

April 28, 2026 Board Packet

Agenda - 04-28-2026	1
Minutes - 03-17-2026	2
Sole Source Procurement Request - Sante Fe Community College	6
Sole Source Procurement Request - PSH Research	7
Audit Committee Report to the Board - April 2026	9
Bd Memo on QAP (Public Hearing Preparation)	11
2027-2028 QAP - CLEAN - Accessible	14
Memo Regarding HEAP Rule and State Plan	65
HEAP Rule (Chapter 24) DRAFT	67
LIHEAP Model Plan DRAFT	101
Memo on Investment Program Bond Resolution	154
General Housing Investment Program Resolution	155
2025 Budget & Audit Results Report	219
Asset Mangement	312
Development	314
Energy and Housing Services	321
Finance Monthly Activity Report	324
Financial & Budget Report	325
Finance Delinquency Report and Charts	333
Homeless Initiatives	342
Homeownership	349
Housing Choice Vouchers	353
Human Resources	355
Information Technology	356
Planning and Research	358
2026-2027 Rolling Calendar	366



Board of Commissioners Meeting – April 28, 2026, 9:00 a.m. to 12:00 p.m.

MEMBERS OF THE BOARD: Frank O'Hara (Chair), Daniel Brennan, Joseph Perry, Laura Buxbaum (Vice Chair), Nancy Harrison, Elizabeth Dietz (Secretary), Renee Lewis, Noël Bonam, Paul Shepherd and Melissa Hue

9:00	Adopt Agenda (VOTE)	All
	Remote Commissioners	Frank O'Hara
	- Reason remote	
	- Any other persons at their location	
	Approve minutes of March 17, 2026, meeting (VOTE)	All
	Communications and Conflicts	All
	Chair of the Board Updates	Frank O'Hara
9:15	Director Updates	Dan Brennan
9:30	QAP Public Hearing	Adam Krea/Ashley Carson
9:45	Legislative Update	Erik Jorgensen
10:15	Commence Rulemaking HEAP Rule (VOTE)	Sarah Johnson/Bobbi Crooker
10:30	Vote on New 2 nd Lien Bond Resolution (VOTE)	Adam Krea/Tom Cary
10:45	AI Update Presentation	Craig Given
11:15	2025 Budget and Audit Report	Darren Brown/Jason Emery
	<u>Department Reports:</u>	All
	Asset Management	
	Development	
	Energy and Housing Services	
	Finance Monthly Report	
	Financial & Budget Report	
	Finance Delinquency Report & Charts	
	Homeless Initiatives	
	Homeownership	
	Housing Choice Vouchers	
	Human Resources & Facilities	
	Information Technology	
	Planning and Research	
	2026-2027 Board Calendar	
11:45	EXECUTIVE SESSION (VOTE)	All
	Adjourn (VOTE)	All

The next meeting of the Board is scheduled for May 19, 2026
virtually and in person at 26 Edison Drive, Augusta, Maine



Minutes of the Board of Commissioners Meeting March 17, 2026

MEETING CONVENED

A meeting of the Board of Commissioners for MaineHousing convened on March 17, 2026, at the offices of MaineHousing, 26 Edison Drive, Augusta, Maine and virtually. Notice of the meeting was published on March 6, 2026, in Central Maine newspapers. Notice of Board of Commissioners meetings are also on MaineHousing's website at www.mainehousing.org.

Chair Frank O'Hara called the meeting to order at 9:00 a.m. Director Dan Brennan, Commissioners Paul Shepherd, Melissa Hue, and Noël Bonam attended in person. Commissioner Renee Lewis attended remotely due to her schedule, she was alone at her location. State Treasurer Joseph Perry attended remotely due to illness, he was alone at his location. Commissioners Nancy Harrison, Laura Buxbaum, and Elizabeth Dietz were absent. There was a quorum present.

PUBLIC ATTENDANCE

Guests and staff present for all or part of the meeting included: Jamie Johnson, Senior Director of Operations; Ashley Carson, Chief Counsel; Adam Krea, Senior Director of Finance and Lending; Craig Given, Director of Information Technology; Allison Gallagher, Director of Housing Choice Vouchers; Tom Cary, Treasurer; Patricia Harriman, Director of Homeownership; Kelly Watson, Director of Homeless Initiatives; Laurie Warzinski, Director of Asset Management; Erik Jorgensen, Senior Director of Government Relations & Communications; Sarah Johnson, Manager of HEAP; Linda Grotton, Director of Audit; Bobbi Crooker, Director of Energy and Housing Services; Jonny Kurzfeld, Director of Planning and Research; Scott Thistle, Communications Director; Kim Ferenc, Manager of Housing Services; DeAnna Trask, Weatherization Program Officer; Bill Glover, LIHTC Programs Manager; Kimberly Whitley, Portfolio Manager; Daniel Drost, Human Resources and Program Training Coordinator; Kyla Viger, Data Analyst; Andrew Thomas, Help Desk Analyst II, Laura Mitchell, Maine Affordable Housing Coalition; Erin Ferrell, Maine Department of Energy Resources; Ross Anthony, Maine Department of Energy Resources; Denice Conary, Penquis; A.M.K., resident of Scarborough; and Jack Watson, Paralegal and Note taker.

ADOPT AGENDA

Commissioner Paul Shepherd made a motion seconded by Commissioner Melissa Hue to adopt the March 17, 2026, agenda. The vote carried unanimously.

APPROVE MINUTES OF FEBRUARY 17, 2026, MEETING

Commissioner Paul Shepherd made a motion seconded by Commissioner Melissa Hue to accept the February 17, 2026, minutes as written.

COMMUNICATIONS AND CONFLICTS

None

CHAIR OF BOARD UPDATES

- Chair Frank O'Hara said he and Commissioner Laura Buxbaum have been preparing their annual evaluation of Director Brennan, which they will officially conduct at the board meeting next month.
- Attended very informative MEREDA conference with several MaineHousing staff.

DIRECTOR UPDATES

Director Brennan summarized recent issues, and his activities as follows:

- Director Brennan shared MaineHousing has put together a very nice memorial sentiment for Dan Simpson, the former MaineHousing Public Information Director for almost 30 years who passed away recently. Erik Jorgensen will help pass it over to the legislature to get it recorded into the House and Senate calendars as a tribute to him.
- Despite joining a successful federal lawsuit against the HUD issued notice of funding for the Continuum of Care that decimated rental assistance vouchers, HUD asked the court to remove the injunction as Congress passed a budget telling them to continue. The court denied the request from HUD, but HUD is now appealing.
- HEAP is undersubscribed as of March, which is surprising as the last two years we have been oversubscribed. We are informing the public that we still have assistance available.
- The CAP agencies are understaffed right now and so we are looking at ways to help them.
- Congress is on the verge of potentially passing the 21st Century Road to Housing bill. The President says he is supportive of this bill but said he will not sign any federal legislation until the SAVE Act is passed.
- City of Auburn reached out to discuss the Governor's supplemental budget.
- Went to Farmington for the ribbon cutting at Edgewater Village.
- Attended MEREDA conference where AI was discussed heavily.
- Craig Given will talk to the Board next month about AI.
- Went to Orono to celebrate the preservation of an RD 515 project, Mainview Apartments.
- Attended groundbreaking at Scittery Woods in Falmouth, an AHOP Project with 48 units.
- Went to FHLBB meeting. At the meeting there was talk about decreasing regulations.
- Visited with Natural Helpers a civic leadership engagement fellowship that is run through Commissioner Hue's office. Answered many questions about MaineHousing while there.

DOE WEATHERIZATION STATE PLAN PUBLIC HEARING

Chief Counsel, Ashley Carson and Manager of Housing Services, Kim Ferenc conducted the public hearing for the DOE Weatherization State Plan. Chief Counsel Carson began by introducing the Commissioners and MaineHousing staff representing MaineHousing and then asked Ms. Ferenc to go over the stakeholder process for the proposed plans. Kim explained that the first draft of the State Plan was presented to the MaineHousing Board on February 17th. Based on feedback from stakeholders, revisions were made and developed into the draft presented for the public hearing. After the public process is complete, a final draft will be prepared and submitted to the Department of Energy for review. Upon approval, the final version will be published on MaineHousing's website and implemented on July 1, 2027, marking the start of the Weatherization Assistance Program year. Ashley explained that the comment period for the plans ends on March 25th at 5:00 P.M. After the expiration of the comment period all the comments will be summarized. Ashley opened the public hearing for comments. No comments were received, and the public hearing was adjourned.

LEGISLATIVE UPDATE

Senior Director of Communications and Relations, Erik Jorgensen, provided a legislative update. Erik said there is about a month left in the legislative session, so things are starting to wind down. The big thing people are focused on right now is the Governor's supplemental budget. It's expected to be passed on a majority basis. All the budget items we presented to the Appropriations Committee got put in and got voted back with positive recommendations. Some notable items were the shelter operating subsidy, the Community Aging in Place Program, continued funding for the Emergency Housing Relief Fund, and a \$37.5 million line item for our production programs (Rural Affordable Rental, LIHTC, AHOP). There is a new program for middle income housing. Money for the infill and expansion of mobile home parks was also included. Maybe most importantly, the proposal to raise our moral obligation limit to \$4 billion got through the Senate by one vote. In addition, there was a bill Erik pointed to that will help fund shelters on an ongoing basis, which is good news as shelters are a critical part of what we do. Erik said he thinks by the next meeting we'll have a final tally on the results of all the bills for this session, and then at the May meeting he plans on providing to the Commissioners a list of all the bills we have dealt with over the last two years to help with understanding what has been going on.

HEAP RULE/STATE PLAN INTRODUCTION

Manager of HEAP, Sarah Johnson and Director Energy and Housing Services, Bobbi Crooker introduced the HEAP rule. Sarah explained that the HEAP rule governs how MaineHousing will administer the Low Income Home Energy Assistance Program grant (LIHEAP), which is awarded annually. LIHEAP is administered by the Department of Health and Human Services and is structured as a block grant. Annual congressional appropriations for LIHEAP are in the amount of approximately \$4.1 billion. Each state is distributed a portion of those funds based on several factors. Maine's portion of the annual funding is in the amount of approximately \$40 million. The LIHEAP statute and regulations provide the framework that each state must adhere to when administering the funds. Every year each administrator of LIHEAP must submit a State Plan for review. The minor changes to the rule for this year were outlined in the HEAP rule board memo included in the board packet sent to Commissioners for March's board meeting. Sarah said that prior to seeking permission from the Commissioners to commence rulemaking for HEAP Rule at next month's board meeting, they will solicit input from stakeholders. The public hearing for the HEAP rule is scheduled for the May board meeting, and the rule's adoption is scheduled to take place at the June board meeting.

COMMENCE RULEMAKING QAP

Senior Director of Finance and Lending, Adam Krea, Chief Counsel Ashley Carson, and LIHTC Programs Manager, Bill Glover asked the Commissioners to commence rulemaking for the 2027-2028 Qualified Allocation Plan (QAP). The QAP is the process and scoring methodology for allocating the 9% Low Income Housing Tax Credits we receive from the federal government. Adam explained that every two years MaineHousing proposes a new QAP to be adopted by the Commissioners. Work on this QAP started in October and multiple partner meetings have been held since then where feedback was solicited from partners on areas that needed updating or modernizing. The proposed changes to the QAP were outlined in the QAP board memo included in the board packet sent to the Commissioners for March's board meeting. If the Commissioners vote to commence rulemaking on the QAP, the public hearing on the QAP will take place at the April board meeting, and adoption of the rule, after reviewing any comments, will be scheduled to take place at the May board meeting.

Chair Frank O'Hara read the proposed motion to authorize MaineHousing to commence the rulemaking process to repeal and replace Chapter 16 of MaineHousing's rules in the form provided to the Commissioners and described in the memorandum from Senior Director of Finance and Lending Adam Krea to the Commissioners dated March 10, 2026. Commissioner Noël Bonam said, "so moved" and it was seconded by Commissioner Melissa Hue. The vote carried unanimously.

NEW SECOND LIEN BOND RESOLUTION/INDENTURE UPDATE

Senior Director of Finance and Lending, Adam Krea and Treasurer, Tom Cary provided an update on the new second lien bond resolution. Adam said that they believe that next month they will be ready to ask the Board to vote on the new second lien bond resolution. The reason they are a month behind when they thought they would be asking for the Board's vote is they have been going through the procurement process for a trustee for the bond resolution. The request for proposal bids were due on March 12th and so they are hoping to make a decision soon. Essentially, they wanted the trustee to do a review of the resolution before bringing it to the Board for a vote.

ADMIN PLAN CHANGES UPDATE

Director of Housing Choice Vouchers, Allison Gallagher notified the Commissioners that the Housing Choice Voucher Administrative Plan has been updated effective March 1, 2026. She explained that MaineHousing is required to revise the administrative plan as needed to comply with changes in HUD regulations. The original plan and changes must be approved by the Board of Commissioners of the agency, only if there are changes to pertinent sections included in the Agency Plan. The changes outlined in the HCV Administrative Plan board memo included in the board packet sent to the Commissioners for the board meeting do not require the Board's approval as they do not include any pertinent changes to the Agency Plan. Allison reviewed the changes to the Administrative Plan with the Commissioners.

ASSET MANAGEMENT DEPARTMENT UPDATE

Director of Asset Management, Laurie Warzinski and Portfolio Manager, Kim Whitley provided an Asset Management Department update. They shared with the Commissioners a presentation that focused on showing the role the department plays in protecting and monitoring MaineHousing's multifamily portfolio. They explained that the scope of their work is understanding how properties across the portfolio are performing so they can identify emerging risks, support property stability, and preserve affordable housing over the long term. They went over how the department is structured, and what their roles are. They also provided insight into the different programs and funding structures they deal with, and how what they do ties into MaineHousing's strategic plan.

ADJOURN

State Treasurer Joseph Perry made a motion seconded by Commissioner Melissa Hue to adjourn the meeting. The meeting was adjourned at 11:44 a.m. by unanimous vote of the Board.

Respectfully submitted,

Elizabeth Dietz

Energy & Housing Services Department Memorandum

To: Daniel Brennan, Director

From: Bobbi Crooker, Director of Energy and Housing Services

Date: March 24, 2026

Subject: Sole Source Procurement for Sante Fe Community College – Department of Energy Field Guide Updates

Background

The Department of Energy (“DOE”) requires MaineHousing to have a field guide (the “Field Guide”) that establishes standardized technical work specifications, ensures compliance with 10 CFR 440 and DOE Program Notices, aligns with current BPI standards and Quality Control Inspections (QCI) protocols. The Field Guide must serve as the authoritative technical reference for subgrantees, contractors, auditors, and QCI inspectors throughout the State of Maine. DOE requires an updated Field Guide every five (5) years. This Field Guide must be approved by DOE, and DOE requires six months’ notice to complete the review and approval process. The Field Guide update deadline is currently September of this year.

In the past MaineHousing has utilized Sante Fe Community College (“SFCC”) to assist with updates to our Field Guide. SFCC has unique expertise in this area and works with many other states to provide the same service at a low cost.

Justification

Under Section IV of MaineHousing’s Procurement Policy, Sole Source Procurement is allowed under “Uniqueness” if an item is unique to a specific vendor, and the vendor has expertise in providing the service. MaineHousing’s research has not located another vendor that provides the same services that SFCC offers. Additionally, SFCC’s unique expertise and experience in assisting other states with the same service, makes them uniquely positioned to assist MaineHousing with the required updates for the best value. Furthermore, SFCC is familiar with MaineHousing’s program and operations, which will ensure a timely and efficient turn-around.

Request

To allow MaineHousing to contract with SFCC, at an estimated cost of \$3,000, for up to 2 months, to complete the necessary updates to the Field Guide.

ACKNOWLEDGED & APPROVED

3/25/2026

Date



Daniel Brennan

Director, Maine State Housing Authority

Homeless Initiatives Department Memorandum

To: Dan Brennan

From: Kelly Watson

Date: March 27, 2026

Subject: Sole Source Procurement to Provide Funds for Permanent Supportive Housing Research

Background

The MaineHealth Institute for Research has been working on a plan for a research study that focuses on gauging feedback from a wide variety of interested parties, in various areas of the state, regarding permanent supportive housing (“PSH”). Specifically, the focus of the project is on gaining and organizing feedback from those living in such housing, their relatives, property neighbors, service providers, municipal officials, health care professionals and business leaders about what they see as the successes, challenges, and key measures of progress for this approach to housing those who have experienced chronic homelessness. The results of this type of research will inform the efforts of Continuum of Care members around the state to address chronic homelessness in their communities, as well as possible future CoC funding requests to HUD.

Request

MaineHousing would like to support this research effort with \$50,000 of CoC Planning Grant funds.

The rationale for this sole source request falls under the Uniqueness category in MaineHousing’s procurement policy, Section IV.

- **Uniqueness:** the item or service is available from only one source, based on a reasonable, good faith review of the market for the type of item or service needed.

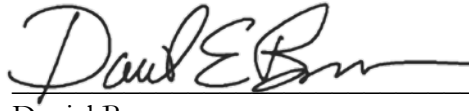
MaineHealth Institute for Research is undertaking this work as part of a larger effort to gauge the efficacy of PSH statewide. They are in a unique position as the research arm of Maine’s largest healthcare system to do this type of research, given that residents of PSH properties will most frequently be in the MaineHealth system. This is a large project that is a key component of an even larger, highly detailed initiative that MaineHealth Institute for Research will be undertaking over the course of several years. Because MaineHealth is the only entity in Maine engaging in this specific research project, and the CoC feels that funding to support this work is important to their long-term goals and direction, I am requesting approval to allocate \$50,000 in CoC Planning Grant funds to this work.

Please let me know if you have any questions. Thank you.

ACKNOWLEDGED & APPROVED

3/27/2026

Date

A handwritten signature in black ink, appearing to read "Daniel Brennan", written over a horizontal line.

Daniel Brennan

Director, Maine State Housing Authority

Audit Department Memorandum

To: Board of Commissioners
From: Linda L. Grotton, Director of Audit
Date: April 27, 2026
Subject: Audit Committee Report

Laura Buxbaum (Chair of the Audit Committee) and Audit Committee members Betty Dietz and Nancy Harrison met with Linda Grotton on April 7, 2026.

The Audit Committee was joined by Jason Emery, Managing Director, and Ben McLaughlin, Audit Manager of Baker, Newman, and Noyes (BNN) to discuss the results of MaineHousing's 2025 Financial Statement audit. Jason provided an overview of the areas of audit emphasis and the related testing procedures. He then discussed the contents of the post-audit communications, including the management letter. No material weaknesses or significant control deficiencies were identified, and no year-end adjustments were required. However, he did describe one "passed adjustment" (an adjustment not made because it was quantitatively and qualitatively insignificant to the financial statements as a whole), noting that MaineHousing's response was acceptable.

BNN has started the Uniform Grant Guidance audit (UGG), which must be filed by the end of September. Many COVID programs, including the Emergency Rental Assistance program, were removed from the high-risk designation, and as a low-risk auditee, BNN is required to audit at least 20 percent of MaineHousing's federal expenditures. Programs chosen for the 2025 UGG audit include the Housing Choice Voucher program, fedHOME, and Recovery Housing. Jason affirmed that they will inform the Audit Committee of any significant findings as they come up during field work, and they will plan to meet with the Audit Committee again in September as the report is being finalized.

After Jason and Ben concluded their discussion and exited, the Audit Committee continued to meet. Following the news of Linda's expected retirement on July 10, the discussion focused on the roles and responsibilities of the Audit Committee vs. MaineHousing management with regard to recruitment and on-going personnel management of the Internal Auditor. Further discussion with HR (Jane Whitley) and the Senior Director of Operations (Jamie Johnson) was requested. Linda will finalize the job description so that the position can be posted immediately, while further discussions will provide input to changes needed regarding the Internal Audit and Audit Committee charters.

Linda then discussed the status of external audits and internal audit work. HUD initiated a PBRA (Project Based Rental Assistance) Payment Integrity Review in early March. They selected three tenant files for review, deemed as high risk based on various factors, and Asset Management provided all the documentation supporting those files. *Update:* The HUD Payment Integrity Review Team met with Asset Management staff on April 8 to ask a number of questions related to the tenant review and to better understand MaineHousing's processes. The meeting concluded with no findings on MaineHousing's part (!), but the Payment Integrity Review Team did share several observations they will recommend to help HUD improve their program policies and procedures.

Based on feedback from the office of the Maine State Controller resulting from their subrecipient monitoring of earlier ARPA funded programs (now concluded), MaineHousing recognized that its monitoring framework was not necessarily consistent across all departments. Over the last several months, Linda has been working with the program departments to establish a risk-based subrecipient monitoring framework that meets all of the federal requirements of pass-through entities. MaineHousing is considered a pass-through entity; we receive federal grant funds and subsequently allocate those funds to other organizations (subrecipients) to implement various federal programs at the local level.

Specifically, Linda helped the Energy and Housing Services and Homeless Initiatives departments create an annual partner risk assessment, which will help prioritize the frequency and depth of monitoring reviews to be conducted each year. Additionally, she developed suggestions for a partner monitoring framework, including communications, fieldwork, reporting, and follow-up guidance. Both departments are currently working to incorporate changes into their monitoring procedures, but tailored to their own unique program and partner relationships.

The Audit Committee will continue to meet with MaineHousing management over the next several months to clarify roles and responsibilities for Internal Auditor on-boarding and oversight, to interview candidates for the position, and to select the new Internal Auditor.

Memorandum

To: MaineHousing Commissioners

From: Adam S. Krea

Date: April 17, 2026

RE: 2027-2028 Qualified Allocation Plan (“QAP”) Public Hearing

At the March 17, 2026 Commissioner’s meeting you authorized the commencement of rulemaking for the 2027-2028 QAP. In preparation for the public hearing at your April 28, 2026 Commissioner’s meeting I wanted to review the public process and the timeline for the remaining steps. I am also attaching the summary of proposed changes to this memo for your convenience.

Public Process

MaineHousing began work on the QAP in October by reviewing the areas we felt needed updating. Since that time we have met with our partners, including developers, contractors, attorneys, the Governor’s Office, and other interested parties to discuss the areas on which are focusing the updates. Following are the partner meetings that have been held to date:

First Partner Meeting on QAP	October 16, 2025
Second Partner Meeting on QAP	December 2, 2025
Partner Meeting Specifically on Needs Analysis	January 6, 2026
Third Partner Meeting	February 19, 2026

In addition, there were a few policy areas discussed at the February 19th meeting that we further considered internally and I then communicated with seven partner developers and two partner building specialists/contractors to review our thoughts. This months-long informal input process has been invaluable in assisting us with how to propose the best possible document to you.

Rulemaking Timeline

Following are the remaining steps in the rulemaking process:

April 28	Public Hearing at Commissioner’s Meeting
May 8	Deadline for Written Comments
May 19	Adopt QAP Rule

Summary of Proposed Changes

Following is a summary of the proposed changes to the QAP, which can be seen in the redlined version of the document attached to this memo.

- Throughout: Updated deadlines and corrected grammatical errors
- Section 1: Added a Statement Regarding Cost Control, which is an NCSHA suggestion
- Section 4.C. Increased Monitoring Fee to \$1,100 per Credit Unit from \$1,000 per Credit Unit
- Section 4.F.1. Clarified process for sharing scores and developer informal appeal process
- Section 4.F.4. Formalized our long-standing practice that no developer will receive more than 50% of total projects awarded unless there are no other feasible projects
- Section 4.G. Codified our new practice of providing a Notice of Award and assignment of a loan officer and construction analyst within approximately one week of award
- Section 4.I.8. Added infeasibility as a reason for terminating a project
- Section 5.C. Updated the Total Development Cost (“TDC”) Index Cap for 2027 and indexed 2028 to New England CPI
- Section 5.H. Clarified that two phases of a project on the same site cannot apply in the same round and that if one phase is awarded, the project must move forward and cannot wait for the second phase to win a subsequent competitive process
- Section 5.I. Removed “Of particular note are updates to MaineHousing’s energy efficiency standards”
- Section 6.A. Reduced the points for Project Characteristics from 5 to 4
- Section 6.A.1. Removed “replacement” as it is included in 3
- Section 6.A.5. Clarified which bodies of a municipality can deem an area blighted
- Section 6.C. Added a point for projects using wood fiber insulation
- Section 6.D. Changed “set-aside” to “preference” for populations with special needs, clarified that project-based vouchers are only available for National Housing Trust Fund (“HTF”) units and reduced the points from 6 to 3
- Section 6.G. Clarified (i) that project-based vouchers are only available for the minimum required HTF units (ii) which Environmental Review requirements are necessitated by HTF funds and which are necessitated by project-based vouchers and (iii) increased the points from 2 to 3

- Section 6.I. Clarified the TIF beginning date is Placed in Service Date based on the new statutory language and clarified the TIF application deadline
- Section 6.J.1. Instituted the new location needs analysis developed by Planning and Research
- Section 6.J.2. Instituted the new location needs analysis developed by Planning and Research
- Section 6.J.3. Changed location policy so that location scoring from the prior QAP is available to developers for both years of this QAP if that scoring is higher
- Section 6.K. Added comprehensive plan
- Section 6.L. Removed Activities Important to Daily Living
- Section 6.O. Clarified existing language
- Section 6.Q. Clarified measurement period for management company performance
- Section 7.A.1. Clarified that the entire State includes all buildings therein
- Section 7.B.3. Included language to allow an Additional Developer Fees in 9% LIHTC projects and clarify that deferred developer fees cannot be interest bearing or secured by a mortgage on the project
- Section 10.F. Clarified Utility Monitoring requirements
- Appendix A Added definition of Additional Developer Fee and added cap on Additional Developer Fee that is excluded from the Total Development Cost in the definition of Total Development Cost. Removed definition for Activities Important to Daily Living. Modified definition of Total Development Cost to reflect Additional Developer Fee
- Appendix E Updated legal language on Right of First Refusal
- Appendix F Added Appendix F



2027-2028 Low Income Housing Tax Credit

Qualified Allocation Plan



CHAPTER 16 LOW-INCOME HOUSING TAX CREDIT RULE

Table of Contents

SECTION 1: INTRODUCTION.....	1
SECTION 2: HOUSING NEEDS AND PRIORITIES.....	1
SECTION 3: SET-ASIDES AND MAXIMUM CREDIT AMOUNT	1
SECTION 4: ALLOCATION PROCESS	2
SECTION 5: THRESHOLD REQUIREMENTS	6
SECTION 6: SCORING CRITERIA	12
SECTION 7: PROJECT EVALUATION	22
SECTION 8: ALLOCATION OF CREDIT	24
SECTION 9: TAX-EXEMPT BOND FINANCED PROJECTS.....	25
SECTION 10: MONITORING.....	26
SECTION 11: GENERAL	29
STATUTORY AUTHORITY	30
FISCAL IMPACT OF THE RULE:.....	31
APPENDICES:	
APPENDIX A: Definitions	
APPENDIX B: Pre-Application Submission Requirements	
APPENDIX C: Capital Needs Assessment Requirements	
APPENDIX D: Owner's Certificate of Continuing Program Compliance	
APPENDIX E: Requirements for Purchase Options and Rights of First Refusal	
APPENDIX F: HUD Policy Requirements	

SECTION 1: INTRODUCTION

The federal Low-Income Housing Tax Credit (LIHTC) was created by the Tax Reform Act of 1986 to encourage private capital investment in the development of affordable rental housing. It is governed by [Section 42](#) of the Internal Revenue Code of 1986, as amended, and associated regulations. As the designated housing credit agency for the State of Maine, MaineHousing is required by [Section 42](#) of the Code and [30-A MRS §§4741\(1\) and \(14\)](#) to adopt a Qualified Allocation Plan (QAP) for allocating and administering LIHTC; this rule is the State's QAP.

This rule repeals and replaces in its entirety the prior Chapter 16, *Low Income Housing Tax Credit Rule*, except that the allocation provisions continue to apply to projects that were awarded LIHTC under a prior rule, or a program subject to a prior rule.

Capitalized terms used in this rule are defined in **Appendix A**, unless the context otherwise indicates, or if not defined therein, have the same meaning as set forth in [Section 42](#) of the Code.

Statement Regarding Cost Control

MaineHousing and its development partners have worked diligently to contain costs while improving the quality of construction and ultimately the livelihoods of Maine people who live in properties funded by LIHTC. The controls on per unit costs and available developer fees are a direct result of this partnership and commitment to controlling costs.

SECTION 2: HOUSING NEEDS AND PRIORITIES

MaineHousing and the Department of Economic and Community Development annually complete a statewide needs assessment as part of the Consolidated Housing and Community Development Plan. *Maine Consolidated Plan (2025-2029)* establishes the following housing priorities:

- A. expand affordable housing opportunities;
- B. improve and preserve the quality of housing; and
- C. help Maine people attain housing stability.

SECTION 3: SET-ASIDES AND MAXIMUM CREDIT AMOUNT

- A. Nonprofit Set-Aside. MaineHousing will set aside at least ten percent (10%) of the annual State Ceiling for Projects in which a Qualified Nonprofit Organization owns an interest and

materially participates in the development and operation throughout the Compliance Period in accordance with [Section 42\(h\)\(5\)\(B\)](#) of the Code. An Applicant will qualify if it is owned by either a Qualified Nonprofit Organization, or a business corporation which is 100% owned by one or more Qualified Nonprofit Organization(s), and (in accordance with [Section 42\(h\)\(5\)\(C\)](#) of the Code) it is the general partner or manager/managing member and controls the Project's development and day-to-day operation.

- B. Preservation Set-Aside. MaineHousing will set aside up to \$750,000 of the annual State Ceiling for the preservation and rehabilitation of one existing multifamily rental housing project if the scope of rehabilitation meets the minimum requirements set forth in Section 5.C.2. and one of the following:
1. at least 25% of its units, or those in a Related Development, are assisted under a Rural Development program; or
 2. at least 25% of its units will be converted to Section 8 under HUD's Rental Assistance Demonstration (RAD) Program, Section 18 Demolition/Disposition Program or other HUD conversion programs.

Demolition and reconstruction on an existing housing site will be treated as new construction and is not eligible for this set-aside.

- C. Maximum Credit Amount. The maximum amount of Credit that will be allocated for each Project is the least of (i) \$30,000 per Credit Unit, (ii) \$1,200,000, and (iii) the amount MaineHousing determines is necessary to ensure the Project's financial feasibility and long-term viability.

SECTION 4: ALLOCATION PROCESS

- A. Pre-Application Submission. Each Project must undergo a mandatory Pre-Application review by MaineHousing to assess its feasibility, suitability for housing, and eligibility for Credit. Applicants must submit the information and documents set forth in **Appendix B** with the pre-application fee specified in Section 4.C. to MaineHousing by Wednesday, July 2, 2026 for the 2027 round and by Thursday, July 1, 2027 for the 2028 round. An Applicant will not be eligible for Credit if
1. it fails to provide a complete Pre-Application submission in accordance with this subsection, or
 2. there is any material change in the Project between the Pre-Application submission and the Application unless required by MaineHousing.
- B. Application. Applications are subject to the following limitations, conditions and requirements:

1. Existing Housing.
 - a) Acquisition and Rehabilitation Projects. Projects that involve the acquisition and rehabilitation of Affordable Housing must include the addition of at least 20 new units, or meet the requirements of the Preservation Set-Aside in Section 3.B.
 - b) Demolition of Existing Housing. Demolition of existing housing that has not been condemned or declared blight by a municipality is not eligible unless approved by MaineHousing.
2. Deadline. The deadlines for submitting Applications are Thursday, September 17, 2026 for the 2027 State Ceiling and Thursday, September 16, 2027 for the 2028 State Ceiling.
3. Format. The Application must be completed and submitted electronically in the form and manner prescribed by MaineHousing. Submitted exhibits must include documentation such as grant award letters, signed documentation on letterhead or evidence of official municipal action to provide evidence of all funding sources and official approvals. MaineHousing may require the Applicant to submit additional information.

C. Fees. Applicants must pay the following fees when due. All fees are non-refundable.

Type of Fee	Amount	Due Date
Pre-application Fee	\$2,000	By Pre-application deadline in Section 4.A.
Application Fee	\$2,500	Postmarked for delivery by Application deadline in Section 4.B.2
Allocation Fee	7.5% of Credit	Earlier of Carryover Allocation (Section 8.B.) or Final Allocation (Section 8.A.)
Monitoring Fee*	\$1,100 per Credit Unit	Final Allocation (Section 8.A.)

*MaineHousing may charge an additional monitoring fee to cover any increased costs due to income averaging or other extraordinary monitoring requirements during the Compliance Period.

D. Ineligible Applicants. An Application will be deemed ineligible if one or more of the following has occurred:

1. The Applicant, any Principal thereof, or Affiliates of either
 - a) has an uncorrected IRS Form 8823 in connection with any LIHTC Project to the extent it is correctable unless previously waived by MaineHousing;
 - b) has been declared in default or has been 60 calendar days or more delinquent on any loan with MaineHousing, unless the default or delinquency has been cured or there

is an approved payment or workout plan in good standing prior to the Application deadline;

- c) has ever been the owner of any project in which MaineHousing has foreclosed a mortgage interest or received a deed-in-lieu of foreclosure of a mortgage interest unless previously waived by MaineHousing;
- d) is presently debarred, suspended, proposed for debarment, or excluded from participation in any federal or state programs;
- e) has sought to achieve early termination of an Extended Use Agreement through the written request to a housing credit agency to present a Qualified Contract;
- f) has in the last 10 years either commenced or had commenced against it any proceeding in or for bankruptcy, receivership, reorganization or any other arrangement for relief from creditors commenced against it that affected a MaineHousing-funded project that was not dismissed within 90 calendar days; or

2. The tax credit syndicator, investor, or Affiliates of either

- a) transferred its interest in any LIHTC Project after March 25, 2014 in violation of the Ownership Transfer Rule;
- b) failed to make any required capital contributions with respect to any LIHTC Project, and has not corrected such actions prior to the Application deadline;
- c) has sought to achieve early termination of an Extended Use Agreement through the written request to a housing credit agency to present a Qualified Contract; or
- d) has sought to undermine the exercise of a right of first refusal or purchase option with respect to any LIHTC Project by: (i) refusing to honor a right of first refusal or purchase option; or (ii) involvement in a lawsuit challenging the exercise of a right of first refusal or purchase option.

MaineHousing may reject the Application if it determines the deficiencies are not addressed. MaineHousing may also require financial statements from the Applicant, Principal thereof, or Affiliates of either.

- E. Notice to Local Jurisdiction. Upon receipt of an Application, MaineHousing will notify the Chief Executive Officer of the municipality with jurisdiction over the location of the proposed Project. The notice will provide for a 15-day comment period. MaineHousing will consider any comments received.
- F. Selection Process. Applications for the State Ceiling with the highest scores will be awarded Credit until the applicable State Ceiling is fully awarded.

1. All Applications that meet the threshold requirements in Section 5 will be scored. Applicants must submit a self-score as part of the Application, which will be reviewed by MaineHousing as part of the selection process. Any differences in MaineHousing's scoring from the Applicants' self-score will be explained by MaineHousing. Applicants will be afforded five (5) business days to review MaineHousing's scoring determination and dispute the score if there is a disagreement. Disputes may only be based on evidence submitted with the original Application. Additional information or documentation will not be accepted or considered.
 2. The preservation set-aside is limited to one Project. If the set-aside is not sufficient to complete the Project proposed in the highest scoring eligible Application, MaineHousing may allocate additional Credit, allocate the Credit under the set-aside to the next highest-scoring eligible Application that does not need more than the set aside, or not allocate any Credit under the preservation set-aside. All Applications that participate in the preservation set-aside and do not win will be placed on a waiting list.
 3. The highest scoring Qualified Nonprofit Organization will be the winner of the nonprofit set-aside regardless of its ranking among other Applicants. If the set-aside is not fully awarded to the highest scoring eligible Applicant, MaineHousing may allocate additional Credit to the next highest scoring eligible Applicant for the set-aside, not fully allocate Credit under the set-aside, or require an Applicant that has not indicated that it is participating in the set-aside to participate in the set-aside. MaineHousing may, if necessary, require the Applicant to change its ownership structure. All Applications that participate in the nonprofit set-aside and do not win will be scored with the other Applications.
 4. If an individual or entity owns a direct or indirect interest in more than one Applicant, MaineHousing will not award more than 50% of the total projects awarded in any one annual State Ceiling round to Applicants associated with that individual or entity unless there are no additional Applicants under consideration.
 5. Except as set forth above, MaineHousing will make awards in score order to select threshold-eligible Applications. If the last Application selected for an award of Credit needs more Credit than remains under the applicable State Ceiling, MaineHousing may elect to either (a) not award the remaining Credit to any Application, or (b) award additional Credit under the next annual State Ceiling to the Application. All threshold-eligible Applications that are not selected will be placed on a waiting list. Any Credit that is returned or is otherwise unused will be made available to waiting list Applications using this process.
- G. Notice of Award. After scoring is completed and the five-business day Applicant review period expires, MaineHousing will notify the winning Applicants. Within approximately one week of notification, the winning Applicants will receive a Notice of Award and an assignment of MaineHousing staff.

- H. Credit Allocation. Upon receipt of the fully executed Notice of Award, MaineHousing will evaluate the Application pursuant to Section 7 to determine the amount of Credit, if any, to be allocated.
- I. Termination of Application or Notice of Award. MaineHousing will deem an Application withdrawn and any Notice of Award cancelled if one or more of the following occur without MaineHousing's written approval after the Application is submitted:
 - 1. The Application or the Notice of Award is assigned or the Applicant or any Principal thereof changes;
 - 2. The location of the Project changes from the location identified in the Application;
 - 3. There is any change which would result in a net reduction (loss of points) in the Application's score;
 - 4. There is a change in the Project's design or financing from what was in the Application which results in a substantial increase in the amount of Credit or other MaineHousing funding required;
 - 5. The Project's TDC Index exceeds the TDC Index Cap;
 - 6. Failure to meet the threshold requirements in Section 5;
 - 7. Any event in Section 4.D. occurs and is not cured within any applicable cure period;
 - 8. The Project is determined to be infeasible by MaineHousing, meaning the Applicant has not demonstrated the financial ability to develop and complete the Project and operate it through the Compliance Period; or
 - 9. There is any other material or substantive amendment or change to the Application.

SECTION 5: THRESHOLD REQUIREMENTS

Applications must meet the following threshold requirements to be eligible for Credit:

- A. Affordability.
 - 1. The Project will comply with [Section 42](#) of the Code and this QAP for a minimum period of 45 years to maintain the Project as residential rental housing, keep at least 60% of the total Credit Units in a Project occupied by persons with 50% area median income and keep the Credit Units in the Project rent-restricted in accordance with [Section 42](#) of the Code.
 - 2. The Applicant waives the right to request MaineHousing to present a Qualified Contract under [Section 42\(h\)\(6\)](#) of the Code.

3. The Applicant must submit a letter of intent from an investor (and, in the event of any change in investor, the replacement investor) in which the investor agrees to the granting of an option to purchase: (i) the Project; and (ii) the partnership interest of the limited partner(s) or membership interest of the non-managing member(s) of the Project owner (“Purchase Options”), to one or more of the general partner, managing member, developer or sponsor on terms that at a minimum satisfy the threshold requirements set forth in **Appendix E**. The investor must also agree in the letter of intent that the Purchase Options complying at a minimum with the threshold requirements in **Appendix E** will be included in the Project owner’s limited partnership agreement or limited liability company operating agreement.
 4. If the Applicant, general partner, managing member, developer, or sponsor of the Project is a Qualified Nonprofit Organization, the Applicant must submit a letter of intent from an investor (and, in the event of any change in investor, the replacement investor) in which the investor agrees to the granting of a right of first refusal (“ROFR”) to the Qualified Nonprofit Organization on terms that at a minimum satisfy the threshold requirements set forth in **Appendix E**. The investor must also agree in the letter of intent that the ROFR complying at a minimum with the threshold requirements in **Appendix E** will be included in the Project owner’s limited partnership agreement or limited liability company operating agreement.
- B. Total Development Cost (TDC). Cost reasonableness will be evaluated using an index, which is the weighted average of the TDC per unit and the TDC per bedroom. For mixed-use projects, the TDC for only the residential portion of the project, including common areas, will be used for this calculation. The weighted average will be calculated as follows:

$$([2 \times \text{TDC/unit}] + [\text{TDC/bedroom}]) \text{ divided by } 3.$$

The product of this calculation will be referred to throughout this document as the “TDC Index”. An Application will be rejected if the TDC Index exceeds the TDC Index Cap below for a project of its type at any time prior to the later of the construction loan closing or carryover allocation.

Type of Project	2027 TDC Index Cap	2028 TDC Index Cap
Adaptive Reuse	\$414,750 per unit	**
New construction	\$388,500 per unit	**
Acquisition and rehabilitation of existing housing	\$357,000 per unit	**

**For 2028, MaineHousing will review the Consumer Price Index for New England and adjust the TDC Index Caps accordingly to reflect market adjustments.

Demolition and reconstruction of all housing on the same site or another site will be treated as new construction. If a Project involves more than one project type, the TDC Index Cap for the Project is the average of the TDC Index Caps allocable to each type, weighted by the number of units of each type.

- C. Acquisition and Rehabilitation of Existing Housing. Projects that involve the acquisition and rehabilitation of existing multifamily housing are subject to the following:
 - 1. Capital Needs Assessment. The Application must include a capital needs assessment satisfying the requirements set forth in **Appendix C**.
 - 2. Minimum Rehabilitation Requirements. The Rehabilitation Costs per unit of existing housing must be at least \$75,000.
 - 3. Relocation/Displacement. The Project must comply with MaineHousing's *Temporary Relocation and Permanent Displacement Policies* and, if the Project is federally-assisted, all applicable federal requirements, including the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. The Applicant must take reasonable steps to minimize the displacement of existing tenants of the Project. The Application must identify any tenants who will be permanently displaced and the reason for the displacement. The Project's TDC must include all costs associated with permanent and temporary displacement or relocation. MaineHousing will not allocate Credit until it has approved a project's relocation plan.
- D. Development and Management Experience and Capacity. Applicant teams must have sufficient knowledge, experience and capacity to adequately design, develop, complete, maintain, manage, and operate LIHTC Projects and provide related services, such as accounting, tax and legal advice, and resident service coordination. If the Project will involve multiple subsidy sources in addition to LIHTC, which results in overlapping targeting and rental restrictions, the Applicant team must have sufficient knowledge, experience and capacity to handle the increased complexity. If MaineHousing determines the Applicant's team lacks sufficient qualifications, the team may be required to
 - 1. hire a qualified consultant,
 - 2. hire additional qualified staff, or
 - 3. replace a team member.
- E. Site Control. The Applicant must have site control of the Project throughout the Application process in the form of an option, a purchase and sale contract, ownership, or long-term lease. The Applicant, its agents, and MaineHousing must have access to the Project site, and if the Project is an existing occupied property, access to records and other information about the existing tenants, including current rent and income information.

F. Growth Management Limitations. A Project that involves the new construction or acquisition of newly-constructed residential rental property or the conversion of existing buildings to residential rental property must comply with the State’s Growth Management Law, [5 M.R.S. §3234](#), as amended. Projects must meet one of the following two sets of criteria to be eligible for a Credit allocation:

1. If the municipality in which the Project is located has adopted a comprehensive plan or growth management plan that is consistent with applicable State law, then the Project must be in a designated growth area as identified in such plan; or
2. Otherwise the Project must be located in an area
 - a) served by a public sewer system with existing capacity for the Project,
 - b) identified as a census-designated place in the latest Federal Decennial Census, or
 - c) in an urban municipality and defined under [23 M.R.S. §754](#) as compact.

The law exempts projects that exclusively serve certain populations, such as persons with disabilities, who are homeless, or are wards of the State.

G. Project Feasibility. The Applicant must have the financial ability to develop and complete the Project and to operate it throughout the Compliance Period.

1. Development Budget. The Applicant must identify all
 - a) sources of funding for development and completion, whether direct or indirect, including the amount, timing, terms, conditions, and status (e.g. “applied for” or “committed”) as of the date of the Application and uses of the funding based on the projected costs of and schedule for developing and completing the Project; and
 - b) sources and uses of funding for the Project, whether direct or indirect and whether they are included in the development budget for the Project.
2. Operating Budget. The Applicant must identify all
 - a) sources of income, including rent from the residential units, any income from commercial or non-residential space, and the amount, terms and conditions of rental or operating assistance; and
 - b) costs of operating the Project as projected over the Compliance Period. The Applicant also must identify all forms of property tax relief (such as a PILOT, tax abatement or exemption, or Tax Increment Financing) and other assistance that reduces operating costs.

3. Related Development. Any Related Development must be completed prior to or concurrently with the completion of the Project, and there must be sufficient funding to operate the Related Development.

If MaineHousing determines that the Application includes information that is inconsistent with applicable requirements or is unreasonable based on comparable LIHTC projects, industry standards, or market conditions, MaineHousing may where it deems appropriate re-characterize such information to assess Project Feasibility notwithstanding the identified issue with the information provided.

- H. Phased Projects. Applicants may not submit an Application for more than one phase of a multi-phase Project in an Application round. If a single phase of a multi-phase project is awarded Credit, it must comply with the timeline in the Notice of Award and cannot be delayed to align with a potential award of a future phase. If a delay occurs that is beyond the Applicant's control, MaineHousing, in its sole discretion, may authorize a modification to the Notice of Award to allow for an extension of the Project timeline.
- I. Project Design and Construction Requirements. The design and construction or rehabilitation of the Project must comply with MaineHousing's Construction Standards and all applicable local, state and federal codes, regulations, statutes and ordinances. The latest version of Construction Services' *Quality Standards and Procedures Manual* can be found here: <https://www.mainehousing.org/programs-services/housing-development/construction-services>

When applicable, Projects must also comply with:

1. The Build America, Buy America Act (BABA), enacted as part of the Infrastructure Investment and Jobs Act, [Infrastructure Investment and Jobs Act, Pub. L. 117-58](#) and [2 CFR 184](#). BABA established a domestic content procurement preference for all Federal financial assistance obligated for infrastructure projects after May 14, 2022. The domestic content procurement preference requires that all iron, steel, manufactured products, and construction materials used in covered infrastructure projects are produced in the United States. This requirement is known as the "Buy America Preference" (BAP).

BABA FAQs

https://www.hudexchange.info/baba/faqs/?utm_source=HUD+Exchange+Mailing+List&utm_campaign=87c88d5f1e-BABA-FAQs-Now-Available-3.4.24&utm_medium=email&utm_term=0_-87c88d5f1e-%5BLIST_EMAIL_ID%5D

2. Section 3 of the Housing and Development Act of 1968 (12 U.S.C § 1701u) and its associated regulations (24 C.F.R. Part 75). The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide training, employment, contracting and other economic opportunities to low- and very low-income persons, especially recipients of government assistance for housing, and to businesses that provide economic opportunities to low- and very low-income persons.

Please refer to the *Section 3 Contractor, Subcontractor and Subrecipient Package* on our website: https://mainehousing.org/docs/default-source/development/construction-services/other-documents/section-3-contractor-subcontractor-subrecipient-package.pdf?sfvrsn=26f28615_5

J. Project Amenities. The Project must have the following amenities and services:

1. Community Room. The Project must include an on-site community room with sufficient capacity to serve tenants' needs. For a scattered-site Project, only one community room is required and should be centrally located to the greatest extent possible to best serve all tenants.
2. Laundry Facilities. The Project must include either a washer/dryer hook-up in each unit or a fully accessible, centrally located laundry facility with sufficient capacity to serve all tenants.
3. Broadband Access. The Project must include broadband infrastructure with capacity sufficient to support the provision of Telehealth services.

Broadband infrastructure includes cables, fiber optics, CAT5e (or greater) interior wiring, or other permanent (integral to the structure) infrastructure, including wireless infrastructure, as long as the installation results in broadband infrastructure in each dwelling unit sufficient for the build-to standard of The Maine Connectivity Authority.

Healthcare service providers and the tenants receiving care may not be charged for the use of the internet or wireless and telephone services provided for telemedicine services.

4. Shared Facilities. An amenity will meet the requirements if the amenity:
 - a) is fully accessible and located on an accessible path to the Project;
 - b) is within an existing multifamily housing project adjacent to the subject site,
 - c) has sufficient capacity to serve both the Project's tenants and the existing project,
 - d) will be available to the Project's tenants during the Compliance Period on the same terms as the residents of the existing multifamily project, and
 - e) will not charge the tenants to use the shared amenity other than a reasonable fee that does not exceed the amount charged to any others for the same use.
5. Recreational Activities. An area(s) of recreational activity must be located on the Project site or within a 1/2 mile. The area(s) and activities must be free of charge to the tenants and not require membership. Projects with single-family detached style units satisfy this requirement if each unit has a private lawn with sufficient room for playground equipment, gardening or other activities acceptable to MaineHousing.

6. Exceptions. The requirements of this subsection do not apply to existing multifamily housing projects if the Applicant cannot comply with the requirements because of the nature of the site, structural limitations, zoning restrictions or other land use limitations.
- K. Resident Service Coordination. The Applicant must make a resident service coordinator available twice weekly to the tenants on-site a minimum of one (1) hour per week for every five (5) Credit Units. The coordinator shall meet with tenants in a private and confidential manner to evaluate individual needs and make appropriate referrals. The services provided must be free of charge to the tenants. The Applicant must maintain adequate funding throughout the Compliance Period.
- L. Smoke-free Housing. The Applicant must
1. implement a written occupancy policy prohibiting smoking in the units and common areas,
 2. include a non-smoking clause in the lease for every household, and
 3. make educational materials on tobacco treatment programs (including the phone number for the statewide Maine Tobacco HelpLine) available to all tenants through the resident service coordinator.
- M. Waiting List Preference. The Applicant must give an occupancy preference to eligible persons whose names are on a public housing or Section 8 waiting list, except for Projects: (i) financed by Rural Development, or (ii) with Section 8 Project-Based Rental Assistance (preference will apply to any Credit Unit without project-based rental assistance).

SECTION 6: SCORING CRITERIA

The Applicant must complete all information and submit all documentation required to be eligible for points.

Project Characteristics

- A. Rehabilitation or Reuse of Existing Housing, Structure or Site. **Up to 4 Points**

The Project site exhibits one or more of the following characteristics (2 points for each that applies, up to 4 points total):

1. Rehabilitation of existing rental housing containing 5 or more units without permanently displacing any existing tenants or increasing their housing costs (including rent and all other charges paid by the tenant) by more than 10%;

2. Rehabilitation, remediation, or reuse of an existing building or structure that has a current use other than multifamily rental housing;
3. One or more buildings or structures used for purposes other than single family residential housing or agriculture purposes, have been or will be demolished or removed for purposes of redeveloping the site;
4. Lots left vacant or nearly vacant in the development of a downtown or other city or town center, such as vacant lots or parking lots abutting commercial buildings and/or multifamily rental housing. Vacant lots in single-family residential areas are not eligible for points under this subsection. Undeveloped portions of existing sites are not eligible for points unless the existing project on the site previously satisfied one of the above criteria; or
5. Specifically designated by a municipality's elected body, planning board, or zoning board for redevelopment to renew a blighted area (as defined by 30-A M.R.S. §5153) or remediate environmental risks to the occupants.

B. Historic Rehabilitation. 5 points

The Project includes the rehabilitation of a certified historic structure using capital contributions generated from federal and state historic rehabilitation tax credits.

C. Projects Using Wood Fiber Insulation. 1 point

The Applicant pledges that a minimum of 50% of the square footage of each building's exterior thermal envelope will include wood fiber insulation unless it is deemed by MaineHousing, in its sole discretion, that it is infeasible due to either costs or supply chain delays.

D. Populations with Special Needs. 3 points

The Project gives an occupancy preference for at least 20% of all the units, but not less than 4 of the units, for Persons Experiencing Homelessness or persons who have disabilities, are victims of domestic violence, or have other special housing needs, to create permanent supportive housing for persons who require that level of intervention within the special needs populations.

The Applicant must commit to maintaining a separate waiting list for these units and make appropriate, voluntary services available through a qualified third-party provider other than the resident service coordinator required under Section 5.K. Project-Based Vouchers will not be available from MaineHousing for preference units, except in situations where an Applicant receives funding from the National Housing Trust Fund as described below in Section G.

E. Family Housing. **Up to 6 points**

The Project is for families and a minimum percentage of the Credit Units are two and/or three or more bedroom units as follows:

Project for Families with Minimum Percentage of Credit Units by Bedroom Size	Points
At least 50% of the Credit Units are two or more bedroom units and at least 20% of the Credit Units are three or more bedroom units	6 points
At least 70% of the Credit Units are two or more bedroom units	3 points

F. Accessibility. **Up to 12 points**

One (1) point for each unit that

1. exceeds the minimum number of such units required by applicable federal and state accessibility laws, and
2. meets the requirements for a Type A unit under ANSI Standard A117.1-2009, up to the maximum points by project type below.

Type of Project	Maximum Points
Projects providing Housing for Older Adults	12 points
Projects that are not specifically for Older Adults or Families, having only 1 BR and/or efficiency units	9 points
Family Projects	6 points

Financial Characteristics

G. National Housing Trust Fund. **3 points**

The Applicant agrees to accept and use any funding from MaineHousing's National Housing Trust Fund program for the Project. Any funding award will require a certain number of units in the Project to be affordable to and occupied by Extremely Low Income households. Project-Based Vouchers will be made available for the minimum number of required National Housing Trust Fund units, as determined by MaineHousing. National Housing Trust Fund awards require a Part 93 Environmental Review and Project-Based Vouchers require a Part 58 Environmental Review. Applicants should review the requirements before agreeing to accept funding, to avoid withdrawal of an Application if the requirements cannot be met. Awarding points is not a commitment of funding from the National Housing Trust Fund.

H. Acquisition Cost.

Up to 5 points

Points are based on the percentage by which the acquisition costs are less than the average acquisition costs for a project of its type as follows:

Type of Project	Average Acquisition Cost
Acquisition and rehabilitation of existing housing	\$60,500 per unit
New construction	\$7,500 per unit
Adaptive Reuse	\$10,500 per unit

For purposes of this subsection, acquisition costs include

1. the purchase price for all of the land and any existing building(s) even if donated or leased to the Applicant at below market value,
2. the cost of razing or demolishing any building(s) and structure(s), or any part thereof, on the Project site, and
3. the Capitalized Lease Value of all leases of land or land and building(s) that are part of the Project, with the exception of parking spaces.

The value of any project reserves transferred to the Project as part of the acquisition and included in the purchase price will not be included for purposes of this subsection.

Percentage of Project's Acquisition Cost as compared to Average Acquisition Cost	Points
0% to 1% (nominal)	5 points
>1% to 20%	4 points
>20% to 40%	3 points
>40% to 60%	2 point
>60% to 80%	1 point

I. Property Tax Relief.

Up to 3 points

Points are based on the percentage of the Project's annual incremental property tax revenue returned to the Applicant or foregone by the taxing authority as follows:

Percentage and Duration of Tax Benefit or Relief	Points
50% to <75% for at least 15 years from the Placed in Service date	1 point
50% to <75% for at least 30 years from the Placed in Service date	2 points
≥ 75% for at least 15 years from the Placed in Service date	2 points
≥ 75% for at least 30 years from the Placed in Service date	3 points

Only Tax Increment Financing, payment in lieu of taxes, abatement, or other property tax

relief arrangement approved by the taxing authority and all other applicable governing entities are eligible. A Project that is either a) located in a jurisdiction that does not assess property taxes or b) exempt from property taxes will be awarded one (1) point.

Funding made possible by an Affordable Housing TIF will not be eligible unless the Applicant submits a complete application for the Affordable Housing TIF to TIFs@mainehousing.org at least 30 calendar days before the applicable Application deadline (for the 2027 State Ceiling no later than Tuesday, August 15, 2026 and for the 2028 State Ceiling no later than Tuesday, August 14, 2027). In order to count an Affordable Housing TIF application as “complete”, the application must include all of the information required by MaineHousing’s [Affordable TIF Application Form](#) and the Affordable Housing TIF Development Plan must have been approved by the relevant municipality. Points will not be awarded for an Affordable Housing TIF unless it is ultimately approved by MaineHousing, even if it was submitted before the applicable deadline.

Project Location

J. Housing Need.

Up to 10 points

Points are based on the need for the type of housing in an area as follows:

1. Projects providing Housing for Older Adults located in the following Communities:

Older Adults			Points
Auburn	Ellsworth	Patten	10
Augusta	Falmouth	Pittsfield	
Bangor	Farmington	Portland	
Bar Harbor	Fort Kent	Presque Isle	
Belfast	Freeport	Rockland	
Biddeford	Gorham	Rockport	
Bingham	Hallowell	Rumford	
Blue Hill	Hampden	Saco	
Boothbay Harbor	Houlton	Sanford	
Brewer	Jackman	Scarborough	
Bridgton	Kennebunk	Skowhegan	
Brunswick	Kittery	South Portland	
Buxton	Lewiston	Topsham	
Calais	Lincoln	Van Buren	
Camden	Lisbon	Waterville	
Cape Elizabeth	Machias	Westbrook	
Caribou	Madawaska	Winslow	
Cumberland	Millinocket	Wiscasset	
Damariscotta	North Yarmouth	Yarmouth	
Dover-Foxcroft	Norway		

Eastport	Orono		
Arundel	Kennebunkport	Old Orchard Beach	8
Benton	Lamoine	Orland	
Boothbay	Limestone	Orrington	
Canaan	Lincolnville	Oxford	
Chelsea	Lyman	Sebago	
Clinton	Madison	Sidney	
Durham	Manchester	Southwest Harbor	
Fairfield	Mars Hill	Vassalboro	
Farmingdale	Mexico	Warren	
Glenburn	Milbridge	West Bath	
Greene	Mount Desert	West Gardiner	
Greenville	Naples	Wilton	
Hancock	Nobleboro	Windham	
Harrison	Norridgewock	Woolwich	
Hermon	Oakland		
Ashland	Gardiner	Randolph	6
Bath	Garland	Rangeley	
Bethel	Guilford	Sangerville	
Bremen	Hebron	Sebec	
Brooklin	Hodgdon	Sedgwick	
Brooksville	Hope	South Bristol	
Charleston	Kenduskeag	Southport	
Chesterville	Linneus	Stonington	
Cornish	Long Island	Strong	
Cornville	Machiasport	Surry	
Dayton	Mapleton	Thomaston	
Dedham	New Sharon	Tremont	
Denmark	New Sweden	Trenton	
Dexter	Newcastle	Veazie	
East Machias	Newport	Washburn	
Easton	Old Town	Waterford	
Eddington	Otis	West Paris	
Edgecomb	Owls Head	Westport Island	
Fort Fairfield	Paris	Woodland	
Frenchville	Penobscot		
Fryeburg	Pownal		

2. Other Housing Projects in the following Communities:

Other Housing Projects (not specifically for Older Adults)			Points
Auburn	Dover-Foxcroft	Patten	
Augusta	Ellsworth	Portland	

Bangor Bar Harbor Biddeford Blue Hill Boothbay Harbor Brewer Bridgton Brunswick Calais Camden Cape Elizabeth Caribou Cumberland Damariscotta Danforth	Falmouth Farmington Fort Kent Freeport Gorham Greeneville Hallowell Houlton Lewiston Limestone Lincoln Machias Madawaska Millinocket Orono	Presque Isle Rockland Rockport Rumford Saco Sanford Scarborough Skowhegan South Portland Van Buren Waterville Westbrook Windham Wiscasset Yarmouth	10
Arundel Ashland Belfast Benton Brooksville Canaan Charleston Chesterville Clinton Cornish Dayton Dedham Durham East Machias Frenchville Fryeburg Greene Hancock Hebron	Hermon Hodgdon Hope Kenduskeag Kittery Lamoine Littleton Lyman Machiasport Manchester Mapleton Mount Desert Naples New Sharon Nobleboro Norridgewock North Yarmouth Old Orchard Beach Old Town	Orland Orrington Owls Head Sangerville Sebago Sedgwick Sidney Strong Surry Tremont Trenton Veazie Warren Waterford West Bath West Gardiner West Paris Woolwich	8
Bath Bethel Boothbay Buxton Chelsea Dexter Eddington Fairfield Fort Fairfield	Hampden Harrison Kennebunk Kennebunkport Lincolnville Madison Mexico Newcastle Newport	Oxford Paris Southwest Harbor Stonington Thomaston Topsham Vassalboro Washburn Wilton	6

Gardiner Glenburn	Norway Oakland	Winslow	

3. Projects located on Native American tribal lands will be awarded **8 points**.

For the Applications submitted under the 2027-2028 QAP, Applicants may receive the Housing Needs score outlined in the 2025-2026 QAP for the municipality in which the Project is located, if that municipality saw a decrease in score in the 2027 2028 QAP.

K. Community Revitalization. **Up to 5 points**

Two (2) points if the Project is located within the boundaries of and contributes to the revitalization goals and efforts identified in a municipality's comprehensive plan or a Community Revitalization Plan.

Two (2) points if the Project is located in a QCT and at least 20% of the units are market rate.

One (1) extra point if the Project also involves the preservation of existing Affordable Housing.

L. Smart Growth. **Up to 10 points**

Smart Growth Feature	Points
Access to Public Transportation. The Project is located within a Safe Walking Distance (½ mile or less) of a designated pick-up location for existing Fixed-route Public Transportation.	5 points
Demand Response Transportation. Demand Response Transportation is available to all tenants with no eligibility criteria that would limit or deny service.	5 points

Sponsor Characteristics

M. Readiness. **Up to 10 points**

MaineHousing must approve both the design to be submitted to the municipality and the State and the final design, including all plans, details and specifications. The Project and any Related Developments must have all

1. municipal land use approvals (except building and other permits customarily issued during construction), and **5 points**

2. State land use approvals (such as site plan, subdivision, storm **5 points**

water, or wetlands approvals) required to proceed with and complete construction.

As of the Application date, the timeframe to appeal all such approvals must have expired with no appellate action being taken, or all appeals have been resolved.

N. Developer Capacity.

Up to 5 points

Points are based on the development experience of the Applicant, any Principal thereof, or Affiliates of either as follows:

Successfully completed at least one multifamily rental housing project with MaineHousing funding or completed at least one LIHTC Project in another state(s).	5 points
Experience successfully developing and operating multifamily rental housing or experience managing Affordable Housing, <i>and</i> the Applicant has a contract with a qualified LIHTC consultant to develop the Project.	4 points
Experience successfully developing and operating multifamily rental housing.	3 points

O. Owner Performance.

Up to a 5 Point loss

Points reductions are based on the recent performance of the Applicant. MaineHousing may reject the Application if it determines outstanding deficiencies are not addressed, or require financial statements from the Applicant, Principals thereof, or Affiliates.

Has been 60 calendar days or more delinquent in the payment of any MaineHousing loan since September 1, 2021 (except delinquencies resulting from the delay or loss of Section 8 housing assistance payments), was declared in default by MaineHousing, or needed a financial workout for any project within the last 5 years.	-2 points
Had LIHTC Projects still in their Compliance Period that had an operating deficit at year-end in any previous year unless the operating deficit was fully funded by the Application deadline.	-2 point
Was (a) issued an IRS Form 8823 for any reason other than a violation of UPCS or local inspection standards (box 11c) that was subsequently reported as “non-compliance corrected” within the correction period; or (b) had an IRS audit finding resulting in a recapture event, since September 1, 2021.	-1 point

P. Management Experience.

Up to 2 points

The company that will manage the Project has at least

one (1) staff person with a minimum of three (3) years of experience successfully managing: (a) at least one (1) LIHTC Project; or (b) at least one	1 point

(1) low income housing property developed under a Federal program that is substantially similar to LIHTC, to be determined at MaineHousing's sole discretion.	
one (1) staff person with LIHTC training for every 150 units in LIHTC Project(s) the company plans to manage.	1 point

Q. Management Performance. **Up to a 3 point loss**

Point reductions for Management Companies are based on instances of poor performance measured by their management of LIHTC Projects in their portfolio that remain in their LIHTC Compliance Period as of the June 30 immediately preceding the Application deadline.

The average of the most recent physical plant inspection scores is below "Above Average" for properties that have a physical plant inspection on record dated within the three years prior to the June 30 immediately preceding the Application deadline.	-1 point
The average of Project Report submission scores, based on the most recent reporting deadlines occurring on or before June 30 preceding the Application deadline, is below "Above Average".	-1 point
The average of the most recent Management and Occupancy Review scores is below "Above Average" for properties that have an MOR on record dated within the three years prior to the June 30 immediately preceding the Application deadline.	-1 point

R. Tie Breaker.

If more than one Application has the same score, the Application for the least amount of Credit and 0% deferred debt from MaineHousing per unit will have priority. If the Applications request the same amount of these resources, the Application with the most acceptable plan to convert the Project to affordable homeownership for the residents after the Extended Use Period will have priority. The plan must describe the process for transferring ownership to the residents, the purchase price or process for determining it, any financial assistance available for residents (including any reserves), how the affordability will be maintained, and must provide for homebuyer counseling and professional representation of the residents at the time of the conversion.

S. Review Process.

MaineHousing will notify each Applicant of its initial score in writing. If MaineHousing assigns a score in a scoring category which is lower than the score the Applicant assigned itself in the scoring category, the Applicant will have five business days from such written notice to demonstrate to MaineHousing that the Application as submitted should receive the

higher score. MaineHousing will then make a final determination of scores and the ranking of Applications.

SECTION 7: PROJECT EVALUATION

A. Amount of Credit. The amount of Credit allocated will be determined as follows:

1. The calculation of the amount of Credit will be based on 130% of Eligible Basis. MaineHousing has designated the entire State and all buildings therein, as a DDA under [Section 42\(d\)\(5\)\(B\)\(v\)](#) of the Code because of the high cost of developing housing, the low median income, and the high annual operating costs for housing relative to other states;
2. To determine the amount of Credit, MaineHousing will use the lesser of (a) the market rent, based on the Application market study as approved by MaineHousing, and (b) the maximum Credit rent. For three or more bedroom units MaineHousing will use the maximum Credit rent for two-bedroom units plus \$50.00;
3. The amount of Credit allocated for a Project will not exceed the least of
 - a) the amount the Project is eligible to receive under [Section 42](#) of the Code,
 - b) the amount MaineHousing determines is necessary for financial feasibility and viability throughout the Credit Period, and
 - c) the Maximum Credit Amount;
4. The Applicant must submit financial and all other required information. MaineHousing will evaluate the need for Credit based on
 - a) all sources of financing, including the terms and conditions,
 - b) equity expected to be generated by reason of tax benefits, and
 - c) the uses of funds, including the reasonableness of development costs and operating expenditures; and
5. In order to determine the amount of Credit, MaineHousing must identify a gap between development sources and uses absent a Credit allocation. MaineHousing may limit recognition of Intermediary Costs, re-characterize Project sources and uses and make reasonable assumptions with respect to projected revenues and expenses. MaineHousing will also take into consideration any federal limitations when combining the Credit with other federal assistance (i.e. “subsidy layering” guidelines).

B. Developer Fee. Developer Fee will be determined as follows:

1. Maximum Developer Fee. The total Developer Fee may not exceed the sum of 15% of the Housing Development Costs, plus 10% of the costs of acquisition of land, existing buildings and equipment, determined without regard to the Developer Fee.

2. Net Developer Fee. The amount of Developer Fee not deferred may not exceed \$750,000 plus any unused construction contingency returned to the Applicant after completion.
3. Additional Developer Fee. An Applicant is eligible for Developer Fee in excess of the Net Developer Fee calculated above only if it is deferred and used to:
 - a) increase the tax credit equity generated for the Project (this will not be included in the TDC Index calculation); or
 - b) reduce the taxable surplus cash distributions and increase the losses to the syndicator thereby improving the economics of the Project, within the following parameters: Additional Developer Fee up to \$20,000 per LIHTC unit may be excluded from the TDC Index calculation.

Any Developer Fee that is deferred shall not be interest-bearing or secured by a mortgage on the Project.

- C. General Contractor Intermediary Costs. The general contractor's Intermediary Costs must be:
 1. separated from other construction and rehabilitation costs,
 2. with general conditions and overhead and profit parsed out, and
 3. no more than 14% of the Total Construction Cost, within the following ranges:
 - a) General conditions up to 6% of Total Construction Cost, and
 - b) Overhead and profit up to 8% of Total Construction Cost
- D. Time of Credit Determination. MaineHousing will determine the amount of Credit at the time of
 1. Application, which will be evidenced by the Notice of Award;
 2. the allocation of Credit, including any carryover allocation;
 3. the date each Qualified Building is Placed in Service; and
 4. if a Qualified Building is allocated Credit pursuant to Section 9, the date of issuance of the tax-exempt bonds.

Prior to each determination, the Applicant must certify the full amounts of all funding sources and provide any other information required by MaineHousing.

- E. Market Study. The applicant must submit a comprehensive market study prepared by a qualified professional in accordance with the *National Council of Housing Market Analysis Model Standards for Market Studies for Rental Housing*. MaineHousing may require the Applicant to either correct any inadequacies it identifies or submit a new market study. MaineHousing also may elect to commission its own market study.
- F. Construction Cost Increases. MaineHousing may allocate additional Credit to a Project if its construction costs increase after the Application date and the increase is the result of market conditions or other circumstances beyond the Applicant's control. Any additional Credit will not exceed an amount necessary to generate equity equal to 5% of the Total Construction Cost based on construction bids.

SECTION 8: ALLOCATION OF CREDIT

- A. Allocation. MaineHousing will issue one or more IRS Form(s) 8609 after receipt of the following:
 - 1. A complete request for allocation of Credit in a form prescribed by MaineHousing.
 - 2. An audit report on the schedule of project costs prepared by an independent, third party certified public accountant including all associated costs (such as commissions, due diligence, legal, accounting, reserves, and other similar items).
 - 3. Certification of the Project's sources, including all federal, state and local subsidies in any stage of commitment. This certification must include income, operating and development cost projections and methods for satisfying any deficits.
 - 4. The allocation fee and monitoring fee less the amount of any allocation fee paid in connection with the issuance of a carryover allocation.
- B. Carryover Allocation.
 - 1. The Applicant must submit the following to receive a carryover allocation:
 - a) A complete request for carryover allocation in the form prescribed by MaineHousing no later than the first day of December of the year in which the carryover allocation is made.
 - b) Certification of the Project's sources, including all federal, state and local funding. This certification must include income, operating and development cost projections and methods for satisfying any deficits.
 - c) Development progress report, including completion likelihood.

2. The applicant must execute a carryover allocation and return it to MaineHousing, together with the allocation fee, no later than December 31 of the year in which the carryover allocation is made.
3. A carryover allocation will be subject to the following conditions:
 - a) satisfactory evidence that more than 10% of the Project's reasonably expected basis is incurred within 12 months of the carryover allocation, including an audit report prepared by an independent, certified public accountant; and
 - b) any performance conditions MaineHousing may require.

Failure to comply with these conditions may result in termination of the carryover allocation.

- C. **Tax Credit Compliance Experience.** Prior to an allocation the Applicant must demonstrate that the entity managing the Project has sufficient Credit compliance experience and training. The entity must complete a Credit compliance training or receive a certification from a MaineHousing-approved trainer.
- D. **Extended Use Agreement.** Prior to an allocation of Credit, the Owner must enter into an Extended Use Agreement with MaineHousing obligating the Owner to comply with [Section 42](#) of the Code, the threshold requirements in Section 5, and commitments for which the Application was awarded points. The Extended Use Agreement must be recorded in the appropriate registry of deeds prior to all mortgage liens and encumbrances on the Project and before MaineHousing issues any IRS Form 8609 for the Project.
- E. **Converting a Carryover Allocation.** MaineHousing may convert a carryover allocation to the year in which it is terminated or the following year if there are extenuating circumstances beyond the Applicant's control. The carryover allocation must be rescinded by the mutual consent of MaineHousing and the Applicant. There can be no change in the design or financing that would render the Application withdrawn under Section 4.I. The Project will be subject to the QAP in effect at the time of the original allocation.
- F. **Forward Allocation of Credit.** MaineHousing may issue a binding commitment to allocate State Ceiling available in the subsequent year upon determining that the amount of Credit in the current year's State Ceiling is insufficient.

SECTION 9: TAX-EXEMPT BOND FINANCED PROJECTS

Projects financed with tax-exempt bond proceeds must satisfy all QAP requirements except

- A. the Maximum Credit Amount limitation in Section 3.C.,
- B. the application limits in Section 4.B.1.,

- C. the application deadlines in Section 4.B.2.,
- D. the selection process described in Sections 4.F.,
- E. the affordability threshold requirement set forth in Section 5.A.,
- F. the requirement of a minimum \$75,000 per unit of Rehabilitation Costs for Projects involving the acquisition and rehabilitation of existing housing in Section 5.C.2.,
- G. the scoring criteria in Section 6, and
- H. the Developer Fee limits in Section 7.B.

SECTION 10: MONITORING

- A. Compliance with Applicable Laws. Owners must comply with all local, state and federal laws and regulations, including without limitation:
 - 1. [Section 42](#) of the Code and associated regulations and guidance;
 - 2. UPCS and all other local, state and federal health, safety and building codes applicable to the Project;
 - 3. the [Federal Fair Housing Act, Title VIII of the Civil Rights Act of 1968](#), as amended by the Fair Housing Amendments Act of 1988 ([42 U.S.C. §3601 et seq.](#)), Title II of the Americans with Disabilities Act of 1990 ([42 U.S.C. §12101 et seq.](#)), and the Maine Human Rights Act ([5 M.R.S., Chapter 337, Subchapter IV](#)) and all other applicable federal, state and local fair housing and accessibility requirements, and the regulations, guidance and standards associated with all of the foregoing; and
 - 4. Title VI of the Violence Against Women Reauthorization Act of 2022, [42 USC Chapter 136, Subchapter III, Part M](#), and all associated regulations and guidance, as may be amended (VAWA).
- B. Recordkeeping and Record Retention. Each Owner must keep on file and available to MaineHousing upon request the following records for each Qualified Building in its LIHTC Project(s) for each year in the Extended Use Period:
 - 1. The total number of residential rental units including the number of bedrooms and the square footage of each unit;
 - 2. The number of low-income units;
 - 3. The rent charged for each unit including any utility allowances;

4. The number of occupants in each low-income unit;
5. The number of low-income unit vacancies and information showing when, and to whom, the next available units were rented;
6. Income certification and third-party documentation verifying the income of each household occupying a Credit Unit at the time of initial occupancy and for each new person added to the household after initial occupancy;
7. Annual income certifications and third-party documentation verifying the income of each household occupying a Credit Unit in a LIHTC Project are required if not all of the units in the LIHTC Project are Credit Units, or the LIHTC Project is financed or assisted under a state or federal program that requires annual certifications.

For a LIHTC Project with 100% Credit Units that are subject to more than one income limit, annual income certifications are only required for the households occupying the Credit Units subject to the lower income limits. The annual certification may be a self-certification, except that third-party documentation verifying the income of the household is required every 6 years from the date the LIHTC Project is Placed in Service and otherwise upon request by MaineHousing. The self-certification must be

- a) in writing,
- b) include the size of the household and annual household income,
- c) state that the information is complete and accurate,
- d) indicate that third-party source documentation will be provided if requested by the Owner or MaineHousing, and
- e) witnessed.

Annual income certifications are not required for a LIHTC Project with 100% Credit Units subject to the same income limit.

8. The Eligible Basis and Qualified Basis of each Qualified Building at the end of the first year of the Credit Period;
9. The character and use of the nonresidential portion of a Qualified Building included in its Eligible Basis;
10. A determination of the student status of the resident household;

11. The tenant occupancy policies and procedures and lease. The lease form and content must be acceptable to MaineHousing and comply with all applicable federal, state and local laws (including VAWA); and
12. All other disclosures to tenants, certifications and other records required by applicable local, state and federal laws.

Owners must maintain these records throughout the Extended Use Period for at least 6 years after the due date (with extensions) for filing the federal income tax return for that year, except that the records for the Credit Period's first year must be retained at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the Compliance Period.

- C. Annual Reports. Each Owner must submit the following to MaineHousing by March 1st of each year throughout the Extended Use Period:
 1. Certification for the prior calendar year that the Owner's LIHTC Project(s) comply with IRS Treasury Regulation §1.42-5(c)(1) and *MaineHousing's Low Income Housing Tax Credit Program Owner's Certificate of Continuing Program Compliance* attached hereto as **Appendix D**. A completed and executed IRS Form 8609 for each Qualified Building must be submitted with the first certification; and
 2. Certain information and data about the tenants in Credit Units for the prior calendar year, including household income; monthly rental payments; family composition; use of Section 8 rental assistance and other similar assistance; the race, ethnicity, age and disability status of the members of the households; and all other occupancy information required by MaineHousing.
- D. Review. For new LIHTC Projects, MaineHousing will complete a review of tenant records within two (2) years following the year the last Qualified Building is Placed in Service. MaineHousing will give owners reasonable prior written notice of a review. To the extent required by the Internal Revenue Service (IRS), MaineHousing will inspect low income certifications and tenant records in accordance with IRS Treasury Regulation §1.42 5(c)(2)(iii)(A) through (D) and §1.42 5(d) and will give no more than 15 calendar days prior notice.
- E. Inspections. Every one to three years after a Project is Placed in Service, MaineHousing will inspect LIHTC Projects. For new LIHTC Projects, MaineHousing will inspect Credit Units by the end of the second calendar year following the year the last Qualified Building is Placed in Service. MaineHousing will give reasonable prior written notice. To the extent required by the Internal Revenue Service, MaineHousing will inspect the LIHTC Projects in accordance with IRS Treasury Regulation §1.42 5(c)(2)(iii)(A) through (D) and §1.42 5(d) and will give no more than 15 calendar days prior notice.

F. Utility Monitoring

All projects funded by this QAP will require monitoring and reporting of all utilities for all units in the manner and form provided by MaineHousing.

G. Notification of Noncompliance. MaineHousing will notify an Owner in writing of any failure to

1. submit any complete certifications or information required by MaineHousing when due,
2. allow MaineHousing to perform any review or inspection required under this Section, or
3. comply with [Section 42](#) of the Code or any others requirements under this QAP.

The Owner will have a reasonable period of time to correct the noncompliance identified in the notice. MaineHousing will file a Form 8823, “Low-Income Housing Credit Agencies Report of Noncompliance” with the Internal Revenue Service within 45 calendar days of the end of the correction period.

SECTION 11: GENERAL

- A. Conflicts. If this rule conflicts with [Section 42](#) of the Code or any other provision of federal or State law, the federal or State law shall control.
- B. Full Discretion. MaineHousing is entitled to the full discretion allowed by law in making all decisions and interpretations under this rule.
- C. Not an Entitlement. This rule establishes a pool of eligible Applicants but does not preclude additional reasonable criteria and does not confer any automatic right or entitlement to Credit on any person or entity eligible hereunder. MaineHousing may reject any and all Applications and may refuse to award any or all of the Credit.
- D. Final Agency Action. The director of MaineHousing, individually or by exercise of the delegation of powers contained in the Act, shall make all decisions and take all action necessary to implement this rule. Such action of the director shall constitute final agency action.
- E. Waiver. Upon a determination of good cause, the director of MaineHousing or the director’s designee may, subject to statutory limitations, waive any provision of this rule. The waiver must be in writing and must be supported by documentation of the pertinent facts and grounds.
- F. Freedom of Access Act. MaineHousing is subject to the Freedom of Access Act, [1 M.R.S. §401 et seq.](#), which requires the disclosure of all information provided to MaineHousing that is not specifically excluded, such as confidential information under the Act. MaineHousing

shall not be liable for the disclosure of any information that it determines must be disclosed under the Freedom of Access Act.

- G. **Liability.** Compliance with [Section 42](#) of the Code is the responsibility of the Owner. MaineHousing is in no way responsible for an Owner's compliance or liable for an Owner's noncompliance. Any allocation, review or inspection by MaineHousing and any determination made by MaineHousing pursuant to this QAP is for the sole benefit of MaineHousing. No liability or responsibility for Owner compliance with [Section 42](#) of the Code or other applicable requirements and no representation or warranty of a Project's feasibility or viability, eligibility for Credit, or compliance shall be implied or construed from any such actions and determinations by MaineHousing.
- H. **Headings/Context.** The headings in this rule are for convenience only and do not define or limit the scope of the provisions of this rule. The use of Section, Subsection or Appendix without a reference to another document or source refers to a section, subsection and Appendix of this rule. All Appendices attached to this Rule are incorporated herein and made a part of this Rule.

STATUTORY AUTHORITY: 30-A MRS §§4741(1) and 4741(14), §4726, Section 42 of the Internal Revenue Code of 1986, as amended

EFFECTIVE DATE: May 25, 1987

EFFECTIVE DATE (ELECTRONIC CONVERSION):

NON-SUBSTANTIVE CORRECTIONS:

April 4, 1989 – amended to conform to federal law changes and procedural changes.

March 6, 1991 – amended to conform to changes in federal law made by the Omnibus Budget Reconciliation Act of 1990 and procedural changes.

February 12, 1992 – amended to make certain procedural changes.

September 24, 1992 - amended to make certain procedural changes.

January 30, 1993 – amended to make policy changes, procedural changes and/ or grammatical changes.

February 5, 1994 – amended to make policy changes, procedural changes and/ or grammatical changes.

April 26, 1995 – amended to make policy changes, procedural changes and/ or grammatical changes.

April 24, 1996 – amended to make policy changes, procedural changes and/ or grammatical changes.

February 16, 1997 – amended to make policy changes, procedural changes and/ or grammatical changes.

January 12, 1999 – amended to make policy changes, procedural changes and/ or grammatical changes.

January 9, 2000 - amended to make policy changes, procedural changes and/ or grammatical changes.

99-346 Maine State Housing Authority

Chapter 16 Low-Income Housing Tax Credit Rule

May XX, 2026

Page 30 of 31

January 13, 2001 – amended to make policy changes, procedural changes and/ or grammatical changes.
July 7, 2001 – amended to make policy changes, procedural changes and/ or grammatical changes.
January 20, 2002 - amended to make policy changes, procedural changes and/ or grammatical changes.
November 25, 2002 – amended to make policy changes, procedural changes and/ or grammatical changes.
January 12, 2004 - amended to make policy changes, procedural changes and/ or grammatical changes.
November 8, 2005 - amended to make policy changes, procedural changes and/ or grammatical changes.
November 6, 2006 – amended to make policy changes, procedural changes and/ or grammatical changes.
September 17, 2007 – amended to make policy changes, procedural changes and/ or grammatical changes.
March 15, 2010 - amended to make policy changes, procedural changes and/ or grammatical changes.
October 25, 2011 – amended to make policy changes, procedural changes and/ or grammatical changes.

REPEALED AND REPLACED:

June 25, 1990
September 25, 2012
August 10, 2013
October 3, 2014
August 7, 2016
November 26, 2017
July 4, 2018
July 8, 2019
July 12, 2020
July 13, 2022
July 3, 2024

FISCAL IMPACT OF THE RULE: The 2027 State of Maine ceiling of federal low-income housing tax credits is projected to raise approximately \$40,500,000 of private investor capital, and the 2028 State of Maine ceiling of federal low-income housing tax credits is projected to raise approximately \$41,150,000 of private investor capital. The private investor capital generated by the federal low-income housing tax credits will be used to develop affordable housing for low-income persons. Additionally, it is estimated that 1,400 jobs a year will be created with this investment. The rule will not impose any costs on municipalities or counties for implementation or compliance.

EFFECTIVE DATE: JUNE XX, 2026

APPENDIX A

Definitions

“Above Average” means an average overall score of 4 in the rating category - Physical plant inspections, Project Reports submissions, or Management and Occupancy Reviews. Physical plant inspections, and Management Occupancy Reviews are scored on the following scale: 1- Unsatisfactory, 2 – Below Average, 3 – Average, 4 – Above Average, and 5 – Superior. Project Reports submissions are scored as 5-Timely Submission and 1-Late Submission for each required submission report – Audited Financial Review (AFR), Budget, and Owner Certification of Continued Compliance.

“Act” means the Maine Housing Authorities Act, [30-A M.R.S. §4701 et seq.](#), as may be amended from time to time.

“Adaptive Reuse” means the conversion of an existing non-housing building or structure to multi-family residential rental housing or the reconstruction of existing housing that has become functionally obsolete, as determined by MaineHousing.

“Additional Developer Fee” means Developer Fee in excess of the allowed Net Developer Fee. If this fee generates additional equity for the project, it will be exempt from the TDC Index calculation. If this fee is for purposes of reducing the taxable surplus cash distributions and increasing the losses to the syndicator thereby improving the economics of the project, up to \$20,000 per LIHTC unit will be exempt from the TDC Index calculation.

“Affiliates” means any person or entity directly or indirectly controlling, controlled by, or under common control with another person or entity.

“Affordable Housing” means multi-family rental housing that has five or more units and is assisted under a HUD or Rural Development program or is subject to a restrictive covenant requiring units in the housing to be restricted to households with income at or below 60% of area median income, as determined by HUD.

“Affordable Housing TIF” means an affordable housing development district and development program approved by MaineHousing pursuant to MaineHousing’s Affordable Housing Tax Increment Financing Program, [30-A M.R.S., Chapter 206, Subchapter 3](#) and the Act, as may be amended.

“Applicant” means the entity applying for Credit, its successors and assigns, which must be the entity that will be the owner of the Project for tax purposes; must be duly organized and validly existing under the laws of the state in which it is formed, and if not formed in this State, must be duly authorized to conduct business in this State; and must be in good standing under the laws of this State and its state of formation, if not this State.

“Application” means an application to MaineHousing for an allocation of Credit.

“Capitalized Lease Value” means the net present value of all lease payments under a lease calculated

over the term of the lease using the 10-year Treasury note rate 60 calendar days before the Application deadline plus 300 basis points.

“Code” means the Internal Revenue Code, Title 26 of the United States Code, and applicable regulations promulgated pursuant thereto, as may be amended.

“Community Revitalization Plan” means (1) a community that has been designated by HUD or RD as an Empowerment Zone, a Renewal Community or Enterprise Community, or a Neighborhood Revitalization Strategy Area; or (2) a written plan that was formally adopted by the governing body of a municipality no more than twelve (12) years prior to the Application deadline following a concerted planning process and public input, specifically targets a neighborhood or area in the community (not a single building or site or the entire municipality) for redevelopment or revitalization, and includes (a) an assessment of the existing physical structures and infrastructure of the area, (b) detailed policy goals with respect to economic redevelopment, the rehabilitation or development of housing (including multi-family rental housing) and the improvement or expansion of infrastructure, and (c) proposed activities and a timetable for implementing the policy goals. Plans for a single development and plans formulated by or on behalf of the Applicant are not Community Revitalization Plans. A comprehensive plan that meets all of the requirements in (2) may qualify.

“Compliance Period” means the period defined in Section 42(i)(1) of the Code.

“Credit” or “LIHTC” means the low-income housing tax credit established pursuant to [Section 42](#) of the Code and allocated pursuant to this rule.

“Credit Period” means the period defined in Section 42(f)(1) of the Code.

“Credit Units” means units in a Project that are eligible for Credit.

“Demand Response Transportation” means on-call transportation services that operate at least 3 days per week and provide service throughout the day.

“Developer Fee” means the total compensation for the work, costs and risks associated with developing a Project, including without limitation, creating the Project concept, identifying and acquiring the Project site, obtaining construction and permanent financing, obtaining necessary subsidies, negotiating the syndication of investment interests in the Project, obtaining all necessary regulatory approvals, constructing and/or rehabilitating the Project and marketing, and includes all amounts paid to consultants to perform this work, except fees for professional services such as environmental assessments, rental market studies, soil tests, and water tests, and includes all reserves, in the form of cash, expected to be paid to the tax credit developer from the Project.

“DDA” means an area of the State that is designated by HUD as a difficult development area pursuant to [Section 42\(d\)\(5\)\(B\)\(iii\)](#) of the Code or an area of the State that is designated by MaineHousing as a difficult-to-develop area in Section 7.A.1 pursuant to [Section 42\(d\)\(5\)\(B\)\(v\)](#) of the Code.

“Extended Use Agreement” means an agreement that satisfies the requirements of [Section 42\(h\)\(6\)\(B\)](#) of the Code.

“Extended Use Period” means the period of time specified by MaineHousing in the Extended Use Agreement executed in connection with a Project pursuant to [Section 42\(h\)\(6\)\(D\)](#) of the Code, which is the period set forth in Section 5.A. for Projects allocated Credit under the State Ceiling.

“Extremely Low Income” means income that is at or below 30% of the area median income as determined pursuant to the regulations and guidance governing the National Housing Trust Fund.

“Family Housing” means housing for families that qualifies for points under the Family Housing scoring criteria set forth in Section 6.E.

“Fiscal Year” means the fiscal year for a LIHTC Project as defined in the Owner’s organizational documents.

“Fixed-route Public Transportation” means year-round, regularly scheduled public transportation that operates at least 5 days per week and provides regular service throughout the day.

“Housing Development Costs” means the total of all direct and indirect costs incurred in financing, creating, purchasing or rehabilitating a LIHTC Project except the costs attributable to the acquisition of the land and any existing buildings as determined by MaineHousing.

“Housing for Older Adults” means a Project that is designated as elderly or senior housing and receives funding and project-based rental assistance under a RD or HUD multi-family elderly housing program (such as [RD’s Section 515 Rural Rental Housing Program](#) and [HUD’s Section 202 Supportive Housing for the Elderly Program](#)) or that meets the definition of “housing for older persons” under the federal [Fair Housing Act, 42 U.S.C. §3607\(b\)\(2\)](#) and the Maine Human Rights Act, [5 M.R.S. §4581 et seq.](#) and all associated regulations, as may be amended.

“HUD” means the United States of America acting through the United States Department of Housing and Urban Development.

“Intermediary Costs” means all Housing Development Costs except the actual construction costs or eligible rehabilitation costs under [Section 42\(e\)](#) of the Code attributable to the development of the units.

“IRS” means the United States Department of Treasury, Bureau of Internal Revenue Service.

“LIHTC Project” means a qualified low-income housing project as defined in and governed by [Section 42\(g\)](#) of the Code.

“MaineHousing” means Maine State Housing Authority.

“MaineHousing’s Construction Standards” means MaineHousing’s [Quality Standards and Procedures Manual](#) in effect 60 calendar days prior to the applicable deadline for an Application for Credit which include without limitation certain energy efficiency standards and UPCS and incorporate MaineHousing’s accessibility policy and procedures.

“Maximum Credit Amount” means the maximum amount of Credit a Project is eligible to receive pursuant to Section 3.C.

“National Housing Trust Fund” means the Housing Trust Fund established under Title I of the Housing and Economic Recovery Act of 2008, [12 U.S.C. §4568](#), together with associated regulations and guidance now or hereafter promulgated pursuant thereto.

“Net Developer Fee” means the Developer Fee with respect to a Project that does not exceed the applicable limit set forth in Section 7.B.2., including any portion thereof that is deferred or loaned to pay for costs associated with the Project (and does not include any additional Developer Fee allowed under Section 7.B.3).

“Notice of Award” means the notice that a Project has been selected for further evaluation to determine the Project’s eligibility for Credit and the amount of Credit to be allocated for the Project. The Notice of Award will require the submission of all information necessary for MaineHousing to determine the amount of Credit, if any, to be allocated to the Project, obligate the Applicant to fulfill all commitments made in the Application, and require the Applicant to promptly and diligently develop and complete the Project according to the deadlines specified in the notice.

“Owner” means the legal owner of a LIHTC Project or Qualified Building for which an Application has been submitted to MaineHousing or which has received an allocation of Credit from MaineHousing pursuant to this Qualified Allocation Plan or a prior Qualified Allocation Plan for the State.

“Ownership Transfer Rule” means Chapter 27 of MaineHousing’s rules, *Transfers of Ownership Interests*, and the policies and procedures related thereto, all as may be amended.

“Passive House Certification” means certification from Passive House Institute US, Inc. (PHIUS) or Passive House Institute (PHI) prior to MaineHousing’s issuance of IRS Form 8609.

“Persons Experiencing Homelessness” means persons sleeping in a place not meant for human habitation, in an Emergency Shelter, or in other emergency housing; persons exiting an institution where they resided for 90 days or less and who had resided in an Emergency Shelter, other emergency housing, or place not meant for human habitation before entering that institution; and persons fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions in the individual’s or family’s current housing situation, including where the health and safety of children are jeopardized, and who have no other residence and lack the resources or support networks to obtain other permanent housing.

“Placed in Service” means the date on which a Qualified Building is suitable and available for occupancy as determined in accordance with [Section 42](#) of the Code.

“Principal” means any person or entity with a controlling interest in another entity, including without limitation, a person or entity with an ownership interest in an Applicant that controls the development and day-to-day operation of a Project, such as the general partner(s) of a limited partnership or the manager(s) or member(s) invested with the management authority of a limited liability company, and all persons and entities with an ownership interest in or control of said entity.

“Project” means the property described in the Application, which must be a qualified low-income housing project as defined in and governed by [Section 42\(g\)](#) of the Code.

“Project Reports” means the annual certification and tenant data required under Section 10.C., and if required for the LIHTC Project, the audited financial report (AFR) and the annual project budget.

“QCT” means an area of the State designated by HUD as a qualified census tract pursuant to [Section 42\(d\)\(5\)\(B\)\(ii\)](#) of the Code.

“Qualified Allocation Plan” or “Plan” means the plan for allocating and administering the Credit adopted by the housing credit agency pursuant [Section 42\(m\)\(1\)\(B\)](#) of the Code.

“Qualified Building” means a qualified low-income building as defined in and governed by [Section 42\(c\)\(2\)](#) of the Code.

“Qualified Contract” means a contract as defined in Section 42(h)(6)(F) of the Code.

“Qualified Nonprofit Organization” means a qualified nonprofit organization as defined in Section 42(h)(5)(C) of the Code.

“Rehabilitation Costs” means with respect to a Project (1) the site costs, (2) the costs of complying with the construction requirements of other funding sources except those required by the Applicant, any Principal thereof or Affiliates of either, (3) contractor profit, overhead and general conditions, and (4) certain costs identified in the capital needs assessment required under Section 5.C.1. of the QAP, including (a) the cost of correcting all violations of applicable federal, state and local health, safety and building codes and correcting deferred maintenance, (b) the rehabilitation or replacement of all structures, systems, facilities and components that have reached or exceed their useful life or will reach their useful life within 5 years, (c) the cost of complying with MaineHousing’s Construction Standards, (d) the cost of complying with the most current accessibility requirements for new construction projects under applicable federal, state and local accessibility laws, regulations, standards and guidance, and (e) the remediation and disposal of any environmental or other hazards identified in environmental reports. Rehabilitation Costs do not include construction contingency, relocation costs, or other soft costs.

“Related Development” means any development of which the Project is a part or is related and the Project cannot be completed, either structurally or financially, without the completion of the development.

“RD” or “Rural Development” means the United States of America acting through the United States Department of Agriculture, Rural Housing Services.

“Safe Walking Distance” means a pedestrian route appropriate to the area, as determined by MaineHousing, with sidewalks, crosswalks and traffic signals at busy roads or intersections and year-round walkability, which includes being plowed during the winter.

“Section 8” means Section 8 of the United States Housing Act of 1937, [42 U.S.C. §1437f](#), as may be amended.

“Service Center Community” means an entire municipality that provides jobs and retail to surrounding areas and is a center for education, health care, cultural, recreational and social services,

designated pursuant to the Municipal Planning Assistance Program of the State's Department of Agriculture, Conservation and Forestry as a Regional Service Center as of January 2013.

"State" means the State of Maine.

"State Ceiling" means the State's housing credit ceiling established pursuant to [Section 42\(h\)\(3\)\(C\)](#) of the Code.

"Tax Increment Financing" means any type of tax increment financing, including without limitation an Affordable Housing TIF, a development district and development program approved by a municipality or a tax increment financing district approved by the State's Department of Economic and Community Development pursuant to [30-A M.R.S., Chapter 206](#), as may be amended.

"TDC Index" means the calculation described in Section 5.B.

"TDC Index Cap" means the limit on Total Development Cost set forth in Section 5.B.

"Telehealth" means the use of interactive real-time visual and audio or other electronic media for the purpose of consultation and education concerning and diagnosis, treatment, care management, and self-management of a patient's physical and mental health and includes real-time interaction between the patient and the telehealth provider, synchronous encounters, asynchronous encounters, store and forward transfers and remote patient monitoring. Telehealth includes telephonic services when interactive telehealth services are unavailable or when a telephonic service is medically appropriate for the underlying covered service.

"Total Construction Cost" means the sum of site costs, costs of constructing or rehabilitating structures, systems, facilities, units and components, general requirements, bond premiums, and contractor overhead and profit as determined by MaineHousing.

"Total Development Cost" or "TDC" means Total Project Cost less (1) the fees required by MaineHousing, (2) the Project's operating deficit account to the extent required by MaineHousing, (3) the costs associated with any commercial space developed in connection with the Project, and (4) up to \$20,000 per unit in Additional Developer Fee. "Total Project Cost" means the sum of all costs associated with the development, construction and rehabilitation of a Project, as determined by MaineHousing. Total Project Cost includes, without limitation, acquisition costs, the Capitalized Lease Value of all leases of land and building(s), demolition costs, Total Construction Cost, construction contingency, costs associated with community service facilities included in the Eligible Basis of the Project, soft costs (such as permits, design and engineering fees, environmental reports, appraisals, market studies and legal fees), syndication costs, Developer Fee, financing costs and project reserves. Community service facilities are not considered commercial space for purposes of Total Project Cost.

"UPCS" means the Uniform Physical Conditions Standards established by HUD pursuant to [24 CFR §5.703](#), as may be amended.

APPENDIX B

Pre-Application Submission Requirements

Applicants must submit a request for pre-application review and the following information to MaineHousing **at least 60 calendar days before the applicable Application deadline.**

1. A narrative description of the Project and any Related Development, including, the location, type of housing, total number of units by bedroom size, breakdown of required and/or pledged accessible units by type and location, total number of income-restricted units by bedroom size, proposed affordability, any existing affordability restrictions, any existing or proposed use restrictions, common areas and amenities at the Project, any community service facilities, any commercial space and other unique features of the Project.
2. Conceptual, Diagrammatic Site Plan and Conceptual Floor Plans and Conceptual Building Elevations in accordance with the requirements set forth in MaineHousing's *Quality Standards and Procedures Manual* which can be found at <https://www.mainehousing.org/programs-services/housing-development/construction-services>.
3. The status of applicable federal, State and local land use approvals for the Project and any Related Development, and any site, subdivision and other plans for the Project and any Related Development that have been prepared for submission or have been submitted to applicable municipal, state and federal governmental entities.
4. Details about the parking for the Project, including the number, type and location of all on-site parking and off-site parking and the terms and conditions thereof.
5. An explanation and all supporting documentation for any exceptions from the requirement to provide a community room, laundry facilities, telemedicine facilities or area activities in accordance with Section 5.J of the QAP.
6. All available information about any known or suspected environmental conditions on the Project site and any Related Development or adjacent sites that may impact the Project site or any Related Development, including any environmental reports and all available radon test results for the Project site. To the extent feasible, identify any and all visible (both on and off-site) fuel oil and propane tanks and include them on the site plan
7. A capital needs assessment for any existing housing that meets the requirements in Section 5.C. and Appendix C.
8. A conceptual construction estimate(s) prepared by a qualified general contractor or third-party estimator for the Project and any Related Development, including trade breakdowns in the form of a schedule of values and a reasonable estimating contingency, if applicable, with sufficient detail to demonstrate expected construction-related costs. All exclusions and qualifications, if any, must be clearly stated in the estimate. The estimate is to be the basis of the hard cost line items contained in the project underwriting without exception.
9. A projected development and operating budget(s) for the Project and any Related Development which must be submitted electronically in the format prescribed by MaineHousing.

APPENDIX C

Capital Needs Assessment Requirements

1. The assessment must include a site visit, an interview with the on-site property manager and maintenance personnel concerning prior and pending repairs and improvements and existing or chronic physical deficiencies, and a physical inspection of the interior and exterior of at least 20% of the units and all other structures, facilities, systems and components that will be part of the Project, including the following:

- a) Site, including without limitation topography, drainage, pavement, curbing, walkways, sidewalks, parking, accessible parking, accessible routes, landscaping, amenities, water, sewer, storm drainage, and all utility lines;
- b) Structural systems and components, both substructure and superstructure, including without limitation foundations, exterior walls, balconies, porches, and stairways, exterior doors and windows, chimneys and roofing;
- c) Interiors, including without limitation unit and common area finishes and substrata (e.g. flooring, underlayment, carpeting, plaster or drywall, wall coverings and paint condition), and unit and common area kitchen finishes, cabinets, countertops and appliances, and unit and common area bathroom finishes, fixtures and accessories, laundry facilities, and common area lobbies and corridors; and
- d) Building systems, including without limitation plumbing supplies and drainage, domestic hot water production, heating, ventilating and air-conditioning production and distributions systems, fuel storage and delivery systems, electrical power distribution and metering systems, lighting controls and fixtures, smoke, fire and any other alarm systems, fire protection systems, security systems, and elevators.

The capital needs assessment must specifically identify all structures, systems, facilities, units and components that were inspected and must include a concise overview of the physical and operational condition of the existing housing and a detailed assessment of the expected useful life and the remaining useful life of each structure, system, facility, unit and component inspected. The assessment must also consider the presence of environmental and other hazards, including without limitation, asbestos, lead paint, mold, water damage and insect infestations.

2. The capital needs assessment must include a recommended scope of work and a cost estimate to complete the scope of work that addresses the following capital needs of the Project, without consideration of financial feasibility:

- a) Correction of all violations of applicable federal, state and local building, health and life safety codes and correction of all deferred maintenance;
- b) Rehabilitation or replacement of all structures, systems, facilities, units and components that have reached or exceeded their useful lives or will reach their useful lives within 5 years;
- c) Rehabilitation of all units and common areas and facilities to bring them into compliance with MaineHousing's Construction Standards to the maximum extent feasible;
- d) Rehabilitation of the minimum number of units and all common areas and facilities that are necessary to comply with the most current requirements for new construction projects under applicable federal, state and local accessibility laws, regulations, standards and guidance (which include without limitation, [Section 504 of the Rehabilitation Act of 1973](#), HUD's housing regulations at [24 C.F.R. Part 8](#) and any accessibility standard designated by HUD; Title II and Title III of the Americans with Disabilities Act of 1990 and the 2010 Standards of Accessible Design; and if the Project involves substantial rehabilitation,

the Maine Human Rights Act, the Maine Human Rights Commission's Chapter 8, Housing Regulations, and ANSI Standard A117.1-2009); and

e) Remediation and disposal of any environmental or other hazards identified in the assessment.

3. The capital needs assessment must also identify any structures, systems, facilities, units and components with a remaining useful life of less than 30 years. The Application must include a plan for future rehabilitation or replacement of any identified structure, system, facility, unit and component with a useful life of less than 30 years that is not included in the scope of work for the Project, including possible funding sources, which will be considered in establishing the appropriate funding amounts for the Project's reserve accounts.

APPENDIX D
LOW INCOME HOUSING TAX CREDIT PROGRAM
OWNER'S CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

To: *MaineHousing*
26 Edison Drive
Augusta, ME 04330

Certification Dates:	From: January 1, 20_____	To: December 31, 20_____		
Project Name:			Project No:	
Project Address:		City:	County:	Zip:
Tax ID # of Ownership Entity:				
Building Identification Number(s):	(1)	(2)	(3)	
	(4)	(5)	(6)	
	(7)	(8)	(9)	
	(10)	(11)	(12)	

☐ No buildings have been Placed in Service
☐ At least one building has been placed in Service but owner elects to begin credit period in the following year.
 If either of the above applies, please check the appropriate box, and proceed to page 2 to sign and date this form.

The undersigned_____ on behalf of

_____ (the "Owner"), hereby certifies that:

1. The project meets the minimum requirements of: (check one)
 - ☐ 20 - 50 test under Section 42(g)(1)(A) of the Code
 - ☐ 40 - 60 test under Section 42(g)(1)(B) of the Code
 - ☐ 15 - 40 test for "deep rent-skewed" projects under Section 42(g)(4) and 142(d)(4)(B) of the Code
 - ☐ Income Averaging
2. There has been **no change in the applicable fraction** (as defined in Section 42(c)(1)(B) of the Code) for any building in the project:
 ☐ **NO CHANGE** ☐ **CHANGE**
 If **"Change"**, list the applicable fraction to be reported to the IRS for each building in the project for the certification year on page 4:
3. There have been no changes in the building's eligible basis under Section 42(d) of any building in the project.
 ☐ **NO CHANGE** ☐ **CHANGE**
 If **"Change"**, list the changes on page 4:
4. The owner has received an annual Tenant Income Certification from each low-income resident and documentation to support that certification, or the owner has a re-certification waiver letter from the IRS in good standing, has received an annual Tenant Income Certification from each low-income resident, and

documentation to support the certification at their initial occupancy.

☐ YES

☐ NO

5. Each low-income unit in the project has been rent-restricted under Section 42(g)(2) of the Code:

☐ YES

☐ NO

6. All low-income units in the project are and have been for use by the general public and used on a non-transient basis (except for transitional housing for the homeless provided under Section 42 (i)(3)(B)(iii) of the Code):

☐ YES

☐ NO

☐ HOMELESS

7. There has been no finding of discrimination under the Fair Housing Act, 42 U.S.C 3601-3619 with respect to this project. A finding of discrimination includes an adverse final decision by the Secretary of Housing and Urban Development (HUD), 24 CFR 180.680, an adverse final decision by a substantially equivalent state or local fair housing agency, 42 U.S.C 3616a(a)(1), or an adverse judgment from a federal court:

☐ FINDING

☐ NO FINDING

If "**Finding**", please explain the nature of the violation and attach a copy of the decision or judgment.

8. There has been no finding of discrimination under any other applicable local, State or federal equal access or nondiscrimination law with respect to this project. A finding of discrimination includes an adverse final decision by the governmental agency responsible for administering such law, or an adverse judgment from a court with jurisdiction over such law:

☐ FINDING

☐ NO FINDING

If "**Finding**", please explain the nature of the violation and attach a copy of the decision or judgment.

9. Each building in the project is and has been suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards), and the state or local government unit responsible for making building code inspections did not issue a report of a violation for any building or low income unit in the project:

☐ YES

☐ NO

If "**No**", explain the nature of violation on page 4 and attach a copy of the violation report as required by 26 CFR 1.42-5 and any documentation of correction.

10. Each building and all FedHome (HOME) assisted units are suitable for occupancy, taking into account State and local health, safety, and other applicable codes, ordinances, and requirements, and the ongoing property standards established by the participating jurisdiction (MaineHousing) to meet the requirements of 24 CFR, Part 92, HOME Investment Partnership Program, Section 92.251.

☐ YES

☐ NO

☐ N/A

11. There has been **no change in the eligible basis** (as defined in Section 42(d) of the Code) of any building in the project since last certification submission:

☐ NO CHANGE

☐ CHANGE

If "**Change**", state nature of change (e.g., a common area has become commercial space, a fee is now charged for a tenant facility formerly provided without charge, or the project owner has received federal

subsidies with respect to the project which had not been disclosed to the allocating authority in writing) on page 4:

12. All tenant facilities included in the eligible basis under Section 42(d) of the Code of any building in the project, such as swimming pools, other recreational facilities, parking areas, washer/dryer hookups, and appliances were provided on a comparable basis without charge to all tenants in the buildings:
☐ YES ☐ NO
13. If a low-income unit in the project has been vacant during the year, reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units were or will be rented to tenants not having a qualifying income:
☐ YES ☐ NO
14. If the income of tenants of a low-income unit in any building increased above the limit allowed in Section 42(g)(2)(D)(ii) of the Code, the next available unit of comparable or smaller size in that building was or will be rented to residents having a qualifying income:
☐ YES ☐ NO
15. Project complies with an extended low-income housing commitment as described in section 42(h)(6) (not applicable to buildings with tax credits from years 1987-1989):
☐ YES ☐ NO ☐ N/A
16. In the prior 12 month period, the owner has:
- a) terminated the tenancy of a tenant in a low income unit, including without limitation, non-renewal of the lease of an existing tenant in a low income unit, for other than good cause;
 - b) increased the gross rent of a tenant with respect to a low income unit not otherwise permitted under Section 42 of the Code and any other applicable program (e.g. HOME, HUD Section 8);
 - c) denied tenancy to any applicant or terminated the tenancy of any tenant solely because the applicant or tenant had a Section 8 voucher or certificate; or
 - d) denied tenancy to any applicant, terminated the tenancy of any tenant, or failed to assist a tenant in finding alternative appropriate housing in violation of Title VI of the Violence Against Women Reauthorization Act of 2013, 34 USC Subpart 2 – housing rights Chapter 121 and applicable regulations (VAWA), as amended.
- ☐ YES ☐ NO

If “Yes”, please explain the nature of the violation on page 4.

17. The project complies with the requirements of all applicable Federal and State Housing Programs included in the development (e.g., Rural Housing Services, HOME, HUD Section 8, or Tax-Exempt Bonds).
☐ YES ☐ NO
- If “No”, please explain the nature of the violation on page 4.
18. The owner received its credit allocation from the portion of the state ceiling set-aside for a project involving "qualified non-profit organizations" under Section 42(h)(5) of the code and its non-profit entity materially participated in the operation of the development within the meaning of Section 469(h) of the Code.
☐ YES ☐ NO ☐ N/A

19. The property has not suffered a casualty loss resulting in the displacement of residents.
☐ YES ☐ NO

If “Yes”, please explain the nature of the loss on page 4.

20. There has been no change in the ownership or management of the project:

☐ NO CHANGE ☐ CHANGE

If "**Change**", complete page 4 detailing the changes in ownership or management of the project.

Note: Failure to complete this form in its entirety will result in noncompliance with program requirements. In addition, any individual other than an owner or general partner of the project is not permitted to sign this form, unless permitted by the state agency.

The project is otherwise in compliance with the Code, including any Treasury Regulations, the applicable State Allocation Plan, and all other applicable laws, rules and regulations. This Certification and any attachments are made UNDER PENALTY OF PERJURY.

(Ownership Entity)

By: _____

Title: _____

Date: _____

PLEASE PROVIDE ANY CHANGES OR EXPLANATIONS REQUIRED UNDER QUESTIONS 1-19.

Question #	Explanation

CHANGE IN MANAGEMENT CONTACT

Date of Change:	
Management Co. Name:	
Management Address:	
Management city, state, zip:	
Management Contact:	
Management Contact Phone:	
Management Contact Fax:	
Management Contact Email:	

1. CHANGES IN OWNERSHIP OR MANAGEMENT

(to be completed **ONLY** if **“CHANGE”** marked for question 20 above)

2. TRANSFER OF OWNERSHIP

Date of Change:	
Taxpayer ID Number:	
Legal Owner Name:	
Address:	
Phone:	
General Partnership:	
Status of Partnership (LLC, etc.):	

CHANGE IN OWNER CONTACT

Date of Change:	
Owner Contact:	
Owner Contact Phone:	
Owner Contact Fax:	
Owner Contact Email:	

APPENDIX E

THRESHOLD REQUIREMENTS FOR PURCHASE OPTIONS/RIGHTS OF FIRST REFUSAL

I. The Purchase Options must:

- 1) grant to one or more of the general partner, managing member, developer or sponsor an irrevocable option to purchase the Project at a purchase price not more than the greater of: (a) its fair market value as encumbered by the Extended Use Agreement and any other restrictions of record; and (b) the sum of: (i) the outstanding debt secured by the Project, (ii) the amount of the limited partner's or non-managing member's federal, state and local tax liability resulting from the sale of the Project, and (iii) all amounts owed to the limited partner or non-managing member under the limited partnership agreement or limited liability company operating agreement (the "Project Option Price");
- 2) grant to one or more of the general partner, managing member, developer or sponsor an irrevocable option to purchase the interest of the limited partner(s) or non-managing member(s) in the Project ownership entity ("Ownership Interest") at a purchase price not more than the amount the limited partner(s) or non-managing member(s) would have received on an after-tax basis if the Project had been sold at the Project Option Price and the proceeds distributed pursuant to the terms of the limited partnership agreement or limited liability company operating agreement;
- 3) be exercisable beginning at the earlier of: (a) the expiration of the Compliance Period; or (b) the exit of or change of controlling interest (as defined in the Transfers of Ownership Interests Rule, Chapter 27) in the limited partner or non-managing member occurring after the expiration of the Credit Period;
- 4) expire no earlier than 36 months after the expiration of the Compliance Period; and
- 5) give the holder of the option a minimum of 12 months to close on the purchase of the Project or the Ownership Interest after exercise of the option or such longer period required by any lender(s) or other party whose consent to the transfer is required.

II. The right of first refusal (ROFR) must:

- 1) grant to a Qualified Nonprofit Organization an irrevocable and exclusive ROFR to purchase the Project at the Minimum Purchase Price as defined in Section 42(i)(7) of the Code, excluding any indebtedness incurred within the 5-year period ending on the date of the sale pursuant to the ROFR (the "ROFR Price");
- 2) be exercisable beginning at the expiration of the Compliance Period;
- 3) expire no earlier than 36 months after the later of: (i) the public offer of the Project for sale by the general partner or managing member; and (ii) the expiration of the Compliance Period;

- 4) give the holder of the ROFR a minimum of 90 days to exercise its ROFR and a minimum of 12 months to close on the purchase of the Project after exercise of the ROFR or such longer period required by any lender(s) or other party whose consent to the transfer is required; and
- 5) not require more than a nominal earnest money deposit in order to exercise the ROFR.

III. The Project owner's limited partnership agreement or limited liability company operating agreement must provide that:

- 1) the holder of the ROFR may assign the ROFR to a governmental unit, tenant organization or resident management corporation of the Project, or another Qualified Nonprofit Organization without the consent of the limited partner(s) or non-managing member(s);
- 2) the general partner or managing member may elect to do any of the following:
 - a) subject to the consent of the limited partner(s) or non-managing member(s), which consent shall not be unreasonably withheld, conditioned, or delayed, sell the Project to the holder of the ROFR in connection with the exercise of the ROFR (the limited partner(s) or non-managing member(s) may not withhold consent for a non-material breach of the Project owner's organizational documents);
 - b) at its discretion, without the consent of the limited partner(s) or non-managing member(s), sell the Project to the holder of the ROFR in connection with the exercise of the ROFR following the general partner's or managing member's receipt of a bona fide third party offer to purchase the Project, which offer may be solicited by the general partner/managing member or the holder of the ROFR; or
 - c) at its discretion, without the consent of the limited partner(s) or non-managing member(s), offer the Project for sale publicly at any time following the expiration of the Compliance Period and thereafter accept an offer from the highest bidder to purchase the Project, as long as the sale price is not less than the ROFR Price, and provided such acceptance is subject to the rights of the holder of the ROFR to exercise the ROFR and purchase the Project at the ROFR Price;
- 3) the general partner or managing member is directed and authorized to execute all documents necessary to effect the sale of the Project pursuant to the ROFR or Purchase Options;
- 4) the limited partner(s) or non-managing member(s) affirmatively agree not to challenge: (i) the sale of the Project pursuant to the terms of the ROFR by the general partner or managing member to the holder of the ROFR even if the holder of the ROFR is affiliated with the general partner or managing member; (ii) the general partner's or managing member's acceptance of an offer from the highest bidder in response to the general partner's or managing member's public offer of the Project for sale, provided the offer price is not less than the ROFR Price, and/or the exercise of the ROFR by the holder of the ROFR after any such acceptance; and (iii) the exercise of the Purchase Options by the holder(s) thereof pursuant to the terms of the Purchase Option;

- 5) in the event Section 42(i)(7) of the Code is amended to permit a Qualified Nonprofit Organization to hold a purchase option after the expiration of the Compliance Period, and only to the extent permitted under such revised Section 42(i)(7) of the Code, the holder of the ROFR shall be entitled to purchase the Project, or at its option, all of the interests in the owner, in either case at the ROFR Price, in lieu of exercising the ROFR;
- 6) neither the ROFR or Purchase Options will be adversely affected or limited by any other rights of the limited partner(s) or non-managing member(s), or any owner of any interest in any limited partner or non-managing member, such as forced sale rights, and there are no conditions to the exercise of the ROFR or Purchase Options except as explicitly identified in the limited partnership agreement or limited liability company operating agreement; and
- 7) any amendment that would modify any term or condition related to the ROFR or Purchase Options requires the prior written consent of MaineHousing.

APPENDIX F

HUD POLICY REQUIREMENTS

[Some of these requirements are currently under a stay by the Court and may or may not ultimately be required. MaineHousing will inform Applicants of the applicable requirements.]

If applicable:

1. The Recipient shall not use grant funds to promote “gender ideology,” as defined in Executive Order (E. G.) 14168, Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government:
2. The Recipient agrees that its compliance in all respects with all applicable Federal antidiscrimination laws is material to the U.S. Government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code;
3. The Recipient certifies that it does not operate any programs that violate any applicable Federal anti-discrimination laws, including Title VI of the Civil Rights Act of 1964;
4. The Recipient shall not use any grant funds to fund or promote elective abortions, as required by E.O. 14182, Enforcing the Hyde Amendment; and that,
5. Notwithstanding anything in the NOFO or Application, this Grant shall not be governed by Executive Orders revoked by E.G. 14154, including E. O. 14008, or NOFO requirements implementing Executive Orders that have been revoked.
6. The Recipient must administer its grant in accordance with all applicable immigration restrictions and requirements, including the eligibility and verification requirements that apply under title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended (8_ULSj 1601-164) (PRWORA) and any applicable requirements that HUD, the Attorney General, or the U. S. Citizenship and Immigration Services may establish from time to time to comply with PRWORA, Executive Or 4218, or other Executive Orders or immigration laws.
7. No state or unit of general local government that receives funding under this grant may use that funding in a manner that by design or effect facilitates the subsidization or promotion of illegal immigration or shields illegal aliens from deportation, including by maintaining policies or practices that materially impede enforcement of federal immigration statutes and regulations.
8. The Recipient must use SAVE, or an equivalent verification system approved by the Federal government, to prevent any Federal public benefit from being provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States.
9. Faith-based organizations may be subrecipients for funds on the same basis as any other organization. Recipients may not, in the selection of subrecipients, discriminate against an organization based on the organization's religious character, affiliation, or exercise.

Energy & Housing Services Department Memorandum

To: MaineHousing Board of Commissioners

From: Bobbi Crooker, Director of Energy & Housing Services Department
Sarah Johnson, Manager of HEAP

Date: April 21, 2026

Subject: Proposed Changes to Home Energy Assistance Program Rule (Chapter 24) and State Model Plan for PY2027

The following highlights the major changes being proposed for the PY2027 Home Energy Assistance Program (HEAP). The proposed changes are a result of the collaborative efforts of MaineHousing, Maine Community Action Agencies, and other stakeholders. There may be additional, non-substantive changes proposed to provide clarification.

MaineHousing is proposing the following changes to the Rule:

- Add clarifying language for documents evidencing U.S. Birth to reduce barriers for proving citizenship and/or identity. We are also proposing to update requirements for Qualified Alien documents to comply with current standards.
- Update the allowable time for a reversal for an application denied for missing information from 15 business days to at any time during the program year.
- Update countable to include Long-Term Disability Payments and non-countable income to clarify that non-cash goods are not monetized as income.
- Update the Benefit Matrix to reference the most recent available data for Dwelling Type, County, and Fuel Source. The proposed Benefit Matrix will add points for additional at-risk household members and will increase the number of income ranges for the point multiplier.
- Add a life-time maximum benefit of \$10,000 per dwelling unit for CHIP services and to update the procurement requirements.
- Update the Energy Crisis Intervention Program benefit to be the greater of \$500 or 100 gallons plus fees for deliverable fuels. We are also proposing to allow a second propane delivery that will not exceed \$500 for propane customers.

Basis Statement

MaineHousing is proposing modification of the Basis Statement section.

MaineHousing is submitting a copy of the proposed Rule to the Office of the Attorney General for a legal preview. The public hearing will be held at the May 19, 2026, Board meeting. Notice of the hearing will be published on MaineHousing's website and in newspapers statewide. The public comment period will be open for a period of ten (10) calendar days following the public hearing. If there are no significant changes to the proposed rule after the hearing and comment period, MaineHousing will ask the Board to adopt the proposed rule at the June 16, 2026, Board meeting.

PROPOSED MOTION:

To authorize MaineHousing to commence the rulemaking process to repeal Chapter 24 of MaineHousing's rules and replace it with the proposed Chapter 24 provided to the Commissioners in the Board packet and described in the memorandum from Director of EHS, Bobbi Crooker, and Manager of HEAP, Sarah Johnson, to the Commissioners dated April 21, 2026.

INDEPENDENT AGENCIES

346

MAINE STATE HOUSING AUTHORITY

CHAPTER 24

Home Energy Assistance Program Rule

Summary: The Rule establishes standards for the Home Energy Assistance Program for the State of Maine as administered by the Maine State Housing Authority. The Home Energy Assistance Program provides Fuel Assistance and Energy Crisis Intervention Programs to income Eligible Households. The Rule also establishes standards for the HEAP Weatherization, Central Heating Improvement Program, and Heat Pump Program, ~~and Supplemental Benefits funded by TANF funds.~~

1. Definitions.

- A. “Act” means the Maine Housing Authorities Act, [30-A M.R.S. § 4701](#) et seq., as it may be amended from time to time.
- B. “Annual Consumption Report” means the annual report Vendors must submit to MaineHousing to report their HEAP customers’ Home Energy deliveries from May 1st through April 30th.
- C. “Primary Applicant” means a person who signs the completed Application.
- D. “Application” means forms and documents completed, signed, and provided by Primary Applicant to determine eligibility for a Benefit and ECIP.
- E. “Application Date” means the date an Application is taken with the Primary Applicant by Subgrantee personnel both online or not online.
- F. “Benefit” means the dollar amount of Fuel Assistance an Eligible Household receives.
- G. “Benefit Return” means a Benefit, partial or whole, returned to MaineHousing.
- H. “Categorical Income Eligibility” means Household Members who are included on a Maine Department of Health and Human Services (“Maine DHHS”) Notice of Decision for TANF or SNAP assistance will be considered income eligible for HEAP, as the Household Members’ incomes have already been vetted. Household Members who are not included on the Notice of Decision must provide income documentation as outlined in this Rule and the HEAP Guide.
- I. “CHIP” means the Central Heating Improvement Program.
- J. “Citizenship Attestation Form” means an attestation form prescribed by MaineHousing in the HEAP Guide.
- K. “Contractor” means a provider of materials or services to Eligible Households.
- L. “Application Received Date” means the date a signed Application is received by the Subgrantee.

- M. “Direct Energy Cost” means an Energy Cost that is directly paid by the Household.
- N. “Dwelling Unit” means an occupied residential housing structure with one or more rooms that was originally constructed and designed as permanent living quarters for one or more persons, when permanently connected to the required utilities (including plumbing, electricity and Heating Systems) and contains bathroom and kitchen facilities specific to that unit. A Dwelling Unit has its own private entrance from the outside or off an enclosed hallway leading from the outside that does not pass through or offer an open access to any other unit within the structure. A Dwelling Unit does not include a camper, trailer, semitrailer, truck camper, motor home, boat, railroad car, bus, yurt or other structure designed and constructed to provide temporary living quarters.
- O. “ECIP” means the Energy Crisis Intervention Program.
- P. “Eligible Household” means a Household that satisfies all eligibility and income requirements of the HEAP Act and requirements of this Rule.
- Q. “Energy Cost” means cost of energy used for heating a Dwelling Unit or Rental Unit.
- R. “Energy Crisis” shall have the same meaning as set forth in [42 U.S.C. §8622\(3\)](#), as same may be amended from time to time.
- S. “Errors and Program Abuse” means the act of applying for or obtaining assistance to which one is not entitled by means of submitting false statements or withholding information pertinent to the determination of eligibility or benefits.
- T. “Fuel Assistance” means the component of HEAP that assists Eligible Households with their Home Energy Costs.
- U. “Functioning Heating System” means a Heating System that is working safely.
- V. “HEAP” means the Home Energy Assistance Program established pursuant to the HEAP Act and the Act.
- W. “HEAP Act” means [42 U.S.C. §8621 et seq.](#), and the regulations promulgated there under, including [45 C.F.R. § 96.1 through 96.68](#) and [45 C.F.R. § 96.80 et seq.](#), all as may be amended from time to time.
- X. “HEAP Guide” means the program guide in effect for a Program Year that is used as a resource and guide for the administration of HEAP.
- Y. “HEAP Weatherization” means the weatherization component of HEAP that provides Low- cost/no-cost Weatherization Activities, as defined by [10 C.F.R. §440.20](#), and other cost-effective energy-related home repairs or installations.
- Z. “Heating Season” means the period of time beginning October 1 and ending April 30.
- AA. “Heating Source” means any device used to provide heat to a Dwelling Unit.

- BB. “Heating System” means a permanently installed system that is used to heat the Dwelling Unit. A portable space heater is not considered to be a Heating System.
- CC. “Home Energy” means a source of heating or cooling in residential dwellings as set forth in [42 U.S.C. §8622\(6\)](#), as same may be amended from time to time.
- DD. “Household” means any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payments for energy in the form of rent as set forth in [42 U.S.C. §8622\(5\)](#), as same may be amended from time to time.
- EE. “Household Income” means the total income from all sources before taxes and deductions as further defined in this Rule.
- FF. “Household Member” or “Household Members” means those individuals who are part of the Household.
- GG. “Incidental Costs” means costs of services billed to a Household by a Vendor related to the use or delivery of Home Energy including, but not limited to: surcharges, penalty charges, reconnection charges, clean and repair service charges, security deposits, and insurance.
- HH. “Indirect Determinable Energy Cost” means a cost for Home Energy that is not directly paid for by the Household but is a cost to the Household, such as heat that is included in rent.
- II. “Life Threatening Crisis” means the household is currently without heat or utility service to operate a Heating Source or a Heating System.
- JJ. “MaineHousing” means the Maine State Housing Authority.
- KK. “Manufactured/Mobile Home” means a residence that is constructed at a manufacturing facility on a permanent chassis (i.e. the wheel assembly necessary to transport the residence is removable, but the steel undercarriage remains intact as a necessary structural component), was originally constructed and designed as permanent living quarters, and is transportable in one or more sections, which in traveling mode is 12 body feet or more in width and as erected on site is 600 or more square feet.
- LL. “Modular” means a residence that is constructed at a manufacturing facility, but not constructed on a permanent chassis, was originally constructed and designed as permanent living quarters, and is transportable in one or more sections on an independent chassis such as a truck or train.
- MM. “Overpayment” means any HEAP benefits paid to, or on behalf of, any [Primary](#) Applicant or Household that exceeds the amount the [Primary](#) Applicant or Household was eligible to receive.
- NN. “Person with a Disability” means a person with a physical or mental disability as defined pursuant to 5 M.R.S. § 4553-A.
- OO. “Programs” means Fuel Assistance, Energy Self Sufficiency, ECIP, CHIP, and HEAP Weatherization.
- PP. “Program Year” means the period of time beginning October 1 and ending September 30.
- QQ. “Rental Unit” means a Dwelling Unit that is rented.

- RR. “Roomer” means a person who qualifies as a separate Household and pursuant to a rental agreement rents no more than two rooms in a Dwelling Unit occupied as separate living quarters and who may, depending upon the rental agreement, be granted privileges to use, but not reside in, other rooms located in the same Dwelling Unit. A Roomer cannot be related by birth, marriage or adoption to any member of the lessor’s Household. A Roomer also includes a boarder (meaning a Roomer who is provided meals).
- SS. “Service Area” means the geographic area, as defined by MaineHousing, within which the Subgrantee operates and administers the Programs and the Vendor provides services.
- TT. “State” means the State of Maine.
- UU. “Subgrantee” means a public or private nonprofit agency, or municipality, selected by MaineHousing to administer the Programs.
- VV. “Subsidized Housing” means Households whose rent is based on their income or the subsidy pays for any portion of their mortgage. Housing in which a tax credit or federal/state loan is applied to reduce debt burden on the property is not considered Subsidized Housing. A resident of a residential housing facility including without limitation group homes, homeless shelters, and residential care facilities or a Tenant who pays below market rent or no rent due to the landlord receiving a federal or state subsidy for rent is living in Subsidized Housing.
- WW. “Supplemental Benefits” means the benefits that are funded with supplemental HEAP funds.
- XX. “Supplemental Nutrition Assistance Program (SNAP)” means the nutrition assistance program administered by the United States Department of Agriculture.
- ~~YY. “TANF” means payments under the Temporary Assistance for Needy Families program as defined in 22 M.R.S., Chapter 1053-B, § 3762 et seq., as the same may be amended from time to time.~~
- ~~ZZ. “TANF Fuel Supplemental Benefits” means the benefits that are funded with TANF funds pursuant to 22 M.R.S., Chapter 1053-B, § 3769-E.~~
- AAA.YY. “Tenant” means ~~an a~~ Primary Applicant who resides in a Rental Unit.
- BBB.ZZ. “Vendor” means an energy supplier that has entered into an agreement (“Vendor Agreement”) with MaineHousing to provide Home Energy to Eligible Households.

2. Application.

- A. ~~A~~ Primary Applicant may have only one certified eligible Application per Program Year. Household Members may not submit an Application for a given Program Year if they were included on a certified eligible Application for that Program Year.
- B. A Primary ~~a~~ Applicant may ~~resubmit~~ a new Application if the Primary Applicant’s Application has been denied ~~for any reason at any time prior to the issuance of a Benefit.~~

C. Subgrantees will process Applications in accordance with the requirements of this Section and the HEAP Guide:

1. Applications will be taken as prescribed by MaineHousing each Program Year, beginning on the first business day of August and will continue to be taken until the last working day of May of the Program Year or until otherwise prescribed by MaineHousing, whichever occurs sooner.
2. The Application forms provided or approved by MaineHousing must be used to administer the Programs and will be reviewed annually prior to the commencement of taking Applications each Program Year.
3. All Applicants need to return the signed Application within thirty (30) business days of the interview with the Subgrantee. If the [Primary](#) Applicant does not return the signed Application within the prescribed period, the Application will be voided. If the [Primary](#) Applicant returns the signed Application after the thirty (30) business days, the Subgrantee may reopen the Application at any time during the current application period.
4. Subgrantee will make all reasonable efforts during the first ninety (90) days Applications are taken to process and serve returning Households that have a Direct Energy Cost and a member in the Household who (i) is 60 years of age or older, (ii) has a disability, or (ii) is 6 years or younger.
5. Subgrantees must comply with MaineHousing's Equal Access Handbook to assist Households with Limited English Proficiency (LEP) and must make reasonable accommodations for a Person with a Disability.
6. Subgrantee must certify or deny an Application within thirty (30) business days from the Application Received Date. Written -notification of eligibility must be sent to the [Primary](#) Applicant within ten (10) calendar days of the Benefit issuance. Written notification of denial must be sent to the [Primary](#) Applicant within three (3) business days.
 - a. **Written notification of eligibility.** The written notification of eligibility must state the Benefit amount, the date the Benefit or credit notification was sent to the Vendor, the approved Home Energy type and the manner by which the [Primary](#) Applicant can request an Informal Review or Fair Hearing, if applicable.
 - ~~a~~.b. **Written notification of void.** The written HEAP Application Voided notification must state non-receipt of a signed application.
 - ~~b~~.c. **Written notification of denial.** The written notification of denial must state the facts surrounding the decision, the reason for the decision and the manner by which the [Primary](#) Applicant can request an Informal Review or Fair Hearing.

i. A denial for missing information will be ~~rescinded~~ reversed if the required information is received by the Subgrantee ~~within at any time during the Pprogram Year. (15) fifteen business days from the date of written notification of denial.~~ The Primary Applicant must provide the documentation that was required at the time of denial or in order to reverse the denial. If the Primary Applicant is unable to provide the required missing documentation, a new Application must be completed.

7. The Subgrantee must verify citizenship or legal status, income and Social Security Numbers of all Household Members as well as the identity of the Primary Applicant as prescribed by the HEAP Guide and this Rule.

3. Eligibility.

Except as may be expressly provided for elsewhere in this Rule, eligibility shall be determined on the basis of information submitted by the Primary Applicant as of the Application Date. MaineHousing and Subgrantees reserve the right to ask for additional or clarifying information from the Primary Applicant, Household Members, or third parties to determine eligibility.

A. Household Eligibility.

1. The Primary Applicant and each additional Household Member must be one of the following: (1) a U.S. Citizen; (2) a U.S. Non-Citizen National; or (3) a Qualified Alien. If the Primary Applicant or any Household Member does not meet this requirement they must be excluded from the total number of Household Members when calculating a Benefit. All documentation must be valid. Expired or absent documentation is not acceptable.

U.S. Citizenship or U.S. Non-Citizen National status may be verified using ONE of the following documents:

- a. U.S. Passport or U.S. Passport Card
- b. Real ID issued by any U.S. State
- c. Certificate of Naturalization (N-550/N-570)
- d. Certificate of Citizenship (N-560/N-561)
- e. U.S. Birth Certificate or similar document evidencing U.S. birth that includes all of the following information for the individual:
 - i. Name
 - ii. Date of Birth
 - iii. U.S. Place of Birth (including city, town or county, and State)
 - iv. Parent(s) name(s)
 - v. A Certification from the appropriate state or local body (state, town/city, etc)
 - vi. A seal or for newer records, the bar code
- e.f. Document from federally recognized Indian Tribe that includes your name and the name of the federally recognized Indian Tribe that issued the document, and

shows your membership, enrollment, or affiliation with the tribe. Documents that can be provided:

- i. A Tribal enrollment card;
- ii. A Certificate of Degree of Indian Blood;
- iii. A Tribal census document;
- iv. Documents on Tribal letterhead signed by a Tribal official

If the documentation listed above is unavailable for ~~the Primary~~ Applicant or any Household Member, then Subgrantee may accept ONE document from each of the two lists (List A & List B) below to show U.S. Citizenship or U.S. Non-Citizen National status.

LIST A	LIST B
Social Security Card and Citizenship Attestation Form	Driver's license issued by a U.S. State or Territory
Consular Report of Birth Abroad (DS1350)	Identification card issued by the Federal, state or local government
Certification of Birth Abroad (FS-545)	School identification card
U.S. Citizen Identification Card (I-197)	
Northern Mariana Card (I-873)	U.S. Military card or draft record or Military dependent's identification card
Military record showing a U.S. place of birth	U.S. Coast Guard Merchant Mariner card
U.S. medical record from a clinic, hospital, physician, midwife or institution showing a U.S. place of birth	Voter Registration Card
U.S. life, health or other insurance record showing U.S. place of birth	Two other documents that prove your identity, like employer identification cards, high school or college diplomas, marriage certificates, divorce decrees, property deeds or titles
Religious record showing U.S. place of birth recorded in the U.S.	
School record showing the child's name and U.S. place of birth	
Federal or State census record showing U.S. citizenship or U.S. place of birth	
Final adoption decree or Record of Birth After Adoption showing the person's name and U.S. place of birth	
~~Certificate or Record of Birth showing the person's name, date of birth, and~~ <u>Document evidencing U.S. birth that includes the individual's name, date of birth, and U.S. place of birth</u>	
Documentation of a foreign-born adopted child who received automatic U.S. Citizenship (IR3 or IH3)	

Qualified Alien status may be verified using ONE of the following documents:	
<i>Alien lawfully admitted for permanent residence:</i>	Permanent Resident Card, “Green Card” (I-551); OR Unexpired Temporary I-551 stamp in foreign passport or on INS Form I-94
<i>Asylee</i>	INS Form I-94 ~~annotated with stamp~~ showing grant of asylum under Section 208 of the INA; INS Form I-688B (Employment Authorization Card) annotated “274a.12(a)(5)”; INS Form I-766 (Employment Authorization Document) annotated “A5”; Grant letter from the Asylum Office or INS; OR Order of an immigration judge granting asylum
<i>Refugee</i>	INS Form I-94 ~~annotated with stamp~~ showing admission under § 207 of the INA; INS Form I-688B (Employment Authorization Card) annotated “274a.12(a)(3)”; INS Form I-766 (Employment Authorization Document) annotated “A3”; OR INS Form I-571 (Refugee Travel Document)
<i>Alien Paroled into the U.S. for at least one year</i>	INS Form I-94 ~~with stamp~~ showing admission for at least one year under section 212(d)(5) of the INA. (Cannot aggregate period of admission for less than one year to meet the one-year requirement)
<i>Alien whose deportation or removal was withheld</i>	INS Form I-688B (Employment Authorization Card) annotated “274a.12(a)(10)”; INS Form I-766 (Employment Authorization Document) annotated “A10”; OR Order from an immigration judge showing deportation withheld under § 243(h) of the INA as in effect prior to April 1, 1997, or removal withheld under § 241(b)(3) of the INA
<i>Alien Granted Conditional Entry</i>	INS Form I-94 with stamp showing admission under § 203(a)(7) of the INA; INS Form I-688B (Employment Authorization Card) annotated “274a.12(a)(3)”; INS Form I-766 (Employment Authorization Document) annotated “A3”

<i>Cuban/Haitian Entrant</i>	INS Form I-551 (Alien Registration Receipt Card, commonly known as a “green card”) with the code CU6, CU7, or CH6; Unexpired temporary I-551 stamp in foreign passport or on *INS Form I-94 with the code CU6 or CU7; OR INS Form I-94 with stamp showing parole as “Cuba/Haitian Entrant” under Section 212(d)(5) of the INA

2. The [Primary](#) Applicant must also verify their identity. All documentation must be valid. Expired or absent documentation is not acceptable. If the documentation provided by the [Primary](#) Applicant to verify citizenship or legal status bears a photograph of the [Primary](#) Applicant, this will be acceptable to verify identity. Otherwise, ONE of the following documents will be acceptable:

Driver’s license	SNAP electronic benefit transfer (EBT) card with photo
State issued ID card	U.S. Military ID
U.S. Passport or U.S. Passport card	

If the documentation listed above is unavailable for the [Primary](#) Applicant the Subgrantee may allow the [Primary](#) Applicant to verify identity by providing TWO of the following documents:

Adoption Decree	~~Birth Certificate Document~~ evidencing U.S. birth that includes the individual’s name, date of birth, and U.S. place of birth	Divorce Decree
Employer Identification Card	Foreign School Record that contains a photograph	High School or College Diploma
Marriage Certificate	Notice from a Public Benefits Agency (i.e. Notice of Decision from DHHS, Social Security Benefit Award Letter, MaineCare Award Letter)	Property Deed or Title Document
Social Security Card	Union or Worker’s Center Identification Card	Voter Registration Card

If the [Primary](#) Applicant cannot verify their identity they are not eligible for a Benefit. If the [Primary](#) Applicant is applying on behalf of other eligible Household Members, at least one of the eligible Household Members must provide the required identity documentation.

3. All Household Members 24 months of age or older must provide proof of their Social Security Number (SSN) in order to be counted as part of the Household. One of the following documents is acceptable provided it contains all nine digits of the [Applicant’s Household Member’s](#) SSN and the Household Member’s full name:

Bank tax form	Medicare card with number ending with the suffix “A”

Non SSA-1099 tax form	Social Security Card issued by the Social Security Administration
SSA 1099 tax form	Valid unexpired U.S. Military documents such as DD Form 214 Certificate of Release or Discharge from Active Duty issued by the U.S. Department of Defense
W-2 (wage and tax statement <u>~~dated within the last two (2) years~~</u>)	

If the documentation listed above is unavailable for any Household Member the Subgrantee may allow the Household Member to provide one of the following documents:

Two recent paystubs (within the last sixty (60) days) showing Household Member's full SSN	~~Most recent (within the last two years) full Federal Tax Return showing Household member's full SSN and confirmation of filing~~ <u>A recent (within the last year) Social Security Administration letter or notice showing Household Member's full SSN</u>
A Notice of Decision issued by a Public Benefits Agency that shows the Household member's full SSN	An Income Withholding Order/Notice for Support showing Household Member's full SSN

If the Household includes a foster child, an official statement from DHHS confirming the ~~nine-digit~~ nine-digit social security number of the foster child is acceptable documentation.

If the Household includes a child under the age of 24 months old who has not received a SSN, the Application is processed. However, the Primary Applicant must provide the child's SSN for subsequent Program Year Applications, after the child reaches the age of 24 months old.

4. On the Application Date, all Household Members must be full-time residents of the State and reside in the Dwelling for which they will receive benefits during the Program Year's Heating Season and have a Direct Energy Cost or Indirect Determinable Energy Cost.
5. As part of the application process all Household Members 18 years of age or older must sign a release to grant permission to share their personal information between the Maine Department of Health and Human Services, the Maine Department of Labor, the Social Security Administration, Subgrantee and other organizations designated on the permission to share form and MaineHousing to determine eligibility for Benefits as well as eligibility for other programs administered by State, Federal and local agencies.
6. A Household's eligibility to receive benefits from Programs is contingent on the resolution of any Overpayment as described in Section 13, Errors and Program Abuse. During repayment a Household will be eligible for ECIP if they enter into and are in compliance with the terms of the repayment agreement. The Household will not be eligible under the HEAP Weatherization and the Department of Energy Weatherization Assistance Program, CHIP, or the Heat Pump Program until repayment is complete.
7. Roomers may be eligible Households if the Primary Applicant can show a rental agreement that was in existence ~~for at least sixty (60) days~~ prior to the Application Date and the Roomers meet all of the other eligibility criteria. The Roomers cannot comingle funds or

share expenses with the lessor's Household, ~~and must show proof that a reasonable market rate rent has been paid under the rental agreement for the entire sixty (60) day period prior to the Application Date.~~

8. A member of the Household who is away from the Dwelling Unit part of the time must be included as a Household Member unless the member is a full-time college student as described below in Section 3(9).
9. A full-time college student, up to age 23 years old, or more than 23 years of age if permanently or totally disabled, who is a dependent of the Household may be excluded from the Household if the [Primary](#) Applicant chooses as long as the student is not the [Primary](#) Applicant.
10. A Live-In-Care Attendant who (i) provides needed health/supportive services to a member of the Household as documented by a qualified professional; (ii) would not be living in the unit except to provide the necessary supportive services; and (iii) does not contribute financially to the Household, will not be considered part of the Household. If an individual does not meet this definition, they must be included as a Household Member.

~~11. TANF Fuel Supplemental Benefits. A Household may be eligible for TANF Fuel Supplemental Benefits if its Application for HEAP has been certified eligible in the current Program Year and on the Application Date the Household included at least one member who was under the age of eighteen (18) and the Dwelling Unit was not considered Subsidized Housing with heat included.~~

~~12.~~11. Any eligibility documentation with mismatched names requires additional verification in accordance with the procedures set forth in the HEAP Guide.

B. Dwelling Unit Eligibility.

1. The Dwelling Unit must:

- a. Have a Functioning Heating System;
- b. Be occupied by the Household as its primary residence on a full-time/year-round basis;
- c. Be permanently connected to or serviced by standard utilities such as electricity and water unless the Household can provide supporting documentation to show the Household occupies the Dwelling Unit as its primary residence on a fulltime/year-round basis; and
- d. Be a residential housing structure with one or more rooms that was originally constructed and designed as permanent living quarters.

2. A Dwelling Unit does not include a camper, trailer, semitrailer, truck camper, motor home, boat, railroad car, bus, yurt or any other structure designed and constructed to provide temporary living quarters, regardless of any and all modification(s) or length. For Fuel Assistance only, a Dwelling Unit may include a hotel or motel if the Household provides

documentation showing that the hotel/motel has been their permanent residence for at least sixty (60) days prior to the Application Date.

3. A Dwelling Unit that is considered Subsidized Housing may be eligible for Fuel Assistance if the heat is included in the rent and the Household pays a portion of their rent or utility costs.
4. Dwelling Units that are used partially for business activity are eligible.

C. Income Eligibility

Income Eligibility is based on documented Household Income or Categorical Income Eligibility. MaineHousing uses the Federal Poverty Income Guidelines and State Median Income Guidelines as reported annually by the United States Department of Health and Human Services. MaineHousing reserves the right to manage the Programs within those guidelines when determining benefits.

1. Household Income is determined and verified in accordance with the information provided on the Application. Household Income means the total combined income of all Household Members over the age of 18, unless otherwise excluded from all sources before taxes and deductions and is verified in accordance with the guidelines in the HEAP Guide. Household Income includes, but is not limited to, the following:
 - a. Wages, salaries, commissions, tips, and bonuses before any taxes or deductions;
 - b. Self-employment income;
 - c. Social Security Retirement (SS), Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) Benefits, including ~~medicare~~ Medicare deductions;
 - d. Unemployment Insurance and worker's compensation and/or strike benefits from union funds;
 - e. Spousal support or alimony received by a Household Member, or mortgage/rent payments in lieu of or in addition to payments;
 - f. Court ordered or voluntary child support payments received by a Household Member, or mortgage/rent payments in lieu of or in addition to support payments;
 - g. Veteran's Administration (VA) Benefits;
 - h. Cash gifts from ~~an absent family member or~~ someone not living in the Household excluding loans;
 - i. Government employee pensions, private pensions, and regular annuity payments;

- j. Income from dividends, ~~5~~royalties, estates, trusts, and interest.;
- k. Rental income, including funds received from Roomers;
- l. Contract Income;
- ~~m.~~ Payments from mortgage or sales contracts;

~~m.n.~~ Long Term Disability Payments

Household Income does not include:

- a. Assets drawn down from financial institutions;
- b. Foster care payments;
- c. Adoption assistance;
- d. Capital gains (except for business purposes);
- e. Income from the sale of a primary residence, personal car, or other personal property, excluding mortgage or sales contracts;
- ~~f.~~ Tax refunds;
- ~~f.g.~~ Imputed Income
- ~~g.h.~~ One-time insurance payments;
- ~~h.i.~~ One-time compensation for injury;
- ~~j.~~ Non-cash income such as General Assistance voucher payments;
- ~~k.~~ Non-cash goods provided to aid in the support of a minor, such as diapers, clothing, or the like;
- ~~j.l.~~ Reimbursement for expenses incurred in connection with employment;
- ~~k.m.~~ Reimbursement for medical expenses;
- ~~l.n.~~ Any funds received for education from grants, loans and scholarships, and work study;
- ~~m.o.~~ Retroactive payments and overpayment adjustments from an entitlement program (i.e. worker's comp, social security benefits, etc.);
- ~~n.p.~~ Income earned by a Household Member who is a full time high school student, unless they are the Primary Applicant;

- ~~e.g.~~ Income earned by a full-time college student who is not counted as a Household Member in accordance with this Rule;
- ~~p.r.~~ Combat zone pay from the military;
- ~~e.s.~~ All income used to fulfill a Social Security Administration Program to Achieve Self-Sufficiency (PASS);
- ~~f.t.~~ Federal payments or benefits excluded by law as set forth below:
 - i. Payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1902, [42 U.S.C. 4636](#)).
 - ii. Payments of land settlement judgments distributed to or held in trust for members of certain Indian Tribes under Public Laws [92-254](#), [93-134](#), [93-531](#), [94-114](#); [94540](#), [97-458](#), [98-64](#), [98-123](#) and [98-124](#).
 - iii. Funds available or distributed pursuant to [Public Law 96-420](#), the Maine Indian Claims Settlement Act of 1980 ([25 U.S.C. 1721 et. seq.](#)) to members of the Passamaquoddy Tribe, the Penobscot Nation and the Houlton Band of Maliseet Indians.
 - iv. The value of the allotment provided a household under the Supplemental Nutrition Assistance Program ([7 U.S.C.A. 51](#)).
 - v. The value of assistance to children as excluded under the National School Lunch Act ([42 U.S.C. 1760\(e\)](#)) and under the Child Nutrition Act of 1966 ([42 U.S.C. 1780\(b\)](#)).
 - vi. The value of commodities distributed under the Temporary Emergency Food Assistance Act of 1983 ([Public Law. 98-8](#), [7 U.S.C. 612c](#)).
 - vii. Allowances, earnings and payments to individuals participating in programs under the Workforce Innovation and Opportunity Act <https://www.congress.gov/113/bills/hr803/BILLS-113hr803enr.pdf>
 - viii. Program benefits received under the Older Americans Act of 1965 ([42 U.S.C. sub-section 3020\(a\)\[b\]](#)) as wages under the Senior Community Service Employment Program (SCSEP).
 - ix. Payments to volunteers under the Domestic Volunteer Service Act of 1973 ([Public Law 93-113](#), [42 U.S.C. 5044](#)).
 - x. The value of any assistance paid with respect to a dwelling unit under the United States Housing Act of 1937, the National Housing Act, Section 101 of the Housing and Urban Development Act of 1965, or Title V of the Housing Act of 1949.
 - xi. The tax-exempt portions of payments made pursuant to the provisions of the Alaska Native Claims Settlement Act ([Public Law 92-203](#), [43 U.S.C. 1620\(a\)](#)).
 - xii. Payments for supportive services or reimbursement of out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides, or senior companions, and to persons serving in the

Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and any other programs under Titles II and III, pursuant to Section 418 of [Public Law 93-113](#).

- xiii. Any wages, allowances or reimbursement for transportation and attendant care costs, unless accepted on a case-by-case basis, when received by an eligible handicapped individual employed in a project under Title VI of the Rehabilitation Act of 1973 as amended by Title II of [Public Law No. 95-602](#).
- xiv. All student financial assistance including the following programs funded under Title IV of the Higher Education Act as amended:
 - 1) Pell Grants;
 - 2) Supplemental Educational Opportunity Grants;
 - 3) Grants to States for State Student Incentives;
 - 4) Special Programs for Students from Disadvantaged Backgrounds;
 - 5) Special Programs for Students Whose Families are Engaged in Migrant and Seasonal Farm work;
 - 6) Robert C. Byrd Honors Scholarship Program;
 - 7) Assistance to Institutions of Higher Education;
 - 8) Veterans Education Outreach Program;
 - 9) Special Child Care Services for Disadvantaged College Students;
 - 10) Payments to veterans for Aid and Attendance benefits.

An adjustment to a Household's gross income may be made if the Household is over income and has documented medical expenses that were paid during the income period. The amount of medical expenses deducted will be equal to only the amount necessary to make the Household eligible. Medical expenses are defined by Internal Revenue Service Publication 502, as the same may be amended from time to time.

The income of Household Members who do not meet the citizenship or legal status requirements must be included in the Household's income.

- 2. Categorical Income Eligibility. [Adult](#) Household Members who are included on a Maine DHHS Notice of Decision or similar document containing the same information, as determined acceptable by the Subgrantee, for TANF or SNAP assistance will have Categorical Income Eligibility for HEAP. Household Members with Categorical Income Eligibility may have their income determined at a pre-established percentage of the federal poverty level, or using actual vetted income if provided by Maine DHHS. [Adult](#) Household Members who are not included in the Notice of Decision must provide income

documentation as outlined in this Rule and HEAP Guide.

4. Benefit Determination.

Benefits are determined to ensure that the highest level of assistance will be furnished to Eligible Households which have the lowest incomes and the highest Energy Costs or needs. Benefit availability is based on HEAP funding availability.

- A. MaineHousing, or the Subgrantee as allowed by MaineHousing, will assign a number of points to an Eligible Household that correlates to their Energy Costs. The number of points will be adjusted by an assigned percentage that correlates to the Eligible Household's poverty level and prorated based on any ineligible Household Members. The adjusted number of points will then be multiplied by a dollar value.

MaineHousing will announce the actual dollar value of points no later than the fifteen (15) calendar days following receipt of the federal HEAP grant award.

The number of points assigned to an Eligible Household will be determined pursuant to the following:

<u>Base Points (All eligible households will receive this)</u>	<u>8</u>

<u>Dwelling</u>	<u>Points</u>
<u>Stick-built/Modular</u>	<u>3</u>
<u>Mobile/Manufactured Home</u>	<u>2</u>
<u>Condo/Duplex</u>	<u>1</u>
<u>Apartment</u>	<u>1</u>

<u>County</u>	<u>Points Based on HDD</u>
<u>Aroostook</u>	<u>6</u>
<u>Franklin</u>	<u>4</u>
<u>Somerset</u>	<u>4</u>
<u>Piscataquis</u>	<u>4</u>
<u>Oxford</u>	<u>4</u>
<u>Hancock</u>	<u>4</u>
<u>Sagadahoc</u>	<u>3</u>
<u>Penobscot</u>	<u>3</u>
<u>Waldo</u>	<u>3</u>
<u>Androscoggin</u>	<u>2</u>
<u>York</u>	<u>2</u>
<u>Knox</u>	<u>2</u>
<u>Cumberland</u>	<u>2</u>
<u>Lincoln</u>	<u>2</u>
<u>Kennebec</u>	<u>1</u>
<u>Washington</u>	<u>1</u>

<u>Fuel Source</u>	<u>Points</u>
<u>Electric</u>	<u>8</u>
<u>LP Gas (Propane)</u>	<u>5</u>
<u>Kerosene</u>	<u>5</u>
<u>Wood Pellet</u>	<u>4</u>
<u>Oil</u>	<u>4</u>
<u>Coal</u>	<u>4</u>
<u>Natural Gas</u>	<u>3</u>
<u>Wood</u>	<u>3</u>
<u>Biobrick</u>	<u>3</u>

<u>At Risk</u>	<u>Points for the first in the house</u>
<u>60 +, child 6 and under, Disabled</u>	<u>5</u>

*note- If someone is both disabled and in the 60+, under 6, or 6-17 age group they will receive points for only the higher of the two risk categories

<u>Heating Subsidized</u>	<u>-3</u>

<u>Income</u>	<u>Multiplier</u>
<u>0-10.99%</u>	<u>1.8</u>
<u>11– 33.99%</u>	<u>1.6</u>
<u>34-75.99%</u>	<u>1.4</u>
<u>76-100.99%</u>	<u>1.2</u>
<u>101-125.99%</u>	<u>1</u>
<u>126-150.99%</u>	<u>0.9</u>
<u>151-175.99%</u>	<u>0.8</u>
<u>≥176%</u>	<u>0.7</u>

<u>Dwelling Type</u>	<u>Points</u>
<u>Stick-built/Modular</u>	<u>9</u>
<u>Mobile/Manufactured</u>	<u>8</u>
<u>Condo/Duplex</u>	<u>6</u>
<u>Apartment</u>	<u>6</u>

<u>Residing County</u>	<u>Points</u>

Aroostook	7
Somerset	6
Franklin	6
Piscataquis	6
Oxford	5
Penobscot	5
Androscoggin	4
Hancock	4
Waldo	3
Cumberland	3
Lincoln	3
Knox	3
York	3
Washington	2
Kennebec	2
Sagadahoe	2

Fuel Type	Points
Electricity	14
LP Gas	10
Kerosene	8
Oil	7
Bio-Fuel including Bio-Bricks	6
Coal	5
Wood Pellets	5
Corn	5
Natural Gas	5
Wood	4

Subsidized Household	Points
Responsible for Heating	-9

Priority Determination	Points
60+, Disabled or child 6 and under	5
or	
Child 7-17	3

Poverty Level as Calculated under the Federal Poverty Income Guidelines (FPIG)	Percentage of Points

~~0%-25%~~	~~130%~~
~~26%-50%~~	~~120%~~
~~51%-75%~~	~~110%~~
~~76%-100%~~	~~100%~~
~~101%-125%~~	~~90%~~
~~126%-150%~~	~~80%~~
~~>than 150% FPIG but not exceeding the maximum of the greater of 150% FPIG or 60% state median income~~	~~70%~~
~~Calculated poverty level amounts falling between brackets will be rounded to the next higher or lower amount. For example: income at 75.1% will be rounded to 75%; income at 100.6% will be rounded to 101%.~~	

All final point results that are fractional will be rounded up to the nearest whole number.

- B. ~~TANF Fuel Supplemental Benefits are determined each Program Year by MaineHousing based on the projected number of Households eligible for TANF Fuel Supplemental Benefits and available funding.~~
- C. Tenants residing in Subsidized Housing with heat included in their rent, who pay a portion of their rent or utility costs, are only eligible to receive a Benefit in an amount to maximize benefits under SNAP.

5. Payment of Benefits.

- A. ~~The Primary An~~ Applicant shall select a Vendor that will deliver Home Energy to the Eligible Household. Payment of Benefits ~~and TANF Fuel Supplemental Benefits~~ will be made directly to the Vendor, unless otherwise specified, by the methods prescribed below:
 - 3. For payment prior to delivery, MaineHousing, or a Subgrantee as allowed by MaineHousing, will pay a Benefit to the Vendor within ten (10) business days of the date the Application is certified eligible or when HEAP grant funds are available, whichever is later.
 - 4. For payment post-delivery, MaineHousing, or a Subgrantee as allowed by MaineHousing, will provide a Credit Notification Report within ten (10) business days of the date the Application is certified eligible or when HEAP grant funds are available, whichever is later. The Credit Notification Report will list the Primary Applicant's name, address, Home Energy type, account information and, ~~as applicable, Benefit amount, or TANF Fuel Supplemental Benefit.~~ MaineHousing will make payment for Benefits after the Vendor makes delivery as authorized by MaineHousing.
 - 5. For payment for Primary Applicants that heat with Wood, Wood Pellets, Coal, Corn, or Bio-Fuel-, MaineHousing, or a Subgrantee as allowed by MaineHousing, will make payment for a Benefit by direct check to the ~~Applicant~~Primary Applicant.

For Primary Applicants with no available Vendors serving the area where the Household resides, MaineHousing, or the Subgrantee as allowed by MaineHousing, may pay Benefits directly to the ~~Applicant~~Primary Applicant upon receipt of a signed Attestation from the ~~Applicant~~Primary Applicant attesting the Benefit received will be used for its intended purpose.

- B. Payment of Benefits may be made directly to the Primary Applicants with an Indirect Determinable Energy Cost.

6. Benefit Returns and Transfer:

- A. Program benefits may not be sold, transferred, released or otherwise conveyed by the Eligible Household or the Vendor without written authorization from MaineHousing. MaineHousing will only authorize such conveyances when it is in the best interest of the Eligible Household and is consistent with the intent of the HEAP Act. Examples of situations where MaineHousing may authorize such conveyances include, but are not limited to:

1. Relocation of all Household Members within the State;
2. Change in Vendor by Household;
3. Change in Home Energy vendors available to Household;
4. Relocation from a Dwelling Unit with a Direct Energy Cost to a Dwelling Unit with Indirect Determinable Energy Cost (not including Subsidized Housing);
5. Relocation to Subsidized Housing with Direct Energy Cost;
6. Change in Home Energy type; and
7. Primary Applicant passes away and surviving eligible Household Members remain in the Household, including at least one adult.

Program benefits will only be available for reissue or transfer during the Program Year of issue up until March 31st of the Program Year immediately following.

- B. In order to reissue or transfer a Benefit MaineHousing may require the Household to provide an Application ~~update~~Update form ~~Form~~ bearing the ~~Applicant~~Primary Applicant's signature and date. Failure to provide the information within 30 days, may result in delay or forfeiture of the Benefit.
- C. Program Benefits may not be eligible for reissue or transfer if the ~~Applicant~~Primary Applicant committed Errors and Program Abuse when completing the Application, there was an Overpayment, the ~~Applicant~~Primary Applicant's primary residence changes to a nursing home or long term care facility and there are no remaining Household Members, the Household moves to Subsidized Housing with heat included, the ~~Applicant~~Primary Applicant moves into another Household that received a Benefit in the current Program Year, the Household moves into an ineligible Dwelling Unit, the Program Benefit was not reissued before the deadline, the ~~Applicant~~Primary

| Applicant passes away and there are no surviving Household Members or the Household moves out of State.

- D. Vendors that receive a Benefit return form requesting the return of Benefits paid to Vendor on behalf of Eligible Households, shall return such Benefits to MaineHousing within fifteen (15) business days of date of Benefit return form. Once the funds are received, MaineHousing will process the reissue or transfer as appropriate within fifteen (15) calendar days of receiving all required documentation.

7. Energy Crisis Intervention Program (ECIP).

All ECIP services will be conducted by Subgrantees within their Service Area, unless otherwise authorized by MaineHousing, and will be subject to the availability of ECIP funds

- A. A Household may be eligible for ECIP if a Household Member's health and safety is threatened by an Energy Crisis situation and the Household does not have the financial means to avert the Energy Crisis. The Household will not be eligible if: they have any other Heating System that is safe and operable and has a supply of product; they reside in Subsidized Housing with heat included or a Rental Unit with heat included (with the exception that if the Household has a utility disconnection notice that relates to the operation of the Heating System, they may receive ECIP to restore the utility); or they have an Overpayment balance and have not entered into or complied with a repayment agreement. An Eligible Household under HEAP is income eligible for ECIP.

- B. An Energy Crisis includes:

1. Reading of 1/4 tank or less on a standard 275 gallon heating oil tank;
2. Reading of 25% or less on a propane tank;
3. 7-day or less supply for other delivered Home Energy types; and
4. A utility disconnection notice that relates to the operation of the Heating System,

- C. Allowable expenditures may include:

1. Home Energy deliveries provided the Eligible Household has exhausted any remaining Benefits previously issued;
2. Delivery charges associated with fuel deliveries under ECIP;
3. Surcharges, reconnection charges, or penalties related to a final utility disconnect notice;
4. Heating System repair, including restart fees;
5. Purchase of space heaters;
6. Temporary relocation provided the Eligible Household is experiencing a Life Threatening Crisis that cannot be averted within 18 hours by one of the above measures.

- D. ECIP will be administered pursuant to HEAP between November 1 and April 30. Conditioned on the availability of ECIP funds Energy Crisis benefits will be provided within 48 hours of the Household being certified eligible and Life Threatening Crisis funds will be provided within 18 hours of the Household being certified eligible.
- E. ECIP benefits are determined each Program Year by MaineHousing based on Home Energy costs, economic conditions, and available funding.
- F. Any denial of ECIP benefits will be provided to the ~~Applicant~~Primary Applicant within three (3) business days.
- G. ECIP Payments.
 - 1. Payment will be made after the vendor makes delivery and returns documentation required by MaineHousing to Subgrantee. MaineHousing will make payment within ten (10) business days of Subgrantee entering required information into the MaineHousing database.

8. Central Heating Improvement Program (CHIP).

All CHIP services will be conducted by Subgrantees within their Service Area, unless otherwise authorized by MaineHousing, and will be subject to the availability of HEAP funds.

A. Eligibility.

1. Household Eligibility.

- a. A Household may be eligible for CHIP if the Household is eligible for HEAP, has an eligible Application that was certified within the preceding twelve (12) months, and does not have a more recent Application that has been ~~certified~~denied.
- b. Eligible Households shall be served on a first-come, first-served basis with respect to each level of priority listed below, except when the Subgrantee is providing weatherization services to a Dwelling Unit in which case the Subgrantee can serve Eligible Households that allow the Subgrantee to leverage CHIP funds first. Subgrantees may prioritize within the priority levels listed below by Households that have a Household Member that (i) is 60 years of age or older, (ii) has a disability, or (ii) is 6 years of age or younger.
 - i. Eligible Households experiencing an Energy Crisis caused by Heating System malfunction or failure.
 - ii. Preventative cleaning, tuning, evaluation and minor repairs on a nonemergency basis (owner-occupied dwelling units only). Date of the last cleaning, tuning and evaluation by a licensed technician must be more than twelve (12) months prior to the initiation of services date.

B. Dwelling Unit Eligibility.

1. Ownership will be verified for all Dwelling Units and Rental Units-and additional documentation or written permission may be required for life estates and life leases or tenants.

a. A Dwelling Unit that has a life estate or life lease interest may be eligible if the document conferring the [Primary](#) Applicant rights of the life estate or life lease is recorded in the appropriate registry of deeds and states that the [Primary](#) Applicant is responsible for maintaining the Dwelling Unit or is silent as to who is responsible for maintenance.

2. A Dwelling Unit will not be eligible under CHIP if: it is a Rental Unit that has reached the life-time maximum benefit, it has been designated for acquisition or clearance by a federal, state or local program or order, it is in foreclosure, for sale, vacant, uninhabitable, it is in poor structural condition making CHIP services impractical, ineffective or impossible, it has been damaged by fire, flood or an act of God and insurance will cover the damage, there are discrepancies on the Household's Application, there is evidence that the Heating System was not properly maintained or the Household applied for services for more than one Dwelling Unit and did not provide the required information.

C. Heating System Replacement Eligibility. A Household may be eligible for assistance to replace a Heating System if the Household meets the eligibility requirements for CHIP. The amount of assistance shall be determined by subtracting the sum of the contributions towards the Heating System replacement cost by the Household and any person who shares a legal ownership interest in the Dwelling Unit, but does not reside in the Dwelling Unit ("Non-occupying Co-owner").

1. Contributions. The Household and Non-occupying Co-owner (if applicable) will be required to contribute toward the cost of replacing the Heating System if there are Countable Assets in excess of \$5,000, or \$50,000 if a member of the Household or the Non-occupying Co-owner is 60 years of age or older. Countable Assets include cash, funds on prepaid debit cards, money in a checking or savings account (health savings accounts, educational funds, and burial accounts are excluded), stocks or bonds, U.S. Treasury bills, money market funds and retirement accounts (provided there are no penalties for withdrawals). The amount of the contribution is determined for the Household and the Non-occupying Co-owner separately by subtracting either \$5,000 or \$50,000 (as applicable) from total Countable Assets and multiplying that number by the percentage of ownership. All contributions are subtracted from the total Heating System replacement cost to determine the CHIP benefit amount.

D. CHIP Uses.

1. CHIP allowable uses include cleaning, tuning and evaluating oil, gas or solid fuel systems, repairs determined to be necessary for proper operation by a licensed heating technician, , measures to bring a Heating System in compliance with applicable laws and codes or to correct measures that pose an immediate health or safety threat.

2. CHIP may not be used as reimbursement or payment for costs incurred by the ~~Applicant~~[Primary Applicant](#), replacement of a Heating System that was previously replaced by CHIP unless the Heating System has reached its useful life as defined by:

https://www.hud.gov/sites/documents/EUL_FOR_CNA_E_TOOL.PDF, or for fuel switching.

E. CHIP Benefit Maximums

1. Single-Family Owner-Occupied Dwelling Units. There is ~~no a~~ life-time maximum benefit ~~of \$10,000.00 amount for an Eligible Household per dwelling unit.~~
2. Single-Family Rental Units occupied by an Eligible Household. There is a life-time maximum benefit of \$600.
3. Multi-Family Rental Units. The maximum benefit is the lesser of \$600 times the number of Heating Systems that provide heat to Eligible Households or \$2,400.

F. Subgrantee Responsibilities.

1. Subgrantees are responsible for performing final inspections on all CHIP services for heating replacement jobs. The inspections will evaluate compliance with all applicable codes, confirm the work performed was authorized and determine the combustion efficiency level of the Heating System where technically feasible.
2. Subgrantees are responsible for procuring all services, including materials, equipment and services from specialized trades, such as electricians, masons and oil burner repairman, and shall follow the procedures below:

Amount	Requirements	Notes
\$ ~~4~~ 5,000 or less	Solicit ~~two one~~ price quotes by phone, email, vendor website, catalog, or price list, or similar means.	~~7~~ Choose the lowest quote or bid while taking into consideration the Contractor's performance record and other relevant factors.
Over \$ ~~4~~ 5,000	Perform a price survey by making every reasonable attempt to receive price quotations or bids from at least three (3) Contractors.	Choose the lowest quote or bid while taking into consideration the Contractor's performance record and other relevant factors.

3. Subgrantees are also responsible for procuring Contractors and shall follow the procedures below:
 - a. Prepare an Invitation to Bid or a Request for Proposal that identifies all requirements and factors to be considered including a due date for bids;
 - b. Mail, fax or email the Invitation to Bid or Request for Proposal to at least three

(3) contractors; and

c. Receive by mail, fax or email by the due date all bids and keep bids in a secure location to be reviewed and tabulated.

4. Sole Source Procurement. A Subgrantee may solicit a proposal from only one source if the following circumstances are met:

- a. Emergency or Urgent Need. An emergency situation or other urgent need exists and only one known source can provide the required goods or services within the time needed.
- b. Uniqueness. The item or service is available from only one source, based on a reasonable, good faith review of the market for the type of item or service needed.
- c. Inadequate Competitive Proposals. After evaluation of all proposals submitted in a competitive procurement, all proposals are determined to be inadequate.

Subgrantee shall submit a written statement justifying the sole source procurement for any procurement over \$~~105~~5,000 to MaineHousing prior to the installation of services.

5. Records. Copies of all procurement records, including sole source procurement documents, correspondence, factors considered and the basis for selection must be kept in the Subgrantee's files.

9. HEAP Weatherization.

Weatherization measures must be installed in accordance with the Maine Weatherization Standards. When HEAP Weatherization is used in conjunction with U.S. Department of Energy (DOE) funds, [10 C.F.R. Part 440](#), will govern with the exception to variations listed and approved in the LIHEAP State Model Plan Weatherization Assistance Section.

All HEAP Weatherization services will be conducted by Subgrantees within their Service Area, unless otherwise authorized by MaineHousing, and will be subject to the availability of HEAP funds.

A. Eligibility.

- 1. Household Eligibility. A Household may be eligible for HEAP Weatherization if the Household is eligible for HEAP, has an eligible Application that was certified within the preceding twelve (12) months, and does not have a more recent Application that has been certified-denied.
- 2. Dwelling Unit Eligibility. Ownership will be verified for all Dwelling Units and Rental Units and additional documentation or written permission may be required for life estates and life leases or tenants.
 - a. A Dwelling Unit that has a life estate or life lease interest may be eligible if the document conferring the ~~Applicant~~[Primary Applicant](#) rights of the life estate or

life lease is recorded in the appropriate registry of deeds and states that the ~~Applicant~~Primary Applicant is responsible for maintaining the Dwelling Unit or is silent as to who is responsible for maintenance.

- b. A Dwelling Unit will not be eligible under HEAP Weatherization if the Dwelling Unit received weatherization services under HEAP Weatherization or another MaineHousing program within fifteen (15) years of the certification date, it has been designated for acquisition or clearance by a federal state or local program or order, it is in foreclosure, for sale, vacant, uninhabitable, it is in poor structural condition making HEAP Weatherization services impractical, ineffective or impossible, it has been damaged by fire, flood or an act of God and insurance will cover the damage, or there are discrepancies on the Household's Application.
- c. A Dwelling Unit that was previously weatherized may be reopened if the reopening occurs within six (6) months of completion of the original weatherization service and reopening is required because the previous services are the proximate cause of an immediate threat to the health and safety of the occupants or the quality of the weatherization material or installation is deficient as determined by MaineHousing.

B. HEAP Weatherization Uses:

- 1. HEAP Weatherization allowable uses include: Weatherization needs assessments/audits; air sealing and insulation, storm windows, Heating System modifications/repairs/replacements, Heating System cleaning, tuning and evaluating, LED lighting, energy related roof repairs, major appliance repairs/replacements, including water heaters, up to two appliances, with one being a water heater, incidental repairs, health and safety measures, replacement windows and doors after all reasonable repair options are considered.

C. Subgrantee Responsibilities.

- 1. Subgrantees must conduct a public bid process to secure weatherization contractors at least annually as prescribed by MaineHousing.

10. Administration of the Programs.

A. MaineHousing's Responsibilities.

- 1. MaineHousing will prepare and submit to the Secretary of the United States Department of Health and Human Services an annual State Plan for HEAP in conformity with the provisions of the HEAP Act after conducting a public hearing for the purpose of taking comments.
- 2. MaineHousing will maintain this Rule, the HEAP Guide and any other guidance and documents that relate to the administration of the Programs.
- 3. MaineHousing will contract with Subgrantees and other entities to administer the Programs and may, at its discretion, make payments to Eligible Households or Vendors or provide Supplemental Benefits to the extent available. MaineHousing will assign at

least one Subgrantee to each Service Area to administer the Programs and will select Subgrantees annually based on applications received by June 1st outlining the Subgrantee's: experience in administering the Programs or similar programs; capacity; availability of other qualified entities within a Service Area; cost efficiency; ability to enhance accessibility to the Programs; schedule for taking Applications; and ability to perform outreach and serve homebound [Primary Applicants](#).

4. MaineHousing will determine the annual allocation of HEAP funds to each Subgrantee, not including any amount allocated to MaineHousing to pay Benefits.
5. MaineHousing will conduct program and fiscal monitoring of Subgrantees and Vendors to ensure compliance with all rules, regulations and laws applicable to this Rule.

B. Subgrantee, Vendor and Contractor Responsibilities.

1. Subgrantees, Vendors and Contractors are responsible for the following:

- a. **Conflict of Interest.** No employee, officer, board member, agent, consultant or other representative of Subgrantee, Vendor, or Contractor who exercises or has exercised any function or responsibility with respect to Programs' activities or who is in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from Programs' activities or have an interest in any contract, subcontract or agreement regarding the Programs' activities, or the proceeds there under, which benefits him or her or any person with whom he or she has business or family ties. Subgrantees, Vendors, and Contractors shall notify MaineHousing of any potential conflict of interest.
- b. **Confidentiality.** Subgrantees, Vendors, Contractors, and their employees and agents shall keep confidential ~~Applicant~~[Primary Applicant](#) or Household information obtained in the administration of the Programs, including without limitation, an individual's name, address and phone number, household income, assets or other financial information, and benefits received ("Confidential Information") and shall safeguard and protect from disclosure at all times Confidential Information.
- c. **Prohibited Discrimination.** Subgrantees, Vendors, Contractors, and their employees and agents are prohibited from discriminating against any Household applying for or receiving goods or services in accordance with this Rule.

2. Subgrantees responsibilities also include, but are not limited to, the following as further defined in the annual Subgrant Agreement between MaineHousing and Subgrantees and in accordance with the HEAP Act and this Rule:

- a. Conduct outreach, accept and verify Applications, determine Household eligibility, pay Benefits, coordinate with MaineHousing on denials and requests for Informal Review and Fair Hearing, use MaineHousing's database software and equipment, address emergencies, cost effectively administer and operate the Programs, prioritize Eligible Households where required, coordinate services between Programs, submit production schedules, work plans, budgets, monthly status reports, and billing information to MaineHousing, use forms provided by MaineHousing, make reasonable accommodations upon request for a Person

with a Disability, follow procurement requirements as may be required by 45 C.F.R. §§ 75.327 – 75.335 and 45 C.F.R. §§ 75.316-753.23, and inform

~~Applicant~~Primary Applicants of their rights to request an Informal Review and Fair Hearing;

- b. Maintain comprehensive, accurate and separate documentation, payroll reports, financial statements, and other records in connection with its administration of the Programs including at a minimum, the amount and disposition of the Programs' funds received by the Subgrantee and the total cost necessary to administer the Programs and provide MaineHousing with copies of any such records as requested and maintain such records for a minimum of three (3) years from the end of the relevant contract period or a longer period as prescribed by MaineHousing. In cases of litigation, other claims, audits, or other disputes the Subgrantee will retain all relevant records for at least one (1) year after the final disposition thereof;
- c. Provide an annual budget prior to each Program Year and within ninety (90) calendar days of the close of Subgrantee's fiscal year furnish to MaineHousing an annual financial statement prepared by an independent certified public accountant in accordance with 45 C.F.R. Part 75, Subpart F.

C. Administrative and Program Expenses. Subgrantees shall be permitted administrative and program expenses necessary to carry out their responsibilities under this Rule and the Programs. Such expenses will be allowed in a manner consistent with the provisions of the HEAP Act and must be reasonable in amount as determined by MaineHousing. Administrative expenses for the Program Year may be spent only between October 1 and the following September 30 of the applicable Program Year, unless otherwise authorized. Allowable administrative and program expenses for each of the Programs are listed below. Other expenses may be allowed if authorized by MaineHousing before the expenses are incurred.

Fuel Assistance and ECIP	Expense Category
Salary and fringe benefit costs for the actual time an individual performs intake, processing, or eligibility determination functions associated with an active Application	Program
Salary and fringe benefit costs for the actual time an individual participates in administering Fuel Assistance or ECIP and is not performing functions associated with an active Application	Program
Salary and fringe benefits and other related and reasonable costs for specific HEAP and ECIP training and professional development of individuals performing intake, application processing, eligibility determination, and administration of HEAP fuel assistance and ECIP	Program
Space costs/rent, telephone, copier/printing, office supplies, postage, transportation/travel, data processing/computer costs, equipment repairs and maintenance, equipment purchase/lease, and consultants/professional services associated with the above referenced activities.	Program

Indirect costs	Administrative
Salary and fringe benefits and other related and reasonable costs for specific HEAP and ECIP training and professional development for individuals whose salary and fringe benefits are budgeted directly to Administrative Costs or for whom salary and fringe are included in the agency's Indirect Rate	Administrative
Salary and fringe costs, space costs, rent, telephone, copying, printing, office supplies, postage, transportation, travel, data processing, computer costs, equipment repairs and maintenance, equipment purchase or lease, consultant fees and professional services associated with the administration of HEAP not included in the agency's Indirect Rate or allowable from program funding	Administrative
HEAP Weatherization, CHIP, and Heat Pump Program	Expense Category
Material/labor costs for Heating system repairs/replacements and measures installed as part of weatherization	Program
Either salary and fringe benefit costs for the actual time staff participates in administering HEAP Weatherization, CHIP, Heat Pump Program or a program management fee established by MaineHousing.	Program
Space costs/rent, telephone, copier/printing, office supplies, postage, transportation/travel, equipment purchase/lease, liability insurance, pollution occurrence insurance, and consultants/professional services.	Program
Indirect costs	Administrative
Energy Self Sufficiency Services	Expense Category
Salary and fringe benefit costs for staff providing direct services and the direct administrative costs associated with providing the services, such as the costs for supplies, equipment, travel, postage, utilities, rental and maintenance of office space	Program
Indirect costs	Administrative

1. Energy Self Sufficiency Activities. Subgrantees may submit annual proposals, for MaineHousing's consideration, describing their planned activities and expenses associated with providing services to [Primary](#)—Applicants pursuant to Energy Self Sufficiency of the HEAP Act. Administration of Energy Self Sufficiency Activities will be conditioned on the availability of HEAP funds.

D. Vendors.

1. Eligibility. In order to participate in the Programs Vendors must demonstrate the capacity and stability of their business and supply a credit report and business plan to

MaineHousing's satisfaction. MaineHousing reserves the right to exclude Vendors in certain situations, including but not limited to, bankruptcies or judgments, prior Program terminations, violations and defaults, and in situations where the Vendor has been in business for less than a year.

2. Enrollment. Upon approval of a Vendor, Vendors must enter into a Vendor Agreement during the time period as prescribed by MaineHousing. Returning Vendors must reenroll each Program Year or as prescribed by MaineHousing contingent upon performance and compliance in previous Program Years.
3. Use of Benefits. Benefits may not:
 - a. Be sold, released, transferred or otherwise conveyed without written authorization from MaineHousing;
 - b. Be used to pay Incidental Costs Benefits;
 - c. Be used to deliver a different Home Energy product than the one authorized by MaineHousing or
 - d. Be used to deliver Home Energy products to a Household that is moving, has a Heating System experiencing mechanical difficulties or has storage tanks that need replacement or do not meet code.

For electricity and natural gas, Vendors may apply Benefits to past due charges for Home Energy deliveries with the oldest charges being paid first.

4. Annual Consumption Report. As part of the Annual Consumption Report process, Vendors must review Eligible Household accounts and identify any remaining Benefits that were issued in or prior to the preceding Program Year. All such unused Benefits must be returned to MaineHousing no later than June 30.
5. Return of Payments. Upon receipt of a Benefit Return form Vendor shall return such Benefits to MaineHousing or Subgrantee within fifteen (15) business days of the date of the Benefit Return form. If any of the following events occur, Vendor shall within fifteen (15) business days of becoming aware, submit to MaineHousing a completed Benefit Return form and return any Benefits paid to Vendor:
 - a. Death of an individual who is a sole member of an Eligible Household;
 - b. Institutionalization of an individual who was the sole member of an Eligible Household;
 - c. Vendor's receipt of a written notice from an Eligible Household that it no longer desires to receive Home Energy deliveries from Vendor in future Program Years;
 - d. An Eligible Household has not received deliveries of Home Energy for twelve (12) consecutive months;
 - e. An Eligible Household has moved out of Vendor's Service Area;
 - f. An Eligible Household has moved out of State;
 - g. Vendor has been paid an excessive Benefit on behalf of the Eligible Household.

For Benefits with a balance of less than \$25, Vendors may aggregate remaining Benefits and return the balance to MaineHousing when the Annual Consumption Report is submitted.

All Benefit Return forms should be accompanied by documentation evidencing: the name and address of the Vendor, the name and address of the Eligible Household; the Eligible Household's account number; the Benefit amount being returned; a concise explanation for the return of funds; a detailed account history showing delivery activity and payment from May 1st preceding the Program Year of the Benefits being returned; and any other documentation requested by MaineHousing.

E. Noncompliance.

1. MaineHousing shall have the right to terminate or suspend in whole or in part the Subgrantee Agreement in its sole discretion if it determines the Subgrantee has failed to comply with any provision of this Rule, the Subgrantee Agreement, the HEAP Guide, or the provisions of other applicable law. A written notice will be sent to Subgrantee and shall set forth as applicable, the reason for termination, the specific violations and any suspensions. For non-compliance not resulting in termination or suspension a written notice setting forth the specific violation and cure period will be provided to Subgrantee. In situations of malfeasance or misfeasance MaineHousing may bar a Subgrantee's participation in the Programs.
2. MaineHousing shall have the right to terminate a Vendor for failure to comply with the terms of the Vendor Agreement, State law concerning consumer home heating rights as prescribed by the Office of the Maine Attorney General, documentation, audit/investigation requirements and the requirements of this Rule. In situations of malfeasance or misfeasance MaineHousing may bar a Vendor's participation in the Programs and pursue any other remedies available under the law. MaineHousing may also choose to place the Vendor on a watch list and monitor Vendor's performance.

11. Native American Tribal Organizations.

Native American Tribal Organizations means the Penobscot Indian Nation, the Passamaquoddy Indian Tribe and the Houlton Band of Maliseet Indians as defined in the Maine Indian Claims Settlement Act, [30 M.R.S. §6201 et seq.](#), and the Mi'kmaq Nation as defined in the Micmac Settlement Act, [30 M.R.S. §7201](#) et seq.

- A. Direct Allocation to Native American Tribal Organizations. Native American Tribal Organizations may receive a direct allocation of HEAP funds from the Secretary of the United States Department of Health and Human Services pursuant to the HEAP Act. The amount of the direct allocation is determined by the percentage of Maine's total annual LIHEAP award that MaineHousing indicates will be awarded to Maine's Native American Tribal Organizations. In its determination MaineHousing will consider the number of Eligible Households during the previous Program Year that include Household Members who are members of the Native American Tribal Organization, when that information is available.
- B. Agreements with Native American Tribal Organizations. When a Native American Tribal Organization receives a direct allocation of Fuel Assistance and ECIP, MaineHousing will enter into an agreement with the Native American Tribal Organization that, at a minimum, provides for the coordination of services and administration of the Fuel Assistance and ECIP by the Native American Tribal Organization and Subgrantees to prevent duplication of services.

12. Informal Review and Fair Hearing.

A. Informal Review. For any dispute ~~other than a dispute regarding TANE Fuel Supplemental Benefits (which are not subject to Informal Review)~~, the ApplicantPrimary Applicant must submit a written request for an Informal Review no later than:

1. Thirty (30) calendar days from the postmarked date of the denial notification or the benefit notification;
2. Ninety (90) calendar days from the Application Received Date, if the Application has not been approved or denied; or
3. Ninety (90) calendar days from the postmarked date of the request for refund of an Overpayment.

Written requests for Informal Review may be mailed to MaineHousing, 26 Edison Drive, Augusta, Maine 04330; or emailed to LIHEAPcompliance@mainehousing.org. The Informal Review will be conducted by a person other than the one who made or approved the decision under review. MaineHousing will review the file, conduct necessary research, and give the ApplicantPrimary Applicant an opportunity to present written or oral objections. In rendering a decision MaineHousing will evaluate the accuracy of the calculations, the level of documentation provided by the ApplicantPrimary Applicant, and the accuracy of the decision. MaineHousing will communicate the results of the research/review to the ApplicantPrimary Applicant. If the ApplicantPrimary Applicant does not agree with the results of the Informal Review the ApplicantPrimary Applicant may submit a written request for a Fair Hearing, but only in the following limited circumstances: the ApplicantPrimary Applicant's claim for assistance was denied or not acted upon with reasonable promptness (meaning it was not certified or denied within the required time-frame outline in this Rule or as approved by waiver); the ApplicantPrimary Applicant disputes the criteria used to calculate the amount of their Benefit; or the ApplicantPrimary Applicant is required to refund an Overpayment.

B. Fair Hearing.

1. Pursuant to the HEAP Act, [42 U.S.C. §8624\(b\)\(13\)](#), MaineHousing will provide an ApplicantPrimary Applicant an opportunity for a fair administrative hearing. Fair hearings shall be conducted in accordance with the Maine Administrative Procedures Act, Title 5, Chapter 375 by the Director of MaineHousing (or their designee) or such other contractor selected by MaineHousing. The parties may receive a transcript of the hearing upon payment of the reasonable cost for the production thereof.
2. Within thirty (30) calendar days of the hearing's conclusion the hearing officer will prepare a recommended hearing decision. Copies of the recommended decision will be provided to the ApplicantPrimary Applicant.
3. A final decision and order will be made by the Director of MaineHousing in writing within sixty (60) calendar days of receipt of the hearing officer's recommendation. In the event the Director of MaineHousing presides over a hearing, they shall render their decision and order within sixty (60) calendar days of the hearing's conclusion or sixty (60) calendar days of the recommended decision. The Director's decision and order shall include findings of fact sufficient to apprise the parties of its basis. A copy of the decision and order will be provided promptly to each party to the proceeding or their representative of record. Written notice of the party's right to appeal the decision and other relevant information will be provided to the parties at the time of the decision and order. The decision and order will be implemented by the Subgrantee no later than ten (10) calendar days after receipt if it is in the ApplicantPrimary Applicant's favor and otherwise forty-five (45) calendar days unless stayed on appeal.

13. Errors and Program Abuse.

- A. Reporting Errors and Program Abuse. Subgrantees are required to report any suspected or alleged Errors or Program Abuse. Any individual may also report suspected Errors or Program Abuse by telephone 1800-452-4668 or (207) 626-4600, in writing to MaineHousing, Attn: HEAP Errors and Program Abuse, 26 Edison Drive, Augusta, ME 04330 or by email at LIHEAPcompliance@mainehousing.org. Any report should include at minimum, the name and address of the person being reported and any details of the suspected Errors and Program Abuse.
- B. Investigation. MaineHousing will investigate all reported and alleged Errors and Program Abuse and may investigate the previous three (3) Program Years and may place Benefits on hold during the investigation. Primary Applicants will be notified and given the opportunity to respond and provide additional documentation. MaineHousing will make a determination on the appropriate action, based on the response. If an ~~Applicant~~Primary Applicant fails to respond or fails to provide the documentation requested, the ~~Applicant~~Primary Applicant may be subject to denial, an Overpayment or other actions available under the law. If Errors and Program Abuse are confirmed or ~~Applicant~~Primary Applicant fails to respond, ~~Applicant~~Primary Applicant will receive a written notification outlining the facts of the decision, the reason for the decision, the Overpayment due (if applicable), and any avenue available to request an Informal Review or Fair Hearing. If MaineHousing determines the Errors were at no fault of the ~~Applicant~~Primary Applicant, MaineHousing will not require an Overpayment from the ~~Applicant~~Primary Applicant.
- C. Overpayments. If a ~~Primary~~Primary Applicant is required to pay an Overpayment (including any Overpayments due from the previous three (3) Program Years) the Primary Applicant may pay the full amount of the Overpayment, enter into an agreeable payment arrangement and/or be subject to recoupment by MaineHousing.

14. Waivers of the Rule and HEAP Guide.

MaineHousing will only grant waivers of the Rule and/or HEAP Guide in very limited circumstances. The below is a list of the only provisions that will be considered for a waiver. Consideration does not mean the waiver will be granted. Any grant of a waiver is at MaineHousing's discretion.

- A. Subgrantee must certify or deny an Application within thirty (30) business days from the Application Received Date.
 - 1. **MaineHousing will consider providing a waiver up to forty-five (45) business days.**
- B. Program benefits will only be available for reissue or transfer during the Program Year of issue up until March 31st of the Program Year immediately following.
 - 1. **MaineHousing will consider extending the deadline to April 15th for good cause.**
- C. ECIP will be administered pursuant to HEAP between November 1 and April 30.
 - 1. **Depending on the availability of funds and other factors MaineHousing may extend the April 30th ECIP end date.**

D. A denial for missing information will be rescinded if the required information is received by the Subgrantee within (15) fifteen business days from the date of written notification of denial.

1. MaineHousing will consider extending the deadline to twenty-five (25) business days.

E. CHIP may not be used as reimbursement or payment for costs incurred by the [Primary Applicant](#), replacement of a Heating System that was previously replaced by CHIP unless the Heating System has reached its useful life as defined by:

https://www.hud.gov/sites/documents/EUL_FOR_CNA_E_TOOL.PDF, or for [fuel](#)

switching.

1. In the case of replacing a Heating System before the end of its useful life or fuel switching, in limited circumstances, MaineHousing may consider a waiver on a case-by-case basis review.

F. HEAP Weatherization does not allow fuel switching when replacing a Heating System.

1. MaineHousing may consider a waiver on a case-by-case basis review.

STATUTORY AUTHORITY: 30-A M.R.S. §§4722(1)(W), 4741(1) and (15), and 4991 et seq.; 42 U.S.C. §§8621, et seq.

BASIS STATEMENT: This replacement rule repeals and replaces in its entirety the current Home Energy Assistance Program Rule. The rule establishes standards for administering fuel assistance, emergency fuel assistance, ~~TANF Fuel Supplemental Benefits~~, weatherization, and heating system repair and replacement funds to income eligible households in the State of Maine. This replacement rule: updates the matrix used for determination of benefits, changes the ECHIP component to one benefit instance per program year, makes minor changes to clarify documentation requirements for citizenship, identity and social security number verification, increases the allowable time to reverse a denial for return missing documentation for an application, updates income documentation and incorporates language to provide clarity and continuity between the rule and the State Plan, ~~adds direct checks for clients that use Wood Pellets, Corn, and Bio-Bricks, and adds a quality control requirement for the direct checks, edits the CHIP uses language to eliminate specific repairs, adds clarification~~changes the threshold for the solicitation and use of price quotes for CHIP repairs, and adds a life-time maximum benefit per dwelling unit, and makes minor formatting and grammar edits.

FISCAL IMPACT NOTE: The replacement HEAP Rule will not impose any cost on municipalities or counties for implementation or compliance.

EFFECTIVE DATE:

Low Income Home Energy Assistance Program (LIHEAP)

LIHEAP Model Plan Template

Note: This template cannot be submitted as an application for LIHEAP funding. The template is for demonstration purposes only. A complete LIHEAP Model Plan must be submitted in the Online Data Collection System (OLDC) to be considered for funding. Formatting within OLDC may appear different than this document.



Mandatory Grant Application SF-424

U.S. Department of Health and Human Services Administration for Children and Families			
August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01 OMB Clearance No.: 0970-0075 Expiration Date: 02/28/2027			
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) MODEL PLAN SF – 424: MANDATORY			
* 1.a. Type of Submission: ☒ Plan	* 1.b. Frequency: ☒ Annual	* 1.c. Consolidated Application/Plan/Funding Request? Explanation:	* 1.d. Version: ☒ Initial ☐ Resubmission ☐ Revision ☐ Update
		2. Date Received:	State Use Only:
		3. Applicant Identifier:	5. Date Received By State:
		4a. Unique Entity Identifier (UEI): NJEKQK2U8ZJ5	6. State Application Identifier:
		4b. Federal Award Identifier:	
7. APPLICANT INFORMATION			
*a. Legal Name: Maine State Housing Authority			
*b. Address:			
*Street 1:	26 Edison Drive	Street 2:	
*City:	Augusta	County:	Kennebec
*State:	Maine	Province:	
*Country:	United States	*Zip/Postal Code:	04330-4633
c. Organizational Unit:			
Department Name:	Energy and Housing Services	Division Name:	
d. Name and contact information of person to be contacted on matters involving this application (person will be listed on the Notice of Funding Awards and on the U.S. Department of Health and Human Services' LIHEAP contact list web page):			
*First Name:	Sarah	*Last Name:	Johnson
Title:	Manager of HEAP	Organizational Affiliation:	
*Telephone Number:	207-624-5777	Fax Number:	
*Email: sjohnson@mainehousing.org			
*8. TYPE OF APPLICANT:			
State Government			
a. Is the applicant a Tribal Consortium:			
No			
If yes, please attach at least one of the following documents:			
1. Current State-Tribe agreement between their state and the Consortium, signed by the State Chief Executive Officer (such as the Governor or the delegate) and the Consortium President; 2. Consortium letter listing the tribes, signed by the elected Tribal Chief or President of each tribe in the Consortium and signed by the Consortium President; 3. A current resolution letter from each tribe in the Consortium, signed by the elected Tribal Chief or President of that tribe. Each resolution letter needs to state that the Consortium has the tribes' permission to apply for, and administer, LIHEAP on their behalf and needs to designate a time period for the permission or until rescinded or revoked.			
		Catalog of Federal Domestic Assistance Number	CFDA Title:
9. CFDA NUMBERS AND TITLES		93.568	Low-Income Home Energy Assistance Program
10. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:			
LIHEAP Administration			
11. AREAS AFFECTED BY FUNDING:			

Statewide	
12. CONGRESSIONAL DISTRICTS OF APPLICANT:	
2	
13. FUNDING PERIOD:	
a. Start Date: 10/01/ ~~2025~~ 2026	b. End Date: 09/30/ ~~2026~~ 2027
*14. IS SUBMISSION SUBJECT TO REVIEW BY STATE UNDER EXECUTIVE ORDER 12372 PROCESS? C	
a. This submission was made available to the State under Executive Order 12372	
Process for review on:	
b. Program is subject to E.O. 12372 but has not been selected by State for review.	
c. Program is not covered by E.O. 12372.	
*15. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
☐ YES	
☒ NO	
If yes, explain:	
16. By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)	
☐ I AGREE	
**The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
17a. Typed or Printed Name and Title of Authorized Certifying Official	17c. Telephone (area code, number, and extension)
Daniel Brennan, Director	207-626-4600
17b. Signature of Authorized Certifying Official (on)	17d. Email Address:
	dbrennan@mainehousing.org
17e. Date Report Submitted (Month, Day, Year)	
Attach supporting documents as specified in agency instructions	

Section 1 - Program Components

U.S. Department of Health and Human
Services
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
OMB Clearance No.: 0970-0075
Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN

Section 1 – Program Components

THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13) Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Section 1 Program Components

Program Components, 2605(a), 2605(b)(1) - Assurance 1, 2605(c)(1)(C)

1.1 Check which components you will operate under the LIHEAP program. (Note: You must provide information for each component designated here as requested elsewhere in this plan.)		Dates of Operation	
		Start Date:	End Date:
☒	Heating assistance	10/1/20252026	09/30/20276
☐	Cooling assistance		
☒	Weatherization assistance	10/1/20252026	03/31/202709/30/2028
☐	Summer Crisis assistance		
☒	Winter Crisis assistance	11/1/20252026	04/30/20276
☐	Year-round crisis assistance		

Provide further explanation for the dates of operation, if necessary

Heating Assistance: For FFY2026, Subgrantees will begin taking applications on August 43, 2025-2026 and will continue taking applications through May 2928, 20262027.

Weatherization Assistance: Funding for the Weatherization Assistance components is made available to Subgrantees during the program year and is obligated for use through 3/31/202709/30/2028 or as extended by contract.

Estimated Funding Allocation, 2604(C), 2605(k)(1), 2605(b)(9), 2605(b)(16) - Assurances 9 and 16

1.2 Estimate what amount of available LIHEAP funds will be used for each component that you will operate: The total of all percentages must add up to 100%	Percentage (%):	Prior year totals (auto-populate)
Heating assistance	6360.00%	59.00%
Cooling assistance	0.00%	0.00%
Summer crisis assistance	0.00%	0.00%
Winter crisis assistance	57.5-00%	10.00%
Year-round crisis assistance	0.00%	0.00%
Weatherization assistance	15.00%	15.00%
Carryover to the following federal fiscal year	45.00%	7.00%
Administrative and planning costs	10.00%	8.00%
Services to reduce home energy needs including needs assessment (Assurance 16)	32.4200%	1.00%
Used to develop and implement leverages activities	0.0008%	0.00%
TOTAL:	100.00%	100.00%

Tribal grant recipients: direct-grant tribes, tribal organizations, or territories with allotments of \$20,000 or less may use for planning and administration up to 20% of the funds payable. Grant recipients that are direct grant tribes, tribal organizations, or territories with allotments over \$20,000 may use for planning and administration purposes up to 20% of the first \$20,000 (or \$4,000) plus 10% of the funds payable that exceeds \$20,000. Any administrative costs in excess of these limits must be paid from non-federal sources.

Alternate Use of Crisis Assistance Funds, 2605(c)(1)(C)

1.3 The funds reserved for winter crisis assistance that have not been expended by March 15 will be

reprogrammed to:								
☒	Heating assistance			☐	Cooling assistance			
☒	Weatherization assistance			☐	Other (specify):			
Categorical Eligibility, 2605(b)(2)(A) - Assurance 2, 2605(c)(1)(A), 2605(b)(8A) - Assurance 8								
1.4 Do you consider households categorically eligible if at least one household member receives at least one of the following categories of benefits in the left column below?								
☒	Yes			☐	No			
If you answered "Yes" to question 1.4, you must complete the table below and answer questions 1.5 and 1.6.								
	Heating		Cooling		Crisis		Weatherization	
TANF	☒ Yes	☐ No	☐ Yes	☒ No	☒ Yes	☐ No	☒ Yes	☐ No
SSI	☐ Yes	☒ No	☐ Yes	☒ No	☐ Yes	☒ No	☐ Yes	☒ No
SNAP	☒ Yes	☐ No	☐ Yes	☒ No	☒ Yes	☐ No	☒ Yes	☐ No
Means-tested Veterans programs	☐ Yes	☒ No	☐ Yes	☒ No	☐ Yes	☒ No	☐ Yes	☒ No
1.4 a. Provide your definition of categorical eligibility. Please explain how households are categorically eligible (i.e., do all household members need to receive the benefits or just one member, is there a data exchange in place?) and how categorical eligibility streamlines the LIHEAP application process.								
Maine utilizes the above categories of benefits to determine if a Household is Categorical Income Eligibility. Households who enroll using Categorical Income Eligibility will have their benefit calculated based on the highest FPL allowable for each benefit type above. A Household may still choose to provide actual income documentation for benefit determination. From Chapter 24 Home Energy Assistance Program Rule: "Categorical Income Eligibility" means Household Members who are included on a Maine Department of Health and Human Services ("Maine DHHS") Notice of Decision for TANF or SNAP assistance will be considered income eligible for HEAP, as the Household Members' incomes have already been vetted. Adult Household Members who are not included on the Notice of Decision must provide income documentation as outlined in this Rule and the HEAP Handbook.								
1.5 Do you automatically enroll households without a direct annual application?								
☐	Yes			☒	No			
If Yes, explain:								
1.6 How do you ensure there is no difference in the treatment of categorically eligible households from those not receiving other public assistance when determining eligibility and benefit amounts?								
All applicants must provide the required application documentation regardless of receipt of other means of public assistance. Households who currently participate in one of the means-tested programs in section 1.3 have the option of utilizing Categorical Income Eligibility when applying for LIHEAP. Households who enroll using Categorical Income Eligibility will have their benefit calculated based on the highest FPL allowable for each benefit type above. A Categorical Income Eligible Household may still choose to provide actual income documentation for benefit determination.								
SNAP Nominal Payments								
1.7a Do you allocate LIHEAP funds toward a nominal payment for SNAP households?								
☒	Yes			☐	No			
If you answered "yes" to question 1.7a, you must provide a response to questions 1.7b, 1.7c and 1.7d.								
1.7b Amount of Nominal Assistance:				\$21.00				
1.7c Frequency of Assistance								
☒	Once per year							
☐	Once every five years							
☐	Other – Describe:							
1.7d How do you confirm that the household receiving a nominal payment has an energy cost or need?								
Applicants residing in subsidized housing with heat included must provide documentation to verify the applicant has an indirect energy cost. This documentation may include a copy of a current lease or a copy of a current electric bill.								
Determination of Eligibility - Countable Income								
1.8. In determining a household's income eligibility for LIHEAP, do you use gross income or net income?								

☒	Gross Income		
☐	Net Income		
☐	Other – Describe:		
1.9. Select all the applicable forms of countable income used to determine a household's income eligibility for LIHEAP			
☒	Wages		
☒	Self - Employment Income		
☒	Contract Income		
☒	Payments from mortgage or Sales Contracts		
☒	Unemployment insurance		
☒	Strike Pay		
☒	Social Security Administration (SSA) benefits		
	☒	Including Medicare deduction	☐ Excluding Medicare deduction
☒	Supplemental Security Income (SSI)		
☒	Retirement/pension benefits		
☐	General Assistance benefits		
☐	Temporary Assistance for Needy Families (TANF) benefits		
☐	Loans that need to be repaid		
☒	Cash gifts		
☐	Savings account balance		
☐	One-time lump sum payments, such as rebates or credits, winnings from lotteries, refund deposits, etc.		
☐	Jury duty compensation		
☒	Rental income		
☐	Income from employment through Workforce Investment Act (WIA)		
☐	Income from work study programs		
☒	Alimony		
☒	Child support		
☒	Interest, dividends, or royalties		
☒	Commissions		
☐	Legal settlements		
☐	Insurance payments made directly to the insured		
☐	Insurance payments made specifically for the repayment of a bill, debt, or estimate		
☒	Veterans Administration (VA) benefits		
☐	Earned income of a child under the age of 18		
☐	Balance of retirement, pension, or annuity accounts where funds cannot be withdrawn without a penalty		
☐	Income tax refunds		
☐	Stipends from senior companion programs, such as VISTA		
☐	Funds received by household for the care of a foster child		
☐	Ameri-Corp Program payments for living allowances, earnings, and in-kind aid		
☐	Reimbursements (for mileage, gas, lodging, meals, etc.)		
☒	☐	Other – Long Term Disability Payments	
If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.			
1.10 Do you have an online application process?			
☒	Yes	☐	No
1.10a If yes, describe the type of online application (select all boxes that apply)			
☐	A PDF version of the application is available online and can be downloaded, filled out, and mailed, emailed, dropped off in-person, or faxed in for processing.		

☒	A state-wide online application that allows a customer to complete data entry and submit an application electronically for processing		
☐	One or more local subgrant recipients have an online application that allows a customer to complete data entry and submit an application electronically for processing		
☒	Online application that is also mobile friendly		
☒	Other, please describe We have a paper application available that can be filled out, and mailed, emailed, dropped off in-person, or faxed in for processing.		
☒	Ecos.mainehousing.org		
1.10b Can all program components be applied for online?			
☐	Yes	☒	No
If no, explain which components can and cannot be applied for online:			
Households are able to apply online for Energy Assistance. Households will not be able to indicate that they are in need of crisis assistance and will be instructed to contact the subgrantee in their service area via messaging during the online application process. Households will also need to contact their Community Action Agency if they are interested in Assurance 16 or Weatherization services.			
1.11 Do you have a process for conducting and completing applications by phone:			
Yes, Subgrantees have the capacity to conduct intake appointment over the phone, or in person.			
1.12 Do you or any of your subrecipients require in person appointments in order to apply?			
No			
If yes, please provide more information regarding why in-person appointments are required and in what circumstances they are required.			
1.13 How can applicants submit documentation for verification? Select all that apply:			
☒	In-person		
☒	Mail		
☒	Email		
☒	Portal application		
☒	Other, describe: Fax		

Section 2 - HEATING ASSISTANCE

U.S. Department of Health and Human Services August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
Administration for Children and Families OMB Clearance No.: 0970-0075
Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 2 – Heating Assistance

Eligibility, 2605(b)(2) - Assurance 2

2.1 Designate the income eligibility threshold used for the heating component:

Add	Household Size	Eligibility Guideline	Eligibility Threshold
	1	State Median Income	60.00%
	2	State Median Income	60.00%
	3	State Median Income	60.00%
	4	State Median Income	60.00%
	5	State Median Income	60.00%
	6	State Median Income	60.00%
	7	State Median Income	60.00%
	8	State Median Income	60.00%
	9	State Median Income	60.00%
	10	HHS Poverty Guideline	150.00%
	11	HHS Poverty Guideline	150.00%
	12	HHS Poverty Guideline	150.00%

2.2 Do you have additional eligibility requirements for heating assistance?

☐ Yes ☒ No

2.3 Check the appropriate boxes below and describe the policies for each.

Do you require an Assets test? ☐ Yes ☒ No

If yes, describe:

Do you have additional or differing eligibility policies for:

Renters? ☐ Yes ☒ No

If yes, describe:

Renters living in subsidized housing? ☐ Yes ☒ No

If yes, describe:

Renters with utilities included in the rent? ☐ Yes ☒ No

If yes, describe:

Do you give priority in eligibility to:

Older adults? ☒ Yes ☐ No

If yes, describe:

Subgrantees will make a good faith effort during the first ninety (90) days to serve Households who have a direct energy cost and who contain a Household member who is an Older Adult, Individual with a disability or a Household that contains a young (6 years of age or younger) child.

Individuals with a disability? ☒ Yes ☐ No

If yes, describe:

Subgrantees will make a good faith effort during the first ninety (90) days to serve Households who have a direct energy cost and who contain a Household member who is an Older Adult, Individual with a disability or a Household that contains a young (6 years of age or younger) child.

Young children? ☒ Yes ☐ No

If yes, describe:

Subgrantees will make a good faith effort during the first ninety (90) days to serve Households who have a direct energy cost and who contain a Household member who is an Older Adult, Individual with a disability or a Household that contains a young (6 years of age or younger) child.

Households with high energy burdens? ☐ Yes ☒ No

If yes, describe:

Other?		☐	Yes	☒	No
If yes, describe:					
Determination of Benefits 2605(b)(5) - Assurance 5, 2605(c)(1)(B)					
2.4 Describe how you prioritize the provision of heating assistance to vulnerable populations, e.g., benefit amounts, early application periods, etc.					
Intake/Application prioritization: Subgrantees will make a good faith effort during the first ninety (90) days to serve Households who have a direct energy cost and who contain a Household member who is an Older Adult, Individual with a disability or a Household that contains a young (6 years of age or younger) child.					
Benefit Amount: Households where a member is an Older Adult, Individual with a disability or have a young child ~~will be~~ awarded additional priority points during benefit determination.					
2.5 Check the variables you use to determine your benefit levels. (Check all that apply):					
☒	Income				
☒	Family (household) size				
☐	☒ Home energy cost or need:				
☒	Fuel type				
☒	Climate/region				
☐	Individual bill				
☒	Dwelling type				
☐	Energy burden (% of income spent on home energy)				
☐	Energy need				
☒	☐ Other - Describe: Priority points for vulnerable populations				
Benefit Levels, 2605(b)(5) - Assurance 5, 2605(c)(1)(B)					
2.6 Describe estimated benefit levels for the fiscal year for which this plan applies. Please note, the maximum and minimum benefits must be shown in the payment matrix.					
Minimum Benefit	\$88.00	Maximum Benefit	\$1,012.00		
2.7 Do you provide in-kind (e.g., blankets, space heaters) or other forms of benefits?					
☒	Yes		☐	No	
If yes, describe.					
Subgrantees provide a number of in-kind and/or other benefits including private contributions for fuel assistance.					
If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.					

Commented [SJ1]: Get this information

Commented [SJ2]: Get this information

Section 3 - COOLING ASSISTANCE

U.S. Department of Health and Human Services August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
Administration for Children and Families OMB Clearance No.: 0970-0075
Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 3 – Cooling Assistance

Eligibility, 2605(b)(2) - Assurance 2

3.1 Designate the income eligibility threshold used for the cooling component:

Add	Household size	Eligibility Guideline	Eligibility Threshold

3.2 Do you have additional eligibility requirements for cooling assistance?

☐ Yes ☐ No

3.3 Check the appropriate boxes below and describe the policies for each.

Do you require an Assets test? ☐ Yes ☐ No

If yes, describe:

Do you have additional or differing eligibility policies for:

Renters? ☐ Yes ☐ No

If yes, describe:

Renters living in subsidized housing? ☐ Yes ☐ No

If yes, describe:

Renters with utilities included in the rent? ☐ Yes ☐ No

If yes, describe:

Older adults? ☐ Yes ☐ No

If yes, describe:

Individuals with a disability? ☐ Yes ☐ No

If yes, describe:

Young children? ☐ Yes ☐ No

If yes, describe:

Households with high energy burdens? ☐ Yes ☐ No

If yes, describe:

Other? ☐ Yes ☐ No

If yes, describe:

Determination of Benefits 2605(b)(5) - Assurance 5, 2605(c)(1)(B)

3.5 Check the variables you use to determine your benefit levels. (Check all that apply):

☐	Income
☐	Family (household) size
☐	Home energy cost or need:
☐	Fuel type
☐	Climate/region
☐	Individual bill

☐	Dwelling type
☐	Energy burden (% of income spent on home energy)
☐	Energy need
☐	Other - Describe:
Benefit Levels, 2605(b)(5) - Assurance 5, 2605(c)(1)(B)	
3.6 Describe estimated benefit levels for the fiscal year for which this plan applies. Please note, the maximum and minimum benefits must be shown in the payment matrix.	
Minimum Benefit	Maximum Benefit
3.7 Do you provide in-kind (e.g., fans, air conditioners) and/or other forms of benefits?	
☐ Yes	☐ No
If yes, describe.	
If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.	

Section 4 - CRISIS ASSISTANCE

U.S. Department of Health and Human Services August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
Administration for Children and Families OMB Clearance No.: 0970-0075
Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 4 – Crisis Assistance

Eligibility, 2605(b)(2) - Assurance 2

4.1 Designate the income eligibility threshold used for the cooling component:

Add	Household size	Eligibility Guideline	Eligibility Threshold
	1	State Median Income	60.00%
	2	State Median Income	60.00%
	3	State Median Income	60.00%
	4	State Median Income	60.00%
	5	State Median Income	60.00%
	6	State Median Income	60.00%
	7	State Median Income	60.00%
	8	State Median Income	60.00%
	9	State Median Income	60.00%
	10	HHS Poverty Guidelines	150.00%
	11	HHS Poverty Guidelines	150.00%
	12	HHS Poverty Guidelines	150.00%

4.2 Provide your LIHEAP program's definition for determining a crisis. If you administer multiple crisis assistance programs (i.e. winter, summer, or year-round), include all program definitions.

From Chapter 24 Home Energy Assistance Program Rule: Energy Crisis shall have the same meaning as set forth in 42 U.S.C.A. §8622(3), as same may be amended from time to time.

Section 7.A. A Household may be eligible for ECIP if a Household Member's health and safety is threatened by an Energy Crisis situation on the Date of Application and the Household does not have the financial means to avert the Energy Crisis. The Household will not be eligible if: they have any other Heating System that is safe and operable and has a supply of product; they reside in Subsidized Housing with heat included or a Rental Unit with heat included; or they have an overpayment balance and have not entered into or complied with a repayment agreement. An Eligible Household under HEAP is income eligible for ECIP.

Section 7.B. An Energy Crisis includes:

- Reading of ¼ tank or less on a standard 275 gallon heating oil tank;
- Reading of 25% or less on a propane tank;
- 7-day or less supply for other delivered Home Energy types; and
- A utility disconnection notice that relates to the operation of the Heating System

4.3 What constitutes a life-threatening crisis?

From Chapter 24 Home Energy Assistance Program Rule:

“Life Threatening Crisis” means the household is currently without heat or utility service to operate a Heating Source or a Heating System.

Crisis Requirement, 2604(c)

4.4 Within how many hours do you provide an intervention that will resolve the energy crisis for eligible households? 48 hours

4.5 Within how many hours do you provide an intervention that will resolve the energy crisis for eligible households in life-threatening situations? 18 hours

Crisis Eligibility, 2605(c)(1)(A)

	Winter Crisis	Summer Crisis	Year-Round Crisis
4.6 Do you have additional eligibility requirements for crisis assistance?	☐	☐	☐
4.7 Check the appropriate boxes below to indicate type(s) of assistance provided			
Do you require an assets test?	☐	☐	☐
Do you give priority in eligibility to:			
Older adults?	☐	☐	☐
Individuals with a disability?	☐	☐	☐
Young children?	☐	☐	☐
Households with high energy burdens?	☐	☐	☐
Other?	☐	☐	☐
In Order to receive crisis assistance:			
Must the household have received a shut-off notice or have a near empty tank?	☒	☐	☐
Must the household have been shut off or have an empty tank?	☐	☐	☐
Must the household have exhausted their regular heating benefit?	☐	☐	☐
Must renters with heating costs included in their rent have received an eviction notice?	☐	☐	☐
Must heating or cooling be medically necessary?	☐	☐	☐
Must the household have non-working heating or cooling equipment?	☐	☐	☐
Other?	☐	☐	☐
Do you have additional or differing eligibility policies for:			
Renters?	☐	☐	☐
Renters living in subsidized housing?	☒	☐	☐
Renters with utilities included in the rent?	☒	☐	☐

Explanations of policies for each "yes" checked above:

Section 7.B. An Energy Crisis includes:

- Reading of ¼ tank or less on a standard 275 gallon heating oil tank;
- Reading of 25% or less on a propane tank;
- 7-day or less supply for other delivered Home Energy types; and
- A utility disconnection notice that relates to the operation of the Heating System

Crisis funds cannot be used to pay for Home Energy deliveries or Heating System repairs if the Applicant resides in Subsidized Housing with heat included or a Rental Unit with heat included.

Determination of Benefits			
4.8 How do you handle crisis situations?			
☐	Separate component.		
☐	Benefit Fast Track, no separate amount of crisis funds is issued. Rather, benefits are issued to crisis customers within crisis response time frames.		
☒	Other - Describe: If a household is in a crisis situation, and they have not yet had a LIHEAP Intake appointment, the application is fast tracked. Crisis is also offered as a separate component in the event that a LIHEAP benefit does not provide enough to resolve the crisis, or the LIHEAP Benefit has been exhausted. The crisis benefit is offered one time per Program Year.		
4.9 If you have a separate component, how do you determine crisis assistance benefits?			
☐	Amount to resolve the crisis.	\$500	
☒	Other - Describe: The maximum crisis benefit amount is determined annually based on economic conditions, available funding, and the average cost of a minimum delivery of home energy. The amount the Household will receive will be the amount necessary to resolve the energy crisis <u>by the greater of up to the annual maximum Crisis benefit amount \$500 or 100 gallons of deliverable fuels plus delivery fees. This is a single benefit per program year, except for propane customers, who may request a second crisis instance which the total amount of both crisis instances shall not exceed \$500.</u>		
Crisis Requirements, 2604(c)			
4.10 Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served?			
☒	Yes	☐	No
Explain.			
Subgrantees maintain offices in all counties across the state as well as alternative remote offices, they offer services to homebound applicants, have the ability to take applications over the phone and accept documentation electronically.			
4.11 Do you provide individuals with a disability the means to:			
Submit applications for crisis benefits without leaving their homes?			
☒	Yes	☐	No
If no, explain.			
Travel to the sites at which applications for crisis assistance are accepted?			
☐	Yes	☒	No
If no, explain.			
In person applications for crisis assistance are not necessary, an applicant may seek assistance with the crisis over the phone.			
If you answered "No" to both options in question 4.11, please explain alternative means of intake to those who are homebound or physically disabled?			
Benefit Levels, 2605(c)(1)(B)			
4.12 Indicate the maximum benefit for each type of crisis assistance offered.			
Winter Crisis	Maximum Benefit	\$ ~~TBD~~ 500.00	
Summer Crisis	Maximum Benefit	\$0.00	
Year-Round Crisis	Maximum Benefit	\$0.00	
4.13 Do you provide in-kind (e.g., blankets, space heaters, fans) or other forms of benefits?			
☒	Yes	☐	No
If yes, describe.			
If the crisis cannot be resolved within the required timeframe, space heaters may be provided for the household's use until such time as a fuel delivery can be made or the heating system repaired.			
4.14 Do you provide for equipment repair or replacement using crisis funds?			
☒	Yes	☐	No
If you answered "Yes" to question 4.14, you must complete question 4.15.			
4.15 Check appropriate boxes below to indicate type(s) of assistance provided.		Winter Crisis	Summer Crisis
Heating system repair		☒	☐
Heating system replacement		☐	☐
Cooling system repair		☐	☐

Cooling system replacement	☐	☐	☐
Wood stove purchase	☐	☐	☐
Pellet stove purchase	☐	☐	☐
Solar panel(s)	☐	☐	☐
Utility poles/gas line hook-ups	☐	☐	☐
Other (Specify):	☐	☐	☐
4.16 Do any of the utility vendors you work with enforce a moratorium on shut offs?			
☒ Yes	☐ No		
If you responded "Yes" to question 4.16, you must respond to question 4.17.			
4.17 Describe the terms of the moratorium and any special dispensation received by LIHEAP clients during or after the moratorium period.			
Maine Statute Title 35-A, §718: Winter terminations A. "Disconnection prohibition period" means any time between November 15th and April 15th, or during any other period when, pursuant to rules adopted under section 704, the commission has prohibited a transmission and distribution utility from disconnecting residential customers or prohibited such disconnections without the permission from the consumer assistance and safety division. [PL 2021, c. 347, §1 (NEW); RR 2021, c. 1, Pt. A, §36 (RAL).] B. "Residential customer" includes any customer account to which electric service is provided for residential purposes, regardless of whether the electricity received under that account is also used for business purposes. [PL 2021, c. 347, §1 (NEW); RR 2021, c. 1, Pt. A, §36 (RAL).] [PL 2021, c. 347, §1 (NEW); RR 2021, c. 1, Pt. A, §36 (RAL).] 2. Notice of winter disconnection. During a disconnection prohibition period, a transmission and distribution utility may not send or deliver, orally, on paper or electronically, to any residential customer of the utility any notice or communication that: A. Provides for disconnection of the customer's electric service on a specified date or within a specified interval of time during a disconnection prohibition period, unless the utility has received the prior permission of the consumer assistance and safety division to make the disconnection on the specified date or within the specified interval of time; or [PL 2021, c. 347, §1 (NEW); RR 2021, c. 1, Pt. A, §36 (RAL).] B. Makes any reference to disconnection or involuntary termination of the customer's electric service during a disconnection prohibition period, unless the notice or communication includes a prominent statement that disconnection of a residential customer's electric service during the disconnection prohibition period cannot take place without the advance permission of the consumer assistance and safety division, that the customer will be notified of any request for such permission and that the customer will have the opportunity to be heard by the consumer assistance and safety division. [PL 2021, c. 347, §1 (NEW); RR 2021, c. 1, Pt. A, §36 (RAL).] [PL 2021, c. 347, §1 (NEW); RR 2021, c. 1, Pt. A, §36 (RAL).] 3. Past due accounts; assistance programs. Notwithstanding any provision of law to the contrary, the notice permitted under subsection 2 to a residential customer from a transmission and distribution utility is deemed a notice of disconnection for the purpose of establishing eligibility for certain emergency assistance programs, including, but not limited to, the emergency general assistance described in Title 22, chapter 1161 and the fuel assistance described in Title 30-A, chapter 201, subchapter 13. [PL 2021, c. 347, §1 (NEW); RR 2021, c. 1, Pt. A, §36 (RAL).]			
4.18 If you experience a natural disaster, do you intend to utilize LIHEAP crisis funds to address disaster related crisis situations?			
☐ Yes	☒ No		
If yes, describe:			
If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.			

Commented [SJ3]: Discuss and review other state plans - TEXAS

Section 5 - WEATHERIZATION ASSISTANCE

U.S. Department of Health and Human Services August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
Administration for Children and Families OMB Clearance No.: 0970-0075
Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 5 – Weatherization Assistance

Eligibility, 2605(c)(1)(A), 2605(b)(2) - Assurance 2

5.1 Designate the income eligibility threshold used for the Weatherization component

Add	Household Size	Eligibility Guideline	Eligibility Threshold
	1	State Median Income	60.00%
	2	State Median Income	60.00%
	3	State Median Income	60.00%
	4	State Median Income	60.00%
	5	State Median Income	60.00%
	6	State Median Income	60.00%
	7	State Median Income	60.00%
	8	State Median Income	60.00%
	9	State Median Income	60.00%
	10	HHS Poverty Guidelines	150.00%
	11	HHS Poverty Guidelines	150.00%
	12	HHS Poverty Guidelines	150.00%

5.2 Do you enter into an interagency agreement to have another government agency administer a Weatherization component?

☐ Yes ☒ No

5.3 If yes, name the agency and attach a copy of the internal agreement or contract.

5.4 Is there a separate monitoring protocol for weatherization?

☒ Yes ☐ No

Weatherization - Types of Rules

5.5 Under what rules do you administer LIHEAP weatherization? (Check only one.)

☐ Entirely under LIHEAP (not DOE) rules
☐ Entirely under DOE WAP (not LIHEAP) rules

☐	Mostly under LIHEAP rules with the following DOE WAP rule(s) where LIHEAP and WAP rules differ (Check all that apply):			
☐	Income Threshold			
☐	Weatherization of entire multi-family housing structure is permitted if at least 66% of units (50% in 2- and 4-unit buildings) are eligible units or will become eligible within 180 days.			
☐	Weatherize shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities)			
☐	Other - Describe:			
☒	Mostly under DOE WAP rules, with the following LIHEAP rule(s) where LIHEAP and WAP rules differ (Check all that apply.)			
☐	Income threshold			
☒	Weatherization not subject to DOE WAP maximum statewide average cost per dwelling unit			
☒	Weatherization measures are not subject to DOE Savings to Investment Ratio (SIR) standards.			
☒	Other - Describe: - Weatherization of entire multi-family housing structure is permitted if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days. - Weatherize shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities). - Health & Safety and Incidental costs are not subject to DOE rules.			
Eligibility, 2605(b)(5) - Assurance 5				
5.6 Do you require an assets test?				
☒	Yes	☐	No	
5.7 Do you have additional or differing eligibility policies for:				
Do you require an assets test?				
☒	Yes	☐	No	
Do you have additional or differing eligibility policies for:				
Renters?	☒	Yes	☐	No
Renters living in subsidized housing?	☐	Yes	☒	No
Renters with utilities included in the rent?	☐	Yes	☒	No
Do you give priority in eligibility to:				
Older adults?	☒	Yes	☐	No
Individuals with a disability?	☒	Yes	☐	No
Young children?	☒	Yes	☐	No
Households with high energy burdens?	☒	Yes	☐	No
Other?	☒	Yes	☐	No
If you selected "Yes" for any of the options in questions 5.6, 5.7, or 5.8, you must provide further explanation of these policies in the text field below.				
5.6 Asset test: Applies to heating system replacement under the Central Heating Improvement Program activities Program Guidance rev 09012023 F. Asset Test (Heating System Replacements Only) 1. Asset Limits The Applicant household will be required to contribute toward the cost of a Heating System replacement if the Applicant household has Countable Assets in excess of \$5,000 or \$50,000 if a member of the Applicant household is 60 years of age or older (or 55 years or older if the member is a member of an Indian Tribe). The same guidelines apply to non-occupying co-owner's countable assets. If there is a penalty to withdraw funds from an account the funds will not be part of the Countable Asset. Ex: funds from a retirement account when the declarant is younger than the age to withdraw (account documentation will be needed). 5.7 Renters and Renters living in subsidized housing with heat included (see attached - Section 5B Multifamily Weatherization - revised) WAP Program Guidance rev 03052024 B. 2-4 Unit Dwellings A rental dwelling containing 2 to 4 rental units is eligible for WAP if it is occupied by an eligible Household(s). Prior to conducting the energy audit, the CAA must verify the ownership of the unit/building and secure confirmation from the property owner.				

(1) WAP funds may be used to weatherize rental dwellings provided at least 66 percent of residents in a three (3) unit property and 50 percent in a two (2) or four (4) unit property (determined on a building-by-building basis) meet WAP income guidelines.

(2) 2-4 unit dwellings are those with four (4) or less units, and three (3) stories or less.

(3) 2-4 unit dwellings will be prioritized similar to single-family: tenants with the highest energy use and highest energy burden (as a percentage of income) will receive priority.

5.7 Priority Eligibility

Priority Eligibility is also given to Households who are high-energy users.

Priority Eligibility is given to Households who are leveraging other funding sources.

1. Written Permission

Secure owner's and tenant's consent on the *WAP Consent* form to proceed with weatherization measures.

Additionally, the owner and tenant are required to sign MaineHousing's *Weatherization Rental Agreement* before the CAA can proceed with weatherization.

5.8 Priority Applicant WAP Program Guidance rev 03052024

SECTION 3: PRIORITIZATION AND WAIT LIST REQUIREMENTS

A. Prioritization

Priority for weatherization services is identified through [HEAT Enterprise System of Record](#),+ based on household composition, annual energy consumption usage for heat (cost), and poverty level. Households with an older adult person, a person with disabilities, and/or a child younger than six (6) years of age are given priority for weatherization services.

Benefit Levels

5.9 Do you have a maximum LIHEAP weatherization benefit or expenditure per household?

☐	Yes	☒	No
If yes, what is the maximum:		\$	

Types of Assistance, 2605(c)(1), (B) & (D)

5.11 What LIHEAP weatherization measures do you provide? (Check all categories that apply.)

☒	Weatherization needs assessments/audits	☒	Energy-related roof repair
☒	Caulking and insulation	☒	Major appliance Repairs
☒	Storm windows	☒	Major appliance replacement
☒	Furnace/heating system modifications/repairs	☒	Windows/sliding glass doors
☒	Furnace replacement	☒	Doors
☐	Cooling system modifications/repairs	☒	Water Heater
☐	Water conservation measures	☐	Cooling system replacement
☒	Compact florescent light bulbs	☐	Community Solar projects
☐	Rooftop solar	☐	Other - Describe:

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

Section 6 - Outreach, 2605(b)(3) - Assurance 3, 2605(c)(3)(A)

U.S. Department of Health and Human Services Administration for Children and Families	August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01 OMB Clearance No.: 0970-0075 Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 6 – Outreach

Section 6: Outreach, 2605(b)(3) - Assurance 3, 2605(c)(3)(A)

6.1 Select all outreach activities that you conduct that are designed to assure that eligible households are made aware of all LIHEAP assistance available:

☒	Place posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.
☐	Publish articles in local newspapers or broadcast media announcements.
☒	Include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.
☐	Mass mailing(s) to prior-year LIHEAP recipients
☒	Inform low-income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.
☐	Execute interagency agreements with other low-income program offices to perform outreach to target groups.
☒	Web posting
☐	Email
☐	Texting
☒	Events
☒	Social Media
☐	Other (specify):

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

Section 7 - Coordination, 2605(b)(4) - Assurance 4

U.S. Department of Health and Human Services Administration for Children and Families		August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01 OMB Clearance No.: 0970-0075 Expiration Date: 02/28/2027
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)		
MODEL PLAN		
Section 7 – Coordination		
Section 7: Coordination, 2605(b)(4) - Assurance 4		
7.1 Describe how you will ensure that the LIHEAP program is coordinated with other programs available to low-income households (TANF, SSI, WAP, etc.).		
☐	Joint application for multiple programs	
Indicate programs included:		
☒	Intake referrals to or from other programs	
Indicate programs included:		
☒	One-stop intake centers	
☐	Other - Describe:	
If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.		

Section 8 - Agency Designation, 2605(b)(6) - Assurance 6

U.S. Department of Health and Human Services August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
Administration for Children and Families OMB Clearance No.: 0970-0075
Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 8 – Agency Designation

Section 8: Agency Designation, 2605(b)(6) - Assurance 6 (Required for state grant recipients and the Commonwealth of Puerto Rico)

8.1 How would you categorize the primary responsibility of your state agency?

- ☐ Administration Agency
- ☐ Commerce Agency
- ☐ Community Services Agency
- ☐ Energy/Environment Agency
- ☒ Housing Agency
- ☐ State Department of Welfare Agency (administers TANF, SNAP, and/or Medicaid)
- ☐ Economic Development Agency
- ☐ Other - Describe:

Alternate Outreach and Intake, 2605(b)(15) - Assurance 15

If you selected "Welfare Agency" in question 8.1, you must complete questions 8.2, 8.3, and 8.4, as applicable.

8.2 How do you provide alternate outreach and intake for heating assistance?

Subgrantees partner with community-based programs including social service organizations and town offices to provide applicants with alternate venues to apply for heating assistance.

8.3 How do you provide alternate outreach and intake for cooling assistance?

Not applicable.

8.4 How do you provide alternate outreach and intake for crisis assistance?

Subgrantees have other funds (non-LIHEAP) funds available to provide crisis assistance. Additionally, the subgrantees keep community partners informed about the availability of crisis assistance funds.

8.5 LIHEAP Component Administration	Heating	Cooling	Crisis	Weatherization
8.5a Who determines client eligibility?	Subgrantees	Not Applicable	Subgrantees	Subgrantees
8.5b Who processes benefit payments to gas and electric vendors?	State Housing Agency	Not Applicable	State Housing Agency	
8.5c Who processes benefit payments to bulk fuel vendors?	State Housing Agency	Not Applicable	State Housing Agency	
8.5d Who performs installation of weatherization measures?				Other

Include a current list of subrecipient(s) name, main office address (do not list P.O. Box), phone number, county(s) served, Congressional District, and UEI number.

If any of your LIHEAP components are not centrally-administered by a state agency, you must complete questions 8.6, 8.7, 8.8, and, if applicable, 8.9.

8.6 What is your process for selecting local administering agencies?

Subgrantees will be selected annually based on the following criteria:

1. Experience with providing Fuel Assistance or similar programs to low-income persons;
2. Capacity to administer a timely and effective Fuel Assistance program for the intended Service Area;

3.	Demonstrated capacity to adequately serve low-income persons residing in their Service Areas;		
4.	The availability of other qualified entities to service a particular area;		
5.	The geographic area customarily serviced by the potential subgrantee;		
6.	Cost efficiency in administering a Fuel Assistance program;		
7.	The ability to enhance accessibility to other low-income programs administered by the Subgrantee;		
8.	Acceptable schedule for taking Applications; and		
9.	The ability to perform outreach activities and serve homebound recipients.		
Subgrantee shall make annual, written applications to MaineHousing that address each of the above criteria. Subgrantee applications must be received no later than June 1st of each year.			
8.7 How many local administering agencies do you use? 1 1			
8.8 Have you changed any local administering agencies in the last year?			
☒	Yes	☐	No
☒			
8.9 If so, why?			
☐	Agency was in non-compliance with grant recipient requirements for LIHEAP -		
☐	Agency is under criminal investigation.		
☐	Added agency		
☒	Agency closed		
☐	Other -- describe		
8.10 If a subrecipient is no longer providing LIHEAP, are you aware of prior-year LIHEAP funds being mismanaged or misspent?			
☐	Yes	☒	No
☐			
8.10a If yes, please explain:			
8.10b If you are aware, were other federal programs impacted such as CSBG, SSBG, Head Start, TANF, and Department of Energy Weatherization funding, etc.			
☐	Yes	☐	No
8.10c if yes, please explain:			
If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.			

Section 9 - Energy Suppliers, 2605(b)(7) - Assurance 7

U.S. Department of Health and Human Services August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
Administration for Children and Families OMB Clearance No.: 0970-0075
Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 9 – Energy Suppliers

Section 9: Energy Suppliers, 2605(b)(7) - Assurance 7

9.1 Do you make payments directly to home energy suppliers?

Heating	☒	Yes	☐	No
Cooling	☐	Yes	☒	No
Crisis	☒	Yes	☐	No
Are there exceptions?	☒	Yes	☐	No

If yes, Describe.

MaineHousing may issue direct checks to LIHEAP recipients who do not have a designated vendor in their area, who pay rent with heat included, or who receive their benefit for firewood, wood pellets, corn, coal, or bio-fuels.

MaineHousing and Subgrantees encourage recipients to apply their benefits to their electric utility account if their benefit cannot be used for their primary or secondary heating system and the eligible household is responsible for their electric utility bill. Benefits are determined based on a household's selected fuel type.

9.2 How do you notify the client of the amount of assistance paid?

Once the client's application has been approved for payment, MaineHousing mails a benefit notification letter to the Primary Applicant. The benefit notification letter shall:

- State the Benefit amount;
- State the date the Benefit was sent to the Vendor;
- State the approved Home Energy type;
- State the time period for the Benefit; and State the manner by which the Primary Applicant can request an informal review.

9.3 How do you assure that the home energy supplier will charge the eligible household in the normal billing process, the difference between the actual cost of the home energy, and the amount of the payment?

Vendor performance is ensured through Vendor Agreements, annual reports provided by contracted vendors, and on-site or desk monitoring. Additionally, vendors must submit detailed transaction reports with benefit returns to show delivery and payment activity/history for the LIHEAP client's account and must maintain a daily cash price log while an active vendor.

9.4 How do you assure that no household receiving assistance under this title will be treated adversely because of their receipt of LIHEAP assistance?

The contract between MaineHousing and the vendor explicitly prohibits discrimination. Participating vendors must agree not to discriminate against any eligible household regarding the extension of credit to purchase Home Energy or other services, the price of Home Energy or other services, or the terms or conditions of the delivery of Home Energy or other services solely on the basis of its being an eligible household. Any accusations of discrimination are investigated.

9.5. Do you make payments contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households?

☐ Yes ☒ No

If so, describe the measures unregulated vendors may take.

Attach a copy of the template statewide vendor agreement or a policy that indicates local agreements must adhere to statewide policies and assurances.

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

Section 10 - Program, Fiscal Monitoring, and Audit, 2605(b)(10) - Assurance 10

U.S. Department of Health and Human Services
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
OMB Clearance No.: 0970-0075
Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 10 – Program, Fiscal Monitoring, and Audit

Section 10: Program, Fiscal Monitoring, and Audit, 2605(b)(10)

10.1. How do you ensure proper fiscal accounting and tracking of funds? Be specific about tracking of grant award, tracking of expenditures, tracking vendor (benefit) refunds, fiscal reporting process, and fiscal software systems being used.

In order to ensure good fiscal accounting and tracking of all grants including LIHEAP, MaineHousing performs onsite and desk reviews of each subgrantee which include a review of agency fiscal policies and procedures; a reconciliation of billings submitted to agency general ledger detail and supporting documentation; and an examination of each subgrantee's Uniform Grant Guidance Audit (2CFR 200). Additionally, six-month Corrective Action Reviews are required in the event MaineHousing identifies significant compliance concerns with an individual subgrantee. Additionally, a quality control review is completed annually of a sampling of monitoring reviews to ensure the monitorings have been completed in compliance with the State Rule, regulations, policies, and other guides.

Each onsite visit may include an entrance and exit interview. Onsite monitoring includes but is not limited to review of the previous audit report to identify focus areas for the review; analyzing the data used by each subgrantee to determine client income eligibility and benefit determination; observation of the applicant intake process; and other monitoring steps to ensure overall program compliance. Additionally, desk reviews will be completed periodically and include such things as checking application data residing in MaineHousing's centralized database for anomalies using pre-determined indicators or specific data points (i.e. duplicate addresses, certification outside the required 30 business day period, etc.).

The fair hearing process in place at MaineHousing provides an opportunity to conduct additional in-depth client file monitoring because a thorough analysis is completed by staff of each filed complaint to ensure that the subgrantee followed program rules in determining client eligibility and benefit determination.

The monitoring of energy suppliers is conducted in a number of ways:

Onsite visits to vendors (those deemed high risk as well as a sampling of others);
Desk reviews of vendors: a random sample of client accounts are reviewed to assess the vendor practices and determine vendor risk rating;
Review of submitted annual vendor reports using data points to identify anomalies;
Review of transaction reports (delivery and payment activity) from May 1st forward for the benefit year(s) being returned.

After each conducted monitoring, MaineHousing issues a written report containing all findings to the subgrantee/vendor. The report will establish a reasonable time period for comment and the required corrective action(s) by the subgrantee/vendor.

Upon request from the subgrantee/vendor, MaineHousing will provide technical assistance in all areas needing corrective action.

Depending upon the significance of the issue(s), failure to comply with the required corrective action plans could result in a notice of termination of the contract.

Management of Vendor Refunds (Benefit Returns):

All benefit returns must be submitted to MaineHousing. Benefit returns are tracked and reconciled to the appropriate fiscal year. Any expired funds or any amounts exceeding the 10% carryover limit will be returned to DHHS.

10.1a Provide Definitions for the following:

Obligation:	A contractually legal commitment for funding, payment, services or activities.
Expenditures:	The action of expending funds, something expended, disbursement, or expense for the purposes of acquiring goods or services.
Expenditure timeframe:	The allowable time period to perform an obligation as set forth in contractual agreements.
Administrative costs:	Necessary costs incurred performing activities for the program that are not directly

related to processing of clients requested services. Typical examples would be preparing budgets, creating policies and procedures, attending planning meetings or professional development related to the program as well as indirect costs proportionally charged in relation to a cost allocation plan or fiscal policies.				
Audit Process				
10.2. Is your LIHEAP program audited annually under the Single Audit Act and OMB Circular A - 133?				
☐	Yes	☒	No	
10.2a If yes, describe your auditor selection process.				
10.3. Describe any audit findings of the grant recipient (i.e., state, tribe, territory) rising to the level of a material weakness or reportable condition cited in the single audits, inspector general reviews, or other government agency reviews from the most recently audited fiscal year.				
☒ No Findings				
Finding	Type	Brief Summary	Resolved?	Action Taken
1. 4-2024-001	Sub-Recipient Monitoring	During 2024, for two subrecipients, MaineHousing did not perform annual quality assurance reviews. For one high-risk subrecipient, MaineHousing did not formally document their fiscal monitoring review.	In process	EHS is in the process of developing and implementing a department wide Monitoring group with representation from all Teams in the department. As part of this, the Monitoring group is developing a regular schedule to visit the Community Action Agencies (CAAs) each year based on the established schedule. At the conclusion of each review, a consolidated report with an overall summary will be completed for each CAA. This new process will ensure that all CAAs are monitored by all program teams as well as the fiscal team each year and that all monitoring visits are documented appropriately. In addition to this, EHS has hired a Quality Control Specialist to review all monitoring reports, and program processes to ensure that each Team is monitoring to the applicable

Commented [SJ4]: Bobbi to check on this

Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

				<u>programmatic requirements annually. The monitoring group will be fully implemented by January 2026."</u>
<u>2. Finding 2022-002</u>	<u>Reporting</u>	<u>MaineHousing filed certain reports after the required reporting deadlines, including the Federal Financial Report (SF-425), Performance Data Report, Carryover and Reallotment Report and Annual Report on Households Assisted by LIHEAP. In addition, not all reports had clear documentation that supervisory review was completed</u>	<u>Yes</u>	<u>The Department of Energy and Housing Services (EHS) at MaineHousing agrees that for 2024 the Program Delivery Report, the Program Projections Report, and many of the Monthly Household reports did not have evidence of submission and that the Closeout Report was not filed timely. This issue occurred due to staff turnover within LIHEAP, within the Fiscal Team, and within the EHS Department overall. Additionally, there were questions as to who was responsible for inputting the information, who was responsible for submitting the reports, and when certain reports were due. EHS is in the process of developing and implementing the use of an up-to-date report tracking spreadsheet for the Department. As part of the training for newly onboarded staff, such as the new department Director, the newly hired Quality Control Specialist, and the newly hired Fiscal Compliance Coordinator, EHS has also identified who is responsible</u>

				for maintaining the tracking spreadsheet, identified who is responsible for the information contained in specific reports, identified who is responsible for submitting each report, and identified who is responsible for updating the department calendar with reminders for report due dates. This spreadsheet will help ensure that all reports for all programs are submitted accurately and in a timely manner in accordance with state guidelines for report submission. Additionally, EHS walked through the process and what is required with a representative from Maine DHHS. For TANF, this process and tracking has been fully implemented.

10.4. Audits of Local Administering Agencies	
What types of annual audit requirements do you have in place for local administering agencies or district offices? Select all that apply.	
☒	Local agencies and district offices are required to have an annual audit in compliance with Single Audit Act and OMB Circular A-133.
☐	Local agencies and district offices are required to have an annual audit (other than A-133).
☒	Local agencies or district offices' A-133 or other independent audits are reviewed by Grant recipient as part of compliance process.
☒	Grant recipient conducts fiscal and program monitoring of local agencies or district offices.
☐	Local agencies and district offices are required to have an annual audit in compliance with Single Audit Act and OMB Circular A-133.
Compliance Monitoring	
10.5. Describe your monitoring process for compliance at each level below. Check all that apply.	
Grant recipient employees:	
☒	Internal program review
☒	Departmental oversight
☒	Secondary review of invoices and payments
☐	Other program review mechanisms are in place. Describe:
Local Administering Agencies or District Offices:	
☒	On-site evaluation
☒	Annual program review
☒	Monitoring through central database

☒	Desk reviews
☒	Client File Testing/Sampling
☐	Other program review mechanisms are in place. Describe:
10.6 Explain or attach a copy of your local agency monitoring schedule and protocol.	
MaineHousing's staff perform onsite and desk review audits of the subgrantees. These onsite audits allow for first-hand observation of program activity. Monitoring tasks include: Reviewing procedures and client file documentation Confirming and evaluating use of LIHEAP statewide database Verifying subgrantees are knowledgeable of regulations Confirming that quality of work meets minimum program standards	
10.7. Describe how you select local agencies for monitoring reviews. Attach a risk assessment if subrecipients are utilized.	
Site Visits:	Onsite program and fiscal monitoring reviews are conducted annually at all local agencies. Additional reviews may be conducted if major issues are identified during the annual review.
Desk Reviews:	MaineHousing conducts desk reviews throughout the program year to ensure compliance with program requirements. MaineHousing's staff conduct desk audits of the following application files: •Informal Reviews or Fair Hearing Requests: applicant submitted requests for an informal review or fair hearings will require that an individual, other than the one who made or approved the decision, review the file and documentation provided to determine accuracy. •Computer generated reports: MaineHousing generates periodic healthy data queries to identify and resolve potential compliance issues, for example, duplicate social security numbers, applicant/landlord same address, and medical deduction for analysis. The Program Officers review these reports and application files as necessary. •Files involving reports of alleged fraud. •Files where questions arise during billing reviews of weatherization or Central Heating Improvement Program jobs.
10.8. How often is each local agency monitored? Please attach a monitoring schedule if one has been developed.	
☒	Annually
☐	Biannually
☐	Triannually
☐	Other,
10.9. How many local agencies are currently on corrective action plans? 0	
If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.	

Section 11 - Timely and Meaningful Public Participation, 2605(b)(12) - Assurance 12, 2605(c)(2)U.S. Department of Health and Human Services
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)**MODEL PLAN****Section 11 – Timely and Meaningful Public Participation****Section 11: Timely and Meaningful Public Participation, 2605(b)(12), 2605(C)(2)****11.1 How did you obtain input from the public in the development of your LIHEAP plan? Select all that apply. Note: Tribes do not need to hold a public hearing but must ensure participation through other means.**

☐	Tribal Council meeting(s)
☒	Public Hearing(s)
☒	Draft Plan posted to website and available for comment.
☒	Hard copy of plan is available for public view and comment.
☐	Comments from applicants are recorded.
☒	Request for comments on draft Plan is advertised.
☒	Stakeholder consultation meeting(s)
☐	Comments are solicited during outreach activities.
☐	Other - Describe:

Public Hearings, 2605(a)(2) - For States and the Commonwealth of Puerto Rico Only**11.3 List the date and location(s) that you held public hearing(s) on the proposed use and distribution of your LIHEAP funds?**

	Date	Event Description
1	05/ ~~2019~~ /20252026	Public Hearing for Maine Chapter 24 HEAP Rule for the Low Income Home Energy Assistance Program held during the MaineHousing monthly board meeting both virtually and in person at 26 Edison Dr. Augusta ME.
2	05/ ~~2019~~ /20252026	Public Hearing for State Model plan held during the MaineHousing monthly Board meeting both virtually and in person at 26 Edison Dr., Augusta, ME.

11.4. How many parties commented on your plan at the hearing(s)? tbd**11.5 Summarize the comments you received at the hearing(s).**

tbd

11.6 What changes did you make to your LIHEAP plan as a result of public participation and solicitation of input?

tbd

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

Section 12 - Fair Hearings, 2605(b)(13) - Assurance 13

U.S. Department of Health and Human Services	August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
Administration for Children and Families	OMB Clearance No.: 0970-0075
	Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)**MODEL PLAN****Section 12 – Fair Hearings****Section 12: Fair Hearings, 2605(b)(13) - Assurance 13****12.1 How many fair hearings did the grant recipient have in the prior federal Fiscal Year?**

0

12.2 How many of those fair hearings resulted in the initial decision being reversed?

None

12.3 Describe any policy or procedural changes made in the last federal Fiscal Year as a result of fair hearings?

No policies or procedures were changed as a result of fair hearings.

12.4 Describe your fair hearing procedures for households whose applications are denied or not acted upon in a timely manner.

A denial for missing information will be rescinded if the required information is received by the Subgrantee within (15) fifteen business days from the written notification of denial. The Applicant may submit a written request for a Fair Hearing, but only in the following limited circumstances: the Applicant's claim for assistance was denied or not acted upon with reasonable promptness; the Applicant disputes the criteria used to calculate the amount of their Benefit; or the Applicant is required to refund an Overpayment.

Pursuant to the HEAP Act, 42 U.S.C. §8624(b)(13), MaineHousing will provide an Applicant an opportunity for a fair administrative hearing. Fair hearings shall be conducted in accordance with the Maine Administrative Procedures Act, Title 5, Chapter 375 by the Director of MaineHousing (or their designee) or such other contractor selected by MaineHousing. The parties may receive a transcript of the hearing upon payment of the reasonable cost for the production thereof.

Within thirty (30) calendar days of the hearing's conclusion the hearing officer will prepare a recommended hearing decision. Copies of the recommended decision will be provided to the Applicant.

A final decision and order will be made by the Director of MaineHousing in writing within sixty (60) calendar days of receipt of the hearing officer's recommendation. In the event the Director of MaineHousing presides over a hearing, they shall render their decision and order within sixty (60) calendar days of the hearing's conclusion or sixty (60) calendar days of the recommended decision. The Director's decision and order shall include findings of fact sufficient to apprise the parties of its basis. A copy of the decision and order will be provided promptly to each party to the proceeding or their representative of record. Written notice of the party's right to appeal the decision and other relevant information will be provided to the parties at the time of the decision and order. The decision and order will be implemented by the Subgrantee no later than ten (10) calendar days after receipt if it is in the Applicant's favor and otherwise forty-five (45) calendar days unless stayed on appeal.

12.5 When and how are applicants informed of these rights?

Applicants are notified of their fair hearing rights at the time of application. Fair hearing rights information is also provided to the applicant at the time of application, as part of the benefit notification, or as part of the denial notice.

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

Section 13 - Reduction of home energy needs, 2605(b)(16) - Assurance 16

U.S. Department of Health and Human Services August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
Administration for Children and Families OMB Clearance No.: 0970-0075
Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 13 – Reduction of Home Energy Needs

Section 13: Reduction of Home Energy Needs, 2605(b)(16) - Assurance 16

13.1 Describe how you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance?

Subgrantees may submit annual proposals for MaineHousing's consideration, describing their planned activities and expenses associated with providing services to applicants pursuant to Assurance 16 of the LIHEAP Act. Assurance 16 funds may only be used to fund activities that encourage and enable eligible households to reduce their home energy needs and thereby the need for energy assistance.

Only LIHEAP eligible households may receive Assurance 16 services. The services being funded by Assurance 16 must be energy related and may include family development case management and education activities. Subgrantees are required to have proper fiscal controls to ensure the LIHEAP funds are expended proportional to the overall funding sources using proper cost allocation methodology. There must be proper documentation of participation and a methodology to measure outcomes from the Assurance 16 activities.

Salaries and benefit costs for any staff providing services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance are allowable. Additionally, direct costs associated with providing these services, including supplies, equipment, postage, utilities, rental office space, and travel costs incurred for official business are also allowable.

Services that are already provided as part of the delivery of other federal programs cannot be charged to Assurance 16. Examples:

- Working with an electric utility to forestall a shut-off as part of providing an Energy Crisis Intervention Program (ECIP) benefit cannot be charged to Assurance 16 because this activity is already required and funded under ECIP.
- Outreach/Intake services, regardless of where they are provided, or who (which staff member/position) provides them, cannot be charged to Assurance 16. These activities are already required under HEAP fuel assistance, and therefore, do not provide an additional benefit to eligible households.
- Mailed out applications are not allowed to be charged to Assurance 16.
- Indirect charges cannot be charged to Assurance 16. Client referrals to other programs or resources that are not related to clients' home energy needs or do not reflect an additional net benefit for the client.

13.2 How do you ensure that you don't use more than 5% of your LIHEAP funds for these activities?

MaineHousing has established the following requirements to ensure compliance:

- Budget ~~\$2.42~~% of Maine's LIHEAP funds for Assurance 16 activities;
- Subgrant agreements specify the allocation amount for these activities;
- Subgrantees are required to submit budgets and work plans that outline their processes for administering these activities;
- Monitor subgrantees' expenditures monthly; and Subgrantee's record-keeping must demonstrate a direct link between services provided to clients and costs charged to Assurance 16. Salary costs for providing Assurance 16 services must be supported by timesheet documentation.

13.3 Describe the impact of such activities on the number of households served in the previous federal Fiscal Year? Impact can be measured in many different ways: using logic models, data tracking systems, process evaluation, impact evaluation, number of households served versus applied, and performance management for example.

MaineHousing provides its subgrantees with an opportunity to develop/submit proposals and funding requests for Assurance 16 (A16) initiatives. ~~Six~~ **Seven** (67) subgrantees were awarded funds for Assurance 16 activities. Activities included short-term case management, comprehensive energy saving education/counseling, and providing participants with energy saving kits.

13.4 Describe the level of direct benefits provided to those households in the previous federal Fiscal Year.

Some subgrantees offer incentives to households who complete milestones/modules of financial literacy education and demonstrate a reduction in their home energy costs. Incentives range from \$50- \$425 (depending on the subgrantee's incentive model and the number of milestones achieved by a household) that are issued to the household's fuel or electricity vendor.

13.5 How many households received these services?

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

Section 14 - Leveraging Incentive Program, 2607A

U.S. Department of Health and Human Services August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
Administration for Children and Families OMB Clearance No.: 0970-0075
Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 14 – Leveraging Incentive Program

Section 14: Leveraging Incentive Program, 2607(A)

14.1 Do you plan to submit an application for the leveraging incentive program?

☐ Yes ☒ No

14.2 Describe instructions to any third parties or local agencies for submitting LIHEAP leveraging resource information and retaining records.

If leveraging awards become available, MaineHousing will collect leveraging information from subgrantees. Subgrantees will maintain and provide the following information:

1. Identify and describe each resource/benefit;
2. Identify the source(s) of each resource; and Describe the integration/coordination of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87(d)(2)(iii).

14.3 For each type of resource or benefit to be leveraged in the upcoming year that will meet the requirements of 45 C.F.R. § 96. 87(d)(2)(iii), describe the following:

Resource	What is the type of resource benefit?	What is the source(s) of the resource?	How will the resource be integrated and coordinated with LIHEAP?
	Home Repair	State funds	Home Repair funds are administered by the subgrantees operating the LIHEAP/Weatherization programs. MaineHousing's Home Repair Program funds may be used in conjunction with HEAP weatherization for repairs and weatherization measures.
	Heating Assistance	Local organizations/partnerships including United Way, fuel vendors and faith based organizations	Subgrantees appropriate and distribute these funds to low-income households as supplements and/or alternatives to the LIHEAP program.
	Discount rates and debt forgiveness for electricity	Maine's public utility companies	Coordinated through the utility company and subgrantee. Outreach and intake are incorporated in the LIHEAP application process.
	Winterization assistance	Donations from local faith-based organizations and other organizations.	Donated materials or volunteer labor for the installation of winterization measures.
	In-kind and other benefits, including blankets, sleepers, snow suits and sweatshirts which are intended to improve client	Fund-raising initiatives and drives; examples Coats for Kids and American Red Cross	Subgrantees ensure LIHEAP clients are aware of and have access to these benefits.

	comfort and reduce heating costs.		
If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.			

Section 15 - Training

U.S. Department of Health and Human Services Administration for Children and Families		August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01 OMB Clearance No.: 0970-0075 Expiration Date: 02/28/2027	
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM LIHEAP) MODEL PLAN Section 15 – Training			
Section 15: Training			
15.1 Describe the training you provide for each of the following groups:			
a. Grant recipient Staff:			
☒	Formal training provided virtually, on-site, and/or formal training conference		
How often?			
☒	Annually		
☐	Biannually		
☒	As needed		
☐	Other - Describe:		
☒	Employees are provided with policy manual		
☒	Other - Describe: MaineHousing's participation in monthly Maine Community Action Partner's Energy Council meetings provides a venue for additional training and feedback throughout the program year.		
b. Local Agencies:			
☒	Formal training provided virtually, on-site, and/or formal training conference		
How often?			
☒	Annually		
☐	Biannually		
☒	As needed		
☐	Other - Describe:		
☒	Employees are provided with policy manual		
☒	Other - Describe: MaineHousing provides annual LIHEAP training for Subgrantees. MaineHousing also provides training and technical assistance to all Subgrantees through regular monthly meetings and through monitoring visits. Additionally, MaineHousing will, upon request from the Subgrantee or in response to needs identified by MaineHousing, provide technical assistance.		
c. Vendors			
☒	Formal training provided virtually, on-site, and/or formal training conference		
How often?			
☒	Annually		
☐	Biannually		
☐	As needed		
☒	Other - Describe: MaineHousing provides annual training for vendors. MaineHousing also provides training and technical assistance to vendors through monitoring visits. Additionally, MaineHousing will, upon request from the vendor or in response to needs identified by MaineHousing, provide technical assistance.		
☒	Policies communicated through vendor agreements		
☒	Policies are outlined in a vendor manual		
15.2 Does your training program address fraud reporting and prevention?			
☒	Yes	☐	No

Section 16 - Performance Goals and Measures, 2605(b)

U.S. Department of Health and Human Services Administration for Children and Families	August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01 OMB Clearance No.: 0970-0075 Expiration Date: 02/28/2027

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)
MODEL PLAN**

Section 16 – Performance Goals and Measures

Section 16: Performance Goals and Measures, 2605(b) - Required for States Only

16.1 Describe your progress toward meeting the data collection and reporting requirements of the four required LIHEAP performance measures. Include timeframes and plans for meeting these requirements and what you believe will be accomplished in the coming federal Fiscal Year.

Energy Cost Data:

MaineHousing's centralized LIHEAP database and application documents require the following information:
Main fuel type and vendor account number;
As part of the application process applicants age 18 years or older are required to sign a release permitting the subgrantee and MaineHousing to provide information to and obtain information from other parties or agencies;
and Electric utility account information.

Home Energy Consumption: Per the vendor agreement, vendors are contractually obligated to submit Annual Consumption Reports to MaineHousing to report deliveries for a household's main fuel, from May 1 through April 30. The consumption data is entered/imported into MaineHousing's centralized LIHEAP database.

Electricity vendors are required to provide non-heat usage data for clients.

Household Income is entered into MaineHousing's centralized LIHEAP database.

LIHEAP benefits are calculated by and stored in Maine's centralized LIHEAP database.

Home Energy Status

Crisis Assistance: MaineHousing's centralized LIHEAP database and Crisis application documents capture the number of households without home energy service (disconnected, out of fuel, inoperable equipment) and the number of households at risk of losing home energy (past due/disconnect notice, nearly out of fuel, at risk equipment).

Heating Assistance: MaineHousing's centralized LIHEAP database system supports collection and reporting of the LIHEAP Performance Measures Restoration and Prevention data requirements.

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

Section 17 - Program Integrity, 2605(b)(10)

U.S. Department of Health and Human Services
Administration for Children and Families

August 1987, revised 05/92, 02/95,
03/96, 12/98, 11/01

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 17 – Program Integrity

Section 17: Program Integrity, 2605(b)(10)

17.1 Fraud Reporting Mechanisms

a. Describe all mechanisms available to the public for reporting cases of suspected waste, fraud, and abuse. Select all that apply.

☒	Online Fraud Reporting
☐	Dedicated Fraud Reporting Hotline
☒	Report directly to local agency/district office or Grant recipient office
☒	Report to State Inspector General or Attorney General
☒	Forms and procedures in place for local agencies/district offices and vendors to report fraud, waste, and abuse
☐	Posted in local administering agencies offices
	Other - Describe:

b. Describe strategies in place for advertising the above referenced resources. Select all that apply

☐	Printed outreach materials
☐	Addressed on LIHEAP application
☒	Website
☐	Printed outreach materials
☒	Other - Describe: The LIHEAP Handbook for subgrantees and the Vendor guide, which are distributed annually and maintained on MaineHousing's website portal to accommodate real-time changes, include information about reporting suspected fraud, misuse, and abuse.

17.2. Identification Documentation Requirements

a. Indicate which of the following forms of identification are required or requested to be collected from LIHEAP applicants or their household members.

Type of Identification Collected	Collected from Whom?					
	Applicant Only		All Adults in Household		All Household Members	
Social Security card is photocopied and retained	☐	Required	☐	Required	☒	Required
	☐	Requested	☐	Requested	☒	Requested
Social Security number (Without actual Card)	☐	Required	☐	Required	☐	Required
	☐	Requested	☐	Requested	☐	Requested
Government-issued identification card (i.e., driver's license, state ID, Tribal ID, passport, etc.)	☐	Required	☐	Required	☒	Required
	☐	Requested	☐	Requested	☒	Requested
Other	Applicant Only Required	Applicant Only Requested	All Adults in Household Required	All Adults in Household Requested	All Household Members Required	All Household Members Requested
1	☐	☐	☐	☐	☐	☐

b. Describe any exceptions to the above policies.

- The Applicant must also verify their identity. All documentation must be valid. Expired or absent documentation is not acceptable. If the documentation provided by the Applicant to verify citizenship or legal status bears a photograph of the Applicant, this will be acceptable to verify identity. Otherwise, ONE of the following documents will be acceptable:

Driver's license	SNAP electronic benefit transfer (EBT) card with photo
State issued ID card	
Passport or passport card	U.S. Military ID

If the documentation listed above is unavailable for the Applicant the Subgrantee may allow the Applicant to verify identity by providing TWO of the following documents:

Adoption Decree	Birth Certificate	Divorce Decree
Employer Identification Card	Foreign School Record that contains a photograph	High School or College Diploma
Marriage Certificate	Notice from a Public Benefits Agency (i.e. Notice of Decision from DHHS, Social Security Benefit Award Letter, MaineCare Award Letter)	Property Deed or Title Document
Social Security Card	Union or Worker's Center Identification Card	Voter Registration Card

17.3 Identification Verification

Describe what methods are used to verify the authenticity of identification documents provided by clients or household members. Select all that apply

☐	Describe what methods are used to verify the authenticity of identification documents provided by clients or household members. Select all that apply
☐	Verify SSNs with Social Security Administration
☐	Match SSNs with death records from Social Security Administration or state agency
☐	Match SSNs with state eligibility/case management system (e.g., SNAP, TANF)
☐	Match with state Department of Labor system
☐	Match with state and/or federal corrections system
☐	Match with state child support system
☐	Verification using private software (e.g., The Work Number)
☐	In-person certification by staff (for tribal grant recipients only)
☐	Match SSN/Tribal ID number with tribal database or enrollment records (for tribal grant recipients only)
☒	Other - Describe: All Applicants two years of age or older must provide proof of Social Security Number (SSN). Any documentation used to prove SSN must contain all nine (9) digits and the Applicant's full name. SSN documentation is saved in MaineHousing's centralized LIHEAP database.

17.4. Citizenship or Legal Residency Verification

What are your procedures for ensuring that household members are U.S. citizens or qualified non-citizens who are qualified to receive LIHEAP benefits? Select all that apply.

☒	Clients sign an attestation of citizenship or U.S. citizen or qualified non-citizen.
☒	Client's submission of Social Security cards is accepted as proof of U.S. citizen or qualified non-citizen.
☒	Non-citizens must provide documentation of immigration status.
☒	Citizens must provide a copy of their birth certificate, naturalization papers, or passport.
☐	Non-citizens are verified through the SAVE system.
☐	Tribal members are verified through Tribal enrollment records/Tribal ID card.
☐	Other - Describe:

17.5. Income Verification

What methods does your agency utilize to verify household income? Select all that apply.

☒	Require documentation of income for all adult household members
☒	Pay stubs
☒	Social Security award letters
☐	Bank statements
☒	Tax statements
☒	Zero income statements

☒	Unemployment Insurance letters
☒	Other - Describe: Self-Employment Worksheet is used for applicable situations. Department of Labor history report required for all applicants who self-declare receipt of unemployment benefits. Applicants who claim zero income or self-declare they are unemployed must sign an affidavit. Applicants who self-declare receipt of Social Security income and/or Supplemental Security Income are required to provide a copy of their Social Security award letter.
☐	Computer data matches:
☐	Income information matched against state computer system (e.g., SNAP, TANF)
☐	Proof of unemployment benefits verified with state Department of Labor
☐	Social Security income verified with SSA
☐	Utilize state directory of new hires
☐	Other - Describe:
17.6. Protection of Privacy and Confidentiality	
Describe the financial and operating controls in place to protect client information against improper use or disclosure. Select all that apply.	
☒	Policy in place prohibiting release of information without written consent
☒	Grant recipient LIHEAP database includes privacy/confidentiality safeguards.
☒	Employee training on confidentiality for:
☒	Grant recipient employees
☒	Local agencies/district offices
☒	Employees must sign confidentiality agreement
☒	Grant recipient employees
☒	Local agencies/district offices
☒	Physical files are stored in a secure location.
☒	Electronic files are protected in a secure location.
☒	Other - Describe: Mandatory cybersecurity training for all users of MaineHousing's centralized LIHEAP database system.
17.7. Verifying the Authenticity	
What policies are in place for verifying vendor authenticity? Select all that apply.	
☒	All vendors must register with the state/tribe.
☒	All vendors must supply a valid SSN or TIN/W-9 form.
☐	Vendors are verified through energy bills provided by the household.
☒	Grant recipient and/or local agencies/district offices perform physical monitoring of vendors.
☒	Other - Describe and note any exceptions to policies above: MaineHousing runs a background check for all new vendors to verify there are no civil or federal judgments or bankruptcies. Contracts are made only with vendors who possess the ability to perform successfully under the terms and conditions of a proposed procurement with consideration given to matters such as vendor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. All vendors must supply valid TIN number, or Social Security number, in the contracting process.
17.8. Benefits Policy - Gas and Electric Utilities	
What policies are in place to protect against fraud when making benefit payments to gas and electric utilities on behalf of clients? Select all that apply.	
☒	Applicants required to submit proof of physical residency.
☒	Applicants must submit current utility bill.
☒	Data exchange with utilities that verifies:
☒	Account ownership
☒	Consumption
☒	Balances
☒	Payment history
☒	Account is properly credited with benefit
☐	Other - Describe:

☒	Centralized computer system/database tracks payments to all utilities.
☒	Centralized computer system automatically generates benefit level.
☒	Separation of duties between intake and payment approval.
☐	Payments coordinated among other energy assistance programs to avoid duplication of payments.
☐	Payments to utilities and invoices from utilities are reviewed for accuracy.
☒	Computer databases are periodically reviewed to verify accuracy and timeliness of payments made to utilities.
☒	Direct payment to households are made in limited cases only.
☒	Procedures are in place to require prompt refunds from utilities in cases of account closure.
☒	Vendor agreements specify requirements selected above and provide enforcement mechanism.
☐	Other - Describe:
17.9. Benefits Policy - Bulk Fuel Vendors	
What procedures are in place for averting fraud and improper payments when dealing with bulk fuel suppliers of heating oil, propane, wood, and other bulk fuel vendors? Select all that apply.	
☒	Vendors are checked against an approved vendor list.
☒	Centralized computer system/database is used to track payments to all vendors.
☒	Clients are relied on for reports of non-delivery or partial delivery.
☐	Two-party checks are issued naming client and vendor.
☒	Direct payment to households is made in limited cases only.
☐	Vendors are only paid once they provide a delivery receipt signed by the client.
☒	Conduct monitoring of bulk fuel vendors.
☒	Bulk fuel vendors are required to submit reports to the grant recipient.
☒	Vendor agreements specify requirements selected above, and provide enforcement mechanism
☐	Other - Describe:
17.10. Investigations and Prosecutions	
Describe the Grant recipient's procedures for investigating and prosecuting reports of fraud, and any sanctions placed on clients, staff, or vendors found to have committed fraud. Select all that apply.	
☐	Refer to state Inspector General.
☒	Refer to local prosecutor or state Attorney General.
☐	Refer to U.S. DHHS Inspector General (including referral to OIG hotline).
☒	Local agencies/district offices or Grant recipient conduct investigation of fraud complaints from public.
☒	Grant recipient attempts collection of improper payments. If so, describe the recoupment process. MaineHousing will investigate all reported Errors and Program Abuse. If there is documented information to indicate Errors and Program Abuse, MaineHousing will notify the Applicant and provide them an opportunity to respond. Based on the response, MaineHousing will determine what, if any, appropriate action should be taken. Once Errors and Program Abuse is confirmed or if an Applicant fails to respond to inquiries regarding suspected Errors and Program Abuse, an overpayment will be calculated and communicated to the Applicant. In addition to the overpayment, the communication will include: 1) the facts surrounding the decision, 2) the reason for the decision, and 3) the manner by which the Applicant can request an appeal. MaineHousing may investigate the previous three (3) Program Years from the Date of Discovery. The overpayment may include any or all of those three (3) years. An Applicant may request a Fair Hearing to dispute an Overpayment. The Applicant must submit to MaineHousing a written request for a fair hearing no later than thirty (30) calendar days from the postmark date of the first notification from MaineHousing of suspected Errors and Program Abuse. MaineHousing will pursue recoupment of Overpayments by any and all of the following: Applicant may pay MaineHousing the full amount of an Overpayment. • Applicant may enter into a payment arrangement. Minimum monthly payment allowed will

	be set at \$5.00 a month. - Despite the existence of a repayment agreement, MaineHousing will recoup 50% of any current Benefits and 50% future Benefits to offset against an overpayment balance until the overpayment has been paid in full. - MaineHousing will recoup Benefits on account with the Applicant's Vendor to offset against an overpayment balance. - When Applicant fails to repay overpayment, the case may be referred to other internal and external groups for additional action. MaineHousing may close an overpayment for any of the following reasons: Overpayment has been paid in full; - The overpayment is determined to be invalid based on a fair hearing decision or a court decision; or - All adult persons(s) responsible for overpayment are deceased.
☒	Clients found to have committed fraud are banned from LIHEAP assistance. For how long is a household banned? Until a repayment agreement has been established and is current.
☐	Contracts with local agencies require that employees found to have committed fraud are reprimanded and/or terminated.
☒	Vendors found to have committed fraud may no longer participate in LIHEAP.
☐	Other - Describe:
If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.	

Section 18: Certification Regarding Debarment, Suspension, and Other Responsibility Matters

U.S. Department of Health and Human Services
Administration for Children and Families

August 1987, revised 05/92, 02/95,
03/96, 12/98, 11/01
OMB Clearance No.: 0970-0075
Expiration Date: 02/28/2027

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)
MODEL PLAN**

Section 18 – Certification Regarding Debarment, Suspension, and Other Responsibility Matters**Section 18: Certification Regarding Debarment, Suspension, and Other
Responsibility Matters**

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary
Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier

covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, [[Page 33043]] should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility a Voluntary Exclusion--Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in

this certification, such prospective participant shall attach an explanation to this proposal	
☐	By checking this box, the prospective primary participant is providing the certification set out above.

Section 19: Certification Regarding Drug-Free Workplace Requirements

U.S. Department of Health and Human Services
Administration for Children and Families

August 1987, revised 05/92, 02/95,
03/96, 12/98, 11/01
OMB Clearance No.: 0970-0075
Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) MODEL PLAN

Section 19 – Certification Regarding Drug-Free Workplace Requirements

Section 19: Certification Regarding Drug-Free Workplace Requirements

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645(a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATEWIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)

1. By signing and/or submitting this application or grant agreement, the grant recipient is providing the certification set out below.
2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grant recipient knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grant recipients other than individuals, Alternate I applies.
4. For grant recipients who are individuals, Alternate II applies.
5. Workplaces under grants, for grant recipients other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grant recipient does not identify the workplaces at the time of application, or upon award, if there is no application, the grant recipient must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grant recipient's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).
7. If the workplace identified to the agency changes during the performance of the grant, the grant recipient shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grant recipients' attention is called, in particular, to the following definitions from these rules:

Controlled substance means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

Conviction means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

Criminal drug statute means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

Employee means the employee of a grant recipient directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grant recipient's payroll. This definition does not include workers not on the payroll of the grant recipient (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grant recipient's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Certification Regarding Drug-Free Workplace Requirements Alternate I. (Grant

recipients Other Than Individuals)

The grant recipient certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grant recipient's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - (b) Establishing an ongoing drug-free awareness program to inform employees about --
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grant recipient's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs;and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
 - (f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted --
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 - (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).
- (B) The grant recipient may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

* Address Line 1, do not enter P.O. Box

Address Line 2

Address Line 3

*City	*State	*Zip Code
Check if there are workplaces on file that are not identified here. Alternate II. (Grant recipients Who Are Individuals) (a) The grant recipient certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant; (b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant. [55 FR 21690, 21702, May 25, 1990]		
☐	By checking this box, the prospective primary participant is providing the certification set out above.	

Section 20: Certification Regarding Lobbying

U.S. Department of Health and Human Services Administration for Children and Families	August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01 OMB Clearance No.: 0970-0075 Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 20 – Certification Regarding Lobbying

Section 20: Certification Regarding Lobbying

The submitter of this application certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

☐ By checking this box, the prospective primary participant is providing the certification set out above.

Section 21: Assurances

U.S. Department of Health and Human Services
Administration for Children and Families

August 1987, revised 05/92, 02/95,
03/96, 12/98, 11/01
OMB Clearance No.: 0970-0075
Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) MODEL PLAN Assurances

(1) use the funds available under this title to—

(A) conduct outreach activities and provide assistance to low-income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);

(B) intervene in energy crisis situations;

(C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and

(D) plan, develop, and administer the State's program under this title including leveraging programs, and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

(A) households in which one or more individuals are receiving-- (i) assistance under the State program funded under part A of title IV of the Social Security Act;

(ii) supplemental security income payments under title XVI of the Social Security Act;

(iii) food stamps under the Food Stamp Act of 1977; or

(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed the greater of -

(i) an amount equal to 150 percent of the poverty level for such State; or

(ii) an amount equal to 60 percent of the State median income;

(except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act; coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance

program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that -

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to --

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grant recipients and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that,

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that--

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such

remaining cost (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) * beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

* This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

☐ By checking this box, the prospective primary participant is providing the certification set out above.

Plan Attachments

U.S. Department of Health and Human Services Administration for Children and Families	August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01 OMB Clearance No.: 0970-0075 Expiration Date: 02/28/2027
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) MODEL PLAN Plan Attachments	
The following documents must be attached to this application	
• Delegation Letter is required if someone other than the Governor or Chairman Certified this Report.	
• Heating component benefit matrix, if applicable	
• Cooling component benefit matrix, if applicable	
• Minutes, notes, or transcripts of public hearing(s).	
Optional: Policy Manual	
Optional: Subrecipient contract	
Optional: Model Plan Participation notes for Tribes	

Memorandum

To: MaineHousing Commissioners

From: Adam S. Krea
Tom Cary

Date: April 17, 2026

RE: Proposed Housing Investment Program Bond Resolution

As we have discussed, we have been working with our bond counsel, Kutak Rock, on a new bond resolution that will provide additional flexibility not allowed in the Mortgage Purchase Program (“MPP”). This new bond resolution, entitled the Housing Investment Program (“HIP”) is attached for your review.

What Makes this New Bond Resolution Different from the Existing MPP

There are really only two distinct differences between the MPP bond resolution and the proposed HIP bond resolution.

1. The MPP requires a first lien mortgage on all loans, while the HIP bond resolution does not require a first lien position.
2. The MPP allows for lending on real estate only, while the HIP bond resolution allows lending on anything allowed by the Maine Housing Authorities Act.

Otherwise, the mechanics and safety mechanisms to achieve a high bond rating, and thus a lower cost of capital, are very similar to the MPP. We will be happy to discuss and answer any questions at your April 28, 2026 Commissioner’s meeting. If you are comfortable voting to approve the HIP bond resolution at that meeting, we would plan to reopen our long-standing First Time Homebuyer loans for manufactured housing on leased land on June 1, 2026. At this time, no other non-first lien programs are planned.

MAINE STATE HOUSING AUTHORITY
HOUSING INVESTMENT PROGRAM

GENERAL HOUSING INVESTMENT REVENUE BOND RESOLUTION

Adopted April 28, 2026

TABLE OF CONTENTS

Page

ARTICLE I DETERMINATIONS AND DEFINITIONS

Section 1.01.	Authority and Purpose	1
Section 1.02.	Contract With Trustee and Bondholders.....	1
Section 1.03.	Definitions.....	2
Section 1.04.	Interpretation.....	13

ARTICLE II ISSUANCE OF BONDS

Section 2.01.	Authorization	14
Section 2.02.	Conditions Precedent to the Issuance of Bonds.....	15
Section 2.03.	Provisions for Refunding Issue.....	17
Section 2.04.	Other Obligations.....	18

ARTICLE III GENERAL BOND PROVISIONS

Section 3.01.	Medium of Payment; Form and Date.....	19
Section 3.02.	Legends	20
Section 3.03.	Execution and Authentication.....	20
Section 3.04.	Interchangeability	21
Section 3.05.	Negotiability and Registry	21
Section 3.06.	Transfer of Bonds	21
Section 3.07.	Regulations for Exchange and Transfer.....	22
Section 3.08.	Bonds Mutilated, Destroyed, Stolen or Lost.....	22
Section 3.09.	Preparation of Definitive Bonds; Temporary Bonds	23
Section 3.10.	Extension of Payment of Bonds.....	23
Section 3.11.	Money Held for Particular Bonds	23
Section 3.12.	Cancellation of Bonds.....	24
Section 3.13.	Book-Entry Form of Bonds	24

ARTICLE IV REDEMPTION OF BONDS

Section 4.01.	Procedure and Prices	24
Section 4.02.	Redemption at the Election or Direction of Authority.....	24
Section 4.03.	Redemption Otherwise Than at Authority's Election or Direction	25
Section 4.04.	Selection of Bonds To Be Redeemed	25
Section 4.05.	Notice of Redemption	25
Section 4.06.	Payment and Cancellation of Bonds Redeemed and Purchased.....	26
Section 4.07.	Redeemed Bonds as Satisfaction of Sinking Fund Installments.....	26

Section 4.08.	Purchase of Bonds; Tenders.....	27

ARTICLE V ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 5.01.	Establishment of Funds and Accounts and Application of Bond Proceeds	28
Section 5.02.	Program Fund.....	29
Section 5.03.	Maintenance of Escrows	30
Section 5.04.	Revenue Fund	30
Section 5.05.	Redemption Account	31
Section 5.06.	Housing Reserve Fund.....	32
Section 5.07.	Surplus Fund	33
Section 5.08.	Hedging Transaction.....	34

ARTICLE VI COVENANTS

Section 6.01.	General.....	35
Section 6.02.	Payment of Bonds	35
Section 6.03.	Personnel and Servicing of Programs	35
Section 6.04.	Tax Covenants	35
Section 6.05.	Accounts and Reports	36
Section 6.06.	Compliance With Conditions Precedent.....	37
Section 6.07.	Further Assurance	37
Section 6.08.	Powers as to Bonds and Pledge; Release of Pledge.....	37

ARTICLE VII		
DISCHARGE OF LIEN		37

ARTICLE VIII DEFAULTS AND REMEDIES

Section 8.01.	Events of Default	39
Section 8.02.	Remedies; Rights of Bondholders	40
Section 8.03.	Right of Bondholders To Direct Proceedings.....	41
Section 8.04.	Appointment of Receivers	41
Section 8.05.	Application of Moneys	41
Section 8.06.	Remedies Vested in Trustee.....	42
Section 8.07.	Rights and Remedies of Bondholders.....	43
Section 8.08.	Termination of Proceedings.....	43
Section 8.09.	Waivers of Events of Default.....	43
Section 8.10.	Notice of Defaults Under Section 8.01(b); Opportunity of the Authority To Cure Such Defaults	44

ARTICLE IX
SERIES RESOLUTIONS AND SUPPLEMENTAL RESOLUTIONS

Section 9.01.	Series Resolutions and Supplemental Resolutions Effective Upon Filing	44
Section 9.02.	Supplemental Resolutions Effective Upon Consent of Trustee.....	46
Section 9.03.	Supplemental Resolutions Requiring Consent of Bondholders.....	46
Section 9.04.	Modifications by Unanimous Consent.....	47
Section 9.05.	Consent of Bondholder	47
Section 9.06.	Authorization to Trustee	48
Section 9.07.	Exclusion of Bonds	48
Section 9.08.	Notation on Bonds	48
Section 9.09.	Copies of Supplemental Resolutions or Series Resolutions	49

ARTICLE X
DEPOSITARIES OF MONEYS AND INVESTMENT OF FUNDS

Section 10.01.	Depositaries.....	49
Section 10.02.	Investment of Funds and Accounts Held by Trustee	49

ARTICLE XI
THE FIDUCIARIES

Section 11.01.	Trustee and Depositaries; Appointment and Acceptance	50
Section 11.02.	Paying Agents	51
Section 11.03.	Responsibilities of Fiduciaries	51
Section 11.04.	Funds Held in Trust	52
Section 11.05.	Evidence on Which Fiduciaries May Act	53
Section 11.06.	Preservation and Inspection of Documents.....	53
Section 11.07.	Compensation and Expenses.....	53
Section 11.08.	Certain Permitted Acts	54
Section 11.09.	Resignation of Fiduciary	54
Section 11.10.	Removal	54
Section 11.11.	Appointment of Successor Fiduciary.....	54
Section 11.12.	Transfer of Rights and Property to Successor Fiduciary	55
Section 11.13.	Merger or Consolidation	55
Section 11.14.	Adoption of Authentication	55
Section 11.15.	Evidence of Signatures of Bondholders and Ownership of Bonds.....	56
Section 11.16.	Preservation and Inspection of Documents; Reports	56
Section 11.17.	Patriot Act Requirements of the Trustee.....	57

ARTICLE XII
MISCELLANEOUS

Section 12.01.	Consents, etc. of Bondholders	57
Section 12.02.	Limitation of Rights.....	58

Section 12.03.	Notices to Rating Agency	58
Section 12.04.	Notice; Electronic Communications	58
Section 12.05.	Severability	59
Section 12.06.	Payments Due on Saturdays, Sundays and Holidays.....	59
Section 12.07.	Applicable Provisions of Law.....	59
Section 12.08.	No Recourse on Bonds.....	59
Section 12.09.	Maximum Interest Rate.....	59
Section 12.10.	Effective Date	59

WHEREAS, pursuant to the Constitution and laws of the State of Maine, particularly the Maine Housing Authorities Act, Title 30-A, Chapter 201 of the Maine Revised Statutes Annotated, as amended and supplemented (the “Act”), the Authority is authorized to carry out the public purposes described in the Act by issuing its special obligation bonds and by entering into any agreements made in connection therewith; and

WHEREAS, to provide a source of funds for its programs authorized by the Act, the Authority has determined to authorize the issuance of its General Housing Investment Revenue Bonds (the “Bonds”) pursuant to this Resolution and one or more Series Resolutions (hereinafter defined) and to secure the Bonds as hereinafter described; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Resolution and the related Series Resolutions provided, the valid, binding and legal special obligations of the Authority according to the import thereof, and to constitute this Resolution a valid assignment and pledge of the amounts specifically pledged to the payment of principal of and interest on the Bonds, and the creation, execution and delivery of this Resolution, and the creation, execution and issuance of the Bonds, subject to the terms hereof and of the related Series Resolutions, have in all respects been duly authorized;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE MAINE
STATE HOUSING AUTHORITY AS FOLLOWS:

ARTICLE I

DETERMINATIONS AND DEFINITIONS

Section 1.01. Authority and Purpose. This Resolution is entered into under authority and in accordance with the provisions of the Act, for the purpose of effectuating the public purposes of the Authority as set forth in the Act, and for the purpose of establishing covenants, agreements and procedures to assure that amounts will be sufficient for the repayment of money borrowed for this purpose.

Section 1.02. Contract With Trustee and Bondholders. As provided in the Act and in consideration of the acceptance by the Trustee of the trusts herein created and of the purchase and acceptance of Bonds issued hereunder by any who shall from time to time be Bondholders:

(a) the provisions of this Resolution shall be a contract of the Authority with the Trustee for the benefit of the Bondholders;

(b) the Authority pledges to the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds, and the Sinking Fund Installments for the retirement thereof at the times and in the manner provided in this Resolution and any Series Resolution, and grants a security interest in, all money, Permitted Investments and other assets and income held in and receivable by Funds and Accounts established by or pursuant to this Resolution and any Series Resolution, all subject to the right of the Authority to direct withdrawals of moneys, Permitted Investments and other assets from said Funds and Accounts and to release the same from the pledge hereby created upon the conditions set

forth in this Resolution, which pledge constitutes a first lien on such pledged moneys, Permitted Investments, assets and revenues;

(c) the pledge made and security interests granted herein and the covenants and agreements herein set forth, to be performed by and on behalf of the Authority, shall be for the equal benefit, protection and security of Holders of any and all such Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any Bond over any other Bond, except as expressly provided or permitted herein;

(d) this pledge is valid and binding from the time when made, and the property so pledged and hereafter received by the Authority shall immediately be subject to the lien thereof without any physical delivery or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, whether or not such parties have notice thereof, and neither this Resolution nor any other instrument by which such pledge is created need be recorded; and

(e) the Bonds are special obligations of the Authority, and are payable from any of the Authority's revenues, assets or moneys specifically pledged hereby. The Bonds will not constitute a debt of the State of Maine or any political subdivision thereof, and neither said State nor any of its political subdivisions is liable thereon. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. No commissioner, director or employee of the Authority nor any persons executing the Bonds shall be liable personally on the Bonds or subject to any personal liability or accountability by reason of the issuance thereof.

Section 1.03. Definitions. In this Resolution, unless a different meaning clearly appears from the context, the following terms have the following respective meanings:

“Accountant’s Certificate” means an opinion or report signed by any certified public accountant or firm of certified public accountants (who may be the accountant or firm that regularly audits the books and accounts of the Authority) from time to time selected by the Authority.

“Act” means the Maine Housing Authorities Act, Title 30-A, Chapter 201 of the Maine Revised Statutes Annotated, as amended and supplemented from time to time.

“Amortized Value” means for securities purchased at (i) par, the par value; and (ii) a premium above or a discount below par, the value as of any given date obtained by multiplying the total amount of the premium or the discount at which such securities were purchased by a fraction, the numerator of which is the number of days remaining to maturity or Redemption Date on such securities at the time of such purchase and the denominator of which is the number of days reflected in the numerator plus the number of days having passed from the date of such purchase; and (a) in the case of securities purchased at a premium, by deducting the product thus obtained from the purchase price and (b) in the case of securities purchased at a discount, by adding the

product thus obtained to the purchase price, provided that, with respect to securities deposited in any Fund or Account by the Authority for no consideration, such securities shall be treated as purchased by the Trustee at the fair market value as of the date of such deposit.

“Appreciated Amount” means with respect to a Deferred Interest Bond, (i) as of any date of computation with respect to any Deferred Interest Bond up to the date, if any, set forth in the Series Resolution authorizing such Deferred Interest Bond as the date on which such Deferred Interest Bond shall commence to bear interest payable thereafter on applicable Interest Payment Dates, an amount equal to the initial principal amount of such Deferred Interest Bond plus the interest accrued on such Deferred Interest Bond from the date of original issuance of such Deferred Interest Bond to the applicable Interest Payment Date next preceding the date of computation or the date of computation if an applicable Interest Payment Date, such increased amount to accrue at the rate per annum set forth in the Series Resolution authorizing such Deferred Interest Bonds, compounded on each applicable Interest Payment Date, plus, if such date of computation shall not be an applicable Interest Payment Date, a portion of the difference between the Appreciated Amount as of the immediately preceding applicable Interest Payment Date (or the date of original issuance if the date of computation is prior to the first applicable Interest Payment Date succeeding the date of original issuance) and the Appreciated Amount as of the immediately succeeding applicable Interest Payment Date, calculated based upon an assumption that the Appreciated Amount accrues in equal daily amounts on the basis set forth in the Series Resolution authorizing such Deferred Interest Bonds; and (ii) as of any date of computation on and after the date, if any, set forth in the Series Resolution authorizing such Deferred Interest Bond as the date on which such Deferred Interest Bond shall commence to bear interest payable thereafter on applicable Interest Payment Dates, the Appreciated Amount as of such current interest payment commencement date.

For the purposes of (i) actions, requests, notifications, consents or directions of Bondholders under this Resolution and (ii) any required payment upon default or anticipated default pursuant to acceleration of maturity or otherwise as described in Article VIII hereof, the calculation of the Appreciated Amount shall be as of the applicable Interest Payment Dates for such Deferred Interest Bond, as specified in a Series Resolution, preceding such date of calculation (unless such date of calculation shall be an Interest Payment Date, in which case, as of the date of calculation).

“Authority” means the Maine State Housing Authority, a public body corporate and politic and an instrumentality of the State created by the Act, or any body, instrumentality, or other separate entity of the State which shall hereafter succeed to the powers, duties and functions of the Authority.

“Authorized Officer” means the Chairman, Vice Chairman, Director or Treasurer of the Authority or any other person authorized by resolution of the Authority to perform an act or sign a document.

“Bond” or “Bonds” means any Bond or Bonds authorized and issued pursuant to this Resolution and a Series Resolution.

“Bondholder” or “Holder” means the registered owner of any Bond.

“Bond Year” means, for a particular Series of Bonds, the period of 12 calendar months (or shorter initial or ending periods), so designated in the corresponding Series Resolution.

“Book Entry System” means such system for registering the Bonds of one or more Series set forth in a Series Resolution.

“Business Day” means any day other than a Saturday, Sunday or other day on which the New York Stock Exchange or banks are authorized or obligated by law or executive order to close in New York, New York, or in any city in which is located the designated corporate trust office of the Trustee or such other date as set forth in a Series Resolution.

“Cash Flow Certificate” means a Certificate of an Authorized Officer giving effect to the action proposed to be taken and demonstrating in the current and each succeeding Bond Year in which Bonds of each related Series are scheduled to be Outstanding that amounts then expected to be deposited in the Funds and Accounts in each such year with respect to such Series (and any Series equally secured) will be at least equal to all amounts required by this Resolution to be on deposit in the Funds and Accounts for the payment of the principal and Redemption Price of and interest on the Bonds of each Series and for the funding of the Housing Reserve Fund to the Housing Reserve Requirement. The Cash Flow Certificate shall set forth the assumptions upon which the estimates therein are based, which assumptions shall be based upon the Authority’s reasonable expectations at the time such Certificate is filed. Upon filing a Cash Flow Certificate with the Trustee, the Authority shall thereafter perform its obligations hereunder in accordance, in all material respects, with the assumptions set forth in such Cash Flow Certificate. Except with respect to actions being taken contemporaneously with the delivery of a Cash Flow Certificate, facts reflected in a Cash Flow Certificate may be as of a date or reasonably adjusted to a date not more than 180 days prior to the date of delivery of such Cash Flow Certificate.

“Certificate” means a certificate of an Authorized Officer.

“Code” means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder; each reference to a Section of the Code herein shall be deemed to include the United States Treasury regulations proposed or in effect thereunder and applied to the Bonds or the use of the proceeds thereof, and also includes all amendments and successor provisions unless the context clearly requires otherwise.

“Costs of Issuance” means all items of expense, directly or indirectly payable or reimbursable by or to the Authority and related to the authorization, sale and issuance of Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, Hedge Provider, liquidity provider or Credit Enhancer, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, and any other cost, charge or fee in connection with the issuance, remarketing or refunding of Bonds.

“Counsel” means any attorney or firm of attorneys (who may be employed by or of counsel to the Authority or an attorney or firm of attorneys retained by it in other connections) licensed to practice in the state in which he/she or it maintains an office (and if the opinion is with respect to an interpretation of federal tax laws or regulations or with respect to the issuance of an additional Series of Bonds or interpretation or application of this Resolution, is also a nationally recognized attorney or firm of attorneys experienced in such matters), selected or employed by the Authority.

“Counsel’s Opinion” means an opinion signed by any Counsel.

“Credit Enhancer” means any financial institution, including without limitation any insurance company, bank or bond insurer, retained by the Authority to guaranty payment of principal or interest on any Bond.

“Current Interest-Bearing Bonds” means Bonds as to which interest is payable on each Interest Payment Date.

“Date of Original Issuance” means, with respect to a particular Series of Bonds, the date on which the Authority initially issues such Series of Bonds.

“Deferred Interest Bonds” means the Bonds so designated in a Series Resolution but shall not include any such Bond from and after the date, if any, on which such Bond will bear interest that is payable to the Holder of such Bond prior to its scheduled maturity.

“Depository” means any bank or trust company or national banking association selected by the Trustee or the Authority as a depository of moneys or securities held under the provisions of this Resolution and includes the Trustee.

“Event of Default” means the occurrence of any event specified in Section 8.01 hereof.

“Excess Earnings” means excess investment earnings, net of any credits or offsets thereto, which must be rebated to the United States of America pursuant to Section 143(g) of the Code.

“FDIC” means the Federal Deposit Insurance Corporation or any successor thereto.

“Federal Agency Obligations” means bonds, debentures or other obligations issued by the Federal National Mortgage Association (excluding interest-only securities and stripped mortgage-backed securities valued greater than par), the Federal Home Loan Mortgage Corporation (only senior debt obligations which guarantee timely payment of principal and interest) or the Government National Mortgage Association, and any other obligations of any agency controlled or supervised by and acting as an instrumentality of the United States of America pursuant to authority granted by the Congress of the United States whose timely payment is directly or indirectly unconditionally guaranteed by the United States of America.

“Federal Obligations” means direct obligations of the United States of America or other obligations the timely payment of principal and interest of which is fully and unconditionally guaranteed by the United States of America.

“Fiduciary” means any bank, trust company, national banking association or federally or state chartered savings and loan association, including the Trustee and its actions hereunder in its role as trustee, having combined capital and surplus of not less than \$75,000,000.

“Fiscal Year” means the period of 12 calendar months commencing on January 1 in any calendar year and ending on December 31 of such year.

“Funds” or “Accounts” means funds or accounts, including subaccounts, established pursuant to this Resolution or any Series Resolution.

“Hedge Agreement” means a payment exchange agreement, swap agreement, forward purchase agreement or any other hedge agreement entered into by the Authority providing for payments between the parties based on levels of, or changes in, interest rates or other indices or contracts to exchange cash flows or a series of payments or contracts, including, without limitation, interest rate swaps, floors, caps, options, puts or calls, which allows the Authority to manage or hedge payment, rate, spread or similar risk with respect to all or a portion of any Series of Bonds or any assets pledged under this Resolution.

“Hedge Provider” means any person or entity providing a Hedge Agreement pursuant to an agreement with or upon the request of the Authority.

“Housing Reserve Fund” means the Fund so designated which is established by Section 5.01 hereof.

“Housing Reserve Minimum Requirement” means, as of any particular date of calculation, the minimum funding requirement for the Housing Reserve Fund pursuant to 30-A M.R.S.A. § 4906(1).

“Housing Reserve Maximum Requirement” means, as of any particular date of calculation, an amount equal to the greatest amount of Principal and interest maturing and becoming due and payable in the year in which such computation is made or in any succeeding calendar year on Outstanding Bonds.

For any period of time during which a Bond bears interest at a variable interest rate, interest thereon shall mean with respect to each calendar year (i) with respect to such Bond, which is not capped or fixed pursuant to a Hedge Agreement, and/or is for a period or periods of time ending prior to the next immediate Interest Payment Date, the interest rate thereon in effect (pursuant to the Bond) until the next date of change and thereafter for the balance of such calendar year the interest rate since the preceding Interest Payment Date plus an adjustment factor (herein “Adjustment Factor”) of 100 basis points with respect to a federally tax-exempt variable interest rate Bond, or 200 basis points with respect to a federally taxable variable interest rate Bond or (ii) with respect to a variable interest rate Bond which, for a period of time ending on or after the next immediate Interest Payment Date, is capped by its terms or pursuant to a Hedge Agreement, the lesser of (a) the interest rate by which the variable interest rate is so capped if less than the rate calculated in clause (i) hereof or (b) the interest rate calculated in clause (i) hereof, on the variable interest rate Bond (pursuant to the variable interest rate Bond), or (iii) with respect to a Bond bearing a variable interest rate which, for a period of time ending on or after the next immediate

Interest Payment Date is fixed by its terms or pursuant to a Hedge Agreement, the variable interest rate, so fixed, on the Bond, respectively (pursuant to the variable interest rate Bond or a Hedge Agreement applicable thereto); provided, however, that in the event an Authorized Officer determines, as a consequence of a Hedge Agreement or to maintain the Rating on the Bonds, that an Adjustment Factor greater than provided for under clause (i) hereof is required, then such additional Adjustment Factor for interest as an Authorized Officer shall determine is so required as a consequence of a Hedge Agreement or to maintain the Rating on the Bonds shall be utilized in clause (i) hereof.

“Interest Payment Date” means April 15 and October 15 of each calendar years, or any other date or dates upon which interest on Bonds is payable in accordance with their terms and the terms of this Resolution or any Series Resolution, provided that interest on Deferred Interest Bonds shall be payable as a portion of the Appreciated Amount thereof at maturity or earlier redemption as specified in the related Series Certificate.

“Liquidity Agreement” means any agreement entered into by the Authority pursuant to which a bank or other financial institution agrees to purchase, or provide funds to purchase, any Bond which is tendered by the Holder thereof pursuant to the terms of such Bond.

“Loan” means a loan for any purpose for which the Authority is authorized by the Act and pledged hereunder, and shall include loans converted into Mortgage-Backed Securities.

“Mortgage-Backed Security” means any type of investment representing an ownership interest in a Loan or a pool of Loans and pursuant to which interest and principal payments on the Loan or Loans is paid to the owner of such interest.

“Notice Address” means (or such other address designated in writing to the other party hereto):

(a) As to the Authority:

26 Edison Drive
Augusta, Maine 04330-6046
Attention: Treasurer and Chief Counsel
Email: LegalNotices@mainehousing.org

(b) As to the Trustee:

To the address specified in writing to the Authority by the Trustee.

(c) As to the Rating Agency:

To the address specified in writing by the respective Rating Agency to the Authority and the Trustee.

(d) As to any Paying Agent other than the Trustee:

To the address specified in writing to the Authority and Trustee by the Paying Agent.

“Original Principal Amount” shall mean the aggregate original amount at which each maturity of the Deferred Interest Bonds of any Series shall initially be offered to the public, as set forth in the Series Resolution.

“Outstanding” or “Bonds Outstanding” means all Bonds which have been authenticated and delivered by the Trustee under this Resolution, except:

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

- (b) Bonds for which cash funds or Federal Obligations or any combination thereof shall have been theretofore deposited with the Trustee for the full payment or redemption thereof (whether upon or prior to the maturity or Redemption Date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

- (c) Bonds in lieu of which other Bonds have been executed and delivered under Section 3.09 hereof; and

- (d) Bonds otherwise specified in a Series Resolution.

“Paying Agent” means any bank or trust company that is qualified and appointed pursuant to Section 11.02 of this Resolution and a Series Resolution to serve as a paying agency or place of payment for a Series of Bonds, and any successors designated pursuant to this Resolution or a Series Resolution.

“Permitted Investments” means any of the following which at the time are (a) legal investments for Fiduciaries under the laws of the State for moneys held hereunder which are then proposed to be invested therein and (b) permitted by the then effective investment policy of the Authority:

- (i) Federal Obligations;

- (ii) Federal Agency Obligations;

- (iii) Direct and general obligations of the State, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by each Rating Agency then rating the Bonds;

- (iv) Bonds, debentures, participation certificates, notes or other obligations issued or unconditionally guaranteed by any of the following: Federal Home Loan Banks, Farm Credit System (including the Bank for Cooperatives, Federal Land Banks, Federal

Farm Credit Banks and Federal Intermediate Credit Banks), Fannie Mae, Farmer's Home Administration (or its successor, the Rural Housing and Community Development Service), Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Small Business Administration, Resolution Funding Corporation, or any other agency or corporation which has been or may hereafter be created by or pursuant to an Act of the Congress of the United States as an agency or instrumentality thereof or sponsored thereby;

(v) Government money market funds registered with the Securities and Exchange Commission and with ratings in the highest category of each Rating Agency then rating the Bonds;

(vi) Interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with any bank, trust company, national banking association or other savings institution (including any Fiduciary), provided that (i) such deposits, certificates and other arrangements are fully insured by the Federal Deposit Insurance Corporation, the proceeds of which insurance are timely available, and the unsecured long-term debt obligations of the Depository are rated by each Rating Agency at least equal to the Rating on the Series of Bonds, or (ii) such Depository has combined capital and surplus of at least \$75,000,000 and such deposits, certificates and other arrangements are fully secured by obligations described in clause (a) or (b) of this definition, or a combination thereof, at such levels and valuation frequency as shall not adversely affect the Rating Quality of the Bonds;

(vii) Repurchase agreements in respect of any of the investments described in (i) or (ii) of this definition of Permitted Investments, provided that physical delivery of such Permitted Investments is taken either directly or through an authorized custodian of the Authority and provided that such physically delivered Permitted Investments be maintained at levels and valuation frequencies satisfactory to the Authority and sufficient at all times to maintain the Rating Quality of the Bonds;

(viii) Stripped securities: principal-only strips and interest-only strips of noncallable obligations issued by the U.S. Treasury, and REFCORP securities stripped by the Federal Reserve Bank of New York; and

(ix) Investment agreements with a bank, bank holding company, insurance company or other financial institution, or guaranteed by such an entity, whose claims paying ability or senior long-term unsecured debt obligations are rated by each Rating Agency as least equal to the then existing Ratings on the Bonds or whose credit quality is considered by the Rating Agencies to be "consistent with" the then existing Ratings on the Bonds, but only if such investment agreement will not, at the time such investment agreement is entered into, adversely affect the Rating Quality of the Bonds.

Provided that it is expressly understood that the definition of Permitted Investments shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to this Resolution, thus permitting investments with different characteristics from those permitted which

an Authorized Officer deems from time to time to be in the interest of the Authority to include as Investments, as reflected in a Certificate or in a Series Resolution, if at the time of inclusion such inclusion will not, in and of itself, adversely affect the then current Rating on the Bonds by each Rating Agency then rating the Bonds. The Trustee shall be entitled to assume that any investment which at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter, absent actual receipt of written notice or actual knowledge of a responsible officer in the corporate trust department of the Trustee to the contrary. The Trustee shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of or investment in such Permitted Investments.

“Pledged Receipts” means (a) scheduled payments (monthly or otherwise) on any Loan, or any late charges thereon, made from, or acquired with, proceeds of Bonds or other moneys held in Funds or Accounts under this Resolution, less the amount retained by any servicer of such Loan as compensation for its services, (b) payments made or required to be made to the Authority or the Trustee under the terms of any Hedge Agreement, and (c) any and all payments derived from any collateral pledged to secure a Loan, including without limitation mortgaged property and other sources of payments such as rents, rental or operating assistance or subsidy payments, but shall not include (d) any payments of ground rents, taxes, assessments, mortgage, fire or other hazard insurance premiums called for by any Loan, or any other like payments other than payments described in (a), (b) or (c) hereof.

“Principal” or “principal” means (a) unless otherwise provided herein or in a Series Resolution, as such term references the principal amount of a Deferred Interest Bond or Deferred Interest Bonds, the Appreciated Amount thereof, and (b) as such term references the principal amount of any other Bond or Bonds, the principal amount at maturity of such Bond or Bonds.

“Program Expenses” means all the Authority’s expenses of administering Loans under this Resolution and shall include without limiting the generality of the foregoing: salaries, supplies, utilities, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus; insurance premiums, legal, accounting, management, consulting and banking services and expenses; the fees and expenses of the Trustee; fees and expenses due to Credit Enhancers or liquidity providers or Qualified Hedge Institutions or advisors with respect to Qualified Hedge Agreements; fees due to the entities providing Permitted Investments with respect to the Funds and Accounts or any arrangements or agreements with respect thereto; Costs of Issuance not paid from proceeds of Bonds; rebate payments to the United States of America as required by Section 6.04 hereof; and any other expenses required or permitted to be paid by the Authority under the provisions of this Resolution and any Series Resolution all to the extent properly allocable to the Loans hereunder.

“Program Fund” means the Fund so designated which is established by Section 5.01 hereof.

“Qualified Hedge Agreement” means a Hedge Agreement which meets the tests of Section 5.08.

“Qualified Hedge Institution” means (A) a bank, a trust company, a national banking association, a federal branch pursuant to the International Banking Act of 1978 or any successor

provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, a corporation, a trust, a partnership, an unincorporated organization, or a government or an agency, instrumentality, program, account, fund, political subdivision or corporation thereof, in each case the unsecured or uncollateralized long-term debt obligations of which, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such organization, at the time a Qualified Hedge Agreement is entered into by the Authority are rated in any of the three highest rating categories (without regard to modifiers such as “-” or “+”) by each Rating Agency then rating the Bonds, but in no event lower than any Rating on the Bonds at the time of execution of the Qualified Hedge Agreement, or (B) the Government National Mortgage Association or any successor thereto, Fannie Mae or any successor thereto, the Federal Home Loan Mortgage Corporation or any successor thereto, or any other federal agency or instrumentality the obligations of which are backed by the full faith and credit of the United States of America; and further provided that it is expressly understood that the definition of the Qualified Hedge Institution shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to this Resolution, thus permitting a Qualified Hedge Agreement with a different entity from those permitted which an Authorized Officer deems from time to time to be in the interest of the Authority, as reflected in a Certificate or in a Series Resolution, if at the time of inclusion such inclusion will not, in and of itself, adversely affect the then current Rating on the Bonds by each Rating Agency then rating the Bonds.

“Rating” means, with respect to any Series of Bonds, the then-current rating or ratings assigned by a Rating Agency pursuant to the request of the Authority without regard to the benefit of any bond insurance or other credit enhancement relating to any Bond.

“Rating Agency” means a nationally recognized organization that has a Rating on the Bonds at the request of the Authority.

“Rating Quality” means any investment or obligation which, pursuant to releases of any Rating Agency, will not adversely affect the long term Rating on the Outstanding Bonds.

“Record Date” means any Regular Record Date, Special Record Date or Redemption Record Date.

“Redemption Date” means a date when Bonds are to be paid prior to maturity pursuant to the Series Resolution or Series Certificate specifying such redemption.

“Redemption Price” means, with respect to a particular Bond or a portion thereof to be redeemed, the Principal amount of such Bond or portion thereof to be redeemed, plus the applicable premium, if any, pursuant to the applicable Series Resolution or Series Certificate.

“Redemption Record Date” means the date or dates of ownership of Bonds is determined for redemptions set forth in or established by or pursuant to the Series Resolution authorizing the particular Series of Bonds.

“Refunding Issue” means the Bonds delivered pursuant to Section 2.03 hereof.

“Regular Record Date” means the date or dates of ownership of the Bonds is determined as set forth in or established by or pursuant to the Series Resolution authorizing the particular Series of Bonds.

“Resolution” means this Resolution as it may be amended from time to time by Supplemental Resolutions.

“Revenue Fund” means the Fund so designated which is established by Section 5.01 hereof.

“Revenues” means the Pledged Receipts, unless otherwise provided in a Series Resolution with respect to a Series of Bonds.

“Serial Bonds” means the Bonds which are so designated as Serial Bonds in a Series Resolution or Series Certificate.

“Series” means, unless otherwise specified in a Series Resolution, all of the Bonds authenticated and delivered on original issuance in a simultaneous transaction pursuant to a Series Resolution, and any Bonds thereafter delivered in lieu of or in substitution for such Bonds pursuant to Article III, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

“Series Certificate” means a Certificate specifying the terms of a Series pursuant to a Series Resolution.

“Series Resolution” means a resolution of the Authority entered into pursuant to Section 9.01(b) hereof specifying the terms of a Series of Bonds, or authorizing the delivery of one or more Series Certificates which specify the terms of a Series of Bonds and in such case shall include any such Series Certificate.

“Sinking Fund Installment” means any amount of money required by or pursuant to this Resolution, Series Resolution or Series Certificate to be paid on a specified date by the Authority toward the retirement of any particular Bonds of a Series before maturity.

“Special Record Date” means the date described in Section 3.01 hereof.

“State” means the State of Maine.

“Supplemental Resolution” means any supplement to this Resolution entered into pursuant to Article IX hereof amending or supplementing the Resolution.

“Surplus Fund” means the Fund so designated which is established by Section 5.01 hereof.

“Term Bonds” means that portion of a Series of Bonds so designated by the Authority in a Series Resolution as Term Bonds or Series Certificate.

“Trust Estate” means the money, Permitted Investments, assets and income pledged by Section 1.02 hereof, to the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds.

“Trustee” means the trustee that is qualified and appointed pursuant to Section 11.01, its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to this Resolution.

Section 1.04. Interpretation. The following principles govern the interpretation of other words and phrases used in this Resolution and any Series Resolution:

(a) Articles, sections, paragraphs and clauses mentioned by number only are those so numbered which are contained in this Resolution;

(b) Captions, titles or headings preceding any article or section herein, and any table of contents or index attached hereto, are solely for convenience of reference and are not part of this Resolution and shall not affect its meaning, construction or effect;

(c) Terms such as “herein,” “hereunder,” “hereby,” “hereto” and “hereof” refer to this Resolution, or when used in conjunction with a subsection refer to the Section of which such subsection is a part and not to any particular section hereof unless so indicated, and “heretofore” and “hereafter” mean before and after the date of execution and delivery of this Resolution, respectively;

(d) Words importing the masculine gender include the feminine and neuter genders;

(e) Words importing persons include firms, associations, corporations and any other legal entities;

(f) Words importing the redemption or redeeming or calling for redemption of a Bond do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond;

(g) Words importing the singular number include the plural number, and vice versa; and

(h) Except as otherwise specifically provided herein, all references to a particular time shall be to New York City time.

ARTICLE II

ISSUANCE OF BONDS

Section 2.01. Authorization.

(a) To provide sufficient funds to carry out its public purposes and programs as set forth in the Act, Bonds of the Authority, designated as “Maine State Housing Authority General Housing Investment Revenue Bonds,” are hereby authorized to be issued as hereinafter provided.

No Bonds may be issued under the provisions of this Resolution except in accordance with this Article. The Bonds issued hereunder, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any Bond over any other Bond, except as expressly provided or permitted herein. There is hereby created, in the manner and to the extent provided herein, a continuing pledge and lien on the Trust Estate to secure the full and final payment of the principal and Redemption Price of and interest on all the Outstanding Bonds, and if so provided in a Series Resolution or related Series Certificate to secure payments under a Qualified Hedge Agreement. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under this Resolution is not limited except as is or may hereafter be provided in this Resolution, any Series Resolution or as may be limited by law.

The Bonds may, if and when authorized by the Authority pursuant to one or more Series Resolutions, be issued in one or more Series, and the designation thereof, in addition to the name “General Housing Investment Revenue Bonds,” shall include such further appropriate particular designation, added to or incorporated in such title for the Bonds of any particular Series, as the Authority may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

(b) The Bonds of each Series shall contain on the face thereof substantially the following statement:

THIS BOND IS A SPECIAL REVENUE OBLIGATION OF THE AUTHORITY, SOLELY SECURED BY AND PAYABLE FROM THE REVENUES, ASSETS OR MONEYS SPECIFICALLY PLEDGED AS SECURITY THEREFOR BY THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER. THIS BOND DOES NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF MAINE OR ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF MAINE OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF MAINE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND.

Section 2.02. Conditions Precedent to the Issuance of Bonds.

(a) All (but not less than all) of the Bonds of each Series, except in connection with a Refunding Issue, shall be issued by the Authority under this Resolution, delivered to the Trustee for authentication and, upon authentication by the Trustee, delivered to the Authority or its order, but only upon receipt by the Trustee of:

(i) A Counsel's Opinion, dated the date of delivery thereof, to the effect that: (A) the Authority is a body politic and corporate and an instrumentality of the State, with the powers, among others, to issue the Bonds and to perform its obligations under this Resolution and the applicable Series Resolution; (B) the Bonds are valid special obligations of the Authority, and are payable from solely and only from the revenues, assets or moneys pledged as security therefor pursuant to the Resolution; and (C) the Resolution and the applicable Series Resolution have been validly authorized, executed and delivered and create a valid and pledge of and security interest in the moneys pledged hereby and thereby, except that (1) no opinion need be expressed as to the effect upon such enforceability of bankruptcy, insolvency, reorganization, moratorium and other similar laws heretofore or hereafter enacted for the relief of debtors and (2) no opinion need be expressed as to the availability of the remedy of specific performance, mandamus, injunctive relief or any other equitable remedy.

(ii) A Certificate from the Authority directing that the Trustee authenticate and deliver such Bonds and containing instructions as to the delivery of such Bonds and the purchase price therefor.

(iii) A copy of the Series Resolution and Series Certificate authorizing such Bonds, which shall specify:

(A) The authorized principal amount and Series or sub-series designation of such Bonds;

(B) The purpose or purposes for which such Series of Bonds is being issued;

(C) The issue date or dates, the maturity date or dates and amounts of each maturity (or the method of determining the same) and, if interest is to be paid, the Interest Payment Dates and the first Interest Payment Date of the Bonds of such Series;

(D) The interest rate or rates (if any) or the maximum interest rate of the Bonds of such Series, or the manner of determining such rate or rates;

(E) The portions, if any, of the Series of Bonds that are Term Bonds, that are Serial Bonds or that are otherwise designated by a specific name or term;

(F) The amount and due date of each Sinking Fund Installment, if any, or the method of determining the same, for the Term Bonds or other Bonds subject to a Sinking Fund Installment;

(G) The denominations of, and the manner of dating, numbering and lettering, the Bonds of such Series, the forms of the Bonds and the Record Date or Dates and Redemption Record Dates for such Series of Bonds;

(H) If not already determined pursuant hereto, the Paying Agent or Paying Agents, Depositaries, market agents, auction agents, securities depositary, if any, and the place or places of payment of the principal and Redemption Price, if any, of the Bonds of such Series;

(I) The Redemption Price or prices, if any, and, subject to Article IV hereof, the redemption terms (including the time or times and the terms and conditions upon which the Bonds of such Series may be redeemed prior to their maturities, including, without limitation, the method of selection for redemption as among maturities and Series), if any, for the Bonds of such Series;

(J) The use of the proceeds of the Bonds of such series, including the amounts (if any) to be deposited in any Fund or Account from the proceeds of the Bonds of such Series or otherwise;

(K) The amount, if any, necessary for deposit in the Housing Reserve Fund in order that amounts therein equal or exceed the Housing Reserve Minimum Requirement and Housing Reserve Maximum Requirement;

(L) Whether Bonds of such Series are to be secured by credit enhancement and, if so, the form of credit enhancement to be obtained, the identity of the Credit Enhancer and the substantial form of the significant documents relating to the credit enhancement;

(M) Whether Bonds of such Series are to contain any tender or put options or the like and, if so, whether and to what extent such tender or put option will have the benefit of a liquidity facility and any alternative liquidity facility and whether such Bonds are to be remarketed following or in connection with such tender or put and, if so, the identity of any remarketing agent and the substantial form of any remarketing agreement relating to such Bonds;

(N) Whether interest on the Bonds of such Series is intended to be excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code or any successor statute thereto;

(O) Such additional matters as may be necessary or appropriate to cause interest on the Bonds of the Series to be issued pursuant to such Series Resolution to be excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code if it is intended that interest on the Bonds be so exempt and to prevent the issuance of such Series from adversely affecting the federal income tax treatment of any Outstanding Bonds and the interest thereon intended to be so exempt; and

(P) Any other provisions deemed advisable by the Authority and not in conflict with the provisions of this Resolution or the Act.

(iv) A Certificate from the Authority stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Resolution or in any Series Resolution that will not be cured upon the issuance of such Series of Bonds.

(v) Except with respect to the first Series of Bonds to be issued hereunder, written verification from each Rating Agency that the issuance of such Series of Bonds will not, in and of itself, adversely affect the Rating Quality of any Outstanding Bonds of any prior Series of Bonds.

(vi) A Cash Flow Certificate.

(vii) If such Series of Bonds is to have the benefit of a liquidity facility or be secured by credit enhancement, the executed liquidity facility or credit enhancement or evidence that all conditions precedent to the issuance of such liquidity facility or credit enhancement have been met as of the date of issuance of such Series of Bonds.

(viii) Such further documents and moneys as are required by the provisions of Article IX or any Series Resolution adopted pursuant to Article IX.

(b) All the Bonds of each Series shall be in fully registered form, and to the extent so provided herein and in the Series Resolution, may be issued in book-entry form only. After the original issuance of Bonds of any Series, no Bonds of such Series shall be issued except in exchange or transfer for other Bonds of such Series pursuant to Article III.

Section 2.03. Provisions for Refunding Issue.

(a) Bonds of one or more Series may be issued and delivered, subject to the provisions and limitations of this Section, for the purpose of refunding any Bonds then Outstanding. The Series Resolution authorizing each such Series of Bonds of a Refunding Issue shall set forth that the purposes for which such Series of Bonds is issued are the payment or redemption of any part or all of the Bonds of any one or more Series then Outstanding, and, if the expenses of such issuance and payment or redemption are not otherwise provided for, the payment of the expenses of such issuance and redemption, and shall contain a description of the Bonds so to be redeemed.

(b) The Bonds of the Series of a Refunding Issue may be delivered by the Authority only if:

(i) There shall thereupon be deposited with the Trustee either:

(A) moneys in an amount sufficient to effect payment at the applicable maturity or Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or Redemption Date, which moneys shall be held by the Trustee in a separate account irrevocably in trust for the Holders of Outstanding Bonds being refunded; or

(B) Permitted Investments in such principal amounts, having such maturities, bearing such interest and otherwise having such terms and qualifications as shall be required to pay the applicable maturity or Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or Redemption Date, which Permitted Investments and moneys shall be held in trust for the Holders of Outstanding Bonds being refunded;

(ii) The Authority shall have given irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds so to be redeemed on a Redemption Date specified in such instructions and to give notice in the manner provided in Section 4.05 that the moneys payable upon such redemption will be available on said Redemption Date for payment to the Bondholders entitled thereto;

(iii) The Trustee shall furnish to the Authority at the time of delivery of the Series of Bonds of the Refunding Issue a certificate or other evidence satisfactory to the Trustee stating that it holds or there is being held in trust the Permitted Investments and/or moneys required to effect such redemption, which statement may be based on a verification report upon which the Trustee may conclusively rely; and

(iv) The requirements set forth in Section 2.02 hereof have been satisfied.

Section 2.04. Other Obligations. So long as any Bonds are Outstanding, the Authority hereby covenants that it will not create or permit the creation of or issue any obligations or create any additional indebtedness (other than additional Series of Bonds, or a Qualified Hedge Agreement pursuant to Section 2.01(a) hereof) which will be secured by a superior or equal charge or superior or equal lien on the amounts pledged hereunder or will be payable, on an equal or superior basis, from any of the Funds or Accounts established and created by or pursuant to this Resolution. The Authority may, however, issue evidences of indebtedness (including general obligations of the Authority) not issued and secured under this Resolution, or subordinate to the charge or lien on the amounts or assets pledged hereunder to secure the Outstanding Bonds.

ARTICLE III

GENERAL BOND PROVISIONS

Section 3.01. Medium of Payment; Form and Date.

(a) The Bonds shall be payable, with respect to interest, principal and premium, if any, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, or in such other coin or currency as set forth in a Series Resolution. Payment of interest (other than at a stated maturity date) and premium, if any, on, and principal (payable upon redemption) of, the Bonds will be made by wire transfer to the Bondholder at the close of business on the Regular Record Date or Redemption Record Date, as the case may be, so long as ownership of such Bond is registered in book-entry form; provided, however, that, if the Authority shall default in the payment of interest due on any Interest Payment Date, such interest shall cease to be payable to the Bondholder on such Record Date and shall be payable, when and if paid by the Authority, to the Bondholder at the close of business on the Record Date fixed therefor by the Trustee (each a "Special Record Date"), which shall not be more than 15 days and not less than 10 days prior to the date of the proposed payment. Interest on the Bonds shall be paid when due, if ownership of such Series of the Bonds is not maintained in book-entry form, by check or draft drawn on the Trustee and mailed by the Trustee to the Bondholder at the address shown on the registration books of the Trustee as of the Record Date. Payment of principal and interest on the stated maturity date on each of the Series of Bonds will be made upon presentation and surrender of each Bond of such Series, at the office of the Trustee or Paying Agent maintained for that purpose. CUSIP number identification with appropriate dollar amount of payment pertaining to each CUSIP number (if such payment represents payment on more than one Bond identified by a particular CUSIP number) shall accompany all payments of principal of, premium, if any, and interest on the Bonds.

(b) Current Interest-Bearing Bonds of each Series issued prior to the first Interest Payment Date thereof shall be dated as of the date or dates specified in the Series Resolution authorizing the issuance thereof. Bonds issued on or subsequent to the first Interest Payment Date shall be dated as of the date of authentication of the Bonds and interest shall be paid from the Interest Payment Date next preceding the date of authentication, unless such date of delivery shall be an Interest Payment Date in which case they shall be dated as of such date of delivery; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds of any Series shall be in default, the Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange shall be dated as of the date to which interest has been paid in full on the Bonds surrendered. Deferred Interest Bonds of any Series shall be dated as of the date or dates specified in the Series Resolution authorizing the issuance thereof. Except as set forth in a Series Resolution, Bonds of each Series shall bear interest from their dated date until the first Interest Payment Date and thereafter from the Interest Payment Date next preceding the date of their authentication by the Trustee (unless authenticated on an Interest Payment Date, in which case they shall bear interest from such Interest Payment Date or, in the case of Bonds issued

while interest on the Bonds shall be in default, from the date to which interest has been paid in full).

(c) For all purposes of the Act relating to or dealing with the date of the Bonds, Bonds of any Series shall be deemed to be dated as of the date specified for the Bonds of such Series in the Series Resolution authorizing the issuance thereof.

(d) All Bonds of each Series shall mature or be subject to a Sinking Fund Installment, if any, on the date or dates fixed by a Series Resolution. Interest on all Current Interest-Bearing Bonds of each Series shall be payable on the dates set forth in the applicable Series Resolution. The first installment of interest due on the Bonds of a Series may be for such period as the Authority shall fix by Series Resolution. Interest on any Deferred Interest Bonds of a Series shall be payable as set forth in a Series Resolution (which may be upon maturity or earlier redemption of such Bonds or such date or dates prior to maturity or earlier redemption of such Bonds as specified in a Series Resolution).

Section 3.02. Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Resolution as may be necessary or desirable to comply with custom, or otherwise, as may be determined by the Authority prior to the delivery thereof.

Section 3.03. Execution and Authentication.

(a) The Bonds of each Series shall be executed in the name of the Authority by the manual or facsimile signature of its Chair, Vice Chair or Director, attested by the manual or facsimile signature of its Secretary, Treasurer or any person duly designated by the Authority, or in such other manner as may be required by law. In case any one or more of the members, officers or employees of the Authority who shall have signed any of the Bonds or whose signature appears on any of the Bonds shall cease to be such member, officer or employee before the Bonds are actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed them or whose signatures appear thereon had not ceased to hold such office or be so employed. Any Bond of a Series may be signed on behalf of the Authority by such persons as at the actual time of the execution of such Bond shall be duly authorized or shall hold the proper office in or employment by the Authority, although on the Date of Original Issuance of a Series of Bonds such persons may not have been authorized or have held such office or employment.

(b) No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Bond substantially in the following form shall have been duly executed by the manual signature of the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated:

This Bond is one of the Bonds of the issue described in the within-mentioned Resolution.

[_____] , as Trustee

By _____
Authorized Signer

The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 3.04. Interchangeability. Bonds, upon surrender thereof at the principal office of the Trustee, with a written instrument of transfer satisfactory to the Trustee, duly executed by the Bondholder or his attorney duly authorized in writing, may, at the option of such Bondholder, be exchanged for an equal aggregate principal amount or Original Principal Amount, as the case may be, of Bonds of the same Series, maturity and interest rate, subject to any provisions contained in a Series Resolution relating to the registration of a Series of Bonds pursuant to a Book Entry System.

Section 3.05. Negotiability and Registry. All the Bonds issued pursuant to this Resolution shall be negotiable as provided in Article 8 of the Uniform Commercial Code, subject to the provisions for registration and transfer contained in the Bonds and this Resolution. So long as any of the Bonds shall remain Outstanding, the Authority shall maintain and keep, at the principal corporate trust office of the Trustee, books for the registration and transfer of Bonds which books shall be open to inspection by the Authority; and, upon presentation thereof for such purpose at said office, subject to any provisions in a Series Resolution relating to the registration of a Series of Bonds pursuant to a Book Entry System, the Authority shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Trustee may prescribe, any Bond entitled to registration or transfer. So long as any of the Bonds remain Outstanding, the Authority shall make all necessary provisions to permit the exchange of Bonds at the principal corporate trust office of the Trustee, subject to any provisions contained in a Series Resolution relating to the registration of a Series of Bonds pursuant to a Book Entry System.

Section 3.06. Transfer of Bonds. Subject to any provisions contained in a Series Resolution relating to the registration of a Series of Bonds pursuant to a Book Entry System, each Bond shall be transferable only upon the books of the Authority, at the designated corporate trust office of the Trustee, by the Holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Bondholder or his duly authorized attorney. Upon the surrender for transfer of any such Bond, the Trustee shall issue in the name of the transferee a new registered Bond or

Bonds of the same Series, aggregate principal amount or Original Principal Amount, interest rate and maturity as the surrendered Bond.

The Authority, the Trustee and any Paying Agent may deem and treat the person in whose name any Outstanding Bond shall be registered upon the books of the Authority as the absolute Holder of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal, premium, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid; neither the Authority, the Trustee nor any Paying Agent shall be affected by any notice to the contrary. To the extent permitted by law, the Authority agrees to indemnify and save any Paying Agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such Holder.

The transfer of Bonds of a particular Series may be further limited as provided in the Series Resolution relating thereto.

Section 3.07. Regulations for Exchange and Transfer. Subject to any provisions contained in a Series Resolution relating to the registration of a Series of Bonds pursuant to a Book Entry System and Section 3.06, in all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Authority shall execute and deliver Bonds in accordance with the provisions of this Resolution and the Series Resolution under which any such Bond is issued. All Bonds surrendered in any such exchanges or transfers shall be cancelled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge to the Bondholder sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the Authority nor the Trustee shall be obligated to make any such exchange or transfer of Bonds called for redemption or, in the case of any proposed redemption of Bonds, during the 15 days prior to the first mailing of notice calling such Bonds or portions thereof for redemption as herein provided. The transferor shall also provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 3.08. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Trustee shall authenticate and deliver a new Bond of like Series, maturity, interest rate and principal amount or Original Principal Amount, as the case may be, as the Bond, if any, so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, if any, or in lieu of and substitution for the Bond, if any, destroyed, stolen or lost, upon filing with the Authority and the Trustee evidence satisfactory to them, the provision to the Authority and the Trustee of satisfactory indemnification and complying with such other reasonable regulations as the Authority or the Trustee may prescribe and paying such expenses as the Authority or the

Trustee may incur in connection therewith. All Bonds so surrendered to the Trustee shall be cancelled by it and notice of such cancellation shall be given to the Authority upon request.

Upon the issuance of any new Bond under this Section, the Authority may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, of the Authority, any Paying Agent or the Trustee connected therewith.

Section 3.09. Preparation of Definitive Bonds; Temporary Bonds. Until the definitive Bonds of any Series are prepared, the Authority may execute and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in any denominations authorized by the Authority, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Authority, at its own expense, shall prepare and execute and, upon the surrender of such temporary Bonds deliver in exchange therefor, at the principal corporate trust office of the Trustee, definitive registered Bonds, of the same Series, aggregate principal amount or Original Principal Amount, as the case may be, interest rate and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution. All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

Section 3.10. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds, or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest, or by any other arrangement; in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds, or claims for interest shall not be entitled, in case of any default under this Resolution, to the benefit of this Resolution or to any payment out of any assets of the Authority or the Funds and Accounts (except funds held in trust for the payment of particular Bonds) held by the Trustee or any Paying Agent, except after the payment of the principal of all Bonds issued and Outstanding the maturity of which has occurred and has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Authority to enter into agreements with particular Bondholders as provided in Section 9.04 hereof or to issue refunding Bonds as provided in Article II hereof, and such issuance shall not be deemed to constitute an extension of the maturity of any Bond or of the time of payment of any claim for interest.

Section 3.11. Money Held for Particular Bonds. The amounts held for the payment of the interest, principal or premium, if any, due on any date with respect to particular Bonds shall be held by the Paying Agent and shall, pending such payment, be held in trust by it for the Bondholders entitled thereto and the Paying Agent shall maintain adequate records for the purpose of segregating the funds, and for the purposes of this Resolution, such interest, principal or premium, after the due date thereof, shall no longer be considered to be unpaid. The Trustee shall notify the Authority of any moneys so held for the payment of interest or principal or premium

due with respect to particular Bonds which remain in the custody of the Trustee or Paying Agent on the date which is one year after the date on which such Bonds matured or were redeemed (or 90 days prior to the day such moneys would, under the laws of the State, escheat or be required to be paid to the State, respectively, if either of such dates is earlier).

Section 3.12. Cancellation of Bonds. Subject to the following paragraph, all Bonds purchased, redeemed or paid shall, if surrendered to the Authority or any Paying Agent, be cancelled by it and delivered to the Trustee, or if surrendered to the Trustee, be cancelled by it. No such Bonds shall be deemed Outstanding under this Resolution and no Bonds shall be issued in lieu thereof. All such Bonds shall be cancelled and shall be destroyed and notice thereof delivered to the Authority upon request.

Provided, however, the foregoing shall not apply to any Bonds purchased by the Authority and specified in a Certificate as not being cancelled, and notwithstanding the foregoing paragraph such Bonds shall not be deemed paid, cancelled or extinguished, although such Bonds while held by the Authority or Trustee on behalf of the Authority shall not be considered Outstanding for the purposes of Article VII, IX or XII hereof, and any amounts receivable thereunder shall be netted against Authority payments due thereunder. Any provision in a Series Resolution which permits the Trustee to purchase Outstanding Bonds in the open market in lieu of redemption and further provides for the cancellation of any Bond so purchased in lieu of redemption, shall not apply to any Bond so purchased and designated as aforesaid in a Certificate.

Section 3.13. Book-Entry Form of Bonds. Notwithstanding anything herein to the contrary, the Authority may elect, by Series Resolution, that Bonds for a particular Series be registered pursuant to a Book Entry System, without certificates being provided or available to the registered Holder thereof.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Procedure and Prices. Bonds of a Series redeemable prior to maturity pursuant to a Series Resolution shall be subject to redemption by or on behalf of the Authority upon notice as provided in this Article, at such times, at such redemption prices and upon such terms in addition to the terms contained in this Article IV as may be specified in the Series Resolution authorizing such Series.

Section 4.02. Redemption at the Election or Direction of Authority. In the case of any redemption of Bonds at the election or direction of the Authority, the Authority shall give written notice to the Trustee of its election or direction so to redeem, of the Redemption Date, of the Series, and of the principal amounts of the Bonds of each maturity of such Series to be redeemed, which Series maturities and principal amounts thereof to be redeemed shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in the applicable Series Resolution or in this Resolution. Such notice shall be given at least 20 days prior to the Redemption Date or such shorter period as shall be acceptable to the Trustee or contained in the applicable Series Resolution. In the event notice of redemption shall have been

given as provided in Section 4.05 (except for a conditional notice as authorized by the penultimate paragraph thereof), there shall be paid on or prior to the Redemption Date (but not necessarily prior to the date on which notice of redemption shall have been given as provided in Section 4.05) to the appropriate Paying Agents, an amount in cash which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the Redemption Date at the Redemption Price thereof, plus interest accrued and unpaid to the Redemption Date, all of the Bonds to be redeemed. The Authority shall promptly notify the Trustee in writing of all such payments by it to a Paying Agent.

Section 4.03. Redemption Otherwise Than at Authority's Election or Direction. Whenever, by the terms of this Resolution and pursuant to a Series Resolution, the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the Authority, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and pay out of moneys available therefor (or pay to any Paying Agent, if applicable) the Redemption Price thereof, plus interest accrued and unpaid to the Redemption Date, to the appropriate Paying Agents in accordance with the terms of this Article IV and the terms of the applicable Series Resolution.

Section 4.04. Selection of Bonds To Be Redeemed. In the event of redemption of less than all of the Outstanding Bonds of like Series, interest rate and maturity, the Bonds to be redeemed in part shall be selected randomly in such manner as the Trustee in its discretion deems fair, unless otherwise specified in the Series Resolution authorizing such Series of Bonds.

Section 4.05. Notice of Redemption. This Section shall govern the provision of notice of redemption unless otherwise provided in a Series Resolution. When the Trustee shall be required or authorized to redeem Bonds, the Trustee shall, in accordance with the terms and provisions of the Bonds and of this Resolution, select the Bonds to be redeemed and shall give notice (which notice shall be dated the date given), in the name of the Authority, of the redemption of Bonds, which notice shall specify (i) the name of the Bonds, (ii) the Series, (iii) the date of issue, (iv) the Redemption Price, (v) the maturities, interest rates and CUSIP numbers of the Bonds to be redeemed, (vi) the Redemption Date and the place or places where amounts due upon such redemption will be payable (including name and address of the Trustee or redemption agent, with contact person and telephone number), (vii) if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed (i.e., certificate numbers), (viii) in the case of a Bond to be redeemed in part only, such notice shall also specify the portion of the principal amount or Original Principal Amount, as the case may be, thereof to be redeemed and (ix) such other information as may be specified in a Series Resolution with respect to a particular Series of Bonds. Such notice shall further state that, except as otherwise provided in the penultimate paragraph of this Section, on the Redemption Record Date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, with interest accrued and unpaid to such date, and that from and after such date, interest thereon shall cease to accrue and be payable. Such notice shall be given by mailing a copy of such notice, first-class mail, postage prepaid, at least 20 days but no more than 60 days prior to such Redemption Date, to the Holder of any Bond, all or a portion of which is to be redeemed, at his last address, if any, appearing upon the registry books, or as may otherwise be specified in the Series Resolution authorizing the issuance of such Series

of Bonds, but failure so to mail any such notice or any defect in such notice shall not be a condition precedent to or affect the validity of any proceedings for the redemption of other Bonds.

In addition, the Trustee will send (no more than 60 days after the date for redemption) a further notice of redemption to each Bondholder who has not presented his or her Bond for redemption within 30 days subsequent to the Redemption Date. Each such notice will be sent by first-class mail, postage prepaid.

Any notice of redemption pursuant to this Section 4.05 may, if directed by the Authority, be given specifying that the redemption of the Bonds so called for redemption is made conditional upon the deposit of sufficient amounts to pay the Redemption Price therefor on the Redemption Date and, if amounts are not so available, such notice of redemption shall be cancelled and be null and void and the Bonds so called for redemption and subject to such conditional redemption notice shall continue to remain Outstanding.

Any notice, direction or other communication given hereunder from the Authority to any Fiduciary, from any Fiduciary to the Authority, or upon the approval of a Bondholder from the Authority or any Fiduciary to such Bondholder, may be given by sending it via e-mail or other electronic means in lieu of regular mail in accordance with Section 12.04.

Section 4.06. Payment and Cancellation of Bonds Redeemed and Purchased. Notice having been given in the manner provided in Section 4.05, the Bonds or portions thereof called for redemption and specified in said notice shall, except as provided in Section 4.05, become due and payable on the Redemption Date specified in said notice at the Redemption Prices thereof applicable on such date, plus unpaid interest on said Bonds or portions thereof accrued to such date, and upon presentation and surrender thereof at the place or places specified in said notice, said Bonds or portions thereof shall be paid at the said Redemption Prices, plus unpaid interest on said Bonds or portions thereof accrued to such date. CUSIP number identification with appropriate dollar amounts for each CUSIP number shall accompany all redemption payments and interest payments, whether by check or by wire transfer. If there shall be so called for redemption less than all of a Bond, the Authority shall execute and cause to be delivered, upon the surrender of such Bond to the Trustee, without charge to the Holder thereof, for the unredeemed balance of the principal amount or Original Principal Amount of the Bond so surrendered, Bonds of like Series, designation, interest rate and maturity. If, on such Redemption Date, money for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest thereon accrued and unpaid to such date, shall be held by or on behalf of the Trustee so as to be available therefor on such date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such Redemption Date, interest on the Bonds or portions thereof of such maturity so called for redemption shall cease to accrue and become payable, and said Bonds or portions of Bonds shall no longer be considered Outstanding hereunder.

Section 4.07. Redeemed Bonds as Satisfaction of Sinking Fund Installments. Upon any purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established pursuant to a Series Resolution (other than by application of Sinking Fund Installments), an amount equal to the applicable Redemption Prices thereof (as specified in a Series Resolution) shall be credited towards a part of all or any one or more of such

Sinking Fund Installments, as directed by the Authority in a Certificate delivered to the Trustee by the forty-fifth (45th) day preceding the next date a Sinking Fund Installment is due, as directed in a Series Resolution (or Series Certificate), or, failing any such direction, toward such Sinking Fund Installments on a proportionate basis, as near as possible after adjusting for authorized denominations. Such applicable Redemption Prices shall be the respective Redemption Prices which would be applicable upon the redemption of such Bonds from the respective Sinking Fund Installments on the due dates thereof. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of the calculation of principal installments due on a future date.

Section 4.08. Purchase of Bonds; Tenders. Unless expressly provided otherwise herein, if at any time moneys are held in any Fund or Account hereunder or in a Series Resolution to be used to redeem Bonds, in lieu of such redemption the Authority may direct the Trustee to use part or all of such moneys to purchase Bonds of the respective Series, interest rates and maturities that would otherwise be subject to redemption from such moneys. The direction from the Authority must contain specific purchase directions and may include settlement of a trade arranged by or on behalf of the Authority. The purchase price of such Bonds shall not exceed the applicable Redemption Price of the Bonds which would be redeemed but for the operation of this Section (accrued interest to be paid from the same Fund or Account from which accrued interest would be paid upon the redemption of such Bonds). Any such purchase must be completed prior to the time notice would otherwise be required to be given to redeem the related Bonds. All Bonds so purchased shall be cancelled by the Trustee and applied as a credit against the Authority's obligation to redeem such Bonds from such moneys. Savings resulting from the purchase of Bonds at less than their respective Redemption Prices shall be used to purchase or redeem additional Bonds to the extent permitted by the provisions hereof and the relevant Series Resolution or, at the request of the Authority, and for Bonds that are tax-exempt upon receipt of a Counsel's Opinion that such action will not adversely affect the tax-exempt status of interest on the Bonds, withdrawn and paid to the Authority free and clear of the lien of this Resolution.

The Authority may direct the Trustee, on behalf of the Authority, to request the submission of tenders following notice requesting such submission prior to making the purchases authorized pursuant to the preceding paragraph. The Authority may specify the maximum and minimum periods of time which shall transpire between the date upon which such notice is to be given and the date upon which such tenders are to be accepted. No tenders shall be considered or accepted at any price exceeding the price specified in the preceding paragraph for the purchase of Bonds. The Authority shall accept bids with the lowest price and in the event the moneys available for purchase pursuant to such tenders are not sufficient to permit acceptance of all tenders and if there shall be tenders at an equal price above the amount of moneys available for purchase, then the Trustee shall select randomly, or in such manner as it shall determine in its discretion, the Bonds tendered which shall be purchased.

ARTICLE V

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts and Application of Bond Proceeds.

(a) The following special Funds and Accounts shall be held by the Trustee or by a Fiduciary, in a segregated account, in the name of the Trustee and shall be established upon establishment of an Account in such Fund pursuant to a Series Resolution and otherwise at such time, if any or as necessary, to account for funds to be deposited therein pursuant to the terms hereof or of any Series Resolution or as directed by a Certificate:

(i) a Program Fund, and therein a Series Account and a Cost of Issuance Account;

(ii) a Revenue Fund, and therein a Debt Service Account and a Redemption Account;

(iii) a Housing Reserve Fund; and

(iv) a Surplus Fund.

No amounts may be withdrawn, transferred or paid out of any of the above Funds except as provided in this Article or in a Series Resolution. The Housing Reserve Fund constitutes a "Housing Reserve Fund" within the meaning of 30-A M.R.S.A. § 4906(1).

(b) The Trustee shall also establish such other funds, accounts or subaccounts as the Authority may direct or as the Trustee shall determine may be reasonably required to carry out its duties under this Resolution, and moneys deposited therein shall be used only as provided in the directions of the Authority.

(c) There is hereby established in each Fund a separate Account or Subaccount for each Series of Bonds. Except as otherwise provided in a Series Resolution, the proceeds of a particular Series of Bonds issued under a Series Resolution and the earnings on investments of moneys in the Funds or Accounts relating to a particular Series of Bonds, when required to be deposited in any Fund, shall be deposited or credited to the Account or Subaccount established therein for that particular Series of Bonds. Withdrawals from Funds and Accounts in connection with a particular Series of Bonds may be made and used (including for purposes of redemption) for such Series of Bonds as well as any other Series of Bonds unless specifically prohibited in a related Series Resolution. For purposes of investment, the Trustee and the Authority may consolidate the Accounts required to be established in a particular Fund into one Fund so long as adequate records are maintained as to the amounts held in each such Fund allocable to each Series of Bonds.

(d) The proceeds from any Series of Bonds shall be deposited in the Funds and Accounts established under this Resolution in accordance with the terms of this Article V and of the Series Resolution authorizing such Series of Bonds; provided that the Authority may establish a temporary account into which the proceeds of the sale of a Series of Bonds may be deposited initially to facilitate the ultimate deposit of such proceeds in the Funds and Accounts created hereby. The Trustee shall also deposit in the Funds and Accounts established under this Resolution such other moneys or assets of the Authority as the Authority may direct by a Certificate of an Authorized Officer.

Section 5.02. Program Fund.

(a) There shall be deposited from time to time in the Program Fund, and in the appropriate subaccounts of the Series Account and the Costs of Issuance Account therein, any proceeds of the sale of Bonds representing principal or premium or other amounts required to be deposited therein pursuant to this Resolution and any Series Resolution, and any other amounts determined by the Authority to be deposited therein from time to time.

(b) Subject to the provisions of the applicable Series Resolution, amounts in the Series Account of the Program Fund shall be expended only (i) to make or finance Loans, which may include making Loans, acquiring Loans or refinancing Loans, and acquiring or refinancing Mortgage-Backed Securities; (ii) to purchase or redeem a Series in accordance with subsection (e) of this Section; (iii) to pay, purchase or redeem Bonds, notes or other bonds of the Authority or any other entity in accordance with subsection (f) of this Section; and (iv) if so provided in a Series Resolution, to reimburse a Credit Enhancer for amounts obtained under credit enhancement or a liquidity provider for amounts paid under a Liquidity Agreement for the purposes described in clauses (ii) or (iii) of this subsection.

(c) Subject to the provisions of a Series Resolution related to a Series of Bonds, amounts in the Cost of Issuance Account shall be expended only to pay Costs of Issuance for such Series of Bonds, as directed by the Authority and any moneys remaining therein after all Costs of Issuance for such Series of Bonds have been satisfied shall be transferred to the subaccount of the Series Account related to such Series of Bonds.

(d) The Trustee shall pay out and permit the withdrawal of amounts on deposit in the Program Fund at any time for the purpose of making payments pursuant to clause (i) of subsection (b) of this Section, but only upon receipt of:

(i) a written requisition of an Authorized Officer of the Authority setting forth the amount to be paid, the person or persons to whom such payment is to be made (which may be or include the Authority) and, in reasonable detail, the purpose of such withdrawal, and, if applicable, the subaccount of the Program Fund from which such withdrawal is to be made; and

(ii) other items as may be required under this Resolution or a Series Resolution.

(e) At any time the Authority may direct the Trustee in writing to transfer amounts in the Series Account of the Program Fund not required for the purposes set forth in subsection (b) of this Section to the Redemption Account or to apply such amounts directly to the redemption, purchase or retirement of Bonds in accordance with their terms and the provisions of Article IV.

(f) If so provided in a Series Resolution authorizing the issuance of a Series of Bonds, the Authority may direct the Trustee in writing to transfer amounts in the Program Fund to fund the payment, purchase or redemption of bonds, which may include interest thereon, theretofore issued by the Authority or any other entity upon receipt by the Trustee of a written requisition setting forth (i) the bonds with respect to which the transfer is to be made, and (ii) the amount of the transfer.

(g) Upon the final disbursement of amounts on deposit in the Program Fund or any sub-account thereof, at the written direction of the Authority, the Trustee shall close the Program Fund or such account or subaccount thereof.

Section 5.03. Maintenance of Escrows. All amounts received by the Authority or a servicer on behalf of the Authority as escrow payments shall be deposited as promptly as possible in escrow accounts maintained by the Authority or a servicer deemed responsible for such purpose by the Authority. Amounts in such escrow accounts, or in any sub-account therein, shall be within the control of the Authority or such servicer and may, but need not, be held by the Trustee. Amounts in such escrow accounts shall not be subject to the lien and pledge of this Resolution or a Series Resolution, unless otherwise provided therein. Such amounts may be set aside and held with any similar funds similarly held and may be applied to any lawful purpose of the Authority subject to the terms of the Loan with respect to which such amounts were received and of any agreement between the Authority and the mortgagor or any Credit Enhancer relating to the Loan. All escrow payments and all Revenues and other payments received and held by a Depositary with respect to such Loan shall be separately identified.

Section 5.04. Revenue Fund.

(a) The Authority shall cause all Pledged Receipts to be deposited promptly with the Trustee in the Revenue Fund or an Account or subaccount created therein. There shall also be deposited in the Revenue Fund or an Account or subaccount created therein any other amounts required to be deposited therein pursuant to this Resolution and any Series Resolution.

(b) Except as otherwise provided in a Series Resolution with respect to a Series of Bonds, the Trustee shall transfer from the Revenue Fund: (i) to the Debt Service Account or subaccounts created thereunder, as applicable, on or before each Interest Payment Date, the amounts required for the payment of the Principal, if any, and interest due on a Series of Bonds on such Interest Payment Date, as well as any payments required under a Qualified Hedge Agreement; (ii) to the Redemption Account, or subaccounts created thereunder, as applicable, on or before the Redemption Date or date of purchase, the amounts required to pay the Redemption Price on Outstanding Bonds to be redeemed

or purchased on such date; and such amounts so deposited pursuant to (i) or (ii) shall be applied by the Trustee to such payments, provided, however, that if, pursuant to a Series Resolution, amounts obtained under credit enhancement are to be used to make the payments referred to in this subsection (b), then amounts in the Revenue Fund which would have otherwise been used to make such payments may be applied to reimburse the Credit Enhancer for the amounts so obtained, all in accordance with such Series Resolution; and (iii) amounts to pay Program Expenses, as directed by the Authority.

(c) On the last Business Day of each fiscal year of the Authority or such other date, if any, as shall be specified by a Series Resolution with respect to a Series of Bonds, the Trustee shall deliver to the Authority a certificate containing a statement which sets forth, as of such date, the amount remaining in the Accounts of the Revenue Fund as of such date after deducting all payments required to have been made pursuant to subsection (b) of this Section and the amount, if any, required to be transferred to the applicable Accounts of the Housing Reserve Fund to maintain the Housing Reserve Minimum Requirement and the Housing Reserve Maximum Requirement and/or to the Program Fund. Concurrently with the delivery of such certificate, the Trustee shall transfer from the related Account or Accounts of the Revenue Fund (i) first, to the related Account or Accounts of the Housing Reserve Fund, an amount equal to the amount necessary to be transferred thereto in order that the amount on deposit therein be equal to the Housing Reserve Requirement (or such lesser amount as may be available), (ii) second, to the related Account or Accounts of the Program Fund, if the Authority so directs in writing at least three (3) Business Days prior to such last Business Day, such amount as the Authority determines is required to finance Loans, as evidenced by a certificate of an Authorized Officer, and (iii) third, if so directed by the Authority in writing at least three (3) Business Days prior to such last Business Day, to the payment of Program Expenses and any other costs or expenses of the Authority in connection with any program of the Authority, all as designated in a Certificate. At any time after the delivery of such certificate by the Trustee and after the transfers described in (i), (ii) and (iii) above, if applicable, have been made, except as otherwise provided in a Series Resolution, or unless otherwise directed by the Authority in writing, any amount remaining in the Revenue Fund shall be deposited into the Surplus Fund.

(d) Notwithstanding any other provision of this Section, the Trustee may at any time make transfers from the Revenue Fund, upon the written direction of an Authorized Officer, to the Redemption Account for the purposes thereof. No such transfer shall be made, however, unless there is on deposit in the Revenue Fund after such transfer an amount equal to the debt service accrued on all Outstanding Bonds as of the date of such transfer and any payments due pursuant to a Qualified Hedge Agreement.

Section 5.05. Redemption Account.

(a) There shall be deposited in the Redemption Account all amounts which are required to be deposited therein pursuant to this Resolution and any Series Resolution and any other amounts available therefor and determined by the Authority to be deposited therein. Subject to the provisions of this Resolution or of any Series Resolution authorizing

the issuance of a Series of Bonds requiring the application thereof to the payment, purchase or redemption of any particular Bonds, the Trustee shall apply any amounts deposited in the Redemption Account to the purchase or redemption of Bonds at the times and in the manner provided in this Section and Article IV.

(b) Except as otherwise provided in an applicable Series Resolution, at any time before the thirtieth day prior to the day upon which a Series of Bonds are to be paid or redeemed from such amounts, the Trustee shall, if so directed in writing by the Authority, apply amounts in the Redemption Account to the purchase of any of the Bonds of a Series which may be paid or redeemed by application of amounts on deposit therein. The Trustee shall purchase Bonds of a Series at such times, for such prices, in such amounts and in such manner as the Authority shall from time to time direct. In the event that Sinking Fund Installments have been established for the Bonds so purchased or redeemed, such Sinking Fund Installments shall be credited in the manner provided in Section 5.04(b). The purchase price paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Bonds purchased shall not exceed the Redemption Price on such Bonds, if then subject to redemption, or if not subject to redemption, the Redemption Price payable on any such date upon which such Bond is next subject to redemption other than from Sinking Fund Installments; provided, however, that, to the extent permitted by law, the purchase of such Bonds may be at prices exceeding that set forth above in this subsection (b) as directed by the Authority if the Authority shall provide funds to pay for such excess price. In the event the Trustee is able to purchase Bonds of a Series at a price less than the Redemption Price at which such Bonds were to be redeemed, then, upon the payment by the Trustee of the purchase price of such Bonds, the Trustee shall transfer the difference between the amount of such purchase price and the amount of such Redemption Price to, and deposit the same in, the Revenue Fund.

Section 5.06. Housing Reserve Fund. There shall be maintained in the Housing Reserve Fund, from the proceeds of the sale of the Bonds or such other sources as specified by a direction of an Authorized Officer of the Authority, an amount at least equal to both of the Housing Reserve Minimum Requirement and the Housing Reserve Maximum Requirement.

The Trustee shall, to the extent the amount in the Revenue Fund is insufficient to pay principal of and interest on the Bonds and any Sinking Fund Installments and any payments required by a Qualified Hedge Agreement, transfer from the Housing Reserve Fund (after transferring any amounts in any capitalized interest account established pursuant to a Series Resolution or in the Surplus Fund (to the extent of amounts available therein and therefor)) to the Revenue Fund to pay the principal of and interest on the Bonds and any Sinking Fund Installments and any payments required by a Qualified Hedge Agreement. The Trustee shall notify the Authority in writing prior to any such withdrawal from the Housing Reserve Fund.

In addition to the payments made into the Housing Reserve Fund pursuant to this Section or otherwise, the Authority shall deposit in the Housing Reserve Fund any money appropriated and paid to the Authority by the State pursuant to the Act for the purpose of restoring the Housing Reserve Fund to the Housing Reserve Minimum Requirement.

The Authority shall at all times maintain the Housing Reserve Fund and do and perform or cause to be done and performed each and every act and thing with respect to the Housing Reserve Fund provided to be done or performed by or on behalf of the Authority or the Trustee under the terms and provisions of this Article V and of the Act.

In order to better secure the Bonds and to make them more marketable and to maintain in the Housing Reserve Fund an amount equal to the Housing Reserve Minimum Requirement, and in accordance with the provisions of Section 4906 of the Act, the Authority shall cause the Director annually, on or before December 1 of each year, to make and deliver to the Governor of the State a certificate stating the sum, if any, that is necessary to restore the Housing Reserve Fund to an amount equal to the Housing Reserve Minimum Requirement. All money received by the Authority from the State in accordance with the provisions of Section 4906 of the Act, pursuant to any such certification, shall be paid to the Trustee for deposit in and credit to the Housing Reserve Fund.

So long as any such credit or transfer does not reduce the amount in the Housing Reserve Fund below the Housing Reserve Minimum Requirement or the Housing Reserve Maximum Requirement, any investment earnings on moneys held in the Housing Reserve Fund shall be credited to the Revenue Fund, unless directed by a Certificate of an Authorized Officer to be transferred or credited by the Trustee to another Fund or Account or to the Authority at such times as directed by such Authorized Officer.

Any balance in the Housing Reserve Fund in excess of the greater of the Housing Reserve Minimum Requirement or the Housing Reserve Maximum Requirement shall, at the option of the Authority and upon the direction of a Certificate of an Authorized Officer, be transferred or credited by the Trustee to the Revenue Fund or other Fund or Account at such times as directed by such Authorized Officer.

Section 5.07. Surplus Fund.

(a) Upon the direction of a Certificate of an Authorized Officer, the Trustee shall from time to time pay out money from the Surplus Fund to finance Loans.

(b) The Trustee shall, to the extent the amount in the Revenue Fund is insufficient to pay the principal of and interest on the Bonds and any Sinking Fund Installment when due and any amounts required to be paid to the Hedge Provider of a Qualified Hedge Agreement (other than fees or termination payments payable to such Hedge Provider) unless otherwise provided in such Qualified Hedge Agreement or any related Series Resolution, transfer (after transferring amounts in any capitalized interest account established in connection with a Series Resolution) moneys from the Surplus Fund, to the extent of amounts therein which are not otherwise restricted for specific purposes, to the Revenue Fund to pay the principal of and interest on the Bonds and any Sinking Fund Installment and any amounts required to be paid to the Hedge Provider of a Qualified Hedge Agreement (other than fees or termination payments payable to such Hedge Provider) unless otherwise provided in such Qualified Hedge Agreement or any related Series Resolution.

(c) Any investment earnings on moneys held in the Surplus Fund shall remain in the Surplus Fund, unless directed by a Certificate of an Authorized Officer to be transferred or credited by the Trustee to another Fund or Account.

Section 5.08. Hedging Transaction. A Hedge Agreement is a Qualified Hedge Agreement if (1) at the time of execution of such Hedge Agreement, the Hedge Provider of the Hedge Agreement is a Qualified Hedge Institution or the obligations of said Hedge Provider under the Hedge Agreement are unconditionally guaranteed by a Qualified Hedge Institution and (2) the Authority designates the Hedge Agreement as a Qualified Hedge Agreement by a Certificate.

If the Authority shall enter into any Qualified Hedge Agreement with respect to any Bonds and the Authority has made a determination that the Qualified Hedge Agreement was entered into for the purpose of hedging or managing the interest due with respect to specified Bonds, then during the term of the Qualified Hedge Agreement and so long as the Hedge Provider of the Qualified Hedge Agreement is not in default:

(a) for purposes of any calculation of debt service (other than the Housing Reserve Requirement), the interest rate on the Bonds with respect to which the Qualified Hedge Agreement applies shall be determined as if such Bonds had interest payments equal to the interest payable on those Bonds less any payments reasonably expected to be made to the Authority by the Hedge Provider and plus any payments reasonably expected to be made by the Authority to the Hedge Provider in accordance with the terms of the Qualified Hedge Agreement (other than fees, expenses or termination payments payable to such Hedge Provider for providing the Qualified Hedge Agreement);

(b) any such payments (other than fees, expenses and termination payments) required to be made by the Authority to the Hedge Provider pursuant to such Qualified Hedge Agreement shall be made from amounts on deposit in the Revenue Fund pursuant to Section 5.04(b)(i), and are entitled to the same security afforded to Bondholders by this Resolution for payments made pursuant to such Section, unless otherwise specified by the Authority to be paid from other moneys;

(c) any such payments received by or for the account of the Authority from the Hedge Provider pursuant to such Qualified Hedge Agreement shall constitute Revenues immediately subject to the pledge of this Resolution and be deposited in the Revenue Fund; and

(d) fees not equivalent to regular Bond debt service payments, as well as expenses and termination payments, if any, payable to the Hedge Provider may be paid from amounts on deposit in the Revenue Fund pursuant to Section 5.04(b)(iii), or such other funds as are specifically designated by the Authority, in each case if and to the extent expressly provided in the Qualified Hedge Agreement or applicable Series Resolution.

ARTICLE VI

COVENANTS

Section 6.01. General. The Authority hereby particularly covenants and agrees with the Trustee and with the Bondholders of each Series and makes provisions which shall be a part of its contract with such Bondholders, to the effect and with the purpose set forth in the following provisions and Sections of this Article. The provisions of this Article shall be effective from and after the time of the delivery by the Authority of the Bonds of each Series issued under this Resolution.

Section 6.02. Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid from the Trust Estate, the principal amount of and interest, and premium, if any on the Bonds, at the dates and places and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, and shall duly and punctually pay or cause to be paid from the Trust Estate to the Trustee any part of any and all Sinking Fund Installments required pursuant to any provision of this Resolution and the related Series Resolutions.

Section 6.03. Personnel and Servicing of Programs. The Authority shall at all times appoint, retain and employ competent personnel for the purpose of carrying out its respective programs and shall establish and enforce reasonable rules, regulations, tests and standards governing the employment of such personnel at reasonable compensation, salaries, fees and charges, and all persons employed by the Authority shall be qualified for their respective positions.

Section 6.04. Tax Covenants. The provisions of this Section shall apply only to the Bonds as to which the related Series Resolution shall determine that interest thereon shall be excludable from gross income for federal income tax purposes. The Authority shall take no action which may cause interest on the Bonds to be included in gross income for federal income tax purposes and shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on the Bonds shall not be includable in gross income for federal income tax purposes, including without limitation making timely arbitrage rebate payments.

The Authority covenants and certifies to and for the benefit of the Holders of the Bonds from time to time Outstanding that so long as any of the Bonds remain Outstanding, moneys on deposit in any Fund or Account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause the Bonds to be classified as “arbitrage bonds” within the meaning of Sections 143 or 148 of the Code. Pursuant to such covenant, the Authority obligates itself, to the extent permitted by law, to comply throughout the term of the issue of the Bonds with the requirements of Sections 143 or 148 of the Code.

In the event that at any time the Authority is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under this Resolution, the Authority shall so direct the Trustee in writing. The Trustee shall take

such action as may be necessary in accordance with such instructions and shall be deemed to be in compliance hereof to the extent it follows such instructions.

Section 6.05. Accounts and Reports. The Trustee shall keep proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the Bonds and all Funds and Accounts established by or pursuant to this Resolution or any Series Resolution, which shall at all reasonable times be subject to the inspection of the Authority or of the Bondholders (or beneficial owners if their names and addresses have been filed with the Trustee for such purposes) of an aggregate of not less than 5% in principal amount of Bonds then Outstanding or their representatives duly authorized in writing. If the Trustee furnishes such books to the Authority and the same (including the balances shown thereon) are not consistent with those reported and maintained by the Authority, the Trustee shall forthwith reconcile or hire an independent accountant of national standing to reconcile the same (any expenses of the Trustee in connection therewith to be reimbursed as provided in Section 11.07 hereof), and until so reconciled, such books maintained by the Authority shall be deemed complete and accurate.

Upon request by the Authority, the Trustee shall forward to the Authority, on the Business Day following any transaction in connection with a Fund or Account, a statement of such transactions in reasonable detail and form. After the first day, and on or before the tenth day, of each month, the Trustee shall use its best efforts to forward to the Authority a statement of account for transactions during the preceding month and balances as of the last day of such month in reasonable detail and form. The information required to be supplied to the Authority pursuant to this subsection may, upon the agreement of the Authority and the Trustee, be supplied to the Authority in such other manner as shall be satisfactory to the Authority.

Annually, within one hundred fifty (150) days after the close of each Fiscal Year, the Authority shall cause a report of audit of its financial records and an Accountant's Certificate with respect thereto to be made. The report shall show (i) revenues and expenses for the Fiscal Year and (ii) assets, liabilities and fund balances at the end of the Fiscal Year, including all Funds and Accounts established by this Resolution (which may be consolidated). Notwithstanding any other provision of this Resolution, for purposes of such report, revenues and expenses shall be accrued, and assets shall be valued in such manner as is deemed by the Authority and the Authority's accountant to be necessary to present fairly the results of operations for the Fiscal Year and the financial position of such Funds and Accounts at the end of the Fiscal Year in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding Fiscal Year.

A copy of each audit report and Accountant's Certificate shall be mailed promptly by the Authority to each Rating Agency and to each Bondholder or beneficial owner if their name and address have been filed with the Trustee for such purpose.

The Trustee shall promptly notify the Authority of any fact or circumstance of which a responsible officer in the corporate trust department has actual knowledge which could adversely affect the Trustee's ability to provide for timely payment of the principal of, premium, if any, or interest on the Bonds or any material defaults or failures of which the Trustee, after reasonable diligence, has knowledge, to comply with the provisions of this Resolution.

Section 6.06. Compliance With Conditions Precedent. Upon the date of execution and delivery of a Series of Bonds, all conditions, acts and things required by law or by this Resolution to exist, to have happened or to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed, and such Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by law.

Section 6.07. Further Assurance. At any and all times, the Authority shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning or confirming all and singular the rights, Funds and Accounts pledged, assigned and established pursuant to this Resolution, including the moneys, securities and Permitted Investments hereby pledged or assigned, or assigned in trust, or intended so to be, or which the Authority may hereafter become bound to pledge or assign in trust.

Section 6.08. Powers as to Bonds and Pledge; Release of Pledge. The Authority is duly authorized, pursuant to law, to authorize and issue Bonds, to enter into this Resolution and to pledge the Funds and Accounts established by this Resolution, including the money, Permitted Investments and securities therein purported to be pledged, in the manner and to the extent provided in this Resolution, and to assign, transfer and set over unto the Trustee in trust the moneys held in such Funds or the Accounts thereof or any securities or Permitted Investments purchased with amounts therein, purported to be so assigned in trust by this Resolution, in the manner and to the extent provided in this Resolution and in any Series Resolution. The moneys, securities, Funds and Accounts so pledged and so held in trust are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and assignment in trust created by this Resolution, and all corporate action on the part of the Authority to that end has been duly and validly taken. Each Series of Bonds and the provisions of this Resolution are and will be the valid and legally enforceable special obligations of the Authority in accordance with their terms and the terms of this Resolution and the related Series Resolution, payable from and secured by a pledge of the Trust Estate. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the money, securities, Funds and Accounts so pledged under this Resolution and all the rights of the Bondholders under this Resolution, against all claims and demands of all persons whomsoever.

ARTICLE VII

DISCHARGE OF LIEN

If the Authority shall pay or cause to be paid, or there shall otherwise be paid or provision for payment made, to the Holders of all the Bonds the principal amount of, premium, if any, and all interest due or to become due thereon at the times and in the manner stipulated therein, then unless there shall be delivered to the Trustee a Certificate of an Authorized Officer to the contrary, these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon the Trustee shall cancel and discharge the lien of this Resolution, and execute and deliver to the Authority such instruments in writing as shall be requisite to release the lien hereof, and reconvey, release, assign and deliver unto the Authority any and all the estate, right, title and

interest in and to any and all rights or property assigned or pledged to the Trustee or otherwise subject to the lien of this Resolution, except cash held by the Trustee or any Paying Agent for the payment of the principal amount of, premium, if any, and interest on any Series of Bonds.

Any Bond shall be deemed to be paid within the meaning of this Article and for all purposes of this Resolution and any Series Resolution when payment of the principal amount of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein), either (a) shall have been made or caused to be made in accordance with the terms thereof or (b) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (i) moneys sufficient to make such payment and/or (ii) Federal Obligations (which may be subject to redemption prior to maturity only if such terms of redemption do not adversely affect the Rating of the Bonds) maturing as to principal and interest in such amount and at such time as will ensure the availability of sufficient moneys to make such payment. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Resolution, except for the purposes of any such payment from such moneys or Federal Obligations.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Authority shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instruction:

- (i) stating the date when the principal amount (and premium, if any) of each such Bond is to be paid, whether at maturity or on a Redemption Date;

- (ii) to call for redemption pursuant to this Resolution (and at such times as notice thereof may be given in accordance with this Resolution) any Bonds to be redeemed prior to maturity pursuant to (b) hereof; and

- (iii) to mail, as soon as practicable, in the manner prescribed by Section 4.05 hereof, a notice to the Holders of such Bonds and to each Rating Agency stating that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Article and stating the maturity or Redemption Date upon which moneys are to be available for the payment of the principal amount or Redemption Price, if applicable, on said Bonds as specified in (i) hereof and, if a maturity date is stated, whether or not such Bonds continue to be subject to redemption.

All moneys so deposited with the Trustee as provided in this Article may at the direction of the Authority also be invested and reinvested in Federal Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Federal Obligations in the hands of the Trustee pursuant to this Article which is not required for the payment of the Bonds and interest and premium, if any, thereon with respect to which such moneys shall have been so deposited shall be deposited in the Revenue Fund as and when realized and collected for such an application as are other moneys deposited in such Fund.

Notwithstanding any provision of any other Article of this Resolution which may be contrary to the provisions of this Article, all moneys or Federal Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including interest and premium thereof, if any) with respect to which such moneys and Federal Obligations have been so set aside in trust.

Anything in Article IX hereof to the contrary notwithstanding, if moneys or Federal Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Holder of each Bond affected thereby.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01. Events of Default. Each of the following shall constitute an event of default under this Resolution and is herein called an “Event of Default”:

(a) Interest on any of the Bonds is not paid by the Authority when due and such nonpayment continues for a period of fifteen (15) days, the principal of any Bonds is not paid by the Authority at maturity or the Redemption Price of any Bond is not paid by the Authority at a Redemption Date at which such Bonds have been called for redemption and such nonpayment of principal at maturity or on such Redemption Date continues for a period of fifteen (15) days;

(b) There is a default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Authority in this Resolution, in any Series Resolution or in the Bonds contained, and such default is not remedied within a period of at least sixty (60) days after notice thereof pursuant to Section 8.10 hereof; or

(c) The Authority shall file any petition seeking relief under the federal bankruptcy laws or under any other applicable law or statute of the United States of America or of the State; or the State has materially limited or altered in a negative way the rights of the Authority pursuant to the Act, as in force on the date of this Resolution, to fulfill the terms of any agreements made with the Bondholders or in any way impaired or reduced the rights, remedies or security of Bondholders while any Bonds are Outstanding.

If the Authority determines that an Event of Default has occurred under Section 8.01(b) or (c), the Authority shall promptly notify the Trustee thereof.

Upon the occurrence of an Event of Default as set forth above and of which the Trustee has actual knowledge or has been provided a notice from the Authority regarding an Event of Default, and upon the cure, if any, of any such Event of Default, in either case, the Trustee shall provide written notice thereof to the Authority and the Holders of the Bonds then Outstanding (and each beneficial owner who has filed a written notice with the Trustee requesting the same) within

10 days of receiving such notice or learning of the Event of Default or the occurrence of such Event of Default.

Section 8.02. Remedies; Rights of Bondholders. Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy under the Act, at law or in equity, to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding, including, without limitation, the following:

(a) The Trustee may declare the principal amount of all Bonds Outstanding and the interest accrued thereon to be immediately due and payable, whereupon such principal amount and interest shall thereupon become immediately due and payable, if an Event of Default pursuant to Section 8.01(a) has occurred;

(b) The books of record and account of the Authority and all records relating to the Bonds shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys;

(c) The Authority, whenever the Trustee shall demand, will account as if it were the trustee of an express trust for all money, securities and Funds and Accounts pledged or held under this Resolution for such period as shall be stated in such demand;

(d) The Trustee may, by mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, including the right to require the Authority to receive and collect Pledged Receipts adequate to carry out the covenants and agreements as to, and pledge of, such Pledged Receipts, and to require the Authority to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;

(e) The Trustee may bring suit upon the Bonds; and

(f) The Trustee may, by action or suit in equity, require the Authority to account as if it were the trustee of an express trust for Bondholders;

If an Event of Default shall have occurred and, if requested so to do by the Holders of not less than 50% in aggregate principal amount of Bonds then Outstanding and indemnified as provided in Sections 11.03, 11.05 and 11.07 hereof, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by this Section, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

No remedy by the terms of this Resolution conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such

default or Event of Default or acquiescence therein; and every such right and power may be exercised from time to time as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 8.03. Right of Bondholders To Direct Proceedings. Anything in this Resolution to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Resolution, or for the appointment of a receiver or any other proceedings hereunder, provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Resolution.

Section 8.04. Appointment of Receivers. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under this Resolution, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.05. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall (in the case of a default described in Section 8.01(a) hereof, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the outstanding fees, expenses, liabilities and advances incurred or made by the Trustee and of any related expenses necessary to maintain the security for the Bonds) be deposited in the Revenue Fund and all moneys in the Revenue Fund (other than moneys held for redemption of Bonds duly called for redemption) shall be applied as follows:

(a) Unless the principal amount of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment to the persons entitled thereto of all interest then due on the Bonds, in the order of the maturity of such interest and, if the amount available shall not be sufficient to pay in full said amount, then to the payment ratably, according to the amounts due to the persons entitled thereto, without any discrimination or privilege;

SECOND: To the payment to the persons entitled thereto of the unpaid principal amount of any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Resolution), in the order of their due dates, with interest on such Bonds from the respective dates upon which they became due at the rate borne by the Bonds and, if the amount available shall not be sufficient to

pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD: To be held for the payment to the persons entitled thereto as the same shall become due of the principal amount of and interest on the Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest then due and owing thereon, payment shall be made ratably according to the amount of principal due on such date to the persons entitled thereto without any discrimination or privilege, and for the payment to other persons entitled to payment hereunder or under the applicable Series Resolution.

(b) If the principal amount of all the Bonds shall have become or shall have been declared due, all such moneys shall be applied to the payment of the principal amount and interest then due and unpaid upon the Bonds, without preference or priority of principal amount over interest or of interest over principal amount, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal amount and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the principal amount of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of subsection (b) of this Section in the event that the principal amount of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the principal amount to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal amounts of and interest on all Bonds have been paid under the provisions of this Section, or any and all defaults with respect thereto have been cured, and all fees, expenses and charges of the Trustee and any Paying Agent have been paid, any balance remaining in the Revenue Fund shall be applied in accordance with the provisions of this Resolution and as directed by the Authority.

Section 8.06. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Resolution or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any Holder of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Holders of the Outstanding Bonds.

Section 8.07. Rights and Remedies of Bondholders. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Resolution or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (1) a default has occurred of which the Trustee has been notified as provided in Section 8.01 or 11.03 hereof, or of which by said Section 11.03 it is deemed to have notice, (2) such default shall have become an Event of Default and the Holders of not less than 50% in aggregate principal amount of Bonds then Outstanding or, if such Event of Default is an Event of Default described in clause (a) of Section 8.01 hereof, by the Holders of not less than 50% in aggregate principal amount of Bonds then Outstanding of the Series with respect to which such Event of Default has happened, shall have given written notice to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in their own name or names, (3) such Bondholders have offered to the Trustee indemnity as provided in Article XI hereof and (4) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Resolution, and to any action or cause of action for the enforcement of this Resolution, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Resolution by his action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Holders of all Bonds then Outstanding, subject to the provisions of this Resolution. However, nothing contained in this Resolution shall affect or impair the right of any Holder to enforce the payment of the principal of and interest on any Bond it owns at and after the maturity or upon the redemption thereof, or the obligation of the Authority to pay the principal of and interest on any such Bond issued hereunder to the Holder thereof at the time, place, from the source and in the manner in the Bonds expressed.

Section 8.08. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Resolution by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Authority, the Trustee and the Bondholders shall be restored, subject to any final determination in such proceeding, to their former positions and rights hereunder, respectively, with regard to the property herein subject to this Resolution, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 8.09. Waivers of Events of Default. The Trustee may at its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the Holders of (a) more than 66.67% in aggregate principal amount of all the Bonds then Outstanding in respect of which default in the payment of principal amount or interest, or both, exists or (b) more than 50% in aggregate principal amount of all Bonds then Outstanding in the case of any other default; provided, however, that there shall not be waived (i) any Event of Default in the payment of the principal amount of any Outstanding Bonds at the date of maturity or sinking fund Redemption Date specified therein or (ii) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission, all arrears of interest or all arrears of payments of principal amount when due, as the case may be, with interest on overdue principal at the rate borne by the Bonds, and all fees and expenses of the Trustee in connection with such default shall have been paid or provided for. In case of any such waiver or rescission, the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 8.10. Notice of Defaults Under Section 8.01(b); Opportunity of the Authority To Cure Such Defaults. Anything herein to the contrary notwithstanding, no default under Section 8.01(b) hereof shall constitute an Event of Default until actual notice of such default by first class mail (postage prepaid) shall be given to the Authority by the Trustee or by the Holders of not less than 50% in aggregate principal amount of all Bonds Outstanding and the Authority shall have had 60 days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within the applicable period and diligently pursued until the default is corrected.

ARTICLE IX

SERIES RESOLUTIONS AND SUPPLEMENTAL RESOLUTIONS

Section 9.01. Series Resolutions and Supplemental Resolutions Effective Upon Filing. For any one or more of the following purposes and at any time or from time to time, a Series Resolution or a Supplemental Resolution may be adopted, which Resolution, upon filing with the Trustee of a copy thereof certified by an Authorized Officer, shall be fully effective in accordance with its terms:

- (a) to close this Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Resolution on, the delivery of Bonds;
- (b) to authorize Bonds of a Series or subseries and, in connection therewith, specify and determine the matters and things referred to in Section 2.02, and also any other matters and things relative to such Bonds or any Qualified Hedge Agreement which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend,

modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds;

(c) (i) to add to the covenants or agreements of the Authority in this Resolution or any Qualified Hedge Agreement other covenants or agreements to be observed by the Authority which are not contrary to or inconsistent with this Resolution as theretofore in effect or (ii) to make any change (other than a change requiring the consent of the Holders of all Outstanding Bonds pursuant to Section 9.03 hereof) which, in the opinion of the Trustee is not materially adverse to the security of the Bondholders (in providing its opinion, the Trustee may conclusively rely upon written notification from each Rating Agency that such change will not adversely affect the Rating on the Bonds);

(d) to add to the limitations or restrictions in this Resolution other limitations or restrictions to be observed by the Authority which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(e) to surrender any right, power or privilege reserved to or conferred upon the Authority by this Resolution;

(f) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Resolution, of any money, securities, Funds or Accounts;

(g) to modify any of the provisions of this Resolution in any respect whatever, provided that (i) such modifications shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Series Resolution shall cease to be Outstanding and such Series Resolution or Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series delivered after the date of the adoption of such Series Resolution or Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof, or (ii) such modifications shall apply only to Bonds that are subject to mandatory tender and shall take effect on the date on which such Bonds are subject to mandatory tender and are remarketed to new Bondholders;

(h) to amend in any manner for a reserve requirement for the payment of hedge payments on a Hedge Agreement relating to that Series of Bonds (and the priority of their payment in this Resolution), or the extent to which hedge payments with respect to that Series of Bonds are to be treated as Revenues;

(i) to maintain a Rating of the Bonds by a Rating Agency;

(j) to facilitate the provision of credit enhancement, liquidity facility or Hedge Agreement;

(k) to establish additional funds, accounts or subaccounts necessary or useful or to amend any provision relating to a Fund, Account or subaccount; and

(l) to make any amendment with Rating confirmation from each Rating Agency then maintaining an underlying Rating (without taking into account the effect of any credit enhancement or liquidity facility) on the Bonds, that such amendment will not, in and of itself, result in such underlying Rating (without taking into account the effect of any credit enhancement) on the Bonds following such amendment being lower than such Rating on the Bonds immediately prior to such amendment.

Section 9.02. Supplemental Resolutions Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution, amending or supplementing this Resolution, may be approved and entered into by the Authority, which, upon (i) filing with the Trustee of a copy thereof certified by an Authorized Officer and (ii) filing with the Trustee and the Authority of an instrument in writing made by the Trustee consenting to such Supplemental Resolution, shall be fully effective in accordance with its terms:

(a) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution; or

(b) to insert such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable and are not contrary to or inconsistent with this Resolution as theretofore in effect.

Any such Supplemental Resolution may also contain one or more of the purposes specified in Section 9.01, and in that event, the consent of the Trustee required by this Section shall be applicable only to those provisions of such Supplemental Resolution as shall contain one or more of the purposes set forth in this Section 9.02.

Section 9.03. Supplemental Resolutions Requiring Consent of Bondholders. Exclusive of Supplemental Resolutions covered by Sections 9.01 and 9.02 hereof and subject to the terms and provisions contained in this Section, and not otherwise, (a) the Holders of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding at the time such consent is given and (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, the Holders of not less than two-thirds in aggregate principal amount of the Bonds of the particular Series Outstanding affected at the time such consent is given shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such Resolutions supplemental hereto as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any Supplemental Resolution or Series Resolutions; provided, however, that, except as set forth in Section 9.04 hereof, nothing in this Section contained shall permit, or be construed as permitting, without the consent of the Holders of all Outstanding Bonds, (i) an extension of the maturity or mandatory sinking fund Redemption Date of the principal of or the time for payment of the interest on any Bond issued hereunder, provided that a Bondholder may agree to the same with respect to Bonds owned by such Bondholder, (ii) a reduction in the principal amount of any Bond or the rate of interest (except as otherwise provided in a Series Resolution), or sinking fund redemption

requirements, thereon, provided that a Bondholder may agree to the same with respect to Bonds owned by such Bondholder, (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution, or (v) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee.

For the purposes of this Section, Bonds of any particular Series shall be deemed to be affected by a modification or amendment of this Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee, relying upon a Counsel's Opinion, may determine whether or not, in accordance with the foregoing powers of amendment, Bonds of any particular Series or maturity would be affected by a modification or amendment of the Resolution, and any such determination shall be binding and conclusive on the Authority and all holders of Bonds.

Section 9.04. Modifications by Unanimous Consent. Notwithstanding anything contained in the foregoing provisions of this Article, the terms and provisions of this Resolution, and the rights and obligations of the Authority and the Bondholders, in any particular way, may be modified or amended in any respect upon the execution by the Authority and filing in accordance with the provisions of this Article of a Supplemental Resolution or a Series Resolution of the Authority making such modification or amendment and the consent to such Series Resolution or Supplemental Resolution of the Holders of all of the Bonds then Outstanding, such consent to be given and proved as provided in Section 9.05, except that no notice to Bondholders, either by mailing or publication, shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of the Trustee without the Trustee's written assent thereto.

In addition, the Authority may enter into an agreement with any Bondholder restricting one or more rights of such Bondholder, including those specified in Section 9.03(i) or (ii) hereof, provided that such agreement shall affect only such Bondholder (or assigns) and such agreement shall not grant such Bondholder any rights or privileges not afforded other Bondholders.

Section 9.05. Consent of Bondholder. The Authority may at any time execute and deliver to the Trustee a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 9.03 or 9.04, to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Authority), together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to the Bondholders. Such Supplemental Resolution shall not be effective unless and until, and shall take effect in accordance with its terms when, (a) there shall have been filed with the Trustee (i) the written consent of the Holders of the percentage of Outstanding Bonds specified in Section 9.03 or 9.04, as the case may be, provided that if a Bondholder has not responded to the request to consent within 60 days of the mailing thereof, such Bondholder shall be deemed to have consented, and (ii) a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted by the Authority in accordance with the provisions of this Resolution, is authorized or permitted by the provisions of this Resolution, and, when effective, will be valid and binding upon the Authority and enforceable

in accordance with its terms and (b) a notice shall have been given as hereinafter provided in this Section. Each such consent shall be effective only if executed by Bondholder as of the date such consent is given.

In connection with this Section, any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), but, notwithstanding the provisions of Section 12.01, such consent may be revoked in writing by the filing with the Trustee, not later than the time when the written statement of the Trustee hereinafter in this Section provided for is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with the Trustee.

The Authority may establish a Record Date for purposes of the solicitation of consents from the Bondholders and shall give the Trustee notice thereof.

At any time after the Holders of the required percentage of Bonds shall have filed their consents to such Supplemental Resolution, the Trustee shall make and file with the Authority a written statement that the Holders of such required percentage of Bonds have filed and given such consents and that proof of the holding of such Bonds has been examined and found sufficient by the Trustee. Such written statement shall be conclusive that such consents have been so filed and have been given. At any time thereafter notice, stating in substance that such Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentage of Bonds and will be effective as provided in this Section, shall be mailed to Bondholders. The Authority shall file with the Trustee proof of the mailing thereof. A record, consisting of the papers required or permitted by this Section to be made by or filed with the Trustee, shall be proof of the matters therein stated.

Section 9.06. Authorization to Trustee. The Trustee is authorized to accept and execute any Supplemental Resolution or Series Resolution of the Authority referred to and permitted or authorized by Section 9.01, 9.02, 9.03, 9.04 or 9.05, upon satisfaction of any requirements with respect thereto, to consent to such Resolution as provided in such Section and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on a Counsel's Opinion that such Supplemental Resolution or Series Resolution is authorized or permitted by the provisions of this Resolution or contains no provisions which are contrary to or inconsistent with this Resolution as theretofore in effect. The Trustee shall not be obligated to enter into any supplement or amendment that imposes additional obligations on the Trustee or adversely affects the Trustee's rights, duties or immunities hereunder.

Section 9.07. Exclusion of Bonds. Bonds owned or held by or for the account of the Authority shall be excluded and shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action under this Article, the

Authority shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 9.08. Notation on Bonds. Bonds delivered after the effective date of any action taken as in this Article provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action. If the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Authority to conform to such action may be prepared and delivered, and upon demand of the Holder of any Bond then Outstanding may be exchanged, without cost to such Bondholder, for Bonds of the same designation, maturity and interest rate then Outstanding, upon surrender of such Bonds. Every Holder of any Outstanding Bond shall, however, by his purchase and retention of such Bond, be deemed to consent to be bound by every modification and amendment of this Resolution adopted in accordance with the provisions of this Article, whether or not noted or endorsed on or incorporated in such Bond.

Section 9.09. Copies of Supplemental Resolutions or Series Resolutions. The Authority shall forward a copy of any Supplemental Resolution (in substantially final form) to each Rating Agency.

ARTICLE X

DEPOSITARIES OF MONEYS AND INVESTMENT OF FUNDS

Section 10.01. Depositaries. All moneys held by the Trustee under the provisions of this Resolution shall be deposited with the Trustee or one or more Fiduciaries in trust for the Trustee. All moneys deposited under the provisions of this Resolution with the Trustee or any Fiduciary shall be held in trust and applied only in accordance with the provisions of this Resolution and any related Series Resolution, and each of the Funds and Accounts established by this Resolution shall be a trust fund for the purposes thereof. The Trustee and the Authority shall not permit the deposit of any moneys with any Fiduciary in an amount exceeding the amount insured by the FDIC, unless secured by Permitted Investments.

Section 10.02. Investment of Funds and Accounts Held by Trustee. Except as otherwise provided in this Resolution, the Authority may direct the Trustee to, and in the absence of direction the Trustee shall, invest moneys in the Funds and Accounts held by the Trustee in Permitted Investments, the maturity or Redemption Date at the option of the Bondholder of which shall not exceed the date or dates on which moneys in said Fund or Account for which the investments were made are expected to be required for the purposes provided in this Resolution and any related Series Resolution. In the absence of written investment direction from the Authority, which may be standing investment directions, moneys in the Funds and Accounts held by the Trustee will be invested in any investments which qualify as a Permitted Investment pursuant to (i), (ii) or (v) thereof. The Trustee agrees to take such actions, including but not limited to, the giving of timely notices for payment, as are required pursuant to the terms of any Permitted Investment or any guarantee related thereto.

Permitted Investments purchased as an investment of moneys in any Fund or Account held by the Trustee under the provisions of this Resolution shall be deemed at all times to be a part of such Fund or Account (and of each Series subaccount thereof). Moneys in separate Funds and Accounts may be commingled for the purpose of investment or deposit, subject to instructions from an Authorized Officer, to the extent possible in conformity with the provisions of this Section.

In computing the amount in any Fund or Account held by the Trustee under the provisions of this Resolution, Permitted Investments purchased by the Trustee or transferred by the Authority to the Trustee as an investment of moneys therein shall be valued at the Amortized Value, plus the amount of accrued interest, except that securities covered by repurchase agreements shall be valued at market price. Where market prices for Permitted Investments held by the Trustee are not readily available, the Trustee may determine the market price for such Permitted Investments in such manner as it deems reasonable.

The Trustee shall sell outright or pursuant to a repurchase agreement at a fair market price, or present for redemption, any Permitted Investments purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Fund or Account for which such investment was made or as otherwise directed by the Authority. When transferring moneys from one Fund or Account to another, investments need not be liquidated, and all or a portion of such invested moneys may be credited to a particular Fund or Account from another. The Trustee shall check the accuracy of all calculations of investment earnings on all investment agreements constituting Permitted Investments.

At the direction of an Authorized Officer of the Authority, the Trustee may sell Permitted Investments hereunder and purchase any Permitted Investments in exchange therefor.

Investments authorized to be made by the Trustee pursuant to this Article X may be made by the Trustee through its own bond or investment departments or any affiliates or subsidiaries wholly owned by the entity which wholly owns the Trustee. The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month. The Authority may receive brokerage confirmations at no additional cost at its written request.

ARTICLE XI

THE FIDUCIARIES

Section 11.01. Trustee and Depositaries; Appointment and Acceptance.

(a) The Authority shall appoint, as the Trustee hereunder, a bank, trust company or national banking association having trust powers, authorized by law to act as Trustee hereunder and having either (i) a combined capital and surplus of not less than

\$100,000,000 or (ii) \$750,000,000 of assets under trust, and has delivered to the Trustee a copy of this Resolution, certified by an Authorized Officer. The Trustee shall be and is hereby vested with all the property, rights, powers, immunities and duties granted, pledged and assigned to it by this Resolution, in trust for the Bondholders.

(b) The Authority may appoint Fiduciaries as Depositaries of money held under the provisions of this Resolution. Each Fiduciary shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the Authority and the Trustee written acceptance thereof. The Trustee may be a Depositary of the Authority.

Section 11.02. Paying Agents. The Authority hereby appoints the Trustee as the Paying Agent for the Bonds and may, at any time or from time to time by a Series Resolution, appoint one or more other Paying Agents for such Bonds. Each Paying Agent shall be a bank, trust company or national banking association, having trust powers and having a capital and surplus aggregating at least \$75,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution. Each Paying Agent, other than the Trustee, shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the Authority and the Trustee a written acceptance thereof.

Section 11.03. Responsibilities of Fiduciaries. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority, and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Resolution or any Bonds issued hereunder or in respect of the security afforded by this Resolution, and no Fiduciary shall incur any responsibility in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof or the application of any moneys paid to the Authority or others in accordance with this Resolution, except the Trustee to the extent such proceeds are paid to the Trustee in its capacity as Trustee. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability, to institute or defend any action or suit in respect of this Resolution or Bonds, or to advance any of its own moneys, unless properly indemnified. No Fiduciary shall be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Resolution, and no implied duties shall be read into this Resolution against the Trustee. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Resolution, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through agents, receivers or employees and shall not be answerable for the conduct of the same if appointed with due care, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorneys (who may but need not be the attorney or attorneys for the Authority) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction in good faith in reliance upon such opinion or advice.

Unless a responsible officer of the corporate trust department of the Trustee shall have actual knowledge thereof, the Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except defaults under Section 8.01(a) hereof unless the Trustee shall be specifically notified in writing of such default by the Authority or a court of law or by any Bondholder. All notices or other instruments required by this Resolution to be delivered to the Trustee must, in order to be effective, be delivered at the designated corporate trust office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

The permissive right of the Trustee to do things enumerated in this Resolution shall not, unless otherwise provided herein, be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

At any and all reasonable times, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right to inspect any and all of the books, papers and records of the Authority pertaining to the receipts under the Bonds, and to duplicate such memoranda in regard thereto as may be desired.

Notwithstanding anything elsewhere in this Resolution contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, or any action whatsoever within the purview of this Resolution, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Authority to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Resolution arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic or pandemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with its business interruption policy and procedures to resume performance as soon as reasonably practicable under the circumstances.

The Trustee shall not be required to risk, advance or expend its own funds or otherwise incur any financial liability in performing its duties or in the exercise of any rights or powers hereunder. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

Section 11.04. Funds Held in Trust. All money held by any Fiduciary, as such, at any time pursuant to the terms of this Resolution shall be and is hereby assigned, transferred and set over unto such Fiduciary in trust for the purposes and under the terms and conditions of this Resolution.

Section 11.05. Evidence on Which Fiduciaries May Act. Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of Counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever any Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer stating the same, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution, but in its discretion the Fiduciary may, in lieu thereof, accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by or on behalf of the Authority to any Fiduciary shall be sufficiently executed if executed by an Authorized Officer. In the administration of the trusts of this Resolution, the Trustee may execute any of the trusts or powers hereby granted directly or through its agents, receivers or attorneys, and the Trustee may consult with counsel (who may be counsel for the Authority) and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or permitted by it hereunder in good faith and in accordance with the opinion of such counsel.

Section 11.06. Preservation and Inspection of Documents. All reports, certificates, statements and other documents received by any Fiduciary under the provisions of this Resolution shall be retained in its possession and shall be available at all reasonable times for inspection by the Authority, any other Fiduciary or any Bondholder, and their agents and their representatives, any of whom may make copies thereof, but any such reports, certificates, statements or other documents may, at the election of such Fiduciary, be destroyed or otherwise disposed of at any time ten (10) years after such date as the pledge created by this Resolution shall be discharged as provided in Article VII.

Section 11.07. Compensation and Expenses. Each Fiduciary shall be entitled to, from time to time, reasonable compensation for services rendered by it hereunder and also reimbursement for all its reasonable expenses, charges, legal fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties hereunder. In an Event of Default hereunder, but only upon an Event of Default, each

Fiduciary shall have a lien for its compensation and expenses on any and all funds at any time held by it hereunder in the priority set forth in Section 8.05.

To the extent permitted by law the Authority shall indemnify and save each Fiduciary harmless against any losses, liabilities, damages, costs or expenses (except for ordinary fees and ordinary expenses as covered in this Section 11.07) which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence or willful misconduct. The obligations of the Authority under this section shall survive the termination of this Resolution and any resignation or removal of the Trustee.

Section 11.08. Certain Permitted Acts. To the extent permitted by law, any Fiduciary may become the Holder of or may deal in Bonds or transact other bank or trust business with the Authority as fully and with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as Depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds Outstanding.

Section 11.09. Resignation of Fiduciary. A Fiduciary, or any successor thereof, may at any time resign and be discharged of its duties and obligations created by this Resolution by giving not less than 60 days' written notice to the Authority and delivering notice thereof to the Bondholders, specifying the date when such resignation shall take effect. Such resignation shall take effect upon the day specified in such notice, but only if a successor has been appointed to succeed such Fiduciary, unless prior to the date specified in such notice a successor shall have been appointed by the Authority or Bondholders as herein provided, in which event such resignation shall take effect immediately on the appointment of such successor. Notwithstanding the above, the resignation or removal of the Trustee shall not be effective unless a successor Trustee has been appointed and has accepted the duties of the Trustee.

Section 11.10. Removal. A Fiduciary, or any successor thereof, may be removed at any time by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, or by the Authority (if the Authority is not in default hereunder), by, in the case of removal by the Bondholders, an instrument or concurrent instruments in writing signed and duly acknowledged by such Bondholders or by their attorneys duly authorized in writing and delivered to the Authority and by, in the case of removal by the Authority, notice thereof to the Trustee. Copies of each such instrument shall be delivered by the Authority to each Fiduciary and any successor thereof. Notwithstanding the above, the resignation or removal of the Trustee shall not be effective unless a successor Trustee has been appointed and has accepted the duties of the Trustee.

Section 11.11. Appointment of Successor Fiduciary. In case at any time a Fiduciary, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent or if a receiver, liquidator or conservator of such Fiduciary or of its property shall be appointed or if any public office or officer shall take charge or control of such Fiduciary or of its property or affairs, a successor may be appointed by the

Authority or by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to such successor Fiduciary, notification thereof being given to the Authority, the predecessor Fiduciary and any other Fiduciaries. Pending such appointment, the Authority shall forthwith appoint a Fiduciary to fill such vacancy until a successor Fiduciary shall be appointed by Bondholders as herein authorized. The Authority shall deliver notice to the Bondholders of any such appointment within 20 days after such appointment and shall give notice of such appointment to each Rating Agency. Any successor Fiduciary appointed by the Authority shall, immediately and without further act, be superseded by a Fiduciary appointed by Bondholders. If in a proper case no appointment of a successor Fiduciary shall be made pursuant to the foregoing provisions of this Section within 45 days after the Fiduciary shall have given to the Authority written notice as provided in Section 11.09 or after notice received pursuant to Section 11.10 or after the occurrence of any other event requiring or authorizing such appointment, the Fiduciary or any other Fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint such successor Fiduciary. Any Fiduciary appointed under the provisions of this Section shall have the qualifications prescribed for its predecessor in Section 11.01 or Section 11.02.

Section 11.12. Transfer of Rights and Property to Successor Fiduciary. Any successor Fiduciary appointed hereunder shall execute, acknowledge and deliver to its predecessor Fiduciary, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Fiduciary, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary, with like effect as if named herein as such Fiduciary, but the Fiduciary ceasing to act shall, nevertheless, on the written request of the Authority or of the Successor Fiduciary, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Fiduciary all the right, title and interest of the predecessor Fiduciary in and to any property held by it under this Resolution and shall pay over, assign and deliver to the successor Fiduciary any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor Fiduciary any such moneys, estates, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Fiduciary shall promptly notify the other Fiduciaries of its appointment as such Fiduciary.

Section 11.13. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which such Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided MaineHousing shall be given notice thereof and such company shall be a financial institution which is qualified to be a successor to such Fiduciary under Section 11.01 or Section 11.02 and shall be authorized by law to perform all the duties imposed upon it by this Resolution, shall be

the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section 11.14. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated, and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in this Resolution or any Series Resolution, as applicable, provided that the certificate of authentication of the Trustee shall have.

Section 11.15. Evidence of Signatures of Bondholders and Ownership of Bonds.

(a) Any request, consent or other instrument which this Resolution or any Supplemental Resolution or Series Resolution, as applicable, may require or permit to be signed and executed by the Bondholders of the applicable Series may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders of the applicable Series in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the ownership by any person of the Bonds of the applicable Series shall be sufficient for any purpose of this Resolution (except as otherwise herein expressly provided) or any Supplemental Resolution or Series Resolution, as applicable, if made in the following manner, but the Trustee may nevertheless in its sole discretion require further or other proof in cases where it deems the same desirable. The fact and date of the execution by any Bondholder or such Bondholder's attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company, financial institution or other member of the National Association of Securities Dealers, Inc. satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgements of deeds to be recorded in the state in which such person purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary.

(b) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

(c) Any request, consent or vote of the Holder of any Bond shall bind all future Holders of such Bonds in respect of anything done or suffered to be done by the Authority or the Trustee or any Paying Agent in accordance therewith.

Section 11.16. Preservation and Inspection of Documents; Reports.

(a) All notices, account statements and agreements received by the Trustee under the provisions of this Resolution or any Series Resolution shall be retained in its possession until ten (10) years after all Bonds issued hereunder shall have been paid in full, or such shorter time as shall be agreed to by a written direction of the Authority, and shall be subject at all reasonable times to the inspection of the Authority in either hardcopy or electronic form.

(b) The Trustee shall, on such date or dates as shall be identified in a Series Resolution or otherwise identified by the Authority, file with the Authority such reports containing such information which the Authority may reasonably request and to which the Trustee has access in the ordinary course of its operations, which may include, without limitation:

(i) the amount withdrawn or transferred by it and the amount deposited within or on account of each Fund and Account held by it under the provisions of this Resolution or a Series Resolution, including the amount of investment income on deposit in each Fund and Account;

(ii) the amount on deposit with it at the end of such month to the credit of each Fund and Account;

(iii) a brief description of all Bonds held by it as an investment of moneys in each such Fund and Account; and

(iv) the amount applied to the purchase or redemption of Bonds and a description of the Bonds or portions of Bonds so purchased or redeemed.

Section 11.17. Patriot Act Requirements of the Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Trustee may request documentation to verify its formation and existence as a legal entity. The Trustee may also request financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Consents, etc. of Bondholders. Any consent, request, direction, approval, objection or other instrument required by this Resolution to be signed and executed by the Bondholders (other than an assignment of a Bond) may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval,

objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Resolution, and shall be conclusive in favor of the Trustee and any Paying Agent with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the registration books of the Authority maintained by the Trustee pursuant to this Resolution.

Section 12.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution, any Supplemental Resolution or Series Resolution or the Bonds is intended or shall be construed to give to any person other than the Authority, the Fiduciaries and the Bondholders, any legal or equitable right, remedy or claim under or in respect to this Resolution or any Supplemental Resolution or Series Resolution or any covenants, conditions and provisions herein contained; this Resolution, all Supplemental Resolutions and Series Resolutions and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Authority, the Fiduciaries and the Bondholders as herein provided.

Section 12.03. Notices to Rating Agency. Except as otherwise provided in a Series Resolution, and if the Bonds are then rated by a Rating Agency, the Authority shall furnish to the applicable Rating Agency notice to the Notice Address of the Rating Agency of (i) any optional redemption, defeasance or acceleration of the Bonds, (ii) any Supplemental Resolution, (iii) any material changes to this Resolution, or (iv) the appointment of a successor Trustee. At the request of a Rating Agency, the Authority or the Trustee, as applicable, shall also furnish any information reasonably required by the Rating Agency for the purpose of maintaining the Rating on the Bonds.

Section 12.04. Notice; Electronic Communications. Any notice, direction or other communication given hereunder from the Authority to the Trustee or any Paying Agent or from the Trustee or any Paying Agent to the Authority shall be given to the Notice Address of the recipient, or upon the approval of the Bondholder from the Authority or the Trustee or any Paying Agent to such Bondholder at such address given by the Bondholder in writing to the sender, and may be given by sending it via e-mail or other electronic means in lieu of regular mail, and shall continue in effect for such time as specified therein. In the case of e-mail or other electronic means, valid notice shall only have been deemed to have been given when an electronic confirmation of delivery has been obtained by the sender at the e-mail or other electronic address provided by each party, as updated from time to time. Any e-mail communication shall be deemed to have been validly and effectively given on the date of such communication, if such date is a Business Day and such delivery was made prior to 4:00 p.m., Eastern Standard Time or Eastern Daylight Savings Time, as may then be in effect, and otherwise on the next Business Day. Any communication sent

to Trustee must be in the form of a document that is signed manually or by any form of electronic signature (including but not limited to a digital signature provided by a digital signature provider specified in writing to Trustee by an Authorized Officer of Authority) which communication with an electronic signature shall be considered a written direction.

Section 12.05. Severability. If any provision of this Resolution or any Supplemental Resolution or Series Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein or therein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 12.06. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on Payments Due on Saturdays, Sundays and Holidays or principal of, or the date fixed for redemption of, any Bond shall not be a Business Day, then payment of interest or principal may be made on the succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption.

Section 12.07. Applicable Provisions of Law. This Resolution and each Supplemental Resolution and Series Resolution shall be governed by and construed in accordance with the laws of the State regardless of any conflict of interest principles.

Section 12.08. No Recourse on Bonds. No recourse shall be had for the payment of the principal of, premium, if any, or the interest on the Bonds or for any claim based thereon or on this Resolution or any Supplemental Resolution or Series Resolution against any member or officer of the Authority or any person executing the Bonds.

Section 12.09. Maximum Interest Rate. In no event shall the interest rate for the Bonds exceed the maximum rate permitted by applicable law.

Section 12.10. Effective Date. This Resolution shall take effect upon its adoption.

[Remainder of page intentionally left blank]

Finance Department Memorandum

To: Board of Commissioners
From: Darren Brown
Date: April 14, 2026
Subject: Review of 2025 Budget and Audit Results

As part of the 2025 year-end financial report, the budget and audit results for the year will be reviewed at the April meeting. Jason Emery, Managing Director, from Baker Newman & Noyes will be at the meeting to review their audit work and to answer any questions. The financial results and specific information from the 2025 audited financial statements will be reviewed at the May meeting.

Please find enclosed the following information:

- **2025 Budget Report** - This report presents the budget results for the year. It provides an overview of each budget schedule and summarizes the major variances between budget and actual amounts.
- **December 31, 2025 Audited Financial Statements** - The Independent Auditors' Report, **pages 1–2**, that accompanies the financial statements contains an unmodified opinion. This is also referred to as a “clean opinion” and means that the financial statements were properly prepared and are presented in accordance with Generally Accepted Accounting Principles.

The Management's Discussion and Analysis (MD&A) section of the financial statements, **pages 3–10**, provides an overview of the structure of the financial statements. It also summarizes the financial highlights and provides an analysis of the financial activities for the year.

The Auditors' Report on Internal Controls and Compliance is presented on **pages 48–49**. This report states that the audit did not identify any significant deficiencies or material weaknesses with MaineHousing's internal controls or disclosed any instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

- **The Auditor's Communication with Those Charged with Governance Report** – The auditors are required to communicate certain matters to the Board. This report summarizes the auditor's responsibilities regarding the audit as well as certain observations arising from the audit.
- **Audit Management Letter** – This report presents audit observations and recommendations for internal control improvements. The letter includes one recommendation pertaining to controls over expenditure cutoff procedures. MaineHousing's response to the recommendation is included in the letter.
- **Baker Newman & Noyes – Audit Review Presentation**

I look forward to discussing MaineHousing's budget and audit results at our next meeting.

[THIS PAGE INTENTIONALLY LEFT BLANK]

To: Board of Commissioners

From: Darren R. Brown

Date: April 14, 2026

Subject: Budget Report – December 31, 2025

Attached are the budget results for the year ended December 31, 2025. The following is a summary of each attachment:

CONSOLIDATED OPERATING REVENUES AND EXPENSES BUDGET

MaineHousing has two primary business segments, which consist of mortgage lending activities and the administration of federal and state funded programs. All operating and program administrative costs are paid by either the net interest income from mortgage lending activities or fee income received for the administration of programs. **Attachment A** presents the available operating revenues and all operational and administrative expenses.

Revenues

Total revenues were budgeted at \$135.2 million. Actual revenues amounted to \$143.1 million and exceeded the budget by \$7.9 million or 6%. The overage is due to higher interest income from mortgages and investments. Income from mortgages was above budget by \$5.4 million as loan production exceeded budget estimates and average outstanding loan balances were substantially higher than projected for the year. The average loan rate also exceeded the budget estimate. Income from investments was above budget by \$3.3 million and was due to higher than projected yields on short-term investments.

Expenses

Total expenses were budgeted at \$117.3 million. Actual expenses amounted to \$123.6 million and were over budget by \$6.3 million due mostly to higher interest expense. Interest expense exceeded the budget by \$4 million due primarily to higher average outstanding bonds. Additional bond proceeds were needed to fund the higher loan production volume. The operating and other program administration expenses (the first two expense lines) are detailed on **Attachment B** and addressed in the section below.

Excess Revenues Over Expenses

Operating revenues exceeded expenses for the year by approximately \$19.4 million, which is \$1.6 million higher than budgeted and is mainly attributed to the higher income from mortgages and investments.

OPERATING & OTHER PROGRAM ADMINISTRATIVE EXPENSES BUDGET

MaineHousing's overhead and operational costs for the year as well as other program administrative expenses, which are more program-related costs, are itemized on **Attachment B**.

Operating Expenses

Operating expenses were budgeted at approximately \$27.1 million. Total actual expenses amounted to \$26.8 million and were under budget by \$0.3 million or 1%. The variance is largely due to lower-than-projected expenses for staff education, training, and conferences, as well as lower costs for partner training and meetings. These expenses (lines

11-14) were under budget by a combined amount of approximately \$240,000. Below are explanations for the most significant variances:

- Staff education, training, and conferences (lines 11-12) expenses were \$188,000 under budget. A portion of this variance reflects underwriting training for multifamily loan officers that was budgeted at \$41,000 but ultimately did not take place. In addition, several internal workshops and other planned training initiatives did not occur at the level originally anticipated.
- Partner/Client training and meetings (lines 13-14) expenses were approximately \$51,000 under budget. The primary cause was lower-than-projected costs for the annual Affordable Housing Conference. In addition, planned training for the federal Weatherization and Lead Remediation programs did not occur at the budgeted level based on a reassessment of needs during the year.
- Depreciation (line 23) was under budget by approximately \$64,000. Depreciation is based on capital expenditures and when items are acquired and placed into service. There were several capital items budgeted for 2025 that were either not acquired or were acquired later than initially planned. (refer to Capital Budget section below).
- Postage and Shipping (line 27) expenses were \$47,000 under budget largely because several large bulk mailings for benefit notification letters and vendor reports for certain federal programs were not needed at the volume originally projected for the year.
- Professional services (line 32) were under budget by \$65,000 mainly because amounts for outsourcing certain legal work and human resources consultation services were not needed to the extent budgeted.
- Salaries and payroll taxes (lines 1 and 2) exceeded the budget by \$181,000. Although staffing levels aligned with planned full-time equivalents, the variance resulted from a budgeting oversight. In early 2026, a budget amendment incorporated recommendations from a compensation market study, updating salaries and related payroll taxes. However, the amendment inadvertently omitted the additional amounts needed to cover the increased paid time off liability associated with those higher compensation levels.

Other Program Administrative Expenses

Other Program Administrative expenses were budgeted at \$11.1 million, while actual expenses totaled approximately \$13.6 million, resulting in an overage of \$2.5 million. The variance is attributed mainly to higher-than-anticipated loan origination and servicing expenses (line 4 and 5), which exceeded the budget by a combined amount of approximately \$2 million. Below are explanations for the most significant variances:

- Loan origination expenses (line 5) were over budget by \$1.9 million. Origination fees paid to lenders for the origination and purchase of single-family loans were over budget because loan production substantially exceeded budget projections.
- Mortgage servicing fees (line 4) were over budget by \$109,000 due to a higher number of outstanding single-family loans generated from the higher-than-projected volume of loan production.
- Cash flow/arbitrage/swap consultants/legal (line 11) expenses were over budget by \$157,000 because legal expenses associated with the restructuring of Standby Purchase Agreements and the remarketing of certain bonds were higher than projected. Additionally, costs for cash flow and arbitrage services increased and exceeded budget amounts based on an RFP that was conducted in 2025.

- U.S. Treasury Repayment – ERA Programs (line 13) are expenditures associated with the repayment of program funds to the federal government and were not anticipated or included in the budget.
- Loan foreclosure, REO expenses, and Provisions for losses on loans and REO's (lines 1- 3) were under budget by a combined amount of \$168,000. Loan defaults and foreclosures were below budget estimates due to the ongoing strong performance of the loan portfolios, which continued to experience relatively low delinquency rates, loan charge-offs, and foreclosure activity in 2025.
- Bond issuance costs (line 6) were \$125,000 under budget. The budget assumed six separate bond issues, but the financing plan shifted to five larger issuances instead, reducing overall issuance expenses.

CAPITAL BUDGET

The Capital Budget, **Attachment C**, presents items that provide an economic benefit to MaineHousing over a period of time. Items are recorded as assets and depreciated over an estimated useful life. The total authorized capital budget for 2025 was \$681,000. Actual expenditures amounted to \$509,000 and were under budget by \$172,000.

Capital expenditures were mainly for the installment payments associated with the ProLink multifamily housing system and modifications to the LIHEAP and Wx system. Expenditures were under budget for the year primarily because several software items were not needed to the extent planned.

**MAINE STATE HOUSING AUTHORITY
CONSOLIDATED OPERATING REVENUES AND EXPENSES BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2025**

(IN THOUSANDS OF DOLLARS)

	Budget	Actual	\$ Variance Over(Under)	% Variance Over(Under)
REVENUES:				
Interest from mortgages and notes	89,695	95,120	5,425	6%
Income from investments	23,765	27,103	3,338	14%
Fee income	21,450	20,720	(730)	(3%)
Other revenue	265	141	(124)	(47%)
Total Revenues	135,175	143,084	7,909	6%
EXPENSES:				
Operating expenses	27,118	26,845	(273)	(1%)
Other program administrative expenses	11,091	13,627	2,536	23%
Interest expense	79,135	83,170	4,035	5%
Total Expenses	117,344	123,642	6,298	5%
Excess Revenues Over Expenses	17,831	19,442	1,611	9%

**MAINE STATE HOUSING AUTHORITY
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

ATTACHMENT B

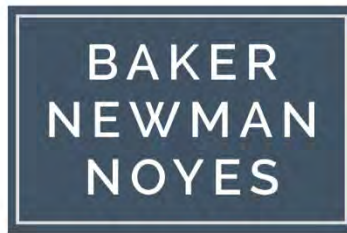
	Budget	Actual	\$ Variance Over(Under)	\$ Variance Over(Under)
Operating Expenses				
1 Salaries	14,642,535	14,803,720	161,185	1%
2 Payroll taxes	1,109,857	1,130,800	20,943	2%
3 Retirement	1,472,312	1,480,057	7,745	1%
4 Medical, dental and other insurance benefits	3,855,636	3,863,670	8,034	0%
5 Other fringe benefits	10,000	27,351	17,351	174%
6 Office supplies	54,025	43,840	(10,185)	(19%)
7 Printing	81,550	59,700	(21,850)	(27%)
8 Memberships, dues and fees	69,107	59,262	(9,845)	(14%)
9 Subscriptions	19,197	14,522	(4,675)	(24%)
10 Sponsorships	11,750	11,750	0	0%
11 Staff Education/Trainings/Conferences	236,535	126,146	(110,389)	(47%)
12 Travel/Meals - Staff Educ/Train/Conf	206,404	128,565	(77,839)	(38%)
13 Partner/Client Trainings/Meetings	60,827	47,081	(13,746)	(23%)
14 Travel/Meals - Partner/Client Trainings/Meetings	134,975	97,939	(37,036)	(27%)
15 Staff events	36,935	23,329	(13,606)	(37%)
16 Meals - staff events	39,693	33,934	(5,759)	(15%)
17 Leased vehicles	183,486	172,714	(10,772)	(6%)
18 Computer supplies	33,000	34,106	1,106	3%
19 Computer licenses - SAAS	251,358	276,679	25,321	10%
20 Computer maintenance contracts	1,048,736	1,019,449	(29,287)	(3%)
21 Property expenses - office building	571,350	595,140	23,790	4%
22 Interest expense - office building	419,284	417,027	(2,257)	(1%)
23 Depreciation	1,383,500	1,319,340	(64,160)	(5%)
24 Rent	37,630	28,421	(9,209)	(24%)
25 Telephone	136,950	133,732	(3,218)	(2%)
26 Employment advertising	15,000	495	(14,505)	(97%)
27 Postage and shipping	167,300	120,655	(46,645)	(28%)
28 Insurance	112,480	121,828	9,348	8%
29 Recording fees	1,600	2,438	838	52%
30 Payroll services	61,064	61,299	235	0%
31 Audit services	172,000	173,000	1,000	1%
32 Professional services	482,249	417,068	(65,181)	(14%)
Total Operating Expenses	27,118,324	26,845,057	(273,267)	(1%)
Other Program Administrative Expenses				
1 Loan foreclosure expenses	200,000	149,909	(50,091)	(25%)
2 REO expenses	50,000	7,188	(42,812)	(86%)
3 Provision for losses on loans & REOs	125,000	50,000	(75,000)	(60%)
4 Mortgage servicing fees	2,195,000	2,304,372	109,372	5%
5 Loan origination expenses	4,162,500	6,017,996	1,855,496	45%
6 Bond issuance expenses	1,050,000	925,069	(124,931)	(12%)
7 Trustee/Bank fees	182,000	207,936	25,936	14%
8 Program advertisements	301,400	191,823	(109,577)	(36%)
9 Bond and mortgagee insurance	26,682	26,582	(100)	(0%)
10 Variable rate bond remarket/SBPAs	645,000	722,780	77,780	12%
11 Cash flow/arbitrage/swap consultants/legal	795,500	952,371	156,871	20%
12 Homebuyer education	160,000	141,000	(19,000)	(12%)
13 U.S. Treasury /ERA program repayment	0	655,245	655,245	N/A
14 Program administrator fees	1,198,119	1,275,164	77,045	6%
Total Other Program Administrative Expenses	11,091,201	13,627,435	2,536,234	23%

**MAINE STATE HOUSING AUTHORITY
CAPITAL BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2025**

ATTACHMENT C

Description	2025 Budget	2025 Actual	Budget Available	% Expended
Computer Hardware:				
Computer replacements (45)	60,000	67,676	(7,676)	
DMZ servers upgrade (2)	25,000	15,959	9,041	
Monitoring server upgrade	2,500	0	2,500	
Printer	0	1,830	(1,830)	
Total computer hardware	<u>87,500</u>	<u>85,465</u>	<u>2,035</u>	<u>98%</u>
Computer Software:				
Enterprise multi-family housing system	182,267	182,267	0	
Amplifund grant management software	45,600	0	45,600	
Single Family loan servicing system modifications	26,950	14,160	12,790	
Single Family lender & loan tracking systems mods	10,000	0	10,000	
Multi-family loan servicing system modifications	31,160	0	31,160	
LIHEAP & Wx JAI system modifications	25,000	114,298	(89,298)	
Homeless Mgmt Information System (HMIS)	170,000	0	170,000	
Total computer software	<u>490,977</u>	<u>310,725</u>	<u>180,253</u>	<u>63%</u>
Office Building:				
Additional workstations & furniture	18,000	13,630	4,370	
EV Charging Station	40,000	7,956	32,044	
Potential office building improvements/repairs	45,000	90,060	(45,060)	
Audio visual equipment replacement	0	1,557	(1,557)	
	<u>103,000</u>	<u>113,203</u>	<u>(10,203)</u>	<u>110%</u>
Total	<u><u>681,477</u></u>	<u><u>509,392</u></u>	<u><u>172,085</u></u>	<u><u>75%</u></u>

[THIS PAGE INTENTIONALLY LEFT BLANK]



Maine State Housing Authority

Basic Financial Statements,
Management's Discussion and Analysis
and Required Supplementary Information

For the Year Ended December 31, 2025
With Independent Auditors' Report

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com



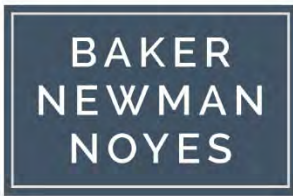
MAINE STATE HOUSING AUTHORITY

FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

TABLE OF CONTENTS

Independent Auditors' Report	1 – 2
Management's Discussion and Analysis	3 – 10
Basic Financial Statements:	
Agency – Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Statement of Net Position – Proprietary Funds	13
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	14
Statement of Cash Flows – Proprietary Funds	15
Balance Sheet – Governmental Funds	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	17
Notes to Financial Statements	18 – 46
Required Supplementary Information:	
Schedule of MaineHousing's Proportionate Share of the Net Pension Liability (Asset)	47
Schedule of MaineHousing's Pension Contributions	47
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 <i>Government Auditing Standards</i>	48 – 49



INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Maine State Housing Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Maine State Housing Authority (MaineHousing), a component unit of the State of Maine, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise MaineHousing's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of MaineHousing, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MaineHousing 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 opinions.

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 MaineHousing's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 auditor's report that includes our opinions. 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.

To the Board of Commissioners
Maine State Housing Authority

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 MaineHousing'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 MaineHousing'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, Schedule of MaineHousing's Proportionate Share of the Net Pension Liability (Asset) and Schedule of MaineHousing's Pension Contributions 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2026 on our consideration of MaineHousing'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 MaineHousing'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 MaineHousing's internal control over financial reporting and compliance.

Baker Newman & Noyes LLC

Portland, Maine
March 25, 2026

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

Management's discussion and analysis of the Maine State Housing Authority's (MaineHousing) financial performance provides an overview of the financial activities for the year ended December 31, 2025. It should be read in conjunction with the audited financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- MaineHousing's net position increased by \$32.7 million to \$508.5 million, reflecting an overall improvement in financial condition driven by strong mortgage lending activity and stable credit performance.
- Loan production reached a new all-time high for the second consecutive year, contributing to a \$336.8 million increase in mortgage notes receivable.
- Total outstanding bonds increased to \$2.6 billion, up \$279.6 million, driven by continued demand for MaineHousing's lending programs and elevated loan production.
- Total revenues from governmental activities declined as more programs funded with one-time federal and state resources concluded. The decrease was driven primarily by lower grant income, which fell by \$30.2 million, or 19.9%.

OVERVIEW OF MAINEHOUSING

MaineHousing, established in 1969 as a public corporation and instrumentality of the State of Maine, provides financing and program administration to support affordable housing for low and moderate income households. MaineHousing issues bonds to finance single family and multifamily mortgages and administers a range of federal and state housing and energy programs.

MaineHousing is a component unit of the State of Maine and receives appropriations and federal subawards to support housing related initiatives.

OVERVIEW OF THE FINANCIAL STATEMENTS

MaineHousing's financial statements include:

- Agency-wide financial statements, which present the financial position and activities of MaineHousing as a whole using the accrual basis of accounting.
- Fund financial statements, which provide detailed information about major proprietary and governmental funds.
- Notes to financial statements, which provide essential context and disclosures.
- Required supplementary information, which presents historical pension information.

The remainder of this overview section explains the structure and contents of each of these statements.

Agency-wide Statements

Agency-wide statements consist of the Statement of Net Position and the Statement of Activities. These statements present MaineHousing's net position and results of operations and are divided into two categories:

- *Business-type activities* – consist of mortgage financing on single family and multifamily residential properties. These activities are funded primarily through the issuance of bonds.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

- *Governmental activities* – consist of the administration of state and federal housing and energy-related programs. These activities are supported through federal grants and program agreements, as well as appropriations provided by the Maine State Legislature.

Fund Financial Statements

The fund financial statements provide more detailed information about MaineHousing's most significant funds and not MaineHousing as a whole. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. MaineHousing has two kinds of funds:

- *Proprietary funds* – present the business-type activities. The net positions of these funds represent accumulated earnings since their inception and subsidy amounts contributed from governmental funds.
- *Governmental funds* – present the governmental activities for MaineHousing's five major governmental funds. These statements focus on how cash and other financial assets flowing into the funds have been used.

AN OVERVIEW OF MAINEHOUSING'S FINANCIAL POSITION AND OPERATIONS

MaineHousing's financial position improved in 2025, supported by continued growth in mortgage lending activity, stable credit performance, and strong investment results. These positive trends were partially offset by declining governmental grant revenues as temporary programs concluded. The following pages present a summary of MaineHousing's financial position and operations for the years ended December 31, 2025 and 2024.

Statement of Net Position
(in millions of dollars)

	Business-type Activities		Governmental Activities		Total		Total Percentage Change
	2025	2024	2025	2024	2025	2024	
Cash and investments	\$727.4	\$791.9	\$122.4	\$93.2	\$849.8	\$885.1	(4.0%)
Mortgage notes receivable	2,261.7	1,939.8	115.5	100.6	2,377.2	2,040.4	16.5%
Other assets (net of internal balances)	44.3	48.4	10.4	10.3	54.7	58.7	(6.8%)
Total Assets	3,033.4	2,780.1	248.3	204.1	3,281.7	2,984.2	10.0%
Total Deferred Outflows of Resources	2.1	2.3	1.7	0.3	3.8	2.6	46.2%
Bonds and notes payable	2,571.3	2,289.1	44.4	47.7	2,615.7	2,336.8	11.9%
Other liabilities (includes internal balances)	53.2	101.6	93.8	52.4	147.0	154.0	(4.5%)
Total Liabilities	2,624.5	2,390.7	138.2	100.1	2,762.7	2,490.8	10.9%
Total Deferred Inflows of Resources	14.1	19.9	0.2	0.3	14.3	20.2	(29.2%)
Investment in capital assets	3.6	3.7	0.0	0.0	3.6	3.7	(2.7%)
Restricted	350.6	327.2	111.6	104.0	462.2	431.2	7.2%
Unrestricted	42.7	40.9	0.0	0.0	42.7	40.9	4.4%
Total Net Position	\$396.9	\$371.8	\$111.6	\$104.0	\$508.5	\$475.8	6.9%

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

Total assets increased by \$297.5 million, or 10%, to \$3.28 billion, driven primarily by growth in mortgage notes receivable. Total liabilities increased \$271.9 million, or 10.9%, to \$2.76 billion, as a result of additional bond issuances to support lending programs. Net position improved by \$32.7 million and totaled \$508.5 million at December 31, 2025.

Cash and Investments

Cash and investments decreased by \$35.3 million, primarily due to program disbursements and lower undisbursed bond proceeds. Investments are reported at fair value, with unrealized gains and losses from market fluctuations recognized in revenues. In 2025, the portfolio's fair value increased, resulting in \$6.9 million in unrealized gains, compared with \$2.5 million in unrealized losses recorded in 2024.

Mortgage Notes Receivable

Mortgage notes receivable increased by \$336.8 million or 16.5%, reflecting continued strong demand for single family and multifamily financing. Mortgage purchases and originations totaled \$524.1 million, a \$67.2 million or 14.7% increase compared with 2024. Growth was driven largely by single family activity, where loan purchases rose to \$321.2 million, an increase of \$110.2 million, or 52.2%, from the prior year.

Loan prepayments increased to \$68.3 million, a \$21.2 million or 45.1% rise from the prior year. This increase was largely attributable to declining interest rates, which prompted more borrowers to refinance single family loans outside of MaineHousing. Loan foreclosures totaled \$2.9 million in 2025 compared with \$1.1 million in 2024, remaining low relative to the overall portfolio.

Deferred Outflows of Resources

Deferred outflows consist of deferred amounts associated with debt refundings, pension expenses, and program advances, and increased by \$1.2 million. The increase is due primarily to higher balances associated with advanced program payments made to grantees with ongoing eligibility requirements.

Bonds and Notes Payable

Bonds and notes payable increased by \$278.9 million, or 11.9%, consistent with financing needs for mortgage lending. For additional details, see the Debt Administration Section of the Management's Discussion and Analysis.

Deferred Inflows of Resources

Deferred inflows consist mainly of the accumulated increase in the fair value of interest rate swap agreements and deferred pension credits, and decreased \$5.9 million or 29.2% primarily as a result of an aggregate decrease in the fair value of interest rate swaps.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

Net Position

Net Position increased by \$32.7 million, or 6.9%, as a result of program operations and financing activities. The results of operations are presented on the following table for the years ended December 31, 2025 and 2024:

Agency-wide Changes in Net Position
(in millions of dollars)

	2025	2024	Increase/(Decrease)	
			Amount	Percentage
Revenues:				
Interest from mortgages and notes	\$95.3	\$78.6	\$16.7	21.2%
Income from investments	31.2	32.6	(1.4)	(4.3%)
Net increase (decrease) in fair value of investments	6.9	(2.5)	9.4	376.0%
Fee income	20.8	17.1	3.7	21.6%
Grants and subsidies	263.2	283.4	(20.2)	(7.1%)
Other	0.2	0.7	(0.5)	(71.4%)
Total revenues	417.6	409.9	7.7	1.9%
Expenses:				
Operating and other program expenses	41.7	36.4	5.3	14.6%
Interest expense	82.7	67.4	15.3	22.7%
Grants and subsidies	260.5	281.5	(21.0)	(7.5%)
Total expenses	384.9	385.3	(0.4)	(0.1%)
Increase in net position	32.7	24.6	8.1	32.9%
Net position at beginning of year	475.8	451.2	24.6	5.5%
Net position at end of year	<u>\$508.5</u>	<u>\$475.8</u>	<u>\$32.7</u>	<u>6.9%</u>

Changes in business-type and governmental activities are explained in the following Results of Operations sections.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

RESULTS OF OPERATIONS – BUSINESS-TYPE ACTIVITIES

The net position of the business-type activities increased by \$25.1 million, or 6.8%, and totaled \$396.9 million. The following table summarizes the Statement of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2025 and December 31, 2024:

Business-Type Activities Statement of Revenues, Expenses and Changes in Net Position (in millions of dollars)				
	<u>2025</u>	<u>2024</u>	<u>Increase/(Decrease)</u> <u>Amount</u>	<u>Percentage</u>
Operating Revenues:				
Interest from mortgages and notes	\$95.1	\$78.3	\$16.8	21.5%
Income from investments	27.1	28.8	(1.7)	(5.9%)
Net increase (decrease) in fair value of investments	6.9	(2.5)	9.4	376.0%
Fee income	6.5	3.9	2.6	66.7%
Other revenue	0.1	0.6	(0.5)	(83.3%)
Total revenues	<u>135.7</u>	<u>109.1</u>	<u>26.6</u>	<u>24.4%</u>
Operating Expenses:				
Operating and other program expenses	31.2	26.2	5.0	19.1%
Interest expense	<u>81.7</u>	<u>66.4</u>	<u>15.3</u>	<u>23.0%</u>
Total expenses	<u>112.9</u>	<u>92.6</u>	<u>20.3</u>	<u>21.9%</u>
Net Operating income	22.8	16.5	6.3	38.2%
Transfers in	<u>2.3</u>	<u>2.4</u>	<u>(0.1)</u>	<u>4.2%</u>
Change in net position	25.1	18.9	6.2	32.8%
Net position at beginning of year	<u>371.8</u>	<u>352.9</u>	<u>18.9</u>	<u>5.4%</u>
Net position at end of year	<u><u>\$396.9</u></u>	<u><u>\$371.8</u></u>	<u><u>\$25.1</u></u>	<u><u>6.8%</u></u>

Operating revenues of the business-type activities are generated principally from earnings on mortgages and investments. Total revenues from business-type activities increased \$26.6 million or 24.4% in 2025 and amounted to \$135.7 million. Operating expenses of business-type activities consist primarily of interest expense on debt incurred to fund lending programs. Expenses for business-type activities totaled \$112.9 million, which is an increase of \$20.3 million or 21.9%.

The 2025 operating results and net position were significantly affected by the following:

- Interest earned from mortgages and notes increased by \$16.8 million or 21.5% due mainly to an increase in single family loan purchases and higher average outstanding mortgage receivable balances.
- Income from investments decreased by \$1.7 million or 5.9% due to a decrease in short-term rates and lower average investment yields.
- Interest rate changes during the year generated an unrealized gain of \$6.9 million, which is a \$9.4 million increase compared with the unrealized loss of \$2.5 million recorded in 2024.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

- Fee income, which is largely from multifamily loan originations and low-income housing tax credit project monitoring, increased by \$2.6 million in 2025 due to higher activity levels.
- Interest expense increased by \$15.3 million, or 23%, driven by higher outstanding bond balances. Additional bond proceeds were required to fund the elevated level of loan production in 2025.
- Operating and other program administrative expenses increased by \$5 million or 19.1%. The increase is largely due to higher single family loan origination and servicing fees, which increased by a combined amount of \$2.4 million, and a \$1.3 million increase in arbitrage liabilities. Additionally, unusual or infrequent expenses in the amount of \$0.7 were recorded in 2025 for the repayment of funds from the Emergency Rental Assistance Programs to the U.S. Department of the Treasury.

RESULTS OF OPERATIONS – GOVERNMENTAL ACTIVITIES

The governmental activities net position increased by \$7.6 million or 7.3% and totaled \$111.6 million at December 31, 2025. The following table summarizes the Statement of Revenues, Expenditures, and Changes in Fund Balances for the years ended December 31, 2025 and December 31, 2024:

Governmental Activities Statement of Revenues, Expenditures, and Changes in Fund Balances (in millions of dollars)				
	2025	2024	Increase/ (Decrease)	
			Amount	Percentage
Revenues:				
Interest from mortgages and notes	\$0.2	\$0.3	(\$0.1)	(33.3%)
Income from investments	4.1	3.8	0.3	7.9%
Fee income	14.3	13.2	1.1	8.3%
Grant income	121.9	152.1	(30.2)	(19.9%)
Federal rent subsidy income	141.3	131.3	10.0	7.6%
Other revenue	0.1	0.1	0.0	0.0%
Total revenues	281.9	300.8	(18.9)	(6.3%)
Expenditures:				
Program administrative expenditures	10.5	10.2	0.3	2.9%
Interest expenditures	1.0	1.0	0.0	0.0%
Grant expenditures	119.6	150.3	(30.7)	(20.4%)
Federal rent subsidy expenditures	140.9	131.2	9.7	7.4%
Total expenditures	272.0	292.7	(20.7)	(7.1%)
Revenues in excess of expenditures	9.9	8.1	1.8	22.2%
Transfers out	(2.3)	(2.4)	0.1	4.2%
Change in fund balances	7.6	5.7	1.9	33.3%
Fund balances at beginning of year	104.0	98.3	5.7	5.8%
Fund balances at end of year	<u>\$111.6</u>	<u>\$104.0</u>	<u>\$7.6</u>	<u>7.3%</u>

Revenues from governmental activities are generated primarily from federal grants and rent subsidy income. Program revenues are also received from the State of Maine. Revenues from governmental activities totaled \$281.9 million in 2025, which is a decrease of \$18.9 million or 6.3%. Expenditures associated with governmental activities consist primarily of federal grants and rent subsidies payments. Total expenditures decreased \$20.7 million or 7.1% to \$272 million in 2025.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

Fees are earned for administering federal programs, which amounted to \$14.3 million in 2025. Typically, fees earned provide a revenue source adequate to recover direct and indirect costs of delivering related services.

The 2025 operating results of governmental activities were significantly affected by the following:

- Grant income decreased by \$30.2 million or 19.9% due to reduced federal and state funding. Federal grant income decreased \$20.4 million or 27.6% primarily because several COVID-19 relief programs ended. COVID-19 relief funding totaled \$6.6 million in 2025, down \$17.7 million or 72.9% from 2024. State of Maine grant income decreased by \$9.8 million or 12.5% following the full use of one-time funding for several programs and lower revenues provided to the HOME Fund, which is supported primarily by state-collected real estate transfer taxes.
- Federal rent subsidy income, which is income associated with various HUD Section 8 programs, increased \$10 million or 7.6% due to higher available funding for the Section 8 Housing Choice Voucher (HCV) and Performance Based Contract Administration (PBCA) programs. The HCV and PBCA programs income increased by \$2.5 million and \$7.6 million, respectively.
- Administrative fee income increased by \$1.1 million or 8.3% due mainly to higher fees earned from the Section 8 HCV and PBCA programs. Combined fee income from these programs increased by \$1.3 million.
- Grant expenditures decreased by \$30.7 million or 20.4% due to the reduction in available federal and state program funds, while federal rent subsidy expenditures increased \$9.7 million or 7.4% due to higher available income for the Section 8 HCV and PBCA programs.

DEBT ADMINISTRATION

Total bonds outstanding at December 31, 2025 amounted to \$2.6 billion, an increase of \$279.5 million or 12% from 2024. Bond issuances totaled \$446.3 million, while principal payments on bonds totaled \$167.7 million. A total of \$117 million of bonds were redeemed prior to maturity from reserve funds, mortgage prepayments, surplus revenues, and the proceeds of bond refundings. Scheduled principal payments on bonds totaled \$50.7 million.

Variable-rate bonds totaled \$278.3 million at December 31, 2025, representing 10.7% of the bond portfolio. Interest rate swaps are used to synthetically fix rates on a portion of this debt and twelve interest rate swap agreements have been executed with four counterparties in connection with \$201.7 million variable rate bonds.

Bonds in MaineHousing's General Mortgage Purchase Bond Resolution were rated Aa1 and AA+ by Moody's Investor Service and Standard & Poor's, respectively, in 2025.

Loan agreements may be entered into for program and capital funding purposes. At December 31, 2025, MaineHousing had \$12.3 million in outstanding notes payable in its General Administrative Fund, which is a decrease of \$0.7 million as a result of scheduled principal payments. The proceeds from this note provided capital funding for the development of an office facility for MaineHousing.

For additional information about MaineHousing's mortgage bonds and notes payables, see Notes 6, 7, 9, 14, and 17 to the financial statements.

CAPITAL ASSETS

MaineHousing's capital assets consist primarily of its administrative facility. No significant additions or disposals occurred in 2025, and capital assets did not materially affect overall financial results. Capital assets are presented in the financial statements at \$16 million, net of accumulated depreciation.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

ECONOMIC FACTORS AND OTHER INFORMATION

The primary business activity of MaineHousing is funding the purchase of single family home mortgages, originating multifamily development loans, and administering various federal and state funded programs. Financing activities are sensitive to the level of interest rates, the spread between the rate available on MaineHousing loans and those available in the conventional mortgage markets, the availability of private activity bond volume cap, and the availability of affordable housing. The availability of tax-exempt and taxable financing on favorable terms is a key element in providing the funding necessary for MaineHousing to continue its mortgage financing activities. MaineHousing's primary revenue sources include interest earned on mortgage loans, investment income, and federal and state grants and subsidies.

Market interest rates impact both mortgage program revenues and investment income. Following the elevated rate environment of 2023 and 2024, interest rates began to stabilize and modestly decline during 2025. As a result, interest income on the existing mortgage and investment portfolios remained favorable, while yields on new loan originations and reinvested funds began to reflect the lower-rate environment. Prepayments on single family mortgages increased from the exceptionally low levels experienced in 2023 and 2024, leading to a moderate rise in bond redemptions prior to maturity.

Federal and state funded grants and subsidies are subject to annual appropriations. Pandemic-related emergency funding concluded, and federal support shifted toward ongoing housing affordability, energy assistance, and community development initiatives. MaineHousing continued to administer a range of programs designed to support low and moderate income households, including rental and homeowner assistance, energy-related aid, and homelessness prevention initiatives.

Demand for affordable housing and related services remains strong statewide and the State of Maine's budget continues to include substantial amounts for housing and energy affordability. Funding included resources to expand affordable housing production, and provide services aimed at preventing homelessness and addressing housing instability. MaineHousing is a key administrator of these programs, working with state and local partners to deliver assistance and advance statewide housing goals.

REQUESTS FOR INFORMATION

The purpose of this financial report is to provide information needed to understand MaineHousing's financial position and results of operations for the year ended December 31, 2025. Inquiries for additional information may be directed to the Director of Finance at Maine State Housing Authority, 26 Edison Drive, Augusta, Maine 04330-6046, at (207) 626-4600 or at www.mainehousing.org.

MAINE STATE HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)

	Business-type Activities	Governmental Activities	Total
ASSETS:			
Current Assets:			
Cash, principally time deposits (note 3)	\$88,499	\$8,981	\$97,480
Investments (notes 3, 9, and 11)	429,786	113,458	543,244
Accounts receivable - government	0	9,766	9,766
Mortgage notes receivable, net (note 4)	58,350	10	58,360
Other assets (note 5)	14,135	647	14,782
Internal balances (note 13)	(21,963)	21,963	0
Total Current Assets	<u>568,807</u>	<u>154,825</u>	<u>723,632</u>
Noncurrent Assets:			
Investments (notes 3, 9, and 11)	209,104	0	209,104
Mortgage notes receivable, net (note 4)	2,203,331	115,498	2,318,829
Capital assets, net	16,031	0	16,031
Other real estate owned, net	364	0	364
Derivative instrument - interest rate swaps (note 7)	13,740	0	13,740
Total Noncurrent Assets	<u>2,442,570</u>	<u>115,498</u>	<u>2,558,068</u>
Total Assets	<u>3,011,377</u>	<u>270,323</u>	<u>3,281,700</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred pension expense (note 8)	536	275	811
Deferred amount on debt refundings	1,537	0	1,537
Program advances	0	1,439	1,439
Total Deferred Outflows of Resources	<u>2,073</u>	<u>1,714</u>	<u>3,787</u>
LIABILITIES:			
Current Liabilities:			
Accrued interest payable	11,917	55	11,972
Accounts payable - government	0	3,497	3,497
Accounts payable and accrued liabilities	15,006	5,362	20,368
Unearned income	0	106,402	106,402
Bonds and notes payable (notes 6, 9, 14, and 17)	106,225	3,085	109,310
Total Current Liabilities	<u>133,148</u>	<u>118,401</u>	<u>251,549</u>
Noncurrent Liabilities:			
Excess arbitrage to be rebated (note 12)	3,207	0	3,207
Pension liability (note 8)	1,023	527	1,550
Bonds and notes payable (notes 6, 9, 14, and 17)	2,465,064	41,279	2,506,343
Total Noncurrent Liabilities	<u>2,469,294</u>	<u>41,806</u>	<u>2,511,100</u>
Total Liabilities	<u>2,602,442</u>	<u>160,207</u>	<u>2,762,649</u>
DEFERRED INFLOWS OF RESOURCES:			
Accumulated increase in fair value of hedging derivatives (note 7)	13,740	0	13,740
Deferred loan origination points	12	0	12
Deferred pension credit (note 8)	364	187	551
Total Deferred Inflows of Resources	<u>14,116</u>	<u>187</u>	<u>14,303</u>
NET POSITION:			
Net investment in capital assets	3,556	0	3,556
Restricted for bond resolutions	350,603	0	350,603
Restricted for grants and programs	0	111,643	111,643
Unrestricted	42,733	0	42,733
Total Net Position	<u>\$396,892</u>	<u>\$111,643</u>	<u>\$508,535</u>

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Investment Income	Grants and Contributions	Business-type Activities	Governmental Activities	Total
Business-type activities:							
Mortgage Purchase Fund	\$109,258	\$99,480	\$32,897	\$0	\$23,119	\$0	\$23,119
Bondholder Reserve Fund	85	88	297	0	300	0	300
General Administrative Fund	2,901	2,166	0	0	(735)	0	(735)
Total business-type activities	112,244	101,734	33,194	0	22,684	0	22,684
Governmental activities:							
HOME Fund	24,375	236	889	23,285	0	35	35
Section 8 Housing Programs	146,270	9,082	22	141,287	0	4,121	4,121
Low Income Home Energy Assistance Program	33,203	1,161	16	32,015	0	(11)	(11)
Maine Energy, Housing and Economic Recovery Program	2,034	44	658	4,317	0	2,985	2,985
Other Federal and State Programs	66,127	4,018	2,551	62,276	0	2,718	2,718
Total governmental activities	272,009	14,541	4,136	263,180	0	9,848	9,848
Total Agency-wide	\$384,253	\$116,275	\$37,330	\$263,180	22,684	9,848	32,532
General Revenues:							
Unrestricted investment income					829	0	829
Transfers					2,280	(2,280)	0
Unusual or infrequent item					(655)	0	(655)
Total general revenues, transfers and unusual or infrequent items					2,454	(2,280)	174
Change in Net Position					25,138	7,568	32,706
Net Position at beginning of year					371,754	104,075	475,829
Net Position at end of year					\$396,892	\$111,643	\$508,535

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)

	Mortgage Purchase Fund	Bondholder Reserve Fund	General Administrative Fund	Total
ASSETS:				
Current Assets:				
Cash, principally time deposits (note 3)	\$ 38,626	\$ 0	\$ 49,873	\$ 88,499
Investments (notes 3, 9, and 11)	401,953	7,404	20,429	429,786
Mortgage notes receivable, net (note 4)	57,630	571	149	58,350
Other assets (note 5)	13,948	13	174	14,135
Interfund (note 13)	0	0	5,533	5,533
Total Current Assets	<u>512,157</u>	<u>7,988</u>	<u>76,158</u>	<u>596,303</u>
Noncurrent Assets:				
Investments (notes 3, 9, and 11)	209,104	0	0	209,104
Mortgage notes receivable, net (note 4)	2,197,746	1,080	4,505	2,203,331
Capital assets, net	22	0	16,009	16,031
Other real estate owned, net	364	0	0	364
Derivative instrument - interest rate swaps (note 7)	13,740	0	0	13,740
Total Noncurrent Assets	<u>2,420,976</u>	<u>1,080</u>	<u>20,514</u>	<u>2,442,570</u>
Total Assets	<u>2,933,133</u>	<u>9,068</u>	<u>96,672</u>	<u>3,038,873</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred pension expense (note 8)	441	3	92	536
Deferred amount on debt refundings	1,537	0	0	1,537
Total Deferred Outflows of Resources	<u>1,978</u>	<u>3</u>	<u>92</u>	<u>2,073</u>
LIABILITIES:				
Current Liabilities:				
Accrued interest payable	11,917	0	0	11,917
Accounts payable and accrued liabilities	405	0	14,601	15,006
Interfund (note 13)	4,105	24	23,367	27,496
Bonds and notes payable (notes 6, 9, 14, and 17)	105,525	0	700	106,225
Total Current Liabilities	<u>121,952</u>	<u>24</u>	<u>38,668</u>	<u>160,644</u>
Noncurrent Liabilities:				
Excess arbitrage to be rebated (note 12)	3,207	0	0	3,207
Pension liability (note 8)	844	5	174	1,023
Bonds and notes payable (notes 6, 9, 14, and 17)	2,453,471	0	11,593	2,465,064
Total Noncurrent Liabilities	<u>2,457,522</u>	<u>5</u>	<u>11,767</u>	<u>2,469,294</u>
Total Liabilities	<u>2,579,474</u>	<u>29</u>	<u>50,435</u>	<u>2,629,938</u>
DEFERRED INFLOWS OF RESOURCES:				
Accumulated increase in fair value of hedging derivatives (note 7)	13,740	0	0	13,740
Deferred loan origination points	12	0	0	12
Deferred pension credit (note 8)	300	2	62	364
Total Deferred Inflows of Resources	<u>14,052</u>	<u>2</u>	<u>62</u>	<u>14,116</u>
NET POSITION:				
Net investment in capital assets	22	0	3,534	3,556
Restricted for bond resolutions	341,563	9,040	0	350,603
Unrestricted	0	0	42,733	42,733
Total Net Position	<u>\$341,585</u>	<u>\$9,040</u>	<u>\$46,267</u>	<u>\$396,892</u>

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)

	Mortgage Purchase Fund	Bondholder Reserve Fund	General Administrative Fund	Total
OPERATING REVENUES:				
Interest from mortgages and notes	\$94,792	\$88	\$240	\$95,120
Income from investments	25,977	297	0	26,274
Net increase in the fair value of investments	6,920	0	0	6,920
Fee income	4,636	0	1,837	6,473
Other revenue	52	0	89	141
	<u>132,377</u>	<u>385</u>	<u>2,166</u>	<u>134,928</u>
Total Operating Revenues				
OPERATING EXPENSES:				
Operating expenses	14,458	85	2,883	17,426
Other program administrative expenses	9,284	0	10	9,294
Mortgage servicing fees	2,296	0	8	2,304
Losses on foreclosed real estate	50	0	0	50
Loss on bond redemption (note 14)	166	0	0	166
Interest expense	81,736	0	0	81,736
Excess arbitrage (note 12)	1,268	0	0	1,268
	<u>109,258</u>	<u>85</u>	<u>2,901</u>	<u>112,244</u>
Total Operating Expenses				
Operating Income (Loss)	<u>23,119</u>	<u>300</u>	<u>(735)</u>	<u>22,684</u>
NONCAPITAL SUBSIDIES AND OTHER NONOPERATING REVENUES:				
Unrestricted income from investments	0	0	829	829
Transfers in - interfund revenues (note 13)	28	0	2,138	2,166
Transfers in - restricted for capital assets (note 13)	0	0	114	114
	<u>28</u>	<u>0</u>	<u>3,081</u>	<u>3,109</u>
Total Noncapital Subsidies and Other Nonoperating Revenues				
Income Before Unusual or Infrequent Items	<u>23,147</u>	<u>300</u>	<u>2,346</u>	<u>25,793</u>
UNUSUAL OR INFREQUENT ITEMS				
Loss from repayment of federal program funds (note 15)	<u>0</u>	<u>0</u>	<u>(655)</u>	<u>(655)</u>
Change in Net Position	23,147	300	1,691	25,138
Net Position at beginning of year	<u>318,438</u>	<u>8,740</u>	<u>44,576</u>	<u>371,754</u>
Net Position at end of year	<u>\$341,585</u>	<u>\$9,040</u>	<u>\$46,267</u>	<u>\$396,892</u>

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)

	Mortgage Purchase Fund	Bondholder Reserve Fund	General Administrative Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Interest receipts from borrowers	\$93,174	\$88	\$241	\$93,503
Principal receipts on mortgages and notes - scheduled	113,448	571	2,452	116,471
Principal receipts on mortgages and notes - prepayments	62,843	0	181	63,024
Payments for operating expenses	(14,206)	(15)	(921)	(15,142)
Payments for personnel expenses	(11,832)	(70)	(1,962)	(13,864)
Investment in mortgages and other notes	(503,247)	(88)	(434)	(503,769)
Other	3,545	(2)	(12,130)	(8,587)
Net cash provided by (used for) operating activities	<u>(256,275)</u>	<u>484</u>	<u>(12,573)</u>	<u>(268,364)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	0	0	(327)	(327)
Principal payments on capital debt	0	0	(677)	(677)
Interest payments on capital debt	0	0	(411)	(411)
Payment on subscription liabilities	0	0	(172)	(172)
Net cash used for capital and related financing activities	<u>0</u>	<u>0</u>	<u>(1,587)</u>	<u>(1,587)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Proceeds from sale of bonds	446,977	0	0	446,977
Principal payments on bonds	(164,590)	0	0	(164,590)
Interest payments on bonds	(79,280)	0	0	(79,280)
Payments (to) from other funds	(722)	3	(33,116)	(33,835)
Net cash provided by (used for) non-capital financing activities	<u>202,385</u>	<u>3</u>	<u>(33,116)</u>	<u>169,272</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from disposition of foreclosed real estate	1,773	0	10	1,783
Purchase of investments	(1,176,347)	(784)	0	(1,177,131)
Sales and maturity of investments	1,226,000	0	13,994	1,239,994
Interest received on investments	18,604	297	830	19,731
Net cash provided by (used for) investing activities	<u>70,030</u>	<u>(487)</u>	<u>14,834</u>	<u>84,377</u>
Net increase (decrease) in cash	16,140	0	(32,442)	(16,302)
Cash at beginning of year	22,486	0	82,315	104,801
Cash at end of year	<u>\$38,626</u>	<u>\$0</u>	<u>\$49,873</u>	<u>\$88,499</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating income (loss)	\$23,119	\$300	(\$735)	\$22,684
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization	527	0	1,313	1,840
Interest on bonds and notes	81,209	0	411	81,620
Losses on foreclosed real estate	50	0	0	50
Loss on bond redemption	166	0	0	166
Pension expense	79	0	16	95
Interest income on investments	(25,977)	(297)	0	(26,274)
Net increase in fair value of investments	(6,920)	0	0	(6,920)
Changes in operating assets and liabilities:				
Other assets	(1,159)	0	108	(1,051)
Pension contributions	(417)	0	(86)	(503)
Mortgage note interest receivable	(1,618)	0	1	(1,617)
Accounts payable and accrued liabilities	1,622	(2)	(15,800)	(14,180)
Investment in mortgage and other notes	(503,247)	(88)	(434)	(503,769)
Mortgage & other note principal repayments	176,291	571	2,633	179,495
Net cash provided by (used for) operating activities	<u>(\$256,275)</u>	<u>\$484</u>	<u>(\$12,573)</u>	<u>(\$268,364)</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION:				
Transfer from mortgage notes receivable to other assets and other real estate owned	\$2,898	\$0	\$0	\$2,898

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)

	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Maine Energy, Housing & Economic Recovery Fund	Other Federal and State Programs	Total
ASSETS:						
Current Assets:						
Cash, principally time deposits (note 3)	\$0	\$6,830	\$1,266	\$0	\$885	\$8,981
Investments (notes 3, 9, and 11)	10,481	0	0	13,271	89,706	113,458
Accounts receivable - government	2,379	119	2,278	0	4,990	9,766
Mortgage notes receivable, net (note 4)	10	0	0	0	0	10
Other assets	131	232	0	61	223	647
Interfund (note 13)	5,063	29	0	0	20,042	25,134
Total Current Assets	18,064	7,210	3,544	13,332	115,846	157,996
Noncurrent Assets:						
Mortgage notes receivable, net (note 4)	70,371	0	0	45,127	0	115,498
Total Noncurrent Assets	70,371	0	0	45,127	0	115,498
Total Assets	88,435	7,210	3,544	58,459	115,846	273,494
DEFERRED OUTFLOWS OF RESOURCES:						
Program advances	1,439	0	0	0	0	1,439
Total Assets and Deferred Outflows of Resources	<u>\$89,874</u>	<u>\$7,210</u>	<u>\$3,544</u>	<u>\$58,459</u>	<u>\$115,846</u>	<u>\$274,933</u>
LIABILITIES:						
Current Liabilities:						
Accrued interest payable	\$0	\$0	\$0	\$55	\$0	\$55
Accounts payable - government	0	472	349	0	2,676	3,497
Accounts payable and accrued liabilities	1,643	325	1,225	0	2,169	5,362
Unearned income	0	0	757	0	105,645	106,402
Interfund (note 13)	29	317	1,084	3	2	1,435
Bonds payable (notes 6 and 9)	0	0	0	3,085	0	3,085
Total Current Liabilities	1,672	1,114	3,415	3,143	110,492	119,836
Noncurrent Liabilities:						
Bonds payable (notes 6 and 9)	0	0	0	41,279	0	41,279
Total Non Current Liabilities	0	0	0	41,279	0	41,279
Total Liabilities	1,672	1,114	3,415	44,422	110,492	161,115
FUND BALANCES:						
Restricted by program requirements	88,202	6,096	129	0	5,354	99,781
Nonspendable	0	0	0	14,037	0	14,037
Total Fund Balances	88,202	6,096	129	14,037	5,354	113,818
Total Liabilities and Fund Balances	<u>\$89,874</u>	<u>\$7,210</u>	<u>\$3,544</u>	<u>\$58,459</u>	<u>\$115,846</u>	<u>\$274,933</u>

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

Total fund balances in governmental funds	\$113,818
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Pension expense deferrals reported as deferred outflows of resources in governmental activities are not financial resources and therefore are not reported in the governmental funds.	275
Pension liabilities reported in governmental activities are not due and payable in the current period and therefore are not reported in the governmental funds.	(527)
Pension credit deferrals reported as deferred inflows of resources in governmental activities are not available to pay for current period expenditures and therefore are not reported in the governmental funds.	(187)
Interfund balances related to the allocation of pension liabilities and deferrals of resources reported in governmental activities are not due and payable in the current period and therefore not reported in the governmental funds.	<u>(1,736)</u>
Net Position of governmental activities	<u>\$111,643</u>

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)

	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Maine Energy, Housing & Economic Recovery Fund	Other Federal and State Programs	Total
REVENUES:						
Interest from mortgages and notes	\$168	\$0	\$0	\$44	\$0	\$212
Income from investments	889	22	16	658	2,551	4,136
Fee income	0	9,068	1,161	0	4,018	14,247
Other revenue	68	14	0	0	0	82
Grant income	23,285	0	32,015	4,317	62,276	121,893
Federal rent subsidy income	0	141,287	0	0	0	141,287
Total Revenues	<u>24,410</u>	<u>150,391</u>	<u>33,192</u>	<u>5,019</u>	<u>68,845</u>	<u>281,857</u>
EXPENDITURES:						
Operating expenditures	0	5,114	1,093	0	2,733	8,940
Other program administrative expenditures	0	215	28	3	1,078	1,324
Provision for losses on loans (note 4)	185	0	0	0	0	185
Grant expenditures	24,190	2	32,076	1,066	62,301	119,635
Federal rent subsidy	0	140,911	0	0	0	140,911
Interest	0	0	0	965	0	965
Total Expenditures	<u>24,375</u>	<u>146,242</u>	<u>33,197</u>	<u>2,034</u>	<u>66,112</u>	<u>271,960</u>
Revenues in Excess of (Less Than) Expenditures	35	4,149	(5)	2,985	2,733	9,897
Transfers between funds, net (note 13)	<u>(34)</u>	<u>(2,030)</u>	<u>(4)</u>	<u>0</u>	<u>(212)</u>	<u>(2,280)</u>
Change in Fund Balances	1	2,119	(9)	2,985	2,521	7,617
Fund Balances at beginning of year	<u>88,201</u>	<u>3,977</u>	<u>138</u>	<u>11,052</u>	<u>2,833</u>	<u>106,201</u>
Fund Balances at end of year	<u>\$88,202</u>	<u>\$6,096</u>	<u>\$129</u>	<u>\$14,037</u>	<u>\$5,354</u>	<u>\$113,818</u>

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Change in Fund Balances - total governmental funds	\$7,617
Amounts reported for governmental activities in the Statement of Activities are different because:	
Expenses reported in the Statement of Activities include a pension expense, which does not effect the use of current financial resources and therefore is not reported as an expenditure in the governmental funds.	<u>(49)</u>
Change in Net Position of governmental activities	<u>\$7,568</u>

See accompanying notes to the financial statements

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

(1.) ORGANIZATION AND NATURE OF OPERATIONS

The Maine State Housing Authority (MaineHousing) is a public corporation and an instrumentality of the State of Maine established under the provisions of the *Maine Housing Authorities Act*, Title 30-A, Chapter 201, of the Maine Revised Statutes, as amended. MaineHousing is authorized to issue bonds for the purchase or origination of notes and mortgages on single-family and multi-family residential properties for the purpose of providing housing for persons and families of low income in the State of Maine. MaineHousing also administers various housing and energy-related state and federal programs and collects and disburses federal rent subsidies for low-income housing.

For financial reporting purposes, MaineHousing is considered a component unit of the State of Maine and the financial condition and results of operations of MaineHousing are included in the State's financial statements.

(2.) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

MaineHousing's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) statements and are comprised of three components: 1) agency-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The financial statements include all of the organization's activities and functions for which MaineHousing 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, MaineHousing. Based on the preceding criteria, the accompanying financial statements do not include the financial activities of any entity other than MaineHousing.

The agency-wide financial statements are comprised of a Statement of Net Position and Statement of Activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. These statements reflect all of the assets, liabilities, revenues, expenses, deferred inflows, deferred outflows, gains and losses of business-type and governmental activities. Interfund balances entirely within the proprietary funds and governmental funds are eliminated from the Statement of Net Position; remaining amounts are shown as Internal Balances.

The business-type activities, which include single-family and multi-family loan programs, are classified as proprietary funds. Proprietary funds are reported using the accrual basis of accounting and revenues are recorded when earned and expenses when incurred. The governmental activities reflect the administration of the various programs for the State of Maine and the federal government. Governmental funds are reported using the modified accrual basis and revenues are recorded when they become available and measurable and expenses when incurred. Revenues from grants and programs are generally considered "available" if eligibility and time restrictions have been satisfied and if received within three months of the balance sheet date. Grants received in advance of the period in which they can be used are reported as deferred inflows of resources.

Separate fund financial statements are provided for proprietary and governmental funds. The fund financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental entities, which provides that accounting systems be organized by funds to account for specific activities consistent with legal and operating requirements. Major individual governmental funds and all proprietary funds and fund groups are reported as separate columns in the fund financial statements. Certain insignificant indirect costs are allocated to the funds.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

Fund Structure

PROPRIETARY FUNDS

Financial activities operated similarly to private business enterprises and financed through fees and charges assessed primarily to users of loans and other lender services are presented as proprietary funds. MaineHousing's proprietary funds are as follows, all of which are considered major funds:

Mortgage Purchase Fund

This fund consists of accounts established by the General Mortgage Purchase Bond Resolution. Pursuant to the Mortgage Purchase Program, MaineHousing is authorized to purchase or originate first lien mortgages on single-family and multi-family residential properties. Proceeds from the sale of mortgage revenue bonds, the debt service requirements of the bond indebtedness, and mortgage loans made from bond proceeds are recorded in this fund.

Bondholder Reserve Fund

This fund consists of accounts established by the General Authority Bondholder Reserve Fund Resolution and is pledged to replenish any deficiency in the debt service reserve fund of the General Mortgage Purchase Bond Resolution.

General Administrative Fund

This fund consists of account balances that are not directly pledged to or restricted by a particular bond resolution or program and generates fee and interest income. Revenues not specifically pledged for the repayment of bonds or notes are recorded in this fund.

GOVERNMENTAL FUNDS

Activities financed by grant and program agreements with the federal government and appropriations and allocations from the State of Maine Legislature are presented as governmental funds. None of the governmental funds are legally required to adopt a formal budget. MaineHousing's governmental funds are as follows, all of which are considered major funds:

Home Fund

The Maine State Legislature authorized the creation of the Housing Opportunities for Maine (HOME) Program to promote and create affordable housing. The program is funded by a portion of the Real Estate Transfer Tax levied by the State of Maine and by appropriations. These funds may be used in conjunction with MaineHousing's other housing resources. Activities associated with the Shelter Operating Subsidy Program, which is funded by the State of Maine and provides funding for emergency shelters that serve Maine's homeless citizens, are also recorded in this fund.

Section 8 Housing Programs

This fund group consists of activity related to MaineHousing's administration of various Department of Housing and Urban Development (HUD) Section 8 programs. These are federal programs that provide rental subsidies to landlords to preserve low-income rental units and funding to tenants to assist with rent payments. The program funding levels are established by the federal government annually. MaineHousing receives annual fees from HUD for the administration of these programs. These programs consist of the following:

- Moderate Rehabilitation
- Section 811 Project Rental Assistance
- Housing Choice Voucher
- Performance Based Contract Administration
- Family Self-Sufficiency
- Mainstream Vouchers
- Section 8 Emergency Housing Voucher – *American Rescue Plan Act*

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

Low Income Home Energy Assistance Program

MaineHousing is the designated administrator of the Low Income Home Energy Assistance Program for the State of Maine. This program is federally funded through the Department of Health and Human Services. Under this program, funds are provided to low income homeowners and renters to assist with the payment of heating costs. The funding level is established annually by the federal government and MaineHousing receives annual fees for the administration of the program.

Maine Energy, Housing and Economic Recovery Fund

The purpose of the Maine Energy, Housing and Economic Recovery Fund (MEHER) is to create capital funding sources to provide affordable housing and to improve energy efficiency of residential housing in the State of Maine. The fund consists of accounts established by the MEHER General Indenture. The revenue anticipation bonds issued under the MEHER General Indenture are liabilities of the fund and the debt service for these bonds is paid by a source of revenue from the State of Maine.

Other Federal and State Programs

MaineHousing administers various other federal and state housing and energy-related programs and grants. This fund group records the activity and reflects the consolidation of these programs and grants. Program administration is governed by the appropriate federal regulations or state laws. The annual program and grant funding levels are set by the appropriate federal or state government. MaineHousing receives annual fees for the administration of most of the federal programs and grants. Federal and state programs consist of the following:

U.S. Department of Housing and Urban Development

- Emergency Solutions Grants
- HOME Investment Partnerships Program
- HOME Investment Partnerships Program – *American Rescue Plan Act*
- National Housing Trust Fund
- Lead-Based Paint Hazard Control Program
- Healthy Homes Production Grant
- Homeless Management Information System
- Continuum of Care - Planning Grant
- Community Development Block Grant – *Coronavirus Aid, Relief, and Economic Security Act* (via State of Maine)
- Older Adult Home Modification Program
- Recovery Housing Program

U.S. Department of Energy

- Weatherization Assistance Program
- Weatherization Assistance Program - Training Centers and Programs
- Weatherization Assistance Program – *Bipartisan Infrastructure Law*
- Sustainable Energy Resources for Consumers Grant

U.S. Department of Health and Human Services

- Weatherization / Central Heating Improvement Program
- Temporary Assistance for Needy Families (via State of Maine)

U.S. Department of Treasury

- Emergency Rental Assistance Program – *American Rescue Plan Act* (via State of Maine)
- Homeowner Assistance Fund – *American Rescue Plan Act* (via State of Maine)
- Expand Affordable Housing Program – *American Rescue Plan Act* (via State of Maine)
- Grants for Homeless Shelters – *American Rescue Plan Act* (via State of Maine)

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

State of Maine

Well Water Treatment Program
Lead Abatement Program
State General Obligation Bonds
Emergency Housing Relief Fund
Eviction Prevention Program
Low-Barrier Homeless Shelter Program
Improve Access to Credit for Low-Income Individuals
Manufactured and Mobile Home Park Preservation and Assistance Program
Rural Affordable Rental Housing Program
Housing Stability Support Program
Housing Subsidy Program for Homeless Students
Affordable Homeownership Program

Private

Low Income Assistance Plan

Net Position

In the agency-wide and proprietary fund financial statements, net position is displayed in three components as follows:

Net investment in capital assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any notes, liabilities or other borrowings for the acquisition, construction, or improvement of those assets.

Restricted – This consists of activities that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. For business-type activities, the net position is restricted by bond resolutions for the acquisition of loans, payment of debt service and payment of operating costs. For governmental activities, the net position is restricted by state statutes or federal regulations and program agreements for specific program purposes.

Unrestricted – This consists of activities that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balances

In the governmental funds financial statements, fund balances are reported as either restricted for housing and energy related programs or nonspendable in current form due to the long term nature of certain assets. If unrestricted fund balances are available, they are generally used after assigned or restricted amounts.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and held by banks in demand deposits and savings accounts.

Investments

Money market funds, repurchase agreements and certificates of deposit that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Investments not reported at amortized cost are reported at fair value. Unrealized gains and losses due to fluctuations in market values and gains and losses realized upon sale are reported as net increases or decreases in the fair value of investments. Interest received that is required by federal programs to be spent on program activities is deferred and recorded as a payable to the federal government.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

Mortgage Notes Receivable

Mortgage notes receivable are carried at their uncollected principal balance less allowances for loan losses. The recording of interest income on problem loans ceases when collectibility within a reasonable period of time becomes doubtful. Program income received for revolving loan programs are recorded as unearned income. MaineHousing reclassifies its liability for amounts due under revolving loan programs relating to forgivable loans and loans with no payments due until sale of the collateral or maturity of the loan (usually 30 years from origination) to reduce the associated loan balances. MaineHousing believes this presentation better reflects the underlying economics of the loan.

Allowances For Losses On Loans

MaineHousing has established allowances for losses on mortgages and other notes receivable. The allowances are established through provisions for losses on loans charged to expenses. Losses are charged against the allowances when MaineHousing believes that collection of the loan principal is unlikely.

The allowances are amounts that MaineHousing believes will be adequate to absorb losses based on evaluations of collectibility and prior loss experience. The evaluation takes into consideration such factors as the nature and volume of the portfolio, extent of available mortgage insurance, collateral, delinquencies and current economic conditions that may affect the borrowers' ability to pay.

Capital Assets

Capital assets consisting of building, land, and equipment are stated at cost less accumulated depreciation and are reported in the agency-wide and proprietary funds financial statements. MaineHousing capitalizes assets with an initial cost of one thousand dollars or more. Depreciation is computed using the straight line method over the estimated useful lives of the assets, which range from three to forty years. Land and assets that are being developed are not depreciated. Intangible assets from subscription-based information technology arrangements are recorded as capital assets and amortized using the straight line method over the subscription term.

Other Real Estate Owned

Other real estate owned consists of single-family and multi-family residential properties acquired through foreclosure, or acceptance of a deed in lieu of foreclosure and are carried at the lower of cost or fair value less estimated costs to sell. Losses arising from the acquisition of other real estate owned are charged to the allowance for loan losses. Operating expenses, subsequent provisions to reduce the carrying value, and any gain or loss on disposition of the property are reflected in the Statement of Revenues, Expenses and Changes in Net Position in the year incurred or realized.

Bond Discount, Premium, Issuance Costs and Deferred Amounts on Refunding

Bond discounts and premiums are reflected as a component of bonds payable and are deferred and amortized over the lives of the bonds using a method that approximates the effective interest method. Gains and losses on debt refundings are amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter and reflected as a deferred outflow of resources. Bond issuance costs are expensed in the year issued.

Loan Origination Fees and Costs

MaineHousing pays origination costs at the time it purchases single-family mortgage loans. These and other program costs, including closing cost assistance to borrowers, paid in connection with acquiring certain single-family loans, are expensed in the year of origination.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

MaineHousing may receive points in connection with the origination of certain mortgage loans, which are essentially yield adjustments on the loans. Points received for single-family loans are reflected as a deferred inflow of resources and amortized as a component of interest income using the effective interest method over the life of the mortgages. When a loan is paid off prior to maturity, all unamortized deferred points are recognized immediately as interest income. MaineHousing may charge a fee at the time that a commitment is made to originate a mortgage on a multi-family loan. These fees are recognized as income in the year the commitment is made.

Revenues, Expenses and Expenditures

Program revenues in the agency-wide Statement of Activities are reported in three categories including (1) charges for services, (2) investment income and (3) grants and contributions. Charges for services include all revenues from mortgage loans and program administration fees. Investment income consists of earnings from non-mortgage investment assets. Grants and contributions include revenues from other governments and organizations that are restricted for use in a particular program. All revenues are recorded as income when earned and the associated expenses are recorded as incurred.

The proprietary funds' primary sources of operating revenues are income from mortgage loans and other permitted investments. Operating expenses in the proprietary funds consist of costs incurred for originating and servicing loans, interest on bonds and notes, and program administration.

Revenues in the governmental funds are derived from grant and program agreements with the federal government, appropriations from the Maine State Legislature, and other organizations. MaineHousing also receives fee income for program administration. Expenditures in the governmental funds are all current operating expenditures and consist primarily of program disbursements and administration charges.

Derivatives and Hedging Instruments

MaineHousing enters into interest rate swap agreements in order to manage risks associated with interest on its variable rate bond portfolio. MaineHousing recognizes the fair value of swap agreements as either an asset or liability on its Statement of Net Position with the offsetting gains or losses as either deferred inflows or outflows of resources, if deemed an effective hedge. If swap agreements are not effective hedges, interest expense is increased or decreased by the change in the fair value. MaineHousing measures the effectiveness of its interest rate swap agreements in total whereby all the swaps are used to hedge interest expense on a portion of the total variable rate bonds equal to the notional amount of the swaps. Hedge effectiveness is determined by using the regression analysis method. MaineHousing's swap agreements constitute an effective hedge for the hedged portion of the variable rate bond portfolio at December 31, 2025.

Fair Value Methodology

Generally accepted accounting principles establishes standards for determining fair value measurements for accounting and financial reporting purposes and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements and also establishes a three-tier hierarchy that prioritizes the inputs used to measure fair value as follows:

- **Level 1 inputs** are observable, quoted prices in active markets for identical assets or liabilities;
- **Level 2 inputs** are directly or indirectly observable, but not on Level 1; and
- **Level 3 inputs** are all inputs that are unobservable.

MaineHousing's assets and liabilities carried at fair value are investments and interest rate swaps.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

Defined Benefit Pension Plan

MaineHousing is a participating local district (PLD) member of the Maine Public Employees Retirement System (MainePERS) PLD Consolidated Retirement Plan and employees may participate in a defined benefit plan offered by MainePERS. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of MainePERS' PLD Consolidated Plan have been determined on the same basis as they are reported by MainePERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments at MainePERS are reported at fair value.

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 at the date of the statements and the reported amounts of revenues, expenses and expenditures during the reporting year. Material estimates that are particularly susceptible to significant change in the near-term relate to the determination of the allowance for losses on loans, the fair value of interest rate swaps and the net pension liability for MaineHousing's participation in the MainePERS PLD Consolidated Retirement Plan. Actual results could differ from estimates.

New Accounting Standard

MaineHousing early adopted Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements* for the year ended December 31, 2025. GASB 103 replaces and supersedes portions of GASB 34 and related standards and introduces revised presentation requirements for proprietary fund financial statements, including new definitions and classifications for operating and nonoperating revenues and expenses, updated subtotal requirements, and new guidance for management's discussion and analysis.

The early adoption resulted in changes to the presentation of MaineHousing's proprietary fund Statement of Revenues, Expenses, and Changes in Net Position but did not have an effect on beginning net position or MaineHousing's accounting policies for the recognition and measurement of revenues, expenses, assets, deferred outflows of resources, liabilities, or deferred inflows of resources.

Future Accounting Standards

The following GASB Statements that have been issued are under evaluation by MaineHousing:

- GASB Statement No. 104, Disclosure of Certain Capital Assets is effective for the year ending December 31, 2026. GASB Statement No. 104 provides users of government financial statements with essential information about certain types of capital assets.
- GASB Statement No. 105, Subsequent Events, is effective for the year ending December 31, 2027. GASB State No. 105 clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

MaineHousing has not adopted these standards and is evaluating the impact they may have on its financial statements.

(3.) CASH AND INVESTMENTS

At December 31, 2025, the carrying amount of MaineHousing's bank deposits was \$97,480 and the bank balance was \$98,995. The difference between the carrying amount and the bank balance is a result of transactions in transit. Of the bank balance, \$500 was covered by federal depository insurance and \$98,495 was collateralized by pledged government securities that are held in the bank's name at the Federal Reserve Bank.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

The General Mortgage Purchase Bond Resolution permits MaineHousing to invest in direct obligations of, or obligations guaranteed by, the United States of America, certain government-sponsored enterprises and the State of Maine “permitted investments.” The resolution also permits MaineHousing to invest in certificates of deposit, repurchase agreements, money market funds and other similar banking arrangements that are collateralized by permitted investments.

MaineHousing has a formal Investment Policy that outlines its investment practices and policies. The primary purpose of the policy is to ensure safety of principal while managing liquidity to pay MaineHousing’s financial obligations. MaineHousing’s deposit policy is to have its deposits covered by insurance, collateralized or deposited in well capitalized institutions.

MaineHousing’s investment balances and stated maturities as of December 31, 2025 are presented in the following table. Actual maturities may differ due to investments being called by the issuer.

Investment Type	Investment Maturities in Years					Moody's Credit Rating
	Carrying Amount	Less than 1	1-5	6-10	More than 10	
PROPRIETARY FUNDS						
MORTGAGE PURCHASE FUND						
Repurchase Agreements	\$122,747	\$122,747	\$0	\$0	\$0	NR
Money Market Funds	1,000	1,000	0	0	0	NR
Federal Home Loan Mortgage Corporation (FHLMC)	49,846	49,846	0	0	0	P-1/Aa1
Federal Farm Credit Bank (FFCB)	75,351	0	11,686	36,812	26,853	P-1/Aa1
Federal National Mortgage Association (FNMA)	84,831	84,831	0	0	0	P-1/Aa1
Federal Home Loan Bank (FHLB)	208,434	84,599	5,341	86,480	32,014	P-1/Aa1
U.S. Treasury Securities	68,848	58,930	3,040	6,878	0	P-1/Aa1
Total - Mortgage Purchase Fund	611,057	401,953	20,067	130,170	58,867	
BONDHOLDER RESERVE FUND						
Repurchase Agreements	7,404	7,404	0	0	0	NR
GENERAL ADMINISTRATIVE FUND						
Repurchase Agreements	6,199	6,199	0	0	0	NR
Government Money Market Funds	11,428	11,428	0	0	0	Aaa-mf
Certificates of Deposit	2,802	2,802	0	0	0	NR
Total - General Administrative Fund	20,429	20,429	0	0	0	
Total - Proprietary Funds	\$638,890	\$429,786	\$20,067	\$130,170	\$58,867	
GOVERNMENTAL FUNDS						
HOME FUND						
Repurchase Agreements	\$10,481	\$10,481	\$0	\$0	\$0	NR
MAINE ENERGY, HOUSING & ECONOMIC RECOVERY FUND						
Repurchase Agreements	13,271	13,271	0	0	0	NR
OTHER FEDERAL AND STATE PROGRAMS						
Repurchase Agreements	89,706	89,706	0	0	0	NR
Total - Governmental Funds	\$113,458	\$113,458	\$0	\$0	\$0	

MaineHousing generally invests in repurchase agreements and money market funds for short-term investments, which are not credit rated and are continuously and fully secured by permitted investments. It is MaineHousing’s policy to require that collateral be held by MaineHousing’s trustee in MaineHousing’s name, wherever practicable.

A market approach is used to determine fair value using Level 2 inputs for investments carried at fair value. Prices and other relevant information are generated by market transactions involving identical or comparable investments.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

At December 31, 2025, \$540,442 was invested in short-term repurchase agreements, money market funds, U.S. Treasury Securities, and other government sponsored enterprises with maturity dates of less than one year and interest rates up to 3.83%. Investments other than repurchase agreements, money market funds, and U.S. Treasury Securities are registered in MaineHousing's name. Investments issued by Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Bank (FFCB), Federal National Mortgage Association (FNMA), and Federal Home Loan Bank (FHLB) make up 8%, 12%, 14%, and 34% of total investments, respectively, in the Mortgage Purchase Fund.

At December 31, 2025, \$2,802 is invested in a non-negotiable certificate of deposit to fund a debt service reserve in connection with a loan agreement. The certificate has an interest rate of 3.20% and will mature in November 2026. The certificate is not credit rated and is being held by its bank trustee in MaineHousing's name.

MaineHousing originates loans that provide capital funding for the creation of affordable rental housing. Undisbursed loan proceeds for certain programs are held as investments in the General Administrative Fund with a corresponding escrow amount recorded in accounts payable and accrued liabilities. Escrow investments totaled \$11,428 at December 31, 2025.

(4.) MORTGAGE NOTES RECEIVABLE

For financial statement presentation, the allowance for losses on loans has been netted against the noncurrent portion of mortgage notes receivable. A summary of mortgage notes receivable at December 31, 2025 is as follows:

	<u>Number of Notes</u>	<u>Principal Balance</u>	<u>Percent of Portfolio</u>
PROPRIETARY FUNDS			
MORTGAGE PURCHASE FUND - SINGLE-FAMILY:			
VA guaranteed	543	\$94,081	6.7%
FHA insured	2,102	353,697	25.2%
USDA/RD guaranteed	5,032	589,742	42.0%
Privately insured	336	84,691	6.0%
Non-insured	2,723	281,679	20.1%
Total Mortgage Purchase Fund - single-family	<u>10,736</u>	<u>1,403,890</u>	<u>100.0%</u>
MORTGAGE PURCHASE FUND - MULTI-FAMILY:			
Section 8	202	227,759	26.5%
Conventional	371	600,189	69.9%
Supportive Housing	148	30,521	3.6%
Total Mortgage Purchase Fund - multi-family	<u>721</u>	<u>858,469</u>	<u>100.0%</u>
Less: Allowance for losses on loans		(6,983)	
Total Mortgage Purchase Fund	<u>11,457</u>	<u>2,255,376</u>	
BONDHOLDER RESERVE FUND - MULTI-FAMILY:			
Conventional	<u>1</u>	<u>1,651</u>	<u>100.0%</u>
GENERAL ADMINISTRATIVE FUND - SINGLE-FAMILY:			
Non-insured	43	1,313	<u>100.0%</u>
GENERAL ADMINISTRATIVE FUND - MULTI-FAMILY:			
Section 8	1	553	16.0%
Conventional	4	2,892	84.0%
Total General Administrative Fund - multi-family	<u>5</u>	<u>3,445</u>	<u>100.0%</u>
Less: Allowance for losses on loans		(104)	
Total General Administrative Fund	<u>48</u>	<u>4,654</u>	
Total Proprietary Funds	<u>11,506</u>	<u>\$2,261,681</u>	

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

GOVERNMENTAL FUNDS

HOME FUND - SINGLE-FAMILY:

Non-insured	225	\$2,689	<u>100.0%</u>

HOME FUND - MULTI-FAMILY:

Non-insured	<u>144</u>	<u>68,466</u>	<u>100.0%</u>

Total HOME Fund		71,155	

Less: Allowance for losses on loans		(774)	

Total HOME Fund	<u>369</u>	<u>70,381</u>	

MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY

FUND - MULTI-FAMILY

Non-insured	<u>32</u>	<u>45,127</u>	<u>100.0%</u>

Total Governmental Funds	<u>401</u>	<u>\$115,508</u>	

A summary of the activity in the allowance for losses on loans is as follows:

	<u>PROPRIETARY FUNDS</u>	<u>GOVERNMENTAL FUNDS</u>
	Mortgage Purchase Fund Group	General Administrative Fund
Balance – December 31, 2024	\$7,124	\$94
Provision	0	0
Loans charged off	(174)	0
Recoveries	33	10
Balance – December 31, 2025	<u>\$6,983</u>	<u>\$104</u>

(5.) SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

MaineHousing uses subscription-based information technology arrangements (SBITA) for certain information technology cloud software. One arrangement provides software for its multi-family housing programs and one arrangement is for grant management.

The term for the multi-family SBITA is for an initial three-year period at an annual fee of \$167, which increases by 3% per annum. Renewal options for two additional years at the same terms and conditions were exercised and included in the determination of the right-to-use asset and subscription liability. This SBITA arrangement also included an implementation fee and other costs of \$186.

The term for the grant management SBITA was for an initial three-year period that ended in August 2025. Renewal options were available for two additional years but were not exercised.

At December 31, 2025, MaineHousing has a net right-to-use SBITA asset, an intangible asset, of \$282 and a \$182 subscription liability, which is included in accounts payable and accrued liabilities. During 2025, \$299 of amortization expense and \$8 of interest expense on the subscription liability was recorded. Principal and interest for the subscription liability through December 31, 2026 is \$182 and \$5, respectively.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

(6.) BONDS AND NOTES PAYABLE

MaineHousing issues bonds that pay interest that is subject to Alternative Minimum Tax (AMT), bonds that pay interest that is not subject to this tax (Non-AMT) and federally taxable bonds. Interest paid on AMT bonds is treated as a preference item in calculating the tax imposed on individuals and corporations under the Internal Revenue Service Code. MaineHousing's AMT, Non-AMT and federally taxable bonds are denoted for each series or sub-series in the following table.

The interest rates presented in the following table for variable rate bonds represent the rate at December 31, 2025. The Single-Family (S/F) and Multi-Family (M/F) Mortgage Bonds Payable outstanding at December 31, 2025 are as follows:

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
PROPRIETARY FUNDS							
MORTGAGE PURCHASE FUND							
2013 SERIES B BONDS (S/F)							
2013 Series B (Non-AMT)							
Serial Bonds	\$7,540	\$0	2.75%				
Term Bonds	3,890	2,000	3.00%	2026-2027	985	-	1,015
Term Bonds	38,690	16,275	3.45%	2031-2032	7,995	-	8,280
Term Bonds	28,880	24,680	3.60%	2033-2036	1,990	-	8,235
Term Bonds	27,000	0	4.00%				
	106,000	42,955					
2015 SERIES A BONDS (M/F)							
2015 Series A-2 (Non-AMT)							
Term Bonds	6,555	1,125	3.25%	2028-2029	525	-	600
2015 Series A-3 (Non-AMT)							
Serial Bonds	8,050	0	1.20%				
Term Bonds	11,220	9,135	3.50%	2031-2034	2,160	-	2,410
Term Bonds	13,505	11,000	3.63%	2036-2039	2,590	-	2,905
Term Bonds	16,225	16,225	3.75%	2040-2044	2,995	-	3,500
	55,555	37,485					
2015 SERIES B BONDS (S/F)							
2015 Series B (Non-AMT)							
Serial Bonds	9,750	0	2.60%				
Term Bonds	10,750	6,650	3.20%	2028-2030	2,150	-	2,285
Term Bonds	1,610	1,610	3.45%	2031-2034	380	-	425
Term Bonds	9,890	0	3.50%				
	32,000	8,260					
2015 SERIES C BONDS (M/F)							
2015 Series C (Federally Taxable)							
Serial Bonds	9,480	0	2.74% - 3.04%				
Term Bonds	18,000	0	3.59%				
Term Bonds	12,520	7,800	3.95%	2038-2040	2,500	-	2,700
	40,000	7,800					
2015 SERIES E BONDS (S/F)							
2015 Series E-3 (AMT)							
Term Bonds	30,000	25,450	Variable - 3.37%	2035-2038	4,625	-	7,610
	30,000	25,450					
2015 SERIES F BONDS (M/F)							
2015 Series F-2 (Non-AMT)							
Serial Bonds	2,450	500	2.85%	2026		500	
2015 Series F-3 (Non-AMT)							
Serial Bonds	15,005	0	1.10%				
Term Bonds	6,340	5,155	3.40%	2028-2030	1,650	-	1,785
Term Bonds	9,565	0	3.85%				
Term Bonds	11,840	0	3.95%				
	45,200	5,655					
2015 SERIES G BONDS (S/F)							
2015 Series G (Non-AMT)							
Serial Bonds	8,185	3,830	2.85% - 3.00%	2026-2027	1,735	-	2,095
Term Bonds	1,730	1,730	3.35%	2028-2030	535	-	615
Term Bonds	2,125	0	3.65%				
Term Bonds	12,060	7,420	3.85%	2038-2040	2,410	-	2,535
Term Bonds	5,900	0	3.50%				
	30,000	12,980					

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2016 SERIES A BONDS (S/F)							
2016 Series A (Non-AMT)							
Serial Bonds	6,065	855	2.45%	2026	855		
Term Bonds	6,520	6,520	2.90%	2027-2030	1,545	-	1,720
Term Bonds	4,630	4,630	3.30%	2031-2035	865	-	990
Term Bonds	10,900	10,900	3.55%	2036-2040	1,960	-	2,355
Term Bonds	6,885	0	4.00%				
	35,000	22,905					
2016 SERIES B BONDS (S/F)							
2016 Series B-1 (Non-AMT)							
Serial Bonds	19,260	4,735	2.35% - 2.55%	2026-2027	2,325	-	2,410
Term Bonds	3,885	1,205	2.70%	2028		1,205	
Term Bonds	18,855	0	3.50%				
2016 Series B-2 (AMT)							
Term Bonds	28,000	28,000	Variable - 3.37%	2029-2037	2,720	-	3,420
	70,000	33,940					
2016 SERIES C BONDS (S/F)							
2016 Series C (Non-AMT)							
Serial Bonds	13,620	3,340	2.15% - 2.50%	2026-2028	1,080	-	1,155
Term Bonds	5,670	5,670	2.75%	2029-2031	1,185	-	2,285
Term Bonds	8,975	8,975	3.00%	2032-2036	1,305	-	2,510
Term Bonds	3,355	3,355	3.15%	2037-2041	625	-	720
Term Bonds	8,380	0	3.50%				
	40,000	21,340					
2016 SERIES D BONDS (M/F)							
2016 Series D (Federally Taxable)							
Serial Bonds	32,000	15,915	2.69% - 2.99%	2026-2029	3,915	-	4,000
Term Bonds	8,000	8,000	3.29%	2030-2031		4,000	
	40,000	23,915					
2016 SERIES E BONDS (S/F)							
2016 Series E (Non-AMT)							
Serial Bonds	6,250	1,565	3.05% - 3.15%	2026-2027	765	-	800
Term Bonds	3,050	0	3.63%				
Term Bonds	10,385	0	3.90%				
Term Bonds	8,315	0	4.00%				
	28,000	1,565					
2017 SERIES A BONDS (S/F)							
2017 Series A (Non-AMT)							
Serial Bonds	5,920	2,205	3.00% - 3.15%	2026-2028	705	-	765
Term Bonds	3,360	0	3.65%				
Term Bonds	6,315	0	4.00%				
Term Bonds	7,625	0	4.05%				
Term Bonds	6,780	0	4.00%				
	30,000	2,205					
2017 SERIES B BONDS (S/F)							
2017 Series B (Non-AMT)							
Serial Bonds	8,680	4,470	2.50% - 3.00%	2026-2030	795	-	1,010
Term Bonds	4,215	4,215	3.25%	2031-2032	2,090	-	2,125
Term Bonds	6,170	2,605	3.65%	2036-2037	1,280	-	1,325
Term Bonds	8,745	8,745	3.75%	2038-2044	1,115	-	1,355
Term Bonds	7,190	0	4.00%				
	35,000	20,035					
2017 SERIES D BONDS (M/F)							
2017 Series D-1 (Non-AMT)							
Serial Bonds	13,175	4,000	2.50% - 2.95%	2026-2029		1,000	
Term Bonds	14,320	14,320	3.50%	2033-2037	2,250	-	3,980
Term Bonds	5,870	5,870	3.65%	2038-2042	1,090	-	1,265
Term Bonds	7,810	7,810	3.75%	2043-2047	1,445	-	1,680
	41,175	32,000					
2017 SERIES E BONDS (S/F)							
2017 Series E (Federally Taxable)							
Term Bonds	60,000	60,000	Variable - 3.85%	2042-2052	5,000	-	10,000
	60,000	60,000					

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2017 SERIES F BONDS (S/F)							
2017 Series F (Non-AMT)							
Serial Bonds	13,180	7,285	2.40% - 3.00%	2026-2030	970	-	1,675
Term Bonds	2,055	2,055	3.15%	2031-2032	1,005	-	1,050
Term Bonds	5,920	5,920	3.50%	2033-2037	1,090	-	1,280
Term Bonds	7,000	7,000	3.65%	2038-2042	1,320	-	1,490
Term Bonds	11,845	175	3.50%	2043-2047	30	-	55
	40,000	22,435					
2017 SERIES G BONDS (S/F - M/F)							
2017 Series G-1 (Federally Taxable)							
Term Bonds	55,000	55,000	Variable - 3.90%	2045-2050	8,290	-	10,090
	55,000	55,000					
2017 SERIES H BONDS (S/F)							
2017 Series H (Non-AMT)							
Serial Bonds	18,380	11,755	2.60% - 3.05%	2026-2030	1,655	-	4,510
Term Bonds	5,420	5,420	3.25%	2031-2033	1,750	-	1,865
Term Bonds	10,625	5,495	3.55%	2036-2037	2,700	-	2,795
Term Bonds	1,485	1,485	3.70%	2038-2042	275	-	320
Term Bonds	2,590	2,590	3.75%	2043-2047	480	-	555
	38,500	26,745					
2018 SERIES A BONDS (S/F)							
2018 Series A (Non-AMT)							
Serial Bonds	13,510	5,900	2.85% - 3.25%	2026-2030	1,160	-	1,200
Term Bonds	3,680	2,465	3.50%	2032-2033	1,220	-	1,245
Term Bonds	8,630	5,240	3.75%	2036-2038	1,725	-	1,765
Term Bonds	9,180	9,180	3.90%	2039-2043	1,790	-	1,885
	35,000	22,785					
2018 SERIES B BONDS (S/F)							
2018 Series B (Non-AMT)							
Serial Bonds	10,565	3,655	2.80% - 3.10%	2026-2028	1,205	-	1,230
Term Bonds	6,005	2,445	3.50%	2032-2033	1,215	-	1,230
Term Bonds	11,270	6,850	3.75%	2036-2038	2,245	-	2,320
Term Bonds	12,160	12,160	3.85%	2039-2043	2,355	-	2,515
	40,000	25,110					
2018 SERIES C BONDS (S/F)							
2018 Series C (Non-AMT)							
Serial Bonds	14,200	6,170	2.80% - 3.25%	2026-2030	645	-	1,955
Term Bonds	4,080	0	3.55%				
Term Bonds	7,195	1,485	3.85%	2038		1,485	
Term Bonds	9,595	0	3.95%				
Term Bonds	9,930	875	4.00%	2044-2048	30	-	400
	45,000	8,530					
2018 SERIES D BONDS (S/F - M/F)							
2018 Series D-1 (Federally Taxable)							
Term Bonds	40,000	40,000	Variable - 4.25%	2043-2053	2,965	-	4,395
	40,000	40,000					
2018 SERIES F BONDS (S/F)							
2018 Series F (Non-AMT)							
Serial Bonds	7,710	0	2.65%				
Term Bonds	3,745	0	3.85%				
Term Bonds	6,450	0	4.13%				
Term Bonds	6,225	0	4.20%				
Term Bonds	10,300	1,450	4.25%	2044-2048	60	-	655
	34,430	1,450					
2019 SERIES A BONDS (S/F)							
2019 Series A (Non-AMT)							
Serial Bonds	12,670	6,870	2.55% - 3.05%	2026-2030	795	-	3,330
Term Bonds	4,305	4,305	3.45%	2031-2034	1,005	-	1,150
Term Bonds	2,605	2,130	3.80%	2036-2039	495	-	570
Term Bonds	10,880	0	4.00%				
Term Bonds	9,005	1,330	4.00%	2046-2049	195	-	505
	39,465	14,635					
2019 SERIES B BONDS (S/F)							
2019 Series B (Non-AMT)							
Serial Bonds	18,075	8,725	2.10% - 2.80%	2026-2032	695	-	2,170
Term Bonds	1,470	1,470	2.95%	2033-2034	720	-	750
Term Bonds	10,615	10,615	3.15%	2035-2039	1,745	-	2,730
Term Bonds	9,840	9,840	3.35%	2040-2044	1,795	-	2,130
	40,000	30,650					

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2019 SERIES C BONDS (S/F)							
2019 Series C (Non-AMT)							
Serial Bonds	8,415	3,960	1.90% - 2.45%	2026-2031	100	-	1,055
Term Bonds	6,350	6,350	2.75%	2032-2034	2,040	-	2,195
Term Bonds	5,250	5,250	3.00%	2035-2039	100	-	2,275
Term Bonds	10,270	10,270	3.20%	2040-2045	1,315	-	1,920
Term Bonds	8,825	1,785	4.00%	2047-2050	330	-	500
	<u>39,110</u>	<u>27,615</u>					
2019 SERIES E BONDS (S/F)							
2019 Series E (Non-AMT)							
Serial Bonds	15,540	11,765	1.85% - 2.35%	2026-2031	755	-	3,430
Term Bonds	5,895	5,895	2.70%	2032-2034	1,935	-	1,995
Term Bonds	6,610	6,610	3.10%	2040-2044	1,230	-	1,415
Term Bonds	6,400	1,400	3.75%	2047-2049	125	-	650
	<u>34,445</u>	<u>25,670</u>					
2020 SERIES A BONDS (S/F)							
2020 Series A (Non-AMT)							
Serial Bonds	9,800	6,030	1.70% - 2.40%	2026-2032	780	-	955
Term Bonds	1,995	1,995	2.60%	2033-2034	980	-	1,015
Term Bonds	7,195	7,195	2.85%	2035-2039	1,050	-	1,750
Term Bonds	8,645	8,645	3.00%	2040-2044	1,620	-	1,840
Term Bonds	6,715	1,770	3.75%	2047-2049	250	-	1,090
	<u>34,350</u>	<u>25,635</u>					
2020 SERIES B BONDS (M/F)							
2020 Series B (Non-AMT)							
Serial Bonds	12,000	0	1.10%				
Term Bonds	7,000	7,000	2.10%	2033-2035	2,140	-	2,530
Term Bonds	14,275	14,275	2.35%	2036-2040	2,690	-	3,015
Term Bonds	7,755	7,755	2.50%	2041-2045	1,470	-	1,640
Term Bonds	8,970	8,970	2.60%	2046-2050	1,695	-	1,900
	<u>50,000</u>	<u>38,000</u>					
2020 SERIES C BONDS (S/F)							
2020 Series C (Non-AMT)							
Serial Bonds	12,765	8,750	1.75% - 2.50%	2026-2032	950	-	1,675
Term Bonds	5,315	5,315	2.70%	2033-2035	1,715	-	1,830
Term Bonds	9,640	9,640	3.00%	2036-2040	1,770	-	2,055
Term Bonds	11,235	3,465	4.00%	2044-2050	125	-	690
	<u>38,955</u>	<u>27,170</u>					
2020 SERIES D BONDS (S/F)							
2020 Series D (Non-AMT)							
Serial Bonds	10,280	8,275	1.45% - 2.20%	2026-2032	1,055	-	1,310
Term Bonds	4,390	4,390	2.30%	2033-2035	1,090	-	2,170
Term Bonds	7,580	7,580	2.55%	2036-2040	1,270	-	2,215
Term Bonds	12,750	12,750	2.80%	2041-2045	1,465	-	4,120
	<u>35,000</u>	<u>32,995</u>					
2020 SERIES E BONDS (M/F)							
2020 Series E (Federally Taxable)							
Serial Bonds	40,000	40,000	2.02% - 2.74%	2026-2033	4,600	-	5,455
	<u>40,000</u>	<u>40,000</u>					
2020 SERIES F BONDS (S/F)							
2020 Series F (Non-AMT)							
Serial Bonds	10,465	7,365	0.95% - 1.75%	2026-2032	965	-	1,135
Term Bonds	3,415	3,415	2.00%	2033-2035	1,100	-	1,175
Term Bonds	6,535	6,535	2.15%	2036-2040	1,215	-	1,395
Term Bonds	7,710	7,710	2.25%	2041-2045	1,440	-	1,655
Term Bonds	11,875	11,875	2.40%	2046-2050	1,705	-	4,705
	<u>40,000</u>	<u>36,900</u>					
2020 SERIES G BONDS (S/F)							
2020 Series G (Non-AMT)							
Serial Bonds	25,180	23,080	0.95% - 2.20%	2026-2035	1,100	-	5,315
Term Bonds	10,465	10,465	2.38%	2036-2040	1,960	-	2,215
	<u>35,645</u>	<u>33,545</u>					
2020 SERIES H BONDS (S/F - M/F)							
2020 Series H (Federally Taxable)							
Serial Bonds	27,345	27,345	1.70% - 2.57%	2026-2032	3,800	-	4,055
Term Bonds	12,655	12,655	2.67%	2033-2035	4,130	-	4,310
	<u>40,000</u>	<u>40,000</u>					

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2021 SERIES A BONDS (M/F)							
2021 Series A (Non-AMT)							
Serial Bonds	21,000	4,000	0.60%	2026	4,000		
Term Bonds	6,000	6,000	1.85%	2034-2036	1,955	-	2,040
Term Bonds	7,000	7,000	2.05%	2037-2041	1,345	-	1,455
Term Bonds	8,000	8,000	2.15%	2042-2046	1,540	-	1,660
Term Bonds	8,000	8,000	2.20%	2047-2051	1,530	-	1,665
	<u>50,000</u>	<u>33,000</u>					
2021 SERIES B BONDS (S/F)							
2021 Series B (Non-AMT)							
Serial Bonds	10,150	6,825	0.75% - 1.85%	2026-2032	900	-	1,050
Term Bonds	5,925	5,925	2.05%	2033-2036	1,425	-	1,550
Term Bonds	8,550	8,550	2.20%	2037-2041	1,600	-	1,800
Term Bonds	7,050	7,050	2.40%	2042-2046	1,325	-	1,500
Term Bonds	8,325	8,325	2.45%	2047-2051	1,550	-	1,800
	<u>40,000</u>	<u>36,675</u>					
2021 SERIES C BONDS (S/F)							
2021 Series C (Non-AMT)							
Serial Bonds	10,755	7,790	0.85% - 1.80%	2026-2033	870	-	1,080
Term Bonds	5,730	5,730	1.90%	2034-2036	1,850	-	1,965
Term Bonds	10,865	10,865	2.15%	2037-2041	2,035	-	2,310
Term Bonds	12,650	12,650	2.30%	2042-2046	2,375	-	2,700
	<u>40,000</u>	<u>37,035</u>					
2021 SERIES D BONDS (S/F)							
2021 Series D (Non-AMT)							
Serial Bonds	11,675	8,860	0.90% - 2.10%	2026-2033	995	-	1,225
Term Bonds	3,915	3,915	2.20%	2034-2036	1,270	-	1,340
Term Bonds	7,325	7,325	2.40%	2037-2041	1,380	-	1,550
Term Bonds	7,960	7,960	2.65%	2042-2046	1,505	-	1,670
Term Bonds	8,455	4,615	3.00%	2049-2051	905	-	2,600
	<u>39,330</u>	<u>32,675</u>					
2022 SERIES A BONDS (M/F)							
2022 Series A (Non-AMT)							
Serial Bonds	19,000	6,500	0.85%	2026	6,500		
Term Bonds	10,180	10,180	2.40%	2037-2041	1,945	-	2,120
Term Bonds	19,570	19,570	2.60%	2042-2046	3,720	-	4,125
Term Bonds	1,250	1,250	2.65%	2047-2051	235	-	265
	<u>50,000</u>	<u>37,500</u>					
2022 SERIES B BONDS (M/F)							
2022 Series B (Federally Taxable)							
Serial Bonds	40,000	37,220	1.76% -2.58%	2026-2032	3,765	-	6,440
Term Bonds	10,000	10,000	2.98%	2033-2036	2,395	-	2,610
	<u>50,000</u>	<u>47,220</u>					
2022 SERIES C BONDS (MF)							
2022 Series C (AMT)							
Term Bonds	69,865	69,865	Variable - 3.31%	2041-2051	1,280	-	12,230
	<u>69,865</u>	<u>69,865</u>					
2022 SERIES D BONDS (S/F)							
2022 Series D (Non-AMT)							
Serial Bonds	14,000	11,785	2.60% - 3.80%	2026-2034	810	-	2,840
Term Bonds	5,520	5,520	3.88%	2035-2037	1,750	-	1,930
Term Bonds	16,975	16,975	4.00%	2038-2042	2,070	-	6,555
Term Bonds	2,450	2,450	4.13%	2043-2047	450	-	525
Term Bonds	10,300	6,500	5.00%	2049-2052	415	-	2,525
	<u>49,245</u>	<u>43,230</u>					
2022 SERIES E BONDS (S/F)							
2022 Series E (Non-AMT)							
Serial Bonds	11,935	9,790	2.60% - 3.88%	2026-2034	880	-	1,320
Term Bonds	4,400	4,400	4.00%	2035-2037	1,395	-	1,540
Term Bonds	11,925	11,925	4.15%	2038-2042	2,145	-	2,630
Term Bonds	15,325	15,325	4.25%	2043-2047	2,775	-	3,340
Term Bonds	10,595	7,020	5.00%	2050-2052	1,175	-	3,765
	<u>54,180</u>	<u>48,460</u>					

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2022 SERIES F BONDS (M/F)							
2022 Series F (Non-AMT)							
Serial Bonds	24,000	16,000	3.25% - 3.40%	2026-2027	8,000		
Term Bonds	16,000	16,000	4.85%	2038-2042	3,010	-	3,410
Term Bonds	20,000	20,000	4.95%	2043-2047	3,765	-	4,245
	60,000	52,000					
2022 SERIES G BONDS (S/F)							
2022 Series G-1 (Non-AMT)							
Serial Bonds	7,000	6,000	3.65% - 4.10%	2026-2029	1,000	-	3,000
Term Bonds	8,000	8,000	5.15%	2038-2042	1,425	-	1,785
Term Bonds	9,000	9,000	5.30%	2043-2047	1,605	-	2,005
Term Bonds	12,000	12,000	5.40%	2048-2052	2,160	-	2,590
2022 Series G-2 (Non-AMT)							
Term Bonds	24,000	24,000	4.21%	2033-2037	4,410	-	5,205
	60,000	59,000					
2023 SERIES A BONDS (S/F)							
2023 Series A (Non-AMT)							
Serial Bonds	7,670	6,840	2.80% - 3.75%	2026-2034	455	-	1,010
Term Bonds	5,135	5,135	4.15%	2035-2038	1,175	-	1,390
Term Bonds	5,085	5,085	4.40%	2039-2043	905	-	1,130
Term Bonds	12,350	12,350	4.60%	2044-2048	2,200	-	2,755
Term Bonds	9,760	9,760	4.70%	2049-2053	1,580	-	2,850
	40,000	39,170					
2023 SERIES B BONDS (S/F)							
2023 Series B-1 (Non-AMT)							
Serial Bonds	8,020	6,710	3.60% - 4.20%	2026-2033	730	-	960
Term Bonds	5,455	5,455	4.50%	2034-2038	995	-	1,190
Term Bonds	6,830	6,830	4.75%	2039-2043	1,240	-	1,495
Term Bonds	8,655	8,655	4.95%	2044-2048	1,570	-	1,900
Term Bonds	11,040	11,040	5.05%	2049-2053	1,995	-	2,435
2023 Series B-2 (Non-AMT)							
Serial Bonds	6,740	5,790	3.20% - 3.75%	2026-2033	645	-	815
Term Bonds	4,580	4,580	4.00%	2034-2038	845	-	990
Term Bonds	5,645	5,645	4.40%	2039-2043	1,030	-	1,230
Term Bonds	7,070	7,070	4.63%	2044-2048	1,285	-	1,545
Term Bonds	10,965	10,965	4.75%	2049-2054	1,620	-	2,050
	75,000	72,740					
2023 SERIES C BONDS (M/F)							
2023 Series C (Non-AMT)							
Serial Bonds	18,790	17,670	2.90% - 3.10%	2026-2028	2,510	-	10,145
Term Bonds	4,025	4,025	4.45%	2039-2043	740	-	875
Term Bonds	14,310	14,310	4.70%	2044-2048	2,610	-	3,125
Term Bonds	20,235	20,235	4.80%	2049-2053	3,680	-	4,430
	57,360	56,240					
2023 SERIES D BONDS (S/F)							
2023 Series D (Non-AMT)							
Serial Bonds	7,875	7,875	3.20% - 4.05%	2026-2035	605	-	1,005
Term Bonds	4,945	4,945	4.15%	2036-2038	1,560	-	1,740
Term Bonds	8,150	8,150	4.50%	2039-2043	1,450	-	1,815
Term Bonds	8,125	8,125	4.65%	2044-2048	1,445	-	1,810
Term Bonds	15,905	15,905	4.70%	2049-2053	2,800	-	3,665
	45,000	45,000					
2023 SERIES E BONDS (M/F)							
2023 Series E (Non-AMT)							
Serial Bonds	40,000	30,000	3.55% - 3.75%	2026-2028	10,000		
Term Bonds	5,000	5,000	4.45%	2035-2038	1,165	-	1,335
Term Bonds	15,000	15,000	4.75%	2039-2043	2,745	-	3,260
Term Bonds	15,000	15,000	4.88%	2044-2048	2,730	-	3,285
Term Bonds	15,000	15,000	4.90%	2049-2053	2,730	-	3,285
	90,000	80,000					
2024 SERIES A BONDS (S/F)							
2024 Series A (Non-AMT)							
Serial Bonds	9,380	9,380	3.40% - 3.80%	2029-2035	675	-	1,885
Term Bonds	5,135	5,135	4.00%	2036-2039	1,175	-	1,390
Term Bonds	5,630	5,630	4.45%	2040-2044	1,000	-	1,250
Term Bonds	8,095	8,095	4.65%	2045-2049	1,440	-	1,805
Term Bonds	11,760	11,760	4.75%	2050-2054	1,905	-	3,435
	40,000	40,000					

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2024 SERIES B BONDS (M/F)							
2024 Series B (Non-AMT)							
Serial Bonds	40,000	40,000	3.45% - 3.65%	2027-2030	9,000	-	10,500
Term Bonds	5,555	5,555	4.00%	2037-2039	1,775	-	1,930
Term Bonds	8,050	8,050	4.55%	2040-2044	1,465	-	1,755
Term Bonds	11,610	11,610	4.65%	2045-2049	2,115	-	2,540
Term Bonds	14,785	14,785	4.70%	2050-2054	2,690	-	3,245
	<u>80,000</u>	<u>80,000</u>					
2024 SERIES C BONDS (S/F)							
2024 Series C (Non-AMT)							
Serial Bonds	16,825	16,035	3.45% - 4.10%	2026-2036	415	-	3,215
Term Bonds	9,515	9,515	4.15%	2037-2039	2,985	-	3,365
Term Bonds	13,920	13,920	4.55%	2040-2044	2,460	-	3,130
Term Bonds	15,850	15,850	4.75%	2045-2049	2,800	-	3,560
Term Bonds	13,890	13,890	4.85%	2050-2054	2,450	-	3,125
	<u>70,000</u>	<u>69,210</u>					
2024 SERIES D BONDS (S/F)							
2024 Series D (Non-AMT)							
Serial Bonds	12,155	11,520	3.30% - 4.00%	2026-2036	770	-	1,380
Term Bonds	9,295	9,295	4.10%	2037-2039	2,915	-	3,285
Term Bonds	9,870	9,870	4.50%	2040-2044	1,070	-	2,390
Term Bonds	8,620	8,620	4.70%	2045-2049	1,530	-	1,935
Term Bonds	20,060	20,060	4.75%	2050-2054	3,150	-	6,270
	<u>60,000</u>	<u>59,365</u>					
2024 SERIES F BONDS (M/F)							
2024 Series F (Non-AMT)							
Serial Bonds	59,760	59,760	3.30% - 3.55%	2026-2029	8,500	-	20,260
Term Bonds	3,240	3,240	4.10%	2037-2039	1,030	-	1,130
Term Bonds	6,520	6,520	4.55%	2040-2044	1,185	-	1,425
Term Bonds	11,165	11,165	4.70%	2045-2049	2,030	-	2,440
Term Bonds	14,315	14,315	4.75%	2050-2054	2,605	-	3,140
	<u>95,000</u>	<u>95,000</u>					
2024 SERIES G BONDS (S/F)							
2024 Series G (Non-AMT)							
Serial Bonds	9,435	9,435	3.30% - 3.90%	2029-2036	970	-	1,415
Term Bonds	3,670	3,670	3.95%	2037-2039	1,155	-	1,295
Term Bonds	12,630	12,630	4.35%	2040-2044	2,270	-	2,815
Term Bonds	10,025	10,025	4.55%	2045-2049	1,795	-	2,225
Term Bonds	14,240	14,240	4.60%	2050-2054	2,540	-	3,225
	<u>50,000</u>	<u>50,000</u>					
2025 SERIES A BONDS (S/F)							
2025 Series A (Non-AMT)							
Serial Bonds	12,955	12,955	3.20% - 3.95%	2029-2037	1,160	-	1,760
Term Bonds	7,685	7,685	4.10%	2038-2040	2,430	-	2,705
Term Bonds	12,670	12,670	4.50%	2041-2045	2,280	-	2,810
Term Bonds	6,570	6,570	4.65%	2046-2050	1,175	-	1,455
Term Bonds	20,120	20,120	4.70%	2051-2053	6,320	-	7,125
	<u>60,000</u>	<u>60,000</u>					
2025 SERIES B BONDS (S/F)							
2025 Series B (Non-AMT)							
Serial Bonds	14,810	14,810	3.25% - 4.60%	2027-2037	500	-	1,795
Term Bonds	5,645	5,645	4.75%	2038-2040	1,780	-	1,990
Term Bonds	11,815	11,815	5.05%	2041-2045	2,105	-	2,620
Term Bonds	15,725	15,725	5.13%	2046-2050	2,795	-	3,510
Term Bonds	11,880	11,880	5.15%	2051-2054	55	-	4,170
Term Bonds	13,730	13,690	6.25%	2054-2055	6,105	-	7,585
	<u>73,605</u>	<u>73,565</u>					
2025 SERIES C BONDS (M/F)							
2025 Series C (Non-AMT)							
Serial Bonds	62,000	62,000	2.90% - 3.25%	2027-2030	7,000	-	26,000
Term Bonds	8,790	8,790	4.85%	2038-2040	2,795	-	3,065
Term Bonds	18,660	18,660	5.10%	2041-2045	3,395	-	4,080
Term Bonds	9,960	9,960	5.15%	2046-2050	1,810	-	2,180
Term Bonds	25,590	25,590	5.25%	2051-2055	4,655	-	5,615
	<u>125,000</u>	<u>125,000</u>					

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2025 SERIES D BONDS (S/F)							
2025 Series D - 1 (Non-AMT)							
Serial Bonds	26,275	26,275	2.85% - 4.05%	2028-2037	1,730	-	3,115
Term Bonds	12,105	12,105	4.50%	2038-2040	3,805	-	4,265
Term Bonds	21,620	21,620	4.85%	2041-2045	1,925	-	5,345
2025 Series D -2 (Non-AMT)							
Term Bonds	3,740	3,740	4.85%	2045		3,740	
Term Bonds	33,740	33,740	4.95%	2046-2050	5,990	-	7,570
Term Bonds	20,250	20,250	6.00%	2052-2055	1,020	-	7,800
	<u>117,730</u>	<u>117,730</u>					
2025 SERIES E BONDS (M/F)							
2025 Series E (Non-AMT)							
Serial Bonds	22,000	22,000	3.00% - 3.10%	2028-2030	6,000	-	8,000
Term Bonds	10,000	10,000	4.10%	2038-2040	3,240	-	3,435
Term Bonds	12,000	12,000	4.55%	2041-2045	2,200	-	2,600
Term Bonds	8,000	8,000	4.85%	2046-2050	1,455	-	1,745
Term Bonds	18,000	18,000	4.90%	2051-2055	3,270	-	3,940
	<u>70,000</u>	<u>70,000</u>					
		2,563,040					
Less: Net Unamortized Bond Discount		<u>(4,044)</u>					
Total Mortgage Purchase Fund	<u>3,224,145</u>	<u>2,558,996</u>					
Total Proprietary Funds	<u>\$3,224,145</u>	<u>\$2,558,996</u>					
GOVERNMENTAL FUNDS							
MAINE ENERGY, HOUSING & ECONOMIC RECOVERY FUND							
2021 Series 1 (Non-AMT)							
Serial Bonds	<u>\$15,020</u>	<u>\$15,020</u>	5.00%	2034-2037	3,265	-	4,110
2021 Series 2 (Taxable)							
Serial Bonds	<u>38,930</u>	<u>26,375</u>	1.16% - 2.42%	2026-2034	295	-	3,480
		41,395					
Plus: Net Unamortized Bond Premium		<u>2,969</u>					
Total Maine Energy, Housing & Recovery Fund Group	<u>53,950</u>	<u>44,364</u>					
Total Governmental Funds	<u>\$53,950</u>	<u>\$44,364</u>					

The following table summarizes bond debt activity for the year ended December 31, 2025:

Fund	Outstanding at December 31, 2024	Issues	Retirement	Outstanding at December 31, 2025
Mortgage Purchase Fund	\$2,281,295	\$446,335	(\$164,590)	\$2,563,040
Maine Energy, Housing & Economic Recovery Fund	44,450	0	(3,055)	41,395
Total	<u>\$2,325,745</u>	<u>\$446,335</u>	<u>(\$167,645)</u>	<u>\$2,604,435</u>

Interest on bonds is payable semi-annually for the Mortgage Purchase Fund and the Maine Energy, Housing & Economic Recovery Fund. Scheduled principal payments on bonds are due November 15 for the Mortgage Purchase Fund and June 15 for the Maine Energy, Housing & Economic Recovery Fund.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

The interest calculations shown in the table below are based on the variable rate in effect at December 31, 2025 and may not be indicative of actual interest expense that will be incurred. As rates vary, variable rate bond interest payments and net swap payments will vary. The following table provides a summary of MaineHousing's bond debt service requirements and net interest rate swap payments through 2030 and in five-year increments thereafter to maturity:

Year(s)	Mortgage Purchase Fund					Maine Energy, Housing & Economic Recovery Fund	
	Fixed and Variable Unswapped		Variable Swapped		Swaps	Fixed	
	Principal	Interest	Principal	Interest	Net Interest	Principal	Interest
2026	\$105,525	\$87,297	\$0	\$7,098	(\$2,946)	\$3,085	\$1,214
2027	111,915	84,755	0	7,168	(2,297)	3,120	1,174
2028	123,880	81,579	0	7,170	(2,311)	3,165	1,126
2029	120,365	77,953	2,795	7,167	(2,232)	3,215	1,072
2030	104,925	74,348	2,905	7,074	(2,166)	3,275	1,011
2031-2035	347,864	334,995	22,526	33,824	(7,107)	17,510	3,788
2036-2040	405,061	274,515	24,774	28,397	118	8,025	406
2041-2045	420,663	194,578	17,883	26,263	0	0	0
2046-2050	341,258	113,620	112,562	15,669	0	0	0
2051-2055	279,859	36,233	18,280	799	0	0	0
Total	<u>\$2,361,315</u>	<u>\$1,359,873</u>	<u>\$201,725</u>	<u>\$140,629</u>	<u>(\$18,941)</u>	<u>\$41,395</u>	<u>\$9,791</u>

MaineHousing's bonds are a special obligation of MaineHousing and do not constitute a debt or liability of the State of Maine. The bonds are secured in accordance with bond resolutions. Security for bonds in the Mortgage Purchase Fund includes the mortgage loans made or purchased under the resolution and all monies and investments in the fund and accounts pledged under the resolution. Bonds in the Mortgage Purchase Fund may be redeemed in excess of the annual maturities in accordance with the terms of the resolution. Bonds in the Maine Energy, Housing & Economic Recovery Fund are secured by a portion of the Real Estate Transfer Tax revenues collected by the State of Maine and the bonds may be redeemed in excess of the annual maturities.

Notes Payable

At December 31, 2025, MaineHousing has a \$12,293 note payable to TD Bank, N.A. at a fixed rate of 3.20%, maturing November 1, 2033. The note, which is recorded in the General Administrative Fund, has principal and interest payments due monthly based on a 20-year amortization schedule.

The proceeds from this note were used for the acquisition and rehabilitation of an office building for MaineHousing. The note is secured by a mortgage agreement on the property and a \$2,802 non-negotiable certificate of deposit held with the lender.

The following table provides a summary of note payment requirements through 2030 and in three-year increments thereafter to maturity:

Year(s)	Principal	Interest	Total
2026	700	388	1,088
2027	724	365	1,089
2028	746	343	1,089
2029	772	317	1,089
2030	797	292	1,089
2031-2033	8,554	714	9,268
Total	<u>\$12,293</u>	<u>\$2,419</u>	<u>\$14,712</u>

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

Moral Obligation Debt

The reserve funds of the Mortgage Purchase Fund are secured by a non-binding obligation (moral obligation) from the State of Maine to replenish by appropriation any deficiency in such reserve funds. MaineHousing is authorized to have an aggregate amount not to exceed \$3,000,000 of outstanding bonds secured by this obligation. Of that amount, \$2,563,040 was outstanding at December 31, 2025.

Conduit Debt Obligation

MaineHousing may use its tax-exempt debt issuing authority to provide financial assistance to private sector developers for the acquisition and rehabilitation, or the construction of multi-family housing projects serving low-to-moderate income households. The debt, which is referred to as conduit debt, is collateralized by revenues generated by the properties financed and is repayable solely from payments received on the underlying mortgage loans and any specific third-party credit enhancement associated with the individual financings. MaineHousing has a total of \$24,865 outstanding at December 31, 2025. The debt does not constitute a liability or a pledge of faith and credit of MaineHousing and is not reported in the accompanying financial statements.

(7.) INTEREST RATE SWAP AGREEMENTS

MaineHousing has twelve interest rate swap agreements (swaps) with four counterparties as of December 31, 2025. The objective of the agreements is to attain a synthetic fixed interest rate on a portion of its variable rate bonds at a cost expected to be less than rates associated with fixed-rate debt. The swap agreement terms state MaineHousing is to make semi-annual fixed interest rate payments at a specified rate on a notional principal amount and in exchange receive semi-annual payments based upon either the thirty-day, ninety-day or one hundred eighty-day Secure Overnight Financing Rate (SOFR).

The swaps have an aggregate positive fair value of \$13,740 at December 31, 2025. During 2025, the fair value of the swaps decreased by \$5,891. The fair value was estimated using a zero-coupon method and Level 3 inputs. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the current yield curve correctly anticipate future spot interest rates. These payments are then discounted using spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. These amounts are adjusted for estimated unwinding costs.

The swaps have been determined to constitute an effective hedge of a portion of the variable rate bond portfolio equal to the notional amount of the swaps at December 31, 2025 by using the regression analysis method. The aggregate fair value is classified as a derivative instrument asset and a deferred inflow of resources, which represents the accumulated increase in fair value. Variable rate bonds outstanding at December 31, 2025 total \$278,315.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

The following table contains the terms, fair values, and credit ratings of the swaps as of December 31, 2025. Specific swaps are assigned to certain debt issuances for arbitrage purposes. The credit ratings were issued by Moody's Investor Services and Standard & Poor's, respectively.

Related Debt Issuance	Current Notional Amount	Effective Date of Swap	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Rating
2015 Series E-3	5,000	11/15/2019	1.40%	70% of 30 day SOFR plus .08014%	200	11/15/2029	Aa3/A+
2015 Series E-3	20,000	5/15/2021	1.46%	67% of 30 day SOFR plus .0767%	1,206	11/15/2032	A1/A+
2016 Series B-2	8,000	5/15/2017	1.61%	70% of 30 day SOFR plus .08014%	440	11/15/2031 ₁	Aa1/AA-
2016 Series B-2	20,000	11/15/2017	1.66%	70% of 30 day SOFR plus .08014%	1,060	11/15/2031 ₁	Aa1/AA-
2017 Series E	25,000	11/15/2021	1.69%	100% of 30 day SOFR plus .11448%	3,182	11/15/2032	Aa3/A+
2017 Series G-1	25,000	11/15/2019	1.90%	100% of 30 day SOFR plus .11448%	422	11/15/2026	A1/A+
2017 Series G-1	30,000	11/15/2020	0.88%	100% of 90 day SOFR plus .26161%	7,873	11/15/2035	A1/A+
2022 Series C	18,725	2/1/2006	3.59%	65% of 30 day SOFR plus .27441%	(1,304)	11/15/2037	Aa2/AA-
2022 Series C	10,000	11/15/2019	1.87%	75% of 30 day SOFR plus 0.54086%	131	11/15/2026	Aa3/A+
2022 Series C	12,500	11/15/2018	2.57%	70% of 30 day SOFR plus 0.53014%	120	11/15/2028	Aa3/A+
2022 Series C	12,500	11/15/2018	2.59%	70% of 30 day SOFR plus 0.53014%	458	11/15/2033	Aa3/A+
2022 Series C	15,000	8/1/2023	2.70%	72% of 180 day SOFR	(48)	11/15/2033	Aa3/A+
Totals	<u>\$201,725</u>				<u>\$13,740</u>		

1. MaineHousing has the option of termination, with no Termination Payment on November 15, 2026 and on each May 15 and November 15 thereafter.

Credit Risk – The swaps contain varying collateral agreements with the counterparties in order to mitigate the potential for credit risk. The requirements of the collateral agreements were met as of December 31, 2025. MaineHousing is not exposed to credit risk for the swaps that have negative fair values. At December 31, 2025, there are ten swaps that have positive fair values totaling \$15,092. This amount represents MaineHousing's credit exposure to the related counterparties and the maximum loss that would be recognized at the reporting date if the counterparty failed to perform as contracted. Fair value is only a factor upon termination.

Basis Risk – MaineHousing is exposed to basis risk to the extent that the interest payments on its variable rate bonds do not match the variable rate payments received on the related swap agreements. The variable rate payments provided by the counterparties are based on SOFR and MaineHousing's variable rate bonds are expected to track with the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA). MaineHousing's variable rate bonds are adjusted weekly. The SOFR rates are adjusted on a monthly basis, except for 2017 Series G-1, which is adjusted on a quarterly basis and 2022-C, which is adjusted on a semi-annual basis. If the variable rate bonds trade at a value significantly different than their historical relationship to SOFR, the net cost to MaineHousing could increase or decrease. As of December 31, 2025, the thirty-day, ninety-day and one hundred eighty-day SOFR rates were 3.79%, 4.01% and 4.20%, respectively, and the SIFMA rate was 2.36%.

Termination Risk – In addition to the optional terminations embedded in some of MaineHousing's swap agreements, agreements may be terminated in whole or in part prior to the respective maturities of the bonds under certain circumstances (including certain events of default with respect to MaineHousing or the swap providers). Following certain terminations of the swap agreements, either MaineHousing or the swap providers, as applicable, may owe a termination payment equal to the fair value of the swap to the other, depending upon market conditions and the events that caused such swap agreements to terminate. Under certain circumstances, this termination payment could be substantial. Such termination payment by MaineHousing would be payable on a basis subordinate to the payments on the bonds.

Rollover Risk – MaineHousing is exposed to rollover risk on swaps that mature or may be terminated prior to the maturity of the associated debt.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

(8.) RETIREMENT BENEFITS

MaineHousing has defined contribution and defined benefit pension plans that cover substantially all employees. Employees have the option to participate in either plan.

Defined Contribution Plan

The defined contribution plan consists of a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and a separate plan created under the provisions of the Internal Revenue Code Section 401(a).

Benefit terms, including contribution requirements, for the defined contribution plan are established by management. For each participant in the plan, MaineHousing contributes 3.00% of annual salary to the 401(a) plan. Additionally, if a participant makes voluntary contributions to the 457 plan, MaineHousing matches the contributions up to 7.50% of annual salary. The employer match contribution is made to the 401(a) plan.

For the year ended December 31, 2025, employee contributions totaled \$1,086 and MaineHousing contributed and recognized expense of \$883. Employees are immediately vested in their own contributions, MaineHousing contributions, and the earnings on those contributions.

Defined Benefit Plan

Plan Description: MaineHousing is a participating local district (PLD) member of the Maine Public Employees Retirement System's (MainePERS) PLD Consolidated Retirement Plan and employees may elect to participate in this multiple-employer cost sharing defined benefit plan. An advisory group established by Maine statute reviews the terms of the plan and periodically makes recommendations to the Legislature to amend them.

Benefits Provided: Retirement benefits are based on participants' average final compensation and service credit earned as of retirement. Vesting occurs upon the earning of five years of service credit. The normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years (20 years for participants in the plan prior to July 1, 2014) of service credit is reduced by a statutorily prescribed factor for each year of age that a participant is below her/his normal retirement age at retirement.

Post-retirement cost-of-living adjustments (COLA) become available to participants after 24 months of retirement. The post-retirement COLA is capped at 2.5% annually. The plan also provides disability and death benefits, which are established by contract under applicable statutory provisions.

Upon termination, accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and rights. The annual rate of interest credited to participants' accounts is set by MainePERS Board of Trustees and is currently 4.58%.

Contributions: Retirement benefits are funded by contributions from participants and employers and by earnings from MainePERS investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Participant and employer normal cost contributions are each a percentage of applicable participant compensation. Participant contribution rates are defined by law or by the MainePERS Board of Trustees. Employers' contributions are determined by actuarial valuations. As of December 31, 2025, the established MainePERS employer contribution rate is 10.2% and employee contribution rates are 7.80% for participants with a normal retirement age of 60 and 7.05% for participants with a normal retirement age of 65. MaineHousing pays on behalf of its employees 0.30% of the MainePERS employee contribution rate. If a participant retires and is subsequently re-employed in a position covered by the plan, the employer contribution rate is 5%. Total employer contributions were \$597 for the year ended December 31, 2025.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

Actuarial Methods and Assumptions

The collective total pension liability was determined by an actuarial valuation as of June 30, 2025, using the following methods and assumptions, applied to all periods included in the measurement:

Actuarial Cost Method – The Entry Age Normal cost method is used to determine costs. Under this cost method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each member. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his/her expected future salary. The normal cost for each member is the product of the member's pay and normal cost rate. The normal cost for the group is the sum of the normal costs for all members. Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method – The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization – The net pension liability is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

Actuarial Assumptions: The actuarial valuation as of June 30, 2025, and June 30, 2024 used the following actuarial assumptions:

Investment Rate of Return – 6.50% per annum, compounded annually.

Inflation Rate – 2.75%.

Annual Salary Increases, Including Inflation – 2.75% to 11.48%.

Cost of Living Benefit Increases – 1.91%.

Mortality Rates – 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table for males and females, projected generationally using RPEC_2020 model.

The actuarial assumptions used in the June 30, 2025, and June 30, 2024, valuations were based on the results of an actuarial experience study covering the period June 30, 2016, through June 30, 2020. The demographic and economic assumptions used are based on an experience study covering the period from July 1, 2015, through June 30, 2020 along with advice of the MainePERS investment consultants.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equities	30.0%	5.6%
US Government	10.0%	2.2%
Private Equity	12.5%	7.2%
Real Estate	10.0%	5.8%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.1%
Traditional Credit	5.0%	2.7%
Alternative Credit	10.0%	6.4%
Risk Diversifiers	7.5%	4.8%

Discount Rate: The discount rate used to measure the collective total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that participant contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of MaineHousing's proportionate share of the net pension liability to changes in the discount rate: The following represents MaineHousing's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what MaineHousing's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

1% Decrease	Current Discount Rate	1% Increase
<u>@ 5.50%</u>	<u>@ 6.50%</u>	<u>@ 7.50%</u>
\$4,542	\$1,550	(\$913)

Net Pension Liability: At December 31, 2025, MaineHousing has a liability of \$1,550 for its proportionate share of the total collective net pension liability. The net pension liability was measured as of June 30, 2025 and the total collective pension liability used to calculate the proportionate share of the net pension liability was determined by an actuarial valuation as of that date. MaineHousing's proportion of the net pension liability was based on MaineHousing's employer contributions received by MainePERS during the measurement period July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all participating entities. MaineHousing's proportion was 0.468946% at December 31, 2025. The proportion was 0.559555% at December 31, 2024.

Changes in net pension liability are recognized in pension expense for the year ended December 31, 2025 with the following exceptions:

Differences Between Expected and Actual Experience – The difference between expected and actual experience with regard to economic or demographic factors is recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was four years for 2025 and three years for 2024.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

Differences Between Projected and Actual Investment Earnings – Differences between projected and actual investment earnings are recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Assumptions – Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The actuarial assumptions for the June 30, 2025 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions – Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The first year is recognized as pension expense and the remaining years are shown either as deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2025, MaineHousing recognized pension expense of \$144 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$499	\$0
Employer contributions subsequent to the measurement date	312	0
Net difference between projected and actual earnings on pension plan investments	0	284
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	267
Total	<u>\$811</u>	<u>\$551</u>

Amounts reported as deferred outflows of resources related to pensions for MaineHousing's contributions subsequent to the measurement date will be recognized as an addition to the Net Pension Liability for the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (benefit) through December 31, 2029 as follows:

Year Ended	Pension Expense (Benefit)
December 31:	Amount
2026	\$312
2027	(\$121)
2028	(\$133)
2029	(\$110)

Payables to the Pension Plan: At December 31, 2025, MaineHousing's total payable to MainePERS for unremitted contributions is \$14.

Pension plan fiduciary net position: Detailed information about the plan's fiduciary net position is available in the separately issued MainePERS' Comprehensive Annual Financial Report at www.mainebers.org.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

(9.) AVAILABLE BONDS PROCEEDS

MORTGAGE PURCHASE FUND

The following bond proceed amounts are invested in the various bond proceed sub-accounts of the Bond Proceeds Fund of the Mortgage Purchase Fund and are available for the purchase of mortgages:

2023 Series E (M/F)	\$4,576
2024 Series A (S/F)	13,532
2024 Series B (M/F)	8,365
2024 Series C (S/F)	3,854
2024 Series F (M/F)	71,036
2025 Series C (M/F)	103,125
2025 Series D1, D2 (S/F)	4,146
2025 Series E (M/F)	64,349
	<u>\$272,983</u>

MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY FUND

Bond proceeds in the amount of \$8,945 from the 2021 Series 2 are invested in accordance with the Maine Energy, Housing and Recovery General Indenture and are available for programs.

(10.) COMMITMENTS

MORTGAGE COMMITMENTS

Mortgage commitments are agreements to loan money provided there is no violation of any term or condition established in the agreement. Generally, once exercised, loans made under the terms of such commitments are secured by a lien on the related property and other collateral as MaineHousing deems necessary. At December 31, 2025, MaineHousing had outstanding commitments to originate multi-family mortgage loans of approximately \$369,585. For its single-family loan program, MaineHousing enters into purchase agreements with lenders to purchase mortgage loans. At December 31, 2025, single-family loans being processed by lenders for MaineHousing totaled approximately \$71,800.

(11.) RESERVE FUNDS

MORTGAGE PURCHASE FUND – HOUSING RESERVE FUND

On or before December 1 of each year, MaineHousing is required to value the Housing Reserve Fund and verify to the Governor of the State of Maine that the sum of money in the fund equals or exceeds the Housing Reserve Fund Minimum Requirement. The Housing Reserve Fund Minimum Requirement equals the amount of principal and interest maturing and coming due in the next succeeding calendar year on bonds outstanding. The Housing Reserve Fund Minimum Requirement as of December 31, 2025 was \$219,993. When issuing bonds, MaineHousing must also meet the Housing Reserve Fund Maximum Requirement. The Housing Reserve Fund Maximum Requirement equals the maximum debt service required in any subsequent calendar year. The Housing Reserve Fund Maximum Requirement as of December 31, 2025 was \$235,815.

In calculating the Housing Reserve Minimum and the Housing Reserve Maximum requirements, MaineHousing assumes a 12% rate for variable rate bonds, which is the maximum interest rate under the terms of the bonds. Swap payments and receipts are not included in the calculation. At December 31, 2025, valuation of the investments in the Housing Reserve Fund, computed at the lower of par or cost in accordance with the General Mortgage Purchase Program Bond Resolution, was \$248,084.

MAINE ENERGY, HOUSING & ECONOMIC RECOVERY FUND – RESERVE FUND

MaineHousing is not required to maintain a Reserve Fund for outstanding bonds.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

Between July 1 and July 15 of each year, MaineHousing must certify to the Treasurer of the State the amount necessary and sufficient to meet MaineHousing's debt service obligation. As of December 31, 2025, the maximum debt service amount was \$4,299.

(12.) EXCESS ARBITRAGE TO BE REBATED

Tax-exempt bonds issued by MaineHousing are subject to Internal Revenue Service regulations that limit the amount of income that can be earned with non-mortgage investments to an amount not greater than the amount that would have been earned had the funds been invested at the yield on the bonds. Excess earnings must be rebated every five years. At December 31, 2025, the estimated value of future arbitrage liabilities in the Mortgage Purchase Fund Group was \$3,207.

(13.) FUND TRANSFERS AND INTERFUND BALANCES

MaineHousing records transfers between funds for various purposes including program subsidies, fees and capital asset transfers. Transfers for the year ended December 31, 2025 consisted of the following.

	Mortgage Purchase Fund	General Administrative Fund	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Other Federal and State Programs
Capital Assets	\$0	\$114	\$0	\$0	(\$40)	(\$74)
Program Subsidies	0	(36)	(34)	0	36	34
Program Administrative Fees	28	2,174	0	(2,030)	0	(172)
	<u>\$28</u>	<u>\$2,252</u>	<u>(\$34)</u>	<u>(\$2,030)</u>	<u>(\$4)</u>	<u>(\$212)</u>

MaineHousing reports interfund balances among its funds. These balances generally consist of amounts for various revenues or expenses due to a fund but received or paid to another and funds for loan closings. These amounts are generally paid or received within the subsequent year.

Interfund accounts receivable (payable) balances at December 31, 2025 consisted of the following:

	Mortgage Purchase Fund	Bondholder Reserve Fund	General Administrative Fund	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Maine Energy, Housing & Economic Recovery Program	Other Federal and State Programs
Receivable due from:								
Mortgage Purchase Fund	\$0	\$0	\$4,105	\$0	\$0	\$0	\$0	\$0
General Administrative Fund	0	0	0	5,061	0	0	0	18,306
Section 8 Housing Programs	0	0	317	0	0	0	0	0
Low Income Home Energy Assistance Program	0	0	1,084	0	0	0	0	0
Collectively, all other funds	0	0	27	2	29	0	0	0
	<u>0</u>	<u>0</u>	<u>5,533</u>	<u>5,063</u>	<u>29</u>	<u>0</u>	<u>0</u>	<u>18,306</u>
Payables	(4,105)	(24)	(23,367)	(29)	(317)	(1,084)	(3)	(2)
	<u>(\$4,105)</u>	<u>(\$24)</u>	<u>(\$17,834)</u>	<u>\$5,034</u>	<u>(\$288)</u>	<u>(\$1,084)</u>	<u>(\$3)</u>	<u>\$18,304</u>

The receivable amounts of the General Administrative Fund consist primarily of operating expenses owed from the Mortgage Purchase Fund, Section 8 Housing Programs, and Low Income Home Energy Assistance Program. The General Administrative Fund payable amounts consist primarily of program funds received and due to the HOME Fund and Other Federal and State Programs.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

(14.) REDEMPTION OF BONDS

For the year ended December 31, 2025, MaineHousing redeemed prior to maturity \$116,970 of its Mortgage Purchase Fund bonds from recoveries of principal and surplus and the proceeds of refunded bonds. Losses of \$166 were attributed to the recognition of related bond discount. The following is a summary of bonds redeemed:

	Interest Rate	Original Maturity	Amount	Redemption Price
2013 Series B Term Bonds	3.60%	11/15/2036	\$320	100%
2013 Series B Term Bonds	3.60%	11/15/2036	2,600	100%
2015 Series E-3 Term Bonds	Variable	11/15/2038	2,050	100%
2015 Series E-3 Term Bonds	2.94%	11/15/2038	2,500	100%
2015 Series F-2 Serial Bonds	2.65%	11/15/2025	500	100%
2016 Series D Serial Bonds	2.54%	11/15/2025	8,185	100%
2016 Series E Serial Bonds	2.90%	11/15/2025	745	100%
2016 Series E Term Bonds	4.00%	11/15/2046	695	100%
2017 Series A Serial Bonds	2.80%	11/15/2025	685	100%
2017 Series A Term Bonds	4.00%	11/15/2047	270	100%
2017 Series B Term Bonds	4.00%	11/15/2047	460	100%
2017 Series F Term Bonds	3.50%	11/15/2047	1,270	100%
2018 Series A Serial Bonds	2.75%	11/15/2025	1,155	100%
2018 Series B Serial Bonds	2.75%	11/15/2025	1,200	100%
2018 Series C Term Bonds	4.00%	11/15/2048	1,290	100%
2018 Series F Term Bonds	4.25%	11/15/2048	1,235	100%
2019 Series A Term Bonds	4.00%	11/15/2049	1,170	100%
2019 Series C Term Bonds	4.00%	11/15/2050	1,220	100%
2019 Series E Term Bonds	3.75%	11/15/2049	925	100%
2020 Series A Term Bonds	3.75%	11/15/2049	955	100%
2020 Series C Term Bonds	4.00%	11/15/2050	1,515	100%
2021 Series D Term Bonds	3.00%	11/15/2051	1,415	100%
2022 Series D Term Bonds	5.00%	11/15/2052	825	100%
2022 Series D Term Bonds	5.00%	11/15/2052	825	100%
2022 Series E Term Bonds	5.00%	11/15/2052	885	100%
2022 Series E Term Bonds	5.00%	11/15/2052	915	100%
2022 Series F Serial Bonds	3.10%	11/15/2025	8,000	100%
2022 Series G-1 Serial Bonds	3.45%	11/15/2025	1,000	100%
2023 Series B-1 Serial Bonds	3.50%	11/15/2025	710	100%
2023 Series B-2 Serial Bonds	3.15%	11/15/2025	620	100%
2023 Series E Serial Bonds	3.50%	11/15/2025	10,000	100%
2024 Series C Serial Bonds	3.40%	11/15/2025	790	100%
2024 Series E Term Bonds	3.25%	11/15/2054	60,000	100%
2025 Series B Term Bonds	6.25%	11/15/2055	40	100%
			<u>\$116,970</u>	

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

(15.) UNUSUAL OR INFREQUENT ITEM

MaineHousing administered the federal Emergency Rental Assistance Programs (ERA1 and ERA2) on behalf of the State of Maine. These programs were funded through the *Consolidated Appropriations Act of 2021* and the *American Rescue Plan Act of 2021*.

In 2025, the U.S. Department of the Treasury determined that certain program payments totaling \$620 were improperly made and therefore ineligible under federal program requirements. MaineHousing subsequently entered into a repayment agreement with the U.S. Department of the Treasury to return the ineligible amounts. The agreement totals \$655, inclusive of interest, and is payable in eight quarterly installments over a twenty-four-month period. The first installment was remitted in September 2025 and related costs are reported separately from normal operating expenses.

Management does not expect similar events to occur in the foreseeable future.

(16.) CONTINGENCIES

MaineHousing is subject to various legal proceedings and claims that arise in the normal course of its business. MaineHousing also receives funding from federal government agencies. These funds are to be used for designated purposes only and are subject to financial and compliance audits and the resolution of identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time. In the opinion of management, the ultimate resolution of these actions will not materially affect the accompanying financial statements.

(17.) SUBSEQUENT EVENTS

Subsequent to December 31, 2025, MaineHousing issued bonds. The following is a summary of subsequent event transactions.

On February 26, 2026, MaineHousing issued, at par, \$112,250 of bonds in the General Mortgage Purchase Bond Resolution as follows:

	Interest Rate	Maturity	Amount	Issued Price
2026 Series A Serial Bonds	2.70%-3.85%	2028-2038	\$23,285	100%
2026 Series A Term Bonds	4.15%	2041	9,515	100%
2026 Series A Term Bonds	4.65%	2046	19,850	100%
2026 Series A Term Bonds	4.80%	2051	37,710	100%
2026 Series A Term Bonds	6.00%	2056	21,890	113%
			<u>\$112,250</u>	

**MAINE STATE HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF SELECTED PENSION INFORMATION - UNAUDITED
PRESENTED FOR YEARS INFORMATION IS AVAILABLE
FOR THE YEAR ENDED DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)**

**Schedule of MaineHousing's Proportionate Share of Net Pension Liability (Asset)
Last Ten Fiscal Years
As of Measurement Date of June 30:**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's Proportion of the Net Pension Liability (Asset)	0.468946%	0.559555%	0.604935%	0.669532%	0.674986%	0.709590%	0.746717%	0.834117%	0.906494%	0.922203%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$1,550	\$2,240	\$1,931	\$1,780	(\$217)	\$2,819	\$2,282	\$2,823	\$3,712	\$4,899
Employer's Covered-Employee Payroll	\$5,910	\$5,319	\$5,649	\$5,516	\$4,972	\$4,567	\$4,544	\$4,658	\$4,892	\$4,810
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	26.2%	42.1%	34.2%	32.3%	(4.4%)	61.7%	50.2%	60.6%	75.9%	101.9%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	93.0%	91.1%	92.3%	93.3%	100.9%	88.3%	90.6%	91.1%	86.4%	81.6%

**Schedule of MaineHousing's Pension Contributions
Last Ten Fiscal Years
As of Measurement Date of June 30:**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$597	\$541	\$577	\$552	\$504	\$480	\$477	\$490	\$513	\$505
Contributions in Relation to Contractually Required Contribution	\$597	\$541	\$577	\$552	\$504	\$480	\$477	\$490	\$513	\$505
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employer's Covered Employee Payroll	\$5,910	\$5,319	\$5,649	\$5,516	\$4,972	\$4,567	\$4,544	\$4,658	\$4,892	\$4,810
Contributions as a Percentage of Covered Employee Payroll	10.1%	10.2%	10.2%	10.0%	10.1%	10.5%	10.5%	10.5%	10.5%	10.5%

Notes to Required Supplementary Information

Changes of Benefit Terms:

There were no changes of benefit terms for the measurement period ended June 30, 2025.

Changes of Assumptions:

There were no changes of assumptions for the measurement period ended June 30, 2025.



**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**

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Maine State Housing 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, and each major fund of Maine State Housing Authority (MaineHousing), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise MaineHousing's basic financial statements, as listed in the table of contents, and have issued our report thereon dated March 25, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered MaineHousing's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MaineHousing's internal control. Accordingly, we do not express an opinion on the effectiveness of MaineHousing'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether MaineHousing'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*.

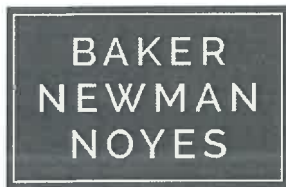
Purpose of this Report

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 MaineHousing'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.

Baker Newman & Noyes LLC

Portland, Maine
March 25, 2026

[THIS PAGE INTENTIONALLY LEFT BLANK]



Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnn CPA.com



The Board of Commissioners
Maine State Housing Authority

We are pleased to present this report related to our 2025 audit of Maine State Housing Authority's (MaineHousing) basic financial statements. Our report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for MaineHousing's financial reporting process.

This report is intended solely for the information and use of the Board of Commissioners and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to MaineHousing.

Baker Newman & Noyes LLC

Portland, Maine
March 25, 2026

Required Communications

The following required communications summarize our responsibilities regarding the financial statement audit as well as observations from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

Our Responsibilities

We described our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States to you in our engagement letter, dated November 3, 2025. Our audit of the basic financial statements does not relieve management or you of your responsibilities, which are also described in that letter.

Planned Scope and Timing of the Audit

We have previously issued a separate communication, dated November 3, 2025, regarding the planned scope and timing of our audit and identified significant risks.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by MaineHousing. The following is a description of significant accounting policies or their application that were either initially selected or changed during the year:

MaineHousing early adopted Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements* for the year ended December 31, 2025. GASB 103 replaces and supersedes portions of GASB 34 and related standards and introduces revised presentation requirements for proprietary fund financial statements, including new definitions and classifications for operating and nonoperating revenues and expenses, updated subtotal requirements, and new guidance for management's discussion and analysis.

The early adoption resulted in changes to the presentation of MaineHousing's proprietary fund Statement of Revenues, Expenses, and Changes in Net Position but did not have an effect on beginning net position or MaineHousing's accounting policies for the recognition and measurement of revenues, expenses, assets, deferred outflows of resources, liabilities, or deferred inflows of resources.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions, other than the loss from repayment of federal program funds as disclosed in note 15 of the financial statements. The policies and practices used by management to account for the transaction were acceptable and in accordance with GASB standards.

Required Communications (Continued)

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

Audit Adjustments and Uncorrected Misstatements

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

Uncorrected misstatements are summarized in the attached letter of representation. Uncorrected misstatements or matters underlying them could potentially cause future-period financial statements to be materially misstated, even if we have concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Observations About the Audit Process

Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the basic financial statements.

Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Significant Matters That Required Consultation

We did not encounter any difficult or contentious matters that required consultation outside the engagement team and that are, in our professional judgment, significant and relevant to your responsibility to oversee the financial reporting process.

Shared Responsibilities: American Institute of Certified Public Accountants (AICPA) Independence

Independence is a **joint responsibility** and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with AICPA and *Government Accountability Office* (GAO) independence rules. For Baker Newman & Noyes LLC (BNN) to fulfill its professional responsibility to maintain and monitor independence, management, the audit committee, Board of Commissioners and BNN each play an important role.

Our Responsibilities

- AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. BNN is to ensure that the AICPA's and GAO's General Requirements for performing non-attest services are adhered to and included in all letters of engagement; and
- Maintain a system of quality management over compliance with independence rules and firm policies.

Required Communications (Continued)

MaineHousing's Responsibilities

- Timely inform BNN, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, or officers; and
 - Changes in the organizational structure or the reporting entity impacting affiliates such as partnerships, related entities, investments, joint ventures, component units and jointly governed organizations;
- Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations;
- Understand and conclude on the permissibility prior to MaineHousing and its affiliates, officers, directors, or persons in a decision-making capacity engaging in business relationships with BNN;
- Not entering into arrangements of nonaudit services resulting in BNN being involved in making management decisions on behalf of MaineHousing; and
- Not entering into relationships resulting in close family members of BNN-covered persons, temporarily or permanently, acting as an officer, director or person in an accounting, financial reporting or compliance oversight role at MaineHousing.

Internal Control and Compliance Matters

We have separately communicated on internal control and compliance over financial reporting identified during our audit of the basic financial statements, as required by *Government Auditing Standards*. This communication, which identified a control deficiency in internal control, is in the attached management letter.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of MaineHousing, including the representation letter provided to us by management, are attached.

Summary of Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in MaineHousing's December 31, 2025 financial statements.

Allowances for Losses on Loans

Accounting Policy

Management provides for an allowance for loan losses at a level that management believes will be adequate to absorb probable loan losses based on evaluations of the collectibility of the loans and prior loss experience.

Management's Estimation Process

The evaluation takes into consideration such factors as changes in the nature and volume of the portfolio, extent of available mortgage insurance, collateral, delinquencies, and current economic conditions that may affect the borrowers' ability to pay.

Basis for our Conclusion on the Reasonableness of the Estimate

We have reviewed management's assumptions and concluded their estimates were reasonable in relation to the financial statements taken as a whole.

Fair Value of Interest Rate Swaps

Accounting Policy

MaineHousing enters into various interest rate swap agreements in order to manage risks associated with interest on its variable rate bond portfolio. The fair value of swap agreements is recognized as either an asset or liability on their Statement of Net Position with the offsetting gains or losses as either deferred inflows or outflows of resources, if deemed an effective hedge.

Management's Estimation Process

Management estimates the fair value of the interest rate swaps by engaging a valuation specialist and by reviewing the methods and assumptions used in the valuation.

Basis for our Conclusion on the Reasonableness of the Estimate

We have reviewed the calculation prepared by management's specialist, including assumptions used, and concluded that the estimate was reasonable in relation to the financial statements taken as a whole.

Funded Status of MaineHousing's Participation in the Maine Public Employees Retirement System's (MainePERS) Participating Local District (PLD) Consolidated Retirement Plan

Accounting Policy

Management provides funding for the retirement plan at a level that will sufficiently cover future beneficiary obligations. MaineHousing measures the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, using information about the fiduciary net position of the MainePERS PLD Consolidated Plan on the same basis reported by MainePERS.

Management's Estimation Process

Management annually reviews the assumptions regarding the determination of the funded status of the pension plan and the benefit cost. Management obtains data from the audited financial statements of MainePERS, of which recorded amounts have been determined by a qualified actuary.

Summary of Significant Accounting Estimates (Continued)

Basis for our Conclusion on the Reasonableness of the Estimate

We have reviewed the MainePERS audited financial statements, including assumptions used, and concluded that the estimate was reasonable in relation to the financial statements taken as a whole.

March 25, 2026

Baker Newman & Noyes LLC
280 Fore Street
Portland, Maine 04112-0507

This representation letter is provided in connection with your audit of the basic financial statements (which consist of financial statements of the governmental activities, the business-type activities, each major fund and the related notes to the financial statements) of Maine State Housing Authority (MaineHousing), a component unit of the State of Maine, as of and for the year ended December 31, 2025 for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, that as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 3, 2025, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. The methods, assumptions and data used to calculate the allowance for loan loss result in an estimate that is appropriate for financial statement measurement and disclosure purposes and have been consistently selected and applied in making the estimate. Significant judgments made in making the estimate have considered all relevant information of which we are aware, including charge-offs, delinquencies and assumptions about future collectability. All disclosures related to the estimate, including disclosures describing estimation uncertainty, are complete and reasonable in the context of U.S. GAAP. No subsequent events have occurred that would require adjustment to the estimate and related disclosures included in the financial statements.

6. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged in by MaineHousing include:
 - a. Those with the State of Maine; and
 - b. Interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, as applicable.
7. All funds that meet the quantitative criteria in GASB Statement No. 34; *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, and No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus—an amendment of GASB Statements No. 21 and No. 34*, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
8. The financial statements properly classify all funds and activities in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
9. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
10. The effects of all known, actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
11. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
12. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.
13. Provisions for uncollectible receivables, including loans, have been properly identified and recorded.
14. Capital assets, including infrastructure, intangible assets and right-of-use assets are properly capitalized, reported and, if applicable, depreciated.
15. MaineHousing, as applicable, properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*.
16. Components of net position (net investment in capital assets, restricted and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.

17. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
18. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
19. Interfund, internal and intra-entity activity and balances have been appropriately classified and reported.
20. Leases have been properly evaluated, and management has determined there are no material leases to be recorded and disclosed in accordance with GASB Statement No. 87, *Leases*.
21. Subscription-based technology information arrangements (SBITAs) have been properly identified, recorded and disclosed in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.
22. In the audit engagement letter dated November 3, 2025, we requested that you perform certain non-audit services necessary for the preparation of the financial statements, including assistance with the final editing and reproduction of the financial statements (including required supplementary information).

With respect to these services performed in the course of the audit:

- a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.
23. We have no direct or indirect, legal or moral, obligation for any debt of any organization, public or private, or to special assessment bond holders that is not disclosed in the financial statements.
 24. MaineHousing has properly disclosed or recognized conduit debt obligations and/or certain arrangements associated with conduit debt obligations in accordance with GASB Statement No. 91, *Conduit Debt Obligations*.
 25. We have disclosed all instances of identified or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements whose effects should be considered by management when preparing the financial statements, and such items are disclosed in note 15 of the financial statements.
 26. We believe the implementation of the GASB Statement No. 103, *Financial Reporting Model Improvements* is appropriate. The statement impacted the presentation of Management's Discussion and Analysis and the Proprietary Fund's Statement of Revenues, Expenses, and Changes in Net Position and did not have an effect on beginning net position or MaineHousing's accounting policies for the recognition and measurement of revenues, expenses, assets, deferred outflows of resources, liabilities or deferred inflows of resources.
 27. We have informed you of all uncorrected misstatements in the financial statements.

28. As of and for the year ended December 31, 2025, we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are quantitatively and qualitatively immaterial, both individually and in the aggregate to the basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

<u>Description</u>	<u>Effect – Increase (Decrease)</u>				
	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Revenue</u>	<u>Expenses</u>
Other Federal and State Programs					
Increase grant expenditures and accounts payable for known and projected error	\$ —	\$105,589	\$ —	\$ —	\$105,589

29. We have requested an unsecured electronic copy of the auditor's report and basic financial statements and agree that the auditor's report and basic financial statements will not be modified in any manner.

Information Provided

30. We have provided you with:
- Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within MaineHousing from whom you determined it necessary to obtain audit evidence;
 - All minutes of the meetings of the governing board and committees of board members or summaries of actions of recent meetings for which minutes have not yet been prepared; and
 - All communications from grantors, lenders, other funding sources or regulatory agencies concerning noncompliance with:
 - Statutory, regulatory or contractual provisions or requirements; and
 - Financial reporting practices that could have a material effect on the financial statements.
31. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.
32. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.
33. We have no knowledge of allegations of fraud or suspected fraud affecting MaineHousing's basic financial statements involving:
- Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the basic financial statements.

34. We have no knowledge of any allegations of fraud or suspected fraud affecting MaineHousing's basic financial statements received in communications from employees, former employees, analysts, regulators, or others.
35. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
36. We are not aware of any pending or threatened litigation, claims or assessments; unasserted claims or assessments that are probable of assertion and must be disclosed in accordance with Government Accounting Standards Board (GASB) Codification Section C50, Claims and Judgments; or other matters, including gain or loss contingencies, whose effects should be considered when preparing the financial statements.
37. We have disclosed to you the identity of MaineHousing's related parties and all the related-party relationships and transactions of which we are aware.
38. We have informed you of all deficiencies in internal control over financial reporting, including significant deficiencies and material weaknesses, in the design or operation of internal controls that could adversely affect MaineHousing's ability to record, process, summarize and report financial data.
39. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
40. We agree with the findings of specialists in evaluating the fair value of interest rate swaps and the amount of arbitrage due or receivable and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

We believe that the information obtained from the audited financial statements of and other participant information provided by the Maine Public Employees Retirement System's PLD Consolidated Retirement Plan is appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the Plan or its auditor in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the Plan or its auditor.

41. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
42. We have reviewed, approved and are responsible for overseeing the preparation and completion of the basic financial statements.
43. We have prepared the basic financial statements and we are satisfied that the financial statements contain all material disclosures required by generally accepted accounting principles.

Supplementary Information

44. With respect to Management's Discussion and Analysis and the Required Supplementary Information – Schedules of Selected Pension Information presented as required by GASB to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information;
 - b. We believe such information, including its form and content, is fairly presented in accordance with guidelines prescribed by U.S. GAAP;
 - c. The methods of measurement or presentation have not changed from those used in the prior period;
 - d. There are no underlying significant assumptions or interpretations regarding the measurement or presentation of such information; and
 - e. When supplementary information is not presented with the audited basic financial statements, we will make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of the issuance of the supplementary information and the auditors' report thereon.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

1. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
2. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.
3. Is not aware of any instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.
4. Is responsible 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.
5. Acknowledges its responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
6. Has taken timely and appropriate steps to remedy identified or suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that the auditor reports, if applicable.
7. Has a process to track the status of audit findings and recommendations.
8. Has identified for the auditor previous audits, attestation engagements and other studies related to the objectives of the audit and whether related recommendations have been implemented.

9. Is not aware of any investigations or legal proceedings that have been initiated with respect to the period under audit.
10. Has provided views on the auditors' reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report, if applicable.
11. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating Darren Brown, Director of Finance, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

Very truly yours,

Maine State Housing Authority



Dan Brennan, Executive Director

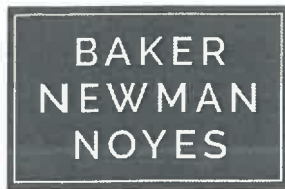


Thomas Cary, Treasurer



Darren Brown, Director of Finance

[THIS PAGE INTENTIONALLY LEFT BLANK]



Management and the Board of Commissioners
Maine State Housing Authority

In planning and performing our audit of the basic financial statements of Maine State Housing Authority (MaineHousing) as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, we considered MaineHousing's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MaineHousing's internal control. Accordingly, we do not express an opinion on the effectiveness of MaineHousing's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report, dated March 25, 2026, on the financial statements of MaineHousing. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies.

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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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.

Following is a description of an other identified deficiency in internal control that we determined did not constitute a significant deficiency or material weakness:

Expenditure Cutoff of Lead-Based Paint Hazard Control Program (Lead)

MaineHousing administers the Lead Program under the U.S. Department of Housing and Urban Development, which provides funding to homeowners and rental property owners to abate or remediate lead-based paint hazards for low-income families. Expenditures for this program are recorded based on billings received from subrecipients. Our audit procedures identified approximately \$23,000 of costs that related to expenditures incurred in 2025 but were recorded in 2026 as grant expenditures. This was a result of invoices received from subrecipients after year-end that contained both 2025 and 2026 expenditures. We have recorded an uncorrected misstatement of approximately \$106,000 to estimate the known and projected error, based on our sampling, to increase 2025 expenditures and accounts payable within MaineHousing's Other Federal and State funds. We recommend management monitors the period of performance for expenditures to ensure they are recorded in the appropriate period, particularly when remittances are received that may impact multiple fiscal years.

Management Response

There are established cut-off controls in place that are applied consistently throughout the year, with more extensive procedures performed at year-end to ensure that expenses are recorded in the proper accounting period.

The instance identified resulted from a batch of invoices that included charges spanning both 2025 and 2026. The portion attributable to 2025 was not material to the financial statements. Given the size of the agency and the volume of transactions processed annually, management may determine that adjustments for immaterial amounts are not necessary when they do not meaningfully impact the financial statements.

Management remains confident that the current cut-off procedures are appropriate and will ensure that expenses are recorded in the correct period in all material respects. To further reduce the likelihood of similar occurrences, expectations will be reinforced with program staff and subrecipients regarding the need to clearly identify period-specific expenditures. Management will also continue monitoring period of performance requirements and strengthen communication where needed to support accurate and timely expense recognition.

* * * * *

Management's response to the internal control deficiency identified in our audit was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

The communication is intended solely for the information and use of management and the Board of Commissioners and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Newman & Noyes LLC

Portland, Maine
March 25, 2026

[THIS PAGE INTENTIONALLY LEFT BLANK]

BAKER
NEWMAN
NOYES

Maine State Housing Authority

Audit Committee and Board of Commissioners
Maine State Housing Authority (MaineHousing)

We are pleased to present the results of our audit of the December 31, 2025 basic financial statements of MaineHousing.

This report summarizes our audit, the scope of our engagement, and the reports issued. We have also included communications required by our professional standards.

We appreciate this opportunity to meet with you to discuss the contents of this report and answer any questions you may have about these or any other audit related matters.

Very truly yours,

Baker Newman & Noyes LLC

Table of Contents

Auditors' Professional Responsibilities	4
Summary of Audit Deliverables	6
Audit Scope and Areas of Audit Emphasis	7
Audit Summary Discussion	8
Management's Judgments and Accounting Estimates	11
Year-End Adjustments and Passed Entries	12
Management Recommendation Letter	13
Looking Ahead – Uniform Guidance Audit	14
Final Thoughts/Questions	15

Auditors' Professional Responsibilities

BNN IS RESPONSIBLE FOR:

- Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* have been described in our engagement letter, dated November 3, 2025.
- Our responsibilities, as stated in our auditors' report, are summarized as follows:
 - 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 MaineHousing'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 MaineHousing's ability to continue as a going concern for a reasonable period of time.

Auditors' Professional Responsibilities (cont.)

MANAGEMENT IS RESPONSIBLE FOR:

- Management's responsibilities, as stated in our auditors' report, are summarized as follows:
 - The preparation of financial statements in accordance with accounting principles generally accepted in the United State of America.
 - The design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
 - To evaluate whether there are any conditions or events, considered in the aggregate, that would raise substantial doubt about MaineHousing's ability to continue as a going concern for twelve months beyond the financial statement date.

Summary of Audit Deliverables

	AUDIT DELIVERABLES	Status
Opinions	Express an opinion on the basic financial statements of MaineHousing. Perform a Uniform Grant Guidance audit for federal expenditures of MaineHousing.	Financial statement audit procedures are complete. The Uniform Grant Guidance audit will be completed by September 30, 2026, along with the HUD REAC filing.
Required internal control communications	Report to management, the Audit Committee and Board of Commissioners on any material weaknesses, significant deficiencies, or internal control matters and suggestions for operational improvements identified during our audit.	No material weaknesses or significant control deficiencies were identified during our audit. One identified control deficiency will be discussed and has been communicated in our management recommendation letter. Management has included a response to the identified deficiency in the letter.

Audit Scope and Areas of Audit Emphasis

Our audit scope was developed after considering inherent and control risks in the current environment and the existence of effective internal controls that mitigate those risks. A variety of factors were considered when establishing individual audit scopes for MaineHousing, including the size, volume and types of transactions processed, changes in the business environment, management monitoring controls in place and other factors.

Principal areas of audit emphasis and related testing were as follows:

- Internal controls related to the primary financial systems.
- Cash: Confirmed cash balances and reviewed cash reconciliations.
- Investments, investment income and valuation of investments: Confirmed investment balances, recalculated the fair value of investments and performed analytics over investment income.
- Loans receivable and related allowance: Confirmed a sample of single-family and multi-family loans, reviewed delinquency trends and management's allowance calculation.
- Long-term debt: Confirmed outstanding bonds, recalculated interest payable and performed analytics over interest expense.
- Management override of controls: Reviewed Board of Commissioner minutes, Internal Audit reports and performed journal entry test work.
- Grant revenues and expenditures: Tested controls over grant revenues/expenditures, confirmed amounts received from federal agencies and the State of Maine.
- Interest rate swap valuation: Reviewed the swap valuation prepared by a third-party.
- Unearned revenue: Reviewed roll forward of unearned revenue balances, tested a sample of related expenditures and grant receipts.
- Payroll: Tested the year-end payroll reconciliation, performed analytics over salaries and related benefits.
- GASB 68 pension liability: Reviewed the audited third-party pension calculation and related actuarial assumptions.

* There were no changes to our planned approach or areas of audit emphasis.

Audit Summary Discussion

Area	Comments
Auditors' responsibilities under Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards The financial statements are the responsibility of management. Our audit was designed in accordance with auditing standards generally accepted in the United States and <i>Government Auditing Standards</i> to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we obtained an understanding of internal control sufficient to plan our audit and to determine the nature, timing and extent of testing performed. However, we were not engaged to, and we did not, perform an audit of internal control over financial reporting.	We have issued an unmodified opinion on the basic financial statements of MaineHousing indicating that, in our opinion, they are fairly stated in accordance with accounting principles generally accepted in the United States.

Audit Summary Discussion (cont.)

Area	Comments
Accounting policies and practices We report all significant accounting policies and practices used by management in preparing the financial statements and our assessment of the disclosure of such policies. We discuss our judgments about the quality, not just the acceptability, of the accounting policies as applied in MaineHousing's financial reporting, including the consistency of the accounting policies and their application and the clarity and completeness of the financial statements and related disclosures.	Management has ultimate responsibility for the appropriateness of the accounting policies used by MaineHousing. MaineHousing early adopted GASB 103 for the year ended December 31, 2025. The early adoption resulted in changes to the presentation of MaineHousing's proprietary fund Statement of Revenues, Expenses, and Changes in Net Position but did not have an effect on beginning net position or MaineHousing's accounting policies for the recognition and measurement of revenues, expenses, assets, deferred outflows of resources, liabilities, or deferred inflows of resources. MaineHousing did not adopt any other significant accounting policies in 2025.
Methods of accounting for significant unusual transactions and for controversial or emerging areas The Audit Committee and Board of Commissioners are informed about the methods used to account for significant unusual transactions and the effects of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.	We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. MaineHousing disclosed its Emergency Rental Assistance refund to the U.S. Treasury in footnote 15 of the financial statements.

Audit Summary Discussion (cont.)

Area	Comments
Fraud and illegal acts We report to the Audit Committee and Board of Commissioners fraud and illegal acts involving senior management and fraud and illegal acts (whether caused by senior management or other employees) that cause a material misstatement of the financial statements.	We were not made aware of any fraud or illegal acts, nor did we uncover any fraud or illegal acts based on our audit work performed.
Subsequent events	We are not aware of any items that should be reflected in the financial statements or related disclosures other than those that are already disclosed.
Difficult or contentious matters that required consultation	We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.
Disagreements with management or any serious difficulties encountered in dealing with management when performing the audit	We encountered no disagreements or difficulties in dealing with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.
Consultation with other accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Other written communications with management The Audit Committee and Board of Commissioners have received copies of all significant written communication with management in accordance with generally accepted auditing standards.	Written communications include the engagement letter, management letter and post audit letter.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events.

Area / Accounting Policy	Comments
Allowance for losses on loans Management provides for an allowance for loan losses at a level that management believes will be adequate to absorb probable loan losses based on evaluations of the collectability of the loans and prior loss experience.	We have reviewed management's assumptions and concluded their estimates were reasonable in relation to the financial statements taken as a whole.
Fair value of interest rate swaps MaineHousing enters into various interest rate swap agreements to manage risks associated with interest on its variable rate bond portfolio. The fair value of swap agreements is recognized as either an asset or liability on their Statement of Net Position with the offsetting gains or losses as either deferred inflows or outflows of resources, if deemed an effective hedge.	We have reviewed the calculation prepared by management's specialist, including assumptions used, and concluded that the estimate was reasonable in relation to the financial statements taken as a whole.
Pension plan Management provides funding for the retirement plan at a level that will sufficiently cover future beneficiary obligations. MaineHousing measures the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense using information about the fiduciary net position of the MainePERS PLD Consolidated Plan on the same basis reported by MainePERS.	We have reviewed the MainePERS audited financial statements, including assumptions used, and concluded that the estimate was reasonable in relation to the financial statements taken as a whole.

Year-End Adjustments and Passed Entries

Adjustments are entries that are made by management to the trial balance. There were no audit adjustments necessary for the 2025 audit.

Passed adjustments are adjustments that are not made due to being quantitatively and qualitatively insignificant to the financial statements as a whole. There was one passed adjustment made for a projected error in accounts payable and grant expenditures that was not determined to be material to the financial statements.

The passed journal entry is included on the management representation letter.

Management Recommendation Letter

In planning and performing our audit of the basic financial statements of MaineHousing in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered MaineHousing's internal control over financial reporting (internal control) as a basis for designing 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 MaineHousing's internal control. Accordingly, we do not express an opinion on the effectiveness of MaineHousing's internal control over financial reporting.

Classification	Comments
Material weakness 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.	Our consideration of internal control was for the limited purpose described in the management letter and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified.
Significant deficiency 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 management letter and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified.
Control deficiency 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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.	We had one internal control recommendation in the accompanying management letter over grant expenditure cutoff.

Looking Ahead – Uniform Guidance Audit

As mentioned previously, the Uniform Guidance audit is in process and will be finalized by September along with the HUD REAC filing. The purpose of the Uniform Guidance audit is to ensure MaineHousing is adhering to federal guidelines with regards to federal grant programs.

The 2025 Compliance Supplement removed many COVID programs from high-risk designation, including the Emergency Rental Assistance program. In addition, the new threshold for requiring a Uniform Guidance audit was increased from \$750,000 in federal expenditures to \$1,000,000 in federal expenditures. As a low-risk auditee, we are required to audit at least 20% of the federal expenditures of MaineHousing as part of the Uniform Guidance Audit.

Programs to be audited cover approximately 22% of federal expenditures and are anticipated to be:

- Housing Voucher Cluster
- Fed HOME Program
- Recovery Housing Program

BAKER
NEWMAN
NOYES

Final Thoughts & Questions

Asset Management Department Memorandum

To: MaineHousing Board of Commissioners
From: Laurie Warzinski – Director of Asset Management
Date: April 28, 2026
Subject: Monthly Report - Asset Management

Program Highlights:

Notes on MFH Delinquency

- Elm Street – 63 Elm (aka Peaceful Choices) is leased to Healthy Acadia, which is pursuing approximately \$264,000 in USDA RD CDS funding expected in May (estimated). The plan is to use those funds to pay the outstanding MH liens in full and discharge them. BCM Advisory Group, as receiver, is handling the dissolution of Downeast Community Partners (owner). Staff are monitoring this closely.
- Durbin Apartments/Waterville Housing Authority – This is resolved.

SHP Repair: A closing was completed on April 2nd for the 244 Central Ave. Supportive Housing project in Lewiston under the 2024 Supportive Housing/Emergency Shelter Repair Program, supporting a property long operated by Support Solutions Inc. for adults with developmental disabilities. The project, originally developed in 2001, received \$85,294.44 in repair funding to address significant exterior deterioration and ensure continued safe, affordable housing for residents with disabilities and incomes at or below 50% of AMI.

Department Highlights:

Collaboration: We are adding a series of speakers to our monthly AM All Staff Meeting and are grateful to Melissa Lizotte who joined us in April to update us on what is happening in Homeless Initiatives. It was a fantastic engagement opportunity.

Staffing: Asset Management welcomed two new colleagues to our department in March who quickly became a valuable part of our team and mission:

Sheryl Peavey joined us as an Asset Manager II on March 23. Sheryl holds a German degree from Brandeis University, completed graduate coursework at the University of Denver, and is an alumna of Leadership Maine. She brings a wealth of experience from her leadership roles within Maine State

Government, including DHHS and the Maine CDC, with strong expertise in regulatory oversight, financial analysis, and nonprofit governance.

Bruce Wilson joined us as an Asset Manager I on March 23. Bruce earned his degree in New Media from the University of Maine and began his career as a Tech Specialist before transitioning into housing. His recent work with USDA Rural Development in Single Family Housing provided valuable experience in loan processing, regulatory enforcement, and code compliance.

Asset Management Facts and Snacks



The March installment of **Facts and Snacks** spotlighted the Asset Management (AM) Department and the essential role it plays throughout the life cycle of a LIHTC property. To make the learning interactive and memorable, the team designed a customized Game of Life—style experience that walked participants through the journey of an affordable housing asset from development to long-term oversight.

The session opened with a brief narrative explaining how a LIHTC property begins in Development, where Asset Management becomes involved, and how responsibility transitions to AM for long-term monitoring, compliance, and risk management. This framing helped participants understand the “big picture” before diving into the game.

Participants rolled dice to advance. Each color on the board corresponded to a category of questions. Landing on a board space triggered a scenario-based question that AM staff used to explain real-world processes, risks, and decision-making. Some spaces featured a question mark, giving participants the chance to ask *anything* about Asset Management.

The first team to reach the end of the board answered a final question to “win”. Even after the game concluded, conversation continued! Thanks to all who participated and a great job to the AM staff who created the experience!

Development Department Memorandum

To: MaineHousing Board of Commissioners

From: Laurie Warzinski, Interim Director of Development

Date: April 17, 2026

Subject: Monthly Report - Development

Events of Note

3/24 – Michael Shoyket, Loan Officer attended Front Street III, AHOP, groundbreaking.

Front Street III is located in the East Deering neighborhood of Portland and is the third and final phase of the larger Front Street Redevelopment facilitated by Portland Housing Development Corporation. Front Street III consists of eight townhouse style condominiums, in two buildings. Six units will be restricted to households earning at or below 120% AMI, and two units will be sold as unrestricted market rate units. The site includes eight parking spaces and ground level storage for each unit.

Home for Good

Cohort #1

Five project teams were selected to take part in the first cohort of the Home For Good Program. Each project will house and provide on-site support to 20-30 individuals experiencing chronic homelessness. Riverlands, to be located in Augusta and Yellen Woods to be located in Bangor, have submitted applications. The remaining three project applications will be forthcoming. The project teams are as follows:

Location	Developer	Owner	Property Manager	Service Provider
Auburn (Hampshire Commons)	Developers Collaborative	Auburn Housing	Auburn Housing	Spurwink
Augusta (Riverlands)	Developers Collaborative	VOANNE	Developers Collaborative	VOANNE
Bangor (Yellen Woods)	Bangor Housing	Bangor Housing	Bangor Housing	Preble Street
Sanford (Heritage Crossing)	Avesta Housing	Sanford Housing	Sanford Housing	YCCAC
Greater Portland (TBD)	Avesta Housing	Avesta Housing	Avesta Housing	Preble ST

Cohort #2

Three project teams were selected to take part in the second cohort of the Home For Good Program. On March 26, 2026, a kickoff meeting was held with Cohort #2. Subsequent meetings with Home For Good teams will include both Cohort #1 and Cohort #2. Meetings are held monthly. The teams are as follows:

Location	Developer	Owner	Property Manager	Service Provider
Bangor (TBD)	Bangor Housing	BHDC Home for Good 2, LP	Bangor Housing	Preble Street
Portland (TBD)	Developers Collaborative	Catholic Charities of Maine	DC Management 2	Catholic Charities of Maine
South Portland (TBD)	South Portland Housing Development Corporation	South Portland Housing Authority (SPHA)	SPHA	Preble Street

Department Highlights

Laurie Warzinski and Jamie Johnson met individually with each member of the Development team to foster open conversation and build stronger connections.

Staff

No changes from last report

Development Pipeline

Below you will find the Development Pipeline updated as of April 7. We expect that a small number of these projects will not see completion, and that predicted construction starts and completions will change as projects move forward.

Project Name	Developer	Program	City	Family/ Senior
Completed in 2026				
Edgewater Village	Avesta	4%	Farmington	Senior
Central Park Residences	Reincorp	Rural	Sanford	Family
986 Prospect	Wilbur, Calhoun	Rural	Rumford	Family
<i>NC/AR Projects</i>	3			<i>New Units</i>
Berry Park Apartments	Northland Enterprises	4%	Biddeford	Family
<i>Rehab Projects</i>	1			<i>Rehab Units</i>
Total Projects	4			Total Units
Under Construction*/In Underwriting - likely completed in 2026				
Iron Heights*	Mastway Dev	4%	Gardiner	Family
King Street Apartments*	KVCAP	4%	Waterville	Family
Lockwood Mill*	North River Co.	4%	Waterville	Family
Sunridge Senior Housing*	Bangor Housing	4%	Bangor	Senior
DeWitt*	LHA/Avesta	4% Choice	Lewiston	Family
Adams Point*	Biddeford HA	9%	Biddeford	Family
Equality Comm Housing *	Equality Comm. Center	9%	Portland	Senior
Landry Woods*	SoPo Housing	9%	So. Portland	Senior
Milford Place*	Penquis CAP	9%	Bangor	Senior

540 Centre Street*	Bath HA	Debt Only	Bath	Family
Central Fire Station*	DC	CC Rural	Brunswick	Family
Islesford RHP*	CIRT	Islands	Islesford	Family
Vinalhaven*	Vinalhaven Housing	Islands	Vinalhaven	Family
ICDC Town Acq*	ICDC	Islands	Isle au Haut	Family
Bridgton Recovery Home*	LB Dev	RHP	Bridgton	Supp.
7 Madelyn Lane*	Lake City Investments	Rural	Rockport	Family
Mechanic Street*	WLR Properties	Rural	Houlton	Family
Landon Woods	Neigh Housing Trust	AHOP	Kennebunkport	Family
<i>NC/AR Projects</i>	<i>17</i>			<i>New Units</i>
North Deering Gardens*	Wingate Dev.	4%	Portland	Family
Place St. Marie*	Brisa Dev w/Andy J	4%	Lewiston	Family
Patriot Place*	Avesta	4%/no sub	Sanford	Family
Oak Ridge Apartments*	Realty Resources	9%	Bath	Senior
<i>Rehab Projects</i>	<i>4</i>			<i>Rehab Units</i>
Total Projects	21			Total Units

Under Construction/In Underwriting - likely completed in 2027

Sturgeon Place (fka 3i Homes)	3i Homes/POAH	4%	Scarborough	Family
Lambert Woods North*	Maine Coop Dev Part	4%	Portland	Family
Malta Street Senior	Augusta Housing	4%	Augusta	Senior
Martel School Apts	Lewiston Housing	4%	Lewiston	Senior
Seavey Crossing*	Avesta	9%	Westbrook	Senior
Varney Heights*	FHA/Gooch	9%	Freeport	Senior
Dougherty Commons III*	MCDP	AHOP	Portland	Family
Scittery Woods*	Scittery Woods Part	AHOP	Falmouth	Family
Thatcher Brook Apts I*	Westbrook Housing	9%	Biddeford	Family
Millinocket Manor	Penquis	4%	Millinocket	AL
89 Elm Apartments*	Tom Watson & CO	4% PLA	Portland	Family
Beals Ave WF Housing	LB Dev Partners	AHOP	Ellsworth	Family
Cedar Bend Condos*	Boothbay Reg Dev Corp	AHOP	Boothbay	Family
Nasson 3	GreenMars	AHOP	Springvale	Family
Wildlands	Greater Portland H4H	AHOP	Standish	Family
Front Street III*	Portland Housing	AHOP	Portland	Family
OddFellows Apts.	Archer Properties LLC	Rural	Norway	Family
Charles Jordan House	ME Prisoner Adv Coal	SHP	Auburn	Supp.
Rangeley WF Housing	Wasilewski, Teare	Rural	Rangeley	Family
<i>NC/AR Projects</i>	<i>19</i>			<i>New Units</i>
Franklin Towers	Portland HA	4%/ no sub	Portland	Family
Riverton Park*	Portland HA	4%/ no sub	Portland	Family
<i>Rehab Projects</i>	<i>2</i>			<i>Rehab Units</i>
Total Projects	21			Total Units

Preliminary Underwriting

Grandview Ave	DC	AHOP	Bangor	Family
Harkness Haven	Mid-Coast H4H	AHOP	Rockport	Family
Hillcrest Estates	A&O Properties	AHOP	Monmouth	Family

Island Avenue Sub	H4H York County	AHOP	Sanford	Family
Linnell Homeownership	The Linnell LLC	AHOP	Rumford	Family
Newman Meadows	Newman Homes	AHOP	Waterville	Family
Heritage Crossing	Avesta	Home 4 Good	Sanford	Family
Portland (1)	Avesta	Home 4 Good	Portland	Family
Hampshire Commons	DC	Home 4 Good	Auburn	Family
Riverlands	DC	Home 4 Good	Augusta	Family
Yellen Woods	Bangor Housing	Home 4 Good	Bangor	Family
Portland (2)	DC	Home 4 Good	Portland	Family
	So Portland Housing			
South Portland	Dev	Home 4 Good	South Portland	Family
Bangor	Bangor Housing	Home 4 Good	Bangor	Family
Farwell Mill	Realty Resources	4%	Lisbon	Family
Martel II	Lewiston Housing	4%	Lewiston	Senior
Soleil Apartments	Lewiston Housing	4%	Lewiston	Family
The Apartments at Time & Temp	DC	4%	Portland	Senior
COMB Block Phase 1	Portland Housing	9%	Portland	Family
Youth & Family Outreach	YF&O/DC	9%	Portland	Family
Anchorage South	Bath Housing	9%	Bath	Seniors
Pettingill Pines	DC	9%	Windham	Seniors
J. Palmer Merrill Block	Patric Moore	Rural	Skowhegan	Family
Asher's Village Apts	Newman Homes	Rural	Winslow	Family
Rosa's Place	Golek/Dooryard	Rural	Brunswick	Family
36 Cleaves Street	Moll, Hight, Wilbur	Rural	Yarmouth	Family
Project Greenhouse	Badhus LLC	Rural	Rockland	Family
Clark Street	DEV Properties	Rural	Thomaston	Family
Poland Eld Housing Dev	Auburn Housing	Rural	Poland	Seniors
55 Weston Avenue II	55 Weston	Rural	Madison	Family
Glenridge Supp Housing	Motivational Svs	SHP	Augusta	Family
Old Post Road	Fair Tide	SHP	Kittery	Family
McLain School Housing	DC	9%	Rockland	Senior
The Rochambeau	Avesta	9%	Biddeford	Senior
Landry Heights	South Portland Housing	9%	South Portland	Senior
The Woodbury	CHOM	9%	Portland	Senior
Quebec Commons	Westbrook Dev Corp	9%	Biddeford	Senior
	<i>NC/AR Projects</i>	37		<i>New Units</i>
Sun Valley Apartments	Chesapeake Comm. Realty Resources Dev	9%	Mexico	Family
Belfast Birches	LLC	9%	Belfast	Seniors
	<i>Rehab Projects</i>	2		<i>Rehab Units</i>
Total Projects	39			Total Units

Project Name	Developer	Program	City	Family/ Senior	Total Units

Completed in 2026					
Edgewater Village	Avesta	4%	Farmington	Senior	25
Central Park Residences	Reincorp	Rural	Sanford	Family	18
986 Prospect	Wilbur, Calhoun	Rural	Rumford	Family	18
<i>NC/AR Projects</i>	3			<i>New Units</i>	61
Berry Park Apartments	Northland Enterprises	4%	Biddeford	Family	46
<i>Rehab Projects</i>	1			<i>Rehab Units</i>	46
Total Projects	4			Total Units	107
Under Construction*/In Underwriting - likely completed in 2026					
Iron Heights*	Mastway Dev	4%	Gardiner	Family	32
King Street Apartments*	KVCAP	4%	Waterville	Family	37
Lockwood Mill*	North River Co.	4%	Waterville	Family	65
Sunridge Senior Housing*	Bangor Housing	4%	Bangor	Senior	50
DeWitt*	LHA/Avesta	4% Choice	Lewiston	Family	104
Adams Point*	Biddeford HA	9%	Biddeford	Family	39
Equality Comm Housing *	Equality Comm. Center	9%	Portland	Senior	54
Landry Woods*	SoPo Housing	9%	So. Portland	Senior	43
Milford Place*	Penquis CAP	9%	Bangor	Senior	40
540 Centre Street*	Bath HA	Debt Only	Bath	Family	24
Central Fire Station*	DC	CC Rural	Brunswick	Family	5
Islesford RHP*	CIRT	Islands	Islesford	Family	4
Vinalhaven*	Vinalhaven Housing	Islands	Vinalhaven	Family	4
ICDC Town Acq*	ICDC	Islands	Isle au Haut	Family	4
Bridgton Recovery Home*	LB Dev	RHP	Bridgton	Supp.	6
7 Madelyn Lane*	Lake City Investments	Rural	Rockport	Family	18
Mechanic Street*	WLR Properties	Rural	Houlton	Family	18
Landon Woods	Neigh Housing Trust	AHOP	Kennebunkport	Family	6
<i>NC/AR Projects</i>	18			<i>New Units</i>	553
North Deering Gardens*	Wingate Dev.	4%	Portland	Family	164
Place St. Marie*	Brisa Dev w/Andy J	4%	Lewiston	Family	40
Patriot Place*	Avesta	4%/no sub	Sanford	Family	40
Oak Ridge Apartments*	Realty Resources	9%	Bath	Senior	30
<i>Rehab Projects</i>	4			<i>Rehab Units</i>	274
Total Projects	22			Total Units	827
Under Construction/In Underwriting - likely completed in 2027					
Sturgeon Place (fka 3i Homes)	3i Homes/POAH	4%	Scarborough	Family	51
Lambert Woods North*	Maine Coop Dev Part	4%	Portland	Family	74
Malta Street Senior	Augusta Housing	4%	Augusta	Senior	34
Martel School Apts	Lewiston Housing	4%	Lewiston	Senior	44
Seavey Crossing*	Avesta	9%	Westbrook	Senior	61
Varney Heights*	FHA/Gooch	9%	Freeport	Senior	42
Dougherty Commons III*	MCDP	AHOP	Portland	Family	20
Scittery Woods*	Scittery Woods Part	AHOP	Falmouth	Family	20
Thatcher Brook Apts I*	Westbrook Housing	9%	Biddeford	Family	40

Millinocket Manor	Penquis	4%	Millinocket	AL	38
89 Elm Apartments*	Tom Watson & CO	4% PLA	Portland	Family	201
Beals Ave WF Housing	LB Dev Partners	AHOP	Ellsworth	Family	23
Cedar Bend Condos*	Boothbay Reg Dev Corp	AHOP	Boothbay	Family	8
Nasson 3	GreenMars	AHOP	Springvale	Family	20
Wildlands	Greater Portland H4H	AHOP	Standish	Family	12
Front Street III*	Portland Housing	AHOP	Portland	Family	6
OddFellows Apts.	Archer Properties LLC	Rural	Norway	Family	13
Charles Jordan House	ME Prisoner Adv Coal	SHP	Auburn	Supp.	11
Rangeley WF Housing	Wasilewski, Teare	Rural	Rangeley	Family	18
<i>NC/AR Projects</i>	<i>19</i>			<i>New Units</i>	<i>736</i>
Franklin Towers	Portland HA	4%/ no sub	Portland	Family	200
Riverton Park*	Portland HA	4%/ no sub	Portland	Family	182
<i>Rehab Projects</i>	<i>2</i>			<i>Rehab Units</i>	<i>382</i>
Total Projects	21			Total Units	1118

Preliminary Underwriting

Grandview Ave	DC	AHOP	Bangor	Family	14
Harkness Haven	Mid-Coast H4H	AHOP	Rockport	Family	10
Hillcrest Estates	A&O Properties	AHOP	Monmouth	Family	9
Island Avenue Sub	H4H York County	AHOP	Sanford	Family	5
Linnell Homeownership	The Linnell LLC	AHOP	Rumford	Family	16
Newman Meadows	Newman Homes	AHOP	Waterville	Family	13
Heritage Crossing	Avesta	Home 4 Good	Sanford	Family	30
Portland (1)	Avesta	Home 4 Good	Portland	Family	35
Hampshire Commons	DC	Home 4 Good	Auburn	Family	32
Riverlands	DC	Home 4 Good	Augusta	Family	25
Yellen Woods	Bangor Housing	Home 4 Good	Bangor	Family	30
Portland (2)	DC	Home 4 Good	Portland	Family	32
South Portland	So Portland Housing Dev	Home 4 Good	South Portland	Family	30
Bangor	Bangor Housing	Home 4 Good	Bangor	Family	30
Farwell Mill	Realty Resources	4%	Lisbon	Family	42
Martel II	Lewiston Housing	4%	Lewiston	Senior	44
Soleil Apartments	Lewiston Housing	4%	Lewiston	Family	72
The Apartments at Time & Temp	DC	4%	Portland	Senior	41
COMB Block Phase 1	Portland Housing	9%	Portland	Family	55
Youth & Family Outreach	YF&O/DC	9%	Portland	Family	60
Anchorage South	Bath Housing	9%	Bath	Seniors	47
Pettingill Pines	DC	9%	Windham	Seniors	48
J. Palmer Merrill Block	Patric Moore	Rural	Skowhegan	Family	5
Asher's Village Apts	Newman Homes	Rural	Winslow	Family	18
Rosa's Place	Golek/Dooryard	Rural	Brunswick	Family	14
36 Cleaves Street	Moll, Hight, Wilbur	Rural	Yarmouth	Family	18
Project Greenhouse	Badhus LLC	Rural	Rockland	Family	12
Clark Street	DEV Properties	Rural	Thomaston	Family	16
Poland Eld Housing Dev	Auburn Housing	Rural	Poland	Seniors	18

55 Weston Avenue II	55 Weston	Rural	Madison	Family	18
Glenridge Supp Housing	Motivational Svs	SHP	Augusta	Family	8
Old Post Road	Fair Tide	SHP	Kittery	Family	12
McLain School Housing	DC	9%	Rockland	Senior	29
The Rochambeau	Avesta	9%	Biddeford	Senior	46
Landry Heights	South Portland Housing	9%	South Portland	Senior	38
The Woodbury	CHOM	9%	Portland	Senior	51
Quebec Commons	Westbrook Dev Corp	9%	Biddeford	Senior	45
<i>NC/AR Projects</i>	<i>37</i>			<i>New Units</i>	<i>1068</i>
Sun Valley Apartments	Chesapeake Comm.	9%	Mexico	Family	24
Belfast Birches	Realty Resources Dev LLC	9%	Belfast	Seniors	24
<i>Rehab Projects</i>	<i>2</i>			<i>Rehab Units</i>	<i>48</i>
Total Projects	39			Total Units	1116
Total Projects in Underwriting & Under Construction	82			Total Units	3168

Energy & Housing Services Department Memorandum

To: MaineHousing Board of Commissioners

From: Bobbi Crooker – Director of Energy and Housing Services

Date: April 21, 2026

Subject: Monthly Report – Energy and Housing Services Department

DEPARTMENT HIGHLIGHTS

MaineHousing submitted the HEAP State Plan to DHS for Program Year 2026 and has received a total of \$42,697,525 in LIHEAP base and infrastructure grant funds. The remaining 10% of allocated LIHEAP funds was authorized on 4/17/2026. As of **4/15/2026**, we have paid out **\$18,687,178** in HEAP Fuel Assistance. We have received approximately 9-10% less applications this program year as compared to last program year. For the Program Year 2025 grant, we have funds that have not been used due to lower production at the Community Action Agencies in Weatherization, HARP, and lower LIHEAP applications received last year. These funds expire as of 9/30/2026. Given this, we are shifting approximately \$1.1-1.3 million to a Heat Pump Program for the Community Action Agencies to administer in hopes to spend this money before the September 30 deadline.

EHS plans to ask the Board to commence Rulemaking for the PY2027 HEAP Rule and State Plan at the April 2026 board meeting.

On March 30, 2026, EHS hosted a productive meeting with the Weatherization program managers from the CAAs to discuss the PY2026 program, get feedback on potential changes, and discuss challenges they are facing in the program. This collaboration will assist with our development of the DOE Annual State Plan.

During the May 2026 Board Meeting EHS will request the Board adopt the 2026 Maine DOE Annual Weatherization Assistance Program (WAP) Application and State Plan. This submission is part of the annual application process for administering the Department of Energy Weatherization Assistance Program for program year 2026, which spans July 1, 2026, through June 30, 2027.

Tona Lenhart has provided tendered her resignation as Fiscal Grant Manager in EHS effective May 22, 2026. This will leave the Fiscal Grants Manager position open. We have started the process of reviewing resumes and conducting interviews for this critical position.

In April, two EHS staff members attended the National Home Performance Conference (NHPC) 2026 held in Columbus, OH. The conference focused on updates to home performance, Weatherization, and Healthy Housing including federal policy outlook, the latest in industry standards, and trends that affect the Lead and Weatherization programs.

PROGRAM UPDATES

Home Energy Assistance Program (HEAP)

Maine's Low-Income Home Energy Assistance Program (LIHEAP or HEAP) is a grant funded by the US Department of Health and Human Services (HHS) and is administered by MaineHousing in collaboration with Maine's Community Action Agencies and ProsperityME.

	Program Year 2026 to-date	Program Year 2025 to-date Comparison	Overall Program Year 2025
Applications Taken	50838	55972	58,433
Eligible Applicants	35644	36686	44,535
Benefits Issued	\$18,687,178	\$20,993,189	\$22,554,406

Weatherization Assistance Program (Wx)

MaineHousing's Weatherization team continues to collaborate with DOE to finalize the Priority List and Program Manual for the multifamily (5+ units) weatherization program. Our Technical Services Specialists are currently undergoing training on multifamily inspection requirements, and we hope to move this initiative forward in the near future.

The Weatherization Department is continuing work to implement the Energy Audit software system, ECOS. We are collaborating with JAI, the software developer, and the Community Action Agencies to resolve remaining issues.

- IIJA (formerly BIL) Weatherization: Period of Performance (July 1, 2023 – June 30, 2029)
The U.S. Department of Energy has extended the performance period for this grant through 2029, extending the original end date of March 31, 2027. To date, **339** units have been weatherized at a total cost of **\$5,727,554.60** with our partner agencies actively working toward the goal of weatherizing **1,628** units by 2029. MaineHousing will continue collaborating with Community Concepts, Inc. to launch the multifamily weatherization program.
- Annual Weatherization: Program Year 2025 (April 1, 2025 – June 30, 2026)
The U.S. Department of Energy (DOE) approved our State Plan at the end of September. This allocated \$4,465,333 in Total; (\$4,067,543 for the Weatherization Assistance Program (WAP) and Training and Technical Assistance, along with an additional \$397,790 in Weatherization Readiness Funding (WRF).

Central Heating Improvement Program (CHIP)

The Central Heating Improvement Program provides grants to households that are HEAP eligible to assist with heating system, chimney, and oil tank repairs or replacements. Funding for this program is from the LIHEAP grant. Reporting July 1 through December 2025, the CHIP Program has completed **109** projects totaling **\$1,509,529.89**

Lead Abatement Program

The Lead Abatement Program provides funding for single family homes and owners of rental properties in Maine to help make them lead safe. Priority for program funds is granted to abatement projects for housing in which a child lives, and it has been determined that they have an elevated blood lead level. MaineHousing works with four Community Action Agencies to deliver the Lead Abatement Program across the state. Currently, **118** projects have been completed, with **74** units in progress.

Low-Income Assistance Plan (LIAP)

The Low-Income Assistance Plan (LIAP) helps eligible homeowners and renters with their electric utility bills. The LIAP program is funded by contributions from electricity providers and governed by the MPUC. As of **12/31/2025**, there were **30,043** participants, of which **375** were oxygen/vent participants.

To: Board of Commissioners

From: Darren R. Brown

Date: April 14, 2026

Subject: Monthly Report – Finance Department

ACCOUNTING AND FINANCIAL REPORTING (AFR):

- The audited financial statements for the year ended December 31, 2025 were issued on March 25th and are included in this packet. The auditors, Baker Newman & Noyes (BNN), issued an unmodified (“clean”) opinion. Jason Emery from BNN will be at this month’s meeting to review their work and the audit results.

Work associated with the 2025 Uniform Grant Guidance (A-133) federal compliance audit is in progress. This is an annual audit of MaineHousing’s federal funded programs to determine whether programs have been administered in compliance with federal requirements. For the year ended December 31, 2025, MaineHousing administered and disbursed approximately \$240 million through thirty different federal grants. Major federal programs are audited on a rotating basis. The major programs selected for the 2025 audit are: the Section 8 Housing Choice Voucher, Home Investment Partnership and Recovery Housing programs.

The A-133 federal compliance audit needs to be completed and filed with the federal Single Audit Clearinghouse and the HUD Real Estate Assessment Center (REAC) within nine months after year end. The AFR staff will be working with the program departments to compile and prepare information for this audit in the coming weeks. Although this audit has not been completed, BNN will review their scheduled audit work and objectives at the meeting.

LOAN ADMINISTRATION:

- Loan Administration staff completed the annual Quality Control Review of the Housing and Urban Development (HUD) and Rural Development (RD) loan portfolio sub-serviced by Mortgage Servicing Solutions (MSS), the agency’s largest single-family loan servicer. The review assessed both system functionality and operational practices to ensure MSS staff understand HUD and RD servicing requirements and consistently follow the applicable processing guides. It also included a loan-level review to verify compliance with federal guidelines and to confirm that MSS’s internal procedures are appropriate and effective.

The review found that MSS maintains a formal, written quality control plan that fully meets HUD and RD requirements and that the required reviews are being performed in accordance with established policies. Staff also confirmed that MSS has adequate controls to oversee vendor performance and that corrective actions were taken when deficiencies were identified. The final report was issued with no material findings.

- In March, Loan Administration staff conducted a comprehensive training session for Bangor Savings Bank (BSB) servicing staff. The session offered an in-depth review of MaineHousing’s reporting processes and monthly reporting requirements. Due to recent staff turnover at BSB, the training was tailored to help new team members gain a clearer understanding of MaineHousing’s expectations and procedures. Participant feedback indicated that the training was informative and greatly appreciated. To maintain strong communication and provide continued support, Loan Administration is holding regular monthly conference calls with BSB to assist their staff with ongoing loan administration needs.

Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: April 14, 2026

Subject: Monthly Financial and Budget Report

FINANCIAL RESULTS

Attached are the Balance Sheets and Statements of Revenues, Expenses, and Changes in Net Assets for the two-month period ended February 28, 2026.

MaineHousing's programs are accounted for in Fund Groups, based on funding sources. For financial reporting purposes, each Fund Group is a separate and standalone entity. There are seven Fund Groups and the individual Balance Sheets and Statements of Revenues, Expenses and Changes in Net Assets for each are presented in columns on the attachments (pages 1 and 2). The following is a summary of MaineHousing's total combined financial position and operating results for the current year and a brief explanation of the changes between the current and prior year net operating results.

Total combined assets amount to \$3.4 billion and total combined liabilities are \$2.9 billion. Total net assets are approximately \$516.6 million. Total combined revenues are \$70.9 million and total expenses amount to \$62.8 million, which results in net operating income of \$8.1 million. Total combined net operating income for February 2025 was \$7.4 million. Net operating income for two months is \$0.7 million higher in 2026 due primarily to the activities and operating results of the Mortgage Purchase Fund (MPP), MaineHousing's largest Fund Group, and the HOME Fund.

The MPP has net operating income of \$5.2 million for February 2026. This is a \$1.4 million decrease compared to net operating income of \$6.6 million in 2025. The decrease is attributed to a smaller paper gain associated with adjusting the carrying values of non-mortgage investments. A paper gain of \$2.3 million has been recorded for 2026, which is a decrease of \$1.7 million compared to the paper gain of \$4.0 million recorded in 2025. The change associated with the recording of paper gains and losses is attributed to interest rate changes during the year.

The recording of paper gains and losses is required for accounting purposes. However, because MaineHousing does not actively buy and sell related investments, actual gains and losses will not occur and these amounts are ignored by the rating agencies, bond analysts, and management when assessing profitability.

Excluding paper gains and losses, the MPP's adjusted net operating income is \$2.9 million for February 2026 and \$2.6 million for February 2025. The \$0.3 million increase in net operating income is due primarily to higher interest income from mortgages.

The HOME Fund has net operating income of \$1.6 million, which is an increase of \$1.5 million compared with net operating income of \$0.1 million in 2025. MaineHousing's portion of the real estate transfer taxes received from the State are accounted for in this Fund Group. The increase in net operating income is due to higher real estate transfer tax receipts and timing differences with the expending of program funds and the

recognition of grant expenses. Income is higher by \$1.1 million, while program expenditures are \$0.4 million lower at this point in 2026 compared to 2025.

BUDGET RESULTS

Also attached are the budget variance results for the period ended February 28, 2026. These results are summarized and presented in the attachment described below:

OPERATING REVENUES AND EXPENSES BUDGET

MaineHousing has two primary business segments, which consist of mortgage lending activities and the administration of federal and other programs. All operating and program administrative costs are paid by either the net interest income from mortgage lending activities, which is the difference between interest income earned from mortgage and non-mortgage investment assets and the interest paid on bonds, or fee income received for the administration of federal and other programs.

The Operating Revenues and Expenses Budget, **Attachment A**, presents the revenues available to pay operating and program administrative expenses. It also presents the aggregate operating and program administrative expenses. Total budgeted revenues for 2026 are \$160.7 million and total expenses are budgeted at \$146.5 million. Total actual revenues as of February 28, 2026 amount to \$25.5 million, while total expenses amount to \$22 million. For the two-month period ended February 28, 2026, revenues exceed expenses by approximately \$3.5 million. Total revenues and expenses are in line with amounts anticipated for the period.

The operating and other program administration expenses (the first two expense lines) are detailed in **Attachment B** and summarized below:

OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES

MaineHousing's overhead and operational costs for the year as well as other program administrative expenses, which are costs that are specifically and exclusively related to a particular program, are itemized on **Attachment B**.

Total operating expenses for 2026 are budgeted at approximately \$28.6 million. As of February 28, 2026, approximately \$4.8 million or 17% of the operating budget has been used. Total other program administrative expenses are budgeted at \$13.6 million and actual expenses amount to \$2.1 million as of February 28, 2026. Overall, expenditures in these areas are consistent with that anticipated for the period.

CAPITAL BUDGET

The Capital Budget, **Attachment C**, presents items that provide an economic benefit to MaineHousing over a period of time. Items are recorded as assets and depreciated over an estimated useful life. The total authorized capital budget for 2026 is \$581,000. Capital expenditures as of February 28, 2026 totaled \$272,000 and were primarily for the multifamily housing system, ProLink, installment payment and equipment associated with upgrading the computer network storage system.

MEMBERSHIPS, DUES AND SPONSORSHIPS

In accordance with MaineHousing's Contributions Policy, all payments for memberships, dues and sponsorship are required to be reported to the Commissioners each month as part of the budget variance reports. **Attachment D** presents an itemized listing of the membership, dues, and sponsorship expenses as of February 28, 2026.

MAINE STATE HOUSING AUTHORITY
BALANCE SHEETS
FEBRUARY 28, 2026
(IN THOUSANDS OF DOLLARS)

	Memorandum Only Combined Totals		Mortgage Purchase Fund Group	Bondholder Reserve Fund	General Fund	HOME Fund	Federal Programs Fund	Other Funds	Maine Energy Housing & Economic Recovery Funds
	2025	2026							
ASSETS:									
Cash, principally time deposits	98,155	96,531	43,180	0	43,853	1	9,497	0	0
Investments	718,201	829,289	687,937	7,429	20,552	9,735	0	90,634	13,002
Accounts receivable - Government	6,627	8,923	0	0	0	4,823	3,779	321	0
Accrued interest and other assets	14,927	17,244	16,131	9	462	86	271	256	29
Mortgage notes receivable, net	2,106,288	2,429,810	2,307,431	1,092	4,626	71,196	0	0	45,465
Land, equipment and improvements, net	16,893	15,898	22	0	15,876	0	0	0	0
Other real estate owned	0	364	364	0	0	0	0	0	0
Derivative instrument - interest rate swaps	19,631	13,740	13,740	0	0	0	0	0	0
Deferred pension expense	906	811	441	3	92	0	0	275	0
Deferred amount on debt refundings	1,675	1,504	1,504	0	0	0	0	0	0
Deferred Grant Expense	0	863	0	0	0	863	0	0	0
Total Assets	<u>2,983,303</u>	<u>3,414,977</u>	<u>3,070,750</u>	<u>8,533</u>	<u>85,461</u>	<u>86,704</u>	<u>13,547</u>	<u>91,486</u>	<u>58,496</u>
LIABILITIES AND NET ASSETS:									
Accrued interest payable	23,397	27,676	27,416	0	0	0	0	0	260
Excess arbitrage to be rebated	1,939	3,207	3,207	0	0	0	0	0	0
Accounts payable - Government	367	3,536	0	0	0	0	3,536	0	0
Accounts payable & accrued liabilities	29,844	12,230	290	0	11,428	122	382	8	0
Unearned income	85,426	106,010	0	0	0	625	1,386	103,999	0
Net pension liability	2,240	1,550	844	5	174	0	0	527	0
Deferred pension credit	387	551	300	2	62	0	0	187	0
Accumulated increase in fair value of hedging derivatives	19,631	13,740	13,740	0	0	0	0	0	0
Interfund	0	0	4,885	(554)	15,156	(3,802)	336	(16,021)	0
Mortgage bonds and notes payable, net	2,336,687	2,729,783	2,673,287	0	12,179	0	0	0	44,317
Deferred grant income	117	0	0	0	0	0	0	0	0
Deferred loan origination points	12	12	12	0	0	0	0	0	0
Total Liabilities	<u>2,500,047</u>	<u>2,898,295</u>	<u>2,723,981</u>	<u>(547)</u>	<u>38,999</u>	<u>(3,055)</u>	<u>5,640</u>	<u>88,700</u>	<u>44,577</u>
NET ASSETS:									
Restricted Net Assets	438,647	470,220	346,769	9,080	0	89,759	7,907	2,786	13,919
Unrestricted Net Assets	44,609	46,462	0	0	46,462	0	0	0	0
Total Net Assets	<u>483,256</u>	<u>516,682</u>	<u>346,769</u>	<u>9,080</u>	<u>46,462</u>	<u>89,759</u>	<u>7,907</u>	<u>2,786</u>	<u>13,919</u>
Total Liabilities and Net Assets	<u>2,983,303</u>	<u>3,414,977</u>	<u>3,070,750</u>	<u>8,533</u>	<u>85,461</u>	<u>86,704</u>	<u>13,547</u>	<u>91,486</u>	<u>58,496</u>

MAINE STATE HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE PERIOD ENDED FEBRUARY 28, 2026
(IN THOUSANDS OF DOLLARS)

	Memorandum Only Combined Totals		Mortgage Purchase Fund Group	Bondholder Reserve Fund	General Fund	HOME Fund	Federal Programs Fund	Other Funds	Maine Energy Housing & Economic Recovery Funds
	2025	2026							
REVENUES:									
Interest from mortgages and notes	14,531	18,237	18,157	12	40	20	0	0	8
Income from investments	5,102	4,666	3,798	44	136	57	12	541	78
Net increase (decrease) in the fair value of investments	3,964	2,297	2,297	0	0	0	0	0	0
Fee income	3,469	3,292	775	0	543	0	1,941	33	0
Other revenue	13	2	2	0	0	0	0	0	0
Grant income	22,438	13,440	0	0	0	373	7,405	5,662	0
Income from State	4,019	4,823	0	0	0	4,823	0	0	0
Federal rent subsidy income	23,106	24,177	0	0	0	0	24,177	0	0
Total Revenues	76,642	70,934	25,029	56	719	5,273	33,535	6,236	86
EXPENSES:									
Operating expenses	4,314	4,759	0	0	4,759	0	0	0	0
Other program administrative expenses	1,537	1,656	1,567	0	0	0	68	21	0
Mortgage servicing fees	380	405	403	0	2	0	0	0	0
Interest expense	12,816	15,296	15,138	0	0	0	0	0	158
Grant expense	26,938	16,842	0	0	0	3,716	7,417	5,663	46
Federal rent subsidy expense	23,230	23,829	0	0	0	0	23,829	0	0
Loss on bond redemption	0	0	0	0	0	0	0	0	0
Excess arbitrage	0	0	0	0	0	0	0	0	0
Allocated operating costs	0	0	2,737	16	(4,237)	0	1,472	12	0
Total Expenses	69,215	62,787	19,845	16	524	3,716	32,786	5,696	204
Net Operating Income (Loss)	7,427	8,147	5,184	40	195	1,557	749	540	(118)
Transfers between funds, net	0	0	0	0	0	0	0	0	0
Change in net assets	7,427	8,147	5,184	40	195	1,557	749	540	(118)
Net assets at beginning of year	475,829	508,535	341,585	9,040	46,267	88,202	7,158	2,246	14,037
Net assets at end of period	483,256	516,682	346,769	9,080	46,462	89,759	7,907	2,786	13,919

**MAINE STATE HOUSING AUTHORITY
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT
FOR THE PERIOD ENDED FEBRUARY 28, 2026**

(IN THOUSANDS OF DOLLARS)

	Mortgage Lending Activities Actual	Federal & Other Program Administration Actual	Total Combined Actual	Total Annual Budget	Total Under / (Over)	% Variance
REVENUES:						
Interest from mortgages and notes	18,209	0	18,209	114,680	96,471	84%
Income from investments	3,978	12	3,990	23,730	19,740	83%
Fee income	1,318	1,974	3,292	22,110	18,818	85%
Other revenue	2	0	2	150	148	99%
Total Revenues	23,507	1,986	25,493	160,670	135,177	84%
EXPENSES:						
Operating expenses	3,275	1,484	4,759	28,585	23,826	83%
Other program administrative expenses	1,972	89	2,061	13,554	11,493	85%
Interest expense	15,138	0	15,138	104,340	89,202	85%
Total Expenses	20,385	1,573	21,958	146,479	124,521	85%
Excess Revenues Over Expenses	3,122	413	3,535	14,191	10,656	75%

**MAINE STATE HOUSING AUTHORITY
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES
FOR THE PERIOD ENDED FEBRUARY 28, 2026**

ATTACHMENT B

	Total Annual Budget	Total Year to Date Actual	Budget Available	Percentage of Budget Available
Operating Expenses				
Salaries	15,174,253	2,646,814	12,527,439	83%
Payroll Taxes	1,105,810	196,407	909,403	82%
Retirement	1,529,541	246,017	1,283,524	84%
Medical and Life Insurance	4,641,290	742,264	3,899,026	84%
Other Fringe Benefits	20,000	2,649	17,351	87%
Office Supplies	52,675	8,573	44,102	84%
Printing	74,200	10,295	63,905	86%
Membership and Dues	72,068	15,062	57,006	79%
Subscriptions	22,455	7,465	14,990	67%
Sponsorships	16,750	3,000	13,750	82%
Staff Educ/Train/Conf	292,615	23,157	269,458	92%
Travel/Meals - Staff Educ/Train/Conf	226,726	24,039	202,687	89%
Partner/Client Train/Meetings	24,839	855	23,984	97%
Travel/Meals - Partner/Client Training	68,830	6,415	62,415	91%
Staff Events	37,205	585	36,620	98%
Meals - Staff Events	44,978	901	44,077	98%
Leased Vehicles	186,936	31,478	155,458	83%
Computer Supplies	33,500	2,792	30,708	92%
Computer License SAAS	323,638	80,853	242,785	75%
Rent-Other	35,630	4,167	31,463	88%
Computer Maintenance	1,115,212	147,011	968,201	87%
Depreciation	1,350,000	217,443	1,132,557	84%
Telephone	142,838	29,673	113,165	79%
Employment Advertising	1,000	0	1,000	100%
Postage and Shipping	149,900	10,084	139,816	93%
Insurance	129,994	3,549	126,445	97%
Recording Fees	2,500	256	2,244	90%
Payroll Services	60,935	11,035	49,900	82%
Audit Services	176,000	50,000	126,000	72%
Property Expenses	635,500	137,408	498,092	78%
Professional Services	448,131	33,613	414,518	92%
Building Interest Expense	389,357	64,941	324,416	83%
Total Operating Expenses	28,585,306	4,758,801	23,826,505	83%
Other Program Administrative Expenses				
Loan foreclosure expenses	217,500	24,291	193,209	89%
REO expenses	50,000	4,432	45,568	91%
Provision for losses on loans & REOs	150,000	0	150,000	100%
Mortgage Servicing fees	2,420,000	404,761	2,015,239	83%
Loan Origination expenses	6,937,500	1,026,962	5,910,538	85%
Bond issuance expenses	905,000	107,450	797,550	88%
Trustee/Bank fees	183,750	28,376	155,374	85%
Program advertisements	206,400	18,829	187,571	91%
Bond and mortgagee insurance	28,710	0	28,710	100%
Variable rate bond remarket/SBPAs	817,250	184,483	632,767	77%
Cash flow/arbitrage/swap consultants/legal	880,000	171,489	708,511	81%
Homebuyer education	160,000	6,000	154,000	96%
Program administrator fees	598,350	84,011	514,339	86%
Total Other Program Administration Expenses	13,554,460	2,061,084	11,493,376	85%

**MAINE STATE HOUSING AUTHORITY
CAPITAL BUDGET
FOR THE PERIOD ENDED FEBRUARY 28, 2026**

ATTACHMENT C

Description	2026 Budget	2026 Actual	Budget Available	% Expended
Computer Hardware:				
Computer replacements (45)	75,000		75,000	
Firewall replacement	8,750		8,750	
Network Storage replacement	154,000	79,842	74,158	
Total computer hardware	<u>237,750</u>	<u>79,842</u>	<u>157,908</u>	<u>34%</u>
Computer Software:				
Enterprise multi-family housing system	187,735	187,735	-	
Data Modeling and ETL software	35,000		35,000	
Single Family loan servicing system modifications	10,000		10,000	
Single Family lender & loan tracking systems mods	15,000		15,000	
Section 8 Voucher system - Elite upgrade	30,459		30,459	
Total computer software	<u>278,194</u>	<u>187,735</u>	<u>90,459</u>	<u>67%</u>
Office Building:				
Additional workstations & furniture	15,000		15,000	
Potential office building improvements/repairs	50,000	4,780	45,220	
Total office building	<u>65,000</u>	<u>4,780</u>	<u>60,220</u>	<u>7%</u>
Total	<u>580,944</u>	<u>272,357</u>	<u>308,587</u>	<u>47%</u>

**MAINE STATE HOUSING AUTHORITY
MEMBERSHIPS, DUES, AND SPONSORSHIPS
FOR THE PERIOD ENDED FEBRUARY 28, 2026**

Description	Amount
Memberships and Dues	
Association for Public Policy and Analysis - employee dues	120
American College of Mortgage Attorneys - employee dues	225
Board of Overseers of the Bar - (5) employee annual registration	1,000
Maine Association of Mortgage Professional - employee annual membership	495
Maine Bankers Association - annual affiliate membership	995
Maine Indoor Air Quality Council - annual membership	650
Maine Real Estate & Development Association - annual membership	1,350
Maine State Bar Association - (2) employee annual memberships	230
Maine Department of Environmental Protection - lead inspector license renewal	200
National Association for State Community Services Programs - annual membership	1,174
National Energy Assistance Directors' Association - annual membership	7,413
National Energy & Utility Affordability Coalition - annual membership	300
National Leased Housing Association - annual membership	910
Total	<u>\$ 15,062</u>
Sponsorships	
New England Resident Service Coordinator - conference sponsor	3,000
Total	<u>\$ 3,000</u>



Finance Department Memorandum

To: Board of Commissioners
From: Darren Brown
Date: April 6, 2026
Subject: Monthly Delinquencies Report

MULTI-FAMILY DELINQUENCIES

The Multi-Family portfolio totals \$1.29 billion with 1,413 loans as of March 31, 2026. There are two loans 60 days or more delinquent, as shown in **Exhibit 1**. The Multi-Family delinquency rate is benchmarked against MaineHousing's historical rates, as shown in **Exhibit 2**.

SINGLE-FAMILY DELINQUENCIES

The Single-Family portfolio totals \$1.45 billion with 10,898 loans as of February 28, 2026. The over 60-day delinquencies increased from 3.14% to 3.15%, and the in-foreclosures decreased from 0.63% to 0.62%. The over 60-day delinquencies amount to \$45.5 million, with approximately \$9 million representing accounts in foreclosure. The over 60-day and in-foreclosure historic rates are shown in **Exhibit 4**. MaineHousing's overall delinquency rate by loan dollars is 3.15% and the overall delinquency rate by loan count is 2.88%. MaineHousing's loan count delinquency rates are lower than the loan count rates for FHA and all Maine loans as presented in **Exhibit 5**.

Servicer Delinquencies –Delinquencies for our largest servicer, Mortgage Servicing Solutions, increased from 3.57% to 3.67%, while the in-foreclosure rate increased from 0.72% to 0.73%. Salem Five Mortgage Corp had a rate of 0.00%, which was the lowest rate for the month. Delinquency rates for each servicer are shown in **Exhibit 3**.

Delinquencies by Insurance Type – In February 2026, FHA insured loans had the highest delinquency rate by total insurance type of 6.53%, with in-foreclosures at 0.73%. When compared to the total loan portfolio, FHA insured loans also had the highest delinquency rate of 1.68%, with in-foreclosures at 0.19%. Delinquencies by insurance type and the portfolio, as a whole, are shown in **Exhibit 6**.

FHA insured loans comprise 26% of the Single-Family portfolio and 54% of delinquencies, while RD insured loans comprise 41% of the portfolio and represent 38% of all delinquent loans. The current composition of the Single-Family portfolio by insurance type, along with the percentage of delinquencies by insurance type, is shown in **Exhibit 7**.

Foreclosure Prevention Activities – **Exhibit 8** summarizes our foreclosure prevention activities, as well as the number of completed foreclosures. As of the end of month February 2026, we assisted 253 borrowers with various foreclosure prevention options.

Multi-Family Delinquent Loans

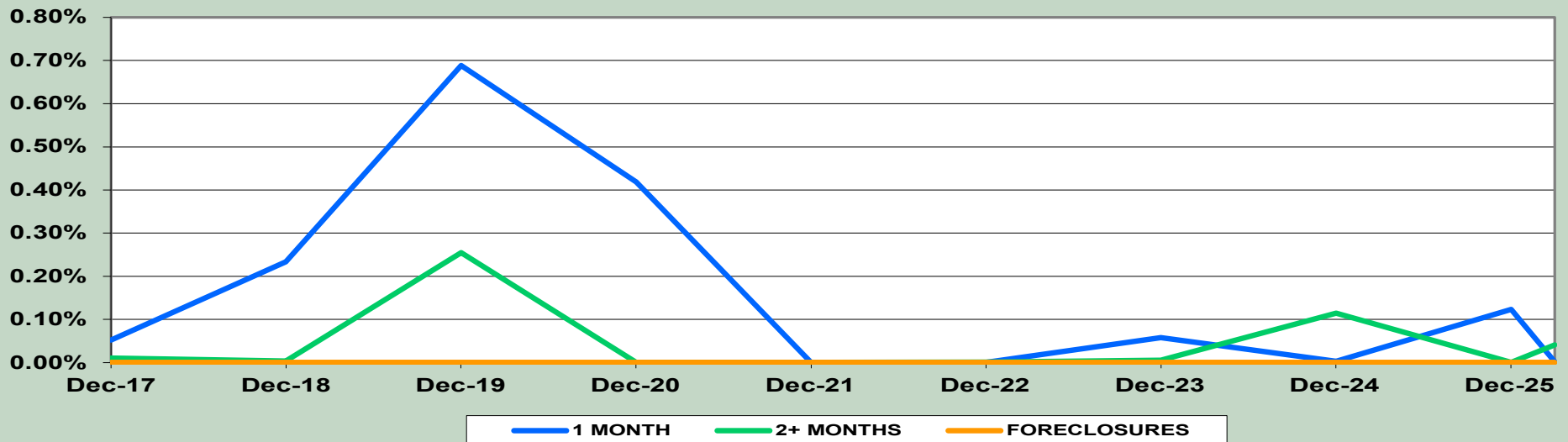
MAINE STATE HOUSING AUTHORITY MULTI-FAMILY DELINQUENCIES 3/31/2026

Section 8					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
DURBIN APARTMENTS	2,227.03	12/01/25	WATERVILLE	WATERVILLE HOUSING AUTHORITY	06/04/04	0.00	0.00	177,596.00
DURBIN APARTMENTS	4,383.36	12/01/25	WATERVILLE	WATERVILLE HOUSING AUTHORITY	06/04/04	0.00	0.00	349,559.00
						0.00	0.00	527,155.00
Rental Housing					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
						0.00	0.00	0.00
Supportive Housing & Other					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
ELM STREET, 63	436.74	02/01/26	MACHIAS	DOWNEAST COMMUNITY PARTNERS	04/01/99	15,764.00		
						15,764.00	0.00	0.00
Grand Total						15,764.00	0.00	527,155.00
% of Portfolio Delq 60+ days					0.04%			
Total Number of Loans					1,413			

* Loans past maturity date

Multi-Family Delinquency & Foreclosure Trends

MULTI-FAMILY DELINQUENCY AND FORECLOSURE RATES



	OUTSTANDING		1 MONTH		2+ MONTHS		FORECLOSURES	
	PRINCIPAL	DOLLARS	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Mar-26	\$ 1,293,513,042	\$ 15,764	\$ 527,155	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-25	\$ 1,263,060,892	\$ 1,557,982	\$ -	0.12%	\$ -	0.00%	\$ -	0.00%
Dec-24	\$ 1,099,201,435	\$ 30,700	\$ 1,256,541	0.00%	\$ -	0.11%	\$ -	0.00%
Dec-23	\$ 898,515,001	\$ 518,845	\$ 45,709	0.06%	\$ -	0.01%	\$ -	0.00%
Dec-22	\$ 796,448,381	\$ -	\$ 4,553	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-21	\$ 696,004,882	\$ -	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-20	\$ 666,678,177	\$ 2,791,073	\$ -	0.42%	\$ -	0.00%	\$ -	0.00%
Dec-19	\$ 635,961,774	\$ 4,379,009	\$ 1,620,600	0.69%	\$ -	0.25%	\$ -	0.00%
Dec-18	\$ 630,936,475	\$ 1,473,376	\$ 20,600	0.23%	\$ -	0.00%	\$ -	0.00%
Dec-17	\$ 608,939,257	\$ 319,836	\$ 60,624	0.05%	\$ -	0.01%	\$ -	0.00%

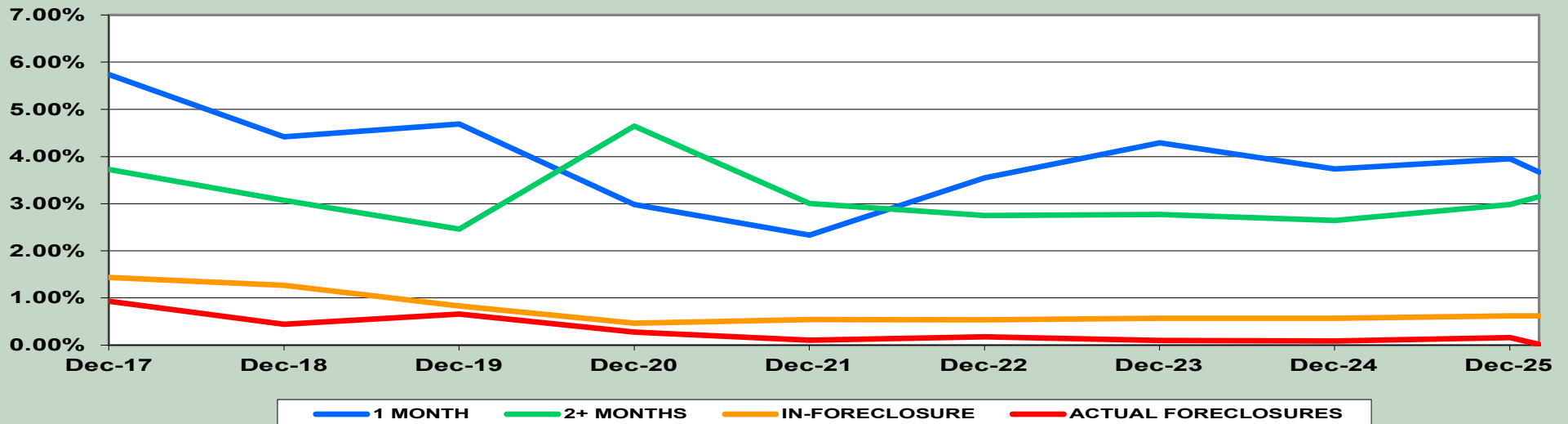
Single-Family Delinquent Loans

Maine State Housing Authority Single-Family Delinquencies by Servicer 2/28/2026

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTIONS	76.82%	3.67%	1,111,106,857.99	46,123,418.54	8,369,919.40	24,293,825.14	8,126,092.76
BANGOR SAVINGS BANK QS	10.87%	1.29%	157,244,650.95	2,636,765.68	368,045.78	1,486,599.50	166,185.13
BANGOR SAVINGS BANK	6.24%	0.75%	90,322,362.35	2,673,842.93	292,010.08	159,558.31	221,468.32
CAMDEN NATIONAL BANK UK	6.05%	2.32%	87,523,738.69	1,578,455.02	607,827.30	936,976.29	487,433.46
SALEM FIVE MORTGAGE CORP	0.01%	0.00%	123,714.60	0.00	0.00	0.00	0.00
TOTAL	100.00%	3.15%	1,446,321,324.58	53,012,482.17	9,637,802.56	26,876,959.24	9,001,179.67

Single-Family Delinquency & Foreclosure Trends

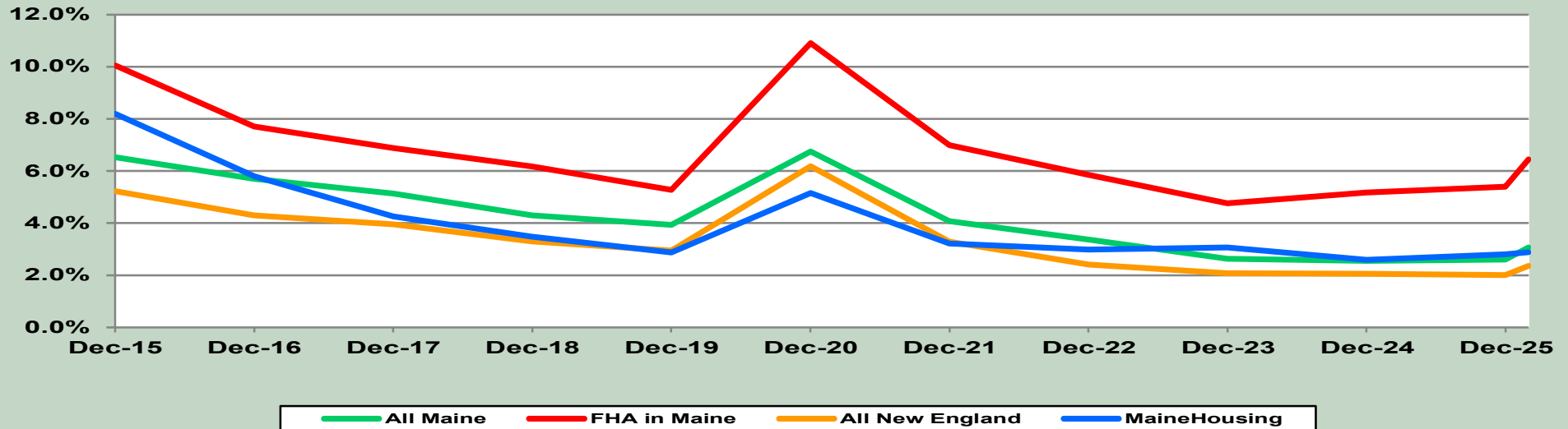
SINGLE-FAMILY DELINQUENCY AND FORECLOSURE RATES



	OUTSTANDING PRINCIPAL		1 MONTH		2+ MONTHS		IN-FORECLOSURE		ACTUAL FORECLOSURES	
	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Feb-26	\$ 1,446,321,325		\$ 53,012,482	3.67%	\$ 45,515,941	3.15%	\$ 9,001,180	0.62%	\$ 248,192	0.02%
Dec-25	\$ 1,405,199,662		\$ 55,575,092	3.95%	\$ 41,904,680	2.98%	\$ 8,727,402	0.62%	\$ 2,284,255	0.16%
Dec-24	\$ 1,184,161,154		\$ 44,223,429	3.73%	\$ 31,339,302	2.65%	\$ 6,758,973	0.57%	\$ 1,045,136	0.09%
Dec-23	\$ 1,053,014,623		\$ 45,215,476	4.29%	\$ 29,205,657	2.77%	\$ 5,986,311	0.57%	\$ 1,043,395	0.10%
Dec-22	\$ 958,984,521		\$ 33,996,366	3.55%	\$ 26,378,301	2.75%	\$ 5,183,906	0.54%	\$ 1,733,447	0.18%
Dec-21	\$ 887,303,920		\$ 20,685,547	2.33%	\$ 26,645,647	3.00%	\$ 4,806,968	0.54%	\$ 941,490	0.11%
Dec-20	\$ 960,761,414		\$ 28,645,024	2.98%	\$ 44,603,599	4.64%	\$ 4,471,656	0.47%	\$ 2,617,001	0.27%
Dec-19	\$ 967,171,381		\$ 45,399,415	4.69%	\$ 23,774,547	2.46%	\$ 8,037,512	0.83%	\$ 6,357,994	0.66%
Dec-18	\$ 916,608,577		\$ 40,526,473	4.42%	\$ 28,155,105	3.07%	\$ 11,647,401	1.27%	\$ 4,056,247	0.44%
Dec-17	\$ 844,497,676		\$ 48,457,930	5.74%	\$ 31,454,643	3.72%	\$ 12,099,518	1.43%	\$ 7,847,858	0.93%

Single-Family Delinquency Comparison Trends

**MAINEHOUSING, FHA, ALL STATE & ALL NEW ENGLAND
DELINQUENCY RATE COMPARISON**



MAINEHOUSING LOAN COUNT COMPARISON

	<u>Loan Count</u>	<u>2 Months</u>	<u>3+ Months</u>	<u>In-Foreclosure</u>	<u>Totals</u>
All State*	123,797	0.99%	1.20%	0.87%	3.06%
FHA for State*	17,206	1.88%	3.01%	1.56%	6.45%
All New England*	1,728,967	0.85%	1.06%	0.45%	2.36%
MaineHousing**	10,898	0.67%	1.62%	0.59%	2.88%

*This information is obtained from MBA's National Delinquency Survey for the fourth quarter of 2025.

**MaineHousing's overall delinquency rate based on loan dollars is 3.15%, whereas rates in this exhibit are based on loan count.

Single-Family Delinquencies by Mortgage Insurer

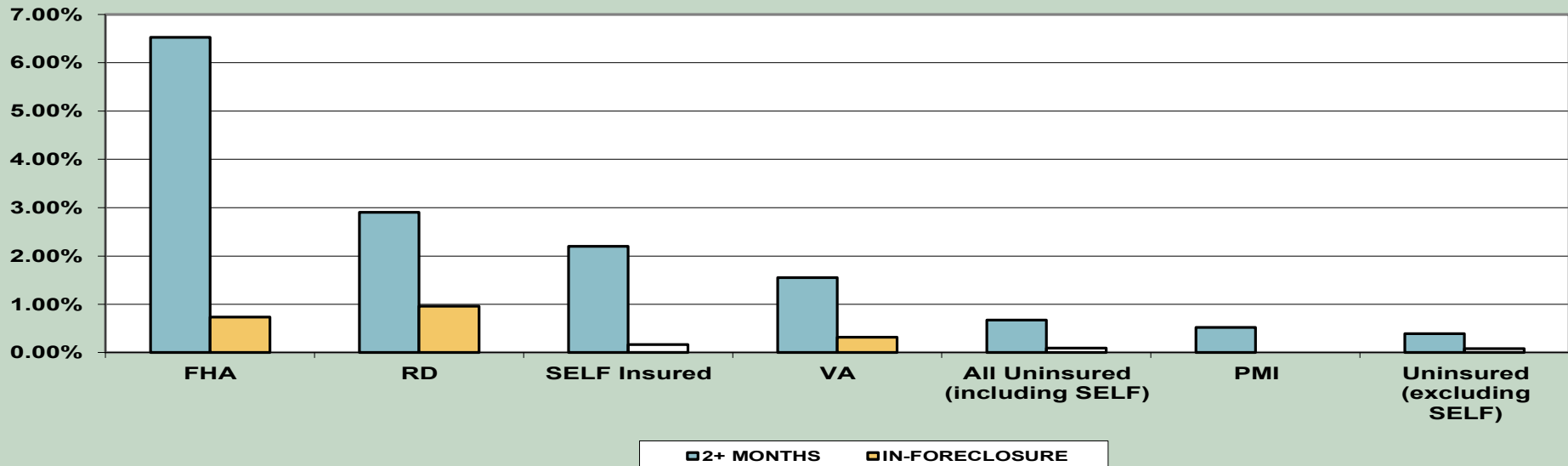
As A Percent of Total Insurance Type
2/28/2026

TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	6.53%	0.73%
RD	2.91%	0.96%
SELF Insured	2.20%	0.17%
VA	1.55%	0.32%
All Uninsured (including SELF)	0.68%	0.09%
PMI	0.52%	0.00%
Uninsured (excluding SELF)	0.39%	0.08%

As A Percent of Total Loan Portfolio
2/28/2026

TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	1.68%	0.19%
RD	1.19%	0.39%
All Uninsured (including SELF)	0.14%	0.02%
VA	0.10%	0.02%
SELF Insured	0.07%	0.01%
Uninsured (excluding SELF)	0.07%	0.01%
PMI	0.03%	0.00%

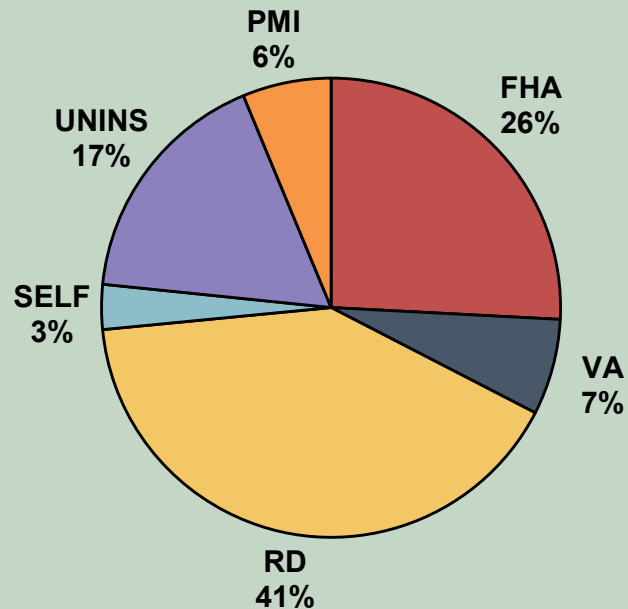
SINGLE-FAMILY DELINQUENCY RATES BY INSURER TYPE



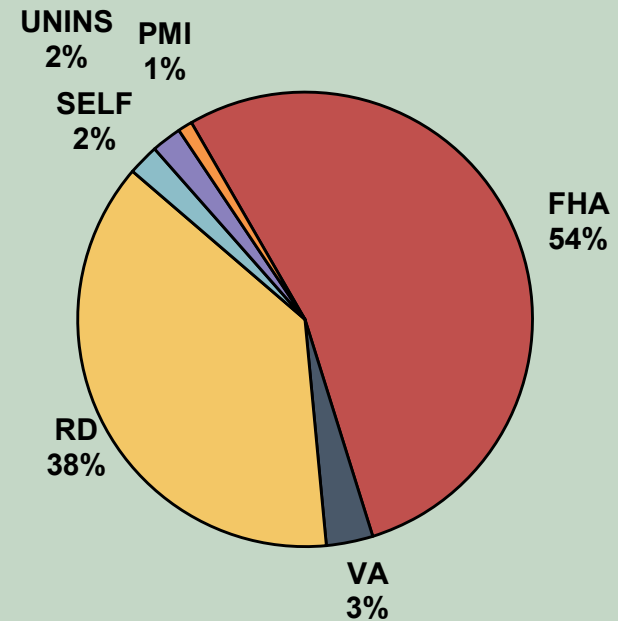
Single-Family Delinquencies by Mortgage Insurer

The following charts show the composition of MaineHousing loans by mortgage insurer. Self insured loans are mainly mobile homes. Uninsured loans are those not needing mortgage insurance (i.e. for loans under 80% property value).
The following charts are in dollar amounts.

**Single-Family Portfolio by Insurer
2/28/2026**

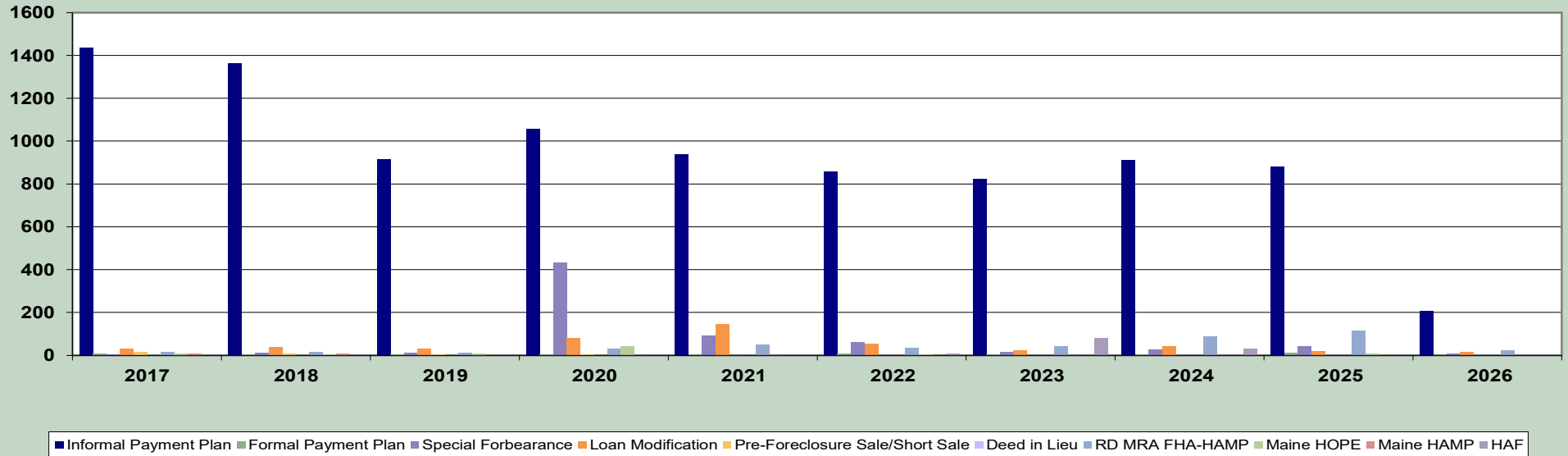


**Single-Family Delinquencies by Insurer
02/28/2026**



Single-Family Foreclosure Prevention Activities

BORROWERS ASSISTED 2017-2026



Number of Borrowers Approved for Assistance

	Informal Payment Plan	Formal Payment Plan	Special Forbearance	Loan Modification	Pre-Foreclosure Sale/Short Sale	Deed in Lieu	RD MRA FHA-HAMP	Maine HOPE	Maine HAMP	HAF	Total Workouts
Feb-26	208	2	7	14	0	0	22	0	0	0	253
Dec-25	879	12	42	21	1	1	116	6	1	0	1079
Dec-24	909	4	27	44	1	0	88	1	1	32	1107
Dec-23	822	3	15	22	0	0	43	2	1	81	989
Dec-22	857	8	63	54	0	0	35	4	0	7	1028
Dec-21	939	5	94	146	2	0	50	2	0	0	1238
Dec-20	1058	5	432	79	3	0	29	44	2	0	1652
Dec-19	914	3	12	32	4	0	10	8	0	0	983
Dec-18	1361	4	12	39	8	0	15	3	6	0	1448
Dec-17	1437	8	4	31	14	0	14	8	7	0	1523

Actual Foreclosures

	Number of Foreclosures	Number of Loans in Portfolio	Percentage of Portfolio
Feb-26	4	10,898	0.04%
Dec-25	20	10,778	0.19%
Dec-24	12	10,239	0.12%
Dec-23	16	9,927	0.16%
Dec-22	21	9,739	0.22%
Dec-21	14	9,750	0.14%
Dec-20	38	10,668	0.36%
Dec-19	86	10,904	0.79%
Dec-18	57	10,673	0.53%
Dec-17	97	10,332	0.94%

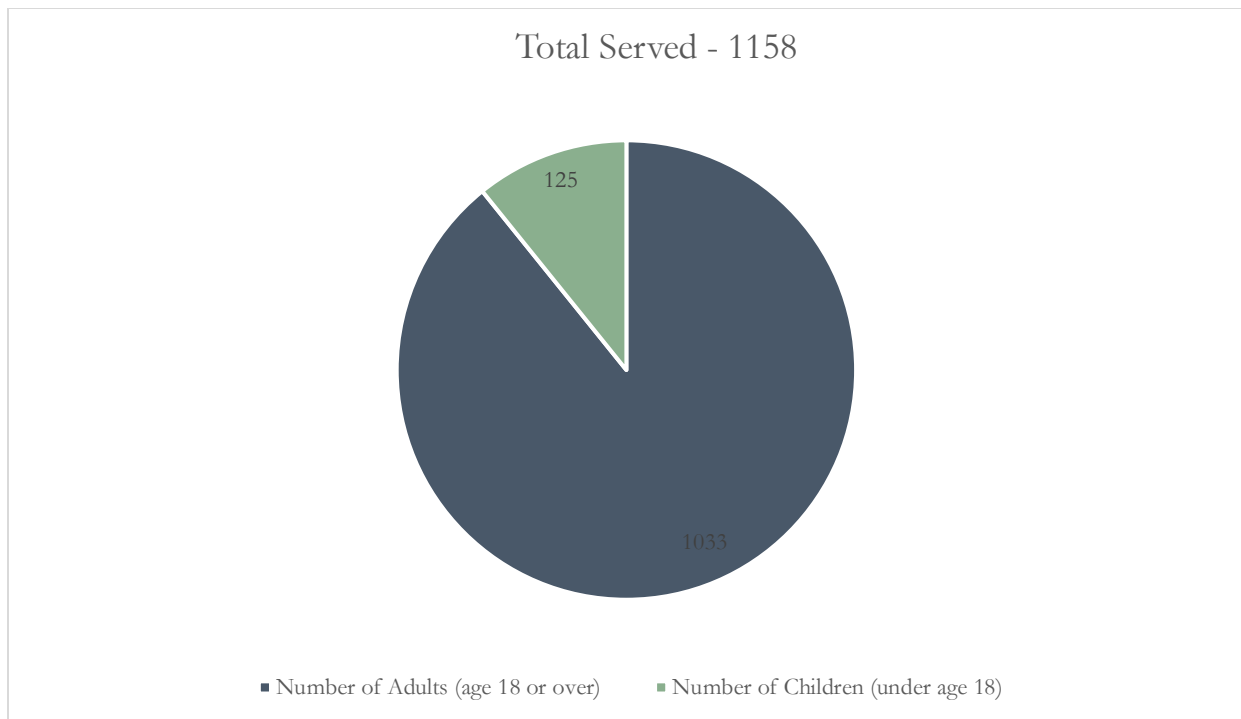
Homeless Initiatives Department Memorandum

To: Board of Commissioners
From: Kelly Watson, Director of Homeless Initiatives
Date: April 14, 2026
Subject: Homeless Initiatives Report

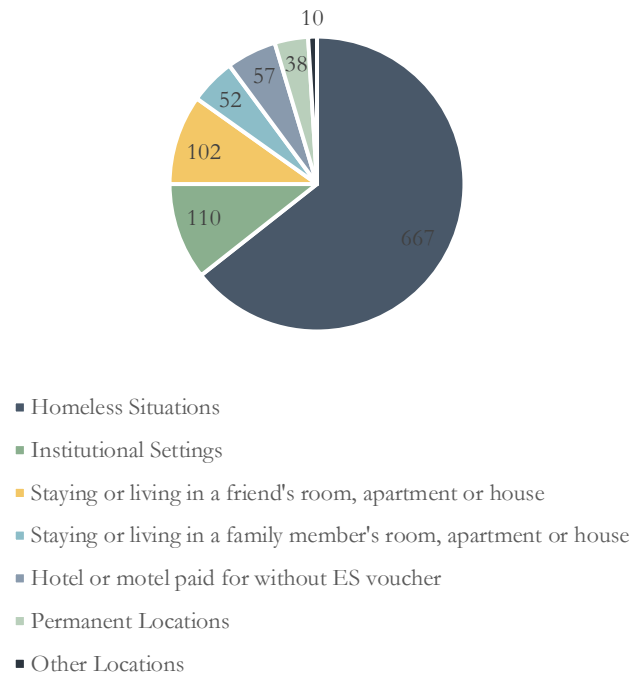
Homeless Data – March 2026

The following are the monthly statistics for March:

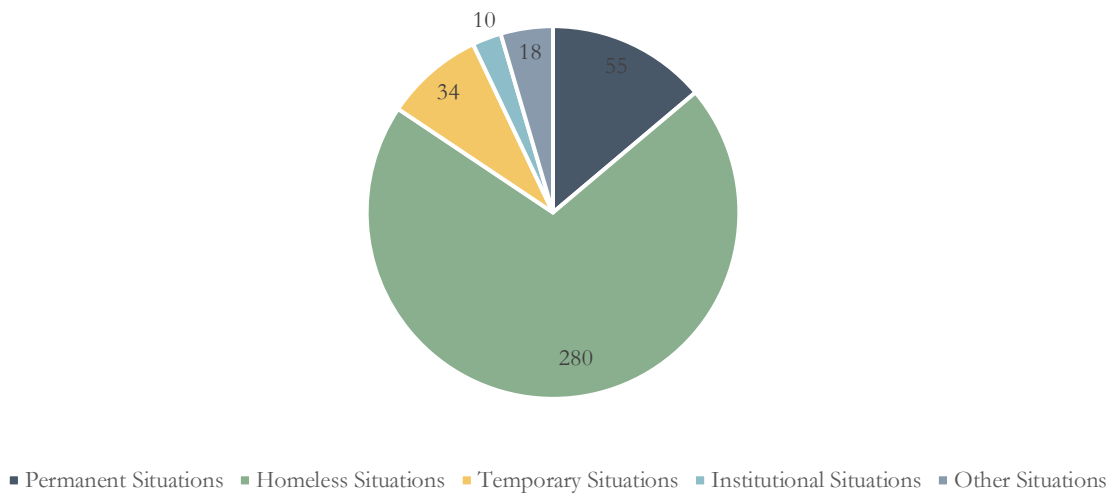
1. The total number of people served in ESHAP funded shelters (1158) decreased by 66 individuals from February to March. This number does not include many of the Asylum Seekers in Portland as well as those served in hotels through GA, or those seeking emergency shelter with a Victim Service Provider.
2. The number of Exits to Permanent Housing decreased from 71 in February to 55 in March. The total exits from shelter to any location was up by 75 in March from the previous period.



Residence of Clients Prior to Entry



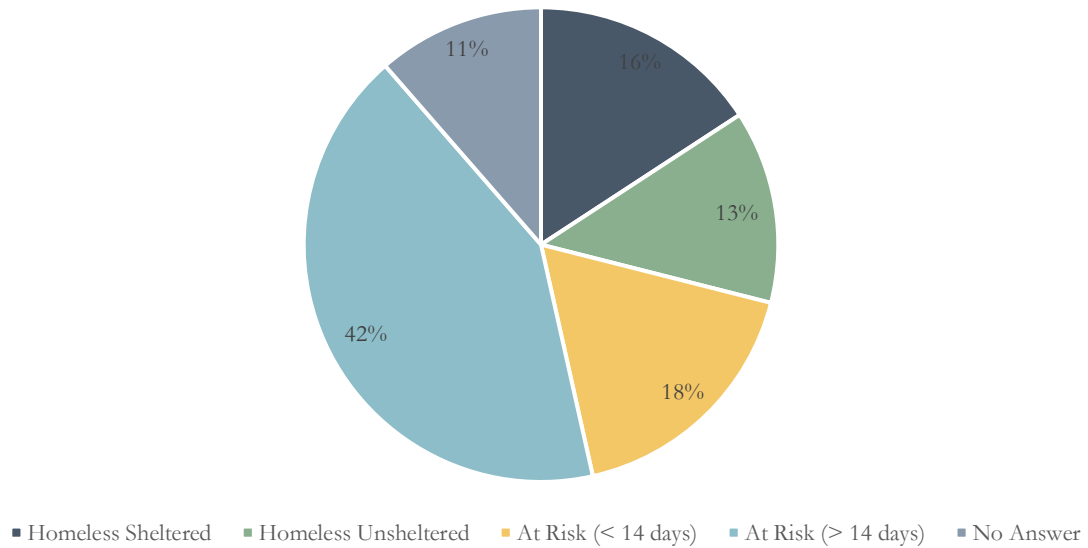
Residence of Clients after Entry



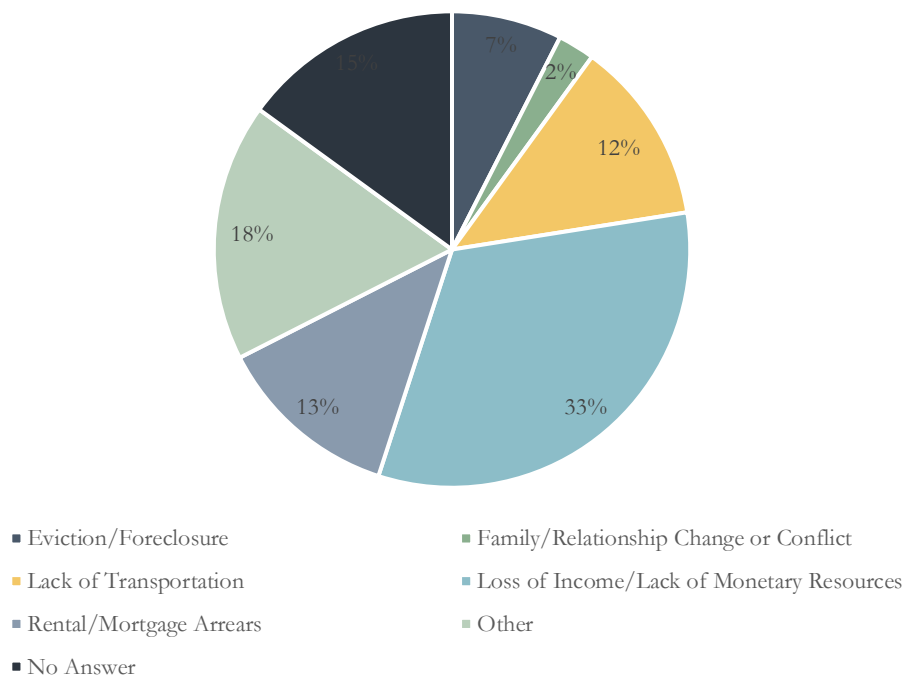
Housing Problem Solving (HPS) Data

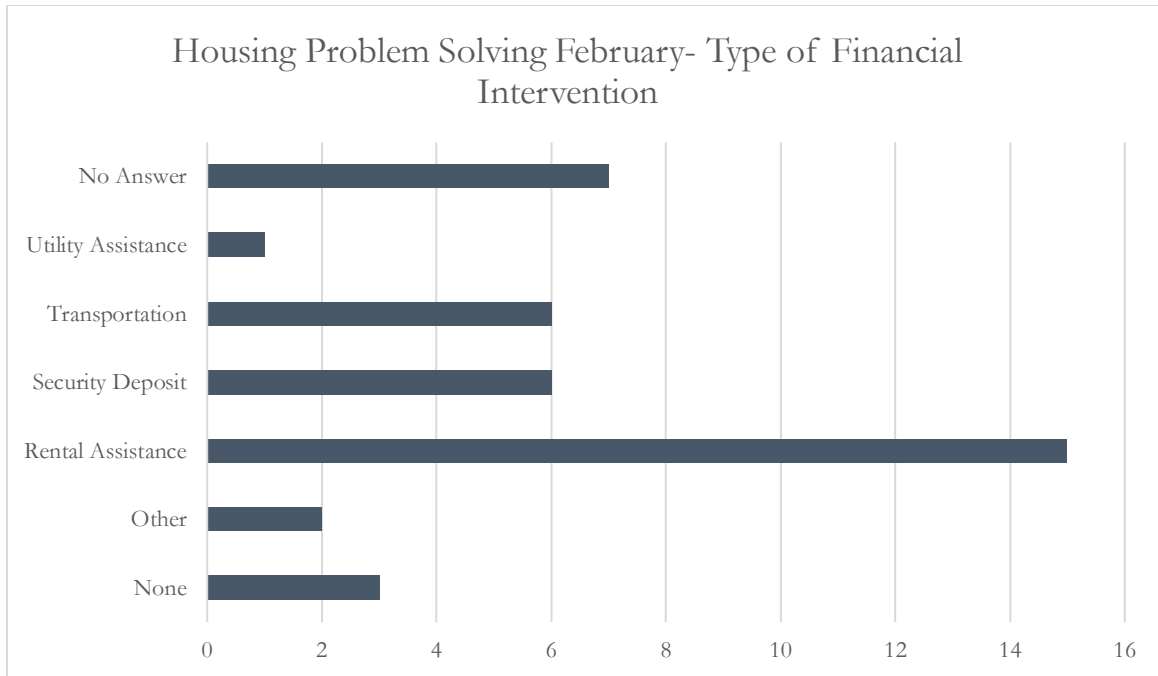
In the month of March, 114 households were served in the Housing Problem Solving Program. This number does not include those served at Victim Service Provider organizations. Of the 40 households exited from the program in March, 39 were reported to have a resolved housing crisis. Forty six percent of the households served reported having a disabling condition. The charts below break down household housing status at entry for all households, reason for client outreach, and type of financial assistance provided for those who exited in March.

HPS Housing Status at Entry - Total Served 114



Housing Problem Solving February Reason for Call





Federal Reporting Update

February and March is the busy season for federal reports due to HUD. In March, both Annual Performance Reports (APRs) were submitted for the 2025 CoC grants held by MaineHousing, the System Performance Measure (SysPM) report was submitted in collaboration with ICA on behalf of the CoC, and the Consolidated Annual Performance and Evaluation Report (CAPER) was submitted by MaineHousing, as the Emergency Solutions Grant (ESG) recipient for the state. Each report quantifies accomplishments over the previous year through data and narrative.

HUD Community Workshops

MaineHousing started participation, in collaboration with CoC members, in a community workshop put on by HUD Technical Assistance called “Securing Buy-In for Housing Problem Solving”. The workshop will be a 3 month long process that will include biweekly meetings with HUD TA and community partners throughout the U.S. as well as biweekly, Maine specific, check ins with HUD TA to assist us in our progress. Maine is further than many states in their journey to secure buy-in for Housing Problem Solving, and the team working on this project is focused on how to more fully integrate Housing Problem Solving concepts and culture into everyday work around homelessness.

Service Hub Updates

United Way of Midcoast Maine, in partnership with MaineHousing, hired a Homeless Response Service Hub Coordinator for Hub 3, the Midcoast Region. Alexis Raymond started on Monday, March 23rd. She has a background in harm reduction and trauma-informed care and also has experience teaching Race and Ethnicity at the University of Southern Maine. Alexis has a Master of Fine Arts Degree in Creative Writing. She is originally from the Brunswick area and is excited to begin this work in the Midcoast region.

The Hub Coordinators and Statewide Homeless Data Lead met at MaineHousing on March 31st for an all-day Strategy Retreat. They spent part of the day workshoping a data monitoring tool to streamline data clean-up with the HMIS providers in each Hub. The second half of the day was

spent doing team-building activities around the themes of consistency, communication, and collaboration within the Hub Coordinator cohort.

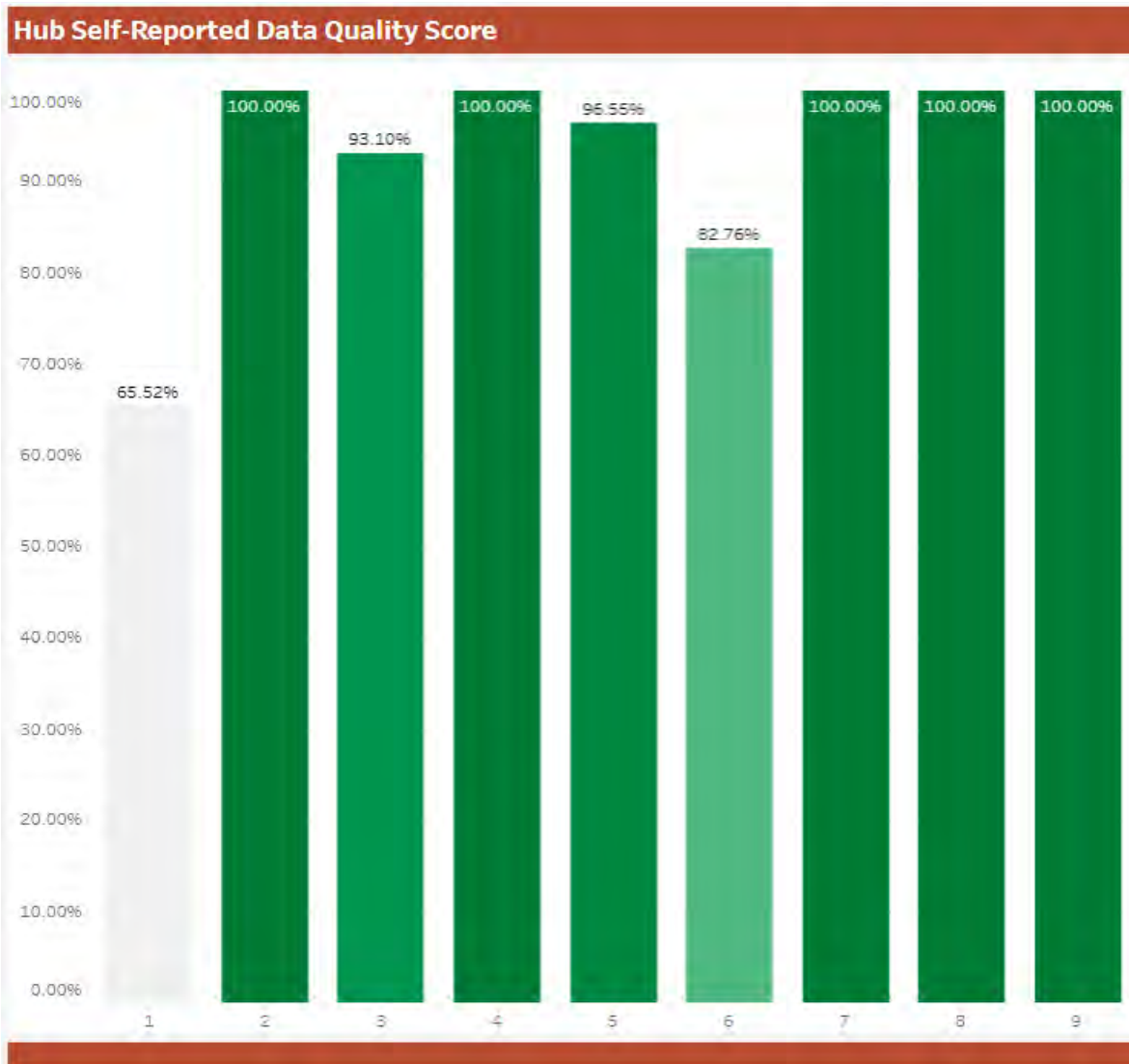
Hub Data

Data quality and reliability for both the Hubs and the state are critical in advancing our mission. Having an accurate and complete picture of the need in our state will aid us in understanding where available services and housing resources are not meeting that need. From that information, Hubs and statewide entities can make strategic decisions around service provision and housing resources.

In the Community Solutions Built for Zero framework there are two major milestones that a community has to reach to achieve data quality. The first is to answer yes to all of the questions on the population scorecard. There are three populations, all single individuals, families, and youth and young adults. Each scorecard contains 29 questions covering three areas, data contribution, data collection, and race equity. When all questions related to the three areas are answered with a yes, the community has a perfect scorecard that is reviewed and approved by Community Solutions. The next step is to ensure data reliability. This is measured by the community's data having less than a 15% margin of error for four consecutive months. This means the community's actively homeless numbers and inflow and outflow numbers balance out. Currently five Hubs have a perfect scorecard, (2, 4, 7, 8, and 9) and are tracking for data reliability. The remaining four Hubs continue to work on flipping their scorecard questions to a "yes". The areas that are most challenging for these Hubs are related to data contributions and can be attributed to their rural nature and the lack of service providers to meet the need. While Hubs try to find creative solutions within their communities to overcome the last barriers, it is apparent that there is not adequate outreach across the entire state or service providers to meet the need of people experience homelessness.

Currently, we are onboarding a Statewide Data Lead position in collaboration with the United Way of Southern Maine who applied through Community Solutions for capacity building grant. This is funding for a 2-year position to help with supporting all Hubs. The position will help agencies that do not have capacity to enter data into HMIS with data entry and ongoing workflows for sustainability, work on provider data quality, and use data to track how initiatives are tested for their desired outcomes at the Hub level.

Maine can still reach quality data at a statewide level because the largest homeless populations are in Hubs that have already produced a perfect scorecard and are tracking for data reliability. Maine may be the first state to achieve statewide data quality within the Built for Zero initiatives across the county.



Question	Hub Still Addressing
Is the geographic coverage of your outreach clearly mapped out, informed by your data and regularly assessed, to ensure you are able to reach all unsheltered individuals within your community?	6
Have you coordinated your outreach, ensuring that your outreach teams are deployed at the locations and the times that they are mostly likely to effectively engage with unsheltered homeless individuals, while minimizing duplication between providers?	1 and 6
Do you have a documented outreach policy that clearly states how your outreach teams will be deployed and how they work with each other to swiftly connect individuals to their self-determined needs?	1 and 6

Do you have consistent, coordinated and reliable outreach and in-reach efforts across your geographic coverage area that gives you confidence that at least 90% of the unsheltered population is captured on your BNL?	6
Are 90% of CoC-funded and non-CoC-funded providers reporting data into your by-name list?	1
Are approximately 90-100% of currently homeless single adult individuals served by the providers reporting into your by-name list?	1 and 5
Is your by-name list able to collect data on all currently homeless single adults in your community, including individuals fleeing domestic violence?	1 and 3
Has your community established a written policy that specifies the number of days of inactivity (i.e. the person cannot be located) after which a person's status will be changed to "inactive," and which includes protocols to attempt to locate an individual before they are moved to inactive status?	1 and 3
Does that written policy account for changing an individual's status to 'inactive' based on a client's verified absence from the community before the specified number of days has elapsed? (e.g. reunited with family in a different community, death etc.)	1
Does that written policy account for individuals on your list who are entering an institution (e.g. jail or hospital) where they are expected to remain for 90 days or fewer?	1 and 6
Does your community have a way to track actively homeless individuals who have not consented to services and/or assessment at this time?	1
Does your community have policies and protocols in place for keeping your by-name list up to date and accurate, including timelines for provider data submission and ongoing quality assurance protocol?	1

Homeownership Department Memorandum

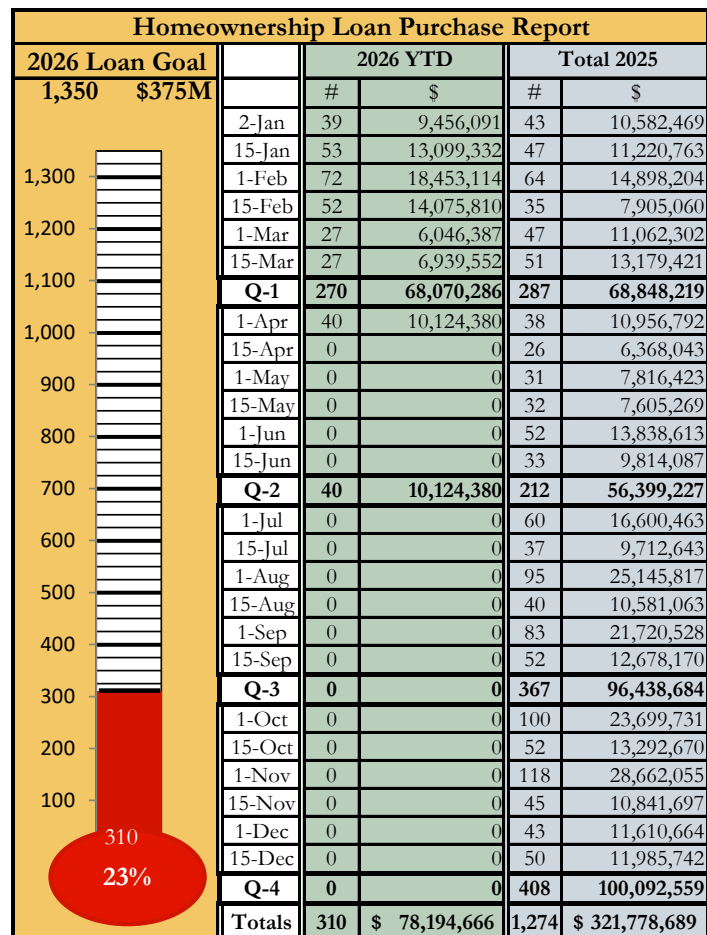
To: MaineHousing Board of Commissioners

From: Patricia Harriman, Director of Homeownership

Date: April 14, 2026

Subject: Monthly Report – Homeownership Department

PRODUCTION UPDATE



Monthly Loan Reservations: 04/01/26	
#	\$ Volume
97	\$ 24,172,028

Loan Pipeline as of: 04/01/26	
#	\$ Volume
194	\$ 47,429,004

Loan Reservation Comparison					
March 2025		March 2026		2025 vs 2026	
#	\$ Volume	#	\$ Volume	#	\$ Volume
197	\$49,143,092	194	\$ 47,429,004	-2%	-3%

PROGRAM HIGHLIGHTS:

The success of the MaineHousing First Time Homebuyer program lies with the partnerships that are formed, developed, and nurtured. Lenders, loan originators, realtors, and the Homeownership team all share the same passion and commitment to ensuring the journey to homeownership can be fulfilled.

On April 1st, we gathered our top ten lenders and originators from 2025 for a “Cultivating Growth” themed luncheon. Our guests comprised over 80% of our total loan volume for 2025, and each of them is committed to the first-time home buyer and finding solutions to overcome the obstacles.

The event allowed us to share our successes with them and recognize them for their dedication to our borrowers. In addition to giving them awards, we shared a presentation of testimonials from borrowers thanking not only MaineHousing, but their lender as well, again solidifying our partnership and belief that we cultivate growth together.

As Patricia Harriman, Director of Homeownership, gave thanks and remarks, she shared the following borrower’s testimonial and described it as our “why.” Katie writes:

“I’m so grateful. Thank you. Appreciative. I am a person who never thought I would own a house. My credit score was in the 400s 10 years ago. 10 years ago, I was in active addiction. 10 years ago, I was in danger of losing my children to DHS. The last 10 years have been filled with lots of challenges including living at families’ houses, a shelter, barely making bills. To my children’s father tragically dying due to his substance use disorder. To finally gain some stability; emotional and financial. All while navigating the pandemic and while raising 2 children as a single mom. But I did it! Only because of the help others and financial Barrier removals like Maine State housing provides along with other local resources. I had a wonderful loan officer from Embrace Homes, Chris Montemurro. He was so knowledgeable, patient and knew the systems. I also had a great real estate agent. I think that these components are so vital and it’s important for these people to know Maine state housing well when working with individuals who are first time homebuyers. I’m almost 43 years old and this is my first home. I have a 20-year-old and a 16-year-old and they’ve watched me struggle. They’ve watched me succeed. But they’ve never seen me give up. Maine state housing is such a wonderful resource and I’m so grateful I can never put into words what it means to be able to come home. to my home. to our home. I know there’s so many stories like mine and so many stories different than mine homeownership is so out of reach for so many people, especially these days. I hope that it can become more of a reality for more people. I work in the helping field and housing is such a barrier, particularly in rural areas. I hope my story can help. I hope there will continue to be funding and the ability to continue to help. I hope more people in Maine can own homes and everyone can be home. “

While current market rates may be higher than anticipated, the market just started to rebound from the frigid winter in Maine. It is stories like this that keep us focused and inspired. The journey to homeownership is not easy, but with hard work, determination, and a team of people enthusiastic about the journey, dreams become reality.

EDUCATION AND OUTREACH:

March was a busy month for recording and editing for Maggie Silva, Outreach and Education Coordinator. Four episodes of the hoMEviews podcast have been recorded, edited, and are now waiting in the wings for release. The first episode was released on our YouTube channel on April 1st, check it out! Maggie also attended the Realtor Rally at the State House on March 3rd and got the chance to speak with some realtor partners that were familiar with MaineHousing, and others that had never tried using our programs before. Any business cards she collected, she made sure to add to the realtor partners email group that will receive our quarterly newsletters; the fourth volume of which was sent out to realtor partners, lending partners, and previous borrowers on April 1st. Below is a picture of Maggie Silva at the Realtor Rally this past March:



Maggie, Tricia Harriman, and Daniel Drost have also been working hard on the development of a landlord education class that will be free and available 24/7 to multi-unit advantage borrowers soon. Much time was spent scheduling the lender luncheon, which went off without a hitch on April 1st. The luncheon had thirty-one outside guests in attendance from the top ten lending partners of 2025. Time was spent celebrating the accomplishments of “Cultivating Growth” together from the previous year. Below are some pictures from the event:





Housing Choice Vouchers Department Memorandum

To: MaineHousing Board of Commissioners

From: Allison Gallagher - Director of HCV Programs

Date: April 28, 2026

Subject: Monthly Report – Housing Choice Voucher Program

Program Updates:

Waitlist Offers

Selected 311 applications from the Maine Centralized Waitlist

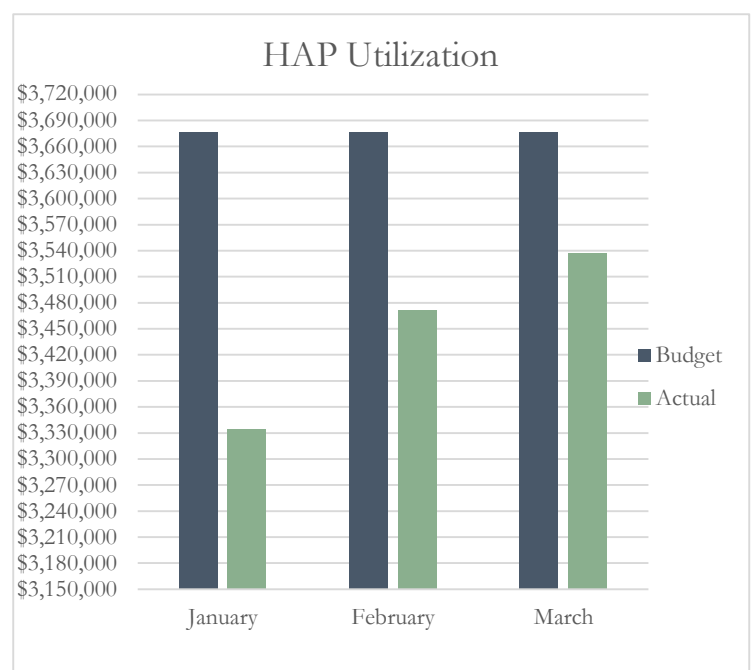
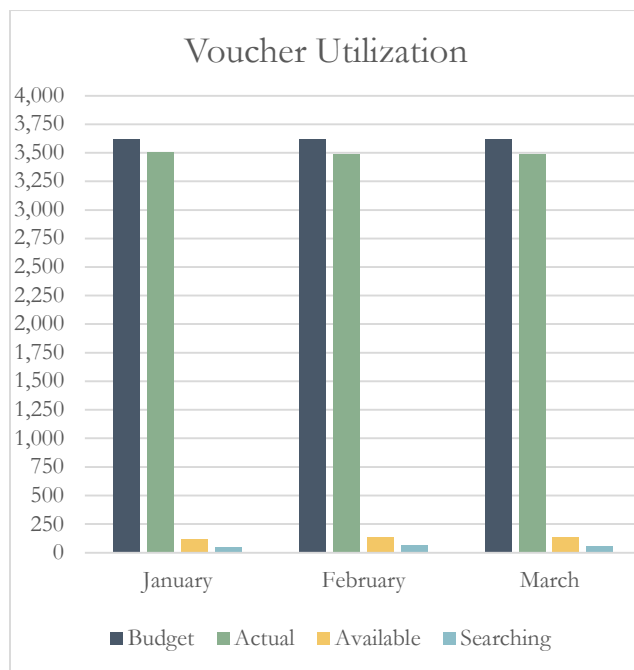
Provided 225 referral opportunities (25 for each of the 9 Hubs) for Homeless Priority

Provided 18 referral opportunities (2 for each of the 9 Hubs) for STEP

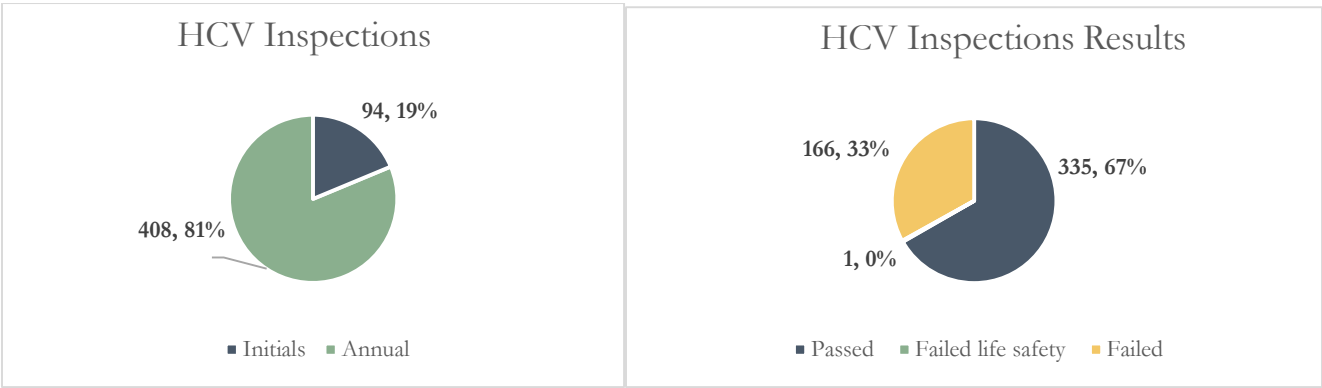
Project Based Vouchers HAP contracts signed-All units are currently leased

My Sisters Place 4 units in Biddeford for people experiencing homelessness, HAP contract signed January 12, 2026.

Rumford Senior Living 7 units in Rumford for 55+, HAP contract signed February 2, 2026.



Inspection Updates:



Landlord Repair Grant Program YTD – \$15,522.86



Human Resources and Facilities Department Memorandum

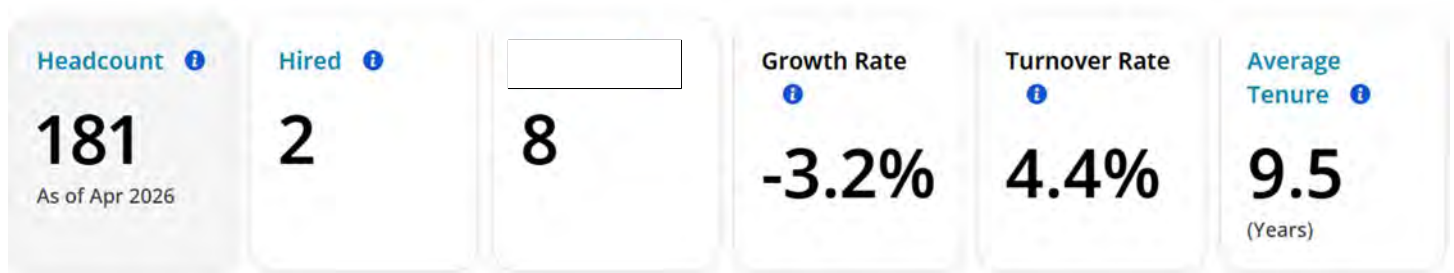
To: Board of Commissioners

From: Jane Whitley, Director of Human Resources & Facilities

Date: April 2026

Subject: Board Report

Human Resources as of April 21



Facilities Updates

✓ No new news to report.

Information Technology Department Memorandum

To: Board of Commissioners

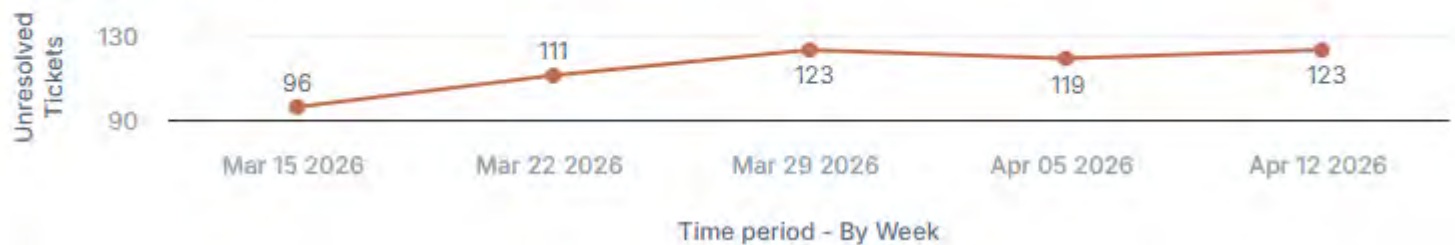
From: Craig Given, Director of IT

Date: April 14, 2026

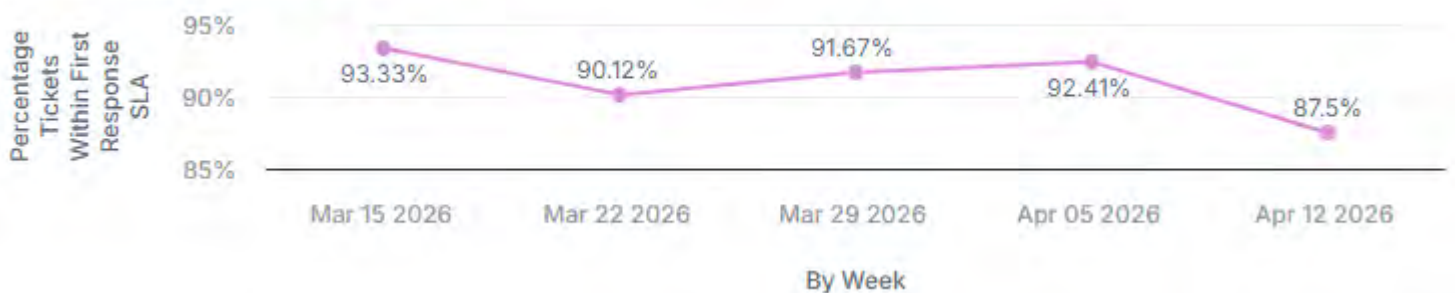
Subject: Monthly Report

Unresolved Tickets - Trend

Group By : **By Week** ▾

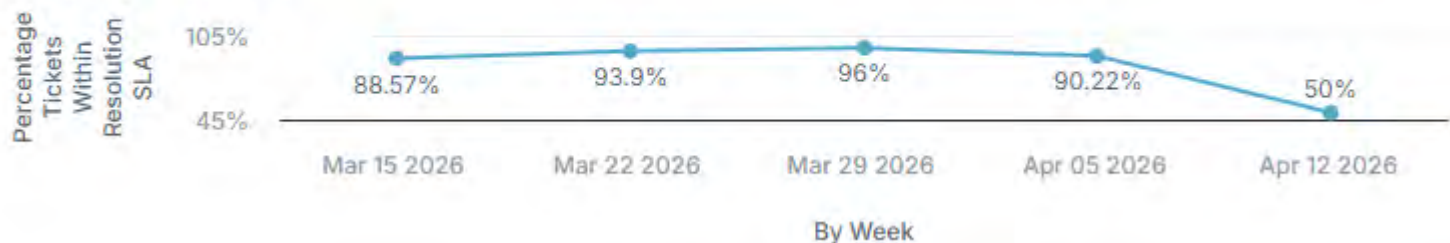


First Response SLA Compliance - Trend



Resolution SLA Compliance - Trend

Group By : **By Week** ▾



Information Technology Updates:

- Interviewing underway for positions of Director of Information Technology and Application Specialist.
- Migration to Microsoft Teams phone system porting all phone lines and call queues from legacy system completed.
- Scheduled porting fax lines to new fax solution, scheduled for mid-April. Setup completed in preparation for use access. Trainings underway.
- Training modules for Acceptable Use Policy (AUP) and Responsible AI Use launched on new Learning Management System. Completion deadline is scheduled for May.
- Announced updated AUP and AI Policies. Resources to support rollout including training, online resources and guidance, and Facts & Snacks presentation posted to Intranet. Staff can now request access to AI Chat Tools.
- Provided Facts & Snacks presentation on Artificial Intelligence, including what it is, how it can be used and what to know.
- Quarterly phishing campaign completed with phish-prone score of 8.24%.
- Data Stewardship Team began the process of defining the user roles for the data sets collected, with the next step being the development of a data map and dictionary.
- Staff Cleanup Day held on April 3rd, including digital cleanup with support from IT on identifying areas of focus including duplicate files, large files and old/out of retention.
- Prepared hardware inventory in preparation for annual hardware refresh.
- Working with departments on software solutions to support Grant Management and EHS.
- Ongoing configuration and implementation of Microsoft Purview. Preparation for the implementation of additional software features of Microsoft 365, including Teams, SharePoint and OneDrive.
- Continued quality improvement process for ITSM (Information Technology Service Management) software. Started implementation of Employee Journeys tool to improve tracking of Onboarding/Offboarding/Crossboarding.
- Applied security patches to critical systems to address identified vulnerabilities.

Planning and Research Department Memorandum

To: Board of Commissioners

From: Jonathan Kurzfeld, Ph.D., Director of Planning and Research

Date: April 17, 2026

Subject: April 2026 Board Report

Planning and Research Department (PnR)

The annual reporting season has concluded for PnR. The busy timeline of data analysis, report writing, and design work begins during the preceding holiday season with the [Housing Outlook Report](#) and wraps up with the release of the [Annual Report](#), the [State HOME Fund Report](#), and the [Federal Funds Report](#).

The Annual Report was released electronically at the beginning of April (aligning with our milestone specified in Strategic Plan Goal 7.2). On April 14, the day hard copies were received from the printing agency, Senior Director of Government Relations & Communications Erik Jorgensen and the Annual Report project lead, UI/UX Designer Ouellette, visited the Maine State House to distribute them to legislators. As is required, the State HOME Fund Report was submitted upon its release to the joint standing committee of the Legislature having jurisdiction over housing. Copies of the Federal Funds Report, printed in-house, will go with Jorgensen and Director Dan Brennan to NCSHA's upcoming Legislative Conference and be given out to representatives there in DC.

This year's production of these State and Federal funding use reports was an opportunity for PnR to test drive design elements put in place in January to standardize official publications and enhance branding. These components included a more accessible font and a sleeker cover page. Finally, the release of each report aligned exactly with, or arrived one month late for, the associated milestone specified under Strategic Plan Goal 7. The delayed releases were due to stoppage for data reconciliation and the delay of NCSHA's legislative conference, which is the primary use case for the Federal Funds Report.

Press Interaction	ME-based outlets Press contacts*	Out-of-state outlets Press contacts*	Director-level Press interviews
March 2026	13	1	12
Previous 3 mo Average	11.3	0.7	7.7
Previous 12 mo Average	15.1	0.5	11.9
March 2025	12	0	8

**Repeated outreach from the same outlet regarding a single topic is considered a single press contact.*

MaineHousing media interactions and inquiries increased modestly during the latest reporting period.

From March 11 through April 13, PnR fielded **15 press requests** and coordinated with multiple partner organizations and agencies to respond. These inquiries covered a range of housing-related issues, with particular focus on housing development programs, homelessness response efforts, energy assistance, and federal policy impacts. Key topics included Home for Good developments, housing funding tools such as the HOME Fund, energy assistance programs (HEAP), a pilot home-sharing initiative, and implementation considerations related to the Build America, Buy America (BABA) law.

During this period, Communications Director Thistle collaborated with the Governor's Office, the City of Portland, the state Department of Energy Resources, and Maine Community Action Partnership to coordinate messaging and information releases.

MaineHousing also issued press releases regarding publication of the 2025 Annual Report, celebrating the top lending partners in the First Home Loan programs, and reminding the public that, in the midst of soaring energy prices, the Home Energy Assistance Program (HEAP) was still open and accepting applications.

Here's a quick reading list of stories featuring MaineHousing during the period:

[Maine announces \\$12M to help fund housing first projects in 3 cities](#)

[How is money from taxes on Maine home sales being used?](#)

[Governor Mills, MaineHousing Announce Award of \\$12 Million for Creation of 92 Housing Units to Address Homelessness](#)

[Thousands of Mainers are on the verge of losing their affordable apartments](#)

[Janet Mills: More work needed for affordable housing](#)

[Bangor housing project brings permanent homes, support services for vulnerable residents | newscentermaine.com](#)

[Maine will fund 92 new affordable apartments](#)

[Home heating fuel and gas prices in Maine continue to climb amid war in Iran](#)

[Fix for gray area in Maine's modular housing industry dies, leaving uncertainty](#)

[MaineHousing Recognizes Top 10 First Home Lenders During Augusta luncheon](#)

[MaineHousing: Home Energy Assistance Program Accepting Applications Through May 29](#)

Social Media

Facebook Activity	Viewers	New Follows	Content* Interactions	Direct Interactions
March 2026	140,599	82	461	11
Previous 3 mo Average	86,245	39	307.7	9.7
Previous 12 mo Average	-	-	-	-
March 2025	-	-	-	-

*Content interactions include link clicks and reactions, as opposed to direct interactions, which are responses given to comments and messages

While total views on Facebook were up substantially (over 64%) in March over February, overall content interactions, visits, and aggregate follow rate dropped (28%, 18%, and 29%, respectively). As that data represents both content performance from advertising by Rinck, our creative partner, and “organic” (unpaid posts generated in-house), more investigation is needed to determine the significance relating to PnR efforts to increase traffic.

Organic content increased slightly during this period, with 8% more posting than in February, and a robust increase of 39% in corresponding views.

Internal Communications

Intranet Activity	Total Monthly Visits	Average Pages Per Session	Average Session Time
March 2026	4,539	1.85	2.80
Previous 3 mo Average	7,356.7	2.00	3.17
Previous 6 mo Average	7,390.0	1.96	2.93
March 2025	-	-	-

The Intranet shift to the ShareFile platform went live less than a year ago, so data is not yet available for March 2025 nor is a previous 12 month average possible.

The intranet hits were down by almost half this month but the rest of the stats stayed the same. Could just mean less posted last month or people we’re busy.

Interdepartmental Support

Lytho Activity	New Requests	Requests Completed	Median hours to completion*	Top 2 Departments
March 2026	22	25	4.08	EHS, PnR
Previous 3 mo Average	17.0	16.0	32.2	Asset Management, none
Previous 12 mo Average	22.3	23.2	11.2	EHS, Homeless
March 2025				Asset Management, EHS

*These hours are the project duration, which begins once the job has been accepted and ends when it is marked completed. This excludes any lag time between submission and staff acknowledgement, such as when a request is submitted on a Friday afternoon and not seen by PnR staff until the following week.

Website

Web Traffic	Visitors	Total Hits	Engagement	Top 2 Program Areas
March 2026	59,586	106,053	50.6%	Energy, Homebuyer
Previous 3 mo Average	53,074	166,308	75.97%	Energy, Homebuyer
Previous 12 mo Average	52,771	183,677	82.27%	Energy, Homebuyer
March 2025	56,836	227,719	82.9%	Homebuyer, Rental

The energy section of the website continues to see an unusually large number of hits – 35% of all program views. That’s very high for this time of year and may be due to some additional attention we pushed to the press and on social media when we were notified that HEAP applications had slowed.

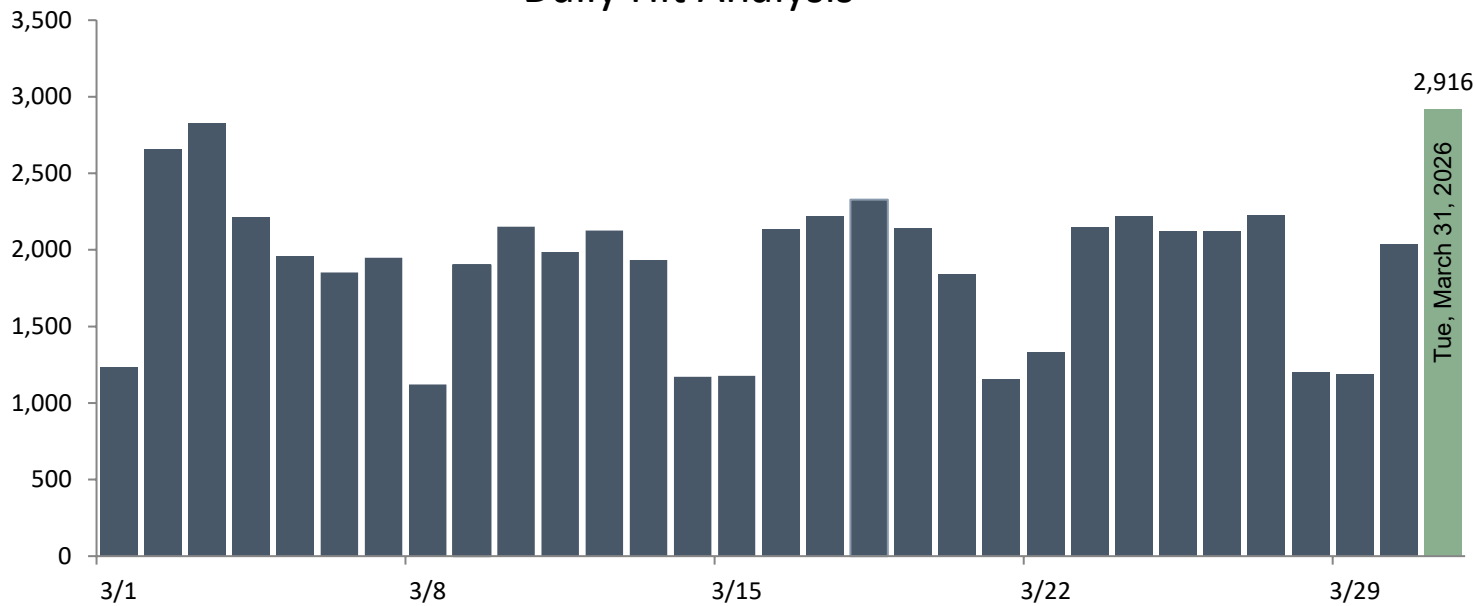
Attachments:

- February website traffic report

March 2026 - MaineHousing Website Statistics

Hit Summary

Daily Hit Analysis

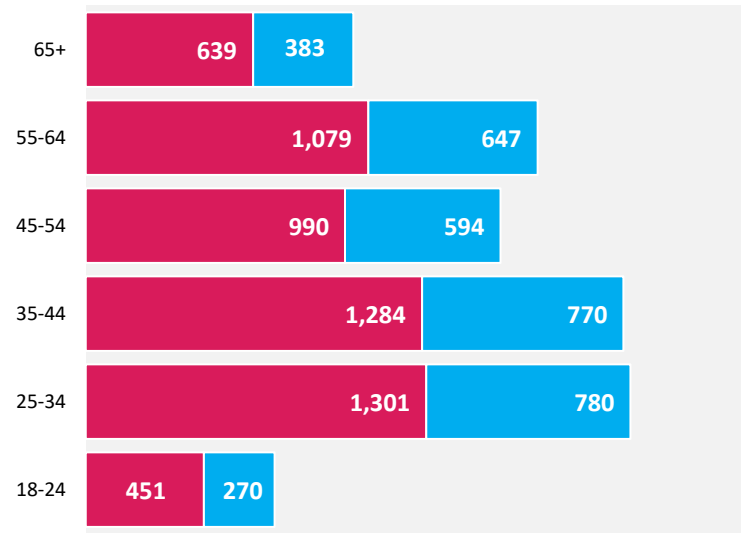


Visitors	Unique Visitors	Page Loads (Hits)	Avg Page Views	Avg Duration	Avg Engagement Rate
59,586	38,546	106,053	1.78	0:02:46	50.6%

Demographics Summary

Demographic information collected by Google Analytics via a 3rd party collection tool. Age and gender are estimated numbers based upon several features present on a users mobile device, brower history, and other factors. Users must have previously allow this information to be collected through browser or app settings.

AGE & GENDER



63%



37%

TOP CITIES

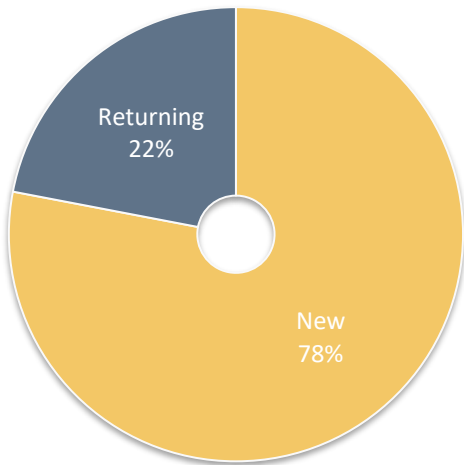
Portland, Maine	4,516
Boston, Massachusetts	3,281
Bangor, Maine	1,867
Augusta, Maine	1,348
Ashburn, Virginia	1,204
New York, New York	1,183
Lewiston, Maine	1,151
Chicago, Illinois	851
Phoenix, Arizona	831
Des Moines, Iowa	825

Top Cities account for 28.63% of all website traffic.

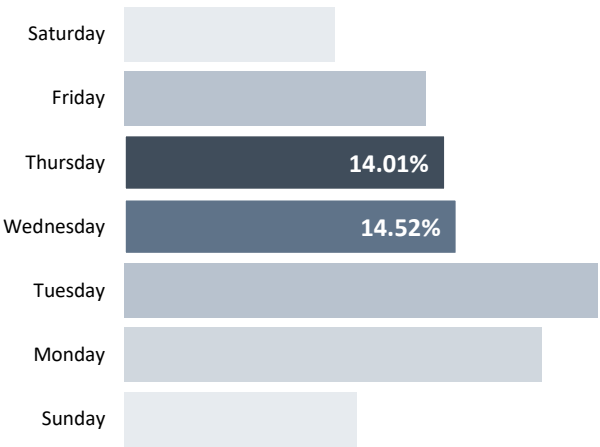
Visitor Engagement

Demographic information collected by Google Analytics via a 3rd party collection tool. Age and gender are estimated numbers based upon several features present on a users mobile device, browser history, and other factors.

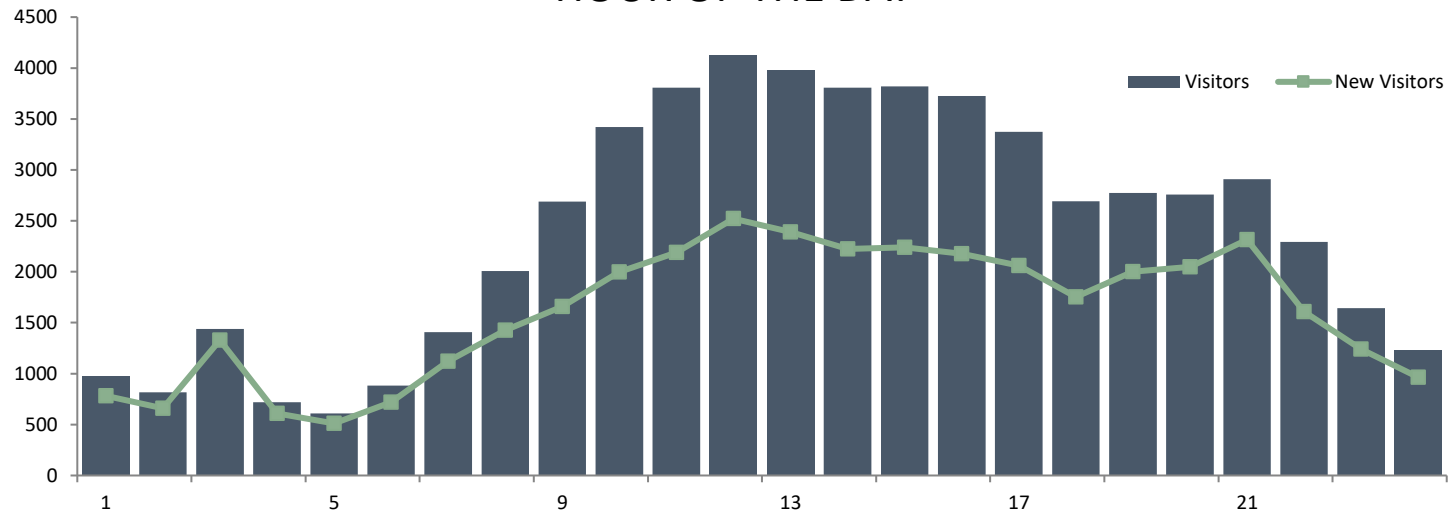
NEW & RETURNING VISITORS



DAYS OF THE WEEK

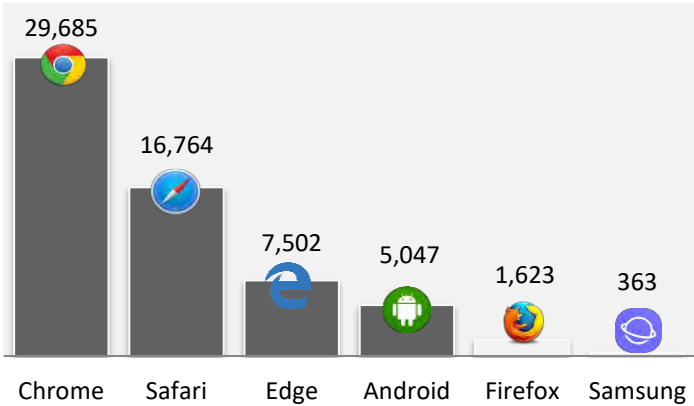


HOUR OF THE DAY



Visitor Technology Summary

Web Browser Analysis



DEVICE ANALYSIS

Cell Phone Desktop Tablet

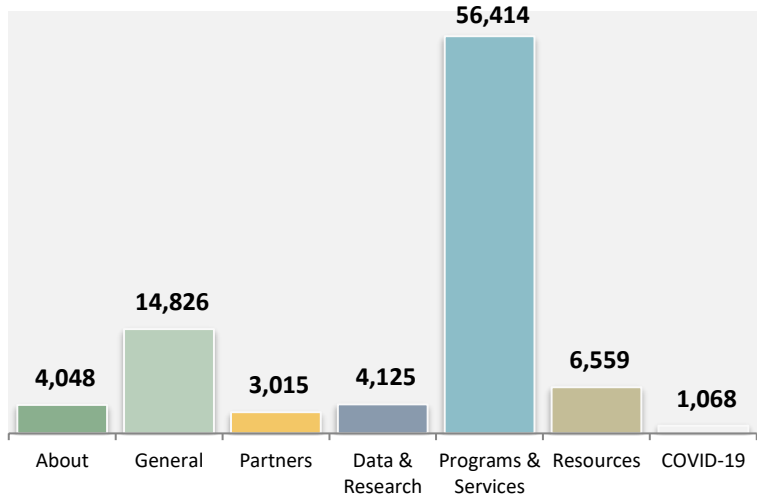


Popular Content

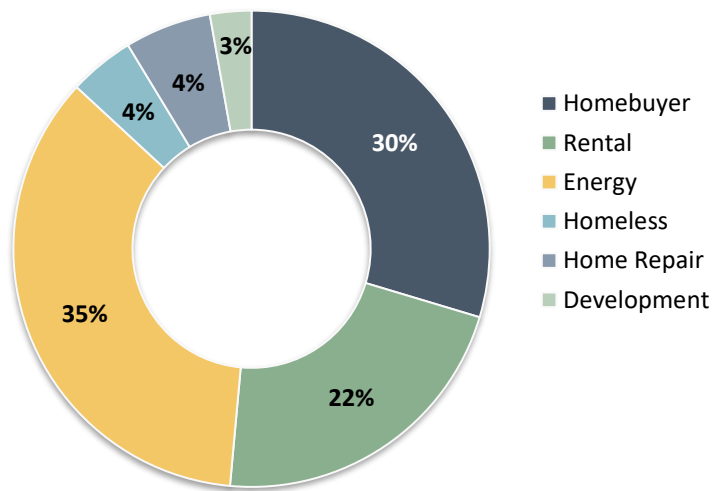
Popular content on our site is defined by pages and or sections of our site that have the highest visits. Below content has been categorized by page, program area and content sections. COVID-19 was added in March of 2020.

Page Title	Hits
Home	12,715
Home Energy Assistance Program	10,233
Home Energy Assistance Program Online Application Resources	6,877
First Home Loan Program	6,144
Rental Assistance	3,844
Housing Choice Vouchers	3,150
Subsidized Housing	3,135
Housing Data	2,823
MaineHousing Lenders	1,867
Home Repair	1,780
Mortgage Calculator	1,680
HEAP Income Eligibility	1,644
Homebuyer Income & Purchase Limits	1,610
Current Interest Rates	1,309
HEAP & LIAP Agency Contacts	1,284
Emergency Shelters	1,255
Steps to Homeownership	1,106
First Generation Program	1,048
Contact MaineHousing	1,023
Rent - Income Charts	1,011
Careers at MaineHousing	967
Homebuyer Programs	898
Programs - Services	803
Multifamily Developers Programs	792
Low Income Assistance Program	773

Popular Content By Program

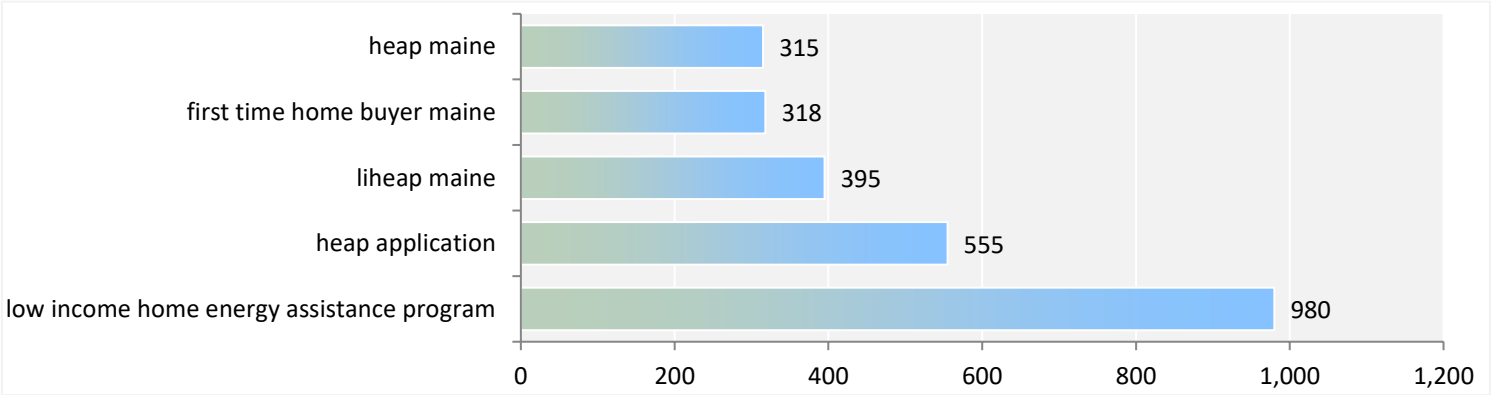


Popular Content By Section



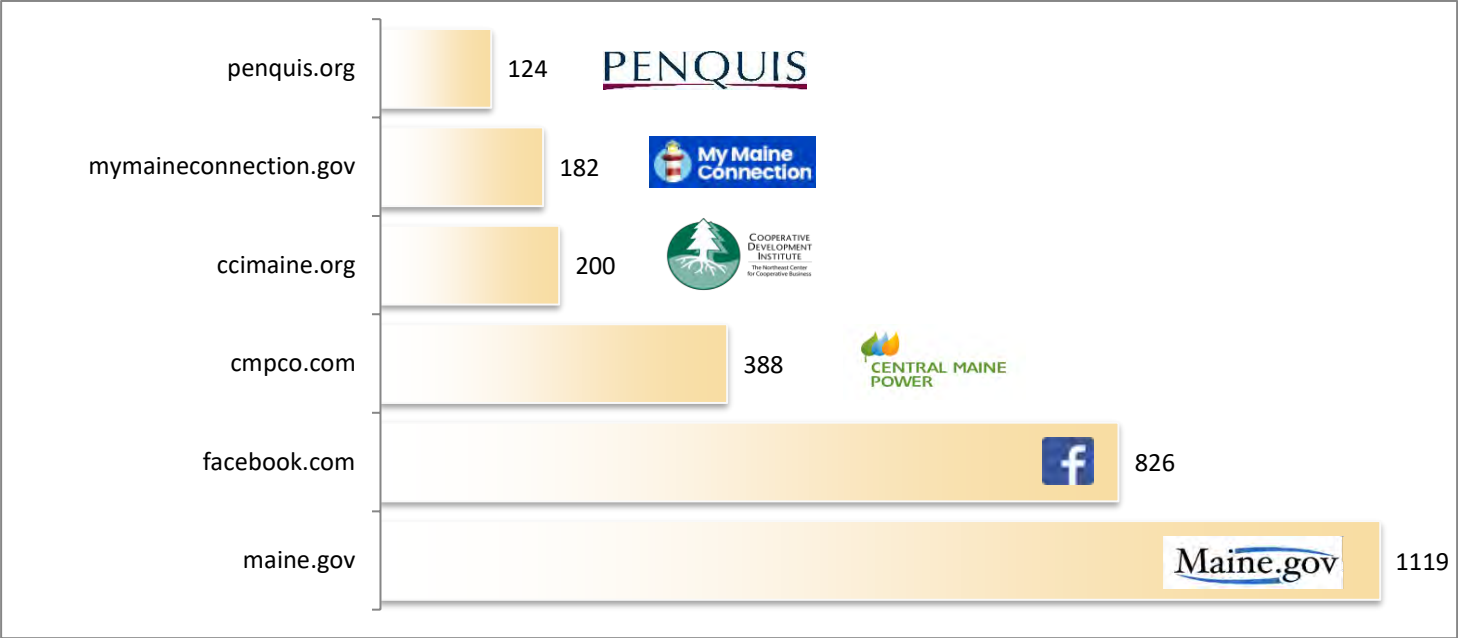
Search Keywords

Below are some of the most popular phrases that people are typing into a search engine (such as google or bing) that then provide a search result for our site.



Referring Websites

Referring websites are sites that link to our own website. When a visitor clicks on that link and visits our website, the site they came from becomes a referring site. Below are highlighted a few of the top referring sites.



Board Calendar 2026-2027

APRIL 28, 2026 <u>Board Business:</u> • QAP Public Hearing • Legislative Update • Commence Rulemaking HEAP Rule (VOTE) • Vote on New 2nd Lien Bond Resolution/Indenture (VOTE) • AI Update Presentation • Executive Session – Personnel Matter (VOTE) <u>Program Presentations:</u> 2025 Budget and Audit results	MAY 19, 2026 <u>Board Business:</u> • Legislative Update • HEAP Rule/State Plan Public Hearing • Adopt QAP (VOTE) • Adopt DOE Weatherization State Plan (VOTE) <u>Program Presentations:</u> Mortgage Purchase Program (MPP) Overview/Financial Results Homeless Initiatives Department Update Planning and Research Department Update
JUNE 16, 2026 <u>Board Business:</u> • Legislative Update/Update from the Governor’s Office • Adopt HEAP Rule/State Plan (VOTE) • Homeless Rule Introduction • PHA Plan Introduction • MF Capital Stack <u>Program Presentations:</u> HCV department update	JULY 21, 2026 Meeting to be held if necessary
AUGUST 18, 2026 <u>Board Business:</u> • Commence Rulemaking Homeless Solutions Rule (VOTE) • PHA Plan Public Hearing • 2027 Goal Setting – initial discussion <u>Program Presentations:</u> HR & Facilities department and building physical plant update	SEPTEMBER 15, 2026 <u>Board Business:</u> • Homeless Solutions Rule Public Hearing • Adopt PHA Plan (VOTE) • 2027 Goal Setting – continued discussion <u>Program Presentations</u>
OCTOBER 20, 2026 <u>Board Business:</u> • Adopt Homeless Rule (VOTE) • 2027 Goal Setting – Priorities <u>Program Presentations:</u> Legal Services department update	NOVEMBER 17, 2026 <u>Board Business:</u> • Review Preliminary 2027 Budget • Resource Allocation for 2027 • Legislative Update <u>Program Presentations:</u> Loan Servicing presentation
DECEMBER 15, 2026 <u>Board Business:</u> • Approve 2027 Budget (VOTE) • Elect Officers (VOTE) • MPP Series Resolution (VOTE) • Updates from the Governor’s office (Greg Payne) <u>Program Presentations:</u>	JANUARY 19, 2027 <u>Board Business:</u> • Legislative Preview • Strategic Plan Update <u>Program Presentations:</u> Multi-family Development – 2026 Review, 2027 Preview
FEBRUARY 16, 2027 <u>Board Business:</u> • Legislative Update • Governor’s Office Update • Introduce DOE Weatherization State Plan <u>Program Presentations:</u> Homeownership – 2026 Review, 2027 Preview	MARCH 16, 2027 <u>Board Business:</u> • DOE Weatherization State Plan Public Hearing • Legislative Update • HEAP Rule/State Plan introduction <u>Program Presentations:</u> Asset Management department update