively eliminating layers of approval that do not add value represents an opportunity for NH Housing moving forward.
- Overall staff satisfaction and retention are very high. The keys to high retention in the future are increased engagement, sufficient staffing, improved IT infrastructure, and eliminating process inefficiencies. Additionally, NH Housing should continue to invest in employee development.
- Given the history of housing discrimination, it will be important that NH Housing continues to invest in DEI work. Potential partners in that work want NH Housing to "come to them" and get to know them "at their table."
- Perhaps due to Covid and NH Housing turnover, some partners need increased engagement with NH Housing. Reinvesting in partner engagement will be important over the next three years.
- Some of NH Housing's marketing and branding have not kept up with changes in demand. Forming a comprehensive communication strategy that is not print media focused will help NH Housing connect with those needing housing services.

APPENDIX A

NEW HAMPSHIRE HOUSING GUIDING PRINCIPLES

The following statements have been developed by the Board and staff of NH Housing over many years of policy development and program administration. They are intended to provide overall guidance on how to meet strategic priorities and objectives with specific actions.

GENERAL PRINCIPLES

By law, New Hampshire Housing is responsible for promoting access to affordable housing for low- and moderate-income households. In support of this role, NH Housing will:

1. Maintain a high level of fiduciary oversight as expected of a responsible public financial institution.
2. Establish and cultivate effective partnerships with government agencies, nonprofit and for-profit organizations, lenders, real estate professionals, homebuilders, and others with interests in housing.
3. Effectively communicate priorities and expectations while simultaneously considering and responding to partners' concerns and needs.
4. Design programs, whenever possible, as an integral element of broader community development activities undertaken by local governments and by nonprofit and for-profit developers.
5. Engage in a comprehensive annual process of operations and program planning and budgeting.
6. Ensure that programs are conducted in an effective and efficient manner and in compliance with external requirements, and are designed to include measurable outcome indicators, performance goals and standards.
7. Develop a comprehensive, modern communication and marketing strategy that ensures people understand the value of housing in the community, the value of NH Housing as an organization, and the range of available products and services offered by NH Housing.
8. Implement People Operations and compensation strategies that serve to attract, motivate, and retain the best talent. Provide opportunities for career advancement, cultivate a positive work environment, and recognize and reward high-potential and high-performing employees to make NH Housing a place where people want to work.
9. Maximize the cost-effective deployment of technology in support of strategic and operational goals, and to maintain or improve administrative and program efficiency.
10. Invest in DEI work to build an inclusive and representative culture.

FINANCIAL RESOURCE MANAGEMENT PRINCIPLES

New Hampshire Housing is an independent public financial institution with access to and responsibility for a broad range of financial resources. As the steward of these public resources, NH Housing will:

1. Generate and manage financial resources to ensure its ability to support ongoing operations and preserve the capacity to fund existing and new program initiatives.
2. Control costs and attempt to optimize the return on investment of financial resources while achieving a responsible balance between financial gain and public policy goals.
3. Make all unrestricted funds available through the Operating Fund and use such resources to support administrative operations, capitalize and maintain formal reserves established by the Board of Directors, and fund program activities. The appropriate capitalization level of the reserves will be reviewed periodically,
4. Allocate Operating Fund resources for program activities based on the following priorities:
 - Activities that will yield a financial return;
 - Activities that will result in the return of principal expended if a financial return or yield is not possible; and
 - Grant and other programmatic expenditures that contribute to achieving the mission of NH Housing.
5. Seek the best execution for mortgage financing that balances current market conditions with NH Housing's short- and long-term financial stability. Such executions may include retaining loans, selling loans, selling loan participations and issuing bonds or mortgage-backed securities.
6. Work to identify and secure new funding sources to increase NH Housing's (and partners') capacity to support affordable housing initiatives.

HOMEOWNERSHIP PROGRAM PRINCIPLES

New Hampshire Housing will ensure there are responsible homeownership opportunities for eligible households because successful homeownership helps borrowers, lenders, real estate professionals and the state's overall economy. In this context, NH Housing will:

1. Provide a range of homeownership programs, adjusting programs in response to available resources and to changes in the housing finance market.
2. Follow underwriting guidelines that serve qualified borrowers, support prudent lending, and ensure compliance with regulatory requirements.
3. Offer a unique mortgage product that provides borrowers with cash assistance for down payment and closing costs.
4. Provide participating lenders and originators with an array of mortgage options that also enables NH Housing to have varied and effective secondary-market executions.
5. Maintain a constant and viable presence in the mortgage market.
6. Provide special mortgage programs to underserved borrowers, when appropriate, through the targeted use of subsidies and through partnerships with suitable organizations.
7. Use federal tax-exempt bond capacity to help low- and moderate-income borrowers achieve successful homeownership, including through mortgage credit certificates and/or loans funded by tax-exempt bonds.
8. Support education and counseling activities that help homebuyers attain and retain successful homeownership. This includes supporting foreclosure intervention strategies for at-risk homeowners.
9. Promote energy efficiency, sustainability, and resiliency by engaging with partners to encourage design innovation and improvements to existing housing stock.
10. Engage borrowers, lenders, real estate professionals and nonprofits about NH Housing's homeownership programs.
11. With other stakeholders, support the development of new, moderately priced single-family homes.

HOMEOWNERSHIP SERVICING PRINCIPLES

The single-family mortgage and servicing rights portfolios constitute New Hampshire Housing's largest financial assets. Management and preservation of these portfolios is key to the agency's financial future and critical to the well-being of our borrowers. In administering these portfolios, NH Housing will:

1. Service single-family loans originated through NH Housing's programs.
2. Manage the portfolios in a manner that minimizes the displacement of borrowers without jeopardizing NH Housing's financial stability, bond rating or ability to meet obligations to creditors and investors.

MULTIFAMILY DEVELOPMENT PRINCIPLES

New Hampshire Housing is the principal source in the state for financing both new affordable rental housing and initiatives to preserve existing affordable housing. NH Housing will:

1. Finance housing that is constructed to provide high quality, environmentally safe living spaces that are energy efficient and designed to minimize maintenance and on-going replacement expenses.
2. Monitor short- and long-term changes in housing market needs and demands and, in turn, implement and modify programs and practices to best allocate housing development finance resources.
3. Give priority to housing projects that:
 - Have strong community, economic and neighborhood development outcomes.
 - Provide housing opportunities for all ages.
 - Target scarce public resources, as is feasible, to the lowest income households.
 - Benefit underserved populations and communities that have been disproportionately impacted by the lack of housing, including persons with disabilities and persons experiencing homelessness.
 - Provide appropriate levels of resident services.
 - Are located in municipalities that have not historically provided the opportunity for affordable housing.
 - Incorporate efficient and sustainable design and construction methods to reduce long-term environmental impact and operating costs.
 - Leverage non-NH Housing capital and operating subsidy funding sources.
 - Provide for long-term rent and resident income restriction periods.
4. Allocate scarce housing development resources using the following criteria:
 - Use accepted subsidy layering practices to provide the minimum amount of public subsidy necessary for the cost of development and long-term operating sustainability.
 - Use HOME and other federal capital subsidy sources to support full utilization of Low-Income Housing Tax Credits.
 - Use 9% Low-Income Housing Tax Credits primarily to create new affordable housing units through new construction, adaptive re-use of non-residential buildings, and conversion of existing market-rate residential buildings into affordable units and, to a limited degree, for the preservation of existing rent- and income-restricted housing.
 - Use tax-exempt construction and/or permanent debt financing to access 4% Low-Income Housing Tax Credits for the preservation of existing rent- and income-restricted housing or new construction, including mixed-income projects.

5. Look for new financing tools and encourage the use of existing financing tools by doing the following:
 - Take a proactive approach to identifying opportunities for taxable lending opportunities, including loan participation models.
 - Identify ways to simplify and reduce the cost of using tax-exempt bond construction financing (and the 4% Low-Income Housing Tax Credit) to induce developers to seek long-term financing options from NH Housing.
 - Provide technical assistance to housing development partners.

MULTIFAMILY ASSET MANAGEMENT PRINCIPLES

New Hampshire Housing has asset management oversight responsibility for hundreds of assisted housing projects with thousands of rental homes throughout the state. In managing this critical resource, NH Housing will:

1. Oversee management of the multifamily portfolio to ensure compliance with all applicable regulations and agreements, to mitigate financial risk, and to provide a safe and healthy environment for residents.
2. Maintain fully funded reserves in all projects to support long-term viability.
3. Support efforts to preserve the existing stock of financially assisted housing.
4. Strive to maintain the strength of the NH Housing-financed portfolio of multifamily properties as an asset of NH Housing.
5. Take a proactive approach to resolving issues within the portfolio to assure that, as feasible, investments and assets are retained for public benefit.

DIRECT TENANT ASSISTANCE PRINCIPLES

New Hampshire Housing administers a range of programs designed to provide direct assistance and services to low-income households. In administering those programs, NH Housing will:

1. Manage the Housing Choice Voucher Program (HCV) to serve the maximum number of eligible clients possible within the available federal resources.
2. Maintain an open waiting list for at least those applicants eligible for special programs or with a ranked preference in the HCV program.
3. Support counseling, education and other programs designed to assist HCV clients to become economically self-sufficient.
4. Support programs designed to improve and sustain the quality of life of HCV clients and other residents of assisted housing.
5. Make limited commitments of project-based vouchers to support housing opportunities for seniors and special needs populations.

PUBLIC LEADERSHIP PRINCIPLES

New Hampshire Housing is the state's principal housing entity, carrying out its mission for the benefit of the people of New Hampshire. To support its mission and business goals, NH Housing will:

1. Educate the public and public officials about the state's housing conditions, including the housing needs of low- and moderate-income households, the needs of middle-income households and the need to house the labor force to support a strong economy.
2. Provide the public with access to high quality, reliable data on the state's housing needs, trends and conditions.
3. Participate in and take a leadership role in public engagement, advocacy and technical assistance activities designed to promote improved understanding of housing needs in the state.
4. Provide technical assistance in support of, and advocate for, legislative and regulatory policies that positively affect affordable housing opportunities.
5. Provide the public and public officials with information on the economic and social impacts of NH Housing's programs.
6. Provide high-quality, reliable information and research to real estate professionals, lenders, builders, beneficiaries, and homeowners/homebuyers on options for energy efficiency and sustainable design.

APPENDIX B

THE STRATEGIC PLANNING PROCESS

In the summer of 2022, Sapphire Consulting was hired to help facilitate the strategic planning process. The Sapphire team included President Jim Kimberly, senior consultant Greg Hessel, and Diversity, Equity and Inclusion (DEI) consultants Greg Gale and Ariana Gil. The Sapphire team's background reading included:

- 2021 Annual Report
- Biennial Housing Plan 2022-2023
- Consolidated Plan for HUD
- Analysis of Impediments to Fair Housing Choice in NH – 2020 Update
- The Annual Program Plan
- Diversity, Equity, and Inclusion Assessment and Recommendation Report
- Recent employee satisfaction survey results

One-on-one interviews were conducted with eight organization leadership members, the board of directors, and eleven external stakeholders. Additionally, four focus groups of external stakeholders were held (Multifamily Housing, Homeownership, Assisted Housing, and DEI), and four staff focus groups were conducted. A list of those interviewed is included in Appendix E. A list of those who participated in focus groups is included in Appendix F¹.

Data from these interviews were synthesized into a SWOT analysis. Additionally, two half-day working sessions were held with the board and leadership. The first, in late August of 2022, focused on the mission and vision of the organization. It also included discussions on key topics such as:

- NH Housing's Vision for DEI work
- NH Housing's Vision for Advocacy and NH Housing's relationship with the State
- NH Housing's Vision for Programs

A final board and leadership retreat was held in the late fall of 2022. At the retreat, changes in the external environment were discussed and three high-level goals were adopted. Each goal had several objectives attached to it. The board of directors will receive a final version of the goals and objectives at the January 2023 board meeting. These goals and objectives are presented below.

¹ To protect staff confidentiality, staff members who participated in focus groups are not included.

APPENDIX C

NEW HAMPSHIRE HOUSING SWOT ANALYSIS

SWOT Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> Staffing <ul style="list-style-type: none"> Competence, passion, dedication, satisfaction, mission-driven Retention Excellence--great outcomes Reputation/well positioned Autonomy - quasi public Leadership Academy Strong administratively Public policy work Understanding and using data Professionalism of the board Available, responsive, and helpful when partnering Seasoned leadership with long tenure 	<ul style="list-style-type: none"> Succession planning <ul style="list-style-type: none"> Lack of process documentation Staff bandwidth/burnout Technology platforms and training <ul style="list-style-type: none"> Not meeting partner's expectations and losing business Legacy system Historic culture of not engaging staff and partners Branding/marketing—many don't know what NH Housing does and believe it is associated with welfare/bureaucratic programs Leadership and board diversity Board on-boarding (supporting new members through complexity), lack of experience Can be more "bureaucratic" than is "warranted" Creativity (not enough bandwidth or risk tolerance to be creative)
Changes in the Environment (Opportunities and Threats) <i>The world you operate in but can't control</i>	
<ul style="list-style-type: none"> Inflation and surging building costs A possible housing bubble Historic need—Investors putting stock into the rental market Remote work The Great Resignation Evolving technology Diversity, Equity, and Inclusion Increased diversity in New Hampshire (percentage of people of color doubled in 10 years) Climate change People get news on social media (this is challenging given the complexity of the housing industry) Increase in need for wrap-around services for those in affordable housing Increase in need for mental health services Increase in drug and alcohol use Legislatures are now engaging with housing like never before Public attitudes toward affordable housing An aging population 	

APPENDIX D

THE EXTERNAL AND INTERNAL ENVIRONMENTS

THE EXTERNAL ENVIRONMENT

Over the last three years, due in part to the impacts of the Covid pandemic, the environment in which NH Housing operates has been volatile. This volatility has had an impact on the work of the agency and on this strategic plan.

When Covid hit in March 2020, its impact on NH Housing had many ripples. While some of these impacts were on the internal environment and are outlined below, many also impacted the external environment. The surprising housing market surge starting in the second half of 2020 produced by high demand for home purchases led to rapidly escalating sales prices and record low inventory. This demand, coupled with rising building costs, supply chain issues, and a scarcity of qualified contractors and workers has limited the supply of new housing stock and created a historic need. While the state has responded to this crisis by investing some Covid relief funds into housing, this spending could not solve the problem alone.

A second change has been the dramatic increase in housing-related funding, some of which is a direct response to housing affordability problems associated with the pandemic. This increased funding has had both positive outcomes and unintended and challenging consequences. On the positive side, housing development and rental assistance funds became available at unprecedented levels. Yet some new initiatives presented NH Housing staff with complex and ambiguous program structures and tight deadlines. This challenged staff capacity and the organization's culture of excellence.

A third change, related to the first two, is the opportunity and challenge presented by the emergence of housing as a top-tier social and economic policy issue. This awareness has resulted in a broader and stronger coalition of advocacy allies than ever before and has brought new partners to the table. It has also resulted in greater demand for, and interest in, NH Housing's programs and activities, potentially increasing the risk of negative interactions and publicity.

Fourth, during 2022, mortgage rates increased at their fastest rate in three decades and remain elevated at year's end. Many of the families NH Housing serves were priced out of the homeownership market, and the number of both single-family and multifamily transactions declined. This has affected NH Housing's financial projections and planning because it does not receive state funding and relies on transactions to fund its operations.

Finally, the tragic killing of George Floyd, among many similar events, amplified the Black Lives Matter movement over the past three years. While NH Housing began some Diversity, Equity, and Inclusion (DEI) work a few years ago, the events of the last few years have increased the importance and urgency to do more. For decades, housing policy has included redlining and many other examples of systemic racism and discrimination. The confluence of the above-mentioned trends has gained the attention of policymakers and business leaders throughout the state, and housing affordability has been acknowledged as a statewide crisis.

On a more regional level, NH Housing's partners have a very high amount of respect for its work. NH Housing has a reputation as a responsive, mission-driven organization that excels at what it does. While giving NH Housing overall high grades, partners also expressed a desire for increased engagement with, and more flexibility from, NH Housing moving forward. Additionally, while partners affirm the critical need for more new multifamily housing developments, they do not believe the state can build its way out of the housing crisis. Therefore, partners want NH Housing to increase advocacy work and to partner with them to develop new and creative housing solutions.

THE INTERNAL ENVIRONMENT

Internally, NH Housing employees have expressed strong support for the organization. In an April 2021 survey with 113 participants, 98% of participants see themselves working for the organization for at least two more years and 99% said they would recommend the organization to a friend or co-worker as a place to work (79% strongly recommend and 20% recommend). Ninety-five to ninety-nine percent also expressed satisfaction with pay, benefits, paid time off, and flexibility.

One manifestation of NH Housing's flexibility is its remote work policy. While most staff are required to spend some days in the office each week, many staff work remotely most of the time. Staff expressed high satisfaction with remote work, and some expressed a desire to have more intentional ways to connect with co-workers when they are in the office.

Turnover has also been low, despite The Great Resignation and a national trend of people leaving their jobs. Over the last two years, NH Housing's turnover has been under 6%. Given the complexity of its work, however, any turnover has an impact, especially in the Multifamily Housing Division, where the learning curve is especially steep. Some partners of NH Housing believe there is a connection between staff inexperience and a more regulatory and bureaucratic feel to the organization.

Despite overall staff satisfaction with NH Housing, staff also felt the organization is, at times, overly bureaucratic. They named "layers of approvals" needed as one example of this culture. Other words staff used to describe this culture were "stuffy" and "micro-managing." Some felt that the layers of approval signaled that they were not trusted, and others felt demoralized that there were so many "unnecessary" bottlenecks to them accomplishing their work. Moving forward, a key challenge for the organization will be to identify which processes necessitate checks and balances to ensure excellence and which can be simplified to increase efficiency.

Another theme of staff focus groups was the need for more staff bandwidth. While hard work is something that is a part of NH Housing's culture and the staff is mission-driven, the tight staffing they perceive leaves no time for creativity, process improvement work, or enough redundancy to cover vacations. While some of this stress is attributed to staff scrambling to get new Covid-funded programs online, NH Housing may struggle to retain staff without increasing staffing so that staff feels a greater sense of work-life balance. Improvements in process efficiency and technology can bring some relief, but these initiatives require upfront investments of time to achieve long-term gains, which can result in further challenges in terms of bandwidth and morale.

Staff also expressed a desire for improved information technology (IT) platforms. These include both platforms for external users, such as a lending platform for mortgage customers, and internal platforms, such as a Customer Relations Management (CRM) tool.

In 2022, NH Housing also hired its first new Executive Director in over a decade. While new leaders always have a learning curve, this transition also creates opportunities for NH Housing. One goal of the new Executive Director has been to increase staff engagement. Given Gallup's research on employee engagement, this is a worthy and important goal that should help keep staff retention high.

APPENDIX E

LIST OF THOSE INTERVIEWED

Name	Title
Rob Dapice	Executive Director/CEO
Ben Frost	Deputy Executive Director / Chief Legal Officer
Patricia Donahue	Managing Director, Administration/CAO
David Sargent	Managing Director, Finance/CFO
DeeAnn Pouliot	Managing Director, Assisted Housing
Ignatius MacLellan	Managing Director, Multifamily Housing
David Hebert	Managing Director, IT
Julie Jussif	Managing Director, Homeownership
Chris Norwood	Board of Directors, Chair
John A. Cuddy	Board of Directors, Vice Chair
Sarah Marchant	Board of Directors
Donna Marsh	Board of Directors
Tricia Morin	Board of Directors
Anthony Poore	Board of Directors
Michael Skelton	Board of Directors
Evelyn Whelton	Board of Directors
Josh Meehan	Ex. Director, Keene Housing (Public Housing Authority)
Bob Quinn	CEO, NH Association of Realtors
Will Arvelo	Ex. Director, Cross Roads House, Inc.
Elliott Berry	Managing Attorney and Co-Director, Housing Justice Project
Dean Christon	Former Ex Dir., NH Housing
Elissa Margolin	Ex. Director, Housing Action NH
Katy Easterly Martey	Ex. Dir., NH CDFA
Robert Tourigny	Ex. Director, NeighborWorks Southern NH
Bill Shanahan/ Nancy Owens	Co-CEOs, Evernorth
Taylor Caswell	Commissioner, NH Department of Business and Economic Affairs
Harrison Kanzler	Ex. Dir., AHEAD

APPENDIX F
STAKEHOLDER FOCUS GROUP PARTICIPANTS

Focus Group	Name	Organization
DEI	Zachary Palmer	Community Loan Fund
	Eva Castillo	NH Alliance for Immigrants & Refugees
	James McKim	NAACP Manchester / DEI Consultant
	Susan Stearns	NAMI NH
	Angela Zhang	Listen Community Services
	Margaret Byrnes	NHMA
Assisted Housing	Donna Davey	Participant
	Jessie Tustin	Manchester VAMC
	Donnalee Lozeau	Southern NH Services
Multifamily	Rebecca Hatfield	Avesta Housing
	Alan Johnson	Hodges Property Management
	Peter Roche	Development Synergies, LLC
	Bill Shanahan	Evernorth
	Andrew Winter	Twin Pines Housing Trust
	Jack Franks	Avanru Development
Homeownership	Frank McClain	Pemi-Valley Habitat for Humanity
	Samantha Marshall	AHEAD
	Carol Zinc-Mailloux	Waterstone Mortgage
	Marty Chapman	The Housing Partnership
	Marcie Gowen-Nobley	Woodsville Savings Bank



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NHHousing.org



New Hampshire Housing promotes,
finances, and supports housing solutions
for the people of New Hampshire.

TAB

4

Summary Discussion and Analysis Discussion and Analysis of Proposed FY 2024 Budget

(Dollars in Thousands)

Overview

A summary comparison of the Proposed FY 2024 Administrative Budget to the FY 2023 Budget, as adjusted for approved interim changes, is as follows:

	Proposed FY 2024 <u>Budget</u>	Adjusted FY 2023 <u>Budget</u>	Increase <u>\$</u> <u>%</u>
Total Expenses	\$22,329	\$21,547	\$ 782 3.6%

Budget Summary comparison to Adjusted FY 2023 Budget:

		% Increase from Adjusted <u>Budget</u>
Original FY 2023 Budget	\$21,414	
Approved Interim Changes	<u>133</u>	
Adjusted FY 2023 Budget	21,547	
Compensation and Benefit Changes	511	2.4%
Business Technology Changes	382	1.8%
Capital Changes	(145)	(.6)%
All Other Changes	<u>34</u>	<u>-</u>
Proposed FY 2024 Budget	<u>\$22,329</u>	<u>3.6%</u>

COMPENSATION AND BENEFIT PLANS

Fiscal Year 2024

I. EMPLOYEE BENEFIT PROGRAMS

- Health insurance rates reflect a 10% increase in premiums beginning January 1, 2024
- Dental, Vision, Life, AD&D, STD and LTD insurance rates reflect a 5% increase in premiums beginning January 1, 2024

II. COMPENSATION PLAN

- ***Recommended for FY 2024:***
 - Annual merit adjustments based on performance
 - Estimated cost: \$475,500

III. NEW POSITIONS

- DEI & External Engagement, Grade 9
- Special Initiatives & Strategic Policies, Grade 9

POPULATION BUDGET
Fiscal Year 2024

<u>Division</u>	<u>Original FY 2023 Budget</u>	<u>Adjusted FY 2023 Budget</u>	<u>Proposed FY 2024 Budget</u>
Executive*	20	21	23
Finance & Accounting	22	22	22
Assisted Housing	36	35.5	35.5
Homeownership	18	18	18
Multifamily Housing *+	30	32	32
Business Technology*	<u>15.5</u>	<u>13.5</u>	<u>13.5</u>
Total	<u><u>141.5</u></u>	<u><u>142</u></u>	<u><u>144</u></u>

* Includes reallocated headcount.

+ Includes new position approved FY 2023.

ADMINISTRATIVE BUDGET SUMMARY
Fiscal Year 2024

(Dollars in Thousands)

	Adjusted FY 2023 Budget	Proposed FY 2024 Budget	Increase/ (Decrease)
Compensation, Taxes & Benefits	\$ 17,084.4	\$ 17,595.1	\$ 510.7
Business Technology	1,310.5	1,692.9	382.4
Occupancy	286.4	286.4	-
Office Expenses	389.6	429.6	40.0
Employee Education & Information	317.6	347.4	29.8
Professional Fees	1,245.4	1,079.9	(165.5)
Marketing Expenses	105.9	145.9	40.0
Other Expenses	384.5	474.0	89.5
Subtotal	21,124.3	22,051.2	926.9
Capital	423.0	277.5	(145.5)
Total	<u>\$ 21,547.3</u>	<u>\$ 22,328.7</u>	<u>\$ 781.4</u>

ADMINISTRATIVE BUDGET DETAIL
Fiscal Year 2024

(Dollars in Thousands)

	Adjusted FY2023 Budget	Proposed FY2024 Budget	Increase/ (Decrease)
<u>Compensation, Taxes & Benefits</u>			
Salaries	\$ 12,093.0	\$ 12,400.3	\$ 307.3
Employee Insurance	3,082.0	3,271.1	189.1
Employer Tax	887.9	887.2	(0.7)
Retirement	874.3	889.3	15.0
Temporary Labor	99.1	99.1	-
Workers Compensation	33.1	33.1	-
Unemployment Compensation	15.0	15.0	-
Subtotal	<u>17,084.4</u>	<u>17,595.1</u>	<u>510.7</u>
<u>Business Technology</u>			
Hardware/Software Maint.	1,209.5	1,591.9	382.4
Non-Capital BT Equip.	89.0	89.0	-
BT Supplies	12.0	12.0	-
Subtotal	<u>1,310.5</u>	<u>1,692.9</u>	<u>382.4</u>
<u>Occupancy</u>			
Bldg. & Grounds Maint.	170.0	170.0	-
Utilities	116.4	116.4	-
Subtotal	<u>286.4</u>	<u>286.4</u>	<u>-</u>
<u>Office Expenses</u>			
Telecommunications	184.9	194.9	10.0
Office Supplies	28.5	28.5	-
Postage & Freight	99.5	129.5	30.0
Copying & Document Storage	27.9	27.9	-
Printing	41.3	41.3	-
Non-Capital Office Equip.	7.5	7.5	-
Subtotal	<u>389.6</u>	<u>429.6</u>	<u>40.0</u>
<u>Employee Education & Information</u>			
Dues & Memberships	70.4	80.4	10.0
Books & Subscriptions	44.9	44.9	-
Conferences & Seminars	129.3	149.1	19.8
Tuition	73.0	73.0	-
Subtotal	<u>\$ 317.6</u>	<u>\$ 347.4</u>	<u>\$ 29.8</u>

Continued

ADMINISTRATIVE BUDGET DETAIL
Fiscal Year 2024

(Dollars in Thousands)

	Adjusted FY2023 Budget	Proposed FY2024 Budget	Increase/ (Decrease)
<u>Professional Fees</u>			
Outside Audit Fees	\$ 93.0	\$ 93.0	\$ -
Bond & Special Counsel Fees	10.0	10.0	-
General Counsel Fees	60.0	75.0	15.0
Contracted Services	549.1	559.9	10.8
Other Consulting Fees	533.3	342.0	(191.3)
Subtotal	<u>1,245.4</u>	<u>1,079.9</u>	<u>(165.5)</u>
<u>Marketing Expenses</u>			
Advertising & Promotion	105.9	145.9	40.0
Subtotal	<u>105.9</u>	<u>145.9</u>	<u>40.0</u>
<u>Other Expenses</u>			
Travel	230.6	275.7	45.1
Insurance	96.9	141.3	44.4
Bank Fees	5.5	5.5	-
Other	51.5	51.5	-
Subtotal	<u>384.5</u>	<u>474.0</u>	<u>89.5</u>
<u>Capital</u>			
Building Improvements	313.0	157.5	(155.5)
Computer Software	55.0	-	(55.0)
Computer Hardware	55.0	90.0	35.0
Office Equipment	-	30.0	30.0
Subtotal	<u>423.0</u>	<u>277.5</u>	<u>(145.5)</u>
Total	<u>\$ 21,547.3</u>	<u>\$ 22,328.7</u>	<u>\$ 781.4</u>

Concluded

CAPITAL BUDGET SUMMARY
Fiscal Year 2024

(Dollars in Thousands)

	FY 2023 Budget	Proposed FY 2024 Budget
Building Improvements	\$ 313	\$ 158
Computer Software	55	-
Computer Hardware	55	90
Office Equipment	-	30
Total	<u>\$ 423</u>	<u>\$ 278</u>

CAPITAL BUDGET DETAIL
Fiscal Year 2024

(Dollars in Thousands)

Category	Description	Cost
Building Improvements	• East Entrance Restrooms	\$ 75
	• Space Redesign Construction Plans	30
	• Insulation Project	20
	• Replacement - HVAC Controls	18
	• Parking lot - resurfacing & striping	10
	• Miscellaneous	5
	Subtotal	<u>158</u>
Office Equipment	• Vehicle	<u>30</u>
	Subtotal	<u>30</u>
Computer Hardware	• Laptops	80
	• Miscellaneous	10
	Subtotal	<u>90</u>
	Total	<u><u>\$ 278</u></u>

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***New Hampshire
Housing Finance
Authority***

*Financial Statements, Management's Discussion
and Analysis and Supplemental Schedules
as of and for the Year Ended June 30, 2023,
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2023 and
Independent Auditors' Reports*

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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PRELIMINARY
DRAFT

INDEPENDENT AUDITORS' REPORT

To the Members of
New Hampshire Housing Finance Authority

FOR REVIEW AND
DISCUSSION
OFFICIALS ONLY

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

REPRODUCED

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

To the Members of
New Hampshire Housing Finance Authority

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2023 on our consideration of NH Housing's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NH Housing's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NH Housing's internal control over financial reporting and compliance.

Manchester, New Hampshire
September 28, 2023

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

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

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

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

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

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

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

Discussion of Changes in the Statement of Net Position

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

Cash Flows

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

Significant Long-Term Debt Activity

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

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

Additional Information

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY**STATEMENT OF NET POSITION**

June 30, 2023

(In thousands of dollars)

ASSETS

Current assets:

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

Long-term investments:

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

Loans receivable:

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

Other assets:

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

Total assets 785,909

LIABILITIES

Current liabilities:

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

Long-term liabilities:

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

Total liabilities 601,414

Commitments and contingent liabilities (Notes 8 and 12)

NET POSITION

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

Total net position \$ 184,495

See notes to financial statements.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2023

(In thousands of dollars)

OPERATING REVENUE:

Interest and fees on mortgage and construction loans and loans held for sale	\$ 22,986
Gain on sale of loans and mortgage-backed securities	3,789
Servicing revenue	5,861
Investment income, net	7,864
Housing management fees	7,780
Federal rental assistance programs	114,886
Grants and subsidies	184,228
Other	<u>599</u>
Total operating revenue	<u>347,993</u>

OPERATING EXPENSES:

Bond interest expense and debt financing costs	13,884
Administrative expenses	23,149
Loan origination expenses	2,401
Loan servicing expenses	3,100
Federal rental assistance programs	114,886
Grants and subsidies	200,635
Other	<u>262</u>
Total operating expenses	<u>358,317</u>

CHANGE IN NET POSITION

(10,324)

Net position, beginning of year

194,819

NET POSITION, END OF YEAR

\$184,495

See notes to financial statements.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF CASH FLOWS

Year Ended June 30, 2023

(In thousands of dollars)

Cash flows from operating activities:

Loan repayments received	\$ 43,832
Loan interest income and servicing revenue received	30,031
Proceeds from sale of loans and mortgage-backed securities	180,577
Federal rental assistance program receipts	114,886
Grants and subsidies receipts	184,228
Other receipts	54,643
Loan disbursements	(291,908)
Purchase of loan servicing rights	(1,087)
Payments to vendors	(11,732)
Payments to employees	(12,604)
Federal rental assistance program disbursements	(114,886)
Grants and subsidies disbursements	(200,635)
Other disbursements	<u>(29,664)</u>

Net cash used for operating activities (54,319)

Cash flows from noncapital financing activities:

Proceeds from issuance of bonds	164,366
Principal repayment of bonds	(45,670)
Proceeds from notes payable	191,032
Repayment of notes payable	(179,275)
Interest paid	<u>(11,770)</u>

Net cash provided by noncapital financing activities 118,683

Cash flows from capital and related financing activities:

Reductions to property and equipment	<u>(416)</u>
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Net cash used for capital and related financing activities (416)

Cash flows from investing activities:

Purchase of investment securities	(424,590)
Proceeds from sale and maturities of investment securities	323,203
Investment income received	<u>3,906</u>

Net cash used for investing activities (97,481)

Net decrease in cash and cash equivalents (33,533)

Cash and cash equivalents, beginning of year 50,001

Cash and cash equivalents, end of year \$ 16,468

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF CASH FLOWS (CONTINUED)

Year Ended June 30, 2023

(In thousands of dollars)

Reconciliation of change in net position to net

cash used for operating activities:

Change in net position \$ (10,324)

Adjustments to reconcile change in net position to net cash

used for operating activities:

Amortization of servicing rights 1,738

Mortgage loan servicing rights capitalized (1,087)

Depreciation of property and equipment 434

Investment income, net (7,864)

Bond interest expense and debt financing costs 13,884

Changes in operating assets and liabilities:

Loans receivable (66,471)

Loans held for sale (2,262)

Accrued interest – loans (370)

Other assets 23,196

Accrued and other liabilities (5,193)

Net cash used for operating activities \$ (54,319)

Supplemental disclosures of noncash information:

Real estate acquired through foreclosure \$ 1,271

See notes to financial statements. (Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

1. Organization and Nature of Operations

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

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

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

2. Summary of Significant Accounting Policies

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

2. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

2. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

2. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

3. Loans Receivable, Related Allowances, and Concentrations

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

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

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

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

4. Cash and Investments

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

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

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

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

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

4. Cash and Investments (Continued)

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

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

4. Cash and Investments (Continued)

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

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

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

5. Other Assets

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

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(In thousands of dollars)

6. Mortgage Loan Servicing Rights

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

7. Property and Equipment

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

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

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

8. Forward Commitments

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

8. Forward Commitments (Continued)

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

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

9. Bonds Payable

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

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9. Bonds Payable (Continued)

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

10. Notes Payable and Credit Facilities

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

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

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

11. Accrued and Other Liabilities

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

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(In thousands of dollars)

12. Commitments and Contingent Liabilities

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

12. Commitments and Contingent Liabilities (Continued)

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

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

13. Restricted Net Position

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

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

14. Grants and Subsidies

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

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(In thousands of dollars)

15. Employee Benefit Plans

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

16. Housing Management Fees

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

17. Fair Value Measurements

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

17. Fair Value Measurements (Continued)

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

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

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

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

18. Subsequent Events

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

PRELIMINARY
DRAFT

FOR REVIEW AND
SUPPLEMENTAL COMBINING SCHEDULES

DISCUSSION
PURPOSES ONLY

SUBJECT TO
CHANGE

NOT TO BE
REPRODUCED

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF STATEMENT OF NET POSITION

June 30, 2023

(In thousands of dollars)

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

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF STATEMENT OF NET POSITION (CONTINUED)

June 30, 2023

(In thousands of dollars)

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

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

Year Ended June 30, 2023

(In thousands of dollars)

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS

Year Ended June 30, 2023

(In thousands of dollars)

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

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)

Year Ended June 30, 2023

(In thousands of dollars)

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

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

(In thousands of dollars)

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

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

(In thousands of dollars)

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

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

Year Ended June 30, 2023

(In thousands of dollars)

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS – SINGLE FAMILY BOND PROGRAMS

Year Ended June 30, 2023

(In thousands of dollars)

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

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

Year Ended June 30, 2023

(In thousands of dollars)

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

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

(In thousands of dollars)

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

Year Ended June 30, 2023

(In thousands of dollars)

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

Year Ended June 30, 2023

(In thousands of dollars)

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

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

Year Ended June 30, 2023

(In thousands of dollars)

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

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

GINNIE MAE NET WORTH REQUIREMENT

June 30, 2023

(In thousands of dollars)

Adjusted net worth calculation:

Net position	\$184,495
Less unacceptable assets:	
Fair value of commitments	5
Mortgage loan servicing rights, net	<u>6,981</u>
Adjusted net worth for Ginnie Mae	177,509

Required net worth calculation:

Unpaid principal balance of securities outstanding	3,083
Outstanding balance of commitment authority issued and requested	<u>204</u>
Total outstanding portfolio and commitment authority	3,287
Required net worth for Ginnie Mae	<u>2,500</u>
Total required net worth for Ginnie Mae	<u>5,787</u>
Excess net worth for Ginnie Mae	<u>\$171,722</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

GINNIE MAE CAPITAL REQUIREMENT

June 30, 2023

(In thousands of dollars)

Capital requirement for depository institutions:

Tier 1 capital	\$ <u>N/A</u>	
Total capital	<u>N/A</u>	
Risk-based assets	<u>N/A</u>	
Total assets	<u>N/A</u>	
Tier 1 capital/total assets		<u>N/A</u> %
Tier 1 capital/risk-based assets		<u>N/A</u>
Total capital/risk-based assets		<u>N/A</u>
		Meets requirement?
5% of tier 1 capital/total assets	\$ <u>N/A</u>	<u>N/A</u>
6% of tier 1 capital/risk-based assets	<u>N/A</u>	<u>N/A</u>
10% of total capital/risk-based assets	<u>N/A</u>	<u>N/A</u>

Capital requirement for nondepository institutions:

Total adjusted net worth	\$ <u>177,509</u>	
Total assets	<u>\$785,909</u>	
		Meets requirement?
Total adjusted net worth/total assets	22.6%	<u>Yes</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

GINNIE MAE LIQUID ASSET REQUIREMENT

June 30, 2023

(In thousands of dollars)

Liquid asset calculation:

Required net worth \$ 5,787

Acceptable liquid assets

1. Cash and cash equivalents \$ 16,468

Total liquid assets \$ 16,468

Required liquid asset:

Meets requirement?

Excess (deficit) liquid \$ 10,681

(Total liquid assets/ required net worth) 284.6% Yes

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

GINNIE MAE INSURANCE REQUIREMENT

June 30, 2023

(In thousands of dollars)

Identification of affiliated Ginnie Mae issuers:

Affiliated Ginnie Mae issuers: None

Affiliated issuers on same insurance policies: None

Required insurance calculation:

Servicing portfolio:	
Ginnie Mae	\$ 880,848
Fannie Mae	319,571
Freddie Mac	—
Conventional (other)	<u>119,829</u>

Total servicing portfolio \$1,320,248

Required fidelity bond coverage \$ 1,376

Required mortgage servicing errors and omissions coverage \$ 1,376

Verification of insurance coverage:

Fidelity bond coverage at end of reporting period \$ 4,000

Mortgage servicing errors and omissions coverage at end of reporting period \$ 3,000

Excess (deficit) insurance coverage:

Fidelity bond coverage \$ 2,624

Required mortgage servicing errors and omissions coverage \$ 1,624

Ginnie Mae loss payable endorsement:

Fidelity bond coverage Yes

Mortgage servicing errors and omissions coverage Yes

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Members of
New Hampshire Housing Finance Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New Hampshire Housing Finance Authority (NH Housing), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise NH Housing's basic financial statements as listed in the table of contents, and have issued our report thereon dated September 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered NH Housing's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NH Housing's internal control. Accordingly, we do not express an opinion on the effectiveness of NH Housing's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Members of
New Hampshire Housing Finance Authority

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether NH Housing's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Manchester, New Hampshire
September 28, 2023

**PRELIMINARY
DRAFT**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Members of
New Hampshire Housing Finance Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New Hampshire Housing Finance Authority's (NH Housing) compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of NH Housing's major federal programs for the year ended June 30, 2023. NH Housing's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, NH Housing complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of NH Housing and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of NH Housing's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to NH Housing's federal programs.

To the Members of
New Hampshire Housing Finance Authority

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on NH Housing's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about NH Housing's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding NH Housing's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of NH Housing's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of NH Housing's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

To the Members of
New Hampshire Housing Finance Authority

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of NH Housing as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise NH Housing's basic financial statements. We have issued our report thereon, dated September 28, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Manchester, New Hampshire
September 28, 2023

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Grant/Contract/ Pass-Through Identifying Number</u>	<u>Expenditures</u>	<u>Amounts Passed Through to Subrecipients</u>	<u>Beginning Balance, Loan Guarantees</u>	<u>Total</u>
Federal Grants						
U.S. Department of Housing and Urban Development Lower Income Housing Assistance Programs:						
Housing Voucher Cluster:						
Section 8 Housing Choice Vouchers	14.871	NH901VO	\$ 47,125,236	\$ 524,558	\$ -	\$ 47,125,236
Section 8 Housing Choice Vouchers – amounts received from other entities	14.871	NH901VO	934,267	-	-	934,267
COVID-19 Emergency Housing Vouchers	14.871	NH901EH/ NH901EF/ NH901EC/ NH901EI	1,763,147	-	-	1,763,147
Mainstream Vouchers	14.879	NH901DV	3,705,902	-	-	3,705,902
Mainstream Vouchers – amounts received from other entities	14.879	NH901DV	4,576	-	-	4,576
Total Housing Voucher Cluster			53,533,128	524,558	-	53,533,128
Section 8 Project Based Cluster:						
Section 8 Special Allocations	14.195	NH800	66,133,766	-	-	66,133,766
Section 8 Moderate Rehabilitation	14.856	NH901MR	846,406	-	-	846,406
Total Section 8 Project Based Cluster			66,980,172	-	-	66,980,172
Section 811 Project Rental Assistance Program	14.326	NH36DRD1301/ NH36DRDD1301	2,034,356	-	-	2,034,356
Family Self-Sufficiency Program	14.896	FSS21NH3835-01-00/ FSS22NH4268	250,875	-	-	250,875
HOME Investment Partnerships Program	14.239	MM21-SP330100/ MM2-SG330100	6,037,039	-	-	6,037,039
Housing Counseling Grant Assistance Program	14.169	HC210341001/ HC220341004	223,423	-	-	223,423
Housing Trust Fund	14.275	F22-SG330100	3,627,750	-	-	3,627,750
Lead-Based Paint Hazard Control in Privately Owned Housing	14.900	NHLHB0782-20	1,693,222	-	-	1,693,222
Total U.S. Department of Housing and Urban Development			134,379,965	524,558	-	134,379,965
U.S. Department of the Treasury:						
Pass-through from State of New Hampshire Governor's Office of Emergency Relief and Recovery:						
COVID-19 – Emergency Rental Assistance Program	21.023	ERA0012/ERA0435/ ERAE0119	126,461,275	126,110,359	-	126,461,275
COVID-19 – Homeowner Assistance Fund Program	21.026	HAF0014	16,263,889	-	-	16,263,889
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP0145	12,536,554	12,413,440	-	12,536,554
Total U.S. Department of the Treasury			155,261,718	138,523,799	-	155,261,718
Total Federal Grants			289,641,683	139,048,357	-	289,641,683
Loan Guaranty Programs						
U.S. Department of Housing and Urban Development						
Ginnie Mae Mortgage-Backed Security Program	14.000	N/A	133,300,874	-	832,180,317	965,481,191
Total Loan Guaranty Programs			133,300,874	-	832,180,317	965,481,191
Total Expenditures of Federal Awards			\$ 422,942,557	\$ 139,048,357	\$ 832,180,317	\$ 1,255,122,874

See notes to the Schedule of Expenditures of Federal Awards.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

1. Reporting Entity

New Hampshire Housing Finance Authority (NH Housing) is the reporting entity. NH Housing administers certain federal awards through subrecipients. These subrecipients are not considered part of the reporting entity.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of NH Housing under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of NH Housing, it is not intended to and does not present the financial position, changes in net position, or cash flows of NH Housing.

3. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. NH Housing administers all of its program costs and determines its indirect cost rate according to the Uniform Guidance.

4. Loan Guaranty Program

Loan guaranty programs in the accompanying Schedule consist of the beginning principal balance of loans and loans securitized in the Ginnie Mae Mortgage-Backed Security Program in the current year that have ongoing compliance requirements. The following is a summary of changes in federal loan guaranty balances for the year ended June 30, 2023:

<u>Program Title</u>	<u>Assistance Number</u>	<u>June 30, 2022 Balance</u>	<u>Fiscal Year 2023 Originations</u>	<u>Fiscal Year 2023 Repayments</u>	<u>June 30, 2023 Balance</u>
Ginnie Mae Mortgage-Backed Security Program	14.000	<u>\$832,180,317</u>	<u>\$133,300,874</u>	<u>\$84,632,724</u>	<u>\$880,848,467</u>

5. Indirect Cost Rate

NH Housing has not elected to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

I. Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None Reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of Major Programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.000	Ginnie Mae Mortgage-Backed Security Program
14.871 and 14.879	Housing Voucher Cluster: Section 8 Housing Choice Vouchers Section 8 Housing Choice Vouchers – amounts received from other entities COVID-19 – Section 8 Housing Choice Vouchers COVID-19 – Emergency Housing Vouchers Mainstream Vouchers Mainstream Vouchers – amounts received from other entities
21.023	COVID-19 – Emergency Rental Assistance Program
21.026	COVID-19 – Homeowner Assistance Fund Program
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2023

I. Summary of Auditors' Results (Continued)

Dollar threshold used to distinguish Type A and Type B programs: \$3,000,000

Auditee qualified as a low-risk auditee: Yes

II. Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*:

No matters were reported.

III. Federal Award Findings and Questioned Costs

Findings required to be reported in accordance with 2 CFR 200.516(a):

No matters were reported.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2023

II. Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*:

No matters were reported.

III. Federal Award Findings and Questioned Costs

Findings required to be reported in accordance with 2 CFR 200.516(a):

No matters were reported.

TAB

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New Hampshire Housing Finance Authority
Board of Directors

<p>Chris Norwood, Chair cnorwood@nainorwoodgroup.com</p> <p>603-475-5567 (c) 603-772-5523 (o)</p>	<p>Sarah Marchant, Vice Chair smarchant@communityloanfund.org</p> <p>603-589-3075 (c) 603-224-6669 ext 701 (o)</p>
<p>Derek Ferland dferland@sullivancountynh.gov</p> <p>618-447-0243 (c) 603-863-2560 (o)</p>	<p>Donna M. Marsh dmarchcom@comcast.net</p> <p>603-772-5523 (o) 603-475-5567 (c)</p>
<p>Patricia A. Morin (Tricia) tricia@tarkka.com</p> <p>603-305-4705 (c) 603-686-6372 (o)</p>	<p>Anthony Poore antpoore@gmail.com</p> <p>603-661-9365 (c)</p>
<p>Michael Scala michael.scala@rochesternh.gov</p> <p>603-335-7522 (o)</p>	<p>Michael Skelton (Mike) mskelton@biaofnh.com</p> <p>603-224-5388 ext 111 (o) 603-785-6611 (c)</p>
<p>Evelyn Whelton ewhelton@roadrunner.com</p> <p>603-455-4467 (c)</p>	

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New Hampshire Housing Finance Authority

Board and Committee Meetings

Meeting Dates 2024

9:15 a.m. Finance & Administration Committee 11:00 a.m. Homeownership Committee 12:30 p.m. Multifamily Housing Committee Executive Committee (scheduled as needed)	Board of Directors 10:30 a.m.
Wednesday, January 17, 2024	Thursday, January 25, 2024
Wednesday, February 14, 2024	Thursday, February 22, 2024
Wednesday, March 20, 2024	Thursday, March 28, 2024
Wednesday, April 10, 2024	Thursday, April 18, 2024
Wednesday, May 15, 2024	Thursday, May 23, 2024
Tuesday, June 18, 2024*	Thursday, June 27, 2024
<i>July – No Committee Meeting Scheduled</i>	<i>No Board Meeting Scheduled</i>
Wednesday, August 14, 2024	Thursday, August 22, 2024
Wednesday, September 18, 2024	Thursday, September 26, 2024
Wednesday, October 16, 2024	Thursday, October 24, 2024
<i>November – No Committee Meeting Scheduled</i>	<i>No Board Meeting Scheduled</i>
Wednesday, December 4, 2024	Thursday, December 19, 2024

**Please note the new day for this meeting due to the Juneteenth holiday*

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**NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
BOARD OF DIRECTORS
COMMITTEE ASSIGNMENTS FY 2024**

September 2023

Executive Committee

Chair: Chris Norwood
Sarah Marchant
Patricia Morin
Anthony Poore
Michael Skelton

Finance and Administration Committee

Chair: Michael Skelton
Donna Marsh
Evelyn Whelton

Homeownership Committee

Chair: Anthony Poore
Derek Ferland
Evelyn Whelton

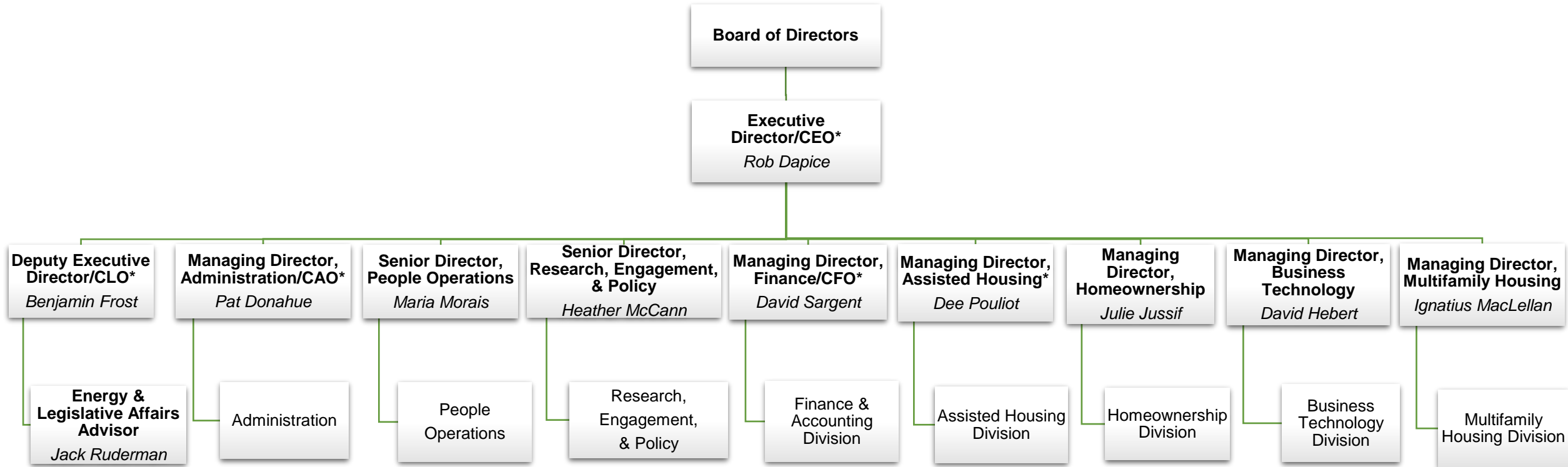
Multi-Family Housing Committee

Chair: Patricia Morin
Sarah Marchant
Michael Scala

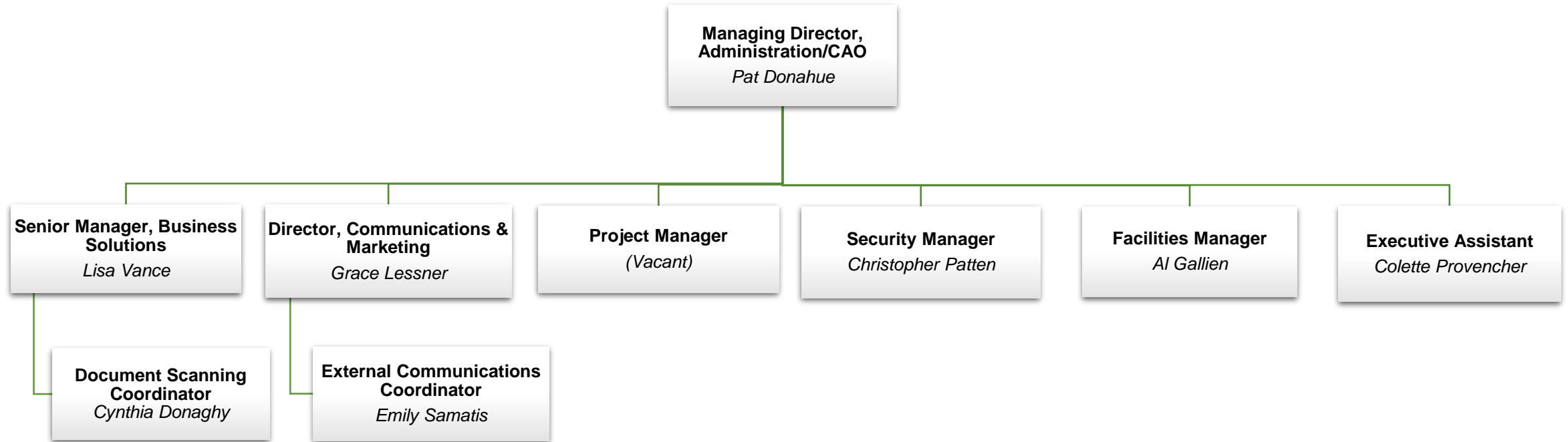
TAB

6

Organization Chart



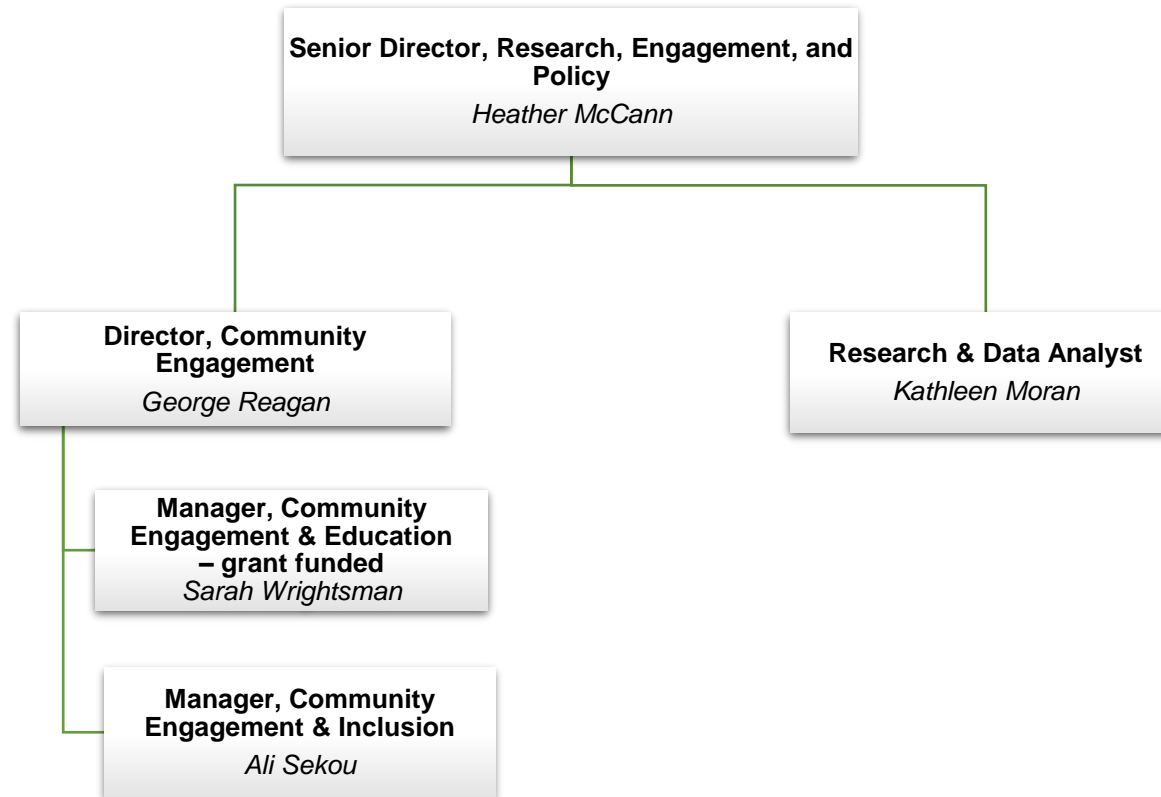
Executive Division Administration Group (1 of 3)



Executive Division People Operations Group (2 of 3)

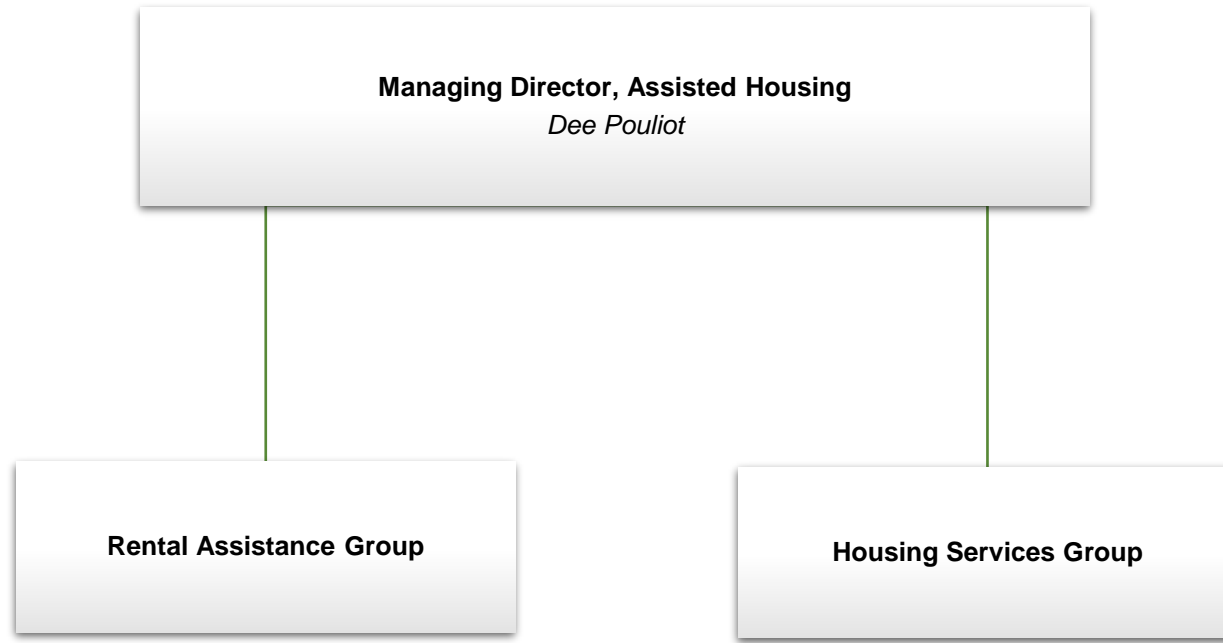


Executive Division Research, Engagement, & Policy Group (3 of 3)

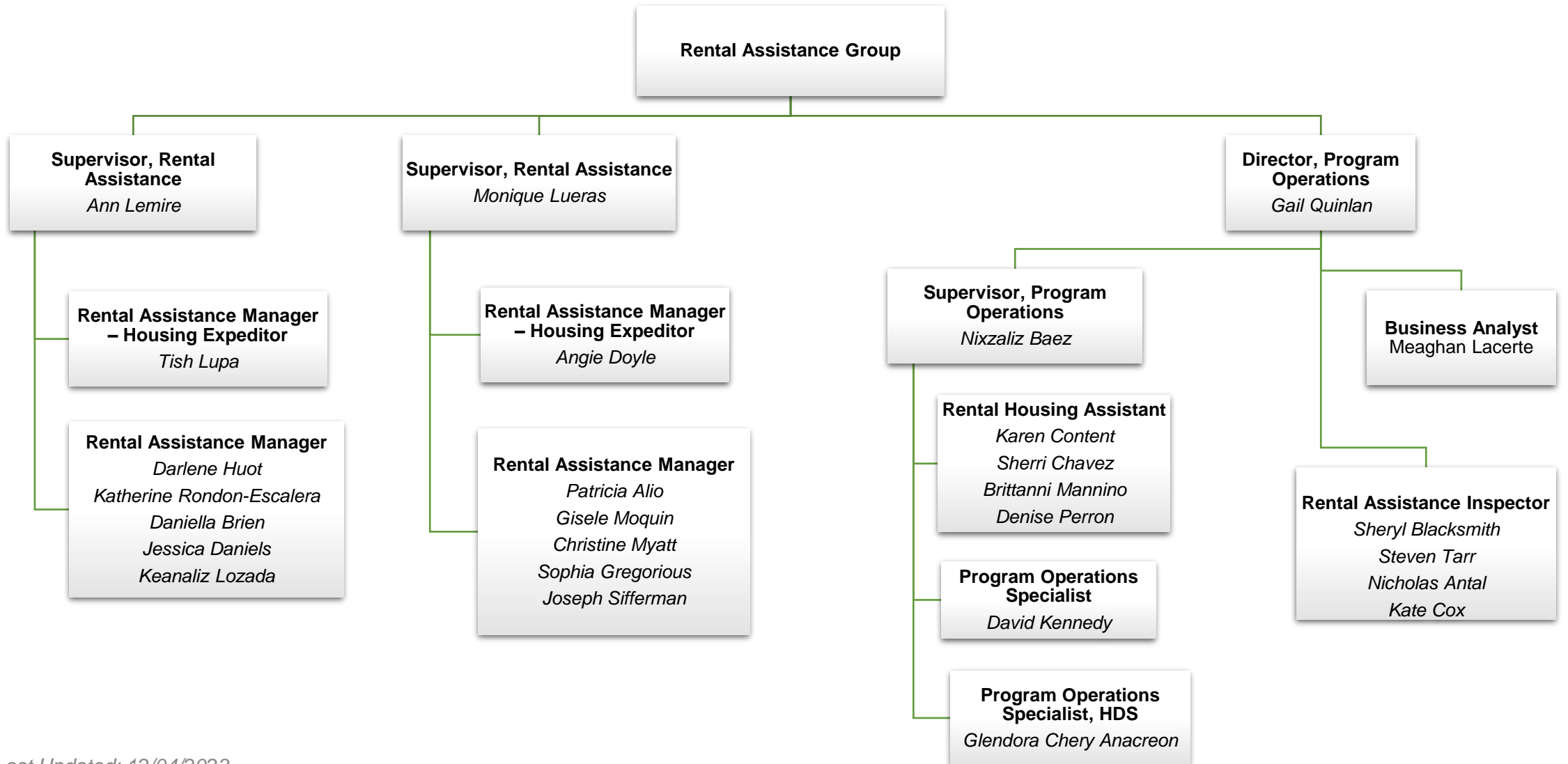


Assisted Housing Division

(1 of 3)

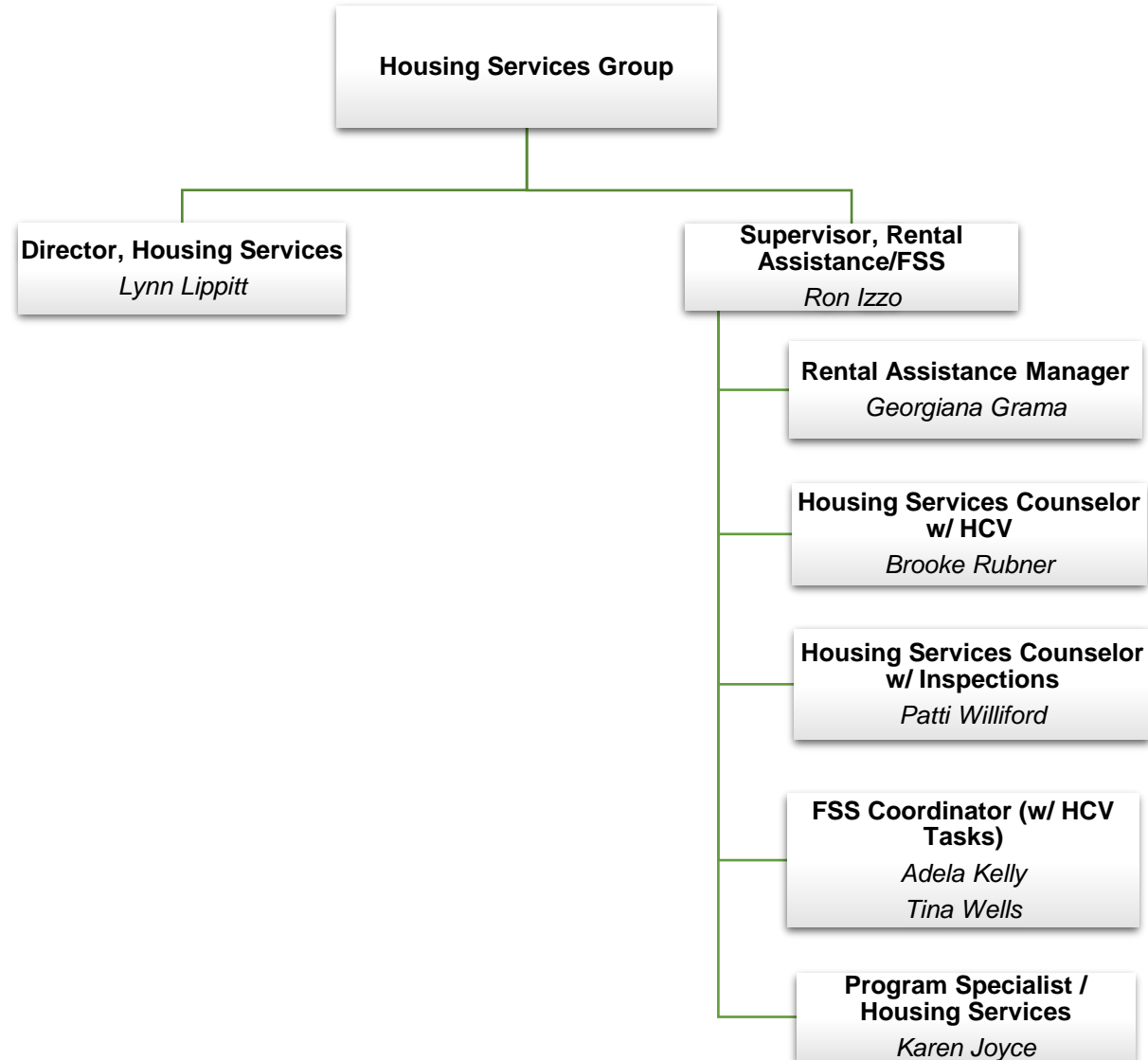


Assisted Housing Division Rental Assistance Group (2 of 3)



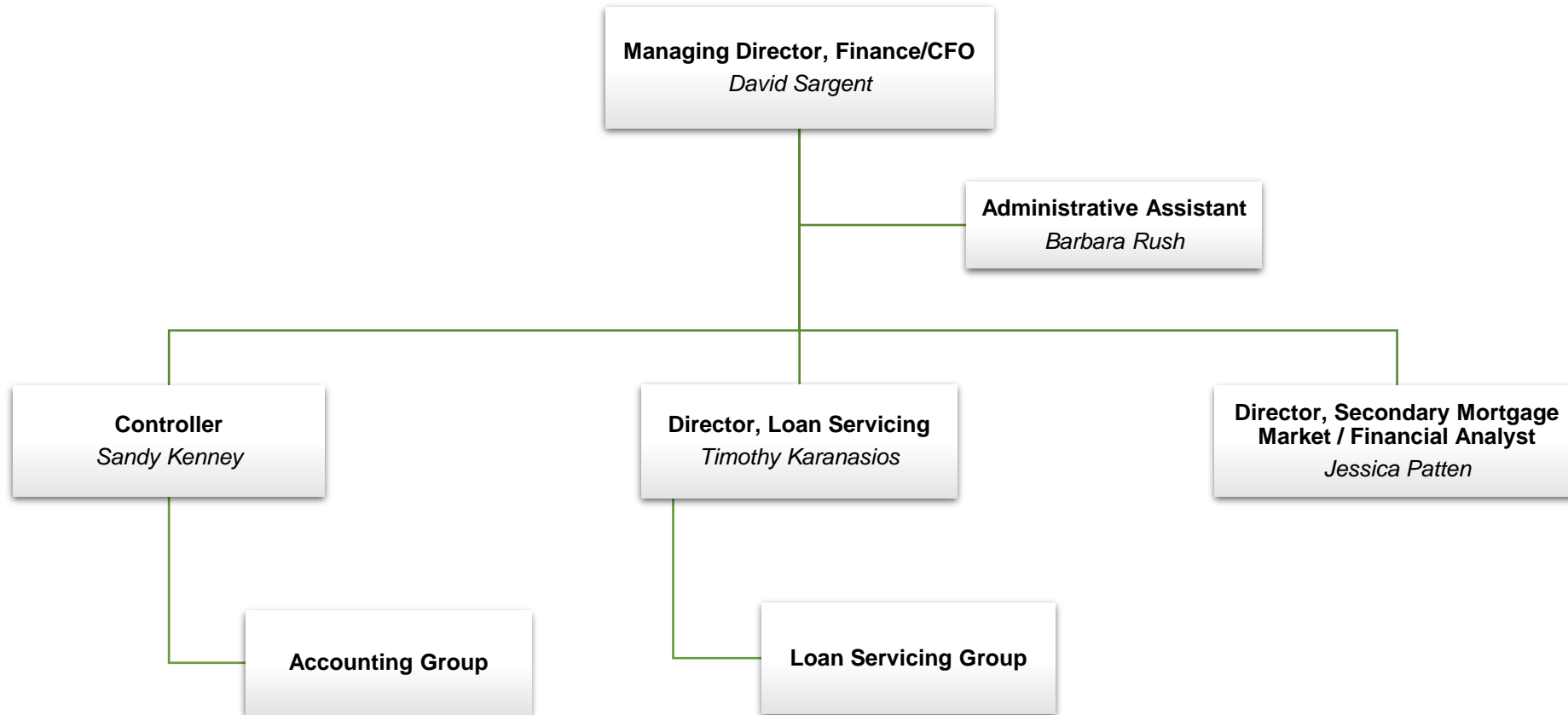
Assisted Housing Division Housing Services Group

(3 of 3)

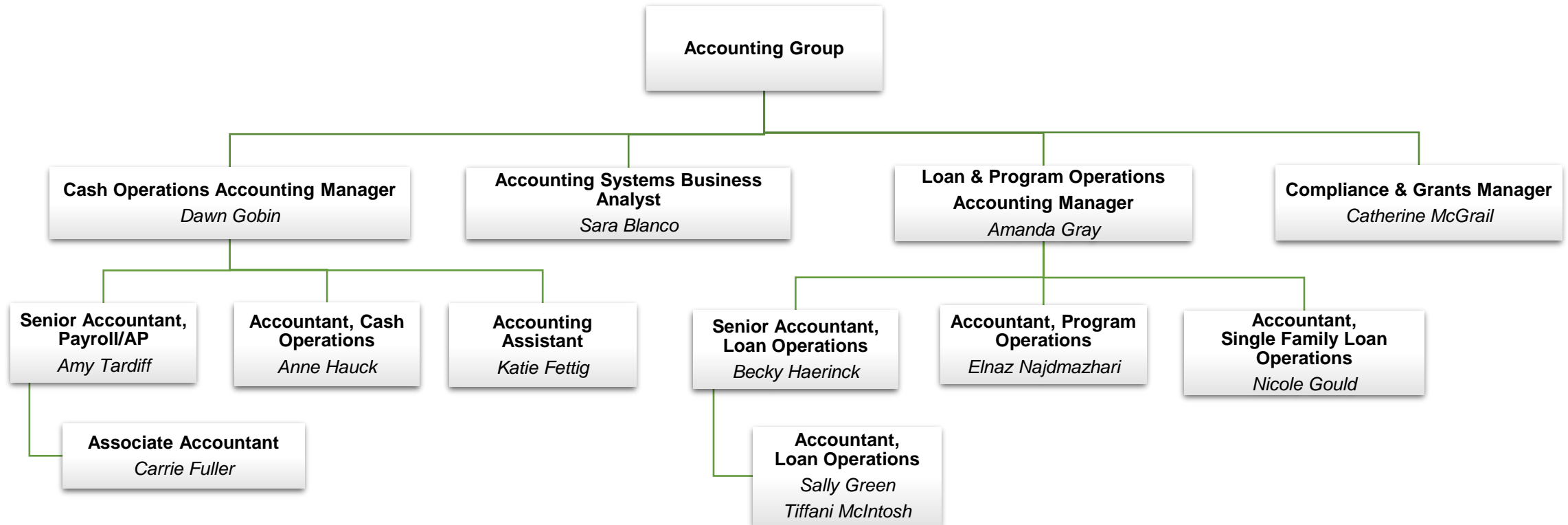


Finance & Accounting Division

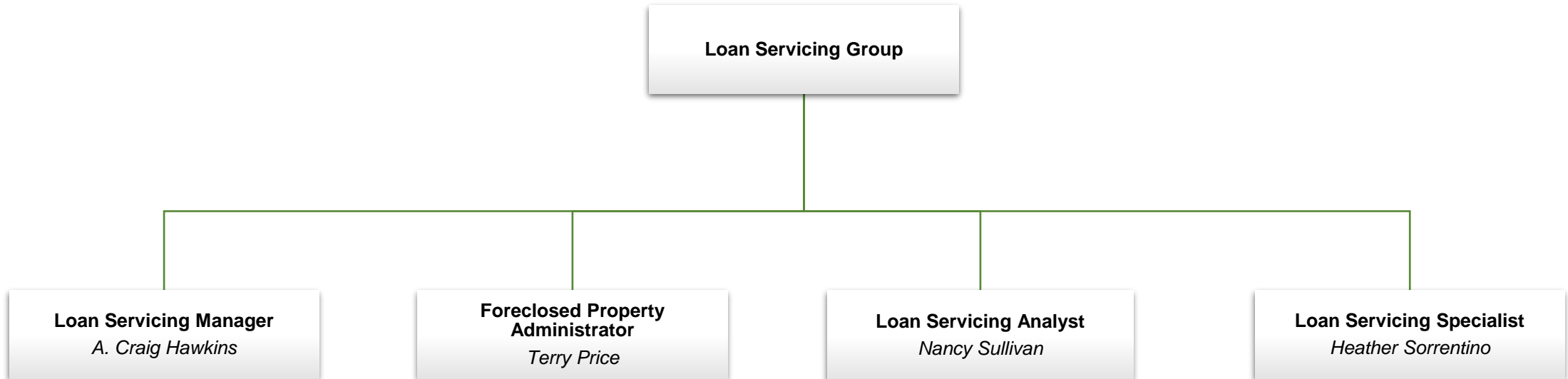
(1 of 3)



Finance & Accounting Division Accounting Group (2 of 3)



Finance & Accounting Division
Loan Servicing Group
(3 of 3)



Homeownership Division

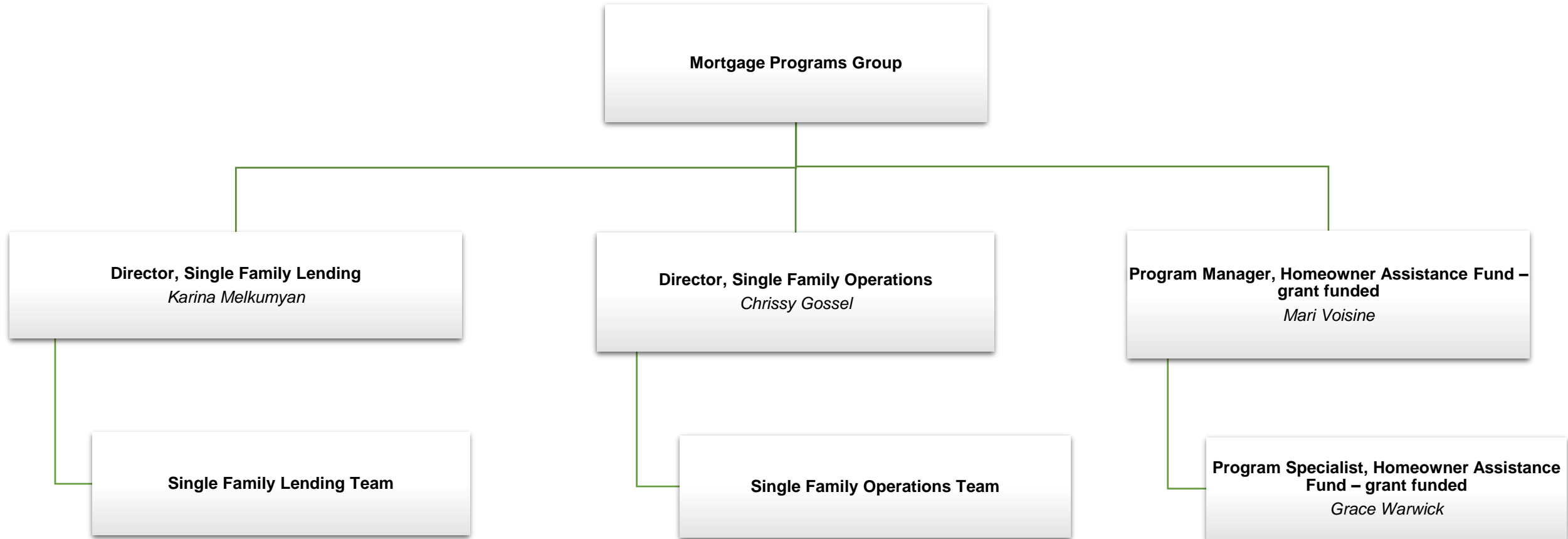
(1 of 5)

Managing Director, Homeownership
Julie Jussif

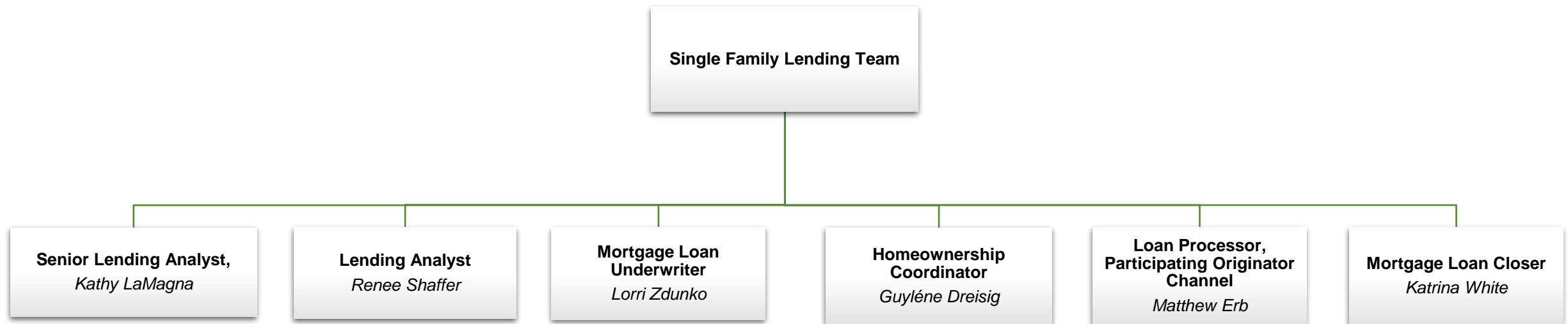
Mortgage Programs

Homeownership Education

Homeownership Division Mortgage Programs Group (2 of 5)

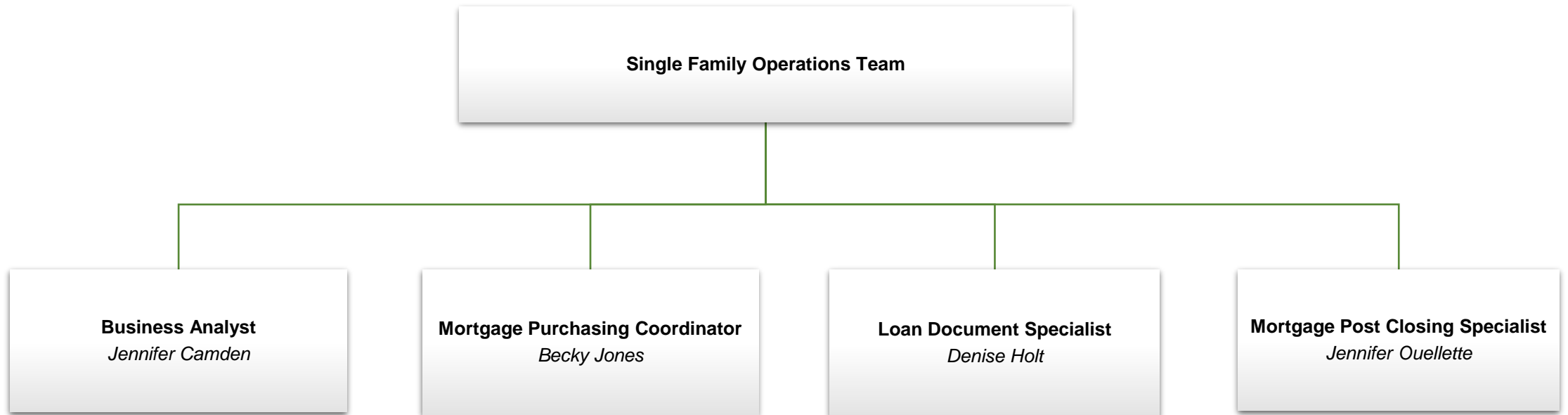


Homeownership Division Mortgage Programs Group (3 of 5)



Homeownership Division Mortgage Programs Group

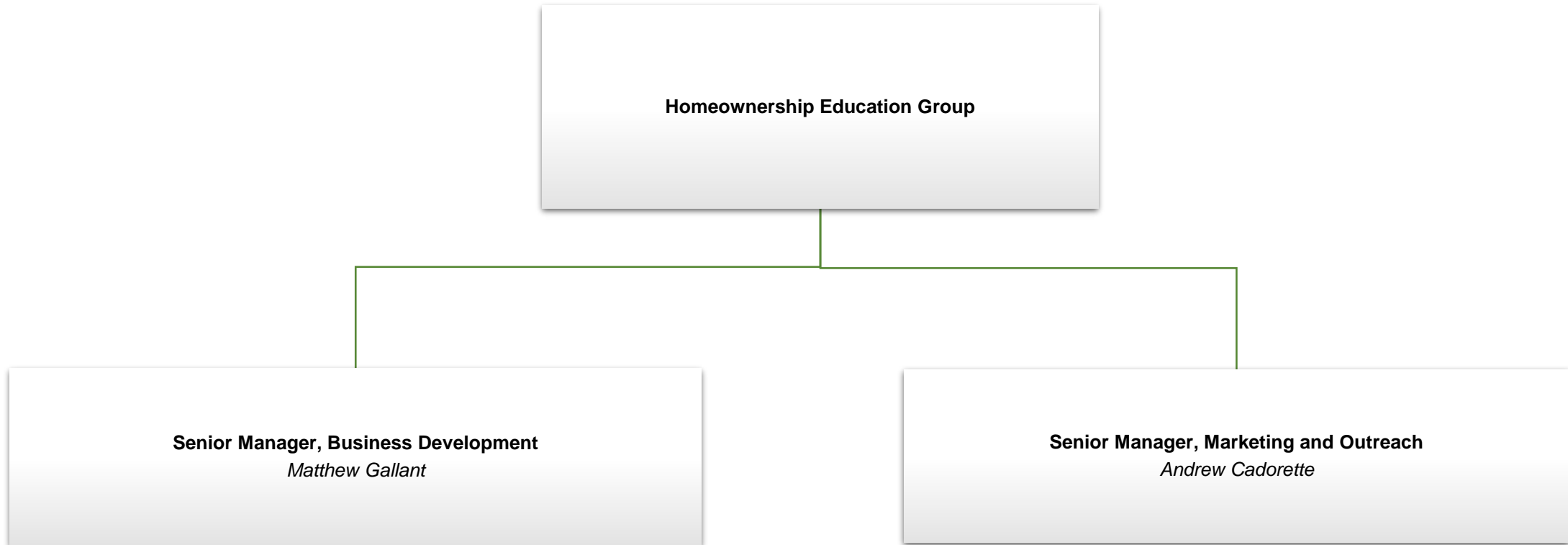
(4 of 5)



Homeownership Division

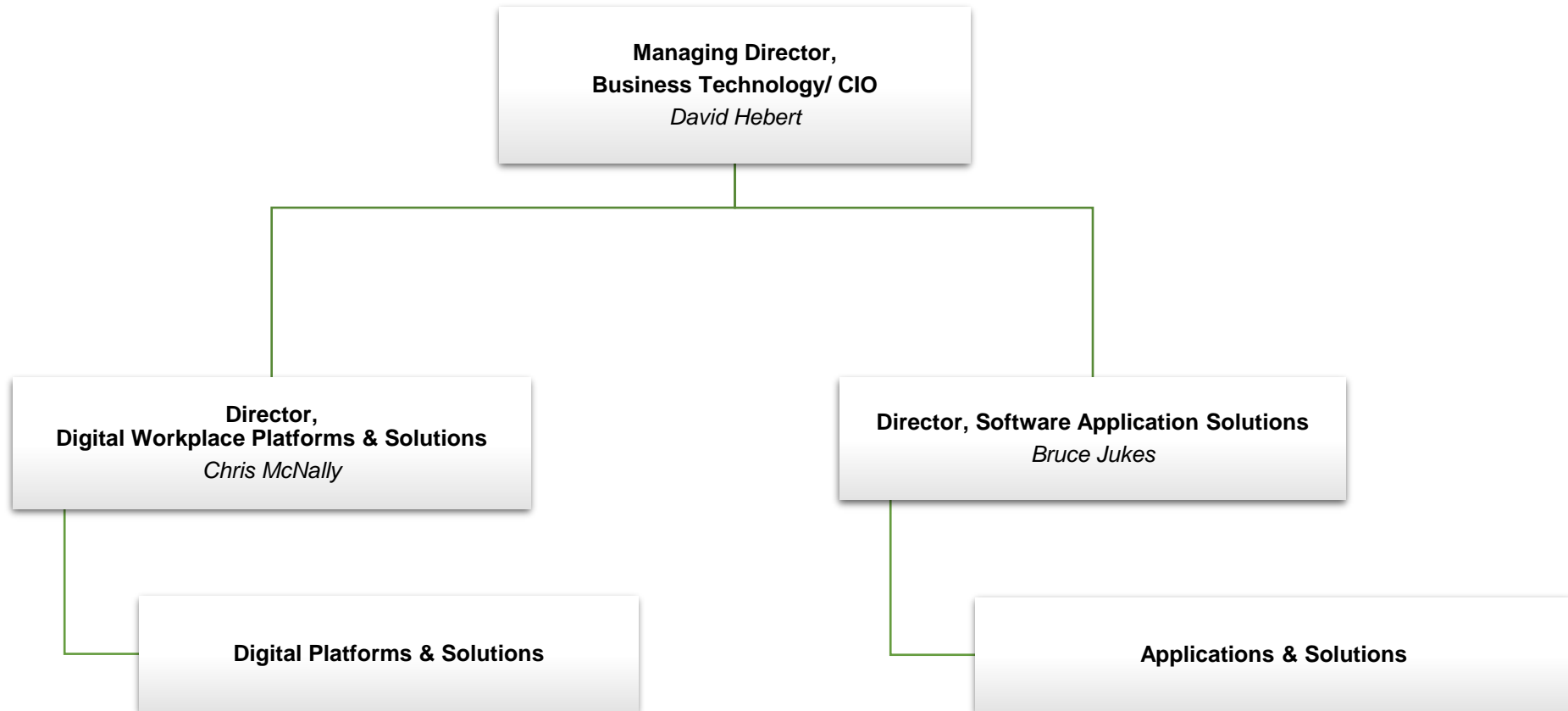
Homeownership Education Group

(5 of 5)

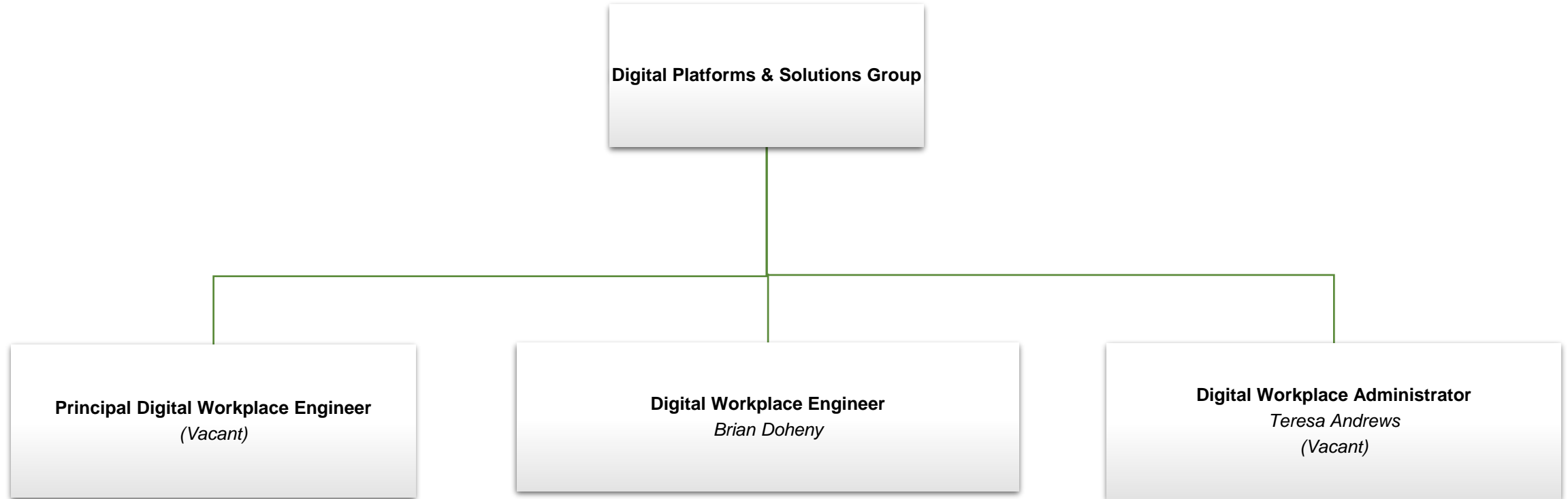


Business Technology Division

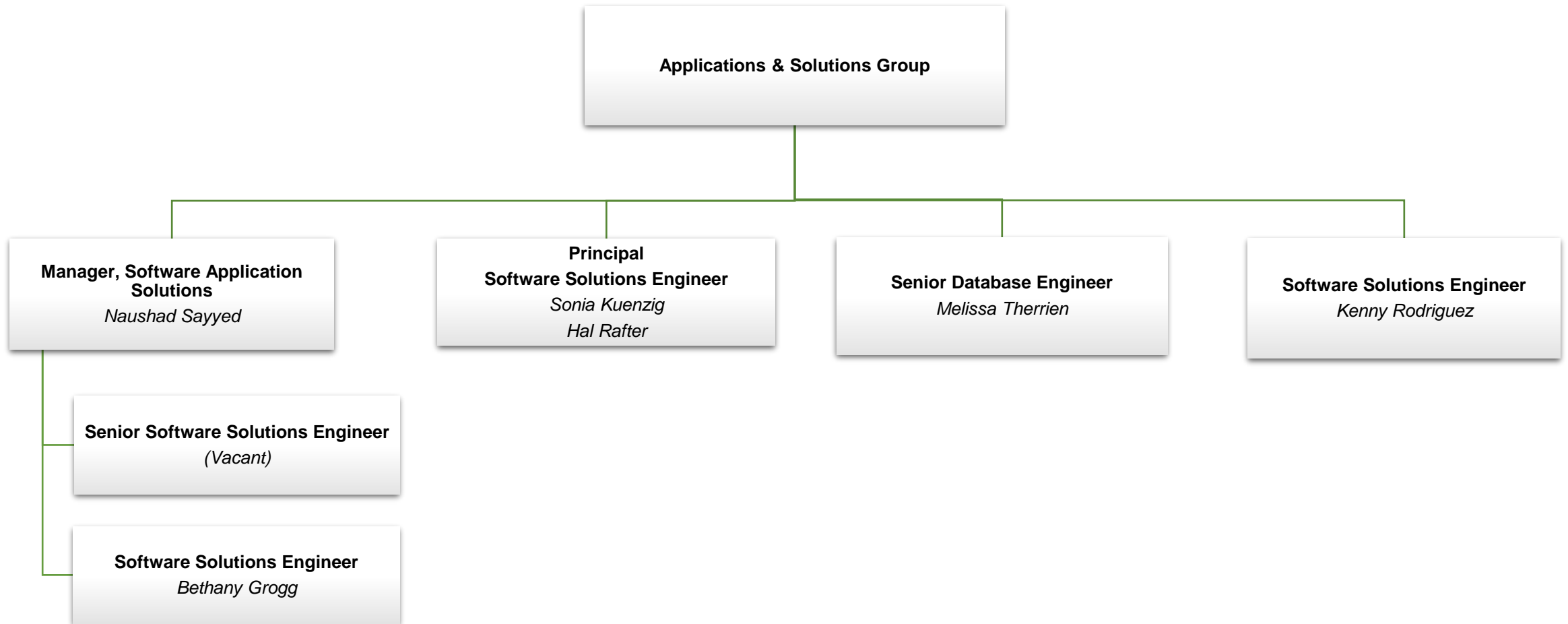
(1 of 3)



Business Technology Division Digital Platforms & Solutions Group *(2 of 3)*

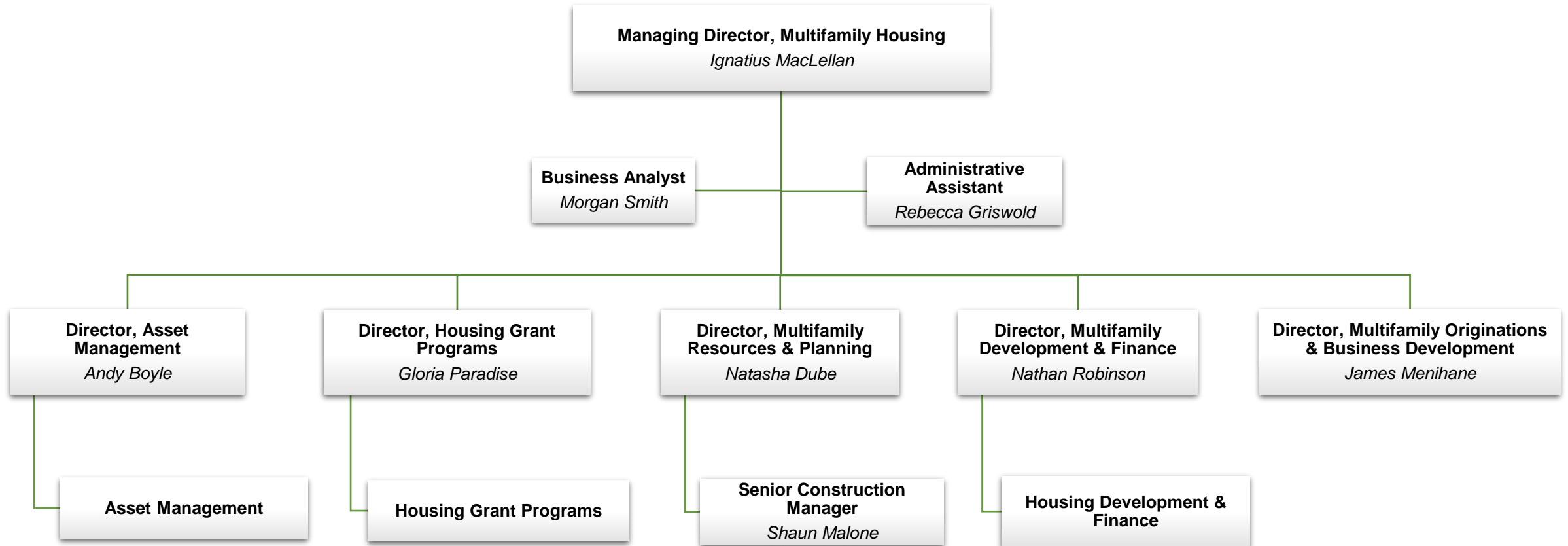


Business Technology Division Applications Solutions Group (3 of 3)

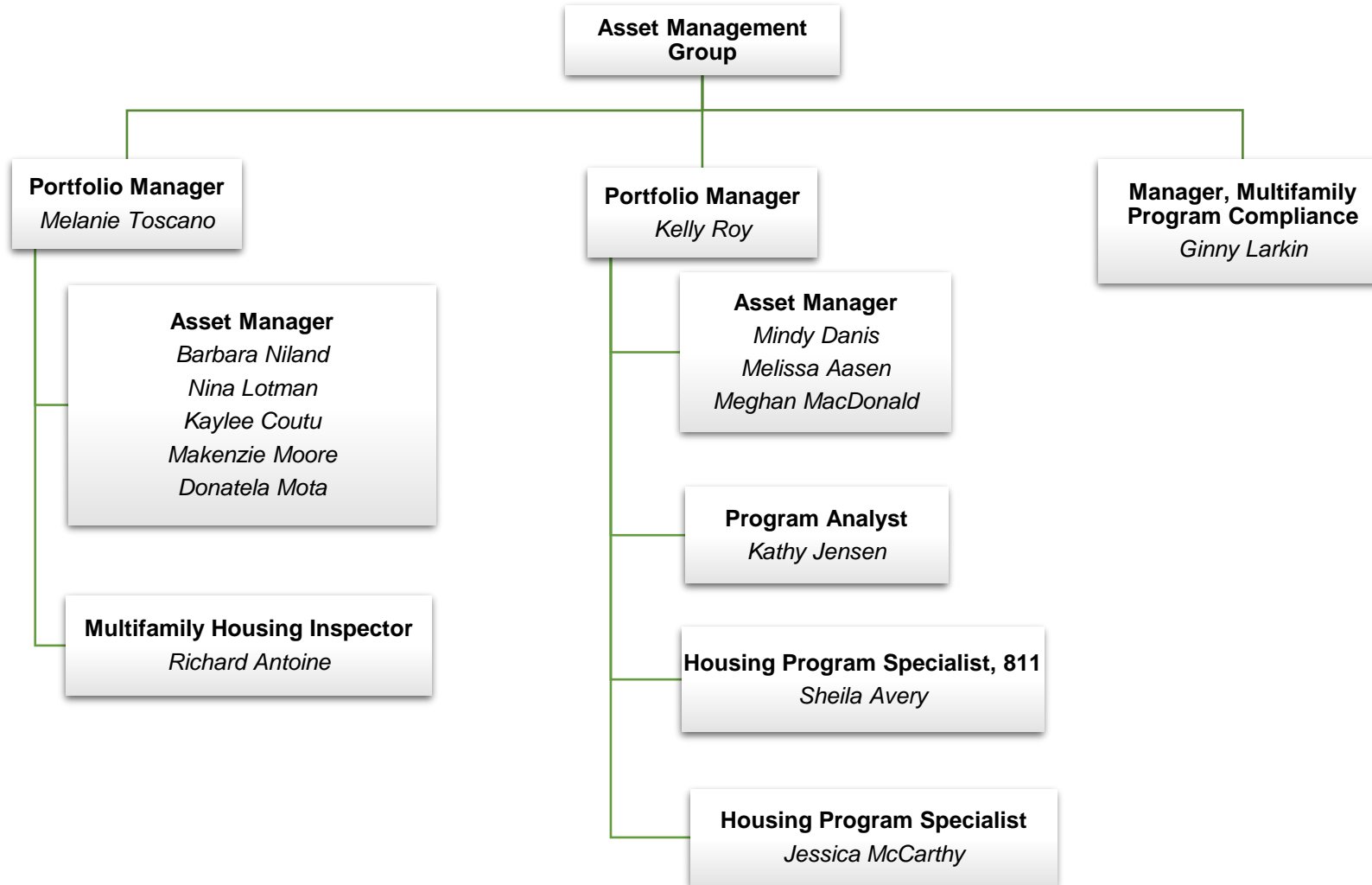


Multifamily Housing Division

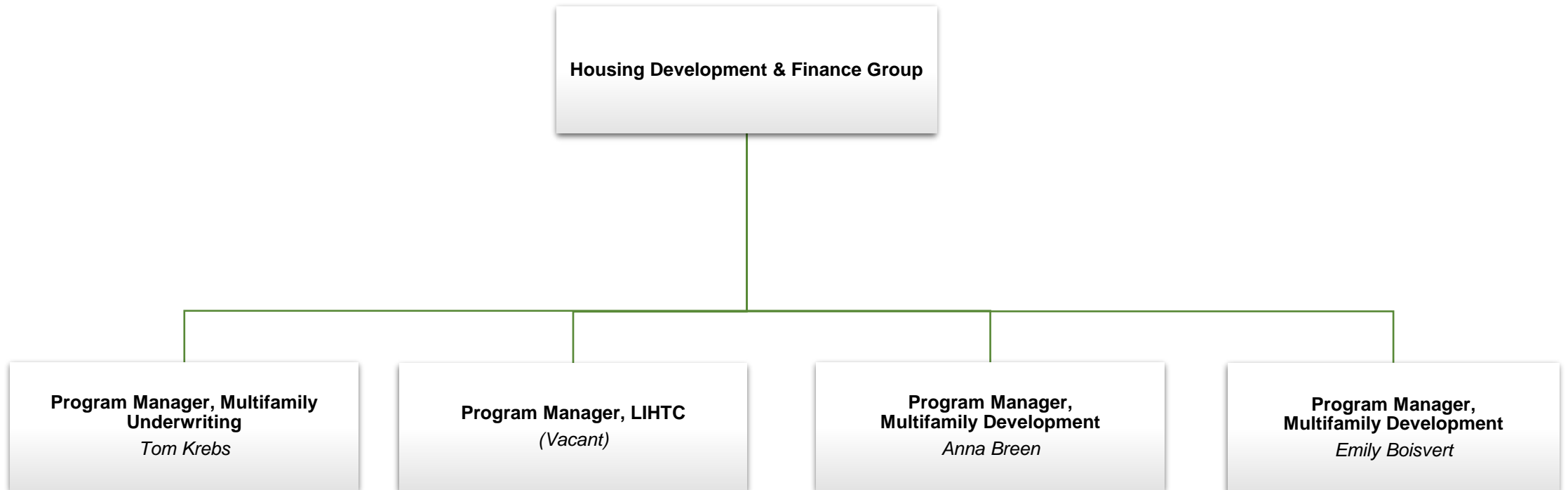
(1 of 4)



Multifamily Housing Division Asset Management Group (2 of 4)



Multifamily Housing Division Housing Development & Finance Group (3 of 4)



Multifamily Housing Division Housing Grant Programs Group

(4 of 4)

