

# October 18, 2022 Board Packet

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**Board of Commissioners Meeting – October 18, 2022 9:00 a.m. to 12:00 p.m.**

MEMBERS OF THE BOARD: Frank O’Hara (Chair), Daniel Brennan, Henry Beck, Bonita Usher (Vice Chair), Laura Buxbaum, Nancy Harrison (Secretary), Elizabeth Dietz, Renee Lewis, Noël Bonam, and Paul Shepherd

9:00	Welcome new Commissioner Paul Shepherd	Frank O’Hara
	Adopt Agenda (VOTE)	All
	Remote Commissioners	Frank O’Hara
	- Reason remote	
	- Any other persons at their location	
	Approve minutes of September 20, 2022 meeting (VOTE)	All
	Communications and Conflicts	All
	Chair of the Board Updates	Frank O’Hara
	Director Updates	Dan Brennan
9:30	Chapter 19 – Homeless Solutions Rule Public Hearing	Lauren Bustard/Ashley Janotta
9:45	Adopt HCV Annual Plan (VOTE)	Allison Gallagher
9:50	Chapter 27 – Transfer of Ownership Interests Rule Commence Rulemaking (VOTE)	Ashley Janotta
10:00	Introduce DOE Weatherization State Plan	Kim Ferenc
10:20	CPD Ad Campaign Update	Erik Jorgensen
10:35	HARP/Community Aging in Place Update	Genevieve Soucy/Kim Ferenc
	<u>Department Reports:</u>	All
	Asset Management	
	Communications and Planning	
	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	
	2022 Board Calendar	
	Adjourn (VOTE)	All

The next meeting of the Board is scheduled for November 15, 2022  
virtually and in person at 26 Edison Drive, Augusta, Maine



Minutes of the Board of Commissioners Meeting September 20, 2022

### **MEETING CONVENED**

A meeting of the Board of Commissioners for MaineHousing convened on September 20, 2022 at the offices of MaineHousing, 26 Edison Drive, Augusta, Maine and virtually. Notice of the meeting was published on September 9, 2022 in Central Maine newspapers. Notice of Board of Commissioners meetings is also on MaineHousing's website at [www.mainehousing.org](http://www.mainehousing.org).

Chair Frank O'Hara called the meeting to order at 9:00 a.m. Chair O'Hara, Director Dan Brennan, Commissioners Betty Dietz and Laura Buxbaum attended in person. State Treasurer Henry Beck attended remotely due to out of state business travel, there were no other persons at his location. Commissioner Nancy Harrison attended remotely as she was out of state on vacation, there were no other persons at her location. Commissioner Bonita Usher and Commissioner Noël Bonam attended remotely due to covid concerns, there were no other persons at their location. Commissioner Renee Lewis was absent. There was a quorum present.

### **PUBLIC ATTENDANCE**

Guests and staff present for all or part of the meeting included: Ashley Janotta, Chief Counsel; Adam Krea, Senior Director of Finance and Lending; Linda Grotton, Director of Audit and Compliance; Jamie Johnson, Senior Director of Operations, Tom Cary, Treasurer; Allison Gallagher, Director of Housing Choice Voucher; Mark Wiesendanger, Director of Development; Karen Lawlor, Executive Administrator; Jason Stonier, Operations Manager – Building & Grounds; Lauren Bustard, Senior Director of Homeless Initiatives; Craig Given, Director of Information Technology; Clyde Barr, Policy Analyst; Tracy Snowden, Office Coordinator; Kim Ferenc, Manager of Housing & Weatherization; Christy McCaw, Catholic Charities, Office of Maine Refugee Services; Laura Mitchell, Maine Affordable Housing Coalition; and Gerrylynn Ricker, Paralegal and Note taker.

### **ADOPT AGENDA**

*Commissioner Dietz made a motion seconded by Commissioner Usher to adopt the September 20, 2022 agenda. The vote carried unanimously.*

### **APPROVE MINUTES OF AUGUST 16, 2022 MEETING**

*Commissioner Dietz made a motion seconded by Commissioner Usher to accept the August 16, 2022 minutes as written. The vote carried unanimously.*

### **COMMUNICATIONS AND CONFLICTS**

None

### **CHAIR OF THE BOARD UPDATES**

Chair O'Hara thanked everyone for the productive and positive goal setting meeting held at the August meeting. Chair O'Hara told the members that Commissioner Renee Lewis would not be attending today but she had sent on some comments regarding the goals which he will share later in the meeting.

## DIRECTOR UPDATES

Director Brennan then reported issues, his activities and upcoming matters as follows:

- The State Senate is in session today voting to re-confirm Commissioner Laura Buxbaum and confirming two new Commissioners Deb Ibonwa and Paul Shepherd. They will also be recognizing Peter Merrill for his many years of service to Maine.
- Jamie Johnson has been promoted to the position of Senior Director of Operations.
- The U.S. Treasury is still trying to call back \$25 million of our \$200 million Emergency Rental Assistance Program funds and we are still fighting it. We've also put in a \$55 million request from ERA 2. We are still waiting to hear back from Treasury.
- We're concerned about the Home Energy Assistance Program as winter approaches. The \$38 million we are expected to get is not going to go nearly as far with the current price of fuel. We've been in conversations with our congressional delegation and our Governor's office on a regular basis.
- HUD's recast of the administration of the project based contract administration is on-going. Working with the six New England states to form some type of entity to apply and that formation is underway right now.
- The Department of Energy Bi-Partisan Infrastructure Law allocated \$3.5 billion in funding for its Weatherization Assistance Program. MaineHousing will receive \$31.2 million over a five year period. We have held four public input meetings to seek comments and input and a public hearing will be held on Thursday, September 22, 2022.
- The Homeowners Assistant Fund is a \$50 million program which came from one of the Corona virus bills and is administered by the Bureau of Consumer Credit Protection. This fund assists Maine homeowners with their mortgage payments. Jamie Johnson and former IT Director Sheila Nielsen will assist them in structuring the program.
- Launched a 4% walk-in program for projects specifically using Project Labor Agreements. The funds for this program came to us through statute.
- Launched a new water and wastewater assistance program to help low income Mainers with their water and sewer bills. The funds for this program came to us from the Consolidated Appropriations Act of 2021 and the American Rescue Plan of 2021.
- Director Brennan has put his name in to join the NCSHA Board of Directors. He will find out in October whether or not he is successful.
- Attended the opening of Elena's Way. That is the transformation of the Preble Street Resource Center into a 40-bed homeless shelter.
- Met with the Greenville Town Manager, economic development officials and Northern Forest Center. Northern Forest Center has done a lot of work in Millinocket with acquiring and rehabbing single family homes. The hospital and the economic development committee owns sixteen acres of land right in downtown Greenville that might be prime for a homeowner subdivision program.
- Short term rental zoning commission is up and running. Erik will continue to serve on that committee for Director Brennan as it is more in line with governmental affairs.
- Hosted U.S.D.A's Rural Housing Services National Housing Administrator, Joaquin Altoro, for their meeting. It was well attended. All the congressional offices attended.
- Director Brennan is going to Bangor this afternoon to talk with HUD officials coming up from Washington regarding homelessness.
- Going to meet with the City of Lewiston Mayor, Carl Sheline.
- Director Brennan will be on vacation September 30<sup>th</sup> through October 11<sup>th</sup>.

## **HCV ANNUAL PLAN PUBLIC HEARING**

Chief Counsel Ashley Janotta welcomed the public and explained the public hearing process. She introduced the Commissioners and Housing Choice Voucher Director Allison Gallagher. Allison explained our stakeholder and input process. Notice of this public hearing was published on our website and in newspapers statewide on Friday, July 29, 2022 and sent to the Resident Advisory Board and we also sent the plan for comment to our Restart participants. The comment period expires at end of business today September 20, 2022 (5:00 p.m.). A final draft will be presented to the Board for adoption at the October Board meeting. There being no members of the public participating in the public hearing, the public hearing was adjourned at 9:35 a.m.

## **CHAPTER 19 – HOMELESS SOLUTIONS RULE – COMMENCE RULEMAKING**

Senior Director of Homeless Initiatives, Lauren Bustard came to talk to the Board about some necessary revisions to the Homeless Solutions Rule. She reviewed for the Board members the background of the Rule as well as some specific feedback we've received from the Emergency Shelter and Housing Assistance Program ("ESHAP") working group which is comprised of thirteen of our current twenty-six ESHAP Grantees. Lauren discussed the current methodology and proposed changes to the funding formula allocation.

*Chief Counsel Ashley Janotta read the proposed motion, to authorize MaineHousing to repeal the existing Homeless Solutions Rule, Chapter 19, of MaineHousing's rules, and replace it with a new Homeless Solutions Rule substantially in the form provided to the Commissioners in the Board packet and described in the memorandum from Lauren Bustard to the Commissioners dated September 13, 2022. Commissioner Dietz said "so moved" and it was seconded by Commissioner Buxbaum. The vote carried unanimously.*

## **GOAL SETTING REVIEW**

Chair O'Hara gave an overview of the goal setting session at last month's meeting reminding the Commissioners that we ended up with three major goals: homelessness, homeownership, and production. Chair O'Hara then asked Director Brennan to review the documents that were sent to the Commissioners by separate e-mail: a goal setting and background document summary. Director Brennan reviewed what the current situation is; goals for 2023 (status quo) and getting to the next level for each of those three major goals. Staff will continue to work on these goals and the goals will be further discussed at our next meeting in November.

## **ADJOURN**

*Commissioner Usher made a motion seconded by Commissioner Dietz to adjourn the meeting. The meeting was adjourned at 10:56 a.m. by unanimous vote of the Board.*

Respectfully submitted,

Nancy Y. Harrison

# 99-346 MAINE STATE HOUSING AUTHORITY

## Chapter 19: HOMELESS SOLUTIONS RULE

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**Summary:** The Maine State Housing Authority uses funds from certain federal and state resources to give grants to agencies for a variety of activities to assist people who are experiencing homelessness. This Rule governs MaineHousing’s allocation of resources for such programs, program design, the publication and distribution of program guides, basic criteria for determining eligible recipients, and potential selection criteria. Some resources are distributed according to a funding formula set forth in the Rule. Other resources may be distributed according to programs designed by MaineHousing.

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### 1. Definitions

- A. “Act” means the Maine Housing Authorities Act, 30-A M.R.S.A. §4701, *et seq.* as amended.
- B. “Agency Participation Agreement” is a document that sets forth the obligations of service providers participating in HMIS and governs how information regarding clients and the services they receive is treated.
- C. “Applicant” means the municipality or non-profit corporation applying for funds governed by this Rule.
- D. “Bed Capacity” means the maximum number of beds in an Emergency Shelter as indicated on the agency’s Program Guide and Application; provided, however, for purposes of this Rule, the Bed Capacity of a Low Barrier Shelter means its maximum number of beds as indicated on the Program Guide and Application, multiplied by 125%.
- E. “Clients Assessed and Stabilized” means clients who were assessed for program eligibility, and who are receiving housing stabilization services.
- F. “Continuum of Care” or “CoC” is the group organized to carry out the responsibilities required under the CoC Program Interim Rule (24 CFR Part 578) and comprises representatives of organizations that provide a full range of emergency, transitional, and permanent housing and other service resources to address the various needs of Persons Experiencing Homelessness within the State of Maine.
- G. “Coordinated Entry Process” means a process designed to coordinate program participant intake, assessment, and provision of referrals within a geographic area. A Coordinated Entry Process covers the geographic area, is easily accessed by individuals and families seeking housing or services, is well advertised, and includes a comprehensive and standardized assessment tool.
- H. “Emergency Shelter” means any facility, the primary purpose of which is to provide a temporary shelter for Persons Experiencing Homelessness or for specific populations of Persons Experiencing Homelessness and which meets the criteria set forth in section 3 of this Rule.

- I. “Emergency Solutions Grant” means a grant available under the federal Emergency Solutions Grants Program of the McKinney-Vento Act as amended by the HEARTH Act.
- J. “Funding Formula Allocation” means an annual allocation of funds by MaineHousing for Emergency Shelters as further described in section 4 of this Rule.
- K. “HEARTH Act” means the Homeless Emergency and Rapid Transition to Housing Act of 2009 (P.L. 111-22), and the regulations promulgated thereunder.
- L. “HMIS” means the Homeless Management Information System as further defined in the McKinney-Vento Act as amended by the HEARTH Act.
- M. “HMIS Data Standards” means the baseline data collection requirements developed by each of the federal partners which require participation in HMIS, or a comparable database for those serving survivors of domestic violence, as a condition of their funding.
- N. “Homeless Prevention” means activities or programs designed to prevent persons from experiencing homelessness including without limitation subsidies for rent, utilities, security deposits, and mortgage payments.
- O. “Homeless Service Hub” also referred to as “Hub” or “Service Hub” means a group of regional providers that creates local foundation for the prioritization and case conferencing of the Coordinated Entry Process, as well as working collectively toward ending homelessness. Each Hub supports regional coordination and resource alignment and provides system level data used to improve performance. Maine has nine Service Hubs: 1- York County; 2- Cumberland County minus the towns of Brunswick and Harpswell; 3(Midcoast)-Sagadahoc, Lincoln, Waldo and Knox Counties, plus the towns of Brunswick and Harpswell; 4- Androscoggin County minus the towns of Livermore and Livermore Falls; 5(Western Maine)- Franklin and Oxford Counties, plus the towns of Livermore and Livermore Falls; 6(Central Maine)- Kennebec and Somerset Counties; 7(Penquis)- Penobscot and Piscataquis Counties; 8(Downeast)- Hancock and Washington Counties; 9- Aroostook County.
- P. “Housing First” is an approach to quickly and successfully connect Persons Experiencing Homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment, or service participation requirements.
- Q. “Housing Inventory Count” (HIC) is a point-in-time inventory of beds and units for Persons Experiencing Homelessness within a Continuum of Care categorized by five program types: Emergency Shelter; transitional housing; Rapid Re-housing; safe haven; and permanent supportive housing.
- R. “Housing Stabilization” means assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing.
- S. “HUD” means the United States Department of Housing and Urban Development.

- T. “Low Barrier Shelter” means an Emergency Shelter that does not require any of the following for a client to stay at the shelter: (i) criminal background checks, (ii) credit checks or income verification, (iii) program participation, (iv) sobriety, or (v) identification. Low Barrier Shelters may, however, enforce safety requirements for self, staff, place, and others.
- U. “MaineHousing” means Maine State Housing Authority.
- V. “Maine Consolidated Plan” is a plan prepared by MaineHousing and the Maine Department of Community and Economic Development (“DECD”) and approved by HUD in accordance with 24 CFR part 91. The Consolidated Plan serves as the framework for a statewide dialogue to identify housing and community development priorities that align and focus funding from the Community Development Block Grant Program administered by DECD, the HOME Investment Partnerships Program, the Housing Trust Fund, and the Emergency Solutions Grant Program, which are administered by MaineHousing.
- W. “Mainstream Resources” means a variety of Federal and state benefit government assistance programs Persons Experiencing Homelessness may be eligible to receive. These include but are not limited to: Temporary Assistance For Needy Families (TANF), Food Supplement Program, veterans’ benefits, MaineCare, General Assistance, Supplemental Security Income Program (SSI), Social Security Disability Insurance (SSDI), and Housing Choice Voucher Program.
- X. “Maine’s Job Bank” is an on-line job posting and job search system provided by Maine CareerCenter.
- Y. “McKinney-Vento Act” means the Stewart B. McKinney-Vento Homeless Assistance Act, 42 U.S.C. §11301 *et seq.*, and the regulations promulgated thereunder.
- Z. “Persons Experiencing Homelessness” means:
- i. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
    1. An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
    2. An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
    3. An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

- ii. An individual or family who will imminently lose their primary nighttime residence, provided that:
  1. The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
  2. No subsequent residence has been identified; and
  3. The individual or family lacks the resources or support networks; e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing;
- iii. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
  1. Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
  2. Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
  3. Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
  4. Can be expected to continue such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or
- iv. Any individual or family who:
  1. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;

2. Has no other residence; and
3. Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

As defined in 24 CFR §576.2. Should the applicable federal regulation be changed or amended, this Rule will adhere to the most current regulation.

- AA. “Program” means an offering of grants subject to recapture available to prospective eligible Applicants on certain terms and for certain purposes determined by MaineHousing pursuant to this Rule.
- BB. “Program Guide and Application” means the written procedural and administrative guide for a particular Program governed by the terms and conditions of this Rule. It includes the annual application completed by Applicants.
- CC. “Rapid Re-housing” means housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help Persons Experiencing Homelessness move as quickly as possible into permanent housing and achieve stability in that housing.
- DD. “Regional Homeless Council” means one of the following three advisory committees concerning homelessness: Region I comprising York and Cumberland Counties; Region II comprising Androscoggin, Franklin, Kennebec, Knox, Lincoln, Sagadahoc, Somerset, Oxford, and Waldo Counties; and Region III comprising Penobscot, Piscataquis, Aroostook, Washington, and Hancock Counties.
- EE. “Shelter Operations” are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of an Emergency Shelter.
- FF. “Statewide Homeless Council” means the advisory committee created pursuant to §5046 of the Act.
- GG. “Victim Service Provider” means a private nonprofit organization whose primary mission is to provide direct services to victims of domestic violence.
- HH. “Violence Against Women Act “or “VAWA” is a United States federal law (Title IV, sec. 40001-40703 of the Violent Crime Control and Law Enforcement Act of 1994, H.R. 3355).

## **2. Eligible Applicants**

To be eligible to receive funds, an Applicant must:

- A. be a non-profit corporation in good standing in the State of Maine qualified for tax exemption under 501(c)(3) of the Internal Revenue Code or a municipal corporation;
- B. be eligible in accordance with the HEARTH Act;

- C. be a provider of homeless services with at least one (1) year of experience providing emergency housing, street outreach, Homeless Prevention, or Rapid Re-housing activities;
- D. be a regular and active participant in the Maine Continuum of Care, in accordance with its governance charter and performance criteria;
- E. be a regular and active participant in their local Homeless Service Hub by participating in Hub meetings and providing relevant data to the Hubs for the generation of a by-name list of Persons Experiencing Homelessness;
- F. have board and or advisory board representation from Persons Experiencing Homelessness or formerly experiencing homelessness who are involved in policy or planning of the organization;
- G. participate in Coordinated Entry Process by acting as an access point to the Coordinated Entry Process, administering the common assessment tools, placing eligible participants on the housing prioritization list, participating in case conferencing meetings, and completing housing referrals utilizing the process and procedures designated by the Maine Continuum of Care;
- H. have the administrative and financial management capacity necessary to administer and to account for the use of the applicable grant in accordance with the funding requirements;
- I. operate in accordance with the homelessness strategy outlined in the Maine Consolidated Plan;
- J. meet the objectives of the Program under which they are applying as set forth in the applicable Program Guide;
- K. participate in and meet the performance and reporting requirements of the Homeless Management Information System (HMIS) or a comparable database if the Applicant is a Victim Service Provider;
- L. not engage in any explicitly religious activities, such as worship, religious instruction, or proselytization, as part of the activities and services funded with any grant for activities or services covered by this Rule; and if religious activities are offered, they must be offered at a separate time or location from the activities and services covered by this Rule; and participation in those religious activities must be voluntary for persons receiving assistance with funds covered by this Rule;
- M. operate its programs free from discrimination on the basis of age, race, color, religion, national origin, physical or mental disability, sexual orientation, or gender in accordance with applicable federal and state fair housing laws;
- N. comply with Section 504 of the Rehabilitation Act of 1973, which prohibits disability discrimination in programs that receive HUD funds; and
- O. comply with Maine Housing requirements.

### 3. Emergency Shelter Requirements

Applicants that are Emergency Shelters must do the following:

- A. provide access 365 days per year to assist Persons Experiencing Homelessness meet basic emergency shelter needs;
- B. provide adequate sleeping space or beds, and clean and functioning shower and toilet facilities;
- C. provide safe and nutritious food, including breakfast or access to breakfast and, if open 24 hours, also provide lunch and dinner or access to lunch and dinner;
- D. treat all guests with dignity and respect, regardless of religious or political beliefs, cultural background, disability, gender identity or sexual orientation;
- E. provide shelter and housing services based upon a Rapid Re-housing or Housing First approach;
- F. have admittance and stay policies that are appropriate for the population served and do not create unnecessary barriers to guests staying;
- G. provide linkages and access to community resources such as health care, job readiness and employment services, Mainstream Resources, and educational services to assist guests in achieving housing stability;
- H. assess guests for program eligibility and services to enable mobility to permanent housing with adequate supports;
- I. inform guests of their rights and responsibilities, including specific shelter policies and house rules;
- J. accept eligible persons regardless of their ability to pay or their eligibility for reimbursement or actual reimbursements from any third party source, including local, municipal, state, or federal funding sources;
- K. have no lease requirements for guests;
- L. if serving families with children, provide space other than open dormitory style and do not require involuntary family separation for admission;
- M. provide separate accommodations for male and female consumers consistent with their gender identity;
- N. protect the privacy and confidentiality of guests and their personal information;
- O. provide training, policies, procedures and regular maintenance to encourage, improve, and maintain the health and safety of guests, volunteers and staff;

- P. post fire, disaster, and other emergency procedures in a conspicuous place and review the procedures with each guest;
- Q. maintain a daily and confidential census of shelter clients including precise sleeping locations;
- R. operate in compliance with all applicable federal, state and local codes, laws and regulations; and
- S. have written policies and procedures for standards that address the following areas: non-discrimination, client grievance and appeal of termination, approval of financial transactions, record retention, procurement, whistleblowers, access to shelter and services, client rights and responsibilities, program personnel and facility operations, health and safety, food preparation and distribution, electronic data and security, Fair Housing, and Drug Free Workplace. All policies must meet federal guidelines.

#### 4. **Funding Formula Allocation**

From time to time MaineHousing will allocate a certain amount of funds to be distributed, subject to availability, pursuant to the following funding methodology:

- A. **Shelter Operations.** An amount equal to 45% of the Funding Formula Allocation will be disbursed among Emergency Shelters, such that each Emergency Shelter will receive a percentage equal to its Bed Capacity divided by a number equal to the total Bed Capacity available statewide for the calendar year. MaineHousing will review the number of beds reported, along with occupancy data to ensure that bed utilization is commensurate with community need. If a persistent discrepancy is observed, MaineHousing, at its sole discretion, reserves the right to reduce the number of funded beds. Agencies will receive scheduled payments on a quarterly basis.
- B. **Housing Stabilization Share.** An amount equal to 45% of the Funding Formula Allocation will be disbursed among eligible agencies, such that each agency providing staffing for Rapid Re-housing, Housing First and Housing Stabilization services operated by the agency will be eligible to receive a percentage equal to the agency's total number of Clients Assessed and Stabilized, divided by the total number of Clients Assessed and Stabilized statewide. The number of Clients Assessed and Stabilized will be based upon the most recent four quarters of data available to MaineHousing at the start of the grant year. Agencies are reimbursed for costs on a quarterly basis.
- C. **Performance Share.** An amount equal to 10% of the Funding Formula Allocation will be allocated among eligible applicants that in the previous 6 months maintained or increased their data quality for the following data points: Date of Birth, Race, Veteran Status, Destination, Relationship to Head of Household, and Client Location. In January and July of each year, Maine HMIS will report to each eligible applicant their error rate for each of those data points. Victim Service Providers will report from their comparable database. At the conclusion of the six month period, any eligible applicant whose data error rate is equal to or less than it was at the beginning of the period, will be eligible for a portion of Performance Share funds equal to the percentage of the number of Clients Assessed and Stabilized by the eligible applicant, divided by the number of Clients Assessed and Stabilized by all eligible applicants. The performance share for the first half

of the calendar year will be calculated in July and the performance share for the second half of the calendar year will be calculated in the following January.

## 5. Program Design

- A. **Allocation.** In addition to the Funding Formula Allocation, MaineHousing may allocate other funds for Programs to assist Persons Experiencing Homelessness in accordance with applicable federal and state laws.
- B. **Programs.** MaineHousing shall design and offer Programs based upon available funds, restrictions attached to such funds, best practices, and needs. The funds may be used for shelter services and outreach activities; for Homeless Prevention and Rapid Re-housing activities such as rental assistance, housing search, mediation, outreach to property owners, legal services, security on utility deposits, and moving costs; and to support entities that offer an integrated array of services to meet the health, housing, employment, and other basic needs of Persons Experiencing Homelessness.
- C. **Program Guides.** MaineHousing shall publish on MaineHousing's website a Program Guide with respect to each Program and shall distribute the Program Guide to parties who may be eligible for the Program and who have expressed an interest to MaineHousing in connection with the type of activities eligible under the Program, to parties MaineHousing selects for marketing the particular Program, and upon request.

## 6. Funding

- A. **Processing of Applications.** MaineHousing may process applications on a first come first served basis or may set an application due date described in the Program Guide for submission for review by a scoring committee. The selection process will be outlined in the Program Guide.
- B. **Selection for Funding.** MaineHousing shall retain final discretion as to whether or not to offer funds to a particular Applicant for a particular purpose.
- C. **Availability of Funds.** Grants are always subject to the availability of funds.
- D. **Selection Criteria.** MaineHousing will set forth requirements and selection and approval criteria germane to a particular Program in the applicable Program Guide. Selection criteria may include but are not limited to the following:
  - i. **Mainstream Resources**
    - 1. how well the Applicant assists clients in the completion and submission of applications for Mainstream Resources; and
    - 2. how well the Applicant captures the results of the actual benefits received.
  - ii. **Housing**

1. how well the Applicant assists clients in the completion and submission of applications for client appropriate housing;
2. how well the Applicant assists clients with housing searches;
3. how well the Applicant assists clients with landlord relationships; and
4. how well the Applicant has developed and maintained effective working relationships with local General Assistance offices in assisting clients with access and applications.

### iii. **Health Care**

1. Applicant's relationships and links with one or more local health care providers who provide treatment for clients; and
2. Applicant's ability to provide or refer clients for mental health or substance abuse assessments and treatment.

### iv. **Employment**

1. how well the Applicant assists clients with employment searches, including registering with Maine's Job Bank;
2. how well the Applicant has developed and maintained effective working relationships with local Career Centers in assisting clients; and
3. how well the Applicant has developed and maintained effective working relationships with local employers or employment agencies in assisting clients.

### v. **Prevention**

1. Applicant's knowledge of and ability to refer clients to Pine Tree Legal Assistance for eviction prevention and other legal assistance; and
2. Applicant's knowledge of and ability to actively refer clients to other local and regional resources, as appropriate.

## 7. **Data Collection Requirements**

In order to receive funding, eligible Applicants must do the following, unless prohibited by VAWA:

- A. Enter into an Agency Participation Agreement to share certain Homeless Management Information System (HMIS) data with other Emergency Shelters and other providers of services for Persons Experiencing Homelessness;
- B. Enter client data as prescribed by MaineHousing and HUD in accordance with requirements set forth in the HMIS Data Standards as revised, and the HEARTH Act, and

ensure data completeness and quality in regard to program performance measures on a monthly basis and submit reports as prescribed by MaineHousing or HUD;

- C. Enter client data on outcomes and housing stability as prescribed by MaineHousing or HUD, which will be used for performance measurement, research, or evaluation;
- D. Have the capacity to enter client level data into the system of the CoC designated vendor for HMIS data entry; and
- E. Submit de-duplicated aggregate reports as required by MaineHousing.

Providers of shelter to victims of domestic violence are required to have the capacity of a comparable database that collects client level data and provides aggregate, de-duplicated data to MaineHousing in electronic form.

## 8. Reporting Requirements

- A. **General Reporting Requirements.** An Applicant who receives a grant (“Grantee”) must provide client data prescribed by MaineHousing in a form or forms prescribed by MaineHousing to centralized data collection systems prescribed by MaineHousing as often as required by MaineHousing.
- B. **Missing Reports or Data.** A Grantee must provide all reports and all required client data in accordance with the reporting requirements at the time of funds disbursement in order to receive funding.
- C. **Complete Report.** A report will not be considered submitted unless MaineHousing determines that the report is sufficiently complete and all client data is valid.
- D. **Final Reports.** A Grantee must submit a final report showing its use of a grant within 30 days of the end of the term of the grant.

## 9. Monitoring and Assessment.

- A. MaineHousing will review for program compliance at least every two years at reasonable times.
- B. MaineHousing may copy and examine all of a Grantee’s records other than medical or other confidential client information protected by privacy laws.
- C. Grantees will maintain records sufficient to meet monitoring and auditing requirements of MaineHousing and HUD including without limitation daily rosters and client files.

In the case of a physical shelter program facility, MaineHousing will inspect to a minimum for compliance with HUD’s minimum emergency shelter standards pursuant to [24 CFR §576.403\(b\)](#).

## 10. Rule Limitations

- A. **Other Laws.** If this Rule conflicts with any provision of federal or state law, the federal or state law shall control.

- B. **Waivers.** Upon determination of good cause, the Director of MaineHousing or the Director's designee may, subject to statutory limitations, waive any provision of this Rule. Each waiver shall be in writing and shall be supported by documentation of the pertinent facts and grounds.

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**BASIS STATEMENT:** This Rule repeals and replaces in its entirety the current *Homeless Solutions Rule*. MaineHousing uses funds from certain federal and state resources to give grants to agencies for a variety of activities to assist people who are experiencing homelessness or the risk of becoming homeless. The Rule governs MaineHousing's allocation of resources for such programs. The new Rule (i) revises and updates language where appropriate; (ii) adds language regarding the new regionalized homeless response system; (iii) addresses concerns regarding bed utilization; and (iv) makes changes to the funding formula allocation.

**PUBLIC COMMENT:**

*Process:*

Notice of Agency Rule-making Proposal (MAPA-3) was published in the edition of the appropriate newspapers. Additionally, MaineHousing sent the proposed rule to Interested Parties on, and published the proposed rule on its website on September 28, 2022.

MaineHousing held a public hearing on Tuesday, October 18, 2022, to receive testimony on its proposal to repeal and replace the Rule. The comment period was held open until 5:00 p.m. on Friday, October 28, 2022. MaineHousing received comments from \_\_\_\_\_

*Summary of Comments and Responses to Comments:*

**STATUTORY AUTHORITY:** 30-A M.R.S.A. §§4741 (1) and (18); 42 U.S.C.A. §§11301, *et seq.*

**EFFECTIVE DATE:**

## Legal Department Memorandum

**To:** MaineHousing Board of Commissioners

**From:** Ashley Janotta, Chief Counsel

**Date:** October 11, 2022

**Subject:** Request to Commence Rulemaking – Transfers of Ownership Interests Rule

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On October 18, 2022, we will ask you to authorize MaineHousing to commence rulemaking to repeal and replace the *Transfers of Ownership Interests Rule*, Chapter 27 of MaineHousing’s rules. Attached is the proposed amended Transfers of Ownership Interests Rule with changes from the existing rule in redline.

In follow-up to the adoption of the 2023/2024 Qualified Allocation Plan, the revised Rule addresses the growing concerns regarding aggregators. The Rule has been rewritten to clearly set forth the policies and procedures for approving changes in ownership of multifamily and supportive housing projects that are subject to MaineHousing financial or regulatory oversight. The changes reinforce protections against the transfer of ownership interests in projects or the owners of projects that could undermine the public benefit of the projects.

Major changes to note:

- The revised Rule now covers “Tax Credit Projects”, projects that have an allocation of federal or state tax credits
- The term “Ownership Interest” has been more clearly defined
- The term “Transfer” has been more clearly defined
- The revised Rule eliminates all exceptions contained in the prior rule, but maintains a simplified process for the previously excepted transfers (which will not, as a practical matter, affect how these have been processed in the past) and other transfers
- The aggregator language that supplements the 2023/2024 Qualified Allocation Plan has been added

The rationale behind making these changes is to ensure that MaineHousing knows who owns, and if different, controls the operation of, each project and understands the impact of any change in ownership or control. MaineHousing is responsible for the oversight of each project it funds or allocates credit to, and needs this information to properly oversee each project. Additionally, as aggregators become more active throughout the country, further protections are needed against those seeking to undermine the public benefit of these projects.

A draft of the proposed revisions were shared with attorneys, investors, developers, and property managers and we received feedback, which we have incorporated as appropriate into the draft Rule.

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 next meeting of the Board on November 15, 2022. Notice of the hearing will be published on our website and in newspapers statewide. The public comment period will be open for 10 days following the public hearing. If there are no significant changes to the proposed rule after the hearing and comment period, we will ask the Board to adopt the proposed rule at the December 20<sup>th</sup> Board meeting.

**PROPOSED MOTION:**

*To authorize MaineHousing to commence the rulemaking process to repeal the existing Transfers of Ownership Interests Rule, Chapter 27 of MaineHousing's rules, and replace it with a new Transfers of Ownership Interests Rule substantially in the form provided to the Commissioners in the Board packet and described in the memorandum from Ashley Janotta to the Commissioners dated October 11, 2022.*

CHAPTER 27 TRANSFERS OF OWNERSHIP INTERESTS

Summary of Rule: This Rule ~~sets forth the requirements and procedures for obtaining the consent of MaineHousing~~ applies to changes of ownership interests in multifamily and supportive housing projects ~~on which Maine State Housing Authority ("MaineHousing") holds a mortgage that have funding or an allocation of tax credits from MaineHousing given to secure financing provided for the project.~~ The Rule applies to the ~~outright~~ transfer of a ~~MaineHousing-financed~~ project to a new owner along with the assumption by the new owner of the existing MaineHousing ~~mortgage loan~~ obligations. The Rule also applies to ~~a significant shift in the transfer of a direct or indirect~~ ownership interest ~~within~~ a business entity that continues to own the ~~MaineHousing-financed~~ project. This Rule does not ~~include address~~ criteria for ~~modifying the term or amount of any financing in excess of the outstanding balance of the~~ MaineHousing ~~mortgage loan~~ obligation in ~~connection with a proposed~~ existence ~~at the time of the request for MaineHousing consent to a~~ change of ownership interest.

1. Definitions. The following terms have the following meanings in this Rule:
  - A. "Additional Circumstances" means any one or more of the following in connection with the Transfer of an Ownership Interest: (i) a request for additional MaineHousing financing funding or tax credit allocation from MaineHousing or for the modification, assumption or refinancing by MaineHousing of existing MaineHousing loan obligations; (ii) the existence of a HUD housing assistance payments contract project-based rental assistance for the Project; (iii) management deficiencies in the Project issues; (iv) a Project that is troubled financially unstable, on MaineHousing's watch list or in default; or (v) increased risks to a Project as assessed by MaineHousing.
  - B. "Affiliate" means, with respect to any entity: (i) another entity which has a Controlling Interest in the entity; (ii) another entity in which the entity has a Controlling Interest; or (iii) another entity that is subject to a common Controlling Interest with the entity, that it controls, is controlled by, or is under common control with.
  - C. "Application" means the form of application required ~~or recommended~~ by MaineHousing and any other information required or considered by MaineHousing in connection with the Transfer of an Ownership Interest in a Project.
  - ~~C.D.~~ "Code" means the Internal Revenue Code of 1986, as amended.
  - ~~D.E.~~ "Controlling Interest" means an Ownership Interest, of fifty one percent (51%) or greater, alone or in the aggregate, contractual right, or other interest with respect to an entity which confers upon its holder the authority or right, directly or indirectly,

to manage or otherwise direct any material part of all of the business or financial affairs and polices of the entity and/or any material part of or all of the day-to-day or long-term operation of the entity's business or assets.

~~E.F.~~ "HUD" means the United States Department of Housing and Urban Development.

~~F.~~ "Investor Limited Partner" means a limited partner of a limited partnership Owner of a LIHTC Project that is required to make capital contributions in exchange for low income housing tax credits allocated pursuant to Section 42 of the Internal Revenue Code of 1986, as amended ("Section 42").

~~G.~~ "Investor Member" means a non-managing member of a limited liability company Owner of a LIHTC Project that is required to make capital contributions in exchange for low income housing tax credits allocated pursuant to Section 42.

~~H.~~ "LIHTC Investor Buyout Transaction" means a Transfer of the Ownership Interest of an Investor Limited Partner or an Investor Member in a LIHTC Project to the Sponsor of the LIHTC Project or an Affiliate of the Sponsor.

~~I.~~ "LIHTC Project" means a Project to which MaineHousing has allocated low income housing tax credits pursuant to Section 42.

~~J.G.~~ "MaineHousing" means Maine State Housing Authority.

~~K.H.~~ "Owner" means a person or entity having an Ownership Interest in a Project.

~~L.I.~~ "Ownership Interest" means any of the following right or indicia of ownership, possession or title of any kind or nature in a Project or Owner, including without limitation:

- (1) a fee simple interest ~~in a Project;~~
- (2) a leasehold or sub-leasehold interest ~~under a lease of a Project with a term not shorter than the term of the MaineHousing mortgage loan secured by the Project;~~
- (3) ~~the a~~ general partner interest or a limited partner interest in of a general partner of a limited partnership Owner of a Project;
- (4) the partner interest of a partner ~~in of~~ a general partnership ~~Owner of a Project;~~
- (5) ~~the limited partner interest(s) of one or more limited partners holding 51 percent or greater of the limited partner interests in the aggregate in a limited partnership Owner of a Project, or any lower percentage that may be established by HUD;~~
- (6) ~~an Investor Limited Partner interest in a LIHTC Project;~~

~~(7)(5) the member or manager interest(s) of one or more members holding 51 percent or greater of the member interests in the aggregate in a limited liability company Owner of a Project, or any lower percentage that may be established by HUD;~~

~~(8) an Investor Member interest in a LIHTC Project;~~

~~(6) the interest of a shareholder in a for-profit corporation or of a voting member in a non-profit corporation holding a 51 percent or greater interest in a corporate Owner of a Project; or~~

~~(7) a voting member or director in a non-profit corporation;~~

~~(8) a beneficial interest in a trust; or~~

~~(9) a Subsidiary Interest;~~

~~(9) any other Controlling Interest in an Owner.~~

~~M.J. "Project" means a multifamily or supportive housing project that has funding or an allocation of tax credits, or a commitment or reservation thereof, from for which MaineHousing has provided financing and on which MaineHousing holds a mortgage loan secured by the multifamily or supportive housing project at the time of the request for MaineHousing consent to the Transfer.~~

~~K. "Qualified Rural Development Preservation Project" has the same meaning as set forth in Chapter 35 of MaineHousing's rules, the *State Low Income Housing Tax Credit Rule*.~~

~~L. "Sponsor" means the entity that is the designated developer of a Tax Credit Project or has a Controlling Interest in exercises management control over the general partner of a limited partnership Owner of a LIHTC Project or the manager or managing member of a limited liability company Owner of a LIHTC Project that owns a Tax Credit Project.~~

~~M. "Subsidiary Interest" means the direct or indirect interest of any person or entity in an entity that has an Ownership Interest as determined by MaineHousing.~~

~~N. "Tax Credit Investor Transfer" means a Transfer of the Ownership Interest of a limited partner of a limited partnership or a non-managing member of a limited liability company that owns a Tax Credit Project.~~

~~N.O. "Tax Credit Project" means a Project for which MaineHousing allocated federal low-income housing tax credits pursuant to Section 42 of the Code or State of Maine affordable housing tax credits pursuant to 36 M.R.S. §5219-WW~~

and 30-A M.R.S. §4722(1)(GG).

Ø.P. "Transfer" means a change, whether voluntary or involuntary, of all or part of an Ownership Interest in a Project regardless of the type or nature of the change or the means used to accomplish it, including but not limited to a change made by sale, mortgage, lease (except residential tenant leases in the ordinary course of business of operating a Project as a residential rental project), sub-lease, assignment, bond or contract for deed, land installment contract, like-kind (1031) exchange, ~~real estate investment trust~~, merger, conversion, dissolution, substitution of partners or members, consolidation, submission to a condominium or land trust or similar construct, change of control (other than incremental change through occasional individual vacancies due to resignations or expirations of terms in the ordinary course of voting members or directors of corporations), gift, grant, death, creation of an estate or inheritance resulting from the death of an Owner, or operation of law.

## 2. Background.

MaineHousing provides ~~financing funding and/or tax credits~~ for affordable multifamily and supportive housing projects through a number of multifamily and supportive housing ~~loan~~ programs.

MaineHousing documents evidencing and securing this funding or tax credits financing typically prohibit the assumption of ~~multifamily and supportive housing~~ these obligations in loans and prohibit the Transfer of an Ownership Interest ~~in a Project~~ without MaineHousing's prior written consent.

MaineHousing will consider a request for consent to a Transfer as set forth in this Rule and the associated procedures established by MaineHousing. MaineHousing may consent to the Transfer request, with or without conditions or restrictions, or may withhold its consent to the Transfer, except that MaineHousing's consent will not be unreasonably withheld.

~~MaineHousing's consent to a Transfer does not automatically constitute MaineHousing's consent to an assignment or assumption of any funding or tax credits. MaineHousing reserves the right to may require repayment or satisfaction of any funding, recapture or other obligation in connection with of any Project loans a Transfer, that does not expressly permit its transfer, assignment or assumption, in accordance with the terms of the documents evidencing and securing the loan.~~

## 3. Application for Ownership Transfer.

- A. (1) ~~Except as provided in part (3) of this Section 3.A,~~ MaineHousing's written consent to a Transfer of an Ownership Interest is required prior to the Transfer.
- (2) Owners requesting MaineHousing's consent to a Transfer will be required to submit an Application ~~as required by MaineHousing~~. The form and content of the Application will be determined by MaineHousing and may differ ~~based~~

depending on the type of Ownership Interest or Transfer involved or whether the Transfer involves any Additional Circumstances. MaineHousing ~~may at any time reserves the right to require additional information or obtain~~ from the Owner, any other party to the Transfer, or any third party, that is reasonable or necessary to fully evaluate the request for ~~at any time in connection with a request for~~ MaineHousing's consent to the Transfer, ~~of an Ownership Interest in a Project, any additional information that MaineHousing determines is reasonably necessary to evaluate fully the Transfer request.~~

(3) The process for obtaining MaineHousing consent is simplified for the Transfers described in subsection (a) below. ~~No MaineHousing consent is required for any of the following:~~

(a) The following Transfers, provided no Additional Circumstances exist as determined by MaineHousing, must comply with the requirements of subsection (b) below:

- (i) Transfer of the Ownership Interest of a general partner of a limited partnership to its Affiliate;
- (ii) Transfer of the Ownership Interest of a limited partner of a limited partnership to its Affiliate;
- (iii) Transfer of the Ownership Interest of a manager or managing member of a limited liability company to its Affiliate;
- (iv) Transfer of the Ownership Interest of a non-managing member of a limited liability company to its Affiliate;
- (v) for a Tax Credit Investor Transfer, Transfer of the Ownership Interest of a limited partner of a limited partnership to the Sponsor of the Project owned by the limited partnership or the Sponsor's Affiliate;
- (vi) for a Tax Credit Investor Transfer, Transfer of the Ownership Interest of a non-managing member of a limited liability company to the Sponsor of the Project owned by the limited liability company or the Sponsor's Affiliate;
- (vii) Transfer of an Ownership Interest in a Qualified Rural Development Preservation Project;
- (viii) Transfer of less than a Controlling Interest in an Owner, as determined by MaineHousing, with the exception of a Tax Credit Investor Transfer and, a Transfer of the Ownership

Interest of any partner, member, or manager of a limited partnership or limited liability company that owns a Tax Credit Project; or

(ix) any other Transfers expressly allowed in writing by MaineHousing.

Transfers with Additional Circumstances, as determined by MaineHousing, including the above Transfers without limitation, are not eligible for the simplified process set forth in subsection (b) below.

(b) The following are required for MaineHousing to consent to the Transfers described in subsection (a) above:

(i) Written notice of the proposed Transfer and request for MaineHousing's consent, which must be submitted by all of the general partners for a Transfer of Ownership Interest of any partner in a limited partnership or all of the managers or managing members- for a Transfer of Ownership Interest of any member or manager of a limited liability company, including without limitation, any Transfer in connection with a Tax Credit Investor Transfer;

(ii) a written description of the proposed Transfer, including the Ownership Interest to be transferred, the transferor(s) of the Ownership Interest, the transferee(s) of the Ownership Interest, any consideration for the Transfer, any transfer taxes or other amounts due in connection with the Transfer, source(s) of funding to pay any such consideration and other amounts due, and any conditions of the Transfer;

(iii) all instruments and documents evidencing the Transfer, including without limitation, any assignment and assumption of the Ownership Interest and any amendments to the organizational documents of the entity that owns the Project in which the Ownership Interest is being transferred, all of which instruments and documents must be on terms and conditions acceptable to MaineHousing;

(iv) written consent of any lender, regulatory agency, or other person or entity that is required in connection with the Transfer; and

(v) any other information or requirements that are reasonably related to the Transfer.

~~(a)(c) \_\_\_\_\_ MaineHousing will consent to the Transfer of an Ownership Interest in a Qualified Rural Development Preservation Project if (i) the conditions of subsection (b) above are satisfied, (ii) Rural Development consents to the proposed Transfer, and (iii) when the Owner of the Qualified Rural Development Preservation Project changes, the new Owner executes and delivers a written assumption of all of the MaineHousing obligations in connection with the Qualified Rural Development Preservation Project.~~

~~(i) a Transfer by a limited partner of its limited partner interest to its Affiliate, regardless of the Ownership Interest percentage held by the transferring limited partner, provided that the limited partnership or the limited partner gives prior written notice of the Transfer and provides evidence of the Transfer, including any amendment to the limited partnership agreement, to MaineHousing;~~

~~a Transfer of a Controlling Interest in a limited partner or Investor Limited Partner that continues to hold a limited partner interest in the Project; or~~

~~(ii) a Transfer of a Controlling Interest in an Investor Member that continues to hold a member interest in a LHHC Project.~~

~~MaineHousing may establish additional reasonable requirements relating to such Transfers.~~

- B. All Applications will be subject to a non-refundable application fee to be determined by MaineHousing.
- C. If MaineHousing consents to the Transfer, a processing fee will be charged. The amount of the processing fee for Transfers will be established by MaineHousing from time to time and will be based in part upon the estimated cost of processing Transfer Applications.
- D. MaineHousing will notify each Owner requesting MaineHousing's consent to the Transfer when the Application is complete and upon receipt of the required Transfer documents, provide an estimated date or date range by which MaineHousing will make a decision on the Transfer request.
- ~~E. \_\_\_\_\_ MaineHousing may establish procedures for the processing and evaluation of Transfer requests, including simplified procedures for categories of Transfers of Ownership Interests with similar characteristics, such as LHHC Investor Buyout Transactions or Transfers by limited partners of their interests in limited partnership Owners of Projects to non-Affiliates when no Additional Circumstances are present as determined by MaineHousing.~~

4. Criteria for Consent to an Application for Transfer.

In determining whether or not to consent to a request for a Transfer, MaineHousing will be guided by the following, to the extent applicable to a specific Transfer as determined by MaineHousing:

- A. whether consenting to the request is consistent with the objectives and eligibility requirements of the applicable multifamily or supportive housing loan program under which the Project was ~~financed~~ funded or allocated tax credits;
- B. whether, in MaineHousing's judgment, a more efficient use of public resources will result by consenting to rather than denying the Application;
- C. the creditworthiness of any proposed new ~~Owner of the Project;~~
- D. the management experience ~~of any proposed new Owner;~~
- E. regulatory findings and other determinations, including but not limited to debarment or other ineligibility, by MaineHousing, HUD or any other federal, state or local government agency;
- ~~F.~~ the Application, including any additional information required by MaineHousing;
- ~~G.~~ whether the person or entity to whom the Transfer will be made, or any Affiliate thereof, has sought to achieve early termination of an extended low-income housing commitment, as defined in Section 42(h)(6)(B) of the Code, through a written request to a housing credit agency to present a qualified contract, as defined in Section 42(h)(6)(F) of the Code, or otherwise;
- ~~H.~~ whether the person or entity to whom the Transfer will be made, or any Affiliate thereof, has sought to undermine the exercise of a right of first refusal or purchase option with respect to any Tax Credit Project by refusing to honor a right of first refusal or purchase option, by involvement in a lawsuit challenging the exercise of a right of first refusal or purchase option, or otherwise;
- ~~I.~~ whether the Transfer will result in a loss of affordability or adversely affect the financial stability of the Project as determined by MaineHousing;
- ~~J.~~ whether the Transfer will adversely affect satisfaction of all applicable regulatory and contractual obligations;
- ~~K.~~ whether the Transfer will reduce the likelihood the Project will continue to serve the lowest income tenants for the longest period of time;
- ~~F.L.~~ whether the new Owner was responsible for (1) the physical or financial condition of another project not being maintained in a satisfactory manner, (2) the capital needs of

another project not being met, or (3) another project not complying with applicable regulatory or contractual obligations, with the term “responsible for” meaning causing or not making a good faith event to prevent such events;

~~G.M.~~ the existence of any Additional Circumstances; and

~~H.N.~~ any additional information available to MaineHousing from any source, including third parties.

5. Terms of MaineHousing Consent to a Transfer Request.

MaineHousing will notify each Owner requesting consent to the Transfer in writing of MaineHousing’s decision on the Transfer Application, including any conditions or restrictions, or, if the request is denied, the reason for the denial, within a reasonable time after a completed Application has been submitted.

If MaineHousing consents to the Transfer, MaineHousing may require the parties to the Transfer to execute assignment and assumption agreements, amendments to the existing loan or regulatory documents for the Project, additional security documents, extensions of affordability or use covenants, guaranties of payment, intercreditor and subordination agreements, and other documents, and may require new or updated title insurance policies and property and liability insurance, adequate funding and control of Project reserves, escrows and other accounts, evidence of and ~~a~~ legal opinions concerning entity authority, and the satisfaction of other requirements relating to the Project.

MaineHousing’s approval of a Transfer is not intended to override any conditions to the Transfer that are contained in the limited partnership agreement, limited liability company agreement or other organizational documents of an Owner, and MaineHousing’s conditions set out in this Rule are in addition to any that are contained in the organizational documents.

6. Waiver.

Upon a determination of good cause, the Director of MaineHousing or the Director’s designee may waive any provision of this Rule. The waiver must be in writing and must be supported by documentation of the pertinent facts and grounds.

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

BASIS STATEMENT: This Rule, which replaces the prior rule, sets forth the policies and procedures for approving changes in ownership of multifamily and supportive housing projects that are subject to MaineHousing financial or regulatory oversight. The changes in this Rule reinforce protections against the transfer of ownership interests in projects or the owners of projects that could undermine the public benefit of the projects during the period committed by the owners when they received assistance from MaineHousing. This Rule applies to projects that have an allocation of federal or state

tax credits from MaineHousing as well as projects with financing or grants from MaineHousing. The application of the Rule to transfers of ownership interests in an entity that owns a project is expanded to include any direct or indirect change in the entity, not just controlling interests in the entity. This Rule also eliminates all exceptions contained in the prior rule, but does maintain simplified procedures for certain transfers, such as transfers to affiliates, transfers of investor interests in tax credit projects to the project sponsors, and transfers of certain non-controlling interests. MaineHousing is adopting this Rule to clarify and simplify its policy on changes in ownership interests in multifamily and supportive housing projects financed by MaineHousing and on which MaineHousing holds a mortgage.

**PUBLIC COMMENT:**

**Process:**

Notice of Agency Rule-making Proposal (MAPA-3) was published in the \_\_\_\_\_ edition of the appropriate newspapers. Additionally, MaineHousing sent the proposed rule to Interested Parties on \_\_\_\_\_, and published the proposed rule on its website on \_\_\_\_\_.

MaineHousing held a public hearing on Tuesday, November 15, 2022, to receive testimony on its proposal to repeal and replace the Rule. The comment period was held open until 5:00 p.m. on Friday, November 25, 2022. MaineHousing received comments from \_\_\_\_\_.

*Summary of Comments on the Proposed Rule and MaineHousing's Response:*

**Summary of Comments on the Proposed Rule and MaineHousing's Response**

Comment: Jan McCormick, Vice President, Asset Management of Northern New England Housing Investment Fund, submitted written comments and testified at the public hearing on the proposed rule. Her comments addressed the contents of the written application required by MaineHousing for transfers of projects that have been allocated low income housing tax credits by MaineHousing (LIHTC Projects) and the processing of such applications. Ms. McCormick also expressed concern with respect to the impact of MaineHousing's consideration of "Additional Circumstances", as defined in the proposed rule, in determining whether to consent to a request for the transfer of an ownership interest.

Response: MaineHousing has clarified the requirements in the application and the process for transfers of LIHTC Projects. To address the comment concerning the consideration of Additional Circumstances, MaineHousing has revised the proposed rule to clarify that MaineHousing's consent to a request for an ownership transfer will not be unreasonably withheld.

STATUTORY AUTHORITY: 30-A M.R.S.A. §4741.1.

EFFECTIVE DATE: ~~March 25, 2014~~

## Energy & Housing Services Department Memorandum

**To:** Maine State Housing Authority Board of Commissioners

**From:** Kim R. Ferenc, Manager of Housing and Weatherization

**Date:** October 18, 2022

**Subject:** Intent to Proceed with 2023 Maine DOE WAP Application and State Plan

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### Intent to Administer

As part of the annual application process for administering the Department of Energy Weatherization Assistance Program (WAP), MaineHousing (Grantee) must submit to the Department of Energy (DOE) a State Plan application for program year 2023 (beginning 4/1/2023 – 3/31/2024). MaineHousing's intent is to continue to administer a quality DOE WAP program by partnering with local Community Action Agencies (CAA or Sub-Grantee). The WAP program is designed to provide quality weatherization services to Maine's aging housing stock. As a result, making energy efficiency improvements and reduce the households energy consumption and cost of heating their homes, as well as install measures to eliminate health and safety hazards. Priority will be given to households that are HEAP eligible with a high energy burden that include a household member who is elderly, a person with disabilities or a child under 6 years old.

### State Plan Submission

MaineHousing's State Plan will provide information as to how the Grantee plans to utilize the funding provided and conduct our weatherization program in accordance with DOE guidance. DOE will notify the States of funding levels through a formal notice at a later time but has asked States to complete their current applications using the same funding that was granted in 2022.

MaineHousing's 2022 DOE allocation was \$3,957,849, any remaining 2022 funds will be carried over to the 2023 program per DOE notification (memo 079). MaineHousing anticipates allocating approximately \$3,254,416 of the 2023 award to the Sub-Grantees for program operations and administration as well as training & technical assistance. MaineHousing will retain the balance for our administrative and training & technical assistance costs.

The application consist of the following sections:

- Budget Summary – detail of how the grant funds will be used by the Grantee and the Sub-Grantee
- Annual File – details changes to the program from the previous year's application.
- Master File – a detailed plan of Maine's Weatherization Assistance Program (WAP) with descriptions of how Maine will meet the guidelines/requirements of the Department of Energy. This includes, but is not limited to MaineHousing and CAA weatherization staff responsibilities, client eligibility, monitoring activities; audit procedures and tools; MaineHousing policies; and how MaineHousing and CAA's will adhere to DOE Health and Safety requirements.

Attached for your reference is the draft 2023 DOE Master File. The following program changes are being planned for 2023:

- Income Verification: Subgrantees are required to ensure client eligibility during the period in which services are delivered. Clients that do not qualify for HEAP, but are still at or below 200% of poverty or for those that choose not to apply for HEAP, but still want weatherization services will be required to complete a DOE BIL Weatherization Assistance Program only application and provide all required documentation to determine Program eligibility.
- Eligible Dwellings: In addition to a stationary manufactured home and stick built single family houses (1-4 units), MaineHousing will expand an eligible dwelling to include multi-family buildings (5 plus units).
- Added Special Materials: MaineHousing received approval from DOE to use Rigid Foam Board Insulation.
- Energy Audit System: MaineHousing is in the process requesting DOE to approve the use of their ORNL's MulTEA energy audit system.
- Various format and grammatical corrections.

## **Rule**

MaineHousing will not be making any changes to the current Rule, chapter 25.

## **Public Hearing**

A public hearing allowing interested parties an opportunity to comment on the State Plan will be held on Tuesday, November 15, 2022 at 9:30 am.

**U<sub>[DT1]</sub>.S. Department of Energy  
WEATHERIZATION ASSISTANCE PROGRAM  
STATE PLAN MASTER FILE**

**(Grant Number: DE-EE0009906 \_\_\_\_\_, State: ME, Program Year: 20232)**

V.1	Eligibility.....	2
	V.1.1 Approach to Determining Client Eligibility .....	2
	1. Provide a description of the definition of income used to determine eligibility .....	2
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## V.1 Eligibility

### V.1.1 Approach to Determining Client Eligibility

#### 1. **Provide a description of the definition of income used to determine eligibility**

Definition of Low Income. Grantee has chosen to use the definition of household income, as described in the Home Energy Assistance Program Rule. Incomes calculated using this definition are adjusted as needed to align with WPN 22-3 PY 2022 *Poverty Income Guidelines and Definition of Income*<sup>1</sup>, and any related DOE guidance thereafter, to determine household energy burden and eligibility.

Income Verification. Subgrantees obtain required income documentation and verify income eligibility as part of the intake process to certify households eligible to receive fuel assistance benefits from the Department of Health and Human Services' Low-Income Home Energy Assistance Program (HEAP). If a household member receives either TANF or SNAP assistance, the household will have Categorical Income Eligibility for HEAP, as the Maine DIT2 Department of Health and Human Services has already vetted the household income. Only those households who have Categorical Income Eligibility or whose income has been verified within the previous 12 months to be at or below 200 percent poverty level are considered for weatherization services. Subgrantees will re-verify income eligibility prior to commencing an energy audit for households whose application eligibility certification has expired.

Subgrantees are required to ensure client eligibility during the period in which services are delivered. Clients that do not qualify for HEAP, but are still at or below 200% of poverty or for those that choose not to apply for HEAP, but still want weatherization services will be required to complete a DOE Weatherization Assistance Program only application and provide all required documentation to determine Program eligibility.

#### 2. **Describe what household eligibility basis will be used in the Program**

Grantee has chosen the following definition of low income for the basis of eligibility for the Weatherization Assistance Program (WAP): Low income means that income in relation to household/family size is at or below 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.

#### 3. **Describe the process for ensuring qualified aliens are eligible for weatherization benefits**

A household may include:

- a. An alien who has obtained the status of an alien lawfully admitted for temporary residence under Section 210 of the Immigration and Nationality Act by approval of an application and are categorized as Special Agricultural Workers (SAWS) who perform seasonal agricultural work during a specified period of time; or
- b. An alien who has obtained the status of an alien lawfully admitted for temporary residence under Section 245A and 210A of the Immigration and Nationality Act by approval of an application and who is aged, blind and/or disabled as defined in Section 1414 (a)(1) of the Social Security Act (Public Law 74271); or (c) Cuban or Haitian aliens as defined in Public Law 96422, Section 501(e).

Households are considered eligible if alien members have a "Green Card" or show permanent residence (I-551 Alien Registration Card, Passport, I-688 Employment Authorization Card, I-766 Employment Authorization Document, I-94 with R-1 or R-2 status designation).

### V.1.2 Approach to Determining Building Eligibility

#### 1. **Procedure to determine that units weatherized have eligibility documentation**

Eligible Dwellings: Household members must meet one of the following eligibility criteria to be considered for weatherization services and to assure compliance with the requirements of 10 CFR 440.22:

- a. A dwelling unit shall be eligible for weatherization assistance if it is occupied by a household who has Categorical Income Eligibility or whose income is at or below 200 percent of the poverty level and/or

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<sup>1</sup> The final version of WPN 22-1, PY 2022 is expected to be released by DOE on November 30, 2020

meets the eligibility for assistance under the Low Income Home Energy Assistance Act of 1981 as determined in accordance with criteria established by the Director of the Office of Management and Budget; or

- b. Prior to weatherizing entire rental ~~buildings-dwellings of 2-4 units~~, a specific eligibility test will be applied. Not less than 66 percent (or 50 percent in the case of rental dwellings of two (2) or four (4) dwelling units), must be eligible or must become eligible dwelling units within 180 days under a federal, state or local program for rehabilitating the building or making similar improvements to the building.

Eligibility Documentation. All subgrantee files and records contain authorized HEAP applications with verified income documentation (~~home-owners~~homeowners and renters), as well as WAP Consent Form, Proof of Ownership and Landlord/Tenant Agreement (if applicable). All documents are available for review by state or federal staff as needed.

Undue or Excessive Enhancements. Grantee conducts desk reviews on weatherization jobs to confirm that no undue or excessive enhancements occurred to the value of the dwelling unit. If costs are questionable, an "Open Item Report" is issued to the Subgrantee. Dialog and documentation determines whether the cost is allowable. If not, it is removed from the DOE billing and the ~~Ssubgrantee Grantee~~ uses non-WAP funding.

## **2. Describe re-weatherization compliance**

The Consolidation Appropriations Act of 2021 allows Grantee to weatherize units 15 years after the date of such previous weatherization was completed to receive further financial assistance for weatherization utilizing DOE and other federal program funds. Grantee requires that these units be reported separately. Each dwelling unit served must receive a completely new energy audit that takes into account any previous energy conservation improvements to the dwelling. Subgrantees are allowed to count these homes as completions for the purposes of compliance with the per-home expenditure limit in 10 CFR 440.18.

The Maine State Housing Authority (Grantee) maintains available data of previously weatherized homes and assists ~~Subgrantees -Community Action Agencies (Subgrantee)~~ in determining compliance with the re-weatherization requirements. For weatherization jobs completed in the prior 15 years Grantee and Subgrantee rely primarily on records maintained by the Subgrantee. Weatherization jobs completed between 1998-2008 are tracked in Grantee's Central Heating Improvement Program and Weatherization Jobs SIR database. Weatherization jobs completed 2009-September 2016 are tracked in Grantee's ECOS database. Weatherization jobs completed October 2016 to present are tracked in Hancock Software's web-based energy audit software system referred to as HEAT Enterprise (HEAT Enterprise). Multi-family projects will be tracked in the DOE Multea database upon DOE's approval for the use of the database.

## **3. Describe what structures are eligible for weatherization**

Grantee defines an eligible structure as a dwelling unit, including a stationary manufactured home, ~~stick built houses~~single family, and multi-family buildings ~~with up to four rental units~~. An eligible dwelling does not include a camper, or other structures designed and constructed to provide temporary living quarters. All dwelling units will have a permanent physical address documented by a current tax bill or confirmation from a municipal official.

A dwelling unit is eligible for weatherization assistance if it is occupied by a family who has Categorical Income Eligibility or whose income is at or below 200 percent of the poverty level and/or is eligible for assistance under the Low-Income Home Energy Assistance Program.

Non-traditional dwelling units such as shelters and units with a business component will be discussed with DOE prior to commencement of the project.

Maine WAP includes the following components:

- a. An individual audit for each dwelling unit;
- b. Energy savings calculations based on the American Society of Heating and Refrigerating and Air Conditioning Engineers (ASHRAE) fundamentals; and
- c. A comprehensive health and safety protocol. Prior to initiating any weatherization activities, Subgrantees are required to evaluate the physical condition of the home, the mechanical systems, and building tightness.

If the structure fails to meet minimum standards as to Structural Integrity and Health & Safety, weatherization must be deferred until the issue is resolved. See V.1.2.5 Deferral Process and V.5.2 Energy Audit Procedures.

Grantee complies with its State Historic Preservation Office (SHPO) Programmatic Agreement (PA) to satisfy DOE's Section 106 requirement for all structures eligible for weatherization.

#### **4. Describe how rental units/multifamily buildings will be addressed**

~~Grantee does not intend to weatherize multi-family properties of five (5) and more units and/or more than three (3) stories.~~

Grantee intends to weatherize rental units/multifamily buildings with the DOE Grant Funds.

Rental units will be eligible for WAP provided that the Subgrantee has obtained written authorization from landlords/building owners and not less than 66% (50% for duplexes and four-unit buildings, and certain eligible types of large multi-family buildings) of the dwelling units in the building are: (i) eligible dwelling units, or (ii) will become eligible dwelling units within 180 days under a Federal, State or local government program for rehabilitating the building or making similar improvements.

The Subgrantee is required to ensure that the benefits of the weatherization assistance on rental units accrue primarily to the low income tenants residing in the units and that no undue or excessive enhancement occurs to the value of the rental units. Additionally, the Subgrantee must require that the landlords/building owners execute the *Weatherization Rental Agreement*, to ensure that for a period of one (1) year following the weatherization work, the tenants in that rental unit will not be subjected to rent increases unless the increases are demonstrably related to matters other than the weatherization work performed. The *Weatherization Rental Agreement* further requires adherence by the landlords/owners to the requirements of 10 CFR §440.22(b)(3) and §440.22(c)-(e), as laid out in the *Weatherization Assistance Program Guidance*.

If the landlords/owners increase the rent in violation of the *Weatherization Rental Agreement* and the *Weatherization Assistance Program Guidance*, the landlords/owners must repay the full cost of the weatherization assistance. Any dispute as to the circumstances for a rent increase will be reviewed by the Subgrantee or MaineHousing, if requested by the Subgrantee, landlord/owner or tenant.

Grantee will consider using a competitive process to attract a new Subgrantee or Subgrantees to weatherize multifamily units. WAP will be working closely with the DOE Project Officer and the new multifamily Subgrantee(s) to ensure that all DOE approvals and training needs are met. Priority will be given to identifying and providing weatherization assistance to: elderly persons, persons with disabilities, families with children, high residential energy users, and households with high energy burden. Multifamily buildings because of their size and character, may offer an opportunity to meet many of these priorities. When addressing "significant energy improvements" in multifamily dwellings, WAP will contact the DOE Project Officer and refer to the WPN 16-5 Multifamily Weatherization and WPN 16-6 Weatherization of Rental Units.

Eligible Dwelling Units. Grantee intends to weatherize rental units/multifamily buildings ~~rental dwelling containing 1-4 units~~ occupied by income eligible (low-income) tenant(s), providing a direct benefit to the low-income tenant(s). In the event of 2-4 unit buildings, one of the units may be occupied by the owner. Grantee, consistent with Department of Energy guidance, requires the weatherization of the entire building not just the low-income units.

Prioritization. 2-4 rental unit buildings will be prioritized similar to single unit buildings: tenants with the highest energy use and highest energy burden (as a percentage of income) will receive priority. DOE funding is used to weatherize 2-4 unit buildings 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 in a multi-building property) meet WAP income guidelines.

Written Permission. Prior to conducting the energy audit, the Subgrantee must verify the ownership of the unit/building. ~~and s~~ To proceed with weatherization measures Subgrantee must secure landlord's/owner's and tenant's consent, ~~in writing, to proceed with weatherization measures.~~ In addition, the landlord and tenant are required to sign a *Weatherization Rental Agreement* before the Subgrantee can proceed with weatherization. The provisions of this Agreement include:

- a. *Rent Increases:* Secure landlord's/owner's and tenant's signature on a *Weatherization Rental Agreement* that prohibits an increase for twelve (12) months because of any increase in the value of the property due solely to the weatherization work.
- b. *Sale of Property:* If the property is sold within one (1) year of the completion of weatherization work, the owner may be required to reimburse the Grantee for the cost of the weatherization material installed.

Tenant Complaints. Customer survey cards, client phone calls, and client comments during site monitoring are tracked by Grantee. Grantee technicians, program and management staff engage with clients and Subgrantees as needed to address issues. Closure is documented in applicable Grantee databases.

## **5. Describe the deferral process**

Some dwelling conditions or client circumstances may require deferral of weatherization until the issues are resolved. Documentation of all activities in the client's file is required. "Deferral" does not necessarily mean that the home will not receive weatherization services, but that until the conditions are rectified, the weatherization services are temporarily postponed.

Deferral of Services Policy. See Grantee's Weatherization Assistance Program Guidance, Section 6(J) for Grantee's Deferral of Weatherization Services Policy, which provides the guidelines for Subgrantees when a building should be deferred because the building is not a good candidate for weatherization.

Deferral Tracking. All deferred jobs, including the reason for deferral, are entered and tracked in Heat Enterprise-an excel spreadsheet developed by DOE and electronically in the appropriate system of record (HEAT Enterprise or ORNL's MulTEA when approved).

Deferral Notification: Subgrantee provides a written Notice of Deferral to each deferred client with the reason for deferral. A copy of the Notice of Deferral is retained with the weatherization job in Heat-HEAT Enterprise.

~~Weatherization Assistance Program Guidance Section J-1 e&f states:~~

~~e-Once the applicant notifies the CAA-Subgrantee that the deferral reason(s) have been resolved/addressed the applicant will receive priority for WAP providing they still meet WAP eligibility, and there is a valid certified HEAP application.~~

~~f-Clients have the right to appeal the decision to defer WAP services. They must make this request by contacting the Manager of Housing and Weatherization Services in writing within 30 calendar days of the date the Deferral of Services Notice was signed. The request must include the reason(s) why they don't agree with this decision along with any documentation that will show that the deferral reason was made in error or not accurate.~~

### **V.1.3 Definition of Children**

Definition of children: younger than six (6) years of age.

### **V.1.4 Approach to Tribal Organizations**

Grantee has five federally recognized Indian Tribes and each of them participate in the HEAP fuel assistance, as well as HEAP and DOE weatherization programs ~~(WAP)~~: Penobscot Indian Nation; Houlton Band of Maliseets; Aroostook Band of Mic Macs; Passamaquoddy Tribe, Pleasant Point; and Passamaquoddy Tribe, Indian Township. Grantee and the Indian Tribes maintain annual Memorandums of Understanding that outline the disbursement terms of ~~WAP-DOE weatherization program~~ funds for these Tribal Entities.

The low-income members of an Indian tribe shall receive benefits equivalent to the assistance provided to other low-income persons within Maine. Grantee allocates funds to five (5) tribal organizations based upon the number of eligible HEAP clients. This has resulted in three percent of Grantee's DOE grant award being allocated to the five (5) tribes. Actual administration of the weatherization programs within tribal organizations' land is provided by Subgrantees that service areas include Counties in which Indian Tribes are located.

Process: Tribal organizations process HEAP fuel assistance applications for tribal members and verify eligibility for ~~[DT3]~~ benefits. Subgrantees contact the local tribal organizations to obtain eligible HEAP fuel assistance applications, as well as contact information for tribal members that are categorically eligible or at 200% or below poverty guidelines that do not meet HEAP fuel assistance income eligibility and/or who have not applied for fuel assistance. Upon receipt of the applications/information, audits and weatherization jobs will may be scheduled.

## **V.2 Selection of Areas to Be Served**

Selection Method. In the case of areas currently served by a Subgrantee established under Section 222(a)(12) of the Economic Opportunity Act of 1964, as amended, funds available under this program will be granted to that Subgrantee for the same geographic area. Any new or additional Subgrantees shall be selected at a hearing in accordance with 10 CFR Section 440.14(a), as amended, and upon the basis of the criteria set forth in 10 CFR 440.15(a), as amended.

Grantee's WAP currently serves all counties statewide through ~~nine-eight (98)~~ Subgrantees. Each Subgrantee is, in fact, a Community Action Agency or other public or non-profit entity. Grantee intends to expand the Subgrantee Network to add additional non-profit organizations to provide WAP services.

The Grantee ensures that each Subgrantee is selected on the basis of public comment received during a public hearing conducted pursuant to 440.14(a) and other appropriate findings regarding:

- a. The Subgrantee's experience and performance in weatherization or housing renovation activities;
- b. The Subgrantee's experience in assisting low-income persons in the area to be served; and
- c. The Subgrantee's capacity to undertake a timely and effective weatherization program.

In selecting a Subgrantee, preference is given to any Community Action Agency or other public or non-profit entity, which has, or is currently administering, an effective program under this part or under Title II of the Economic Opportunity Act of 1964. Program effectiveness is evaluated by consideration of factors including, but not necessarily limited to the following:

- a. The extent to which the past or current program achieved or is achieving weatherization goals in a timely fashion;
- b. The quality of work performed by the Subgrantee;
- c. The number, qualifications, and experience of the staff members of the Subgrantee; and
- d. The ability of the Subgrantee to secure volunteers, training participants, public service employment workers, and other federal or state training programs.

Subgrantee Removal. In the event that a Subgrantee is unable to complete the terms of its Subgrantee Agreement, or if Grantee determines that the Subgrantee cannot fulfill its obligations under the Subgrantee Agreement, Grantee will reach out to other Subgrantees to fulfill the terms of their Subgrantee Agreement and work with the Subgrantees to extend their WAP services into the territory needing service coverage. Contracts would be amended as needed to accommodate the change in service area. This process ensures that WAP services are delivered with minimal interruption to clients if this type of situation was encountered.

### V.3 Priorities

Prioritization. Priority for weatherization services is identified through HEAT Enterprise, based on household composition, annual energy consumption usage for heat (cost), and poverty level. This process gives priority to households with high residential energy users and high energy burden. Households with an elderly person, a person with disabilities, and/or families with children younger than six (6) years of age are given priority for weatherization services. Grantee reports this information in the Quarterly Performance Report submitted to DOE. Data from Grantee's fuel assistance database (referred to as LIHEAP Cloud) is uploaded annually into HEAT Enterprise and becomes the basis for determining priority and wait lists. HEAT Enterprise calculates a WAP ranking for each household by assigning points based on household income, home energy costs, and households with children age 6 or less. The maximum number of points allotted to a household is 20, which would result in the highest priority.

Wait Lists. CAAs-Subgrantees are required to develop and maintain a wait list consisting of HEAP eligible households. Households on the CAA's Subgrantees wait list should be weatherized in order of ranking according to HEAT Enterprise. Households with the highest WAP ranking have the highest priority. A CAA-Subgrantee may move up an eligible household's priority based on geographic considerations (e.g., if a high priority weatherization project is out of town, another dwelling with a lower priority ranking in the same area may also be weatherized during at the same time to save on travel costs) or because the CAA-Subgrantee is funding the project with additional other resources.

### V.4 Climatic Conditions

Maine's weather and geography directly affect energy consumption in homes. Heating requirements vary from south to north based on the District Heating Factors for the United States. Maine's 7500 to 9800 degree day environment mandates consideration of heating needs. In order to meet the additional heating needs of those in the northern and western portions of Maine, the Grantee uses a sliding scale of allocation based on recorded Heating Degree Days (HDD).

Maine's Hancock Software Energy Audit Tool (HEAT Enterprise) accounts for localized climatic variances by using climate data from the National Oceanic and Atmospheric Administration (NOAA). Heating degree hours are

calculated using state climate data associated with each Maine zip code. The data set that is used to determine HHD can be found at [NOAA.org](http://www.ncei.noaa.gov/data/normals-hourly/1991-2020/doc/). (www.ncei.noaa.gov/data/normals-hourly/1991-2020/doc/)

Maine's Heating Degree Days by County (HDD<sub>[DT4]</sub>[MD5]):

Subgrantee	Service Area - counties	Heating Degree Days
Aroostook County Action Program	Aroostook	9543
Community Concepts, Inc.	Androscoggin, Oxford	7373
Downeast Community Partners	Washington, Hancock	7771
Kennebec Valley Community Action Program	Kennebec, Somerset	7680
Kennebec Valley Community Action Program	Lincoln, Sagadahoc	7420
Penquis Community Action Program	Penobscot, Piscataquis	8245
Penquis Community Action Program	Knox	7359
The Opportunity Alliance	Cumberland	7426
Waldo Community Action Partners	Waldo	7297
Western Maine Community Action	Franklin	8866
York County Community Action Corporation	York	7012

Subgrantee	Service Area/County	Heating Degree Days
<a href="#">Aroostook County Action Program</a>	<a href="#">Aroostook</a>	<a href="#">9543</a>
<a href="#">Community Concepts, Inc.</a>	<a href="#">Androscoggin, Oxford</a>	<a href="#">7373</a>
<a href="#">Community Concepts, Inc.</a>	<a href="#">Cumberland</a>	<a href="#">7426</a>
<a href="#">Downeast Community Partners</a>	<a href="#">Washington, Hancock</a>	<a href="#">7771</a>
<a href="#">Kennebec Valley Community Action Program</a>	<a href="#">Kennebec, Somerset</a>	<a href="#">7680</a>
<a href="#">Kennebec Valley Community Action Program</a>	<a href="#">Lincoln, Sagadahoc</a>	<a href="#">7420</a>
<a href="#">Penquis Community Action Program</a>	<a href="#">Penobscot, Piscataquis</a>	<a href="#">8245</a>
<a href="#">Penquis Community Action Program</a>	<a href="#">Knox</a>	<a href="#">7359</a>
<a href="#">Waldo Community Action Partners</a>	<a href="#">Waldo</a>	<a href="#">7297</a>
<a href="#">Western Maine Community Action</a>	<a href="#">Franklin</a>	<a href="#">8866</a>
<a href="#">York County Community Action Corporation</a>	<a href="#">York</a>	<a href="#">7012</a>

## V.5 Type of Weatherization Work to Be Done

### V.5.1 Technical Guides and Materials

Technical Guides. Standards for the proper installation of materials and procedures are described in the *Maine Weatherization Standards* and the *Maine Field Guide* which are located on the Grantee's website <https://www.mainehousing.org/partners/partner-type/community-agencies/maine-weatherization-programs>.

The *Maine Weatherization Standards* is aligned with the companion Maine Field Guide, which embodies SWS applicable to the Maine weatherization program. While the *Maine Weatherization Standards* and the Maine Field Guide are fully aligned, the documents are distinct. The *Maine Weatherization Standards* provides more overview and detail on overarching goals and guidance for delivery of weatherization services. The Maine Field Guide format provides clear quality standards for specific measures and test procedures using concise SWS language and photographs, and is well suited for direct use in the field.

Notification/Distribution to Subgrantees. Grantee has created and maintains a dedicated web portal for Subgrantees, which provides electronic access to current versions of technical guides, program updates, procedure manuals, standard documents, relevant client education brochures, and a link to all WAP Program Notices and Memoranda. See <http://www.mainehousing.org/partners/partner-type/community-agencies>.

Notifications of updates to program manuals or guidance are posted to the HEAT Enterprise Home/News page. This page is maintained as a "Bulletin Board" and includes highlights of updates, implementation dates and directions to guidance as applicable. Since all users view the Home/News page on log-in, this ensures that Subgrantee field staff are apprised of and directed to the details of important updates as they are implemented.

Program updates and notifications are emailed to Subgrantee Housing [Directors](#) and Finance Directors

**Required Language.** All Subgrantee Agreements contain the following language: "Subgrantee agrees to ensure that the standard work specifications for work quality outlined in WPN 15-4, Section 2, will be met and that all contracts with vendors will contain the same requirement." The Subgrantee's signature on the Agreement confirms that all expectations contained in the Subgrantee Agreement, Work Plan, and Budget are understood. The Subgrantee must deliver the executed Agreement, with Work Plan and Budget to the Grantee for approval before WAP funds will be disseminated.

All weatherization work is performed in accordance to DOE approved energy audit procedures and 10 CFR 440 Appendix A.

**NEPA Review.** Subgrantees may only perform activities identified in the current NEPMaineA Determination.

**Maine Field Guide type approval dates.**

Maine Weatherization Field Guide (Single-family and Mobile Home) DOE approved on September 23, 2021

### Special Materials/Audit Procedures Approvals

<u>Item</u>	<u>Comments</u>
<u>Rigid Foam Board Insulation complying with ASTM C 1289</u>	<u>Approved 8/24/2022</u>
<u>Lifetime Changes</u>	<u>Approved 7/30/2020</u>
<u>Spray Foam Insulation</u>	<u>Approved 11/27/2018</u>

Supplemental DOE Approval for Spray Foam as an Air Sealing (Infiltration) Material as well as Insulation Material approved November 27, 2018~~(MD6)~~

### **V.5.2 Energy Audit Procedures**

#### ***Audit Procedures and Dates Most Recently Approved by DOE***

Audit Procedure: Single-Family

Audit Name: Other (specify) 12/5/2016 Hancock Software

Approval Date: 8/24/2022~~9/13/2022~~ DOE unconditionally approved HEAT v1.0.1(G015-SP4~~(MD7)~~)

Approval Date: 12/5/2016

Audit Procedure: Manufactured Housing

Audit Name: Other (specify) May 22, 2017 Hancock Software

Approval Date: 5/22/2017 ~~8/24/2022~~~~9/13/2022~~ DOE unconditionally approved HEAT v1.0.1(G015-SP4)

Audit Procedure: Multi-Family

~~Audit Name: Other (specify) 12/5/2016 Hancock Software would be the system used to conduct multi-family audits. Grantee does not do multi-family units~~ Weatherization Assistant Multifamily Tool for Energy Audits (MulTEA)

~~Approval Date: Not applicable~~ MaineHousing is currently applying for ORNL's MulTEA web based energy audit system.

~~MaineHousing does not intend to fund weatherization of multifamily buildings of 5 or more units or more than 3 stories in the DOE annual formula WAP award. In the event that such a project is considered, MaineHousing will submit to the DOE Project Officer the necessary material to approve the multifamily project prior to commencing weatherizing the building (e.g., engineering assessment, data collection, energy audit etc.) DOE will review and approve/reject such a project on a case-by-case basis.~~

For Multifamily, MaineHousing will treat such situations on a case-by-case basis with DOE approval as needed. Currently, MaineHousing does not have a well-qualified energy auditor for multifamily buildings. MaineHousing will contract for auditing and inspections services as needed until a well-qualified multifamily energy~~(MD8)~~ auditor can be trained or hired. MaineHousing will submit all multifamily projects to the DOE Project Officer for approval in the absence of a multifamily protocol.

## Comments

1. Grantee's energy audits consists of the following components:
  - a. an individual audit for each dwelling unit,
  - b. energy savings calculations based on ASHRAE fundamentals, and
2. A comprehensive health and safety protocol. Prior to initiating any weatherization activities, Subgrantees are required to evaluate: the physical condition of the home, the mechanical systems, and building tightness. Evaluation of the physical condition of the home and its mechanical systems is accomplished using blower door tests, combustion efficiency analysis, ventilation assessment, fossil fuel appliance combustion safety testing, and moisture level evaluation. Results determine the necessity for various remedial actions, which must be accomplished prior to weatherization, as well as whether investing program dollars in the structure is appropriate.
3. Grantee's health and safety procedures, as described in the [Maine Weatherization Standards](#) require a total assessment of the home. Briefly, and not all inclusive, the auditor is required to assess the home from basement to attic using HEAT Enterprise:
  - a. list possible pollutant sources;
  - b. record any observable pollutant indicators;
  - c. interview the client as to health problems and lifestyle;
  - d. test all combustion appliances to the degree allowed by law as to efficiency and safe operation;
  - e. perform zone pressure diagnostic testing if applicable;
  - f. determine combustion air requirements and assess the adequacy of the existing combustion air supply;
  - g. test for spillage, back-drafting, and venting capability of all combustion exhaust vents; and
  - h. check CO production of all combustion appliances.
4. Homes that fail combustion safety tests must be deferred until corrective action is taken. Homes with unvented fossil fuel heaters cannot be weatherized until such heaters are removed, except when ANSI approved and used as secondary heat only. In addition, no weatherization activity that will affect the drying capability of the home may be undertaken until all necessary moisture control activities have been completed. After the weatherization measures are completed, the home must be checked again to ascertain that all combustion appliances are operating safely. If homes fail to meet minimum standards as to Structural Integrity and Health & Safety, weatherization must be deferred until the issue is resolved. Once a deferred home becomes eligible for weatherization, any applicable energy audit assessments, such as blower door testing and combustion safety testing, must be redone to establish a new baseline for the building conditions. Documentation of all activities in the client file is required.
5. Grantee standard work specifications are embodied in the Field Guide and is posted on the Grantee's website. This measures selection system applies to all types of dwelling units and is based on instrumented audits interacted with ASHRAE 62.2–2016 based calculations for energy use, actual installation and energy costs and material lifetimes to produce a savings investment ratio (SIR)-driven work order. These calculations will be conducted using HEAT Enterprise.
6. Grantee requires Subgrantees to utilize, to the degree allowed by law, diagnostic equipment including blower doors, combustion analyzers, hygrometers, CO analyzers, digital manometers and infrared cameras. Mandated tests include blower door tests, combustion efficiency analysis, minimal ventilation assessment, fossil fuel appliance CO testing, and moisture level evaluation.
7. Grantee's HEAT Enterprise uses the basic heat loss equation for conductive heat loss, (BTU/hr times area times degrees Fahrenheit over "R") taken from the ASHRAE 62.2–2016 Fundamentals Handbook, for pre and post weatherization energy use. Included in the calculations are heating degree-day correction factors and a blower door "N" factor when necessary. The results are checked against actual consumption whenever possible (HEAP vendors are required to provide consumption data; clients are asked to provide fuel bills during the audit). As the database grows, any necessary adjustments to correction factors will be made. Grantee's energy audit calculates SIRs for each contemplated weatherization measure, which reflect local heating degree-day figures and a heating degree-day correction factor.

8. In HEAT Enterprise, material lifetimes were updated based on DOE input and are the most conservative generally accepted by the industry. Installation costs are established by using actual subcontractor and supplier bids as well as crew installation costs at each Subgrantee.
9. A SIR is calculated for each contemplated energy conservation measure (ECM). Measures are arranged in descending order of payback by HEAT Enterprise with any individual measure with a SIR of less than 1 being considered "unallowable" unless paid for with another funding source (non-DOE). It is possible for the Subgrantee to elect to do fewer measures than proposed on any given job as long as measures are accomplished in the order established by HEAT Enterprise.
10. Projected incidental repair costs are also calculated and added to the total cost. Incidental repair costs are capped at 15 percent of the total cost of weatherization tasks being completed (conductive + air infiltration + mechanical tasks) in a contract period. Overall calculated SIR for activities excluding health and safety must be equal to or greater than 1. Grantee's audit system assigns an energy savings to air infiltration reduction as determined by reduction of the CFM50 figure from blower door testing. As there is no way to accurately predict a post weatherization CFM50 figure, Grantee may waive the SIR requirement for the aggregate of air infiltration reduction measures on a case-by-case basis if the overall payback requirement is not met by the post blower door test.
11. All weatherization work is performed in accordance to DOE approved energy audit procedures and 10 CFR 440 Appendix A. Supplemental DOE Approval for Spray Foam as an Air Sealing (Infiltration) Material as well as Insulation Material approved November 27, 2018

### **V.5.3 Final Inspection**

Every DOE WAP unit reported as a completed unit receives a final inspection by the Subgrantee's BPI certified Quality Control Inspector (QCI), to ensure that all work meets the minimum standard work specifications as outlined in the *National Renewable Energy Laboratory (NREL) Single-Family Quality Control Inspector Job Task Analysis*. The QCI must complete and provide an *Inspection Completion Form* to Grantee for every completed unit, certifying that the weatherization materials and measures were properly installed in accordance with the Grantee WAP standards.

Grantee conducts desk reviews on up to 100 percent of completed jobs, based on Subgrantee performance. Grantee will only authorize payment to the Subgrantee when satisfied that all work is completed in accordance with the work quality requirements outlined in WPN 15-4, Section 1. The Subgrantee is notified of any job not in compliance and is required to take the steps necessary to complete the job. In addition, the Grantee will perform quality assurance inspection reviews of at least 5 percent of completed units and 10 percent of all completed units of Subgrantees that allow the audit and inspection to be done by the same person.

Subgrantee Agreements outline disciplinary action for inadequate inspection practices, as well as other duties not performed in accordance with expectations contained in the Agreement. *To wit:* Grantee shall notify the Subgrantee of the respects in which the Subgrantee's performance is deficient and the time period Subgrantee has to conform its performance. In the event the Subgrantee fails to correct deficiencies in its performance within the specified time, Grantee may withhold Subgrantee's funding under the Agreement until Subgrantee is in compliance.

If a Subgrantee weatherizes without approved clearance and Grantee subsequently determines the project is financed/owned by a Subgrantee, or sufficient reserves are in place for the project to incur these costs, Grantee has the right to refuse to reimburse for weatherization costs incurred.

Maine Weatherization Standards, Subgrantee Agreements, and Grantee's Weatherization Assistance Program Guidance and Procedures (Section 6), provide policies and procedures that govern the inspection process.

### **V.6 Weatherization Analysis of Effectiveness**

HEAT Enterprise system reports are used as tools by the Grantee to monitor Subgrantee WAP production. Additionally, the HEAT Enterprise system calculates an Energy Savings Report for each job that includes pre-R, post-R as well as annual and lifetime BTU savings for the dwelling. Grantee plans to implement the following procedures to analyze the effectiveness of weatherization projects:

1. Grantee reviews estimated energy savings calculations and reports produced by HEAT Enterprise, which also prioritizes all activities in all types of housing addressed by WAP.
2. Grantee surveys recipients of weatherization services and shares results with Subgrantees performing the work.

3. Grantee's Energy and Housing Services team (EHS) communicates regularly with Subgrantee weatherization technicians through telephone, email and onsite visits.
4. Grantee's EHS staff participates in monthly Housing Council meetings and Building Technician Committee (BTC) meetings hosted and attended by Subgrantees directors, managers and technical staff. These meetings provide a platform to receive and solicit feedback from Subgrantees regarding technical concerns, training and other areas that may need improvement. Grantee will implement training based on need.

Grantee conducts up to 100 percent desk review of all jobs and provides timely feedback to Subgrantees. Grantee's State Monitor Technical Review Checklist and State Monitor Compliance Review Checklist classifies common or problematic areas of work identified during desk audits of each weatherized unit. This checklist includes specific areas of the building model, which prompts the monitor to require that the audit be restated if housing characteristics were not accurately entered into the initial audit. Grantee maintains a database which tracks jobs that have issues, follows-up with the Subgrantee, and documents resolutions.

The desk review process will flag any units that need additional monitoring in the form of a unit inspection. Any uncharacteristic testing numbers, costs, or unusual circumstances and measures will trigger this inspection. These inspections will be considered part of the required Quality Control Inspections. When findings or concerns are found on these inspections, the state monitor will work with the Subgrantee to help them understand how the issue occurred, how to prevent it and provide any additional training as needed.

## V.7 Health and Safety

Purpose and scope. The primary goals for Grantee WAP are to implement cost effective weatherization procedures to conserve energy and to assess and correct related health and safety hazards. Materials used for the abatement of such hazards not listed in Appendix A of 10 CFR 440 must meet all standards incorporated by reference and made a part of 10 CFR 440.

1. Subgrantees will be allowed to expend program funds for the abatement of energy related health and safety hazards up to an average of \$1,200 per unit. Grantee health and safety related costs will be charged to either the administrative or training and technical assistance cost category. It is the responsibility of Subgrantees to manage the health and safety expenditure report as part of the billing process. The health and safety costs excluded from the cost effective calculations are tracked separately.
2. The cost of eliminating minor health and safety hazards, which is necessary before or because of installation of weatherization materials, is an allowable expense. Definitions of "minor" or allowable Health & Safety related repairs, and at what point repairs are considered beyond the scope of weatherization are included in the applicable sections of Grantee's 2023<sup>2</sup> Health and Safety Plan Template, (4.0, 7.6, 7.9, 7.14, 7.16), and are aligned with the Maine Weatherization Standards. Updates related to COVID 19 are in the updated 2023<sup>2</sup> Grantee Health and Safety Plan Template.
3. Grantee WAP has set parameters by defining allowable minor repairs versus unallowable major repairs for potentially out-of-scope repairs such as roof, structure, moisture, electrical, and worker/client safety. This has greatly reduced the call for case-by-case considerations. However, rigors will be applied to any case-by-case consideration, including cost, Health and Safety risk, SIRs, pursuit of non-WAP resources, and the extent of benefits to especially vulnerable low-income households and individuals per 10 CFR 440.
4. Subgrantees are encouraged to leverage other funds whenever possible when addressing non-cost effective tested items. Problems with the dwelling unit that have no connection with weatherization activities can only be addressed with other funding sources, such as Grantee's *Lead Hazard Reduction Demonstration Grant*, or its *Home Repair Program*. Potential funding sources include, but are not limited to:
  - a. Central Heating Improvement Program (CHIP)
  - b. Community Development Block Grant (CDBG)
  - c. Maine State Housing Authority programs
  - d. City or Town assistance
  - e. USDA Rural Economic Development (formerly FHA)
  - f. Housing and Urban Development (HUD)
  - g. Local church and community groups
  - h. Building Materials Bank

- i. Habitat for Humanity
- j. Donations from local businesses
- k. Landlords

**Intake Procedures.** Per the Maine Weatherization Standards, the auditor's duties include an evaluation of available information starting with viewing the client application, interviewing the client, and assessing the dwelling. A series of tests as outlined in the Maine Weatherization Standards and the Field Guides are performed in order to identify potential health and safety hazards as well as energy conservation opportunities. The clients sign a WAP Consent Form that specifies, "In consideration of any WAP services received, I have received a copy of the EPA publication The Lead-Safe Certified Guide to Renovate Right and have also been educated on weatherization and health and safety topics pertinent to my home."

**Client Education and Training.** As outlined in WPN 17-7, the auditor makes the client aware of potential hazards and provides them with appropriate instructions and educational materials. The client also receives guidance and information on energy conservation tips, both verbally and through educational materials relating to the subject(s). In addition to various brochures and manuals available to clients, education is provided as the home is being weatherized. Crews, contractors, inspectors and other qualified personnel explain various related concepts as the work progresses. Clients are encouraged to contact appropriate Subgrantee after weatherization if they have any questions, concerns, or wish to report feedback on the conservation efforts.

**Deferral of Services Policy:** See Grantee's Weatherization Assistance Program Guidance, Section 6(J) for Maine's Grantee's Deferral of Weatherization Services Policy.

**Grantee Health and Safety Program:** Grantee health and safety related costs will be charged to either the administrative or training and technical assistance cost category. Grantee will follow all Occupational Safety and Health Administration (OSHA) safety regulations, and national, state and local codes as further described under the Subgrantee/Contractor Safety section below.

**Subgrantee/Contractor Safety:** Subgrantees must comply with OSHA requirements in all weatherization activities. When contractors are employed by Subgrantees, those contractors are expected to comply with OSHA requirements as well. The contractors' costs to comply with OSHA, as applicable, are part of their bid price. Updates related to allowable costs associated with COVID 19 safe work practices are in the updated 202~~32~~ Grantee Health and Safety Plan Template 7.5 Related costs for Subgrantees to comply with OSHA requirements may be charged under section 440.18 as health and safety, tools and equipment, incidental repairs, etc.

1. Grantee WAP expects the crews, contractors, and other field personnel to be able to work under conditions that do not jeopardize their own health and safety.
2. Weatherization personnel shall be properly trained in workplace safety and will be provided with necessary protective equipment by their employer. All weatherization workers must comply with EPA's Renovation, Repair and Painting Rule (RRP) and at least one (1) person on each weatherization crew (includes both subcontractor crews and Subgrantee direct hires) must be trained in Renovation, Repair and Painting (RRP). Updates related to COVID 19 safe work practices training are in the updated 202~~32~~ Grantee Health and Safety Plan Template, 7.5, 7.13, 7.23, 7.24.
3. Subgrantees and contractors are expected to follow the requirements of Construction Industry OSHA Safety and Health Standards (29 CFR 1926/1910). During COVID 19 pandemic conditions, additional guidance must be followed, including but not limited to: Federal and State CDC, FEMA, Maine COVID 19 Prevention Checklist Industry Guidance, and DOE Memorandum 062.
4. Subgrantees must comply with the OSHA Hazard Communication "Right to Know Program." The program requires chemical manufacturers or importers to assess the hazards of chemicals that they produce or import. It also requires that all employers provide information to their employees about the hazardous chemicals to which they are exposed, by means of a hazard communication program, labels and other forms of warning, material safety data sheets, and information and training. Subgrantees must follow the record keeping requirements for Occupational Injuries and Illnesses.
5. Subgrantees are responsible for maintaining vehicles purchased with federal funds so that they are in safe and proper operating condition.
6. Subgrantees are responsible for ensuring all work performed in client homes abides by federal, state, and local codes and regulations.
7. Grantee verifies contractor and Subgrantee compliance with OSHA 10, Safety Data Sheets (SDS), and RRP requirements as follows:

- a. As part of the annual bid process, contractors are required to submit RRP certifications. Grantee reviews this documentation to ensure compliance.
- b. Grantee conducts in-progress monitoring inspections to verify compliance with OSHA 1910 and 1926, RRP, and reviews/compares SDS information to actual products being installed.
- c. Grantee conducts client interviews to confirm that they received SDS information prior to the installation of WAP measures.

Client Health and Safety. Client health and safety is a priority for Grantee WAP. Through DOE trainings, related trainings at Maine Safety Works, and field training, Grantee has developed a comprehensive plan to ensure safety in energy related areas. Updates related to COVID 19 safe work practices are in the updated 2023~~2~~ Grantee Health and Safety Plan Template, 7.20. Subgrantees are required to have the proper equipment to perform the necessary weatherization tests. Subgrantee personnel are required to attend trainings as determined necessary. Homes constructed prior to 1978 are presumed to contain lead paint. All weatherization clients residing in homes constructed prior to 1978 will receive the EPA publication *The Lead-Safe Certified Guide to Renovate Right* prior to the commencement of any weatherization activities.

1. Maine's Community Action Agency Building Technology Committee (BTC) meets on a monthly basis to discuss all technical aspects of the weatherization program. The committee consists of a technical representative from each Subgrantee. Through this venue, Subgrantees are continually updated with information and techniques regarding energy conservation and health and safety issues. This system ensures that all Subgrantees are receiving the same information and creates consistency for a quality program statewide.
2. The Weatherization and CHIP programs work in unison to guarantee "A House as a System" approach when conducting an audit.
3. All Subgrantees have blower doors, digital manometers, CO testers, heating system efficiency testers, and hygrometers, as well as other test equipment. All weatherization personnel are required to be trained in energy related health and safety issues and indoor air quality problems. Testing and corrective procedures requiring special licensing on a state level will be referred to the appropriate authority.

Health and Safety Guidance Grantee uses the Table of Issues (adopted in DOE WPN 17-7) as a reference of a majority of conditions that Grantee regards as hazardous. In all cases these conditions will determine the course that weatherization will take. The chart outlines the hazard, the importance of correction, if postponement of weatherization services is necessary, types of testing, and corrective procedures for each hazard. In addition to the prescribed guidance in the Table of Issues, the following will be assessed and addressed, as applicable:

1. Air Conditioning and Heating Systems. Because of Maine's high heating degree-day environment, cooling needs are considered insignificant for Maine dwellings. Therefore, Maine climate conditions do not warrant defining at-risk occupants or the repair or replacement of air conditioning systems under DOE WAP.
2. Asbestos. According to the EPA's Building Air Quality Guide, the mere presence of asbestos in a building does not mean that the health of a building occupant is endangered. Asbestos-containing material in good condition, not damaged or disturbed, is not likely to release asbestos into the air.
3. Biologicals/Mold. Updates related to COVID 19 are in the updated 2023~~2~~ Grantee Health and Safety Plan Template 7.5, 7.20.
4. Combustion Appliances and Combustion Gases. Grantee recognizes that combustion gases in homes pose the most serious hazard. As a result, Grantee has adopted a comprehensive plan to ensure safe operation of combustion appliances and to make sure that weatherization procedures do not contribute to a problem.
5. Per the SWS, (2.02 Combustion Safety) CO in the appliance vent, ambient CO and spillage testing must occur as part of a weatherization job. If the mandatory testing results are outside of the allowable limits, a clean, tune & evaluate (CTE) of the heating system must occur as part of a weatherization job.
6. Energy auditors must comply with the rules of the Maine Fuel Board: Prior to performing a combustion safety and efficiency test, a limited energy auditor technician shall obtain the manufacturer's installation and operating instructions for the specific equipment to be tested. Energy auditors must make every effort to obtain an equipment manual on site or online. When a manual is not obtainable, the energy auditor must order a CTE by a licensed Heating Technician. This CTE must be performed prior to invoicing the job. A

visual inspection, CAZ pressure test, spillage test, and ambient CO measurement must still be conducted as part of the energy audit.

7. In addition, CTEs should also be conducted as part of routine maintenance and safety practices. Subgrantees must provide in their Work Plan established internal policies that describe how CTEs will be addressed for clients of the weatherization program. Of all the by-products of fuel combustion, carbon monoxide (CO) is deadly. Grantee views any ambient level of CO as potentially dangerous and will be considered a warning signal that a problem exists. Corrective procedures requiring special licensing will be referred to the appropriate authority. Grantee follows guidance provided in the ASHRAE standards.
8. Mold and Moisture. A thorough moisture assessment of the home is done during the audit process and conditions are noted in HEAT Enterprise. The assessment process includes a client interview, visual inspection, measuring humidity levels and blower door testing. Corrective procedures include client education, eliminating/reducing source of moisture, and providing mechanical ventilation as prescribed by ASHRAE standards.
9. Occupant Pre-existing or Potential Health Conditions. Updates related to COVID 19 safe work practices are in the updated 2023~~2~~ Grantee Health and Safety Plan Template, 7.20
10. Worker Safety. Updates related to COVID 19 safe work practices are in the updated 2023~~2~~ Grantee Health and Safety Plan Template, 7.5, 7.13, 7.23.
11. Diagnostic equipment, such as blower doors, will not be used on units where such equipment could exacerbate existing problems (e.g., vermiculite in open floored attics or friable asbestos).
12. Spray Polyurethane. Grantee must follow EPA recommendations and manufactures specifications (available online at <http://www.epa.gov/saferchoice/spray-polyurethane-foam-spf-insulation-and-how-use-it-more-safely>)

## V.8 Program Management

### V.8.1 Overview and Organization

Organization Overview. The Maine State Housing Authority (MaineHousing), created in 1969 by the state legislature, is Maine's housing finance agency. MaineHousing is a quasi-state agency with a Board of Commissioners appointed by the Governor and confirmed by the Legislature. MaineHousing administers the DOE Weatherization Assistance Program. MaineHousing's mission statement reads, "The mission of MaineHousing is to assist Maine people to obtain and maintain decent, safe, affordable housing and services suitable to their unique housing needs." In carrying out this mission, MaineHousing provides leadership, maximizes resources, and promotes partnerships to develop and implement sound housing policy.

Since its inception, MaineHousing has provided housing for low and very low-income renters and the opportunity for low and moderate-income Maine families to purchase their own homes. In the more recent past, MaineHousing has expanded its programs to meet new challenges posed by various housing needs: people who are homeless; people with special housing needs (such as mental health consumers); the elderly; low income homeowners who cannot afford basic home repairs; and others.

The State of Maine developed the nation's first Weatherization Program in 1973 in response to the energy crisis that gripped the northeast and caused economic hardship across the country. Maine WAP became the model used in developing funding for a program in every state in the nation. The program was originally administered by the Division of Community Services, an executive department agency. It was re-assigned to MaineHousing in 1991.

By its nature, MaineHousing rarely serves its customers directly. It places a heavy reliance on its partners to deliver its programs and services to the households that it serves. These partners include real estate professionals and lenders, non-profit organizations, other government agencies (in particular, Maine Department of Economic and Community Development, and Health and Human Services) municipalities, for-profit corporations, private developers, private property owners, management corporations, and Community Action Agencies. With offices located throughout Maine, nine (9) of Maine's Community Action Agencies serve as Subgrantees for the DOE Weatherization and Low Income Home Energy Assistance Programs (HEAP).

In addition to WAP, MaineHousing serves as Grantee for HEAP, Central Heating Improvement Program and other home repair programs. Weatherization serves as MaineHousing's cornerstone to providing thousands of Maine

homeowners and renters with funds to repair and improve their homes. CDBG and other state and federal sources of funds will be used in conjunction with WAP funds to address this home repair crisis. In addition, MaineHousing consistently designates 15 percent of its HEAP grant to weatherization and heating system repair programs.

Review of Subgrantee Work Plans, Budgets, and Reported Results - Grantee requires Subgrantees to provide an annual Work Plan and Budget for the 2023~~2~~ DOE program as part of the Subgrantee Agreement. Grantee will review the Work Plan and Budget and request any updates, if necessary, for the program year. No funds will be advanced to Subgrantees until the Work Plan and Budget is reviewed and approved by Grantee. Grantee's EHS staff will perform comparisons of Subgrantees monthly billings versus their approved budgets to identify financial or compliance variances. EHS staff will work with Subgrantees to correct/understand variances as they are identified during this process.

Allocation of Funding to Subgrantees - Grantee will allocate program funding to Subgrantees based on the percentage of HEAP applications approved. Grantee reserves the right to re-allocate funding among Subgrantees during the program year based on program performance and need statewide. ~~WAP is currently operating under a Continuing Resolution for Fiscal Year (FY) 2021 (WAP Memorandum 069). For planning purposes, until a final full year FY 2021 budget is passed and signed by the President, Grantees have been advised to develop their Grantee Plans using the same funding level as the DOE 2020 Appropriated Funds outlined in WPN 20-2. While WPN 20-2 allocations will suffice for FY 2021 planning purposes, DOE will adjust these allocations to Grantees based on final FY 2021 appropriations. Once a FY 2021 budget is passed and signed by the President, DOE will issue WPN 20-2, Program Year 2021 Grantee Allocations.~~

### **Competitive Process for Subgrantees**

Grantee intends to conduct a competitive process to attract new Subgrantees to provide DOE WAP services. The Grantee will ensure that each Subgrantee is selected on the basis of public comment received during a public hearing conducted pursuant to 440.14(a). Grantee will consider:

- a. The Subgrantee's experience and performance in weatherization or housing renovation activities;
- b. The Subgrantee's experience in assisting low-income persons in the area to be served; and
- c. The Subgrantee's capacity to undertake a timely and effective weatherization program.

Preference will be given to a Subgrantee who is currently administering, an effective program. Program effectiveness is evaluated by consideration of factors including, but not necessarily limited to the following:

- a. The extent to which the past or current program achieved or is achieving weatherization goals in a timely fashion;
- b. The quality of work performed by the Subgrantee;
- c. The number, qualifications, and experience of the staff members of the Subgrantee; and
- d. The ability of the Subgrantee to secure volunteers, training participants, public service employment workers, and other federal or state training programs.

Although preference will be given to Subgrantees currently administering an effective program, Grantee recognizes that with the abundance of job vacancies and labor shortages it may be necessary to enlist less experienced Subgrantees to provide weatherization services. Grantee intends to use the DOE Grant Funds to assist local advocate groups and coalitions in becoming non-profit organizations that could administer the DOE WAP. Through the competitive process, Grantee will solicit applications from these groups and award grants for start-up costs, training, establishment of non-profit status, salaries for key personnel and staff for up to eighteen months, budgeted indirect costs, as well as other approved expenses.

### **V.8.2 Administrative Expenditure Limits**

Allocation of the funds for the current Program Year show all Subgrantees at seven and a half percent administration. (See Annual File -- Part A) Once all Subgrantee budgets are reviewed and approved, the Grantee will file an amendment to this State Plan, reflecting actual budgeted administrative costs. Pursuant to 10 CFR 440.18(e) Grantee will not allow more than 7.5% of the DOE allocation to be available to Subgrantees for administrative purposes, unless Subgrantees meets the below criteria for an additional 5%. Subgrantees will be

required to provide budgets reflecting actual administrative costs, and allocations will be made in accordance with those budgets

Grantee ~~WAP~~ may allow up to an additional ~~five percent~~5% of administrative funding for Subgrantees that qualify based on the following criteria:

1. As required by federal regulations, the Subgrantees must receive less than \$350,000 for their total annual sub-granted amount.
2. Subgrantee budgets must reflect reasonably expected administrative costs for the new grant period, which are in excess of the five percent. These expected costs should be based on the best information currently available.
3. The Subgrantees must have no uncorrected audit or monitoring findings regarding the allocation of costs to the DOE sub-grant for the most current period available.

Any Subgrantee meeting criteria defined in 10 CFR 440.18(d) may receive increased administrative funding, not to exceed an additional ~~five percent-5% (20% percent total)~~, based on actual costs incurred. The Grantee will require the Subgrantees to submit a letter of application for additional administrative funding. This letter must address the impact on production and the need for the additional administrative funds as well as the three (3) criteria shown above.

### **V.8.3 Monitoring Activities**

Programmatic/Subgrantee Monitoring. The monitoring approach under the Grantee WAP is to work closely with Subgrantee personnel to ensure continued quality workmanship and to ensure adequate financial systems and procedures. Grantee WAP will administer Quality Control Inspections (QCI) in accordance with SWS outlined in the Field Guides and 10 CFR 440 using both the independent QCI and independent auditor/QCI. This will enable Subgrantees with fewer staff to utilize the process. In all cases QCIs will be Subgrantee employees or hired contractors and the Grantee will perform quality assurance reviews of at least 5 percent of completed units and 10 percent of all completed units of Subgrantees that allow the audit and inspection to be done by the same person.

Comprehensive coverage of all Subgrantee WAP activities is achieved by a combination of regularly scheduled Grantee efforts:

1. Administrative and
2. Fiscal monitoring – annually.
3. Onsite inspection of completed units – monthly.
4. Client file review (Compliance & Technical) – monthly.
5. Subgrantee monitoring – annually.
6. Review of Subgrantee work plans, budgets, and reported results – ongoing.
7. Review of independent Subgrantee annual audits – annually.

Grantee has developed its own monitoring tool that includes reviews of the Subgrantee Uniform Grant Guidance Audit prescribed by 2 CFR 200. Among other things, Grantee has determined that the DOE monitoring tool duplicates many financial and compliance audit requirements under 2 CFR 200 which all Subgrantees must have their independent auditors perform annually. Subgrantees are required to submit their annual independent audit (Single-Audit) report to Grantee as soon as the report is available.

Subgrantee Monitoring: On site monitoring will consist of administrative, programmatic and technical components. All nine of our Subgrantees will have at a minimum one on site monitoring on an annual basis.

1. Annual Subgrantee Administrative Monitoring Review
  - a. Priority & Wait List
  - b. Reweathering
  - c. Deferrals
  - d. Contractors & Procurement
  - e. Required Documents
  - f. Energy Audits

- g. Field Notes
  - h. Licensing & Certifications
  - i. HEAT Audits
  - j. Photo Documentation
  - k. Equipment Compliance
2. Each comprehensive monitoring visit will include an exit interview during which the WAP Program Officer apprises Subgrantee personnel of any findings and recommended improvements, as applicable. Within 30 days of the Subgrantee Monitoring visit, the WAP Program Officer will prepare and deliver a report to the Subgrantee summarizing any findings and requesting corrective actions. The WAP Program Officer will perform a follow-up review of any corrective action plans within six months of the monitoring visit.
  3. If significant issues are identified, Grantee requires the Subgrantee to submit a corrective action plan for Grantee's review/approval. Grantee will conduct a six (6) month follow-up review to ensure the plan was executed and effective in addressing the issues.
  4. If Grantee is not able to conduct onsite administrative and/or programmatic monitoring remote desk monitoring will be performed. The same monitoring tools and criteria will be used as much as possible utilizing online software for individual meetings/interviews and information submissions to MaineHousing via Sharefile to obtain the same outcome as a physical onsite.

Financial Monitoring. Grantee staff will perform comprehensive fiscal monitoring of each Subgrantee on an annual basis using the Compliance Review Administrative Monitoring Tool. During the annual fiscal audit, Grantee conducts a 10 percent file review of Subgrantee's production. If a significant issue is cited, Grantee will expand the sample size.

The EHS Fiscal Compliance Specialist addresses the following areas of performance under DOE Weatherization:

1. Annual Financial Monitoring review
  - a. Financial/Fiscal Accountability
  - b. Uniform Grant Guidance Audit prescribed by 2 CFR 200
  - c. General ledger
  - d. Payroll/Personnel/Timecards
  - e. Vehicles and equipment purchases
  - f. Indirect rate review to make sure it is being calculated correctly
  - g. Invoicing
  - h. Record retention
  - i. Corrective action plans
  - j. Contractor payments
2. Each comprehensive monitoring visit includes an exit interview during which the EHS Fiscal Compliance Specialist apprises Subgrantee personnel of pertinent findings and recommended improvements, as applicable. Within 30 days of the administrative/fiscal monitoring visit, the EHS Fiscal Compliance Specialist will prepare and deliver a report to the Subgrantee summarizing these findings and requesting corrective actions. Additionally, the Fiscal Compliance Specialist will perform a six (6) month follow-up review of corrective action plans, if applicable.
3. If significant issues are identified, Grantee requires the Subgrantee to submit a corrective action plan for Grantee's review/approval. Grantee will conduct a six (6) month follow-up review to ensure the plan was executed and effective in addressing the issues.
4. If Grantee is not able to perform fiscal monitoring onsite for numerous reasons all needed data for review will be sent to Grantee and a comprehensive desk review will be completed.

**Grantee Monitoring Personnel:**

TITLE/GROUP CATEGORY	HRS /YR	TIME %	ADMIN %	T&TA %	DESCRIPTION OF DUTIES
Fiscal Compliance Specialist	624	30.00%	25.00%	5.00%	Performs fiscal reviews of Subgrantees to ensure fiscal compliance to federal rules and regulations; provides Programmatic Guidance to Sub-Grantees.
Technical Services Specialists #1	1,456	70.00%	50.00%	20.00%	Primary responsibility for field inspections and monitoring of completed weatherized units to ensure quality and compliance with program regulations. Assists in technical training, such as conducting energy audits, contractor relations, including contractor bids
Technical Services Specialists #2	1,456	70.00%	50.00%	20.00%	Primary responsibility for field inspections and monitoring of completed weatherized units to ensure quality and compliance with program regulations. Assists in technical training, such as conducting energy audits, contractor relations, including contractor bids
WAP Program Officers #1	874	42.00%	32.00%	10.00%	Performs compliance desk review of <del>completed</del> -submitted jobs and onsite Grantee Programmatic compliance monitoring. Provide Subgrantee training to address administrative requirements, compliance issues, Heat Enterprise, and other areas as needed and/or requested by Subgrantee. Provides Programmatic Guidance to WAP Subgrantee
WAP Program Officers #2	1,206	58.00%	33.00%	25.00%	Performs compliance desk review of <del>completed</del> -submitted jobs and onsite Grantee Programmatic compliance monitoring. Provide Subgrantee training to address administrative requirements, compliance issues, Heat Enterprise, and other areas as needed and/or requested by Subgrantee. Provides Programmatic Guidance to WAP Subgrantee
<u>WAP Program Officers #3</u>	<u>1,206</u>	<u>58.00%</u>	<u>33.00%</u>	<u>25.00%</u>	<u>Performs compliance desk review of submitted jobs and onsite Grantee Programmatic compliance monitoring. Provide Subgrantee training to address administrative requirements, compliance issues, Heat Enterprise, and other areas as needed and/or requested by Subgrantee. Provides Programmatic Guidance to WAP Subgrantee</u>

**Independent QCI Monitoring:** QCI monitoring has three components: Desk Review, Unit Inspections, and On-site Subgrantee Monitoring Visits.

1. Grantee State Monitors conduct a minimum of 10 percent and up to 100 percent desk/file review of the completed units submitted by each Subgrantee. The percentage of desk review depends on Subgrantees' performance, which is captured on Grantee's internal tracking sheet. This practice allows the Grantee to monitor best practices, identify concerns, and select/prioritize units for onsite inspections for each

Subgrantee. *State Monitor Desk Review Checklists* provide Subgrantee with the desk review results for jobs reviewed, including job deficiencies. Deficiencies are tracked by number and level of concern of reviewed jobs on Grantee's internal tracking sheet. *State Monitor Review Checklists* are made available to the Subgrantee in HEAT Enterprise. Any deficiencies identified on the checklists must be addressed in the job file before payment can be issued.

2. EHS Technical Service Specialists will perform onsite unit inspections of completed and in-progress units statewide on a monthly basis. They will inspect a minimum of five percent of completed units and 10 percent of all completed units of Subgrantees that allow the audit and inspection to be done by the same person.
3. If significant issues are identified, the Technical Services Specialists will expand the percentage of inspected units. Technical Guides and Materials (V.5.1) establishes the criteria for inspection procedures.
4. Capture and reporting of inspection data will be accomplished using the *Maine WAP QCI Field Form*, which provides a comprehensive checklist that includes:
  - a. Assessment of auditors' pre-existing R-values and accurate building model
  - b. Evaluation of auditors' approach for each distinct area of the structure, attic, walls, basement, site specifics, etc.
  - c. Verification and evaluation of each installed measure
  - d. Combustion appliance inspection and combustion safety testing data
  - e. Blower door, pressure pan and other applicable building diagnostics data
  - f. Exhaust device cfm measurement and confirmation of correct ASHRAE ventilation requirement
  - g. Confirmation of on-site documentation required by SWS such as Insulation Certificates
  - h. Client comments, concerns and positive remarks
5. Within 30 days of the site inspection, the Grantee monitor submits a Unit Inspection Report to the Subgrantee. These reports include findings and any required corrective actions, communications with the client/owner and contractor, observations and an assessment of the auditor's performance. If a rework is ordered, the Subgrantee will have 30 days to complete the rework and notify EHS, in writing, of its completion. The Subgrantee may also contact the Director of EHS in writing during this 30-day period to appeal a rework finding. The unit will be revisited by the Director of EHS, a representative of the Maine Community Action Agency Housing Council, the Grantee monitor, and a Subgrantee representative to resolve the dispute through actual onsite observations and discussion of discrepancies.
  - a. If the rework ordered is not rescinded following this appeal process, the Subgrantee will have 30 days from the date of the appeal resolution to complete the rework.
  - b. If reworks are not completed within 30 days, and the Subgrantee has not demonstrated reasonable cause for delay, a billing adjustment will be made for the entire dwelling unit. The unit will not be reinstated until the rework has been completed.
  - c. If there are significant deficiencies identified, the Grantee monitor will increase the number of units reviewed and frequency of monitoring visits to the Subgrantee until there are assurances that all deficiencies have been resolved.
6. Subgrantees are required to submit corrective action plans when there are indications that the Subgrantee has significant compliance issues.
7. EHS Technical Service Specialists conduct multi-day focused technical monitoring at each Subgrantee office on an annual basis. This includes face-to-face meetings and interviews with Subgrantee weatherization managers, field staff and contractors to evaluate processes and training needs. A written summary of the site visit is provided to the Subgrantee within 30 days. The Subgrantee must respond to any requests, concerns or findings within 30 days.

**Independent Subgrantee Audit:** Each Subgrantee will have an audit of their financial statements and a Uniform Grant Guidance Audit prescribed by 2 CFR 200 compliance audit conducted by an independent CPA firm following the close of the Subgrantee fiscal year. These audits will comply with all regulations pertaining to DOE WAP and will be made available to Grantee management. Grantee's Fiscal Compliance Specialist evaluates/reviews the results of these audits on an annual basis.

Subgrantee must provide written assurance that corrective action has been taken or present a plan to correct any noted deficiencies within 60 days. During and following this 60-day corrective action period, Grantee staff will offer and be available for training and technical assistance as needed by the Subgrantee.

#### **V.8.4 Training and Technical Assistance Approach and Activities**

Grantee will continue to support Subgrantees by providing training opportunities for crews and contractors, as well as providing guidance regarding the allowable use of DOE Training and Technical Assistance (T&TA) funds for training weatherization contractors, as well as Subgrantee technicians and weatherization crews. Subgrantees are encouraged to renew their certified employees certifications and licenses six months prior to expiration. These certifications include, but are not limited to, HEP Energy Auditor, HEP Quality Control Inspector, BPI Building Analyst, as well as all other occupational specialties requiring certification. All Subgrantees and contractors are required to have all state and local licenses as required by the state of Maine.

Grantee uses monitoring methods and tools to evaluate each Subgrantee's performance and develops T&TA activities to address areas in need of improvement. Grantee ~~is working with~~ has access to the back end of the approved energy audit software and is working on creating reports the approved energy audit software provider to obtain back end access of the software. This will allow Grantee to develop expanded reporting methods to track and compare production and energy savings between Subgrantees. This reporting ability will aid in identifying training needs by comparing Subgrantees' performance. This will be initiated over the coming year, to be implemented when development is completed during this grant period.

Grantee's WAP T&TA plan provides a variety of activities to support developing and enhancing skills of personnel at the Grantee, Subgrantee and contractor levels. The desired result of all T&TA activities is to maximize energy savings, ensure health and safety of clients and WAP personnel, minimize operating costs, improve management and administrative procedures, and prevent waste, fraud and abuse. New WAP staff who do not possess all required training and certifications will receive necessary training as soon as possible and no later than 6 months from their date of hire. WAP staffs work under supervision as needed until they have received required training and certifications.

The T&TA plan incorporates results and information made available through EHS field monitoring visits and input from Subgrantees, weatherization contractors, and WPNs. All Comprehensive Training will be conducted by Interstate Renewable Energy Council (IREC) accredited training organizations. Specific trainings will be administered by qualified personnel as needed. Energy audit software training and field data collection have been added to resolve findings brought forth during 2021 DOE Technical Monitoring Assessment.

Grantee/Subgrantee Training. Grantee supports the professional development and training needs of Grantee and Subgrantee weatherization staff and contractors. Subgrantees are provided T&TA funds that allow them flexibility in meeting training needs for their WAP staffs and contractors.

1. *BPI (HEP) Comprehensive Training.* Grantee will coordinate and fund mandatory accredited certifications for Grantee and Subgrantee staff as required by Weatherization Program Notices. Comprehensive training will be scheduled as current certifications are expiring or new staff/contractors are employed. Certification renewal is currently on a rolling three-year timeframe.
  - a. During the 2022~~3~~ DOE plan year, Grantee anticipates coordinating and funding accredited trainings and testing for Grantee, Subgrantee technicians, Contractors, and Subgrantee Crew workers as detailed on Grantee's 202~~3~~ DOE T&TA Planning and Reporting Template.
  - b. Grantee will coordinate and fund Crew Leader (CL) and Retrofit Installer (RIT) Comprehensive Training and certification for Subgrantee crew workers and weatherization contractors as needed. Grantee makes training opportunities available annually. These Comprehensive Trainings will be provided to Grantee's weatherization network to ensure continuity and best practices across the work force for weatherization contractors and Subgrantee crews performing weatherization work. IREC accredited training will align with the NREL Job Task Analysis (JTAs) for the scope of work performed by the WAP professional.
2. *Grantee, Subgrantee and Contractor Training.* Grantee will coordinate and fund training. ~~to address the top training topics/needs identified by Subgrantees including: HEAT Enterprise software, monitoring and technical best practices, in Ceollaboration with the State's Community College System and other training organizations to expand~~ <sup>(DT10)</sup> the pool of eligible qualified weatherization contractors may also be pursued. WPN guidance, and training needs identified through Grantee monitoring activities. Training topics areas will be addressed through Comprehensive and/or Specific training avenues as needed.

3. *National and Regional Conferences.* Grantee will send Grantee staff, and encourage Subgrantee technical and fiscal personnel and weatherization contractors to attend NASCSP and DOE approved training conferences, as well as other conferences relating to health and safety, air quality, energy audits and weatherization specific measures.
4. *In-House Training.* Grantee staff will provide training on-site as needed in technical and fiscal matters and to address acute deficiencies in the field such as combustion safety training, audit training, ASHRAE, etc..
5. *Online Training Modules.* Grantee continues to develop online training modules geared toward new staff orientations for Subgrantees and/or weatherization contractors, as well as modules focusing on technical, fiscal and overall program management to provide support for weatherization installation and standards on an as needed basis. These trainings are offered to the WAP network via MaineHousing's Bridge Learning Software. Training will be added to address building code compliance. This training is sponsored by the Maine Fuel Board and Maine Manufactured Housing Board at no cost and is virtual. This training is listed on the Maine T&TA Template.

All Subgrantees are required to submit a T&TA work plan with their budget for Grantee approval. These work plans will identify and address T&TA needs at Subgrantee agencies. A standard outline is provided to all Subgrantees setting forth the areas required in their work plans.

The Grantee will review the Work Plans and Budgets to determine whether the Subgrantees are complying with the outline as well as the standards stated above. The Grantee will also coordinate and provide all Subgrantees with current developments in technical procedures and DOE guidance on technical issues. Through these procedures, the Grantee will ensure consistency in the Subgrantees' procedures as well as identifying needs of individual Subgrantees. The Grantee will expend every effort, through monitoring and management activities, to ensure that Grantee continues to operate a quality WAP.

In addition, Subgrantees submit semi-annual activity reports to Grantee identifying agency staff and/or contractor employees benefiting from the use of DOE T&TA funds for training.

The Housing Director of each Subgrantee will notify the Grantee and the Housing Council of any and all planned training sessions so that common needs are coordinated and duplication is avoided.

The Grantee will continue to conduct surveys of all Subgrantees and solicit input from Grantee staff to identify training needs. This information is utilized to determine which topics the Grantee and Subgrantees will schedule for trainings during this and future grant periods. The results of the survey will be shared with the Housing Council to assist with their employee and subcontractor trainings and meetings.

Grantee also relies heavily on information gathered during the monitoring process to determine and prioritize training needs. There will continue to be training such as, but not limited to, EPA ~~Certified Lead Renovator~~RRP training which requires EPA certified trainers and other specialized training as ~~it~~they becomes available (i.e. Maine Indoor Air Quality, Building Performance Association, etc.). Grantee is notified of these external training opportunities and informs Subgrantees/contractors of them.

Grantee tracks applicable Grantee and Subgrantee credentials to ensure maintenance of these credentials.

The effectiveness of T&TA activities is gauged by:

1. review of session evaluation forms;
2. feedback from Building Technical Committee and contractor meetings;
3. comparison of pre & post training on-site results; and
4. analysis of responses to annual Subgrantee training needs surveys.

Contractor Training. Grantee requires that contractors receiving DOE T&TA funds for DOE approved training events sign a retention agreement confirming that the contractor will provide weatherization services for a period of not less than the current weatherization contract period the Contractor has with the Grantee and/or Subgrantee. The use of T&TA funds to reimburse contractors is limited to T&TA that supports the four Home Energy Professionals occupations (Retrofit Installer Technician, Crew Leader, Energy Auditor, Quality Control Inspector).

Client Education. Per the Maine Weatherization Standards, energy auditors and inspectors are required to provide the client/owner education during all phases of the weatherization process. This includes, but is not limited to:

1. how the weatherization process will address health and safety issues;

2. explanation of energy-conserving measures that will be installed;
3. recommendations on how the client can conserve energy; and
4. explanation of required maintenance for existing equipment, including equipment calibration requirements, added equipment, or energy-saving measures.

#### **V.9 Energy Crisis and Disaster Plan**

In the event that an energy crisis or disaster plan is ~~triggered~~initiated by state or federal declarations, Grantee will ensure that use of WAP funds adhere to the procedures outlined in WPN 12-7.

## **Asset Management Department Memorandum**

**To:** MaineHousing Board of Commissioners  
**From:** Robert Conroy – Director, Asset Management  
**Date:** October 11, 2022  
**Subject:** October Board Report - Asset Management

### **HUD Annual Compliance Review (ACR)**

HUD recently contacted MaineHousing to inform us that they plan to begin the Performance-Cased Contract Administration (PBCA) compliance review process performed annually by HUD. They will be conducting the ACR Entrance Conference on Thursday, October 13, 2022 at 2:30 pm. The Entrance Conference date formally announces the beginning of the ACR and establishes primary points of contact for the review.

HUD will inform us of the property documents that they intend to review including Management and Occupancy reports, subsidy processing, rent amendments and Contract renewals along with the list of properties they plan to review:

The process typically covers 6-8 weeks.

### **Maine Real Estate Managers Association (MREMA) Annual Conference**

MREMA, one of our key industry partners, will be holding their annual 2 day conference on October 24 & 25 at Sunday River in Newry.

The conference is focused on training events addressing all aspects of professional real estate management activities.

MaineHousing is a conference sponsor but will also provide several training sessions at the conference including an overview of the Management and Occupancy review protocol and discussions about the Housing Trust Fund and the new State Low Income Housing Tax Credit.

### **PBCA Draft Rebid Update**

We have submitted our comments to HUD on the Draft PBCA Rebid proposal and are continuing to have discussions with the other New England states about a regional collaboration and what that would involve.

We have upcoming interviews with several software companies to determine what technology solutions are out there for a business model like the one we envision.



## Communications & Planning Department Memorandum

**To:** Board of Commissioners

**From:** Erik C. Jorgensen, Senior Director of Government Relations and Communication

**Date:** October 10, 2022

**Subject:** October 2022 Board Report

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The Communications and Planning Department is pleased to report on selected activities during Late September and early October of 2022.

### **Government Affairs:**

The Legislature's *Legislative Commission to Increase Housing Opportunities in Maine by Studying land Use Regulations and Short-Term Rentals* has been meeting under a compressed schedule with a November reporting deadline. MaineHousing has a seat on the commission for its Director or Director's Designee. Erik Jorgensen is that designee. With three meetings complete, the commission still needs to coalesce around policy goals, which are elusive, as the state of short-term rentals around Maine is highly variable by locality.

The extent that these properties are actually eliminating long term housing is not clear – in certain cities and resort towns there has always been a robust short term rental market that predates Air B&B and current rental platforms. In addition, a large number of these properties are “hosted” rentals, in which a resident rents out a portion of their home for part of the year and uses the income to maintain affordability for their own home, so these properties would not otherwise be rented out as long term housing. Conversely in some areas, the local density of short term rentals has had a clear negative effect on the number of units available for long-term rent. Given the variety of situations from town to town, it is not clear what regulations would be appropriate to enact on a state level.

One topic that continues to have currency with this commission is that of facilitating the development of accessory dwelling units around Maine. While it's hard to predict where this commission will land, my best guess is that they will do something in that arena.

We have recently subscribed to “Air DNA” which is a service that provides data on all of the short term rental units being advertised in Maine. Clyde Barr and our new data analyst, Josh Pinkerton have been working to make sense of this very dense and nuanced data set.

## **Legislative Inquiries**

In the run-up to the legislative elections in November, candidates are knocking on doors and hearing about a wide range of issues. This season often generates a large number of legislative constituent service requests and questions, which CPD is fielding with the assistance of Karen Lawlor in the Directors Office. We have seen a flurry of interest from households concerned over heating assistance, and home repair.

## **Discussion of Policy Priorities**

We have been meeting with the Maine Affordable Housing Coalition to discuss that organization's policy goals and to see where those goals are congruent with ours. There is shared interest in advocating for more funding for different types of subsidy; interest in the area of ADU financing; and there is also some momentum to promote zoning changes to increase density and continue to push forward on the goals of LD 2003, the main bill that came out of the Legislature's zoning commission from last year. We expect that there will be bills introduced to push back on those zoning changes, so we will need to watch this issue closely.

## **Media Communications**

In the month of September CPD responded to 27 media requests from a range of outlets including all of Maine's daily newspapers, Maine Public and all of the major television broadcasters including WGME, WCSH, WMTW and WAGM among others. Interest in the pause on new applications for the Emergency Rental Assistance Program drove high media interest following the announcement, with 14 requests for interviews or information in the 48-hour period following the announcement.

Heating costs, especially the high price of heating oil was also a primary driver of media requests in September, while the launch of the Maine Water Assistance Program in mid-September also contributed to news featuring MaineHousing.

We have fielded nearly 160 media inquiries since March. Communications Director Scott Thistle has really done an amazing job managing these press inquiries, which tend to come in bunches.

## **Website**

Early in October, webmaster Amanda Ouellette completed the transition between web servers that was discussed in our last report. This was a very significant project, and it was completed with very few of the problems that often accompany a large scale migration like this. We now have a site that, while appearing the same to a user, has lots of features that enhance security, improve the process of updating and in general, works better than before.

This was the “highest hit September” since we have kept records, meaning that monthly web traffic was extraordinarily high based on historical web traffic for earlier Septembers. It is also clear from looking at the stats that momentum of web inquiries has moved from ERA over to HEAP. The following table shows the comparison of search keywords used on our site in August and September. August was focused on rental assistance and buying a home; September skewed toward heating and weatherizing a home.

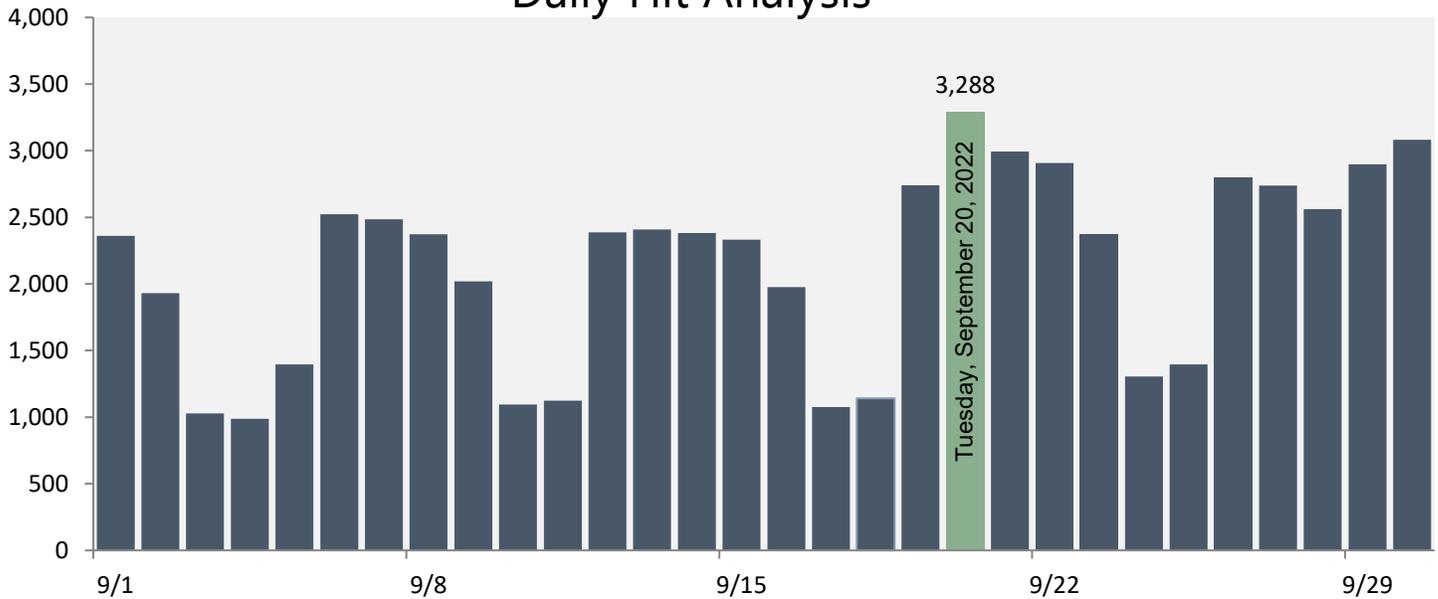
Top keywords and search terms used by visitors to the MaineHousing website by month:

<b>AUGUST</b>		<b>SEPTEMBER</b>	
emergency rental assistance	258	heap program	203
rent assistance	196	heating assistance maine	683
help paying rent	160	emergency rental assistance	496
first time home buyer maine	410	first time home buyer maine	476
weatherization assistance	166	heap assistance	228
First time home buyer	96	help with heating bills	206
home energy efficiency program	96	heating oil assistance	182
mobile homes	95	maine homes for sale	171
energy saving program	87	rent assistance	156
need help paying rent	86	heating assistance	155
emergency rental assistance program	73	First time home buyer	135
buy home	59	home improvement grants for homeowners	117
state rental assistance program	58	grants to help seniors with home repairs	111
weatherization assistance program	47	government grants for homes	106
rent relief program	45	utility assistance programs	96
federal weatherization program	44	weatherization assistance	90
weatherization program	43	mobile homes	84
first time home buyer class maine	42	home energy efficiency program	70
first time home buyers class maine	41	heap application	68
low income weatherization	36	help paying rent	65
maine homes for sale	35	apply for liheap online	64
houses for sale near me	34	energy saving program	64
home for sale around me	32	grants for repairs to homes	63
down payment assistance	31	home efficiency rebates	61
home repair grants for low income	31	emergency fuel assistance	59

# September 2022 - MaineHousing Website Statistics

## Hit Summary

### Daily Hit Analysis

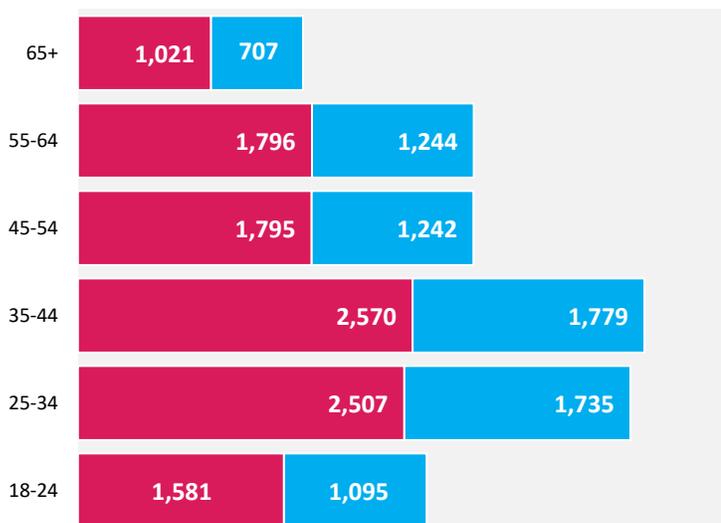


Hits	Unique Hits	Page Loads	Avg Page Views	Avg Duration	Avg Bounce
61,742	50,411	240,733	3.87	0:01:51	3.0%

## 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, browser history, and other factors. Users must have previously allow this information to be collected through browser or app settings.

### AGE & GENDER



59%



41%

### TOP CITIES

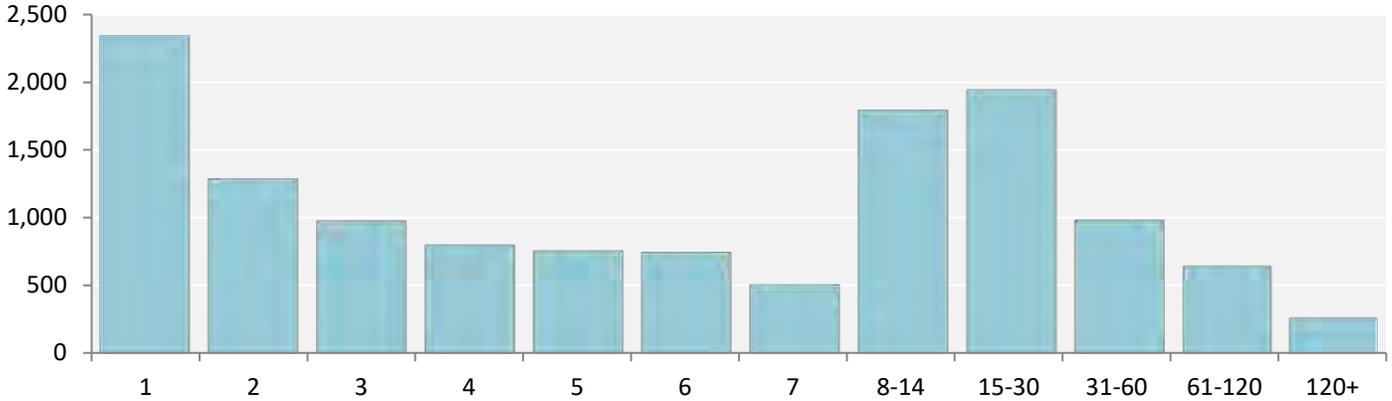
Boston, MA	4,485
Portland, ME	3,126
Bangor, ME	2,116
Lewiston, ME	1,956
New York, NY	1,873
Augusta, ME	1,655
Waterville, ME	937
Scarborough, ME	680
South Portland, ME	644
Auburn, ME	603

Top Cities account for 29.28% of all website traffic.

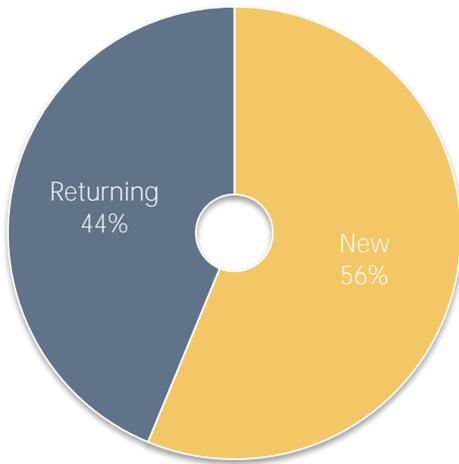
# Visitor Engagement

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.

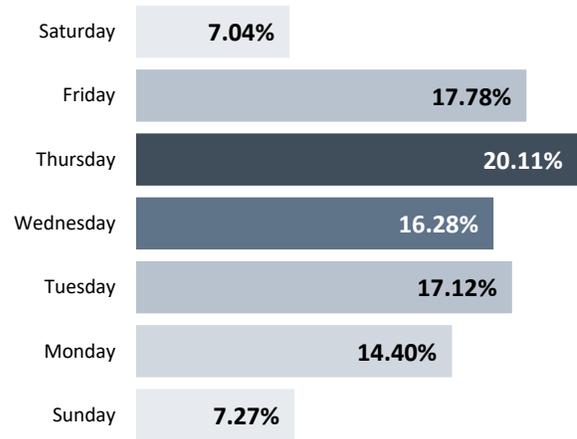
## DAYS SINCE LAST SESSION



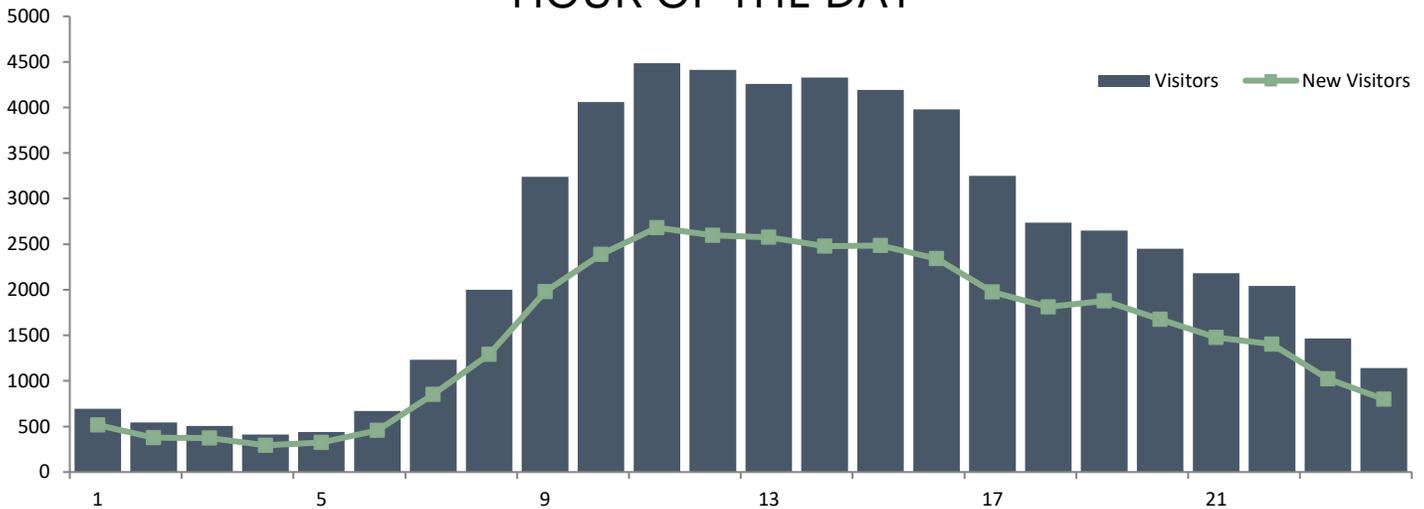
## NEW & RETURNING VISITORS



## DAYS OF THE WEEK



## HOUR OF THE DAY

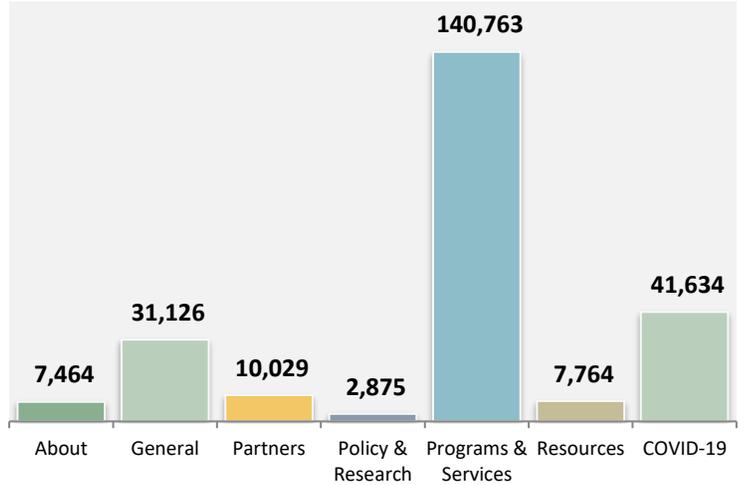


## Popular Content

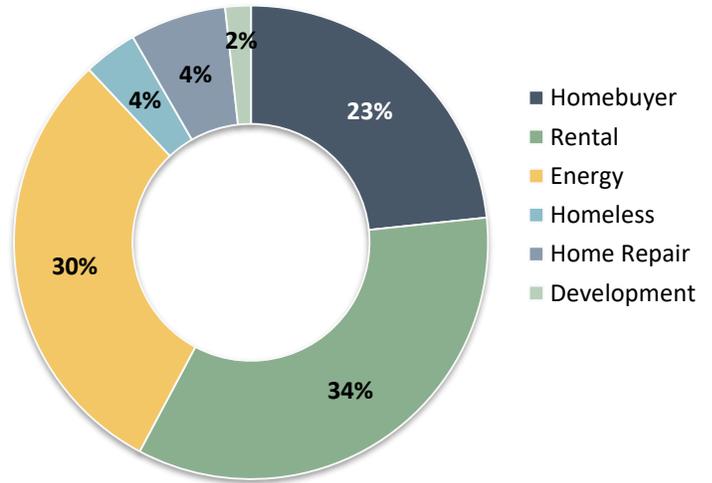
Popular content on our site is defined by pages and or sections of our site that have the highest visits. Below content has been categorized by page, program area and content sections. COVID-19 was added in March of 2020.

Page Title	Hits
Emergency Rental Assistance Program	34,646
MaineHousing Website	25,898
HEAP - Do you need help heating your home	12,333
HEAP Income Eligibility	11,132
First Home Loan Program Details	10,552
Home Energy Assistance Program	10,465
First Home Loan Landing Page	10,303
HEAP Agency Contacts	8,631
Rental Assistance	7,132
Subsidized Housing	5,694
ERA Program Calculator	5,546
Housing Choice Vouchers	5,502
MaineHousing Lenders	4,808
Maine Water Assistance Program	4,426
Homebuyer Income & Purchase Limits	4,140
Home Repair	3,987
Contact MaineHousing	3,759
Weatherization Program	3,365
Emergency Shelters	2,718
Homeless Initiatives	2,587
Current Interest Rates	2,525
Error - Page Cannot Be Found	2,430
First Home Loan	2,418
Heat Pump Program	2,284
Rent - Income Charts	2,005

### Popular Content By Program

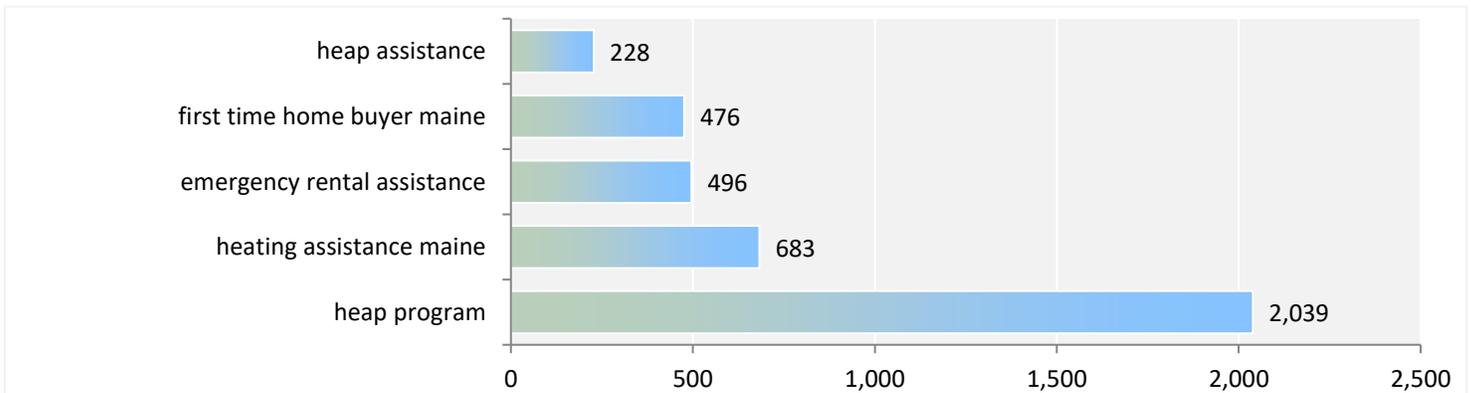


### Popular Content By Section



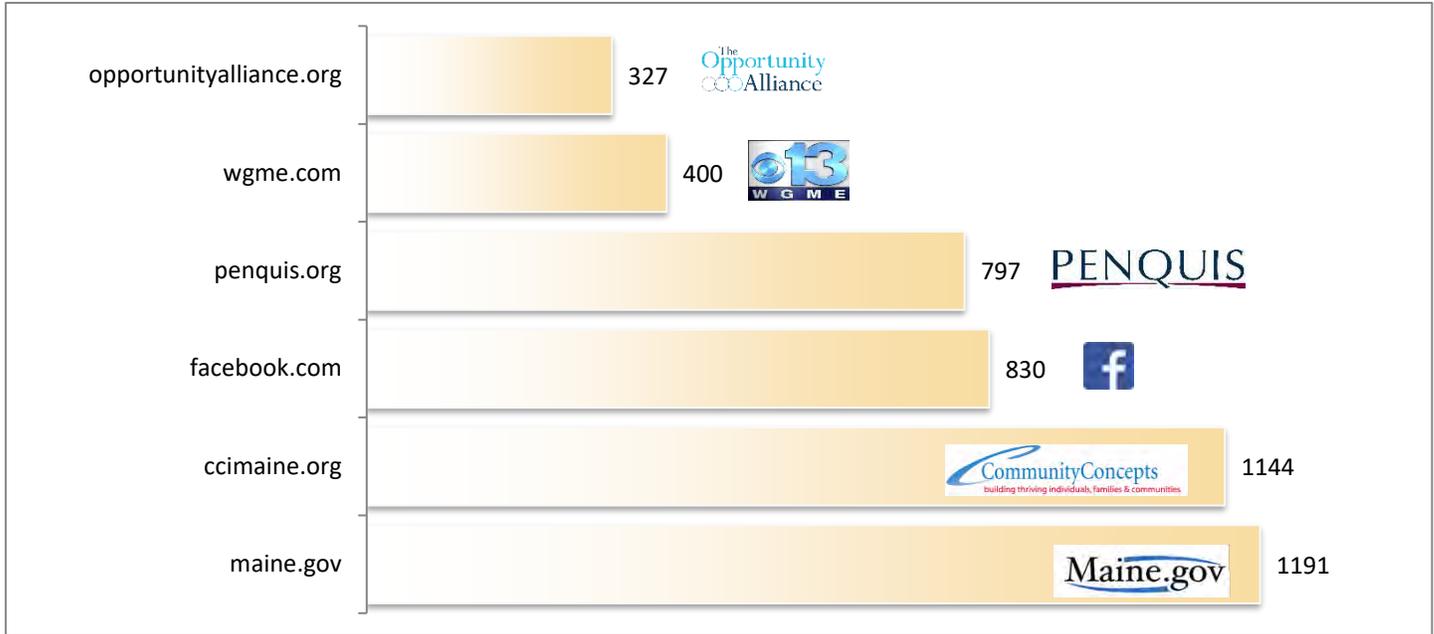
## Search Keywords

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.

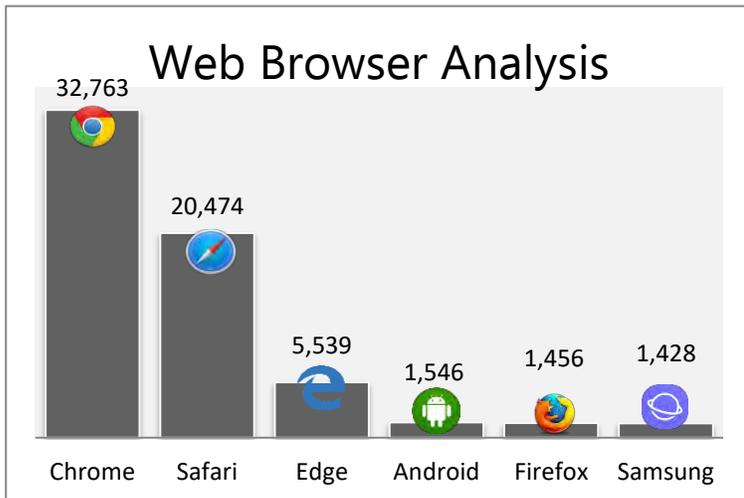


## Referring Websites

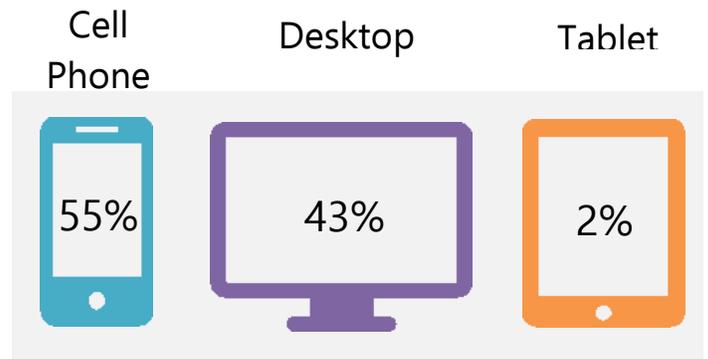
Referring websites are sites that link to our own website. When a visitor clicks on that link and visits our website, the site they came from becomes a referring site. Below are highlighted a few of the top referring sites.



## Visitor Technology Summary



### DEVICE ANALYSIS



Development Department Memorandum

**To:** MaineHousing Board of Commissioners  
**From:** Mark C. Wiesendanger, Director of Development  
**Date:** October 18, 2022  
**Subject:** Monthly Report

**2023 9% Low Income Housing Tax Credit Program (LIHTC) Full Applications**

We received 7 Pre-Applications for the 2023 9% LIHTC program. Four applicants were encouraged to submit Full Applications. Scoring is underway. Full Applications received by the September 22, 2022 deadline are listed below.

Project Name	Location	Developer	# of units	Tenants	Tax Credits Requested	Construction Type
Landry Woods	South Portland	South Portland Housing	43	Older Adults	\$ 860,000	New Constr
Peasley Park	Rockland	Developers Collaborative	54	Older Adults	\$ 1,080,000	New Constr
Rumford Senior Living	Rumford	Developers Collaborative	33	Older Adults	\$ 660,000	New Constr
Sturgeon Landing	Augusta	Augusta Housing	32	Family	\$ 640,000	New Constr

**Project Labor Agreement (PLA) Funding**

MaineHousing received \$20MM in American Rescue Plan Act (ARPA) funds from the Maine Jobs and Recovery Program that must be used for affordable housing built with Project Labor Agreements (PLAs). This funding will be used as subsidy in the final 4% Walk-In Program of 2022. We received six Pre-applications requesting a total of nearly \$45M before closing the program to additional applicants.

Project Name	Developer	Location	# of units	Tenants	Subsidy Requested	Construction Type
3iHoME at The Downs	POAH	Scarborough	51	Disabled	\$ 6,018,000	New Constr
89 Elm Apartments	Tom Watson & Co.	Portland	201	Family	\$ 20,000,000	New Constr
Essex View	Penquis CAP	Bangor	40	Family	\$ 5,680,000	New Constr
Ledgewood 2	Developers Collaborative	Damariscotta	32	Older Adults	\$ 4,544,000	New Constr
Mousam River Commons	Sanford Housing	Sanford	44	Older Adults	\$ 5,192,000	New Constr
White Rock Terrace	The Szanton Company	Cumberland	55	Older Adults	\$ 3,245,000	New Constr
<i>Total Request</i>					<i>\$ 44,679,000</i>	



**To:** MaineHousing Board of Commissioners  
**From:** Genevieve Soucy, Interim Director  
**Date:** October 11, 2022  
**Subject:** EHS Monthly Report – October 2022

**HOME ENERGY ASSISTANCE PROGRAM (HEAP)**

**PRODUCTION STATISTICS FOR PROGRAM YEAR 2023 (BEGUN JULY 18, 2022)**

Number of Applications	PY 2023 (Week 12) THRU 10/7/2022	PY 2022 (Week 12) THRU 11/12/2021	+/-	% change
Total Applications Taken	22,283	19,023	+3,260	+17.1%
Confirmed Eligible/Paid	7,933	8,804	-871	-9.9%
Pending (in process)	13,177	9,097	+4,080	+44.8
Other (ineligible, denied, void, etc.)	1,173	1,122	+51	+4.5%

**PY2023 HEAP Payments-** MaineHousing is working to make the initial fuel assistance payments as soon as possible in October, which will be earlier than in previous years, with the notable exception of last year, when MaineHousing had the ability to use one-time ARPA funds to begin making HEAP payments on October 12.

**HEAP PY2023 Benefit Levels:**

MaineHousing expects to receive our funding notification of the Home Energy Assistance Program (HEAP) by the first week of November. The appropriations bill funds HEAP nationally at approximately \$4 billion; Maine’s anticipated award will be just slightly increased over the funding for the 2022 program. With the additional \$1 billion that was included in the Continuing Resolution, MaineHousing anticipates receiving approximately \$8 million in additional HEAP funding. This will allow Maine to budget a total of just over \$35 million in Fuel Assistance Benefits. MaineHousing is planning for a 10% increase in households that will receive a regular HEAP benefit in PY2023.

The table below shows the dollars-per-point values and the highest and lowest possible benefit for PY2023. The PY2023 dollars-per-point values will be \$55 for consumption-based benefits and \$44 for Design Heat Load Calculation (DHLC) based benefits.

Program Year 2023
<b>Consumption based benefit \$55 per point</b>
Minimum Benefit = \$220
Maximum Benefit = \$2,530
Average Benefit = \$925

<b>Design Heat Load Calculation (DHLC) based benefit \$44 per point</b>
Minimum Benefit = \$176
Maximum Benefit = \$2,024
Average Benefit = \$925

**Home Accessibility and Repair Program (HARP):**

The Home Accessibility and Repair Program (HARP) provides grants to income eligible homeowners for professional home repairs and accessibility modifications. The HARP is funded with State Home funds and the program period of performance is January 1 through December 31. The HARP program is comprised of five components: Home Repair, Elderly Home Repair, Accessibility, Emergency Home Repair, and Emergency Manufactured Home Repair. The HARP is delivered statewide through the network of Community Action Agencies (CAAs). MaineHousing does require the CAAs to provide services from each of the five categories.

HARP Project Status by CAA:

<b>HARP PROJECT PROGRESS BY CAA</b>					
<b>Reporting Date: January 1, 2022 - October 11, 2022</b>					
<b>Agency</b>	<b>Projects</b>	<b>Project Cost</b>	<b>ORIGINAL ALLOCATION</b>	<b>Additional \$ Request</b>	<b>TOTAL NEW ALLOCATION</b>
ACAP	41	\$ 390,814.97	\$ 618,720.00	\$ -	\$ 618,720.00
CCI-ANDROSCOGGIN	30	\$ 531,746.15	\$ 620,880.00	\$ 36,000.00	\$ 656,880.00
CCI-CUMBERLAND	19	\$ 264,858.00	\$ 388,800.00	\$ 60,000.00	\$ 448,800.00
DCP	8	\$ 144,386.40	\$ 194,160.00	\$ 24,235.20	\$ 218,395.20
KVCAP	22	\$ 429,348.47	\$ 485,280.00	\$ 72,000.00	\$ 557,280.00
PCAP	47	\$ 569,704.42	\$ 623,280.00	\$ 120,000.00	\$ 743,280.00
WCAP	1	\$ 958.13	\$ 240,000.00	\$ -	\$ 240,000.00
WMCA	10	\$ 179,111.52	\$ 240,000.00	\$ -	\$ 240,000.00
YCCAC	14	\$ 246,168.00	\$ 257,400.00	\$ -	\$ 257,400.00
<b>TOTAL</b>	<b>192</b>	<b>\$ 2,757,096.06</b>	<b>\$ 3,668,520.00</b>	<b>\$ 312,235.20</b>	<b>\$ 3,980,755.20</b>

HARP Project Type by CAA:

<b>HARP PROJECT TYPE BY CAA</b>										
<b>Reporting Date: January 1, 2022 - October 11, 2022</b>										
	<b>ACAP</b>	<b>CCI-ANDRO</b>	<b>CCI-CUMB</b>	<b>DCP</b>	<b>KVCAP</b>	<b>PCAP</b>	<b>WCAP</b>	<b>WMCA</b>	<b>YCCAC</b>	<b>TOTAL</b>
<b>PENDING REVIEW</b>										<b>0</b>
Home Repair	2	7	7	1	3	10	0		0	30
Elderly Home Repair	2	3	1	1	3	11	0	1	3	25
Accessibility	2	5	3	1	3	1	0	3	1	19
Emergency	26	9	4	3	9	14	1	6	6	78
Mobile Home Emergency	9	6	4	2	4	11	0		4	40
<b>TOTAL</b>	<b>41</b>	<b>30</b>	<b>19</b>	<b>8</b>	<b>22</b>	<b>47</b>	<b>1</b>	<b>10</b>	<b>14</b>	<b>192</b>

### **DOE Weatherization Assistance Program:**

MaineHousing's Weatherization Program provides grants to low-income homeowners and renters with installation of energy conservation measures in their homes. The weatherization measures installed are intended to reduce the home's energy costs by improving home energy efficiency. The Weatherization Program is delivered statewide through the network of Community Action Agencies (CAAs).

Energy and Housing Services is preparing to generate and submit the 2023 DOE WAP State Plan. The Plan outlines key elements and activities that will be implemented for DOE WAP PY2023 that commences on April 1, 2023, including: budget, projected productions, health and safety plan, training & technical assistance plan. EHS is presenting the draft 2023 DOE State Plan and is seeking approval of our Intent to Proceed. The 2023 DOE State Plan Public Hearing will be scheduled for the November 15, 2022 MaineHousing Board of Commissioners meeting. EHS is working to submit the final, approved 2023 DOE State Plan to DOE by the end of January 2023 to help ensure that contracts are fully executed with Subgrantees by April 1, 2023.

**Weatherization Subgrantee & Contractor Training:** EHS held a Spray Foam training for Community Action Agencies (CAAs) on October 5, 2022. The training was an in-person one day training at MaineHousing's Office. There were fifteen (15) attendees.

### **Second Quarter Client Program Survey Cards:**

The Community Action Agencies (CAAs) who administers our programs are required to leave a *Client Survey Card* with the client when the project is complete. The clients have the option to enter their responses electronically or they can complete the card and mail it to MaineHousing's office. The Energy and Housing Services (EHS) staff have implemented a process to share detailed client responses with the respective CAA. This information will allow the CAAs to analyze the information shared by the client to improve the delivery of MaineHousing's programs.

Reporting Period: July 1, 2022 through September, 2021.

#### **Statewide Client Survey Summary**

1. **Total number of survey responses received:**            243
  
2. **Overall client experience:**
  - a. 68% indicated the experience **exceeded** their expectations.
  - b. 31% indicated the experience **met** their expectations.
  - c. 1% indicated their expectation was not met.
  
3. **The person/people who completed the work were professional and courteous:**
  - a. 67% indicated they **strongly agree** with the statement.
  - b. 29% indicated they **agree**.
  - c. 1% did not answer this question.
  - d. 2% disagreed with the statement.
  
4. **The client felt involved in the process:**
  - a. 49% indicated they **strongly agree** with the statement.
  - b. 41% indicated they **agree**.
  - c. 7% did not answer this question.
  - d. 2% disagreed with the statement.

5. **The client indicated their home was comfortable and safe as a result of the work:**
  - a. 57% indicated they **strongly agree** with the statement.
  - b. 37% indicated they **agree**.
  - c. 4% did not answer this question.
  - d. 2% disagreed with the statement.
  
6. **The client indicated they would recommend this program to someone else:**
  - a. 96% stated **Yes**, they would recommend the program.
  - b. 1% did not answer this question.
  - c. 3% stated they would not recommend the program.

## Finance Department Memorandum

**To:** Board of Commissioners  
**From:** Darren R. Brown  
**Date:** October 11, 2022  
**Subject:** Monthly Report – Finance Department

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### ACCOUNTING AND FINANCIAL REPORTING (AFR):

- The A-133 federal compliance audit for the year ended December 31, 2021 was completed in September. The audit reports were electronically filed with the Federal Audit Clearinghouse and HUD’s Real Estate Assessment Center. The compliance audit is an annual audit of our federally funded programs to determine whether the programs have been administered in compliance with federal requirements.

MaineHousing administered and disbursed approximately \$338 million through thirty-six different federal programs in 2021. Major programs are audited on a rotating basis. The major programs for the 2021 audit were the Section 8 Project Based Contract Administration (PBCA), Low Income Home Energy Assistance (LIHEAP), CARES Act – Rent Relief, and the Emergency Rental Assistance programs.

This audit reports contain an unmodified (a.k.a. “clean”) auditors’ opinion, which means that MaineHousing has administered programs and complied, in all material respects, with federal guidelines and requirements. There are several audit findings noted in the reports. The audit reports along with a content summary is included within this section of your packet.

- Work is continuing on MaineHousing’s budgets for 2023. In September, we assisted the departments as they prepared their individual budget packets and we are working to consolidate all of the departments’ information into the overall agency budgets. Preliminary budgets will be made available and presented at the November meeting for your input and feedback. Final budgets will be presented in December for a vote.

### LOAN ADMINISTRATION:

- Staff are in the process of preparing for the annual quality control review of the portfolio of loans serviced by Mortgage Servicing Solutions (MSS). MSS currently services approximately 66% of MaineHousing’s single family loan portfolio, which amounts to approximately \$590 million. The purpose of this review is to ensure compliance with FHA and USDA servicing requirements, per regulatory guidelines. The review will be performed in October and is again being conducted remotely this year. The initial interview with MSS staff and review of their internal processes and procedures is scheduled for the week of the 17<sup>th</sup>.

- Staff are participating on a committee to assess the Homeowner Assistance Fund (HFA) program. The HFA program was part of the *American Rescue Plan Act of 2021* and is intended to help homeowners behind on their mortgage and utility payments and avoid foreclosure and eviction. Maine's program is being administered by the State's Bureau of Consumer Credit Protection (BCCP). The committee, which consist of staff from the Governor's Office and the BCCP, has met several times and is working on ways to improve the process and delivery of funds.



# MaineHousing

MAINE STATE HOUSING AUTHORITY

## Finance Department Memorandum

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** October 11, 2022

**Subject:** 2021 Federal Programs Compliance Audit Reports

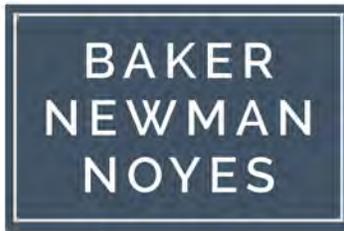
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Attached are the federal compliance audit reports for the year ended December 31, 2021. MaineHousing's independent auditors, Baker Newman & Noyes, completed their audit work and issued their reports on September 20<sup>th</sup>. These reports must be filed with the federal Single Audit Clearinghouse and the HUD Real Estate Assessment Center (REAC) within nine months after the end of the fiscal year, which for MaineHousing is September 30<sup>th</sup>.

Jason Emery from Baker Newman & Noyes reviewed their objectives and procedures for this audit at the April Board meeting. The following is a brief overview of the different sections presented in the attached reports:

- *Basic Financial Statements* (pages 1-48) - The audit reports for these financial statements were issued in March 2022. The audit procedures and results for this audit were presented and reviewed at the April meeting and the financial results contained in this section were reviewed at the May meeting.
- *Schedule of Expenditures of Federal Awards* (page 49-51) - This schedule presents the total amount of program expenditures in 2021 for each federal program administered by MaineHousing.
- *Notes to Schedule of Expenditures of Federal Awards* (page 52) - This page presents required footnote disclosures regarding the *Schedule of Expenditures of Federal Awards*.
- *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters* (pages 53-54) – This report was issued in March as part of the financial statements audit.
- *Independent Auditors' Report on Compliance* (pages 55-58) – This is the auditors' opinion for the compliance audit. The report contains an unmodified (a.k.a. "clean") opinion stating that MaineHousing has complied, in all material respects, with program compliance requirements.
- *Schedule of Findings and Questioned Costs* (page 59-63) – This schedule presents three audit findings. Two of the findings (2021-001 and 2021-002) were reported as part of the financial statements audit and were reviewed at the April meeting. None of the findings were material weaknesses.
- *Summary of Schedule of Prior Audit Finding* (page 64) – This page presents the status of audit findings from the prior year. As noted, there were no financial statement audit findings and the one compliance audit finding has been resolved.
- *Corrective Action Plan* (page 65-66) – This page presents our responses and corrective action plans to address the audit findings presented on pages 59-63.

- *Management Letter* - The matters contained in this letter do not rise to the significance of reporting as audit findings in the audit reports and are observations and recommendations by the auditors for internal control improvements. The letter includes three recommendations and our responses are included.



# **Maine State Housing Authority**

Basic Financial Statements,  
Management's Discussion and Analysis  
and Required Supplementary Information with  
Independent Auditors' Report

and

Reports Required for Audits in Accordance with  
*Government Auditing Standards* and  
Title 2 U.S. Code of Federal Regulations (CFR) Part 200,  
*Uniform Administrative Requirements, Cost Principles,  
and Audit Requirements for Federal Awards*

Year Ended December 31, 2021

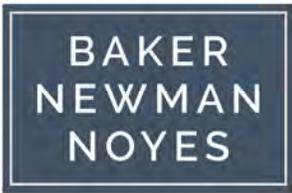
**MAINE STATE HOUSING AUTHORITY**

**FINANCIAL STATEMENTS**

For the Year Ended December 31, 2021

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## 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, each major fund, and the aggregate remaining fund information of Maine State Housing Authority (MaineHousing), a component unit of the State of Maine, as of and for the year ended December 31, 2021, 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, each major fund, and the aggregate remaining fund information of MaineHousing, as of December 31, 2021, 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. 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 (Asset) Liability 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 28, 2022 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 & Nayea LLC*

Portland, Maine  
March 28, 2022

**Maine State Housing Authority  
Management's Discussion and Analysis  
December 31, 2021**

Management's discussion and analysis provides an overview of the Maine State Housing Authority's (MaineHousing) financial activities for the year ended December 31, 2021. It should be read in conjunction with the audited financial statements and accompanying notes.

**FINANCIAL HIGHLIGHTS**

- MaineHousing's net position increased by \$26.1 million to \$406.3 million as a result of program operations and financing activities. The net position of the proprietary funds, which present MaineHousing's business-type activities, increased \$5.7 million while the net position of governmental activities increased \$20.4 million.
- Low market mortgage rates contributed to a record high volume of single-family loan prepayments, which increased by \$47.3 million or 42.8% and totaled \$157.8 million in 2021. Prepayment activity coupled with a lower volume of new loan purchases contributed to a \$73.6 million decrease in the single-family loan portfolio and a \$2.4 million reduction in interest revenues.
- Multi-family loan originations increased by \$15.1 million or 37% and totaled \$55.7 million in 2021. Income from financing fees increased by \$1.2 million as a result of the higher volume.
- Bond retirements totaled \$250.1 million. The retirement and refunding of bonds lowered average interest rates on outstanding bonds and contributed to a \$3.7 million or 8.1% reduction in interest expense, which offset a \$3.5 million decrease in interest income from mortgage loans and investments.
- Total revenues from governmental activities increased by \$148.9 million or 65.9% to \$374.8 million as a result of a significant amount of federal program funds provided in response to the COVID-19 pandemic. MaineHousing administered a number of different pandemic relief programs for the State of Maine and received a total of \$171.1 million in 2021. Fee income for the administration of programs increased by \$1.6 million as a result of the additional COVID-19 programs that were administered in 2021.

**OVERVIEW OF MAINEHOUSING**

MaineHousing was created in 1969 by an Act of the Maine State Legislature and is a public corporation and government instrumentality of the State of Maine. MaineHousing was established to assist in the financing, development, and rehabilitation of housing in Maine for persons and families of low and moderate income. In this capacity, MaineHousing is authorized to issue bonds for the purchase or origination of notes and mortgages on single-family and multi-family residential properties.

MaineHousing also acts as an agent for the State of Maine in administering various federal housing and energy related programs. These programs are funded through grants and program agreements with the federal government's departments of Housing and Urban Development, Energy, and Health and Human Services, as well as capital and operating subsidies from MaineHousing's own funds.

MaineHousing is a component unit of the State of Maine and receives certain appropriations from the Maine State Legislature, all of which are used in connection with specified housing related programs.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

MaineHousing's financial statements consist of three parts – this management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include agency-wide financial statements, fund financial statements, and notes to the financial statements.

- Agency-wide financial statements provide information about MaineHousing's overall financial position and operations. These statements, which are presented using the accrual basis of accounting, consist of the Statement of Net Position and the Statement of Activities.

**Maine State Housing Authority  
Management's Discussion and Analysis  
December 31, 2021**

- Fund financial statements of MaineHousing include its major proprietary funds, which operate similarly to private-sector businesses, and governmental funds, which consist of activities that are funded from federal grants and state appropriations.
- The basic financial statements include notes to financial statements that provide additional information and explain some of the information in the agency-wide and fund financial statements.
- The required supplementary information presents historical pension information.

The remainder of this overview section of the management's discussion and analysis explains the structure and contents of each of these statements.

### **Agency-wide Statements**

Agency-wide statements report information about MaineHousing as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Position presents MaineHousing's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The Statement of Activities presents current year revenues and expenses.

The two agency-wide statements report MaineHousing's net position and results of operations. Net position is one measure of MaineHousing's financial health and position. Agency-wide financial statements are divided into two categories:

- *Business-type activities* – MaineHousing's business-type activities consist of providing mortgage financing on single-family and multi-family residential properties. These activities are funded primarily through the issuance of bonds.
- *Governmental activities* – MaineHousing administers various state and federal housing and energy related programs. These activities are financed by grant and program agreements with the federal government and appropriations from 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* – MaineHousing's business-type activities are in its proprietary funds and they are accounted for in a manner similar to businesses operating in the private sector. Funding is primarily through the issuance of bonds, the proceeds of which are mainly used to make various types of loans to finance low and moderate-income housing. The net positions of these funds represent accumulated earnings since their inception and interest rate subsidy amounts contributed from governmental funds. Amounts in the funds are generally restricted for program purposes.
- *Governmental funds* – MaineHousing has five major and several other governmental funds. MaineHousing is the administrator of these funds, the revenues of which are appropriated to MaineHousing for making housing and energy related grants and loans. These fund statements focus on how cash and other financial assets flowing into the funds have been used. A substantial portion of the fund balances for these funds consist of investments reserved for grants or making mortgage loans.

**Maine State Housing Authority  
Management's Discussion and Analysis  
December 31, 2021**

**AN OVERVIEW OF MAINEHOUSING'S FINANCIAL POSITION AND OPERATIONS**

MaineHousing's financial position and operations are summarized on the following pages for the years ended December 31, 2021 and 2020 based on the information included in the financial statements.

Statement of Net Position  
(in millions of dollars)

	Business-type Activities		Governmental Activities		Total		Total Percentage Change
	2021	2020	2021	2020	2021	2020	
Cash and investments	\$466.9	\$459.7	\$90.9	\$45.4	\$557.8	\$505.1	10.4%
Mortgage and other notes receivable	1,371.9	1,423.5	38.6	36.2	1,410.5	1,459.7	(3.4%)
Other assets	14.7	27.9	56.6	18.7	71.3	46.6	53.0%
<b>Total Assets</b>	<b>1,853.5</b>	<b>1,911.1</b>	<b>186.1</b>	<b>100.3</b>	<b>2,039.6</b>	<b>2,011.4</b>	<b>1.4%</b>
<b>Total Deferred Outflows of Resources</b>	<b>13.5</b>	<b>21.9</b>	<b>0.4</b>	<b>0.2</b>	<b>13.9</b>	<b>22.1</b>	<b>(37.1%)</b>
Bonds and notes payable	1,513.6	1,578.0	58.0	22.7	1,571.6	1,600.7	(1.8%)
Other Liabilities	19.7	28.8	52.7	22.8	72.4	51.6	40.3%
<b>Total Liabilities</b>	<b>1,533.3</b>	<b>1,606.8</b>	<b>110.7</b>	<b>45.5</b>	<b>1,644.0</b>	<b>1,652.3</b>	<b>(0.5%)</b>
<b>Total Deferred Inflows of Resources</b>	<b>2.0</b>	<b>0.2</b>	<b>1.2</b>	<b>0.8</b>	<b>3.2</b>	<b>1.0</b>	<b>220.0%</b>
Investment in capital assets	2.7	2.8	0.0	0.0	2.7	2.8	(3.6%)
Restricted	293.6	289.1	74.6	54.2	368.2	343.3	7.3%
Unrestricted	35.4	34.1	0.0	0.0	35.4	34.1	3.8%
<b>Total Net Position</b>	<b>\$331.7</b>	<b>\$326.0</b>	<b>\$74.6</b>	<b>\$54.2</b>	<b>\$406.3</b>	<b>\$380.2</b>	<b>6.9%</b>

Total assets at December 31, 2021 were \$2.04 billion, an increase of \$28.2 million or 1.4% from December 31, 2020. The change in assets consisted primarily of a \$52.7 million increase in cash and investments and a \$49.2 million net decrease to mortgage notes receivables. Other assets increased by \$24.7 million or 53% due mainly to higher receivable balances due from federal programs.

Total deferred outflows of resources, which consist of the accumulated decrease in the fair value of interest rate swap agreements and deferred amounts associated with debt refundings and pension expenses, decreased \$8.2 million or 37.1% as a result of an aggregate increase in the fair value of interest rate swaps.

Total liabilities at December 31, 2021 were \$1.64 billion, a decrease of \$8.3 million or 0.5% from December 31, 2020. The decrease in liabilities is due mainly to lower outstanding bonds and notes payable, which decreased by \$29.1 million to \$1.57 billion at December 31, 2021. Other liabilities increased \$20.8 million or 40.3% due mainly to a \$27.8 million increase in unearned grant income, while a pension liability of \$2.8 million was eliminated and the interest rate swap liability decreased by \$8.3 million as a result of increases in the fair value of related swap instruments.

Total deferred inflows of resources, which consist of deferred amounts associated with federal program income and pension credits, increased \$2.2 million. The utilization of prior year deferred advanced payments from the federal government for the Section 8 Housing Choice Voucher program reduced deferred income by \$0.7 million, while deferred pension credits increased by \$2.9 million.

**Maine State Housing Authority  
Management's Discussion and Analysis  
December 31, 2021**

***Cash and Investments***

Total cash and investments increased by \$52.7 million or 10.4% due primarily to higher unexpended bond proceeds at December 31, 2021. MaineHousing's investment portfolio is comprised of securities of the U.S. Government, certain Federal agencies, or repurchase agreements and money market funds that are secured by such securities. Investments are carried at fair value and unrealized gains and losses due to fluctuations in market values are recognized in revenues. In 2021, the fair value of investments decreased and MaineHousing recognized \$1 million of unrealized losses compared with \$0.2 million of unrealized losses in 2020.

***Mortgage and Other Notes Receivable***

Total net mortgages and other notes receivable decreased \$49.2 million or 3.4% in 2021. Total mortgage purchases and originations amounted to \$169.6 million, which is a decrease of \$7.2 million or 4.1% compared with 2020. Single-family loan purchases amounted to \$113.9 million, which is a decrease of \$22.2 million or 16.3% from 2020. Multi-family loan originations totaled \$55.7 million; an increase of \$15.1 million or 37% from 2020.

Scheduled loan repayments in 2021 amounted to \$57.6 million, which is an increase of \$13.7 million or 31.2% from the previous year's level of \$43.9 million. Scheduled repayments from multi-family loans with short-terms were higher in 2021. Loan prepayments increased substantially in 2021 by \$48.2 million or 43.1% to a total of \$160.2 million. The increase was due to low market interest rates, which generated more refinancing of single-family loans outside MaineHousing.

Loan foreclosures totaled \$1 million in 2021 and \$2.8 million in 2020. The reduction in foreclosures is attributed to the federal moratorium that prohibited lenders from foreclosing on mortgage loans that were Federal Housing Administration (FHA) insured, Veterans Affairs (VA), U.S. Department of Housing & Urban Development (HUD) or Rural Housing guaranteed throughout much of 2021. The allowance for loan losses at December 31, 2021 amounted to \$8.8 million, which is unchanged from December 31, 2020.

***Bonds and Notes Payable***

Bonds and notes payable decreased \$29.1 million or 1.8% to \$1.57 billion at December 31, 2021. MaineHousing issues bonds or notes as capital is needed for program purposes and as opportunities for economic refunding occur. For additional details, see the Debt Activity section of the Management's Discussion and Analysis.

***Net Position***

MaineHousing's net position increased by \$26.1 million or 6.9% to \$406.3 million as a result of program operations and financing activities. For additional information on the net position changes, see the Results of Operations section of the Management's Discussion and Analysis.

**Maine State Housing Authority  
Management's Discussion and Analysis  
December 31, 2021**

MaineHousing's business activities are in the proprietary funds and are dissimilar to the activities in the governmental funds. The combined results of operations for both MaineHousing's proprietary and governmental funds are presented on the following table for the years ended December 31, 2021 and 2020:

Agency-wide Changes in Net Position  
*(in millions of dollars)*

	<u>2021</u>	<u>2020</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percentage</u>
<b>Revenues:</b>				
Interest from mortgages and notes	\$60.1	\$62.5	(\$2.4)	(3.8%)
Income from investments	1.2	2.3	(1.1)	(47.8%)
Net increase (decrease) in fair value of investments	(1.0)	(0.2)	(0.8)	400.0%
Fee income	12.4	9.7	2.7	27.8%
Grants and subsidies	364.7	217.0	147.7	68.1%
Other	1.2	1.6	(0.4)	(25.0%)
Total revenues	<u>438.6</u>	<u>292.9</u>	<u>145.7</u>	49.7%
<b>Expenses:</b>				
Operating and other program expenses	26.5	26.9	(0.4)	(1.5%)
Provision for losses on loans and foreclosed real estate	0.0	0.1	(0.1)	(100.0%)
Interest expense	42.1	45.7	(3.6)	(7.9%)
Grants and subsidies	<u>343.9</u>	<u>209.1</u>	<u>134.8</u>	64.5%
Total expenses	<u>412.5</u>	<u>281.8</u>	<u>130.7</u>	46.4%
<b>Increase in net position</b>	26.1	11.1	15.0	135.1%
Net position at beginning of year	<u>380.2</u>	<u>369.1</u>	11.1	3.0%
Net position at end of year	<u>\$406.3</u>	<u>\$380.2</u>	<u>\$26.1</u>	6.9%

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, 2021**

**RESULTS OF OPERATIONS**

*Proprietary Funds Results*

The net position of MaineHousing's proprietary funds increased by \$5.7 million and totaled \$331.7 million at December 31, 2021. The following table summarizes the Statement of Revenues, Expenses and Changes in Net Position of MaineHousing's proprietary funds for the years ended December 31, 2021 and December 31, 2020:

Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position <i>(in millions of dollars)</i>				
	<u>2021</u>	<u>2020</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percentage</u>
<b>Operating revenues:</b>				
Interest from mortgages and notes	\$60.0	\$62.4	(\$2.4)	(3.8%)
Income from investments	1.2	2.2	(1.0)	(45.5%)
Net increase (decrease) in fair value of investments	(1.0)	(0.2)	(0.8)	400.0%
Fee income	2.5	1.4	1.1	78.6%
Other revenue	1.1	1.2	(0.1)	(8.3%)
Total revenues	<u>63.8</u>	<u>67.0</u>	<u>(3.2)</u>	<u>(4.8%)</u>
<b>Operating expenses:</b>				
Operating and other program expenses	18.2	19.5	(1.3)	(6.7%)
Interest expense	41.3	44.8	(3.5)	(7.8%)
Total expenses	<u>59.5</u>	<u>64.3</u>	<u>(4.8)</u>	<u>(7.5%)</u>
<b>Net Operating income</b>	4.3	2.7	1.6	59.3%
Transfers in	1.4	0.6	0.8	133.3%
Change in net position	<u>5.7</u>	<u>3.3</u>	<u>2.4</u>	<u>72.7%</u>
Net position at beginning of year	<u>326.0</u>	<u>322.7</u>	<u>3.3</u>	<u>1.0%</u>
Net position at end of year	<u>\$331.7</u>	<u>\$326.0</u>	<u>\$5.7</u>	<u>1.7%</u>

Operating revenues of MaineHousing's business-type activities are generated principally from earnings on mortgages and investments. Total revenues from business-type activities decreased \$3.2 million or 4.8% in 2021 and amounted to \$63.8 million. Of this total, \$61.2 million or 95.9% was from interest earned on mortgages and non-mortgage investments. Operating expenses of MaineHousing's business-type activities consist primarily of interest expense on debt incurred to fund its various lending programs. The expenses for business-type activities totaled \$59.5 million, of which \$41.3 million or 69.4% was interest expense.

The 2021 operating results and net position of MaineHousing's proprietary funds were significantly affected by the following:

- Interest from mortgages and notes decreased \$2.4 million or 3.8% due to lower average outstanding mortgage receivable balances and lower average yields. Average outstanding single-family loan balances decreased by \$40 million or 4.2% due to lower loan purchases and higher prepayments.
- Income from investments decreased by \$1.0 million or 45.4% as a result of declining interest rates and lower yields in 2021.

**Maine State Housing Authority  
Management's Discussion and Analysis  
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- Financing fees from an increase in multi-family lending activities generated a \$1.1 million increase in fee income. Multi-family loan originations were \$15.1 million or 37% higher in 2021.
- Interest rate changes during the year generated an unrealized loss on investments of \$1 million. This represents a \$0.8 million decrease in the fair value of investments compared with the unrealized loss of \$0.2 million recognized in 2020.
- Program administrative expenses for single-family loan originations and cost associated with the issuance of bonds decreased by \$0.5 million and \$0.4 million, respectively, due to a decrease in single-family loan purchases and new bond issuances.
- Interest expense decreased by \$3.5 million or 7.8% as a result of bond refunding activities, which lowered outstanding bond payables and average interest rates.

*Governmental Fund Results*

The net position of MaineHousing's governmental funds increased by \$20.4 million and totaled \$74.6 million at December 31, 2021. The following table summarizes the Statement of Revenues, Expenditures, and Changes in Fund Balances of MaineHousing's governmental funds for the years ended December 31, 2021 and December 31, 2020:

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (in millions of dollars)				
	<u>2021</u>	<u>2020</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percentage</u>
<b>Revenues:</b>				
Income from mortgages and notes	\$0.1	\$0.1	\$0.0	0.0%
Income from investments	0.0	0.1	(0.1)	(100.0%)
Fee income	9.9	8.3	1.6	19.3%
Grant income	222.1	83.9	138.2	164.7%
Income from the State	32.9	25.6	7.3	28.5%
Federal rent subsidy income	109.7	107.5	2.2	2.0%
Other revenue	0.1	0.4	(0.3)	(75.0%)
Total revenues	<u>374.8</u>	<u>225.9</u>	<u>148.9</u>	<u>65.9%</u>
<b>Expenditures:</b>				
Program administrative expenditures	8.3	7.5	0.8	10.7%
Interest expenditures	0.8	0.9	(0.1)	(11.1%)
Grant expenditures	234.8	101.8	133.0	130.6%
Federal rent subsidy expenditures	109.1	107.3	1.8	1.7%
Total expenditures	<u>353.0</u>	<u>217.5</u>	<u>135.5</u>	<u>62.3%</u>
<b>Revenues in excess of expenditures</b>	21.8	8.4	13.4	159.5%
Transfers out	<u>(1.4)</u>	<u>(0.6)</u>	<u>(0.8)</u>	133.3%
Change in fund balances	20.4	7.8	12.6	161.5%
Fund balances at beginning of year	<u>54.2</u>	<u>46.4</u>	<u>7.8</u>	16.8%
Fund balances at end of year	<u><u>\$74.6</u></u>	<u><u>\$54.2</u></u>	<u><u>\$20.4</u></u>	37.6%

**Maine State Housing Authority  
Management's Discussion and Analysis  
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MaineHousing's total revenues from governmental activities are generated primarily from federal grants and rent subsidy income. MaineHousing also receives program revenues from the State of Maine. Revenues from governmental activities total \$374.8 million in 2021, which is an increase of \$148.9 million or 65.9%.

MaineHousing's governmental activities expenditures consist primarily of federal grants and rent subsidies payments. Total expenditures increased \$135.5 million or 62.3% to \$353.0 million for 2021. MaineHousing earns fees for administering federal programs, which amounted to \$9.9 million in 2021. Typically fees earned provide MaineHousing with a revenue source adequate to recover direct and indirect costs of delivering related services.

The 2021 operating results and net position of MaineHousing's governmental funds were significantly affected by the following:

- Grant income increased by \$138.2 million or 164.7% due to an unprecedented amount of federal program funds provided in response to the COVID-19 pandemic. A total of \$169.6 million was received in 2021 for COVID-19 relief programs, which is an increase of \$143.0 million or 538% over 2020. Total grant expenditures also increased significantly in 2021 as a result of higher available federal grant receipts.
- Federal rent subsidy income, which consists of funding for various HUD Section 8 programs, increased by \$2.2 million or 2.0%. Income for the Section 8 Housing Choice Voucher program increased by \$1 million or 3% as a result of a higher voucher utilization rate in 2021. Additional emergency housing vouchers in the amount of \$0.3 million were provided in 2021 in response to the pandemic and the Section 8 Performance Based Contract Administration program had a net revenue increase of \$0.7 million due to increases associated with HUD's Annual Adjustment Factors.
- Income from the State, which consists mainly of real estate transfer tax deposits to the HOME Fund, increased \$7.3 million or 28.5% as a result of higher real estate sales and deposits from the State.
- Administrative fee income increased by \$1.6 million or 19.3% as a result of the additional federal program funds for COVID-19.
- Federal rent subsidy expenditures increased \$1.8 million or 1.7% due to higher available income for the Section 8 Housing Choice Voucher and Performance Based Contract Administration programs.

**DEBT ACTIVITY**

MaineHousing had \$1.57 billion in bonds and notes outstanding at December 31, 2021, which is a decrease of \$29.1 million or 1.8% from 2020.

MaineHousing is authorized to issue housing revenue bonds to purchase or originate mortgages or notes on single-family and multi-family residential properties. Total bonds outstanding at December 31, 2021 amounted to \$1.55 billion; a decrease of \$26.8 million or 1.7% from 2020. Bond issuances in 2021 totaled \$223.3 million, while principal payments on bonds totaled \$250.1 million. MaineHousing redeemed prior to maturity \$249.8 million of its outstanding bonds in 2021 from reserve funds, mortgage prepayments, surplus revenues, and the proceeds of bond refundings. Scheduled principal payments on bonds totaled \$0.3 million in 2021.

MaineHousing issues variable rate bonds and enters into interest rate swap agreements to provide synthetically fixed interest rates on a portion of the variable rate bonds. At December 31, 2021, the total amount of variable rate debt outstanding was \$282.9 million and represented 18.2% of the \$1.55 billion total bond portfolio. Thirteen interest rate swap agreements have been executed with four counterparties in connection with \$207.9 million of the variable rate bonds to effectively convert them to synthetic fixed 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 2021.

**Maine State Housing Authority  
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MaineHousing may enter into loan agreements for program and capital funding purposes. At December 31, 2021, MaineHousing had \$14.9 million of outstanding notes payable in its General Administrative Fund. Notes payable decreased by \$4.8 million from 2020 as a result of principal payments. All proceeds from the loan associated with the outstanding balance at December 31, 2021 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 5, 6, 8, 13, and 15 to the financial statements.

### **ADDITIONAL INFORMATION**

MaineHousing's main sources of revenues consist of interest from mortgage loans, investment interest income, and federal and state funded grants and subsidies.

Market interest rates have an effect on both the mortgage program and investment income revenues. If interest rates increase, mortgage and investment income should increase as new loans are originated and new investments are purchased at the higher rates. If interest rates decrease and are low, as occurred in 2021, mortgage and investment income will decrease as new loans are originated and new investments are purchased at the lower rates. Any decrease in interest rates could also cause an increase in prepayments on higher rate mortgages. In 2021, MaineHousing experienced a historically high volume of runoffs in its single-family loan portfolio due to the very low interest rate environment. MaineHousing may use loan prepayments to redeem higher rate bonds to lower interest expense, which also occurred at a high level in 2021.

Federal and state funded grants and subsidies are subject to appropriations by those governments. In 2021, the COVID-19 pandemic continued to disrupt economic activity at all levels and to cause volatility in the financial markets in the United States and around the world. An unprecedented amount of federal funds were provided in response to the pandemic through the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, the *Consolidation Appropriations Act*, and the *American Rescue Plan Act*.

MaineHousing administered a number of relief programs for the State of Maine and worked with its partners to assist Maine citizens who were impacted by COVID-19 and the related economic crisis by offering financial assistance to help stabilize their housing situation. Assistance provided included rental, utility, and home energy payments and increased homeless prevention initiatives. MaineHousing also worked with its homeownership mortgagors by providing forbearances and suspending foreclosures.

The pandemic relief funds have significantly increased MaineHousing program activities, which are expected to remain at high levels in the coming year. The ultimate duration and impact of the pandemic remains unknown at this time.

### **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, 2021. 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](http://www.mainehousing.org).

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Business-type Activities</b>	<b>Governmental Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Current Assets:			
Cash, principally time deposits (note 3)	\$59,381	\$6,037	\$65,418
Investments (notes 3, 8, and 10)	357,940	84,852	442,792
Accounts receivable - government	0	43,376	43,376
Mortgage notes receivable, net (note 4)	35,646	26	35,672
Other notes receivable, net (note 4)	42	0	42
Other assets (note 11)	9,787	253	10,040
Internal balances	(12,883)	12,883	0
Total Current Assets	<u>449,913</u>	<u>147,427</u>	<u>597,340</u>
Noncurrent Assets:			
Investments (notes 3, 8, and 10)	49,576	0	49,576
Mortgage notes receivable, net (note 4)	1,336,228	38,553	1,374,781
Other notes receivable, net (note 4)	23	0	23
Capital assets	17,632	0	17,632
Other real estate owned	70	0	70
Pension asset (note 7)	135	82	217
Total Noncurrent Assets	<u>1,403,664</u>	<u>38,635</u>	<u>1,442,299</u>
Total Assets	<u>1,853,577</u>	<u>186,062</u>	<u>2,039,639</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Accumulated decrease in fair value of hedging derivatives (note 6)	10,113	0	10,113
Deferred pension expense (note 7)	696	427	1,123
Deferred amount on debt refundings	2,665	0	2,665
Total Deferred Outflows of Resources	<u>13,474</u>	<u>427</u>	<u>13,901</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accrued interest payable	4,760	58	4,818
Accounts payable - federal government	0	354	354
Accounts payable and accrued liabilities	4,841	6,777	11,618
Unearned income	0	45,458	45,458
Bonds and notes payable (notes 5, 8, 13, and 15)	19,955	3,445	23,400
Total Current Liabilities	<u>29,556</u>	<u>56,092</u>	<u>85,648</u>
Noncurrent Liabilities:			
Derivative instrument - interest rate swaps (note 6)	10,113	0	10,113
Bonds and notes payable (notes 5, 8, 13, and 15)	1,493,665	54,580	1,548,245
Total Noncurrent Liabilities	<u>1,503,778</u>	<u>54,580</u>	<u>1,558,358</u>
Total Liabilities	<u>1,533,334</u>	<u>110,672</u>	<u>1,644,006</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred loan origination points	16	0	16
Deferred pension credit (note 7)	1,959	1,200	3,159
Total Deferred Inflows of Resources	<u>1,975</u>	<u>1,200</u>	<u>3,175</u>
<b>NET POSITION:</b>			
Net investment in capital assets	2,756	0	2,756
Restricted for bond resolutions	293,631	0	293,631
Restricted for grants and programs	0	74,617	74,617
Unrestricted	35,355	0	35,355
Total Net Position	<u>\$331,742</u>	<u>\$74,617</u>	<u>\$406,359</u>

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
*(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
<b>Business-type activities:</b>							
Mortgage Purchase Fund	\$57,670	\$62,112	\$145	\$0	\$4,587	\$0	\$4,587
Bondholder Reserve Fund	58	0	2	0	(56)	0	(56)
General Administrative Fund	1,776	1,504	0	0	(272)	0	(272)
Total business-type activities	59,504	63,616	147	0	4,259	0	4,259
<b>Governmental activities:</b>							
HOME Fund	14,707	110	6	31,090	0	16,499	16,499
Section 8 Housing Programs	113,979	5,631	1	110,442	0	2,095	2,095
Low Income Home Energy Assistance Program	50,220	1,167	0	49,274	0	221	221
Emergency Rental Assistance Programs	113,980	767	0	113,218	0	5	5
Maine Energy, Housing and Economic Recovery Program	927	141	4	4,319	0	3,537	3,537
Other Federal and State Programs	59,069	2,345	3	56,238	0	(483)	(483)
Total governmental activities	352,882	10,161	14	364,581	0	21,874	21,874
Total Agency-wide	\$412,386	\$73,777	\$161	\$364,581	4,259	21,874	26,133
<b>General Revenues:</b>							
Unrestricted investment income					12	0	12
Transfers					1,450	(1,450)	0
Total general revenues and transfers					1,462	(1,450)	12
Change in Net Position					5,721	20,424	26,145
Net Position at beginning of year					326,021	54,193	380,214
Net Position at end of year					\$331,742	\$74,617	\$406,359

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	<u>Mortgage Purchase Fund</u>	<u>Bondholder Reserve Fund</u>	<u>General Administrative Fund</u>	<u>Total</u>
<b>ASSETS:</b>				
Current Assets:				
Cash, principally time deposits (note 3)	\$ 23,246	\$ 1	\$ 36,134	\$ 59,381
Investments (notes 3, 8, and 10)	341,561	7,998	8,381	357,940
Mortgage notes receivable, net (note 4)	35,447	0	199	35,646
Other notes receivable, net (note 4)	0	0	42	42
Other assets (note 11)	9,694	0	93	9,787
Interfund (note 12)	0	0	5,582	5,582
Total Current Assets	<u>409,948</u>	<u>7,999</u>	<u>50,431</u>	<u>468,378</u>
Noncurrent Assets:				
Investments (notes 3, 8, and 10)	49,576	0	0	49,576
Mortgage notes receivable, net (note 4)	1,331,759	0	4,469	1,336,228
Other notes receivable, net (note 4)	0	0	23	23
Capital assets	22	0	17,610	17,632
Other real estate owned	8	0	62	70
Pension asset (note 7)	112	1	22	135
Total Noncurrent Assets	<u>1,381,477</u>	<u>1</u>	<u>22,186</u>	<u>1,403,664</u>
Total Assets	<u>1,791,425</u>	<u>8,000</u>	<u>72,617</u>	<u>1,872,042</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Accumulated decrease in fair value of hedging derivatives (note 6)	10,113	0	0	10,113
Deferred pension expense (note 7)	580	3	113	696
Deferred amount on debt refundings	2,665	0	0	2,665
Total Deferred Outflows of Resources	<u>13,358</u>	<u>3</u>	<u>113</u>	<u>13,474</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
Accrued interest payable	4,760	0	0	4,760
Accounts payable and accrued liabilities	137	1	4,703	4,841
Interfund (note 12)	3,703	17	14,745	18,465
Bonds and notes payable (notes 5, 8, 13, and 15)	19,340	0	615	19,955
Total Current Liabilities	<u>27,940</u>	<u>18</u>	<u>20,063</u>	<u>48,021</u>
Noncurrent Liabilities:				
Derivative instrument - interest rate swaps (note 6)	10,113	0	0	10,113
Bonds and notes payable (notes 5, 8, 13, and 15)	1,479,404	0	14,261	1,493,665
Total Noncurrent Liabilities	<u>1,489,517</u>	<u>0</u>	<u>14,261</u>	<u>1,503,778</u>
Total Liabilities	<u>1,517,457</u>	<u>18</u>	<u>34,324</u>	<u>1,551,799</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred loan origination points	16	0	0	16
Deferred pension credit (note 7)	1,632	10	317	1,959
Total Deferred Inflows of Resources	<u>1,648</u>	<u>10</u>	<u>317</u>	<u>1,975</u>
<b>NET POSITION:</b>				
Net investment in capital assets	22	0	2,734	2,756
Restricted for bond resolutions	285,656	7,975	0	293,631
Unrestricted	0	0	35,355	35,355
Total Net Position	<u>\$285,678</u>	<u>\$7,975</u>	<u>\$38,089</u>	<u>\$331,742</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, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Mortgage Purchase Fund</b>	<b>Bondholder Reserve Fund</b>	<b>General Administrative Fund</b>	<b>Total</b>
<b>OPERATING REVENUES:</b>				
Interest from mortgages and notes	\$59,672	\$0	\$318	\$59,990
Income from investments	1,174	2	11	1,187
Net (decrease) increase in the fair value of investments	(1,029)	0	1	(1,028)
Fee income	1,507	0	1,003	2,510
Other revenue	135	0	183	318
Gain on bond redemption (note 13)	798	0	0	798
	<u>62,257</u>	<u>2</u>	<u>1,516</u>	<u>63,775</u>
<b>OPERATING EXPENSES:</b>				
Operating expenses	9,858	58	1,742	11,658
Other program administrative expenses	4,825	0	7	4,832
Mortgage servicing fees	1,713	0	16	1,729
Provision for losses on loans (note 4)	0	0	11	11
Interest expense	41,274	0	0	41,274
	<u>57,670</u>	<u>58</u>	<u>1,776</u>	<u>59,504</u>
Operating Income (Loss)	4,587	(56)	(260)	4,271
Transfers between funds, net (note 12)	<u>0</u>	<u>0</u>	<u>1,450</u>	<u>1,450</u>
Change in Net Position	4,587	(56)	1,190	5,721
Net Position at beginning of year	<u>281,091</u>	<u>8,031</u>	<u>36,899</u>	<u>326,021</u>
Net Position at end of year	<u>\$285,678</u>	<u>\$7,975</u>	<u>\$38,089</u>	<u>\$331,742</u>

*See accompanying notes to the financial statements*

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	Mortgage Purchase Fund	Bondholder Reserve Fund	General Administrative Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Interest receipts from borrowers	\$60,051	\$0	\$300	\$60,351
Principal receipts on mortgages and notes - scheduled	56,444	0	1,138	57,582
Principal receipts on mortgages and notes - prepayments	160,172	0	70	160,242
Payments for operating expenses	(8,329)	(10)	(496)	(8,835)
Payments for personnel expenses	(8,157)	(48)	(1,246)	(9,451)
Investment in mortgages and other notes	(167,160)	0	(15)	(167,175)
Other	1,478	(4)	4,498	5,972
Net cash provided by (used for) operating activities	<u>94,499</u>	<u>(62)</u>	<u>4,249</u>	<u>98,686</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and development of capital assets	0	0	(325)	(325)
Principal paid on capital debt	0	0	(595)	(595)
Interest paid on capital debt	0	0	(493)	(493)
Net cash used for capital and related financing activities	<u>0</u>	<u>0</u>	<u>(1,413)</u>	<u>(1,413)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Proceeds from sale of bonds	168,771	0	0	168,771
Principal payments on bonds and notes	(227,440)	0	(4,200)	(231,640)
Interest payments on bonds	(41,769)	0	0	(41,769)
Payments from other funds	415	3	12,778	13,196
Net cash (used for) provided by non-capital financing activities	<u>(100,023)</u>	<u>3</u>	<u>8,578</u>	<u>(91,442)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from disposition of foreclosed real estate	1,346	0	13	1,359
Purchase of investments	(1,379,405)	0	0	(1,379,405)
Sales and maturity of investments	1,381,652	56	12,523	1,394,231
Interest received on investments	1,112	2	11	1,125
Net cash provided by investing activities	<u>4,705</u>	<u>58</u>	<u>12,547</u>	<u>17,310</u>
Net (decrease) increase in cash	(819)	(1)	23,961	23,141
Cash at beginning of year	24,065	2	12,173	36,240
Cash at end of year	<u>\$23,246</u>	<u>\$1</u>	<u>\$36,134</u>	<u>\$59,381</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$4,587	(\$56)	(\$260)	\$4,271
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization	329	0	932	1,261
Interest on bonds	40,945	0	0	40,945
Provision for losses on loans	0	0	11	11
Gain on bond redemption	(798)	0	0	(798)
Pension credit	(90)	(1)	(18)	(109)
Interest income on investments	(1,174)	(2)	(11)	(1,187)
Net decrease (increase) in fair value of investments	1,029	0	(1)	1,028
Changes in operating assets and liabilities:				
Other assets	246	0	(5)	241
Pension contributions	(388)	0	(74)	(462)
Mortgage note interest receivable	379	0	(18)	361
Accounts payable and accrued liabilities	(22)	(3)	2,500	2,475
Investment in mortgage and other notes	(167,160)	0	(15)	(167,175)
Mortgage & other note principal repayments	216,616	0	1,208	217,824
Net cash provided by (used for) operating activities	<u>\$94,499</u>	<u>(\$62)</u>	<u>\$4,249</u>	<u>\$98,686</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION:</b>				
Transfer from mortgage notes receivable to other assets and other real estate owned	\$1,031	\$0	\$62	\$1,093

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021  
(IN THOUSANDS OF DOLLARS)**

	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Emergency Rental Assistance Programs	Maine Energy, Housing & Economic Recovery Fund	Other Federal and State Programs	Total
<b>ASSETS:</b>							
Current Assets:							
Cash, principally time deposits (note 3)	\$1	\$4,050	\$1,210	\$0	\$0	\$776	\$6,037
Investments (notes 3, 8, and 10)	33,760	0	0	0	43,118	7,974	84,852
Accounts receivable - government	6,811	297	1,217	16,708	0	18,343	43,376
Mortgage notes receivable, net (note 4)	26	0	0	0	0	0	26
Other assets	42	138	0	0	36	37	253
Interfund (note 12)	10,217	52	0	14,745	0	1,911	26,925
Total Current Assets	50,857	4,537	2,427	31,453	43,154	29,041	161,469
Noncurrent Assets:							
Mortgage notes receivable, net (note 4)	28,934	0	0	0	9,619	0	38,553
Total Noncurrent Assets	28,934	0	0	0	9,619	0	38,553
Total Assets	\$79,791	\$4,537	\$2,427	\$31,453	\$52,773	\$29,041	\$200,022
<b>LIABILITIES:</b>							
Current Liabilities:							
Accrued interest payable	\$0	\$0	\$0	\$0	\$58	\$0	\$58
Accounts payable - federal government	0	354	0	0	0	0	354
Accounts payable and accrued liabilities	1,967	66	825	435	0	3,484	6,777
Unearned income	0	0	1,166	31,018	0	13,274	45,458
Interfund (note 12)	1,707	293	328	0	66	10,737	13,131
Bonds payable (note 5, 8, and 13)	0	0	0	0	3,445	0	3,445
Total Current Liabilities	3,674	713	2,319	31,453	3,569	27,495	69,223
Noncurrent Liabilities:							
Bonds payable (note 5, 8, and 13)	0	0	0	0	54,580	0	54,580
Total Non Current Liabilities	0	0	0	0	54,580	0	54,580
Total Liabilities	3,674	713	2,319	31,453	58,149	27,495	123,803
<b>FUND BALANCES:</b>							
Restricted by program requirements	76,117	3,824	108	0	0	1,546	81,595
Nonspendable	0	0	0	0	9,619	0	9,619
Unassigned	0	0	0	0	(14,995)	0	(14,995)
Total Fund Balances	76,117	3,824	108	0	(5,376)	1,546	76,219
Total Liabilities and Fund Balances	\$79,791	\$4,537	\$2,427	\$31,453	\$52,773	\$29,041	\$200,022

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION**

Total fund balances in governmental funds	\$76,219
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.	427
Pension assets reported in governmental activities are not available to pay current period expenditures and therefore are not reported in the governmental funds.	82
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.	(1,200)
Interfund balances related to the allocation of pension assets 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.	(911)
Net Position of governmental activities	<u>\$74,617</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, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Emergency Rental Assistance Programs	Maine Energy, Housing & Economic Recovery Fund	Other Federal and State Programs	Total
<b>REVENUES:</b>							
Interest from mortgages and notes	\$63	\$0	\$0	\$0	\$41	\$0	\$104
Income from investments	6	1	0	0	4	3	14
Fee income	0	5,631	1,167	767	0	2,345	9,910
Other revenue	47	0	0	0	10	0	57
Grant income	2,554	737	49,274	113,218	0	56,238	222,021
Income from State	28,536	0	0	0	4,319	0	32,855
Federal rent subsidy income	0	109,705	0	0	0	0	109,705
Gain on bond redemption (note 13)	0	0	0	0	90	0	90
Total Revenues	<u>31,206</u>	<u>116,074</u>	<u>50,441</u>	<u>113,985</u>	<u>4,464</u>	<u>58,586</u>	<u>374,756</u>
<b>EXPENDITURES:</b>							
Operating expenditures	0	3,949	922	549	0	2,075	7,495
Other program administrative expenditures	0	173	32	218	110	256	789
Provision for losses on loans (note 4)	0	0	0	0	0	6	6
Grant expenditures	14,707	764	49,274	113,218	69	56,751	234,783
Federal rent subsidy	0	109,127	0	0	0	0	109,127
Interest	0	0	0	0	748	0	748
Total Expenditures	<u>14,707</u>	<u>114,013</u>	<u>50,228</u>	<u>113,985</u>	<u>927</u>	<u>59,088</u>	<u>352,948</u>
Revenues in Excess of (Less Than) Expenditures	16,499	2,061	213	0	3,537	(502)	21,808
Transfers between funds, net (note 12)	100	(1,325)	(213)	0	0	(12)	(1,450)
Change in Fund Balances	16,599	736	0	0	3,537	(514)	20,358
Fund Balances at beginning of year	<u>59,518</u>	<u>3,088</u>	<u>108</u>	<u>0</u>	<u>(8,913)</u>	<u>2,060</u>	<u>55,861</u>
Fund Balances at end of year	<u>\$76,117</u>	<u>\$3,824</u>	<u>\$108</u>	<u>\$0</u>	<u>(\$5,376)</u>	<u>\$1,546</u>	<u>\$76,219</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	\$20,358
Amounts reported for governmental activities in the Statement of Activities are different because:	
Expenses reported in the Statement of Activities include a pension credit, which does not effect the use of current financial resources and therefore is not reported as an expenditure in the governmental funds.	<u>66</u>
Change in Net Position of governmental activities	<u>\$20,424</u>

*See accompanying notes to the financial statements*

**Maine State Housing Authority**  
**Notes to Financial Statements – December 31, 2021**  
*(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, 2021**  
*(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 except for the Other Federal and State Programs Fund:

*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 also provide 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
- New Construction and Substantial Rehabilitation
- Section 811 Project Rental Assistance
- Housing Choice Voucher
- Performance Based Contract Administration
- Family Self-Sufficiency Program
- Mainstream Vouchers
- Section 8 Emergency Housing Voucher - *American Rescue Plan Act*
- Section 8 COVID-19 Supplemental – *Coronavirus Aid, Relief, and Economic Security Act*

**Maine State Housing Authority**  
**Notes to Financial Statements – December 31, 2021**  
*(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. In 2021, a supplemental award in the amount of \$55,172 was provided to the State of Maine as part of the *American Rescue Plan Act of 2021*.

*Emergency Rental Assistance Programs*

MaineHousing is the administrator of the federal Emergency Rental Assistance Programs for the State of Maine. Funds for the Emergency Rental Assistance Programs 1 and 2 (ERA1 and ERA2) were appropriated through the *Consolidated Appropriations Act of 2021* and the *American Rescue Plan Act of 2021*. The State of Maine was awarded up to \$352 million for these programs and funding for the ERA1 expires on September 30, 2022 and September 30, 2025 for ERA2. Funds are provided through the U.S. Department of the Treasury and are used for emergency rental assistance, rental arrears, and utility costs for households at risk of homelessness or housing instability due to the COVID-19 pandemic. A portion of these funds may also be used for MaineHousing's administrative costs.

*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.

The deficit in this fund is due to timing differences between the expending of funds from bond proceeds on program activities and the receipt of revenues from the State of Maine, which is based on debt service schedules. The deficit will be eliminated over time as bond proceeds available for programs are depleted and annual revenues received from the State of Maine exceed expenditures.

*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 program administration for most of the federal programs and grants. Federal and state programs consist of the following, which are considered non-major funds:

**U.S. Department of Housing and Urban Development**

- Emergency Solutions Grants Program
- Emergency Solutions Grants Program – *Coronavirus Aid, Relief, and Economic Security Act*
- HOME Investment Partnerships Program
- HOME Investment Partnerships Program – *American Rescue Plan Act*
- National Housing Trust Fund
- Lead-Based Paint Hazard Control Program
- Homeless Management Information System
- Housing Counseling Assistance Program
- Continuum of Care - Planning Grant
- Continuum of Care - Rental Assistance Program
- Continuum of Care - Coordinated Entry Grant
- Continuum of Care - Youth Homeless Demonstration Program
- Community Development Block Grant - *Coronavirus Aid, Relief, and Economic Security Act* (via State of Maine)

**U.S. Department of Energy**

- Weatherization Assistance Program
- Weatherization Assistance Program - Training Centers and Programs

**Maine State Housing Authority**  
**Notes to Financial Statements – December 31, 2021**  
*(IN THOUSANDS OF DOLLARS)*

**U.S. Department of Health and Human Services**

Low Income Household Water Assistance Program – Consolidated Appropriations Act and *American Rescue Plan Act*  
Weatherization / Central Heating Improvement Program  
Temporary Assistance for Needy Families (via State of Maine)  
Maine Association of Recovery Residences (via State of Maine)

**U.S. Department of Treasury**

Coronavirus Relief Fund – *Coronavirus Aid, Relief, and Economic Security Act* (via State of Maine)

**U.S. Department of Homeland Security**

Federal Emergency Management Agency Disaster Assistance Grants – COVID-19

**State of Maine**

Home Modification Program  
Arsenic Remediation Program  
Natural Disaster Housing Assistance Fund  
Consumer Residential Opportunities Program  
Indian Housing Mortgage Insurance Program  
Lead Abatement Program  
Senior Housing General Obligation Bonds

**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 bonds, notes, 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, nonspendable in current form due to the long term nature of certain assets, or unassigned for any residual deficit fund balances. Generally, if unrestricted fund balances are available they are 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.

**Maine State Housing Authority**  
**Notes to Financial Statements – December 31, 2021**  
*(IN THOUSANDS OF DOLLARS)*

**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.

**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 collectability 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 collectability 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.

**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, 2021**  
*(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 expenses incurred for originating and servicing loans, bond interest 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 and synthetic instrument methods. MaineHousing's swap agreements constitute an effective hedge for the hedged portion of the variable rate bond portfolio at December 31, 2021.

**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.

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**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 asset, 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 and fair value of interest rate swaps. Actual results could differ from estimates.

**New Accounting Standards**

The following GASB Statements that have been issued are under evaluation by MaineHousing:

- GASB Statement No. 87, *Leases*; GASB Statement No. 91, *Conduit Debt Obligations*; GASB Statement No. 92, *Omnibus 2020*; and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a suppression of GASB Statement No. 32* are effective for the year ending December 31, 2022.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates* has requirements that are effective for the year ending December 31, 2022.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* are effective for the year ending December 31, 2023.

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, 2021, the carrying amount of MaineHousing's bank deposits was \$65,418 and the bank balance was \$65,883. The difference between the carrying amount and the bank balance is a result of transactions in transit. Of the bank balance, \$384 was covered by federal depository insurance and \$65,499 was collateralized by pledged government securities that are held in the bank's name at the Federal Reserve Bank.

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 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.

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MaineHousing's investment balances and stated maturities as of December 31, 2021 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	
<b>PROPRIETARY FUNDS</b>						
<b>MORTGAGE PURCHASE FUND</b>						
Repurchase Agreements	\$124,547	\$124,547	\$0	\$0	\$0	NR
Money Market Funds	19	19	0	0	0	NR
Federal Farm Credit Bank (FFCB)	24,478	0	0	8,976	15,502	P-1/Aaa
Federal Home Loan Bank (FHLB)	102,094	76,996	0	9,540	15,558	P-1/Aaa
U.S. Treasury Securities	139,999	139,999	0	0	0	NR
<b>Total - Mortgage Purchase Fund</b>	<b>391,137</b>	<b>341,561</b>	<b>0</b>	<b>18,516</b>	<b>31,060</b>	
<b>BONDHOLDERS RESERVE FUND</b>						
Repurchase Agreements	7,998	7,998	0	0	0	NR
<b>GENERAL ADMINISTRATIVE FUND</b>						
Repurchase Agreements	5,205	5,205	0	0	0	NR
Money Market Funds	773	773	0	0	0	NR
Certificates of Deposit	2,403	2,403	0	0	0	NR
<b>Total - General Administrative Fund</b>	<b>8,381</b>	<b>8,381</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total - Proprietary Funds</b>	<b>\$407,516</b>	<b>\$357,940</b>	<b>\$0</b>	<b>\$18,516</b>	<b>\$31,060</b>	
<b>GOVERNMENTAL FUNDS</b>						
<b>HOME FUND</b>						
Repurchase Agreements	\$33,760	\$33,760	\$0	\$0	\$0	NR
<b>MAINE ENERGY, HOUSING &amp; ECONOMIC RECOVERY FUND</b>						
Repurchase Agreements	43,118	43,118	0	0	0	NR
<b>OTHER FEDERAL AND STATE PROGRAMS</b>						
Repurchase Agreements	7,974	7,974	0	0	0	NR
<b>Total - Governmental Funds</b>	<b>\$84,852</b>	<b>\$84,852</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

MaineHousing generally invests in repurchase agreements, money market funds, and U.S. Treasury Securities 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.

At December 31, 2021, \$440,389 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 0.04%. Investments other than repurchase agreements, money market funds, and U.S. Treasury Securities are registered in MaineHousing's name. Investments issued by Federal Farm Credit Bank (FFCB) and Federal Home Loan Bank (FHLB) make up 6% and 26% of total investments, respectively, in the Mortgage Purchase Fund.

At December 31, 2021, \$2,403 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 0.01% and will mature in January 2022. The certificate is not credit rated and is being held by its bank trustee in MaineHousing's name.

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**(4.) MORTGAGE AND OTHER NOTES RECEIVABLE**

For financial statement presentation, the allowance for losses on loans has been netted against the noncurrent portion of mortgage notes receivable and other notes receivable. However, where there is no noncurrent portion for other notes receivable, the allowance is netted against the current amount. A summary of mortgage notes receivable at December 31, 2021 is as follows:

	<u>Number of Notes</u>	<u>Principal Balance</u>	<u>Percent of Portfolio</u>
<b>PROPRIETARY FUNDS</b>			
MORTGAGE PURCHASE FUND - SINGLE-FAMILY:			
VA guaranteed	429	\$43,851	5.0%
FHA insured	1,514	140,097	15.8%
USDA/RD guaranteed	5,046	534,949	60.4%
Privately insured	286	28,958	3.3%
Non-insured	<u>2,417</u>	<u>137,866</u>	<u>15.5%</u>
Total Mortgage Purchase Fund - single-family	<u>9,692</u>	<u>885,721</u>	<u>100.0%</u>
MORTGAGE PURCHASE FUND - MULTI-FAMILY:			
Section 8	181	176,894	36.2%
Conventional	315	294,337	60.2%
Supportive Housing	<u>156</u>	<u>17,436</u>	<u>3.6%</u>
Total Mortgage Purchase Fund - multi-family	<u>652</u>	<u>488,667</u>	<u>100.0%</u>
Less: Allowance for losses on loans		<u>(7,182)</u>	
Total Mortgage Purchase Fund	<u>10,344</u>	<u>1,367,206</u>	
GENERAL ADMINISTRATIVE FUND - SINGLE-FAMILY:			
Non-insured	56	1,532	96.8%
Privately insured	<u>2</u>	<u>50</u>	<u>3.2%</u>
Total General Administrative Fund-Single Family	<u>58</u>	<u>1,582</u>	<u>100.0%</u>
GENERAL ADMINISTRATIVE FUND - MULTI-FAMILY:			
Section 8	1	553	15.0%
Conventional	<u>5</u>	<u>3,128</u>	<u>85.0%</u>
Total General Administrative Fund - multi-family	<u>6</u>	<u>3,681</u>	<u>100.0%</u>
GENERAL ADMINISTRATIVE FUND - HOME IMPROVEMENT LOANS:			
Non-insured	<u>16</u>	<u>29</u>	<u>100.0%</u>
Less: Allowance for losses on loans		<u>(624)</u>	
Total General Administrative Fund	<u>80</u>	<u>4,668</u>	
Total Proprietary Funds	<u>10,424</u>	<u>\$1,371,874</u>	
<b>GOVERNMENTAL FUNDS</b>			
HOME FUND - SINGLE-FAMILY:			
Non-insured	303	\$3,182	<u>100.0%</u>
HOME FUND - MULTI-FAMILY:			
Non-insured	<u>119</u>	<u>26,725</u>	<u>100.0%</u>
Total HOME Fund	<u>422</u>	<u>29,907</u>	
Less: Allowance for losses on loans		<u>(947)</u>	
Total HOME Fund	<u>422</u>	<u>28,960</u>	
MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY FUND - MULTI-FAMILY			
Non-insured	<u>16</u>	<u>9,619</u>	<u>100.0%</u>
Total Governmental Funds	<u>438</u>	<u>\$38,579</u>	

**Maine State Housing Authority**  
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A summary of other notes receivable at December 31, 2021 is as follows:

	Number of Notes	Principal Balance	Percent of Portfolio
<b>PROPRIETARY FUNDS</b>			
GENERAL ADMINISTRATIVE FUND			
Non-insured	3	\$65	100.0%
Total Proprietary Funds	3	\$65	
<b>GOVERNMENTAL FUNDS</b>			
OTHER FEDERAL AND STATE PROGRAMS:			
Non-insured	1	\$1	100.0%
Less: Allowance for losses on loans		(1)	
Total Governmental Funds	1	\$0	

A summary of the activity in the allowance for losses on loans is as follows:

	<b>PROPRIETARY FUNDS</b>		<b>GOVERNMENTAL FUNDS</b>	
	Mortgage Purchase Fund	General Administrative Fund	HOME Fund	Other Federal and State Programs
Balance – December 31, 2020	\$7,201	\$600	\$1,000	\$5
Provision	0	11	0	6
Loans charged off	(41)	0	(53)	(10)
Recoveries	22	13	0	0
Balance – December 31, 2021	\$7,182	\$624	\$947	\$1

**(5.) 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, 2021. The Single-Family (S/F) and Multi-Family (M/F) Mortgage Bonds Payable outstanding at December 31, 2021 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		
<b>PROPRIETARY FUNDS</b>							
MORTGAGE PURCHASE FUND							
2005 SERIES G BONDS (M/F):							
2005 Series G (AMT)							
Term Bonds	\$22,300	\$19,865	Variable - 0.14%	2022-2037	255	-	4,385
2013 SERIES B BONDS (S/F):							
2013 Series B (Non-AMT)							
Serial Bonds	7,540	3,610	2.70% - 2.75%	2023-2024	1,775	-	1,835
Term Bonds	3,890	2,000	3.00%	2026-2027	985	-	1,015
Term Bonds	38,690	37,100	3.45%	2028-2032	5,625	-	8,280
Term Bonds	28,880	27,600	3.60%	2033-2036	2,230	-	9,205
Term Bonds	27,000	340	4.00%	2036-2037	150	-	190
	106,000	70,650					

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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
<b>2014 SERIES C BONDS (S/F):</b>							
<b>2014 Series C-1 (AMT)</b>							
Serial Bonds	14,860	4,475	3.00% - 3.10%	2023-2024	1,370	-	3,105
Term Bonds	2,000	0	3.63%				
Term Bonds	7,620	0	4.00%				
Term Bonds	17,465	3,150	3.50%	2034-2041	170	-	775
<b>2014 Series C-2 (Non-AMT)</b>							
Term Bonds	<u>29,000</u>	<u>10,945</u>	3.75%	2033-2034	4,275	-	6,670
	<u>70,945</u>	<u>18,570</u>					
<b>2015 SERIES A BONDS (M/F)</b>							
<b>2015 Series A-1 (AMT)</b>							
Serial Bonds	13,485	5,390	2.88% - 3.05%	2023-2025	1,745	-	1,855
<b>2015 Series A-2 (Non-AMT)</b>							
Term Bonds	6,555	1,125	3.25%	2028-2029	525	-	600
<b>2015 Series A-3 (Non-AMT)</b>							
Serial Bonds	8,050	0	1.20%				
Term Bonds	11,220	11,220	3.50%	2030-2034	2,085	-	2,410
Term Bonds	13,505	13,505	3.63%	2035-2039	2,505	-	2,905
Term Bonds	<u>16,225</u>	<u>16,225</u>	3.75%	2040-2044	2,995	-	3,500
	<u>69,040</u>	<u>47,465</u>					
<b>2015 SERIES B BONDS (S/F)</b>							
<b>2015 Series B (Non-AMT)</b>							
Serial Bonds	9,750	3,435	2.30% - 2.60%	2023-2025	1,115	-	1,175
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	<u>9,890</u>	<u>1,595</u>	3.50%	2035-2040	225	-	290
	<u>32,000</u>	<u>13,290</u>					
<b>2015 SERIES C BONDS (M/F)</b>							
<b>2015 Series C (Federally Taxable)</b>							
Serial Bonds	9,480	0	2.74% - 3.04%				
Term Bonds	18,000	4,100	3.59%	2030	4,100	-	
Term Bonds	<u>12,520</u>	<u>7,800</u>	3.95%	2038-2040	2,500	-	2,700
	<u>40,000</u>	<u>11,900</u>					
<b>2015 SERIES D BONDS (S/F)</b>							
<b>2015 Series D (Non-AMT)</b>							
Serial Bonds	7,105	2,800	2.80% - 3.13%	2023-2025	900	-	970
Term Bonds	3,340	0	3.75%				
Term Bonds	4,890	0	4.00%				
Term Bonds	7,585	0	4.25%				
Term Bonds	<u>7,080</u>	<u>1,515</u>	4.00%	2041-2045	235	-	385
	<u>30,000</u>	<u>4,315</u>					
<b>2015 SERIES E BONDS (S/F)</b>							
<b>2015 Series E-1 (AMT)</b>							
Serial Bonds	30,115	2,580	3.10%	2023	2,580	-	
Term Bonds	26,690	0	4.00%				
Term Bonds	26,325	5,895	3.50%	2031-2034	715	-	2,045
<b>2015 Series E-3 (AMT)</b>							
Term Bonds	<u>30,000</u>	<u>30,000</u>	Variable - 0.14%	2035-2038	5,455	-	8,975
	<u>113,130</u>	<u>38,475</u>					
<b>2015 SERIES F BONDS (M/F)</b>							
<b>2015 Series F-2 (Non-AMT)</b>							
Serial Bonds	2,450	2,000	2.35% - 2.85%	2023-2026		500	
<b>2015 Series F-3 (Non-AMT)</b>							
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	<u>11,840</u>	<u>7,815</u>	3.95%	2038-2040	2,490	-	2,720
	<u>45,200</u>	<u>14,970</u>					
<b>2015 SERIES G BONDS (S/F)</b>							
<b>2015 Series G (Non-AMT)</b>							
Serial Bonds	8,185	6,905	2.35% - 3.00%	2023-2027	675	-	2,095
Term Bonds	1,730	1,730	3.35%	2028-2030	535	-	615
Term Bonds	2,125	1,420	3.65%	2033-2035	420	-	525
Term Bonds	12,060	7,420	3.85%	2038-2040	2,410	-	2,535
Term Bonds	<u>5,900</u>	<u>1,580</u>	3.50%	2041-2045	250	-	345
	<u>30,000</u>	<u>19,055</u>					

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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
<b>2016 SERIES A BONDS (S/F)</b>							
<b>2016 Series A (Non-AMT)</b>							
Serial Bonds	6,065	3,990	1.70% - 2.45%	2022-2026	745	-	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	<u>6,885</u>	<u>1,950</u>	4.00%	2041-2045	375	-	410
	<u>35,000</u>	<u>27,990</u>					
<b>2016 SERIES B BONDS (S/F)</b>							
<b>2016 Series B-1 (Non-AMT)</b>							
Serial Bonds	19,260	13,105	1.70% - 2.55%	2022-2027	1,970	-	2,410
Term Bonds	3,885	1,205	2.70%	2028	1,205	-	
Term Bonds	18,855	4,275	3.50%	2040-2046	260	-	705
<b>2016 Series B-2 (AMT)</b>							
Term Bonds	<u>28,000</u>	<u>28,000</u>	Variable - 0.14%	2029-2037	2,720	-	3,420
	<u>70,000</u>	<u>46,585</u>					
<b>2016 SERIES C BONDS (S/F)</b>							
<b>2016 Series C (Non-AMT)</b>							
Serial Bonds	13,620	11,815	1.55% - 2.50%	2022-2028	950	-	3,475
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	<u>8,380</u>	<u>2,920</u>	3.50%	2042-2046	555	-	620
	<u>40,000</u>	<u>32,735</u>					
<b>2016 SERIES D BONDS (M/F)</b>							
<b>2016 Series D (Federally Taxable)</b>							
Serial Bonds	32,000	32,000	2.24% - 2.99%	2023-2029	825	-	8,185
Term Bonds	<u>8,000</u>	<u>8,000</u>	3.29%	2030-2031	4,000	-	
	<u>40,000</u>	<u>40,000</u>					
<b>2016 SERIES E BONDS (S/F)</b>							
<b>2016 Series E (Non-AMT)</b>							
Serial Bonds	6,250	3,715	2.45% - 3.15%	2023-2027	690	-	800
Term Bonds	3,050	800	3.63%	2031	800	-	
Term Bonds	10,385	0	3.90%			-	
Term Bonds	<u>8,315</u>	<u>3,265</u>	4.00%	2037-2046	285	-	370
	<u>28,000</u>	<u>7,780</u>					
<b>2017 SERIES A BONDS (S/F)</b>							
<b>2017 Series A (Non-AMT)</b>							
Serial Bonds	5,920	4,180	2.30% - 3.15%	2023-2028	635	-	765
Term Bonds	3,360	1,685	3.65%	2029-2032	790	-	895
Term Bonds	6,315	0	4.00%			-	
Term Bonds	7,625	0	4.05%			-	
Term Bonds	<u>6,780</u>	<u>2,910</u>	4.00%	2043-2047	480	-	880
	<u>30,000</u>	<u>8,775</u>					
<b>2017 SERIES B BONDS (S/F)</b>							
<b>2017 Series B (Non-AMT)</b>							
Serial Bonds	8,680	7,375	1.65% - 3.00%	2022-2030	690	-	1,010
Term Bonds	4,215	4,215	3.25%	2031-2032	2,090	-	2,125
Term Bonds	6,170	6,170	3.65%	2033-2037	1,150	-	1,325
Term Bonds	8,745	8,745	3.75%	2038-2044	1,115	-	1,355
Term Bonds	<u>7,190</u>	<u>3,380</u>	4.00%	2045-2047	1,110	-	1,150
	<u>35,000</u>	<u>29,885</u>					
<b>2017 SERIES D BONDS (M/F)</b>							
<b>2017 Series D-1 (Non-AMT)</b>							
Serial Bonds	13,175	8,000	1.70% - 2.95%	2022-2029	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
<b>2017 Series D-2 (AMT)</b>							
Term Bonds	<u>50,000</u>	<u>50,000</u>	Variable - 0.13%	2042-2046		10,000	
	<u>91,175</u>	<u>86,000</u>					

**Maine State Housing Authority**  
**Notes to Financial Statements – December 31, 2021**  
*(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 E BONDS (S/F)							
2017 Series E (Federally Taxable)							
Term Bonds	60,000	60,000	Variable - 0.08%	2042-2052	5,000	-	10,000
	<u>60,000</u>	<u>60,000</u>					
2017 SERIES F BONDS (S/F)							
2017 Series F (Non-AMT)							
Serial Bonds	13,180	11,430	1.75% - 3.00%	2023-2030	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	5,985	3.50%	2043-2047	935	-	2,025
	<u>40,000</u>	<u>32,390</u>					
2017 SERIES G BONDS (S/F - M/F)							
2017 Series G-1 (Federally Taxable)							
Term Bonds	55,000	55,000	Variable - 0.09%	2045-2050	8,290	-	10,090
2017 Series G-2 (Federally Taxable)							
Term Bonds	3,520	3,520	0.00%	2022		3,520	
	<u>58,520</u>	<u>58,520</u>					
2017 SERIES H BONDS (S/F)							
2017 Series H (Non-AMT)							
Serial Bonds	18,380	18,380	2.10% - 3.05%	2023-2030	1,105	-	4,510
Term Bonds	5,420	5,420	3.25%	2031-2033	1,750	-	1,865
Term Bonds	10,625	10,625	3.55%	2034-2037	2,515	-	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
	<u>38,500</u>	<u>38,500</u>					
2018 SERIES A BONDS (S/F)							
2018 Series A (Non-AMT)							
Serial Bonds	13,510	9,335	2.40% - 3.25%	2023-2030	1,135	-	1,200
Term Bonds	3,680	3,680	3.50%	2031-2033	1,215	-	1,245
Term Bonds	8,630	8,630	3.75%	2034-2038	1,685	-	1,765
Term Bonds	9,180	9,180	3.90%	2039-2043	1,790	-	1,885
	<u>35,000</u>	<u>30,825</u>					
2018 SERIES B BONDS (S/F)							
2018 Series B (Non-AMT)							
Serial Bonds	10,565	7,205	2.40% - 3.10%	2023-2028	1,170	-	1,230
Term Bonds	6,005	6,005	3.50%	2029-2033	1,175	-	1,230
Term Bonds	11,270	11,270	3.75%	2034-2038	2,195	-	2,320
Term Bonds	12,160	12,160	3.85%	2039-2043	2,355	-	2,515
	<u>40,000</u>	<u>36,640</u>					
2018 SERIES C BONDS (S/F)							
2018 Series C (Non-AMT)							
Serial Bonds	14,200	10,310	2.25% - 3.25%	2023-2030	485	-	1,955
Term Bonds	4,080	4,080	3.55%	2031-2033	1,345	-	1,375
Term Bonds	7,195	1,485	3.85%	2038		1,485	
Term Bonds	9,595	9,595	3.95%	2039-2043	1,750	-	2,415
Term Bonds	9,930	6,620	4.00%	2044-2048	230	-	3,015
	<u>45,000</u>	<u>32,090</u>					
2018 SERIES D BONDS (S/F - M/F)							
2018 Series D-1 (Federally Taxable)							
Term Bonds	40,000	40,000	Variable - 0.45%	2043-2053	2,965	-	4,395
2018 Series D-2 (Federally Taxable)							
Term Bonds	3,150	3,150	0.00%	2023		3,150	
	<u>43,150</u>	<u>43,150</u>					
2018 SERIES F BONDS (S/F)							
2018 Series F (Non-AMT)							
Serial Bonds	7,710	4,365	2.65% - 3.55%	2023-2029	405	-	1,235
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	7,080	4.25%	2044-2048	280	-	3,195
	<u>34,430</u>	<u>11,445</u>					

**Maine State Housing Authority**  
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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
<b>2019 SERIES A BONDS (S/F)</b>							
<b>2019 Series A (Non-AMT)</b>							
Serial Bonds	12,670	10,915	2.20% - 3.05%	2023-2030	695	-	3,330
Term Bonds	4,305	4,305	3.45%	2031-2034	1,005	-	1,150
Term Bonds	2,605	2,605	3.80%	2035-2039	475	-	570
Term Bonds	10,880	0					
Term Bonds	<u>9,005</u>	<u>6,535</u>	4.00%	2046-2049	960	-	2,475
	<u>39,465</u>	<u>24,360</u>					
<b>2019 SERIES B BONDS (S/F)</b>							
<b>2019 Series B (Non-AMT)</b>							
Serial Bonds	18,075	16,130	1.80% - 2.80%	2022-2032	695	-	2,245
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	<u>9,840</u>	<u>9,840</u>	3.35%	2040-2044	1,795	-	2,130
	<u>40,000</u>	<u>38,055</u>					
<b>2019 SERIES C BONDS (S/F)</b>							
<b>2019 Series C (Non-AMT)</b>							
Serial Bonds	8,415	7,140	1.45% - 2.45%	2022-2031	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	<u>8,825</u>	<u>7,205</u>	4.00%	2047-2050	1,300	-	2,040
	<u>39,110</u>	<u>36,215</u>					
<b>2019 SERIES D BONDS (M/F)</b>							
<b>2019 Series D (Federally Taxable)</b>							
Term Bonds	<u>4,220</u>	<u>4,220</u>	0.00%	2024		4,220	
	<u>4,220</u>	<u>4,220</u>					
<b>2019 SERIES E BONDS (S/F)</b>							
<b>2019 Series E (Non-AMT)</b>							
Serial Bonds	15,540	14,550	1.50% - 2.35%	2022-2031	660	-	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	<u>6,400</u>	<u>5,435</u>	3.75%	2047-2049	490	-	2,525
	<u>34,445</u>	<u>32,490</u>					
<b>2020 SERIES A BONDS (S/F)</b>							
<b>2020 Series A (Non-AMT)</b>							
Serial Bonds	9,800	8,885	1.25% - 2.40%	2022-2032	680	-	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	<u>6,715</u>	<u>5,880</u>	3.75%	2047-2049	835	-	3,625
	<u>34,350</u>	<u>32,600</u>					
<b>2020 SERIES B BONDS (M/F)</b>							
<b>2020 Series B (Non-AMT)</b>							
Serial Bonds	12,000	12,000	1.00% - 1.10%	2022-2024		4,000	
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	<u>8,970</u>	<u>8,970</u>	2.60%	2046-2050	1,695	-	1,900
	<u>50,000</u>	<u>50,000</u>					
<b>2020 SERIES C BONDS (S/F)</b>							
<b>2020 Series C (Non-AMT)</b>							
Serial Bonds	12,765	12,765	1.35% - 2.50%	2022-2032	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	<u>11,235</u>	<u>10,090</u>	4.00%	2044-2050	340	-	2,025
	<u>38,955</u>	<u>37,810</u>					
<b>2020 SERIES D BONDS (S/F)</b>							
<b>2020 Series D (Non-AMT)</b>							
Serial Bonds	10,280	10,280	0.90% - 2.20%	2024-2032	990	-	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	<u>12,750</u>	<u>12,750</u>	2.80%	2041-2045	1,465	-	4,120
	<u>35,000</u>	<u>35,000</u>					

**Maine State Housing Authority**  
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*(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		
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	10,465	0.30% - 1.75%	2022-2032	395	-	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>40,000</u>					
2020 SERIES G BONDS (S/F)							
2020 Series G (Non-AMT)							
Serial Bonds	25,180	25,180	0.50% - 2.20%	2024-2035	1,035	-	5,315
Term Bonds	10,465	10,465	2.38%	2036-2040	1,960	-	2,215
	<u>35,645</u>	<u>35,645</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>					
2021 SERIES A BONDS (M/F)							
2021 Series A (Non-AMT)							
Serial Bonds	21,000	21,000	0.30% - 0.60%	2023-2026	4,000	-	8,000
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>50,000</u>					
2021 SERIES B BONDS (S/F)							
2021 Series B (Non-AMT)							
Serial Bonds	10,150	10,150	0.15% - 1.85%	2022-2032	775	-	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>40,000</u>					
2021 SERIES C BONDS (S/F)							
2021 Series C (Non-AMT)							
Serial Bonds	10,755	10,755	0.15% - 1.80%	2022-2033	500	-	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>40,000</u>					
2021 SERIES D BONDS (S/F)							
2021 Series D (Non-AMT)							
Serial Bonds	11,675	11,675	0.40% - 2.10%	2023-2033	910	-	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	8,455	3.00%	2049-2051	1,655	-	4,765
	<u>39,330</u>	<u>39,330</u>					
		1,497,590					
Plus: Net Unamortized Bond Premium		<u>1,154</u>					
Total Mortgage Purchase Fund	<u>1,962,910</u>	<u>1,498,744</u>					
Total Proprietary Funds	<u>\$1,962,910</u>	<u>\$1,498,744</u>					

**Maine State Housing Authority**  
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*(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		
<b>GOVERNMENTAL FUNDS</b>							
MAINE ENERGY, HOUSING & ECONOMIC RECOVERY FUND							
2021 Series 1 (Non-AMT)							
Serial Bonds	\$15,020	\$15,020	5.00%	2034-2037	3,265	-	4,110
2021 Series 2 (Taxable)							
Serial Bonds	38,930	38,930	0.28% - 2.42%	2022-2034	295	-	3,480
		53,950					
Plus: Net Unamortized Bond Premium		4,075					
Total Maine Energy, Housing & Recovery Fund Group	53,950	58,025					
Total Governmental Funds	\$53,950	\$58,025					

The following table summarizes bond debt activity for the year ended December 31, 2021:

<u>Fund</u>	Outstanding at December 31, 2020	Issues	Retirement	Outstanding at December 31, 2021
Mortgage Purchase Fund	\$1,555,700	\$169,330	(\$227,440)	\$1,497,590
Maine Energy, Housing & Economic Recovery Fund	22,630	53,950	(22,630)	53,950
Total	\$1,578,330	\$223,280	(\$250,070)	\$1,551,540

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.

The interest calculations shown in the table below are based on the variable rate in effect at December 31, 2021 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 2026 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
2022	\$19,085	\$33,816	\$255	\$236	\$3,721	\$3,445	\$1,300
2023	49,475	33,689	285	243	3,443	3,020	1,289
2024	58,065	32,832	295	243	3,166	3,035	1,272
2025	51,920	31,820	305	242	3,157	3,055	1,247
2026	46,415	30,808	325	242	3,094	3,085	1,214
2027-2031	267,560	136,199	10,590	1,191	11,501	16,110	5,329
2032-2036	267,380	96,899	44,275	1,058	4,303	18,090	3,145
2037-2041	213,865	59,769	21,535	710	146	4,110	103
2042-2046	180,118	28,606	77,327	518	0	0	0
2047-2051	121,393	7,824	48,507	129	0	0	0
2052-2056	14,449	64	4,166	4	0	0	0
Total	\$1,289,725	\$492,326	\$207,865	\$4,816	\$32,531	\$53,950	\$14,899

**Maine State Housing Authority**  
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*(IN THOUSANDS OF DOLLARS)*

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, 2021, MaineHousing has a \$14,876 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 fund, has principal and interest payments due monthly based on a 20-year amortization.

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 \$2,403 non-negotiable certificate of deposit held with the lender.

The following table provides a summary of note payment requirements through 2026 and in five-year increments thereafter to maturity:

Year(s)	Principal	Interest	Total
2022	\$615	\$474	\$1,089
2023	636	453	1,089
2024	655	434	1,089
2025	678	411	1,089
2026	700	389	1,089
2027-2031	3,861	1,582	5,443
2032-2033	7,731	448	8,179
Total	\$14,876	\$4,191	\$19,067

*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 \$2,150,000 of outstanding bonds secured by this obligation. Of that amount, \$1,497,590 was outstanding at December 31, 2021.

*Other Debt*

MaineHousing uses 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 \$27,587 outstanding at December 31, 2021. 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.

**Maine State Housing Authority**  
**Notes to Financial Statements – December 31, 2021**  
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**(6.) INTEREST RATE SWAP AGREEMENTS**

MaineHousing has thirteen interest rate swap agreements (swaps) with four counterparties as of December 31, 2021. 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 or ninety-day London InterBank Offered Rate (LIBOR) or the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA).

The swaps have an aggregate negative fair value of \$10,113 at December 31, 2021. During 2021, the fair value of the swaps increased by \$8,296. 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, 2021 by using the regression analysis and synthetic instrument methods. The aggregate fair value is classified as a derivative instrument liability and a deferred outflow of resources, which represents the accumulated decrease in fair value. Variable rate bonds outstanding at December 31, 2021 total \$282,865.

The following table contains the terms, fair values, and credit ratings of the swaps as of December 31, 2021. 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
2005 Series G	\$19,865	2/1/2006	3.59%	65% of 30 day LIBOR plus .20%	(\$5,785)	11/15/2037	Aa2/A+
2015 Series E-3	5,000	11/15/2016	1.15%	70% of 30 day LIBOR	(78)	11/15/2025	Aa2/AA-
2015 Series E-3	5,000	11/15/2019	1.40%	70% of 30 day LIBOR	(185)	11/15/2029	Aa3/A+
2015 Series E-3	20,000	5/15/2021	1.46%	67% of 30 day LIBOR	(1,099)	11/15/2032	A1/A
2016 Series B-2	8,000	5/15/2017	1.61%	70% of 30 day LIBOR	(202)	11/15/2031 <sup>1</sup>	Aa2/AA-
2016 Series B-2	20,000	11/15/2017	1.66%	70% of 30 day LIBOR	(555)	11/15/2031 <sup>1</sup>	Aa2/AA-
2017 Series D-2	10,000	11/15/2019	1.87%	75% of 30 day LIBOR plus 0.46%	(263)	11/15/2026	Aa3/A+
2017 Series D-2	12,500	11/15/2018	2.57%	70% of 30 day LIBOR plus 0.45%	(1,027)	11/15/2028	Aa3/A+
2017 Series D-2	12,500	11/15/2018	2.59%	70% of 30 day LIBOR plus 0.45%	(1,567)	11/15/2033	Aa3/A+
2017 Series D-2	15,000	1/29/2008	3.71%	100% of SIFMA plus .06%	(742)	5/15/2023	Aa2/A+
2017 Series E	25,000	11/15/2021	1.69%	100% of 30 day LIBOR	(720)	11/15/2032	Aa3/A+
2017 Series G-1	25,000	11/15/2019	1.90%	100% of 30 day LIBOR	(920)	11/15/2026	A1/A
2017 Series G-1	30,000	11/15/2020	0.88%	100% of 90 day LIBOR	3,030	11/15/2035	A1/A
Totals	<u>\$207,865</u>				<u>(\$10,113)</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.

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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, 2021. MaineHousing is not exposed to credit risk for the swaps that have negative fair values. At December 31, 2021, there is one swap that has a positive fair value of \$3,030. This amount represents MaineHousing's credit exposure to the related counterparty 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 – The floating rate payments provided by the counterparties are based upon either the SIFMA index or the LIBOR index. MaineHousing's floating rate bonds will have rates adjusted weekly. The LIBOR rate will be adjusted on a monthly basis, except for 2017 Series G-1, which is adjusted on a quarterly basis. MaineHousing's bonds are expected to track with the SIFMA Index, which differs from the LIBOR index. If the floating rate tax exempt bonds, which should correspond to the SIFMA index, trade at a value significantly different than their historical relationship to LIBOR, the net cost to MaineHousing could increase or decrease. As of December 31, 2021, the thirty day LIBOR rate and the ninety day LIBOR rate were 0.10% and 0.21%, respectively and the SIFMA rate was 0.10%.

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.

## **(7.) 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 2.9% 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 7.6% of annual salary. The employer match contribution is made to the 401(a) plan.

For the year ended December 31, 2021, employee contributions totaled \$782 and MaineHousing contributed and recognized expense of \$588. 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.

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*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 0.93%.

*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, 2021, the established MainePERS employer contribution rate is 10.3% 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 0.20% 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 \$504 for the year ended December 31, 2021.

***Actuarial Methods and Assumptions***

The collective total pension liability (asset) was determined by an actuarial valuation as of June 30, 2021, 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 his/her pay and his/her 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 (asset) 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.

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*Actuarial Assumptions:* The actuarial valuation as of June 30, 2021 and June 30, 2020 used the following actuarial assumptions:

*Investment Rate of Return* – 6.50% for 2021 and 6.75% for 2020 per annum, compounded annually.

*Inflation Rate* – 2.75%.

*Annual Salary Increases, Including Inflation* – 2.75% to 11.48% for 2021 and 2.75% plus merit component based on each employee's year of service for 2020.

*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. For 2020, the RP 2014 Total Dataset Healthy Annuitant Mortality Table for males and females was used.

The actuarial and demographic assumptions used in the June 30, 2021 valuations were based on the results of an actuarial experience study covering the period June 30, 2016 through June 30, 2020. The actuarial and demographic assumptions used in the June 30, 2020 actuarial valuations were based on the results of an actuarial experience study for the period of June 30, 2012 to June 30, 2015. The economic assumptions are based on this experience study along with advice of the MainePERS investment consultants for June 30, 2021 and June 30, 2020.

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 arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equities	30.0%	6.0%
US Government	7.5%	2.3%
Private Equity	15.0%	7.6%
Real Estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	7.5%	7.2%
Risk Diversifiers	7.5%	5.9%

*Discount Rate:* The discount rate used to measure the collective total pension asset 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 asset.

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*Net Pension Asset:* At December 31, 2021, MaineHousing has an asset of \$217 for its proportionate share of the total collective net pension asset. The net pension asset was measured as of June 30, 2021 and the total collective pension asset used to calculate the proportionate share of the net pension asset was determined by an actuarial valuation as of that date. MaineHousing's proportion of the net pension asset was based on MaineHousing's employer contributions received by MainePERS during the measurement period July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all participating entities. MaineHousing's proportion was 0.674986% at December 31, 2021. The proportion was 0.709590% at December 31, 2020.

*Sensitivity of MaineHousing's proportionate share of the net pension asset to changes in the discount rate:* The following represents MaineHousing's proportionate share of the net pension asset 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>
\$3,087	(\$217)	(\$2,950)

Changes in net pension liability (asset) are recognized in pension expense for the year ended December 31, 2021 with the following exceptions:

*Differences Between Expected and Actual Experience* – The difference between expected and actual experience with regard to economic or demographic factors was 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. For 2021 and 2020 valuation, this was three years.

*Differences Between Projected and Actual Investment Earnings* – Differences between projected and actual investment earnings were 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 were 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, 2021 valuation were based on the results of an actuarial experience study for the period of June 30, 2016 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 were 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.

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*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* For the year ended December 31, 2021, MaineHousing recognized a pension credit of \$175 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	\$141	\$15
Employer contributions subsequent to the measurement date	254	0
Net difference between projected and actual earnings on pension plan investments	0	2,957
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	187
Changes of assumptions	728	0
Total	<u>\$1,123</u>	<u>\$3,159</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 Asset for the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense through December 31, 2025 as follows:

Year ended December 31:	Pension Expense Amount
2022	(\$475)
2023	(\$320)
2024	(\$673)
2025	(\$822)

*Payables to the Pension Plan:* At December 31, 2021, MaineHousing's total payable to MainePERS for unremitted contributions is \$38.

*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.maineper.org](http://www.maineper.org)

**(8.) 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:

2018 Series D-2 (M/F)	\$271
2019 Series D (M/F)	502
2020 Series B (M/F)	13,943
2020 Series H (S/F, M/F)	3,073
2021 Series A (M/F)	36,324
2021 Series B (S/F)	5,001
2021 Series C (S/F)	28,446
2021 Series D (S/F)	45,503
	<u>\$133,063</u>

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**MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY FUND**

The following bond proceed amounts are invested in accordance with the Maine Energy, Housing and Recovery General Indenture and are available for program activities:

2010 Series 2	\$135
2021 Series 1	\$31
2021 Series 2	<u>38,677</u>
	<u><u>\$38,843</u></u>

**(9.) 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, 2021, MaineHousing had outstanding commitments to originate multi-family mortgage loans of approximately \$241,257. MaineHousing, under its single-family program, enters into purchase agreements with lenders to purchase mortgage loans. At December 31, 2021, single-family loans being processed by lenders for MaineHousing totaled approximately \$33,475.

**(10.) 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, 2021 was \$82,014. 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, 2021 was \$124,951.

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, 2021, 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 \$143,286.

**MAINE ENERGY, HOUSING & ECONOMIC RECOVERY FUND – CAPITAL RESERVE FUND**

With the issuance of the 2021 Series 1 and 2 bonds, MaineHousing is no longer required to maintain a Capital Reserve Fund.

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, 2021, the maximum debt service amount was \$4,318.

**(11.) 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, 2021, there are no arbitrage liabilities to be rebated.

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Prior rebate payments made by MaineHousing that are eligible for refund from the United States Treasury, based on estimated arbitrage rebate calculations, are recorded as a receivable in other assets. MaineHousing has receivables in the amount of \$184 in the Mortgage Purchase Fund at December 31, 2021.

**(12.) 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, 2021 consisted of the following:

	General Administrative Fund	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Other Federal and State Programs
Capital Assets	\$225	\$0	\$0	(\$213)	(\$12)
Program Subsidies	(100)	100	0	0	0
Program Administrative Fees	1,325	0	(1,325)	0	0
	<u>\$1,450</u>	<u>\$100</u>	<u>(\$1,325)</u>	<u>(\$213)</u>	<u>(\$12)</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, 2021 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	Emergency Rental Assistance Programs	Maine Energy, Housing & Economic Recovery Program	Other Federal and State Programs
Receivable due from:									
Mortgage Purchase Fund	\$0	\$0	\$2,703	\$0	\$0	\$0	\$0	\$0	\$1,000
General Administrative Fund	0	0	0	0	0	0	14,745	0	0
Other Federal And State Programs	0	0	2,796	10,217	52	0	0	0	0
Collectively, all other funds	0	0	83	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>5,582</u>	<u>10,217</u>	<u>52</u>	<u>0</u>	<u>14,745</u>	<u>0</u>	<u>1,000</u>
Payables	(3,703)	(17)	(14,745)	(1,707)	(293)	(328)	0	(66)	(10,737)
	<u>(\$3,703)</u>	<u>(\$17)</u>	<u>(\$9,163)</u>	<u>\$8,510</u>	<u>(\$241)</u>	<u>(\$328)</u>	<u>\$14,745</u>	<u>(\$66)</u>	<u>(\$9,737)</u>

The receivable amounts of the General Administrative Fund consist primarily of operating expenses owed from the Mortgage Purchase Fund and program expenses owed from Other Federal and State Programs. The General Administrative Fund payable amounts consist of program funds received and due to the Emergency Rental Assistance Programs. The receivable amount of the HOME fund consists primarily of advancements for program expenditures owed from the Other Federal and State Programs.

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**(13.) REDEMPTION OF BONDS**

For the year ended December 31, 2021, MaineHousing redeemed prior to maturity \$227,210 of its Mortgage Purchase Fund bonds from recoveries of principal, reserve funds, surplus revenues, and the proceeds of refunded bonds. Gains of \$798 were attributed to the recognition of related bond premium. The following is a summary of bonds redeemed:

	<u>Interest Rate</u>	<u>Original Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2011 Series D Serial Bonds	3.15%	11/15/2021	\$1,195	100%
2012 Series A-1 Term Bonds	4.50%	11/15/2028	850	100%
2012 Series A-1 Term Bonds	4.50%	11/15/2028	670	100%
2012 Series A-3 Term Bonds	3.85%	11/15/2029	1,240	100%
2012 Series A-3 Term Bonds	3.85%	11/15/2029	5,735	100%
2013 Series B Term Bonds	3.45%	11/15/2032	1,590	100%
2013 Series B Term Bonds	3.60%	11/15/2036	1,280	100%
2013 Series B Term Bonds	4.00%	11/15/2043	1,245	100%
2013 Series B Term Bonds	4.00%	11/15/2043	1,195	100%
2013 Series C Serial Bonds	3.09%	11/15/2023	9,000	100%
2013 Series C Term Bonds	3.84%	11/15/2027	5,765	100%
2013 Series C Term Bonds	4.32%	11/15/2030	5,700	100%
2014 Series A-1 Term Bonds	3.25%	11/15/2043	520	100%
2014 Series A-1 Term Bonds	3.25%	11/15/2043	460	100%
2014 Series A-1 Term Bonds	3.25%	11/15/2043	1,220	100%
2014 Series C-1 Term Bonds	4.00%	11/15/2034	1,810	100%
2014 Series C-1 Term Bonds	4.00%	11/15/2034	3,605	100%
2014 Series C-1 Term Bonds	3.50%	11/15/2044	845	100%
2014 Series C-1 Term Bonds	3.50%	11/15/2044	815	100%
2014 Series C-2 Term Bonds	3.75%	11/15/2034	6,505	100%
2014 Series C-2 Term Bonds	3.75%	11/15/2034	11,550	100%
2015 Series A-2 Term Bonds	3.25%	11/15/2029	250	100%
2015 Series A-2 Term Bonds	3.25%	11/15/2029	4,830	100%
2015 Series B Serial Bonds	1.85%	11/15/2021	1,075	100%
2015 Series B Term Bonds	3.20%	11/15/2030	4,100	100%
2015 Series B Term Bonds	3.50%	11/15/2040	620	100%
2015 Series B Term Bonds	3.50%	11/15/2040	590	100%
2015 Series C Serial Bonds	2.74%	11/15/2023	1,325	100%
2015 Series C Serial Bonds	2.89%	11/15/2024	1,365	100%
2015 Series C Serial Bonds	3.04%	11/15/2025	1,410	100%
2015 Series C Term Bonds	3.59%	11/15/2030	13,900	100%
2015 Series C Term Bonds	3.95%	11/15/2040	4,720	100%
2015 Series D Serial Bonds	3.30%	11/15/2026	1,000	100%
2015 Series D Term Bonds	3.75%	11/15/2030	1,130	100%
2015 Series D Term Bonds	4.00%	11/15/2035	4,890	100%
2015 Series D Term Bonds	4.00%	11/15/2045	445	100%
2015 Series D Term Bonds	4.00%	11/15/2045	425	100%
2015 Series E-1 Serial Bonds	3.30%	11/15/2024	2,590	100%
2015 Series E-1 Serial Bonds	3.45%	11/15/2025	2,595	100%
2015 Series E-1 Serial Bonds	3.60%	11/15/2026	2,310	100%
2015 Series E-1 Serial Bonds	3.60%	11/15/2026	1,845	100%
2015 Series E-1 Term Bonds	3.50%	11/15/2035	1,405	100%
2015 Series E-1 Term Bonds	3.50%	11/15/2035	1,350	100%
2015 Series E-2 Term Bonds	3.80%	11/15/2033	2,105	100%
2015 Series E-2 Term Bonds	4.05%	11/15/2040	2,510	100%

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	<u>Interest Rate</u>	<u>Original Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2015 Series E-2 Term Bonds	4.05%	11/15/2040	5,850	100%
2015 Series F-3 Term Bonds	3.40%	11/15/2030	1,115	100%
2015 Series F-3 Term Bonds	3.85%	11/15/2035	2,195	100%
2015 Series F-3 Term Bonds	3.85%	11/15/2035	7,370	100%
2015 Series F-3 Term Bonds	3.95%	11/15/2040	4,025	100%
2015 Series G Term Bonds	3.65%	11/15/2035	705	100%
2015 Series G Term Bonds	3.85%	11/15/2040	4,640	100%
2015 Series G Term Bonds	3.50%	11/15/2045	400	100%
2015 Series G Term Bonds	3.50%	11/15/2045	385	100%
2016 Series A Serial Bonds	1.40%	11/15/2021	715	100%
2016 Series A Term Bonds	4.00%	11/15/2045	510	100%
2016 Series A Term Bonds	4.00%	11/15/2045	495	100%
2016 Series B-1 Serial Bonds	1.55%	11/15/2021	1,890	100%
2016 Series B-1 Term Bonds	2.70%	11/15/2029	2,680	100%
2016 Series B-1 Term Bonds	3.50%	11/15/2046	1,385	100%
2016 Series B-1 Term Bonds	3.50%	11/15/2046	1,325	100%
2016 Series C Serial Bonds	1.30%	11/15/2021	915	100%
2016 Series C Term Bonds	3.50%	11/15/2046	620	100%
2016 Series C Term Bonds	3.50%	11/15/2046	600	100%
2016 Series E Serial Bonds	1.95%	11/15/2021	645	100%
2016 Series E Term Bonds	3.90%	11/15/2036	4,375	100%
2016 Series E Term Bonds	3.90%	11/15/2036	6,010	100%
2016 Series E Term Bonds	4.00%	11/15/2046	610	100%
2016 Series E Term Bonds	4.00%	11/15/2046	585	100%
2017 Series A Serial Bonds	1.80%	11/15/2021	580	100%
2017 Series A Term Bonds	3.65%	11/15/2032	1,675	100%
2017 Series A Term Bonds	4.00%	11/15/2037	1,360	100%
2017 Series A Term Bonds	4.00%	11/15/2037	4,955	100%
2017 Series A Term Bonds	4.05%	11/15/2042	7,625	100%
2017 Series A Term Bonds	4.00%	11/15/2047	515	100%
2017 Series A Term Bonds	4.00%	11/15/2047	500	100%
2017 Series B Serial Bonds	1.50%	11/15/2021	655	100%
2017 Series B Term Bonds	4.00%	11/15/2047	565	100%
2017 Series B Term Bonds	4.00%	11/15/2047	545	100%
2017 Series D-1 Serial Bonds	1.55%	11/15/2021	620	100%
2017 Series F Term Bonds	3.50%	11/15/2047	910	100%
2017 Series F Term Bonds	3.50%	11/15/2047	870	100%
2018 Series C Term Bonds	3.85%	11/15/2038	1,395	100%
2018 Series C Term Bonds	3.85%	11/15/2038	4,315	100%
2018 Series C Term Bonds	4.00%	11/15/2048	815	100%
2018 Series C Term Bonds	4.00%	11/15/2048	830	100%
2018 Series F Serial Bonds	3.25%	11/15/2027	730	100%
2018 Series F Serial Bonds	3.70%	11/15/2030	835	100%
2018 Series F Term Bonds	3.85%	11/15/2033	3,745	100%
2018 Series F Term Bonds	4.25%	11/15/2048	810	100%
2018 Series F Term Bonds	4.25%	11/15/2048	845	100%
2019 Series A Serial Bonds	1.85%	11/15/2021	740	100%
2019 Series A Term Bonds	4.00%	11/15/2044	10,880	100%
2019 Series A Term Bonds	4.00%	11/15/2049	645	100%
2019 Series A Term Bonds	4.00%	11/15/2049	745	100%
2019 Series B Serial Bonds	1.70%	11/15/2021	1,175	100%
2019 Series C Serial Bonds	1.35%	11/15/2021	715	100%

**Maine State Housing Authority**  
**Notes to Financial Statements – December 31, 2021**  
*(IN THOUSANDS OF DOLLARS)*

	<u>Interest Rate</u>	<u>Original Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2019 Series C Term Bonds	4.00%	11/15/2050	480	100%
2019 Series C Term Bonds	4.00%	11/15/2050	630	100%
2019 Series E Serial Bonds	1.40%	11/15/2021	640	100%
2019 Series E Term Bonds	3.75%	11/15/2049	300	100%
2019 Series E Term Bonds	3.75%	11/15/2049	415	100%
2020 Series A Serial Bonds	1.15%	11/15/2021	915	100%
2020 Series A Term Bonds	3.75%	11/15/2049	270	100%
2020 Series A Term Bonds	3.75%	11/15/2049	385	100%
2020 Series C Term Bonds	4.00%	11/15/2050	380	100%
2020 Series C Term Bonds	4.00%	11/15/2050	575	100%
			<u>\$227,210</u>	

For the year ended December 31, 2021, MaineHousing redeemed prior to maturity \$22,630 of its Maine Energy, Housing, & Economic Recovery bonds from bond proceeds and debt service funds. Gains of \$90 were attributed to the recognition of related bond premium. The following is a summary of bonds redeemed:

	<u>Interest Rate</u>	<u>Original Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2010 Series 1 Serial Bonds	4.00%	6/15/2021	\$780	100%
2010 Series 1 Serial Bonds	3.00%	6/15/2021	2,670	100%
2010 Series 1 Serial Bonds	3.25%	6/15/2022	3,565	100%
2010 Series 1 Serial Bonds	3.25%	6/15/2023	3,680	100%
2010 Series 1 Serial Bonds	5.00%	6/15/2024	3,800	100%
2010 Series 1 Serial Bonds	5.00%	6/15/2025	355	100%
2010 Series 1 Serial Bonds	3.75%	6/15/2025	3,635	100%
2010 Series 1 Serial Bonds	5.00%	6/15/2026	1,555	100%
2010 Series 1 Serial Bonds	3.75%	6/15/2026	2,590	100%
			<u>\$22,630</u>	

**(14.) 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.

**Maine State Housing Authority**  
**Notes to Financial Statements – December 31, 2021**  
*(IN THOUSANDS OF DOLLARS)*

**(15.) SUBSEQUENT EVENTS**

Subsequent to December 31, 2021, MaineHousing issued and redeemed bonds. The following is a summary of subsequent event transactions.

On February 9, 2022, MaineHousing issued, at par, \$100,000 of bonds in the General Mortgage Purchase Bond Resolution as follows:

	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Issued Price</u>
2022 Series A Serial Bonds	0.40%-0.85%	2023-2026	\$19,000	100%
2022 Series A Term Bonds	2.40%	2041	10,180	100%
2022 Series A Term Bonds	2.60%	2046	19,570	100%
2022 Series A Term Bonds	2.65%	2051	1,250	100%
2022 Series B Serial Bonds	1.50%-2.58%	2025-2032	40,000	100%
2022 Series B Term Bonds	2.98%	2036	10,000	100%
			<u>\$100,000</u>	

On February 24, 2022, MaineHousing redeemed, at par, \$67,585 of bonds in the General Mortgage Purchase Bond Resolution as follows:

	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2014 Series C-2 Term Bonds	3.75%	11/15/2034	\$10,945	100%
2015 Series A-3 Term Bonds	3.50%	11/15/2034	2,085	100%
2015 Series A-3 Term Bonds	3.63%	11/15/2039	2,505	100%
2015 Series C Term Bonds	3.59%	11/15/2030	4,100	100%
2015 Series F-3 Term Bonds	3.95%	11/15/2040	7,815	100%
2015 Series G Term Bonds	3.65%	11/15/2035	1,420	100%
2016 Series E Term Bonds	3.63%	11/15/2031	800	100%
2017 Series A Term Bonds	3.65%	11/15/2032	1,685	100%
2017 Series B Term Bonds	3.65%	11/15/2037	3,565	100%
2017 Series H Term Bonds	3.55%	11/15/2037	5,130	100%
2018 Series A Term Bonds	3.50%	11/15/2033	1,215	100%
2018 Series A Term Bonds	3.75%	11/15/2038	3,390	100%
2018 Series B Term Bonds	3.50%	11/15/2033	3,560	100%
2018 Series B Term Bonds	3.75%	11/15/2038	4,420	100%
2018 Series C Term Bonds	3.55%	11/15/2033	4,080	100%
2018 Series C Term Bonds	3.95%	11/15/2043	9,595	100%
2018 Series F Serial Bonds	3.55%	11/15/2029	800	100%
2019 Series A Term Bonds	3.80%	11/15/2039	475	100%
			<u>\$67,585</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, 2021  
(IN THOUSANDS OF DOLLARS)**

**Schedule of MaineHousing's Proportionate Share of Net Pension (Asset) Liability  
Last Ten Fiscal Years  
As of Measurement Date of June 30:**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's Proportion of the Net Pension (Asset) Liability	0.674986%	0.709590%	0.746717%	0.834117%	0.906494%	0.922203%	1.181151%	1.420739%
Employer's Proportionate Share of the Net Pension (Asset) Liability	(\$217)	\$2,819	\$2,282	\$2,823	\$3,712	\$4,899	\$3,768	\$2,186
Employer's Covered-Employee Payroll	\$4,972	\$4,567	\$4,544	\$4,658	\$4,892	\$4,810	\$4,598	\$4,691
Employer's Proportionate Share of the Net Pension (Asset) Liability as a Percentage of its Covered-Employee Payroll	(4.4%)	61.7%	50.2%	60.6%	75.9%	101.9%	81.9%	46.6%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	100.9%	88.3%	90.6%	91.1%	86.4%	81.6%	88.3%	94.1%

**Schedule of MaineHousing's Pension Contributions  
Last Ten Fiscal Years  
As of Measurement Date of June 30:**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$504	\$480	\$477	\$490	\$513	\$505	\$483	\$492
Contributions in Relation to Contractually Required Contribution	\$504	\$480	\$477	\$490	\$513	\$505	\$483	\$492
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employer's Covered Employee Payroll	\$4,972	\$4,567	\$4,544	\$4,658	\$4,892	\$4,810	\$4,598	\$4,691
Contributions as a Percentage of Covered Employee Payroll	10.1%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%

The above schedules are intended to show information for 10 years. Retroactive information is not required to be presented. Information will be presented each year until 10 years of such information is available.

**Notes to Required Supplementary Information**

***Changes of Benefit Terms:***

There were no changes of benefit terms for the measurement period ended June 30, 2021.

***Changes of Assumptions:***

The following assumption changes were reflected in the measurement period ended June 30, 2021:

- \* The investment rate of return was decreased from 6.75% to 6.50%.
- \* Mortality rates changed from the RP2014 Total Dataset Healthy Annuitant Mortality Table to the 2010 Public Plan General Benefit-Weighted Healthy Retiree Mortality Table projected generationally using the RPEC\_2020 model.
- \* Annual salary increases, including inflation, changed from 2.75% plus merit component based on each employee's year of service to 2.75% to 11.48%.

**MAINE STATE HOUSING AUTHORITY**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2021

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Grant/Contract/Pass-through Identifying Number</u>	<u>Amounts Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Housing and Urban Development:				
Section 8 Project-Based Cluster:				
Section 8 New Construction and Substantial Rehabilitation Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.182	B3,055	\$ –	\$ 1,042,316
Total Section 8 Project-Based Cluster	14.856	ME901MR	<u>–</u>	<u>737,373</u>
			–	1,779,689
Housing Voucher Cluster:				
Section 8 Housing Choice Voucher Program	14.871	ME901	–	33,116,057
COVID-19 – Section 8 Housing Choice Voucher Program	14.871	COVID-19/ME901	–	733,900
COVID-19 – Section 8 Housing Choice Voucher Program – <i>American Rescue Plan Act</i>	14.871	COVID-19/ME901	–	117,610
Section 8 Mainstream Voucher Program	14.879	ME901MS5	<u>–</u>	<u>130,264</u>
Total Housing Voucher Cluster				34,097,831
Section 8 Performance Based Contract Administrator Program	14.327	ME800CC001	–	78,038,454
Continuum of Care Program – Planning Program	14.267	ME0125L1T001900	–	371,190
Continuum of Care Program – Coordinated Entry Program	14.267	ME0119L1T001902/2003	–	42,829
Continuum of Care Program – Rental Assistance Program	14.267	ME0113L1T00193/2004	–	518,548
Continuum of Care Program – Youth Homelessness Demonstration Program	14.267	ME0127Y1T001800	–	39,800
Family Self-Sufficiency Program	14.896	FSS21ME3510	–	62,467
Emergency Solutions Grants Program	14.231	E-20-DC-23-0001	–	1,390,783
COVID-19 – Emergency Solutions Grants Program	14.231	COVID-19/E-21-DW-23-0001	–	6,371,117
Homeless Management Information Systems Technical Assistance	14.261	ME0017L1T001811/1912	–	327,367
HOME Investment Partnerships Program	14.239	M-18/M-19/M-20-SG-23-0100	–	2,370,155
COVID-19 – HOME Investment Partnerships Program – <i>American Rescue Plan Act</i>	14.239	COVID-19/M21-SP230100	–	10,817
Housing Trust Fund	14.275	F-17/18/19/F-20-SG-23-0100	–	3,054,404
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	MELHB074119	1,456,256	1,488,708
Housing Counseling Assistance Program	14.169	HC200341002	–	15,372

**MAINE STATE HOUSING AUTHORITY**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended December 31, 2021

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Grant/ Contract/ Pass-through Identifying Number</u>	<u>Amounts Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
Family Unification Program – Building Youth Futures	14.880	CFS-17-8501A	\$ –	\$ 105
COVID-19 – Community Development Block Grants	14.228	COVID-19/ CT19A2020121100000001856	–	3,326
Recovery Housing Program	14.U01	B-20-RH-23-0001	–	2,687
Older Adults Home Modification Grant Program	14.921	MEHMR001321	–	3,498
Section 811 Project Rental Assistance Program	14.326	ME36DRD1301	–	<u>34,804</u>
Subtotal – U.S. Department of Housing and Urban Development			<u>1,456,256</u>	<u>130,023,951</u>
U.S. Department of Energy:				
Weatherization Assistance for Low-Income Persons	81.042	EE0007924	2,832,137	3,199,837
U.S. Department of Health and Human Services:				
Low Income Home Energy Assistance	93.568	G-2201MELIEA	13,403,809	37,259,094
COVID-19 – Low Income Home Energy Assistance	93.568	COVID-19/G-2001MEE5C3	–	1,962,210
COVID-19 – Low Income Home Energy Assistance – <i>American Rescue Plan Act</i>	93.568	COVID-19/2101MEE5C6	155,100	21,707,347
COVID-19 – Low Income Water Assistance Program	93.499	COVID-19/2101MELWC5	–	33,757
Pass-through from the State of Maine Department of Health and Human Services:				
TANF Cluster:				
Temporary Assistance for Needy Families (TANF) State Programs	93.558	OFIMOU 11/8/17	–	1,752,644
Maine State Opioid Response Program	93.788	6H79TI081734-01	–	<u>728,267</u>
Subtotal – U.S. Department of Health and Human Services			<u>13,558,909</u>	<u>63,443,319</u>
U.S. Department of the Treasury:				
Pass-through from the State of Maine Department of Administrative and Financial Services:				
COVID-19 – Coronavirus Relief Fund – Rent Relief Program	21.019	COVID-19/SLT0029/SLT0081	8,093,165	8,093,165
COVID-19 – Emergency Rental Assistance Program – ERA 1	21.023	COVID-19/OMB 1505-0266	76,653,414	77,084,915
COVID-19 – Emergency Rental Assistance Program – ERA 2	21.023	COVID-19/OMB 1505-0270	<u>36,564,455</u>	<u>36,899,664</u>
Subtotal – U.S. Department of the Treasury			<u>121,311,034</u>	<u>122,077,744</u>

**MAINE STATE HOUSING AUTHORITY**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended December 31, 2021

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Grant/ Contract/ Pass-through Identifying Number</u>	<u>Amounts Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Homeland Security: Pass-through from the State of Maine Department of Defense, Veterans and Emergency Management: COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	COVID-19/FEMA-4522-DR-ME	\$ <u>1,679,287</u>	\$ <u>19,219,354</u>
Total Expenditures of Federal Awards			\$ <u>140,837,623</u>	\$ <u>337,964,205</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

# MAINE STATE HOUSING AUTHORITY

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2021

### 1. **Basis of Presentation**

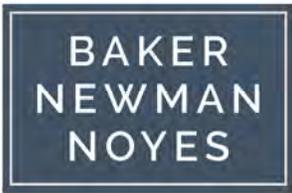
The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Maine State Housing Authority (MaineHousing) under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of MaineHousing, it is not intended to and does not present the financial position, changes in net position, or cash flows of MaineHousing.

### 2. **Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures under the COVID-19 Disaster Grants – Public Assistance (Presidentially Declared Disasters) Program are required to be reported when eligible expenditures are incurred by MaineHousing and approved by the Federal Emergency Management Agency. Amounts to subrecipients are determined to be expended when payment is made to the subrecipient after eligible expenditures have been incurred.

### 3. **Indirect Cost Rate**

MaineHousing has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Maine State Housing Authority (MaineHousing), as of and for the year ended December 31, 2021, 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 28, 2022.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 and 2021-002 that we consider to be significant deficiencies.

## **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 determination of financial statement amounts. 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*.

## **MaineHousing's Response to Findings**

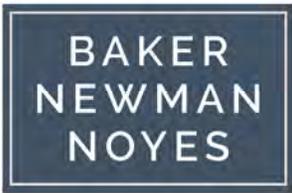
MaineHousing's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. MaineHousing's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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 28, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Commissioners  
Maine State Housing Authority

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Maine State Housing Authority's (MaineHousing's) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of MaineHousing's major federal programs for the year ended December 31, 2021. MaineHousing's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, MaineHousing complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of MaineHousing and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of MaineHousing's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to MaineHousing's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on MaineHousing's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about MaineHousing's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding MaineHousing's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of MaineHousing's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of MaineHousing's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002 and 2021-003. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on MaineHousing's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. MaineHousing's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002 and 2021-003 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on MaineHousing's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. MaineHousing's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the remaining aggregate fund information of MaineHousing, a component unit of the State of Maine, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise MaineHousing's basic financial statements as listed in the table of contents. We issued our report thereon dated March 28, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to those audited financial statements subsequent to March 28, 2022.

The Board of Commissioners  
Maine State Housing Authority

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Baker Newman & Noyes LLC*

Portland, Maine  
September 20, 2022

**MAINE STATE HOUSING AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year Ended December 31, 2021

**Section I – Summary of Auditors’ Results**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

*Federal Awards*

Internal Control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? Yes

Type of auditors’ report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major programs:

<u>CFDA Numbers:</u>	<u>Name of Federal Program or Cluster:</u>
21.023	COVID-19 – Emergency Rental Assistance Program – ERA 1 and ERA 2
14.327	Section 8 Performance Based Contract Administrator Program
21.019	COVID-19 – Coronavirus Relief Fund – Rent Relief Program
93.568	Low Income Home Energy Assistance Program; COVID-19 Low Income Home Energy Assistance Program; COVID-19 Low Income Home Energy Assistance Program – <i>American Rescue Plan Act</i>

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee? Yes

MAINE STATE HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended December 31, 2021

**Section II – Financial Statement Findings**

Findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*:

**2021-001: Reconciliation of Unspent Advances Within the Emergency Rental Assistance (ERA) Program**

*Criteria –* MaineHousing’s contracts with sub-recipients for ERA program advances, including Housing Stability funds, state that advances from MaineHousing are designated for future program expenditures and generally provide for a contract period 12 months from the date of contract inception. Contracts state that advances will be reduced by billed costs invoiced to MaineHousing.

*Condition and context –* During 2021, MaineHousing recorded advances to sub-recipients for the Housing Stability program and ERA administrative advances as grant revenues and grant expenditures when amounts were disbursed. Consistent with MaineHousing’s other programs, advances to sub-recipients should only be recognized as grant revenues and expenditures when invoiced by the sub-recipients.

*Cause –* Initial advanced payments made to sub-recipients for the Housing Stability portion of the ERA program were inadvertently expensed at the time of disbursement.

*Possible Asserted Effect –* Management reviewed amounts advanced and unspent to sub-recipients under these contracts and posted an adjustment of \$2,140,480 to decrease grant revenues and expenditures.

*Recommendations –* We recommend that going forward, MaineHousing continue to apply this accounting treatment and reconcile all advanced and invoiced amounts under this program on a monthly basis.

*Management’s Views and Corrective Action Plan –* Management’s response is included in “Management’s Views and Corrective Action Plan” included at the end of this report after the Summary Schedule of Prior Audit Findings.

**2021-002: Reconciliation of ERA Expenditures with Community Action Agencies**

*Criteria –* MaineHousing records revenues and expenditures under the ERA programs based on sub-recipient reported amounts.

*Condition and context –* During the course of our audit, we performed confirmation procedures with the sub-recipients of ERA program funds for expenditures under the program. The sub-recipients of funds include various Community Action Agencies (CAA) across Maine. Confirmation responses from certain CAAs indicated that there were differences in program expenditures between MaineHousing’s records and the CAA records.

**MAINE STATE HOUSING AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

Year Ended December 31, 2021

*Cause –* It was identified that MaineHousing derived program expenditures figures through their own data accumulation procedures. Expenditures reported by the CAAs were based on amounts actually billed to MaineHousing as program funds were spent.

*Possible Asserted Effect –* MaineHousing posted an adjustment of \$897,713 to decrease grant revenues and expenditures in order to agree to amounts billed by each CAA.

*Recommendations –* We recommend that MaineHousing continue to reconcile expenditures under the program with CAAs on a monthly basis to ensure accurate reporting going forward.

*Management’s Views and Corrective Action Plan –* Management’s response is included in “Management’s Views and Corrective Action Plan” included at the end of this report after the Summary Schedule of Prior Audit Findings.

**Section III – Findings and Questioned Costs for Federal Awards**

**2021-001: Reconciliation of Unspent Advances Within the Emergency Rental Assistance (ERA) Program**

Federal Program: COVID-19 – Emergency Rental Assistance Program, ERA 1 and ERA 2  
CFDA No.: 21.023  
Federal Agency: U.S. Department of the Treasury  
Pass-Through Entity: State of Maine Department of Administrative and Financial Services  
Federal Award Identification Number: COVID-19/OMB 1505-0266; COVID-19/OMB 1505-0270  
Repeat Finding: This is not a repeat finding

During 2021, MaineHousing recorded advances to sub-recipients for the Housing Stability program and ERA administrative advances as grant revenues and grant expenditures when amounts were disbursed. Consistent with MaineHousing’s other programs, advances to sub-recipients should only be recognized as grant revenues and expenditures when invoiced by the sub-recipients.

See details of criteria, condition and context, cause, possible asserted effect, and management’s views and corrective action plan in Section II – Financial Statement Findings.

**2021-002: Reconciliation of ERA Expenditures with Community Action Agencies**

Federal Program: COVID-19 – Emergency Rental Assistance Program, ERA 1 and ERA 2  
CFDA No.: 21.023  
Federal Agency: U.S. Department of the Treasury  
Pass-Through Entity: State of Maine Department of Administrative and Financial Services  
Federal Award Identification Number: COVID-19/OMB 1505-0266; COVID-19/OMB 1505-0270  
Repeat Finding: This is not a repeat finding

## MAINE STATE HOUSING AUTHORITY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended December 31, 2021

During the course of our audit, we performed confirmation procedures with the sub-recipients of ERA program funds for expenditures under the program. The sub-recipients of funds include various Community Action Agencies (CAA) across Maine. Confirmation responses from certain CAAs indicated that there were differences in program expenditures between MaineHousing's records and the CAA records.

It was identified that MaineHousing derived program expenditures figures through their own data accumulation procedures. Expenditures reported by the CAAs were based on amounts actually billed to MaineHousing as program funds were spent.

See details of criteria, condition and context, cause, possible asserted effect, and management's views and corrective action plan in Section II – Financial Statement Findings.

#### **2021-003: Emergency Rental Assistance Program – Subrecipient Monitoring**

Federal Program: COVID-19 – Emergency Rental Assistance Program, ERA 1 and ERA 2

CFDA No.: 21.023

Federal Agency: U.S. Department of the Treasury

Pass-Through Entity: State of Maine Department of Administrative and Financial Services

Federal Award Identification Number: COVID-19/OMB 1505-0266; COVID-19/OMB 1505-0270

Repeat Finding: This is not a repeat finding

<i>Criteria –</i>	CFR 200.332 states that pass through-entities must evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. Pass-through entities must also monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward and that subaward performance goals are achieved.
<i>Condition and context –</i>	As part of their subrecipient monitoring procedures for the ERA programs, MaineHousing required CAAs to perform Quality Assurance Reviews (QAR), which were subject to review by MaineHousing. One of the CAAs was unable to perform its QARs due to staffing issues. MaineHousing did not design additional subrecipient monitoring procedures over this CAA to account for the lack of QARs.
<i>Questioned Cost –</i>	None.
<i>Cause –</i>	The Community Action agency was unable to perform its QARs due to staffing issues. MaineHousing focused its additional specific CAA audits on CAAs that had the majority of ERA expenditures and activity.
<i>Possible Asserted Effect –</i>	There is an increased risk of unallowable expenditures at CAAs that have staffing issues and are unable to document QARs in accordance with their agreements with MaineHousing.

**MAINE STATE HOUSING AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

Year Ended December 31, 2021

*Recommendations –* In the event that CAAs cannot perform QARs, we recommend that MaineHousing formally document other procedures performed to help ensure that subrecipients expend funds in accordance with program guidelines.

*Management’s Views and Corrective Action Plan –* Management’s response is included in “Management’s Views and Corrective Action Plan” included at the end of this report after the Summary Schedule of Prior Audit Findings.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2021

**II. Financial Statement Findings**

Findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*:

No matters were reported.

**III. Findings and Questioned Costs for Federal Awards**

Findings required to be reported in accordance with 2 CFR 200.516(a):

<u>Finding No.</u>	<u>Description</u>	<u>Classification</u>	<u>Status</u>
2020-001	Coronavirus Relief Fund, Rent Relief Program – Subrecipient Monitoring	Significant Deficiency	Resolved

**Corrective Action Plan for Maine State Housing Authority  
For the Year Ended December 31, 2021**

**Finding 2021-001:** Reconciliation of Unspent Advances within the Emergency Rental Assistance (ERA) Program

**Name of Contact Person:** Darren Brown, Director of Finance

**Corrective Action Plan:** MaineHousing agrees with the recommendation. Initial advanced payments made to sub-recipients for the Housing Stability portion of the ERA program were inadvertently expensed at the time of disbursement. Corrective action was taken to remedy and properly record program revenues and expenditures upon the discovery of the improper treatment. We will continue to reconcile advanced and invoiced amounts each month to ensure the proper accounting treatment of future program revenues and expenditures.

**Proposed Completion Date:** Completed February 2022

**Finding 2021-002:** Reconciliation of ERA Expenditures with Community Action Agencies

**Name of Contact Person:** Darren Brown, Director of Finance

**Corrective Action Plan:** MaineHousing agrees with the recommendation. Program expenditures were initially recorded using the readily available information processed and reported by the CAAs through the program's *EmpowOR* software. Upon discovering that the information being provided in the software was inconsistent with the amounts reported on the CAAs' monthly billings, action was taken to correct the amounts and total program revenues and expenditures recorded for the year were accurate. We will continue with the established process of reconciling expenditures and using the monthly billings as the basis to record program activities.

**Proposed Completion Date:** Completed February 2022

**Finding 2021-003:** Emergency Rental Assistance Program – Subrecipient Monitoring

**Name of Contact Person:** Allison Gallagher, Director of Housing Choice Vouchers

**Corrective Action Plan:**

As the COVID-19 pandemic continued to impact the State, MaineHousing focused on distributing rent relief funds to tenants in need as quickly as possible to help keep Maine individuals and families stably housed. MaineHousing accomplished this goal through its network of Community Action Agency (CAA) partners, some of whom experienced staffing issues themselves during the pandemic. When time and resources were limited, processing of applications took priority over procedures not directly related to the application intake and payment process, such as Quality Assurance Reviews (QARs).

MaineHousing reached out to the CAA in question, and although not formally implemented or documented, the CAA Executive Director did review files as needed to resolve questions or issues related to specific applications. The QAR process was completed for two months in early 2022, but then lapsed again due to staffing issues. The CAA has recently hired a new Housing Director who will be responsible for ensuring QARs are completed in a timely manner.

**Corrective Action Plan for Maine State Housing Authority (Continued)**  
**For the Year Ended December 31, 2021**

Additionally, MaineHousing's Internal Auditor is continuing to audit the ERA program administered by the CAAs. Initially focused on the larger CAAs with the greatest number of applicants and ERA expenditures, the Internal Auditor is now targeting at-risk CAAs. MaineHousing continues to work with all CAAs to ensure rent relief funds are administered within program guidelines.

**Proposed Completion Date:** Completed August 2022



The Board of Commissioners  
Maine State Housing Authority

In planning and performing our audit of the compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Single Audit Compliance Supplement* that could have a direct and material effect on each of Maine State Housing's (MaineHousing) major federal programs for the year ended December 31, 2021, we considered MaineHousing's compliance with the applicable types of compliance requirements as described in the *Single Audit Compliance Supplement* for the year ended December 31, 2021. We also considered MaineHousing's internal control over compliance with the requirements previously described that could have a direct and material effect on its major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of MaineHousing's internal control over compliance.

Our consideration of internal control over compliance is for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined in the following paragraph.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible* – The chance of the future event or events occurring is more than remote but less than likely.
- *Probable* – The future event or events are likely to occur.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Following are descriptions of other identified deficiencies in internal control that we determined did not constitute significant deficiencies or material weaknesses:

**Section 8 Performance Based Contract Administrator Program – Contract Renewals**

The Section 8 Performance Based Contract Administrator Program requires property owners to communicate with tenants their intention to renew or opt-out of their Housing Assistance Payment (HAP) Contract with HUD. MaineHousing’s policy is to review the one-year tenant notification letter to ensure that it meets statutory and administrative requirements. During our audit, two renewals selected for testwork had letters that were dated less than one year prior to the renewal date, and were therefore not provided to tenants in the required timeframe. As the letters selected for testwork were HAP Contract renewals, there was no impact on the tenants, and HUD advised MaineHousing to process the renewals on the scheduled dates. We recommend that going forward, MaineHousing implement a formal process to track HAP Contract renewals to verify that they are sent at least one year before the renewal date.

*Management’s Response*

We agree with the recommendation and a formal process has been implemented to track contract renewals to verify that they are sent at least one year before the renewal date. Financial Officers are now using Microsoft Excel to track renewals, their Microsoft Outlook calendars to set reminders to e-mail properties thirty days prior to the one year notice date, and they are requesting that projects provide a copy when complete.

**Emergency Rental Assistance Programs – Subrecipient Monitoring**

As part of its monitoring procedures for its Emergency Rental Assistance programs, MaineHousing receives and reviews financial statement and compliance audits for each of its subrecipients. During our subrecipient monitoring testwork, we noted that although MaineHousing is receiving these reports, there is not a formal process for the Emergency Rental Assistance programs to track which reports have been received and reviewed. We recommend that MaineHousing implement a formal process to receive and review the applicable financial statement and compliance audits for each of its subrecipients. The tracking should indicate when the report was received, who reviewed it, and whether there were any applicable findings that would require follow-up by MaineHousing. This process will help minimize the risk that audit reports are not received and reviewed timely.

*Management’s Response*

We agree with the recommendation. MaineHousing’s Audit and Compliance Department will review and track annual financial statement and compliance audits for each of its program subrecipients. The tracking will document the date it was received, who reviewed the reports, applicable findings (if any), and any follow-up actions.

**LIHEAP Program – Federal Funding and Accountability and Transparency Act (FFATA) Reporting**

During our audit of the LIHEAP program, we noted that MaineHousing has appropriate segregation of duties regarding entering into subrecipient agreements and the related FFATA reporting. However, MaineHousing does not currently document formal secondary review of the data entered into the FSRS System as part of its FFATA reporting. We recommend that an employee other than the one responsible for reporting the information periodically review the data entered into the FSRS system and document that review. This process will help minimize the risk of inaccurate FFATA reporting.

Management's Response

We agree with the recommendation and a process to formally document secondary reviews has been established. An employee, other than the one responsible for reporting the information, will periodically review the data entered into the FSRS system and document their review by placing an electronic signature on the report once the data is submitted. Each employee will also document that they either submitted or reviewed the FFATA report in their respective activity reports submitted to the Governmental Accounting Manager.

\* \* \* \* \*

This communication is intended solely for the information and use of the Board of Commissioners, management and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Baker Newman & Noyes LLC*  
Portland, Maine  
September 20, 2022

**Finance Department Memorandum**

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** October 11, 2022

**Subject:** Monthly Financial and Budget Report

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**FINANCIAL RESULTS**

Attached are the Balance Sheets and Statements of Revenues, Expenses, and Changes in Net Assets for the eight-month period ended August 31, 2022.

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 for the changes between the current and prior year net operating results.

Total combined assets are approximately \$2.16 billion and total combined liabilities approximate \$1.75 billion. Total net assets amount to approximately \$411 million. Total combined revenues approximate \$362.6 million and total expenses amount to approximately \$357.5 million, which results in net operating income of \$5.1 million. For this eight-month period in 2021, total combined net operating income was \$15.9 million. Net operating income is \$10.8 million lower in 2022 due primarily to the activities and operating results of the Mortgage Purchase Fund (MPP), MaineHousing's largest fund group, and a decrease in the fair value of non-mortgage investments.

The MPP has a net operating loss of approximately \$5.2 million. This is a \$7.2 million decrease compared to net operating income of \$2 million in 2021. The net operating loss for 2022 is attributed to the recognition of a paper loss associated with adjusting the carrying values of non-mortgage investments. A paper loss of \$9.2 million has been recorded for 2022, which is \$8.7 million larger than the paper loss of \$0.5 million recorded in 2021. 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 the paper losses, the MPP has net operating income of \$4 million at this point in 2022 compared to \$2.5 million in 2021. Net operating income is \$1.5 million higher in 2022 due mainly to an increase in interest rates and income from non-mortgage investments.

The HOME Fund has net operating income of \$6.5 million, which is a decrease of \$3.4 million compared with net operating income of \$9.9 million in 2021. MaineHousing's portion of the real estate

transfer taxes received from the State is accounted for in this Fund Group. The decrease in net operating income is due to timing differences with the expending of program funds and the recognition of grant expenses. Although income from the State is \$1.6 million higher, program expenditures are \$5 million higher at this point in 2022 compared to 2021.

## **BUDGET RESULTS**

Also attached are the budget variance results for the period ended August 31, 2022. These results are summarized and presented on 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 2022 are \$75.6 million and total expenses are budgeted at \$71.6 million. Total actual revenues as of August 31, 2022 amount to \$50.3 million, while total expenses amount to \$45.9 million. For the eight-month period ended August 31, 2022, revenues exceed expenses by approximately \$4.4 million.

Total revenues are in line with the budget. Income from non-mortgage investments will exceed the budget for the year. Interest rates have increased considerably and average yields from investments are higher than projected.

Total expenses are under budget at this point due to lower interest expense and operating and program administrative expenses. Interest expense is under budget at this point because of the recognition of a gain associated with the early redemption of bonds and average outstanding balances are lower than projected. The operating and other program administration expenses (the first two expense lines) are detailed on **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**.

Operating expenses are budgeted at approximately \$22.7 million. As of August 31, 2022, approximately \$15 million or 66% of the total budget has been used. Overall, operating expenses are below budget at this point and are projected to be under for the year by 1% - 2%. Full-time equivalents are estimated to be under budget by approximately three positions. There were a number of position turnovers and internal position changes throughout the year. Some positions were vacant for an extended period due to a tight labor market in central Maine. Additionally, costs associated with staff and partner trainings and meetings are expected to be below budget due to the continuation of COVID-19 and restrictions on gatherings and travel early in the year.

Program administrative expenses are budgeted at \$9.1 million and actual expenses amount to \$5.4 million as of August 31, 2022. Expenses in this area are running below budget and are projected to be

under budget for the year by approximately 6%. The underage is due to lower than projected delinquency and foreclosure activities and lower related expenses (first three lines). In addition, the restructuring several standby purchase agreements and remarketing of interest rate swap agreements lowered related remarketing and liquidity facilities costs associated with variable rate bonds.

## **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 2022 is \$556,000. Expenditures amounted to \$524,000 as of August 31, 2022 and were mainly for the acquisition of the new multifamily loan system and modifications to the Hancock system, which is used to administer the federal LHEAP and Weatherization programs.

Capital expenditures are expected to remain within the established budget for the year. The acquisition of the salesforce software, community outreach dashboard, and several other software items will not be acquired as planned.

## **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 August 31, 2022.

**MAINE STATE HOUSING AUTHORITY**  
**BALANCE SHEETS**  
**AUGUST 31, 2022**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Memorandum Only Combined Totals</b>		<b>Mortgage Purchase Fund Group</b>	<b>Bondholder Reserve Fund</b>	<b>General Fund</b>	<b>HOME Fund</b>	<b>Federal Programs Fund</b>	<b>Other Funds</b>	<b>Maine Energy Housing &amp; Economic Recovery Funds</b>
	<b>2021</b>	<b>2022</b>							
<b>ASSETS:</b>									
Cash, principally time deposits	114,188	91,484	15,878	1	70,165	1	5,438	0	1
Investments	527,044	522,774	431,337	7,975	10,367	27,564	0	7,526	38,005
Accounts receivable - Government	15,368	21,442	0	0	0	7,942	8,988	194	4,318
Assets held for sale	0	0	0	0	0	0	0	0	0
Accrued interest and other assets	22,659	9,241	8,729	8	148	116	172	6	62
Mortgage notes receivable, net	1,416,025	1,484,737	1,437,297	0	3,848	32,518	0	450	10,624
Other notes receivable, net	76	46	0	0	46	0	0	0	0
Land, equipment and improvements, net	17,871	17,501	22	0	17,479	0	0	0	0
Other real estate owned	0	62	0	0	62	0	0	0	0
Derivative instrument - interest rate swaps	12,172	10,050	10,050	0	0	0	0	0	0
Net pension asset	0	217	112	1	22	0	0	82	0
Deferred pension expense	577	1,123	580	3	113	0	0	427	0
Deferred amount on debt refundings	2,817	2,463	2,463	0	0	0	0	0	0
<b>Total Assets</b>	<b>2,128,797</b>	<b>2,161,140</b>	<b>1,906,468</b>	<b>7,988</b>	<b>102,250</b>	<b>68,141</b>	<b>14,598</b>	<b>8,685</b>	<b>53,010</b>
<b>LIABILITIES AND NET ASSETS:</b>									
Accrued interest payable	12,245	11,635	11,362	0	0	0	0	0	273
Accounts payable - Federal	343	327	0	0	0	0	327	0	0
Accounts payable & accrued liabilities	46,017	6,420	290	2	6,018	0	110	0	0
Unearned income	32,737	50,741	0	0	0	235	19,556	30,950	0
Net pension liability	2,819	0	0	0	0	0	0	0	0
Deferred pension credit	243	3,159	1,632	10	317	0	0	1,200	0
Accumulated increase in fair value of hedging derivatives	12,172	10,050	10,050	0	0	0	0	0	0
Interfund	0	0	4,090	11	43,556	(14,713)	(9,968)	(22,991)	15
Mortgage bonds and notes payable, net	1,625,778	1,667,382	1,598,515	0	14,468	0	0	0	54,399
Deferred grant income	297	0	0	0	0	0	0	0	0
Deferred loan origination points	20	14	14	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>1,732,671</b>	<b>1,749,728</b>	<b>1,625,953</b>	<b>23</b>	<b>64,359</b>	<b>(14,478)</b>	<b>10,025</b>	<b>9,159</b>	<b>54,687</b>
<b>NET ASSETS:</b>									
Restricted Net Assets	359,030	373,521	280,515	7,965	0	82,619	4,573	(474)	(1,677)
Unrestricted Net Assets	37,096	37,891	0	0	37,891	0	0	0	0
<b>Total Net Assets</b>	<b>396,126</b>	<b>411,412</b>	<b>280,515</b>	<b>7,965</b>	<b>37,891</b>	<b>82,619</b>	<b>4,573</b>	<b>(474)</b>	<b>(1,677)</b>
<b>Total Liabilities and Net Assets</b>	<b>2,128,797</b>	<b>2,161,140</b>	<b>1,906,468</b>	<b>7,988</b>	<b>102,250</b>	<b>68,141</b>	<b>14,598</b>	<b>8,685</b>	<b>53,010</b>

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE PERIOD ENDED AUGUST 31, 2022**  
*(IN THOUSANDS OF DOLLARS)*

	<u>Memorandum Only Combined Totals</u>		<u>Mortgage Purchase Fund Group</u>	<u>Bondholder Reserve Fund</u>	<u>General Fund</u>	<u>HOME Fund</u>	<u>Federal Programs Fund</u>	<u>Other Funds</u>	<u>Maine Energy Housing &amp; Economic Recovery Funds</u>
	<u>2021</u>	<u>2022</u>							
<b>REVENUES:</b>									
Interest from mortgages and notes	40,419	39,368	39,112	0	190	38	0	0	28
Income from investments	809	3,405	2,959	38	43	137	0	40	188
Net increase (decrease) in the fair value of investments	(523)	(9,190)	(9,190)	0	0	0	0	0	0
Fee income	7,071	7,955	833	0	390	0	6,548	184	0
Other revenue	181	38	0	0	0	36	0	1	1
Grant income	115,431	224,417	0	0	0	1,720	219,314	3,383	0
Income from State	21,790	23,174	0	0	0	18,856	0	0	4,318
Federal rent subsidy income	73,126	73,176	0	0	0	0	73,176	0	0
Gain on bond redemption	235	211	211	0	0	0	0	0	0
<b>Total Revenues</b>	<b>258,539</b>	<b>362,554</b>	<b>33,925</b>	<b>38</b>	<b>623</b>	<b>20,787</b>	<b>299,038</b>	<b>3,608</b>	<b>4,535</b>
<b>EXPENSES:</b>									
Operating expenses	12,972	14,958	0	0	14,958	0	0	0	0
Other program administrative expenses	3,587	4,262	3,944	0	3	0	180	109	26
Mortgage servicing fees	1,154	1,168	1,160	0	8	0	0	0	0
Provision for losses on loans	17	0	0	0	0	0	0	0	0
Losses on foreclosed real estate	(47)	6	6	0	0	0	0	0	0
Interest expense	28,565	26,489	25,802	0	0	0	0	0	687
Grant expense	123,657	236,673	0	0	0	14,285	219,332	2,933	123
Federal rent subsidy expense	72,722	73,945	0	0	0	0	73,945	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	8,176	48	(13,367)	0	5,068	75	0
<b>Total Expenses</b>	<b>242,627</b>	<b>357,501</b>	<b>39,088</b>	<b>48</b>	<b>1,602</b>	<b>14,285</b>	<b>298,525</b>	<b>3,117</b>	<b>836</b>
Net Operating Income (Loss)	15,912	5,053	(5,163)	(10)	(979)	6,502	513	491	3,699
Transfers between funds, net	0	0	0	0	781	0	(781)	0	0
Change in net assets	15,912	5,053	(5,163)	(10)	(198)	6,502	(268)	491	3,699
Net assets at beginning of year	380,214	406,359	285,678	7,975	38,089	76,117	4,841	(965)	(5,376)
Net assets at end of period	396,126	411,412	280,515	7,965	37,891	82,619	4,573	(474)	(1,677)

**MAINE STATE HOUSING AUTHORITY  
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT  
FOR THE PERIOD ENDED AUGUST 31, 2022**

*(IN THOUSANDS OF DOLLARS)*

	<b>Mortgage Lending Activities Actual</b>	<b>Federal &amp; Other Program Administration Actual</b>	<b>Total Combined Actual</b>	<b>Total Annual Budget</b>	<b>Total Under/(Over)</b>	<b>% Variance</b>
<b>REVENUES:</b>						
Interest from mortgages and notes	39,302	0	39,302	60,300	20,998	35%
Income from investments	3,040	40	3,080	1,235	(1,845)	(149%)
Fee income	1,223	6,732	7,955	14,046	6,091	43%
Other revenue	0	1	1	65	64	98%
	<u>43,565</u>	<u>6,773</u>	<u>50,338</u>	<u>75,646</u>	<u>25,308</u>	<u>33%</u>
<b>EXPENSES:</b>						
Operating expenses	9,815	5,143	14,958	22,708	7,750	34%
Other program administrative expenses	5,121	315	5,436	9,093	3,657	40%
Interest expense	25,591	0	25,591	39,800	14,209	36%
	<u>40,527</u>	<u>5,458</u>	<u>45,985</u>	<u>71,601</u>	<u>25,616</u>	<u>36%</u>
<b>Excess Revenues Over Expenses</b>	<u><u>3,038</u></u>	<u><u>1,315</u></u>	<u><u>4,353</u></u>	<u><u>4,045</u></u>	<u><u>(308)</u></u>	<u><u>(8%)</u></u>

**MAINE STATE HOUSING AUTHORITY  
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES  
FOR THE PERIOD ENDED AUGUST 31, 2022**

**ATTACHMENT B**

	<b>Total Annual Budget</b>	<b>Total Year to Date Actual</b>	<b>Budget Available</b>	<b>Percentage of Budget Available</b>
<b>Operating Expenses</b>				
Salaries	12,989,264	8,777,253	4,212,011	32%
Payroll Taxes	956,112	656,452	299,660	31%
Retirement	1,247,720	832,893	414,827	33%
Medical and Life Insurance	2,932,952	1,874,179	1,058,773	36%
Other Fringe Benefits	10,000	4,403	5,597	56%
Office Supplies	51,700	41,181	10,519	20%
Printing	71,430	50,778	20,652	29%
Membership and Dues	65,554	52,277	13,277	20%
Subscriptions	26,440	11,572	14,868	56%
Sponsorships	17,000	6,100	10,900	64%
Staff Educ/Train/Conf	134,838	57,385	77,453	57%
Travel/Meals - Staff Educ/Train/Conf	132,010	20,001	112,009	85%
Partner/Client Train/Meetings	58,500	14,591	43,909	75%
Travel/Meals - Partner/Client Training	45,018	32,818	12,200	27%
Staff Events	14,970	1,724	13,246	88%
Meals - Staff Events	16,499	6,319	10,180	62%
Leased Vehicles	143,417	110,263	33,154	23%
Computer Supplies	25,312	24,703	609	2%
Computer License SAAS	185,827	137,974	47,853	26%
Rent-Other	37,430	22,983	14,447	39%
Computer Maintenance	653,846	392,683	261,163	40%
Depreciation	1,020,000	654,741	365,259	36%
Telephone	132,384	78,202	54,182	41%
Employment Advertising	1,000	985	15	2%
Postage and Shipping	115,650	101,439	14,211	12%
Insurance	93,010	75,366	17,644	19%
Recording Fees	1,000	697	303	30%
Payroll Services	44,365	31,141	13,224	30%
Audit Services	169,800	105,000	64,800	38%
Property Expenses	460,085	314,692	145,393	32%
Professional Services	380,886	150,868	230,018	60%
Building Interest Expense	473,524	316,353	157,171	33%
<b>Total Operating Expenses</b>	<b>22,707,543</b>	<b>14,958,017</b>	<b>7,749,526</b>	<b>34%</b>
<b>Other Program Administrative Expenses</b>				
Loan foreclosure expenses	200,000	36,310	163,690	82%
REO expenses	50,000	6,179	43,821	88%
Provision for losses on loans & REOs	125,000	5,689	119,311	95%
Mortgage Servicing fees	1,860,000	1,168,315	691,685	37%
Loan Origination expenses	3,020,000	1,746,187	1,273,813	42%
Bond Issuance Costs	900,000	706,238	193,762	22%
Trustee/Bank fees	170,000	121,875	48,125	28%
Program advertising/printing	424,750	216,202	208,548	49%
Bond and mortgagee insurance	17,000	17,607	(607)	(4%)
Variable rate bond remarket/liquidity facilities	1,100,000	723,190	376,810	34%
Cash flow/arbitrage/swap consultants/legal	645,000	413,225	231,775	36%
Homebuyer education	120,000	70,350	49,650	41%
Program administrator fees	461,000	204,641	256,359	56%
<b>Total Other Program Administration Expenses</b>	<b>9,092,750</b>	<b>5,436,008</b>	<b>3,656,742</b>	<b>40%</b>

**MAINE STATE HOUSING AUTHORITY  
CAPITAL BUDGET  
FOR THE PERIOD ENDED AUGUST 31, 2022**

**ATTACHMENT C**

Description	2022 Budget	2022 Actual	Budget Available	% Expended
<b>Computer Hardware:</b>				
Network backup hardware - Data Domain	15,000	0	15,000	
Laptop replacements	30,000	23,133	6,867	
Server room power module	-	2,000	(2,000)	
Server room cameras	-	1,533	(1,533)	
Total computer hardware	<u>45,000</u>	<u>26,666</u>	<u>18,334</u>	<u>59%</u>
<b>Computer Software:</b>				
Enterprise multi-family housing system	170,000	235,675	(65,675)	
Coordinated Entry Portal - client list software homeless programs	10,000	0	10,000	
Mobile device management software	8,000	0	8,000	
Website redesign	37,000	10,845	26,155	
Single Family loan servicing system modifications	10,000	0	10,000	
Single Family lender & loan tracking systems mods	10,000	0	10,000	
Hancock systems mods (LIHEAP & Wx Programs)	119,484	126,813	(7,329)	
Community Outreach Dashboard	25,000	0	25,000	
Salesforce software upgrades	122,000	0	122,000	
AmpliFund grant management software	0	79,100	(79,100)	
Total computer software	<u>511,484</u>	<u>452,433</u>	<u>59,051</u>	<u>88%</u>
<b>Office Building:</b>				
Audio visual equipment upgrades	0	20,176	(20,176)	
Computer room A/C upgrades	0	24,390	(24,390)	
	<u>0</u>	<u>44,566</u>	<u>(44,566)</u>	<u>0%</u>
<b>Total</b>	<u><u>556,484</u></u>	<u><u>523,665</u></u>	<u><u>32,819</u></u>	<u><u>94%</u></u>

**MAINE STATE HOUSING AUTHORITY  
MEMBERSHIPS, DUES, AND SPONSORSHIPS  
FOR THE PERIOD ENDED AUGUST 31, 2022**

Description	Amount
<b>Memberships and Dues</b>	
Maine Bankers Association - annual affiliate membership	\$ 950
Maine Real Estate Management Association - annual membership	125
National Leased Housing Association - annual membership	660
National Association for State Community Services Programs - annual membership	2,603
National Energy Assistance Directors' Association - annual membership	6,817
National Energy Assistance Directors' Association - annual LIHWAA membership	1,450
National Energy and Utility Affordability Coalition - annual membership	515
Maine Real Estate & Development Association - annual membership	1,200
National Affordable Housing Management Association - affiliate membership	1,125
National Council of State Housing Agencies - annual membership	30,707
Association of Government Accountants - (5) employee annual memberships	550
Maine Association of Non Profits - annual membership	100
American Payroll Association - employee annual membership	275
American College of Mortgage Attorneys - employee dues	225
Kennebec Board of Realtors - employee dues	188
Maine Association of Mortgage Professional - employee annual membership	375
Society for Human Resource Management - employee annual membership	229
Information Systems Audit and Control Association - employee annual membership	305
Project management Institute - employee membership	60
Construction Specifications Institute - employee annual membership	325
Maine Building Officials and Inspectors Association - (2) employee membership	90
Maine Department of Environmental Protection - lead inspector license renewal	200
Maine State Bar Association - (2) employee annual memberships	580
Board of Overseers of the Bar - (6) employee annual registration	1,590
United States District Court - employee certification to practice law	188
Maine Society of CPAs - employee annual membership	250
Association of Certified Fraud Examiners - (2) employee annual membership	595
Total	<u>\$ 52,277</u>
<b>Sponsorships</b>	
Northern New England Community Action - training conference sponsor	\$ 1,500
Maine Real Estate and Development Association - conference sponsorship	1,600
New England Resident Service Coordinator - conference sponsor	3,000
Total	<u>\$ 6,100</u>



## Finance Department Memorandum

**To:** Board of Commissioners  
**From:** Darren Brown  
**Date:** October 5, 2022  
**Subject:** Monthly Delinquencies Report

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### MULTI-FAMILY DELINQUENCIES

The Multi-Family portfolio totals \$777 million with 1,230 loans as of September 30, 2022. There is one 60+ days delinquent loan, 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 \$907 million with 9,583 loans as of August 31, 2022. The over 60-day delinquencies increased from 2.48% to 2.55%, and the in-foreclosures increased from 0.70% to 0.73%. The over 60-day delinquencies amount to \$23 million, with approximately \$7 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 2.55%; and the overall delinquency rate by loan count is 2.73%. As reflected in *Exhibit 5*, the overall delinquency rate by loan count is below the delinquency rate for all Maine Loans.

**Servicer Delinquencies** – As of August 31, 2022, Bank of America (BOA) had the highest overall delinquency rate of 13.75%, with an in-foreclosure rate of 3.97%. BOA's high delinquency rate is due to the small size of their portfolio. The portfolio consists of approximately 100 loans.

Delinquencies for our largest servicer, Mortgage Servicing Solutions, increased from 3.08% to 3.15%, while the in-foreclosure rate stayed at 0.82%. Salem Five Mortgage Corp. and Bangor Savings Bank QS portfolios had rates of 0.00%, which were the lowest rates for the month. Delinquency rates for each servicer are shown in *Exhibit 3*.

**Delinquencies by Insurance Type** – In August 2022, FHA insured loans had the highest delinquency rate by total insurance type of 3.68%, with in-foreclosures at 1.27%. When compared to the total loan portfolio, RD insured loans had the highest delinquency rate of 1.58%, with in-foreclosures at 0.42%. Delinquencies by insurance type and the portfolio as a whole are shown in *Exhibit 6*.

FHA insured loans comprise 16% of the Single-Family portfolio and 24% of delinquencies, while RD insured loans comprise 59% of the portfolio and represent 62% 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 August 2022, we have assisted 675 borrowers with various foreclosure preventions options.

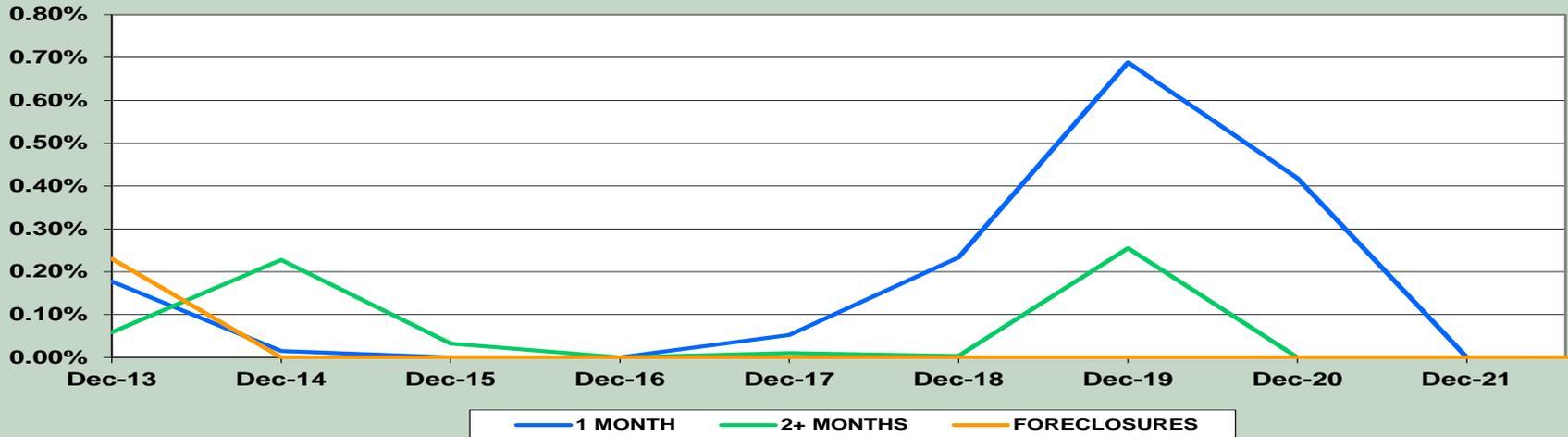
# Multi-Family Delinquent Loans

MAINE STATE HOUSING AUTHORITY  
MULTI-FAMILY DELINQUENCIES  
9/30/2022

<b>Section 8</b>					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
NONE						0.00	0.00	0.00
						0.00	0.00	0.00
<b>Rental Housing</b>					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
NONE						0.00	0.00	0.00
						0.00	0.00	0.00
<b>Supportive Housing &amp; Other</b>					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
MOUSAM ST, 5	761.20	09/01/22	SANFORD	YORK COUNTY SHELTER PROGRAM IN	02/20/92	0.00	0.00	6,822.00
						0.00	0.00	6,822.00
						0.00	0.00	6,822.00
<b>Grand Total</b>								
<b>% of Portfolio Delq 60+ days</b>						<b>0.00%</b>		
<b>Total Number of Loans</b>						<b>1,230</b>		

# Multi-Family Delinquency & Foreclosure Trends

**MULTI-FAMILY DELINQUENCY AND FORECLOSURE RATES**



	OUTSTANDING PRINCIPAL	1 MONTH		2+ MONTHS		FORECLOSURES	
		DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Sep-22	\$ 776,848,813	\$ -	0.00%	\$ 6,822	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	0.69%	\$ 1,620,600	0.25%	\$ -	0.00%
Dec-18	\$ 630,936,475	\$ 1,473,376	0.23%	\$ 20,600	0.00%	\$ -	0.00%
Dec-17	\$ 608,939,257	\$ 319,836	0.05%	\$ 60,624	0.01%	\$ -	0.00%
Dec-16	\$ 579,916,852	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-15	\$ 573,932,384	\$ -	0.00%	\$ 185,320	0.03%	\$ -	0.00%
Dec-14	\$ 513,937,525	\$ 77,568	0.02%	\$ 1,169,620	0.23%	\$ -	0.00%
Dec-13	\$ 506,871,177	\$ 896,386	0.18%	\$ 297,366	0.06%	\$ 1,166,866	0.23%

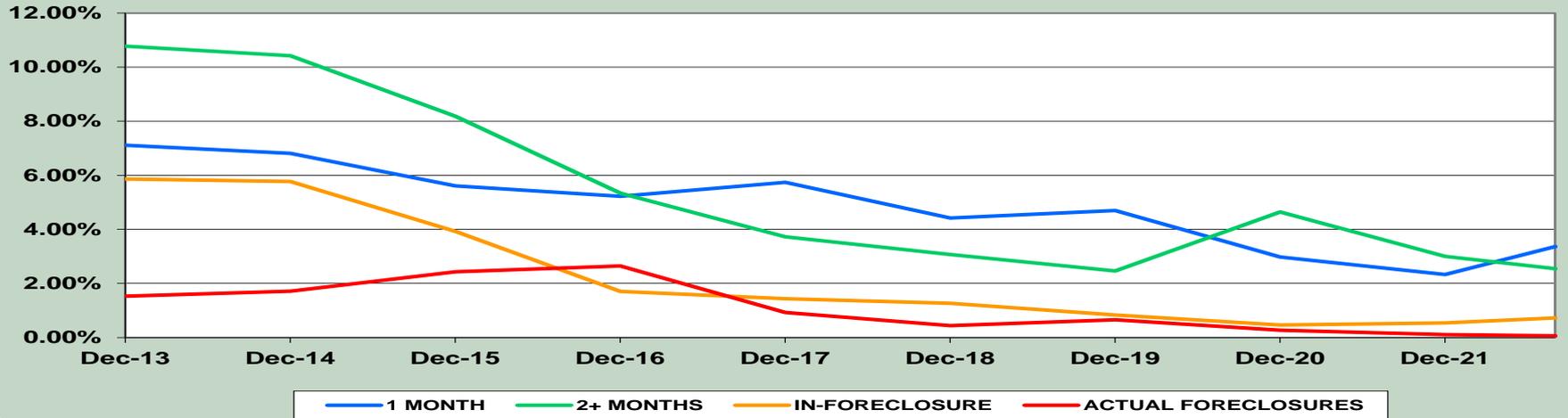
# Single-Family Delinquent Loans

**Maine State Housing Authority  
Single-Family Delinquencies by Servicer  
8/31/2022**

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTIONS	65.86%	3.15%	597,586,518.82	23,122,055.95	5,956,580.12	8,014,347.97	4,872,685.68
BANGOR SAVINGS BANK	13.86%	0.80%	125,794,271.10	2,612,502.41	670,675.49	85,099.35	252,924.00
CAMDEN NATIONAL BANK UK	8.86%	0.92%	80,425,928.99	1,863,630.83	145,604.88	136,150.19	461,430.61
MACHIAS SAVINGS BANK	7.12%	2.59%	64,615,532.49	2,267,960.39	575,991.07	330,212.16	767,579.93
BANGOR SAVINGS BANK QS	3.56%	0.00%	32,267,571.40	254,300.24	0.00	0.00	0.00
BANK OF AMERICA NA	0.69%	13.75%	6,225,411.95	395,951.12	133,106.43	475,400.80	247,418.89
SALEM FIVE MORTGAGE CORP	0.05%	0.00%	458,219.24	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>100.00%</b>	<b>2.55%</b>	<b>907,373,453.99</b>	<b>30,516,400.94</b>	<b>7,481,957.99</b>	<b>9,041,210.47</b>	<b>6,602,039.11</b>

# Single-Family Delinquency & Foreclosure Trends

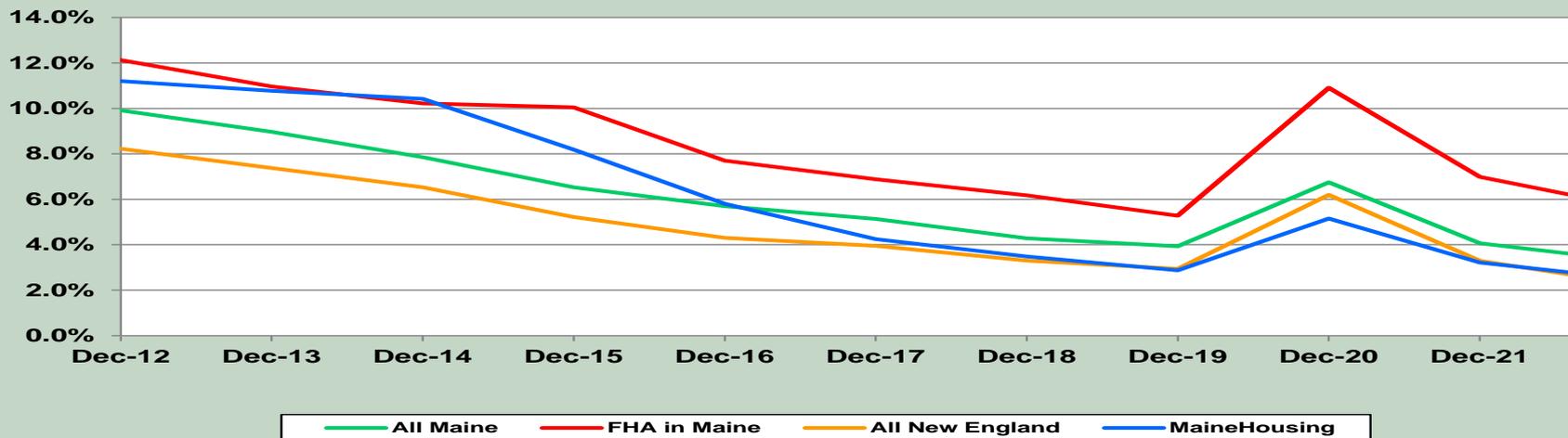
**SINGLE-FAMILY DELINQUENCY AND FORECLOSURE RATES**



	OUTSTANDING PRINCIPAL		1 MONTH		2+ MONTHS		IN-FORECLOSURE		ACTUAL FORECLOSURES	
	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Aug-22	\$ 907,373,454	3.36%	\$ 30,516,401	2.55%	\$ 23,125,208	0.73%	\$ 6,602,039	0.07%	\$ 591,164	0.07%
Dec-21	\$ 887,303,920	2.33%	\$ 20,685,547	3.00%	\$ 26,645,647	0.54%	\$ 4,806,968	0.11%	\$ 941,490	0.11%
Dec-20	\$ 960,761,414	2.98%	\$ 28,645,024	4.64%	\$ 44,603,599	0.47%	\$ 4,471,656	0.27%	\$ 2,617,001	0.27%
Dec-19	\$ 967,171,381	4.69%	\$ 45,399,415	2.46%	\$ 23,774,547	0.83%	\$ 8,037,512	0.66%	\$ 6,357,994	0.66%
Dec-18	\$ 916,608,577	4.42%	\$ 40,526,473	3.07%	\$ 28,155,105	1.27%	\$ 11,647,401	0.44%	\$ 4,056,247	0.44%
Dec-17	\$ 844,497,676	5.74%	\$ 48,457,930	3.72%	\$ 31,454,643	1.43%	\$ 12,099,518	0.93%	\$ 7,847,858	0.93%
Dec-16	\$ 799,557,471	5.23%	\$ 41,780,468	5.34%	\$ 42,682,410	1.70%	\$ 13,625,991	2.64%	\$ 21,142,137	2.64%
Dec-15	\$ 790,409,905	5.61%	\$ 44,303,365	8.18%	\$ 64,656,769	3.93%	\$ 31,066,182	2.43%	\$ 20,797,314	2.43%
Dec-14	\$ 810,139,060	6.81%	\$ 55,171,703	10.42%	\$ 84,385,397	5.77%	\$ 46,711,687	1.72%	\$ 13,904,155	1.72%
Dec-13	\$ 849,385,825	7.11%	\$ 60,378,599	10.77%	\$ 91,501,809	5.86%	\$ 49,783,071	1.53%	\$ 12,980,502	1.53%

# 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*	120,289	0.53%	1.73%	1.29%	3.55%
FHA for State*	15,874	1.18%	3.21%	1.72%	6.11%
All New England*	1,702,190	0.50%	1.46%	0.66%	2.62%
MaineHousing**	9,583	0.89%	1.05%	0.79%	2.73%

\*This information is obtained from MBA's National Delinquency Survey for the second quarter of 2022.

\*\*MaineHousing's overall delinquency rate based on loan dollars is 2.55%, whereas rates in this exhibit are based on loan count.

# Single-Family Delinquencies by Mortgage Insurer

As A Percent of Total Insurance Type

8/31/2022

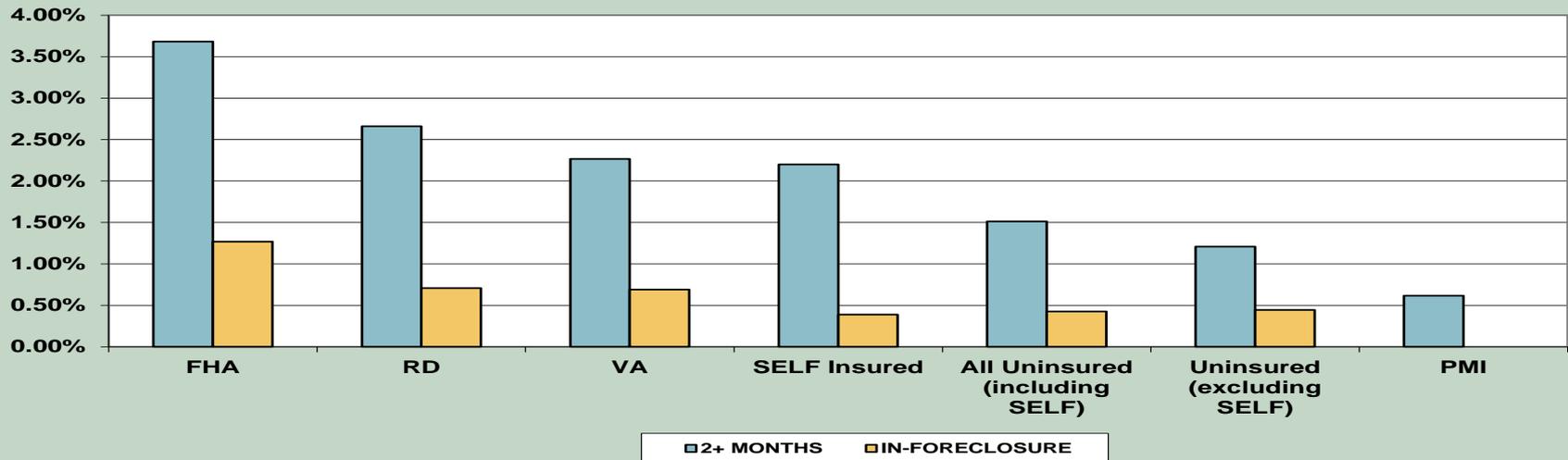
TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	3.68%	1.27%
RD	2.66%	0.71%
VA	2.27%	0.69%
SELF Insured	2.20%	0.39%
All Uninsured (including SELF)	1.51%	0.43%
Uninsured (excluding SELF)	1.21%	0.44%
PMI	0.62%	0.00%

As A Percent of Total Loan Portfolio

8/31/2022

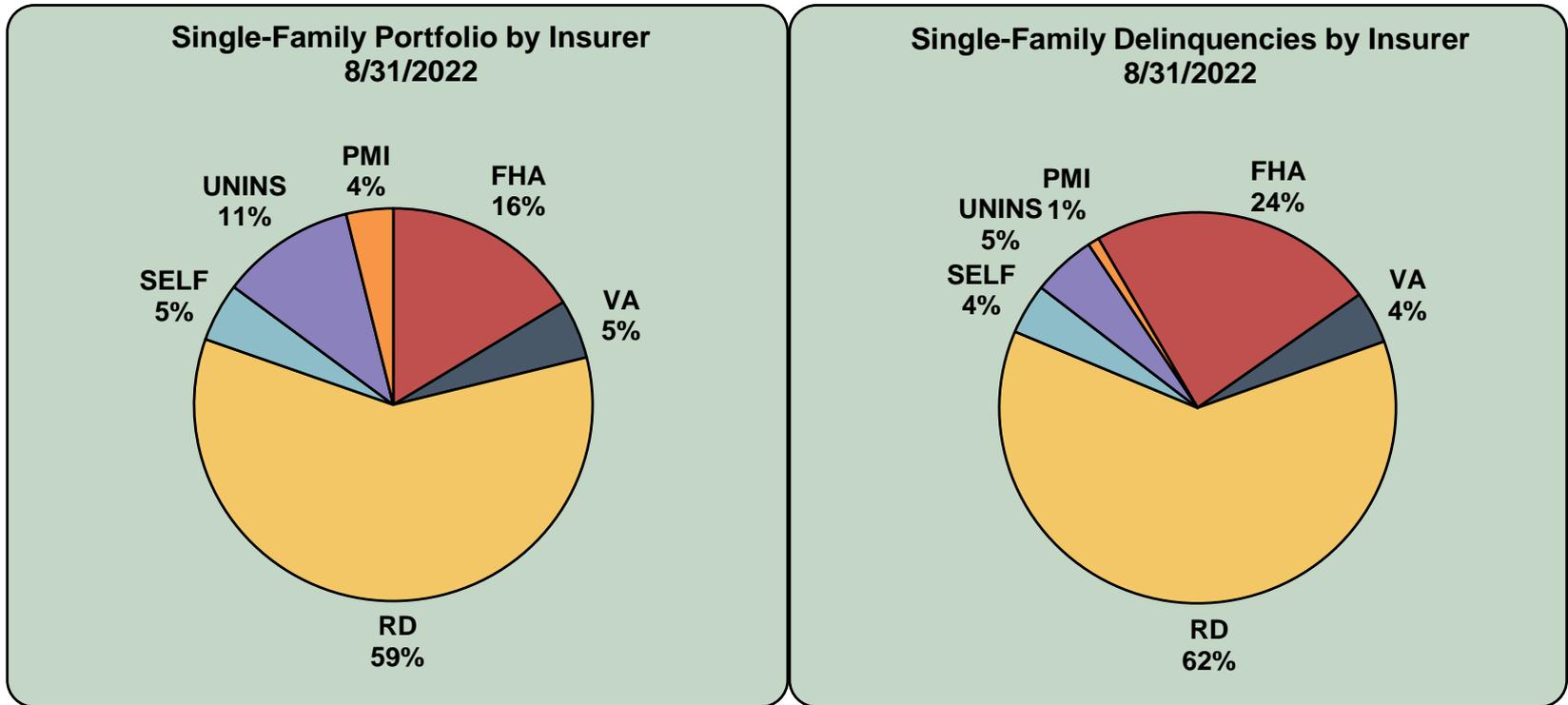
TYPE	2+ MONTHS	IN-FORECLOSURE
RD	1.58%	0.42%
FHA	0.60%	0.21%
All Uninsured (including SELF)	0.24%	0.07%
Uninsured (excluding SELF)	0.13%	0.05%
VA	0.11%	0.03%
SELF Insured	0.11%	0.05%
PMI	0.02%	0.00%

SINGLE-FAMILY DELINQUENCY RATES BY INSURER TYPE



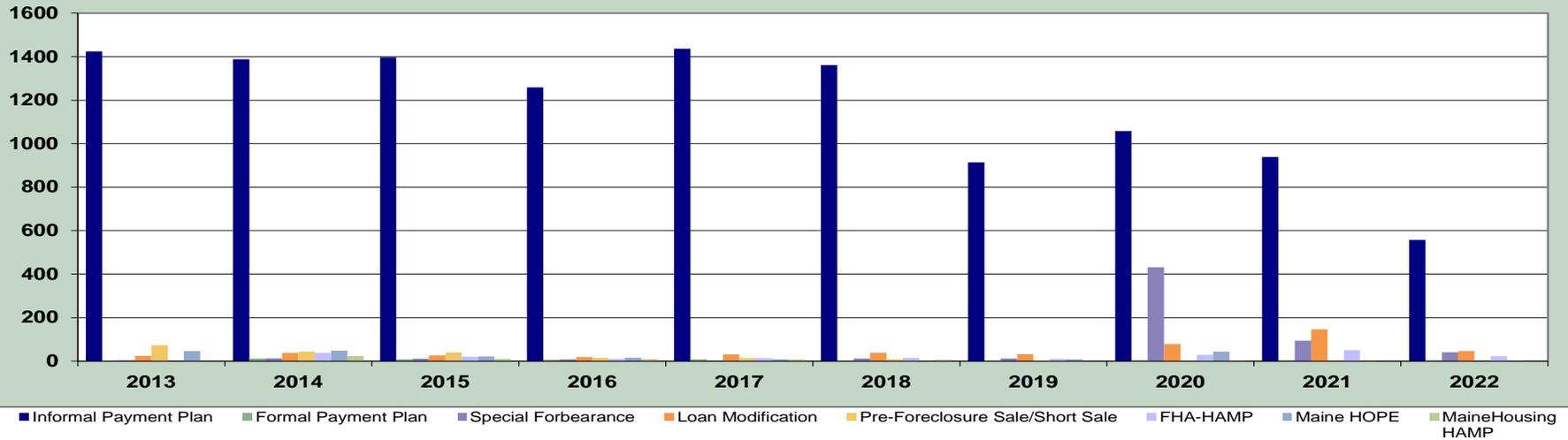
# Single-Family Delinquencies by Mortgage Insurer

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 Foreclosure Prevention Activities

**BORROWERS ASSISTED 2013-2022**



**Number of Borrowers Approved for Assistance**

	Informal Payment Plan	Formal Payment Plan	Special Forbearance	Loan Modification	Pre-Foreclosure Sale/Short Sale	FHA-HAMP	Maine HOPE	MaineHousing HAMP	Total Workouts
Aug-22	557	5	41	46	0	23	3	0	675
Dec-21	939	5	94	146	2	50	2	0	1238
Dec-20	1058	5	432	79	3	29	44	2	1652
Dec-19	914	3	12	32	4	10	8	0	983
Dec-18	1361	4	12	39	8	15	3	6	1448
Dec-17	1437	8	4	31	14	14	8	7	1523
Dec-16	1259	6	8	19	15	10	16	9	1342
Dec-15	1397	8	11	26	40	21	22	10	1535
Dec-14	1388	12	13	38	44	38	48	24	1605
Dec-13	1424	4	5	24	73	0	46	0	1576

**Actual Foreclosures**

	Number of Foreclosures	Number of Loans in Portfolio	Percentage of Portfolio
Aug-22	9	9,583	0.09%
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%
Dec-16	258	10,097	2.56%
Dec-15	233	10,258	2.27%
Dec-14	162	10,526	1.54%
Dec-13	146	10,952	1.33%



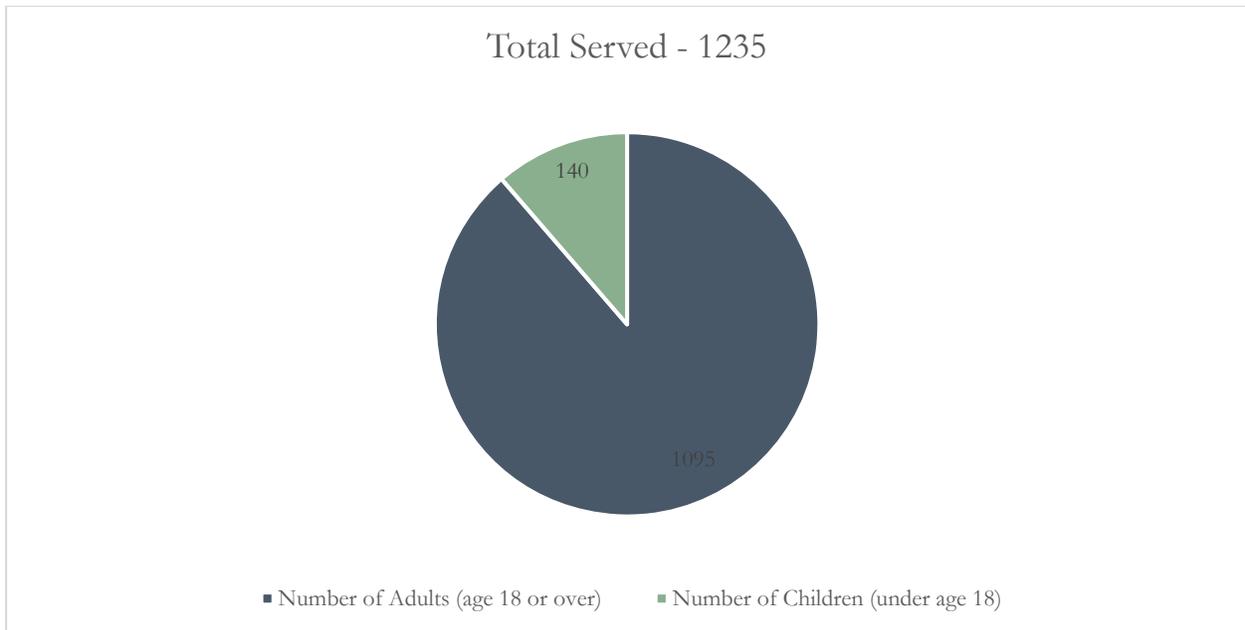
**Homeless Initiatives Department Memorandum**

**To:** Board of Commissioners  
**From:** Lauren Bustard, Senior Director of Homeless Initiatives  
**Date:** October 11, 2022  
**Subject:** Homeless Initiatives Report

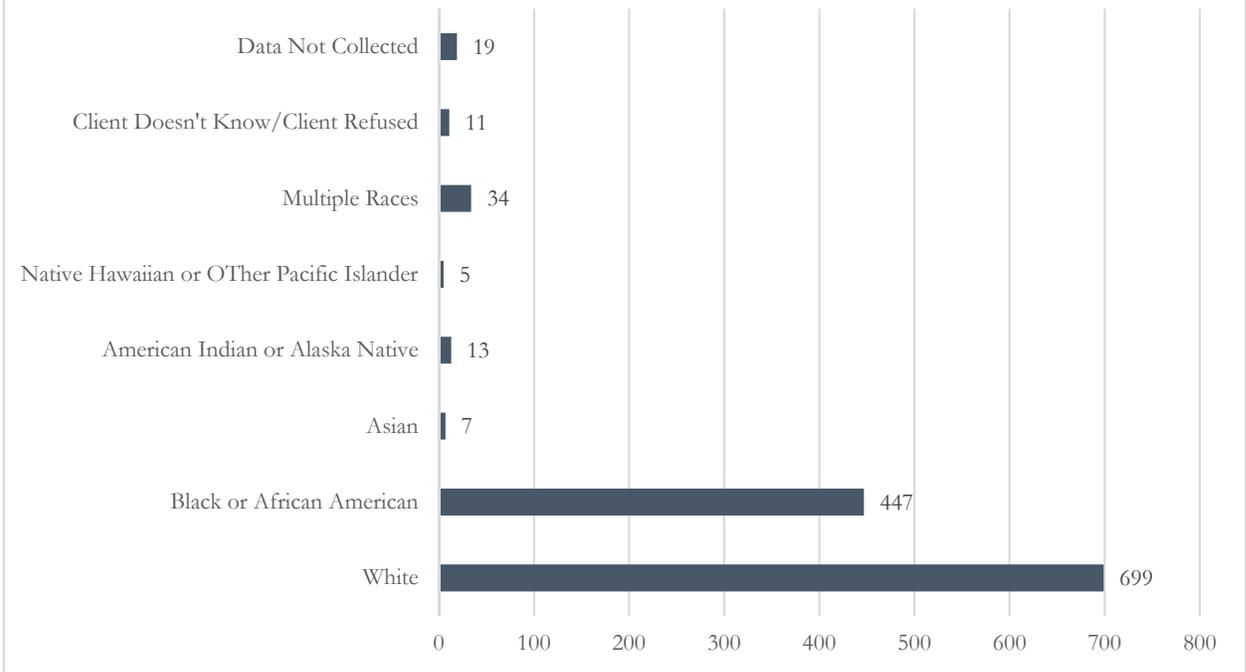
**Homeless Data – September 2022**

The following are the monthly statistics for September:

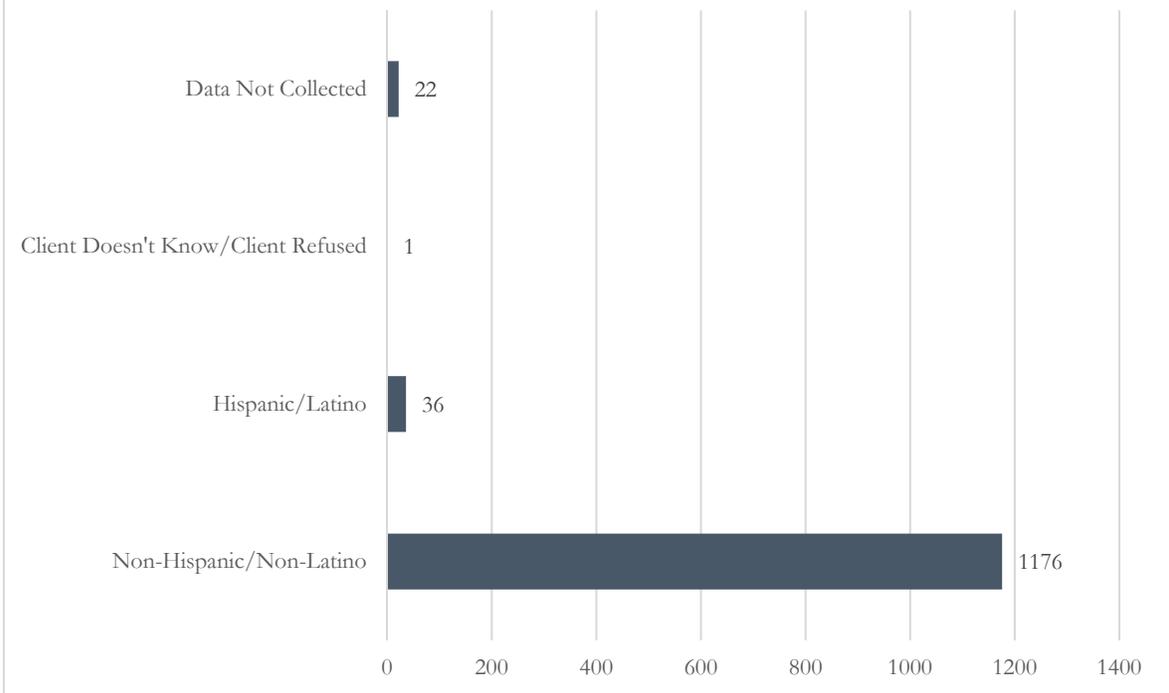
1. Total number of people served (1235) has decreased by 16 individuals. The caveat here is that these are only the individuals that are being served by homeless service providers around the state who are mandated to record data in the HMIS (Homeless Management Information System) database. It does not include people sheltered through GA, ERA or faith-based shelters that do not participate in the ESHAP program.
2. Racial equity – the percentage of people of color served continues to increase - from 39% in August to 42% in September. This is most likely due to the continuing inflow of asylum seekers from the Democratic Republic of Congo and Angola to the greater Portland area, especially the rise in individual asylum seekers (as opposed to families) that has been arriving in the last couple of months. The number for those who identify as Hispanic/Latino decreased from 45 to 36 individuals.
3. Our exits to permanent living situations remained consistent at 57. Locating affordable units continues to be the primary challenge in getting individuals and families into permanent housing.



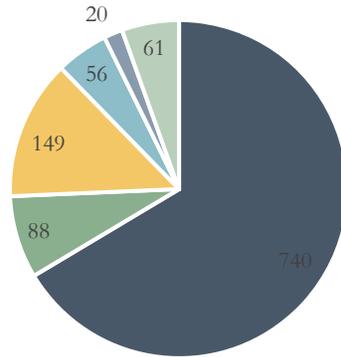
### Number of People Served by Race



### Number People Served by Ethnicity

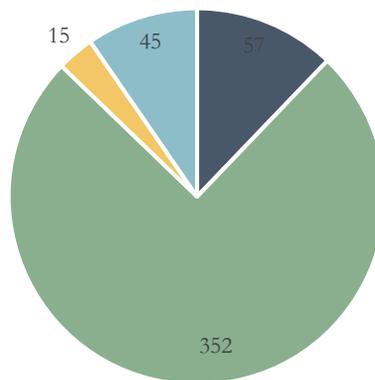


### Residence of Clients Prior to Entry



- Homeless Situations
- Institutional Settings
- Staying or living in a friend's room, apartment or house
- Staying or living in a family member's room, apartment or house
- Hotel or motel paid for without ES voucher
- Other Locations

### Residence of Clients after Entry



- Permanent Destinations
- Temporary Destinations
- Institutional Settings
- Other Destinations

### Use of Hotels

We continue to utilize two hotels in South Portland to house those single individuals experiencing homelessness in the Greater Portland area, funded through FEMA. We have halted referrals to one hotel as a means of getting that hotel population down as much as possible through Rapid

Rehousing efforts and attrition. Referrals to the second hotel will be halted as of December 31<sup>st</sup> and both hotels will be decommissioned by February 28, 2023. The percentage of single Asylum Seekers in these two hotels has risen to an average of about 60%, a phenomenon that only began in the last couple of months. Prior to that time, we were seeing mostly Asylum Seeker families. We are also almost at capacity at the hotel in Saco utilized to provide one year of housing for Asylum Seeker families.

### **Service Hub Implementation – Built for Zero Initiative**

Hub Coordinators continue to focus on achieving quality data on people experiencing homelessness, and are creating a By Name List (BNL) Operations Manual to help frame their work and ensure consistency around the state. They are starting to plan for the January 2023 Point In Time (PIT) count in conjunction with the MCoC Resource Committee. We are hopeful that the 2023 PIT Count will be the most accurate ever carried out in the state as we now have a point person in 9 hubs across the state to organize the count in their areas as well as a new Mobile App that will facilitate and simplify the process of data collection.

Two Hubs – Western (Oxford and Franklin counties) and Penquis (Penobscot and Piscataquis counties) - started piloting Maine’s newly redesigned Coordinated Entry System (CES) the week of October 3rd. This system will establish a consistent process for those entering the homeless response system – from access to assessment to prioritization for housing resources to referrals to those resources. The hope is to establish CES statewide by the beginning of 2023.

The State Built for Zero Team met on 9/20/22 and continues to focus on identifying resources to address gaps in outreach services, developing inter-agency data sharing protocols and identifying barriers to racial equity within the homeless response system. The Maine Continuum of Care has applied for funding to address outreach gaps, especially in rural areas of the state, through a Special Notice of Funding Opportunity that was made available this year.

### **Expansion of Temporary Rapid Rehousing Program**

Through funding from the \$22M allocated by the state to address the homelessness crisis, we are able to expand our Rapid Rehousing Program. The current program operates in Portland and the Midcoast area. Since its inception in fall of 2020 the program has served 312 households and housed a total of 185 households, including 48 families with children. That is a 59% success rate of households leased, the highest of any of our housing navigation/rental assistance programs. In comparison our success rate of vouchers issued to vouchers leased in our Housing Choice voucher program was only 36% as of August. We are hoping to build on that success and are now able to expand to York County, Central Maine and Aroostook County. Providers implementing the program will be York County Shelter Programs, MidMaine Homeless Shelter and Services and ACAP, respectively. These programs will begin to staff up within the next month.

## Homeownership Department Memorandum

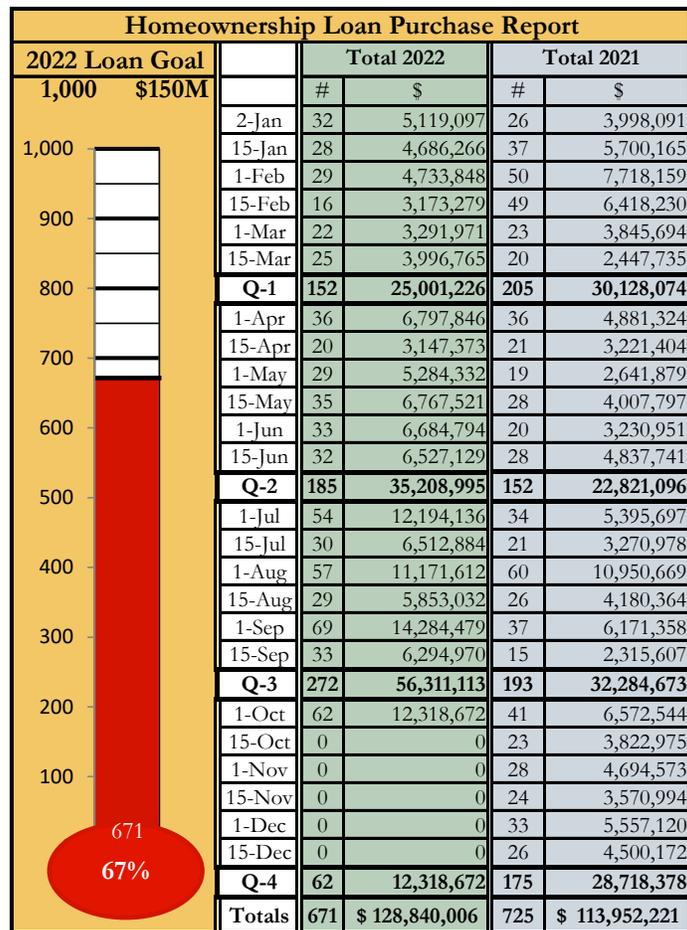
**To:** MaineHousing Board of Commissioners

**From:** Craig Reynolds, Director of Homeownership

**Date:** October 11, 2022

**Subject:** Monthly Report – Homeownership Department

### PRODUCTION UPDATE



Monthly Loan Reservations: 10/01/22	
#	\$ Volume
109	\$ 23,474,766

Loan Pipeline as of: 10/01/22	
#	\$ Volume
354	\$ 69,745,932

YTD Loan Reservation Comparison					
September 2021		September 2022		2021 vs 2022	
#	\$ Volume	#	\$ Volume	#	\$ Volume
226	\$36,139,868	354	\$ 69,745,932	57%	93%

## PROGRAM HIGHLIGHTS

### Production Update & Market Status

New loan reservations have continued at a remarkably stable pace for the past several weeks despite the increasing head winds caused by rising mortgage interest rates. The overheated housing market, which has seen home sales prices reach historically high levels especially over the past two years, appears to be cooling off in part due to the rising interest rates and continuing concerns with increasing inflation. These factors combined result in a decrease of housing affordability, particularly for first time homebuyers whose incomes and ability to save money for down payments are not keeping pace with the significantly higher costs of potential monthly mortgage payments and consumer goods now straining already tight household budgets.

However with the shift in the market, there are some bright spots for homebuyers such as a slowdown in sales price increases and even reports of price reductions in some areas. Sellers are beginning to realize that higher interest rates may mean fewer buyers in the marketplace, and the willingness or need to pay over asking price or purchase a home without inspection contingencies for those still in the market has passed. It may also mean that the inventory of homes-for-sale could improve as some sellers rush to get into the market before prices soften even more. The historically low inventory of homes has been a major obstacle for many homebuyers over the past few years, and especially for first time buyers looking for homes in the lower price ranges.

As mentioned, mortgage interest rates nationally and in Maine are on the rise again, and as September ended the average 30 year fixed rate loan increased to just under 7%, which is double the average rate available at the start of 2022. MaineHousing has also had to increase its First Home Loan base rate to 5.50%, which is still well below market and continues to offer its borrowers the benefit of a \$5,000 Advantage down payment and closing cost assistance option, subject only to the completion of an eight hour hOMEworks approved homebuyer education class prior to closing.

The following is an excerpt from the Maine Association of REALTORS® monthly press release in September regarding Maine's real estate market activity and related regional and national statistics provided by the National Association of REALTORS®.

#### MAINE REAL ESTATE SALES EASED 9.89 PERCENT IN AUGUST AUGUSTA

Sales of single-family existing homes across Maine in August dipped 9.89 percent compared to August 2021, according to Maine Listings. Values remain high in August, as the median sales price for the 1,859 homes sold reached \$340,000, an increase of 9.68 percent over August 2021. The MSP indicates that half of the homes were sold for more and half sold for less.

“Demand for single family homes in Maine remains strong, with more than 1,850 sold during August,” says Madeleine Hill, 2022 President of the Maine Association of REALTORS® and Designated Broker at Roxanne York Real Estate in Harpswell.

“While still historically low, active for-sale listings have been on an upward trajectory for the past six months, up almost 25 percent from July 2022 to August 2022,”

added Hill. “With additional for-sale inventory, we’re seeing a leveling in some areas of Maine. Buyers are approaching these market trends in a more strategic fashion, with contract contingencies and seller concessions becoming more common.”

The National Association of Realtors reported that sales of single-family existing homes decreased 19.2 percent nationwide in August. Prices rose 7.6 percent to a national MSP of \$396,300. Regionally, sales in the Northeast were down 13.7 percent and the regional MSP increased 1.5 percent to reach \$413,200.

“If you’re in a period of transition and need to navigate these changing real estate market dynamics, a local REALTOR® is your go-to source for expert knowledge of market conditions and the home buying process,” said Hill.

### **FHA Virtual Training**

Mortgage Lending Officer, Casey Erlebach attended a virtual Training Opportunity hosted by FHA. The training provided an update on the 203(k) Rehabilitation Mortgage Insurance Program policies and Consultant requirements. Topics for discussion included *Single Family Housing Policy Handbook* 4000.1 updates, policies and procedures on Program Requirements, Property Eligibility, Lender Responsibilities related to Consultant and Appraisal requirements, and more.

### **Kennebec Valley Board of Realtors Trade Show**

Mortgage Lending Coordinator, Dawn Libby-Lynch and Consumer Education Coordinator, Jessica Gurney represented MaineHousing at The Annual Kennebec Valley Board of Realtors Trade Show and Annual Meeting held on September 22<sup>nd</sup> at the Waterville Elk’s Lodge. Dawn and Jessica had the opportunity to speak with many Realtors and KVBR affiliate members about our First Home Loan program as they stopped by the MaineHousing display table. Many attendees were also interested in learning more about the content and schedule of hoMEworks Homebuyer Education classes.

Brian Rizzo, from Coldwell Banker Rizzo Mattson Real Estate and current President of the Kennebec Valley Board of Realtors, was the host of the evening. Hannah McMullen, Maine Association of Realtor’s in-house Legal and Government Affairs Counsel, gave an update on government affairs and other topics of interest to the Realtor community. Event attendee and consultant with Mary Kay, Lisa Talbot won the \$50 Longfellow’s Greenhouse gift card donated by MaineHousing, one of the many prizes provided by the KVBR affiliates for the traditional raffle drawing held at the end of the meeting.



*Dawn Libby-Lynch (L) and Jessica Gurney (R) at MaineHousing's KVBR event display table.*



*Jessica Gurney chatting with State Representative, Jack Ducharme.*

### **Realtor CEU Credit Class**

Mortgage Team Leader, Lisa McKenna, assisted by Consumer Education Coordinator, Jessica Gurney, conducted a live presentation of the “MaineHousing Affordable Home Financing for ME” class on September 27<sup>th</sup> in Standish. The event was organized and promoted by The Real Estate Learning Group and sponsored by Bangor Savings Bank. It was attended by 53 real estate licenses who earned 3 hours of continuing education credits toward renewal of their real estate licenses. The feedback from attendees on the class was very positive with many compliments going to Lisa for her program knowledge and presentation style.

The CEU Course Description: This course provides a comprehensive outline of the programs MaineHousing offers and the benefits to borrowers, sellers, and real estate professionals. It explains the eligibility criteria for both borrowers and properties. Easy to understand information is provided on down payment and closing cost assistance, how to finance needed repairs/improvements into one transaction, financing options for mobile homes, and more!



*Mortgage Team Leader, Lisa McKenna educating her attentive audience.*



### **HUD Counseling Webinar**

Consumer Education Coordinator, Jessica Gurney recently attended the virtual HUD Counseling Webinar, Title Policy 101. The meeting covered a number of topics including an introduction to the basics of title policies and the potential issues, such as a clouded title, that can occur with a property title when buying a home and how these issues can be addressed.

**Housing Choice Vouchers Department Memorandum**

**To:** MaineHousing Board of Commissioners

**From:** Allison Gallagher - Director of HCV Programs

**Date:** October 18, 2022

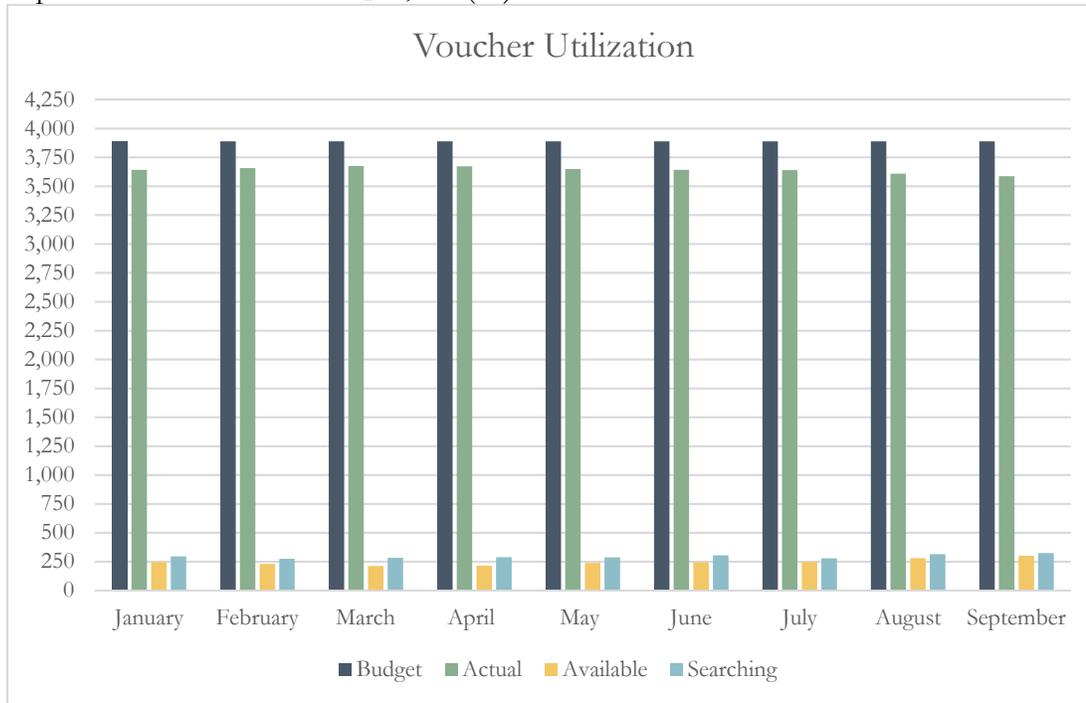
**Subject:** Monthly Report – Housing Choice Voucher Program

**Program Updates:**

At the October board meeting the board will be asked to approve the 2023 PHA Plan. The approved plan will be submitted to HUD and available on the MaineHousing website.

Laurie Glidden, Restart Coordinator, will be a part of a panel exploring the path to Homeownership at the NCSHA conference in Houston this month. We submitted the attached entry for an NCSHA award-  
MaineHousing Empowering New Buyers

September Lease Incentives-\$33,500 (43)



**HCV (homeless initiatives)**

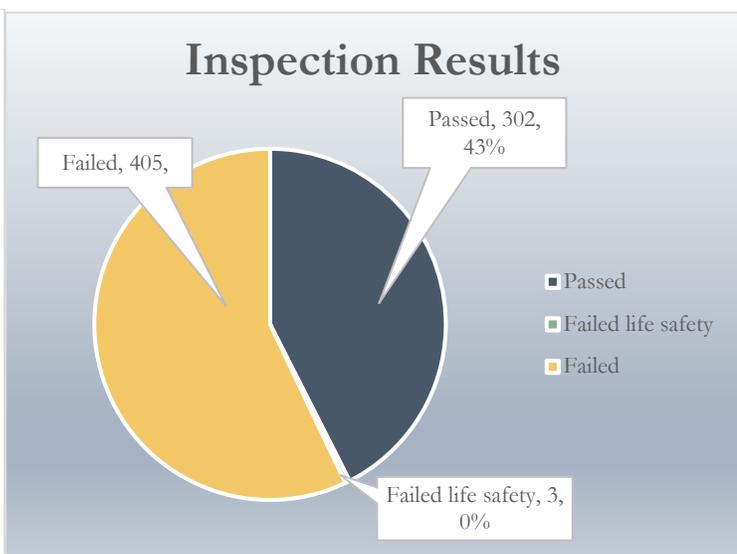
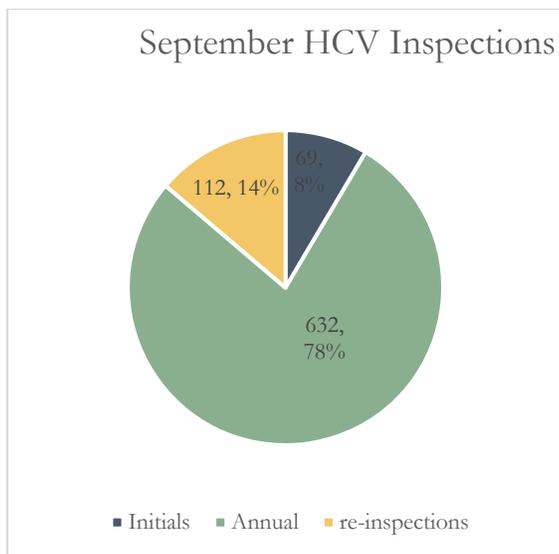
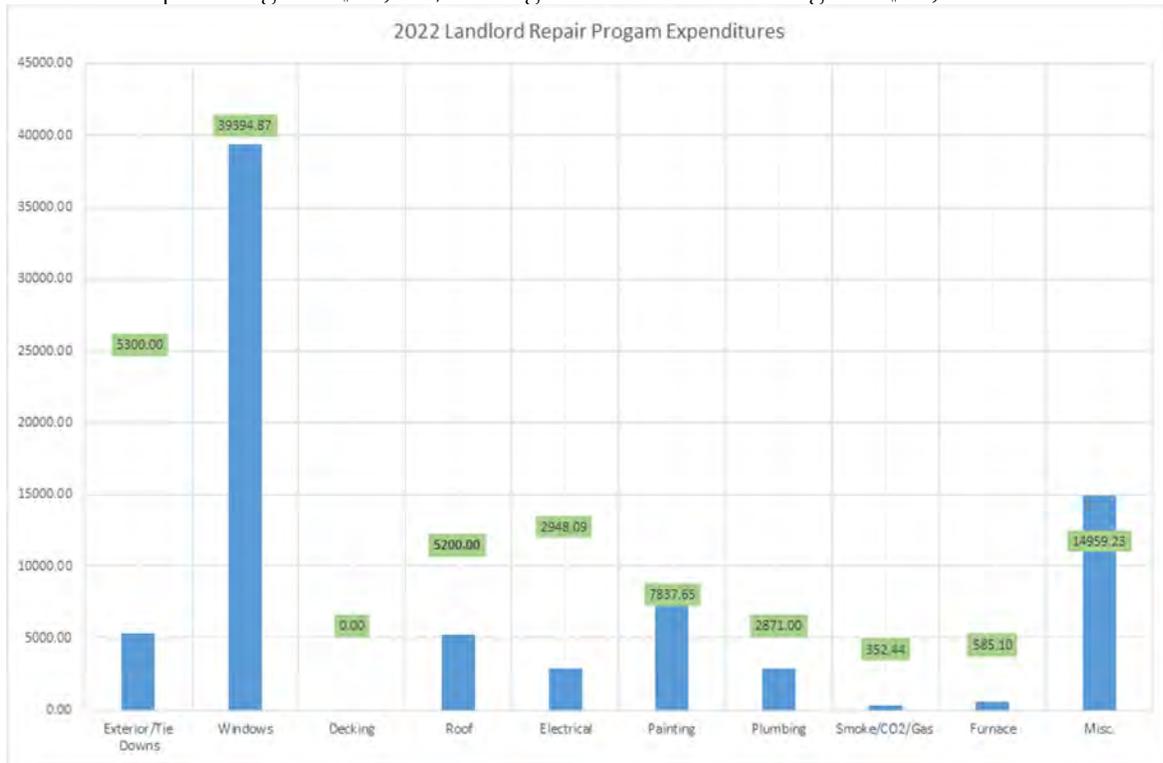
	<b>Leased</b>	<b>Searching</b>
<b>STEP</b>	113	35
<b>Home to Stay</b>	180	90
<b>Homeless Priority</b>	248	74
<b>EHV</b>	45	49

## LEAN Update:

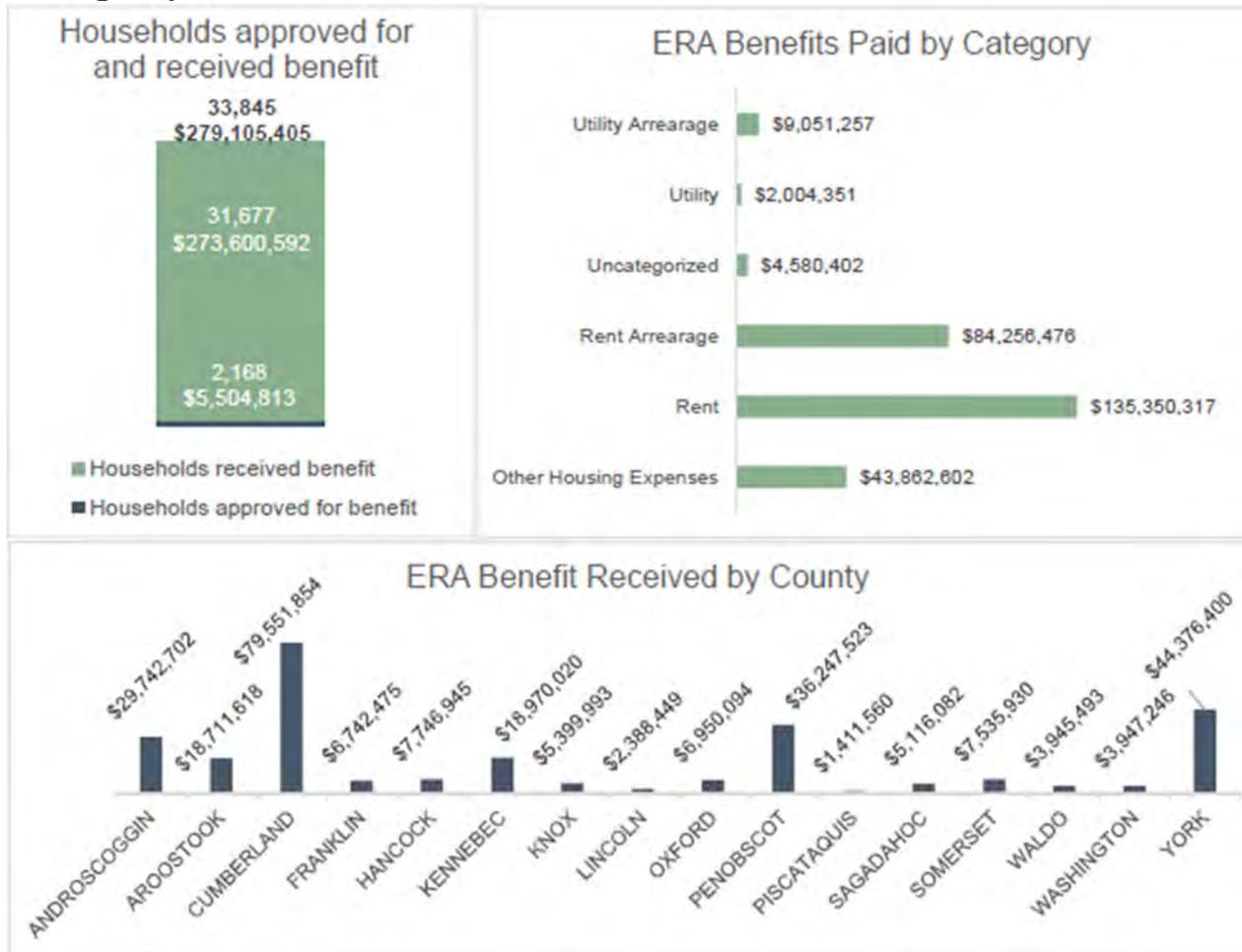
HCV staff are working on scanning all physical tenant files as a 2021/2022 LEAN initiative. We have scanned 87.7% of our physical tenant files to date. We are 447 tenant files away from being 100% electronic.

## Inspection Updates:

Landlord Repair Program: \$79,448/Damage Reimbursement Program: \$36,431



### Emergency Rental Assistance:



As of October 5, 2022

## Starting over by creating pathways to home ownership. A small program with a large impact.

When Jen Szandzik first joined MaineHousing's ReStart Program she didn't believe homeownership would ever be in her future.

"I was unemployed, my credit score was terrible," Szandzik said, "I had no money saved up for emergencies, and I had a car that was very unreliable. I can definitely say that my confidence in myself was at an extreme low."

ReStart is MaineHousing's program that helps families with housing vouchers become self-sufficient through coaching, financial management and connections to educational and employment resources. MaineHousing's ReStart Program is not the biggest program the agency runs, but it certainly has an outsized and positive impact on the people it helps, truly achieving the mission of Family Self-Sufficiency. Equally important, MaineHousing's ReStart program has empowered home ownership for many, who, like Szandzik use the savings and financial acumen they gain from the program to purchase their first home.

Back to Szandzik's story:

"It is four years later and I am graduating from the ReStart program," she said. "I have a full-time job with a company I love, my credit score is amazing, I have money in my saving account, a reliable car for my family and I am buying a house. The ReStart Program has helped me gain my confidence back and completely changed my life."

Through ReStart, Szandzik saved over \$18,000 by upgrading her work skills, increasing her earnings, saving money, and gaining the discipline and confidence to become fully financially independent. Meanwhile, her mortgage payment is \$200 less than what the payment on her former apartment was. Her daughter has a home her family will own and is seeing first-hand the results of sticking to a plan, underscoring the generational impact of first-time home ownership.

MaineHousing's ReStart team – a two-person, dynamic duo -- truly empowers home ownership by helping their clients build real financial wherewithal. One-on-one counseling and mentorship by ReStart staff consistently boosts participants to full homeownership. There's vested ownership in the outcomes, said ReStart Program coordinator Laurie Glidden.

In a word, Glidden said, "proud," is how she feels when a client can become a homeowner, especially in today's economy.

"Those I work with have been putting all they have into taking care of their families, going to school or advancing within their jobs or both," Glidden said, "all while being at an income level that makes supporting a family difficult. They are doing all these things with the goal of reaching their dreams. When they get there I am so proud of them."

In 2021 Glidden and her colleague Brianna Martin, worked with 75 people. Their results are outstanding with 52 of their clients increasing their earnings by an average of \$16,626 – while their average personal savings climbed to more than \$2,000 a year and dependence on monthly Housing Assistance Program vouchers decreased by \$331 a month on average.



“I love connecting with each and every one of them on a personal level and building trust,” Martin says of ReStart participants. “To me that is extremely important. As a coach, I am asking these participants to share their life stories and future dreams with me and trust that the ReStart program can help guide them there. There is something so powerful that a participant will have a meaningful moment such as landing a new job, or paying off a debt, or reaching a specific amount in their savings account ... and I am someone they share that exciting news with.”

ReStart has achieved many measurable results. Nine 2021 program graduates collectively saved close to \$44,000, with 89 percent of the group also increasing their earnings, and 100 percent of the group gaining independence from the Housing Choice Voucher program. ReStart participants also saw their earnings triple by the time they graduated from the program. In addition, since 2018, six ReStart participants have achieved home ownership.

MaineHousing’s ReStart program is funded with a modest federal Family Self Sufficiency grant of just under \$90,000 annually. The agency also provides funding for an additional full-time staff member, broadening partner collaboration and increasing the program’s reach.

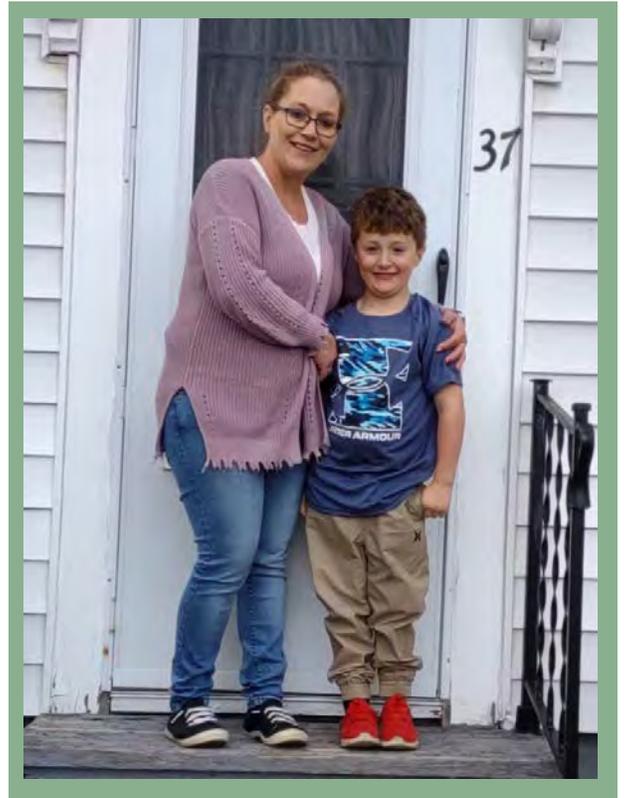
While program replication would be customized to each state or region, Maine’s model is easily transferable. The key ingredients are a vested staff, flexible program limits and ongoing client communication.

The program is also essential in linking participants with other key supports, resources, and opportunities. These include ongoing education, community volunteer opportunities, and career and professional network building. Key partners include the State of Maine’s departments of labor and education, the state’s regional workforce boards, and the Maine Community College System

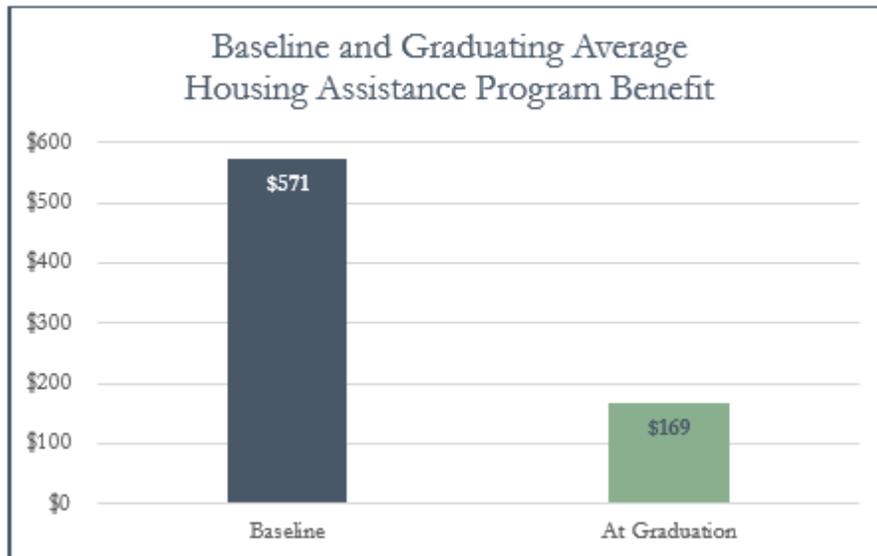
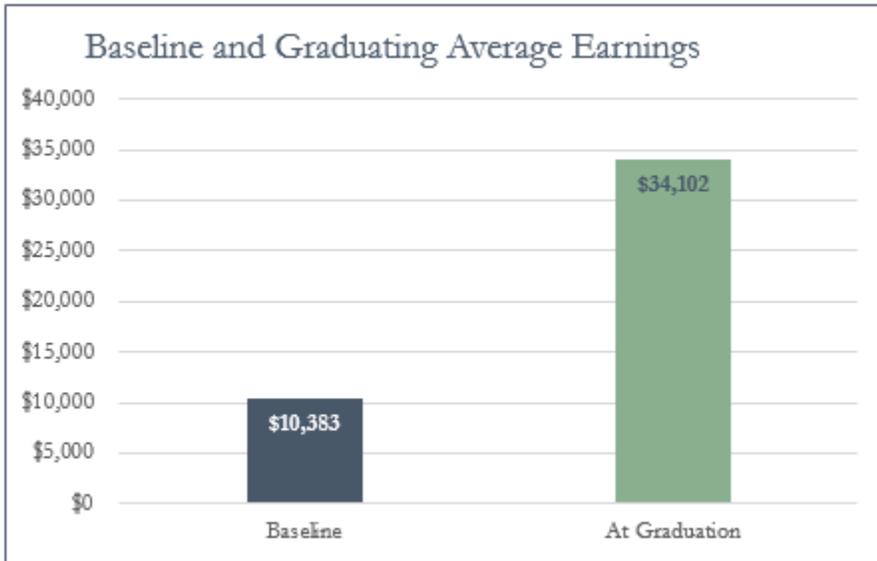
ReStart’s affiliation with dozens of other area, state, and national organizations provides elements for individual pathways to financial security through home ownership. These resources are inventoried for ReStart participants and the public on the program’s web page (see appendix c).

A quarterly newsletter produced all in-house, by ReStart staff and sent electronically to about 100 recipients furthers the lines of communications with participants, partners, and the public (see appendix b).

“I was able to learn how to work on my credit and today have a credit score that is going to allow me to become a homeowner,” said ReStart participant Casey Henderson. “If it wasn’t for the ReStart program and Laurie, I would not be where I am today. The tools I was taught I will use for the rest of my life. I am using my escrow for a down payment on a house and am forever grateful for the opportunity I was given to be part of this program.”



## Appendix A Program Data



# Appendix B

Webpage - <https://www.mainehousing.org/restart>

**MaineHousing**  
MAINE STATE HOUSING AUTHORITY

About Us Programs & Services Partners Policy & Resources Contact Us

## Start Your Self Sufficiency Journey Today

### Let us help you reach your financial goals!

The ReStart Program helps families who have Housing vouchers get connected with resources to allow them to reach their financial goals. In addition, ReStart courses involve employment and education resources to assist families to become self-sufficient.

**A Chance To Save Rent Increases**

Once enrolled in ReStart, a **ReStart Savings Account** will be established for you. As you earn more money at work and your rent increases, deposits will be made into the account.

**Reach Goals With Coaching Support**

Your coach will help you to create a plan to reach your goals. They'll provide support to help you work through your plan while providing financial instruction to help you create a better personal financial outlook.

**Connections With Resources**

ReStart coaches are connected with financial, employment and education resources throughout the state and will provide you the information you need to accomplish your goals.

### What are people saying about ReStart?

The ReStart Program is hands down the best program I have ever been involved with!

*Worrior graduated with a ReStart savings account totaling \$19,000. Here's what she had to say:*

*"When I first started the ReStart Program I was unemployed, my credit score had terrible, I had no money saved up for emergencies, and I had a job that was very unstable. I can definitely say that my confidence in myself was at an all-time low. In 4 years later and I am graduating from the ReStart program. I have a full time job with a company I love, my credit score is amazing, I have money in my saving account, a reliable car for my family and I am buying a house. The ReStart Program has helped me gain my confidence back and completely changed my life."*

### Am I Eligible

If you:

- Have a Housing Choice Voucher
- Want to invest in your future

You may be eligible! Contact a Program Coordinator for more info today.

### FAQs

**When does the ReStart Savings Account start and how does it work?**  
The savings account will start when your household wage increases above the household income you have when you join the program. When that happens your rental portion will increase. As a result, an amount will be put into a savings account based upon a formula.

**Do I have to be working to join ReStart?**  
No, you do not have to be working when you enroll in the program. A coach will help you to create a plan to become employed.

**I am only able to work part time due to a disability, Am I still eligible to join the program?**  
Yes. Persons with disabilities may apply for a reasonable accommodation to reduce the amount of hours they are required to work to participate in the program.

**How long does the program last?**  
When you join ReStart you will enter into a contract that has a term of five years. However, if you reach your goals successfully before five years you are able to graduate. Many people do!

**Will I lose my voucher if I don't reach all of my goals or drop out of the program?**  
You will not lose your voucher if you decide you do not want to continue with the program or don't graduate from the program.

### Resources

- Career Planning
- Childcare
- Education Info
- Employment Information
- Financial Education
- Financial Support
- General Info

EQUAL HOUSING OPPORTUNITY  
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74 Edison Drive, Augusta, ME 04330  
(800) 452-4662 | (207) 626-4600  
Fax (207) 626-4678 | Maine Relay 711

Privacy Policy | Site Map

# Appendix C

## Newsletter Examples

### RE START

ALMOST 50% OF NEW HOMEOWNERS START FROM MAINEHOUSING

#### Spring 2022

#### Congratulations

to **Krystal & Kristy** who successfully graduated from ReStart. Together they received over \$17,000 in escrow savings. They are both planning on using the funds towards buying a home. **Their hard work has paid off!**

Total escrow released in 2021: **\$44,000!**  
Average escrow: \$7,700



Join me in welcoming  
**Teena, Penny, Jessica, Kim, Jasmine,  
Naomi, Sarah and Craig**  
to the ReStart program!

The three largest credit bureaus in the U.S. announced Friday they would begin removing most medical debt from their reporting process starting in July. Click on the image for more information.



UMaine announces tuition free summer courses for high school students. Click on the image for more information.



#### Breaking down your CREDIT SCORE

Your Credit Score is determined by 5 factors of differing importance:

- 35% PAYMENT HISTORY** - Have you ever paid late? Late payments may lead to a lower score.
- 30% LENGTH OF HISTORY** - How long have you had credit? The longer the better.
- 20% TYPES OF CREDIT USED** - Do you have credit in different areas? (Auto, credit cards, etc.)
- 15% AMOUNTS OWED** - How much do you owe? Lower is better.
- 10% NEW CREDIT** - How many new accounts? Opening several accounts in a short time can lower your credit score.

Questions: Contact your ReStart coach

#### Resources

##### What is a Family Development Account (FDA)?

An FDA is a matched savings account where the funds are used towards:  
- First-time home or vehicle purchase - Vehicle repair - Unanticipated expenses  
Matched savings can be as much as 4 to 1. **Savings of \$2,000 would be matched \$8,000!**  
That's free money and it's really easy to sign up!  
Check it out [here](#)

#### MCCS FREE NO COST TRAINING



Maine's community colleges are offering a streamlined, convenient workforce development program that will train 24,000 Maine people over the next four years. That work will flow through the new, virtual, Harold Alfond Center for the Advancement of Maine's Workforce.



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You can get more information here: [Free Training](#)



The Competitive Skills Scholarship Program (CSSP) provides funding and support services for eligible Maine residents. If you are eligible, you can receive up to \$6,000 per year for a full-time student or \$3,000 per year for a part-time student each year you remain in your training program.

### HOPE

Text us at our new numbers  
Bri 207-624-5778  
Leslie 207-626-4660



MaineHousing  
633 Grand Street  
Augusta, ME 04330-4993  
(207) 626-4660 • (800) 652-4668 • Maine@MaineHousing.org

### RE START

ALMOST 50% OF NEW HOMEOWNERS START FROM MAINEHOUSING

#### Winter 21/22

#### Things to Celebrate!



**Savannah** graduated in December with a Bachelor's degree in Psychology and Community Studies. She has been hired full time in her chosen field supporting parents and hopes to purchase a house and graduate from ReStart in 2022.

Congratulations Savannah!

**Kaylin** earned her BPP certification as a result of attending a free course offered through the Maine Community College System (MCCS). Kaylin regards this as a first step towards earning her BA in Substance Abuse Counseling. **Congratulations Kaylin!**



#### We'd love to celebrate with you!!

Just let your coach know what you'd like to celebrate and we'll include it in the next newsletter.

#### Financial Tips

##### Credit Building Helps Reduce Expenses

Good credit scores can affect the costs of many regular expenses such as insurance, deposit required for utilities, cell phone plans and rental housing.

\$10,000 Auto Loan 5 year term			
Score	Interest Rate	Monthly Payment	Total Interest Paid
500	17.21%	\$250.00	\$4,981.00
620	11.34%	\$219.00	\$3,197.00
720	4.78%	\$188.00	\$1,263.00
760+	Even lower rates may be available for excellent credit scores		

#### COMPASS COACH SHARES: CREDIT CARD TIPS



Questions: Contact your ReStart coach

#### Resources



##### Free Tax Help

Stop paying to get your taxes prepared!  
CASH Maine volunteers will prepare and file your taxes for free so that you can get 100% of your refund. Volunteers receive rigorous IRS standards of conduct training and utilize secure and encrypted online software. Find a tax site [here](#).

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##### What is a Family Development Account (FDA)?

An FDA is a matched savings account where the funds are used towards:  
- First-time home - Vehicle - Vehicle repair - Unanticipated expenses  
Matched savings can be as much as 4 to 1. **Savings of \$1,000 would be matched \$4,000!**  
That's free money and it's really easy to sign up!  
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## Human Resources and Facilities Department Memorandum

**To:** Board of Commissioners  
**From:** Jane Whitley, Director of Human Resources & Facilities  
**Date:** October 2022  
**Subject:** Board Report

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### Human Resources YTD Stats as of October 11



### Human Resources Updates

- Congratulations to Genevieve Soucy who was promoted from the Financial Manager in EHS to the Interim Director of EHS.

We are currently advertising and/or interviewing for the following positions:

- Accountant, Finance
- Special Assets Manager, Finance
- Administrative Assistant, EHS
- Application Specialist, IT
- HMIS Training & Support Specialist, Homeless
- HCV Financial Specialist



**We are always looking for great people to fill our positions!**

**Please encourage your family and friends to visit our website at [www.mainehousing.org/careers](http://www.mainehousing.org/careers).**

### Facilities Updates

- We are in the process of finalizing floors plans to add 16 additional workstations to our facility – 12 on the first floor and 4 on the second floor.

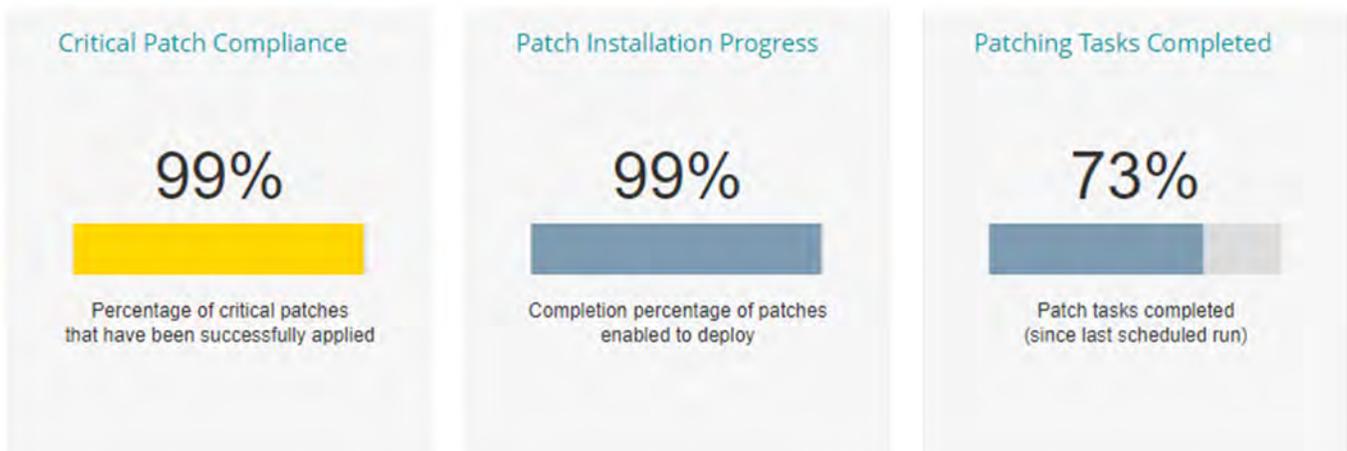
## Information Technology Department Memorandum

**To:** Board of Commissioners  
**From:** Craig Given, Director of IT  
**Date:** October 11, 2022  
**Subject:** Monthly Report

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### October Spotlight:

MaineHousing IT maintains an asset management system to track inventory and ensure that all systems have the latest security patches and software updates.



### Information Technology Updates:

- Developed long range plan for network servers and back office applications and proposed a project plan and budget for FY23 and beyond.
- Addressed reporting and extract needs for the EHS programs including revisions for new program year.
- Completed update of asset inventory and began implementation of new controls and tools to maintain.
- Applied security patches to critical systems to address identified vulnerabilities.
- Launched Q4 online Security trainings for all staff.

- Processed updates and patches for telecommuting computer to ensure latest security patches in place.
- Security vendor initiated annual penetration test and security assessment.
- Revised CAA Data Security Checklist and began review of existing checklists with program and IT staff at partner agencies.

## Board Calendar 2022

<p><b>JANUARY 18</b></p> <ul style="list-style-type: none"> <li>• Legislative Preview</li> </ul> <p>NCSHA HFA Institute (Jan. 10-Jan. 14 and Jan. 24-Jan. 28) Virtual</p>	<p><b>FEBRUARY 15</b></p> <ul style="list-style-type: none"> <li>• Introduce HEAP</li> </ul>
<p><b>MARCH 22</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Home Energy Assistance Program discussion</li> <li>• Qualified Allocation Plan discussion</li> <li>• Legislation update</li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• Use of hotels during pandemic</li> </ul>	<p><b>APRIL 19</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Rulemaking Commencement: <ul style="list-style-type: none"> <li>- Home Energy Assistance Program <b>(VOTE)</b></li> <li>- Qualified Allocation Plan <b>(VOTE)</b></li> <li>- State Low Income Housing Tax Credit Rule <b>(VOTE)</b></li> </ul> </li> <li>• 2021 Year-end Financials</li> <li>• Legislation update</li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• Non LIHTC Multi-Family programs</li> </ul>
<p><b>MAY 17</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Rulemaking Public Hearings: <ul style="list-style-type: none"> <li>- Home Energy Assistance Program</li> <li>- Qualified Allocation Plan</li> <li>- State Low Income Housing Tax Credit Rule</li> </ul> </li> <li>• <del>Legislation final report</del></li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• <del>Fair Housing / DEI efforts</del></li> </ul>	<p><b>JUNE 7 (Special Meeting)</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Chapter 16 – Qualified Allocation Plan discussion</li> </ul>
<p><b>JUNE 14</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Rulemaking Adoption <ul style="list-style-type: none"> <li>- Home Energy Assistance Program <b>(VOTE)</b></li> <li>- Qualified Allocation Plan <b>(VOTE)</b></li> <li>- State Low Income Housing Tax Credit Rule <b>(VOTE)</b></li> </ul> </li> <li>• Public Hearing – Multi-Family Mortgage Loans</li> <li>• HCV Annual Plan Draft Review/Timeline</li> <li>• Fair Housing / DEI Efforts</li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• Homeownership programs</li> </ul>	<p><b>JULY 19</b></p> <p style="text-align: center;">If necessary</p>
<p><b>AUGUST 16</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Adopt Multi-Family Mortgage Loans Rule <b>(VOTE)</b></li> </ul> <p style="text-align: center;">GOAL SETTING EXERCISE</p>	<p><b>SEPTEMBER 20</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• HCV Annual Plan Public Hearing</li> <li>• Chapter 19 – Homeless Solutions Rule – commence rulemaking <b>(VOTE)</b></li> <li>• Goal Setting (1 hour)</li> </ul>

<p><b>OCTOBER 18</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Introduce DOE Weatherization State Plan</li> <li>• Adopt HCV Annual Plan <b>(VOTE)</b></li> <li>• Public Hearing – Homeless Solutions Rule</li> <li>• Chapter 27 – Transfer of Ownership Interests commence rulemaking <b>(VOTE)</b></li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• HARP and Community Aging in Place</li> </ul> <p>NCSHA Annual Conference &amp; Showcase (Oct. 22-25)</p>	<p><b>NOVEMBER 15</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Review Preliminary 2023 Budget</li> <li>• Public Hearing DOE Weatherization State Plan</li> <li>• Adopt Homeless Solutions Rule <b>(VOTE)</b></li> <li>• Public Hearing – Transfer of Ownership Interests Rule</li> <li>• Goal Setting (1/2 hour)</li> </ul> <p><u>Program Presentations:</u></p>
<p><b>DECEMBER 20</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Approve 2023 Budget <b>(VOTE)</b></li> <li>• Elect Officers <b>(VOTE)</b></li> <li>• MPP Series Resolution <b>(VOTE)</b></li> <li>• Adopt DOE Weatherization State Plan <b>(VOTE)</b></li> <li>• Adopt Transfer of Ownership Interests Rule <b>(VOTE)</b></li> </ul>	

Future Rulemaking: