

October 21, 2025 Board Packet

Agenda 10-21-2025	1
Minutes - 09-16-2025	2
Sole Source Procurement Request ICA HMIS Assessment	6
Sole Source Procurement Request ICA Transition	7
Sole Source Procurement Request - AIO	8
Sole Source Procurement Request - Lytho	9
Memo to Board ADOPTION - Chapter 19 - Homeless Solutions Rule	10
Chapter 19 - Homeless Solutions Rule - CLEAN (Accessible Version)	12
Homeless Solutions Rule Summary of Comments and Responses 2025	22
HCV Annual Plan Memo Board Approval	32
PHA Annual Plan 2026	35
Development Awards Process Updates	42
Memo to Board - 2025 Goal Setting October Meeting	44
Asset Management	46
Development	48
Energy and Housing	54
Finance Monthly Activity Report	57
Financial & Budget Report	129
Finance Delinquency Report & Charts	138
Homeless Initiatives	148
Homeownership	154
Housing Choice Voucher	158
Human Resource and Facilities	161
Information Technology	162
Planning and Research	164
2025-2026 Rolling Calendar	171



Board of Commissioners Meeting – October 21, 2025, 9:00 a.m. to 12:00 p.m.

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

9:00	Adopt Agenda (VOTE)	All
	Remote Commissioners	Frank O'Hara
	- Reason remote	
	- Any other persons at their location	
	Approve minutes of September 16, 2025, meeting (VOTE)	All
	Communications and Conflicts	All
	Chair of the Board Updates	Frank O'Hara
9:15	Director Updates	Dan Brennan
9:30	Adopt Homeless Solutions Rule	Kelly Watson/Ashley Carson
9:45	Adopt PHA Plan & Update on AHAP changes	Allison Gallagher/Ashley Carson
10:00	Development Department Update	Mark Wiesendanger
10:10	Mission Statement/Core Values/Goal Setting - Priorities	Jamie Johnson/Jonny Kurzfeld
	<u>Department Reports:</u>	All
	Asset Management	
	Development	
	Energy and Housing Services	
	Finance Monthly Report	
	Financial & Budget Report	
	Finance Delinquency Report & Charts	
	Homeless Initiatives	
	Homeownership	
	Housing Choice Vouchers	
	Human Resources & Facilities	
	Information Technology	
	Planning and Research	
	2025-2026 Board Calendar	

Adjourn (VOTE) **All**

The next meeting of the Board is scheduled for November 18, 2025
virtually and in person at 26 Edison Drive, Augusta, Maine



Minutes of the Board of Commissioners Meeting September 16, 2025

MEETING CONVENED

A meeting of the Board of Commissioners for MaineHousing convened on September 16, 2025, at the offices of MaineHousing, 26 Edison Drive, Augusta, Maine and virtually. Notice of the meeting was published on September 5, 2025, in Central Maine newspapers. Notice of Board of Commissioners meetings is also on MaineHousing's website at www.mainehousing.org.

Chair Frank O'Hara called the meeting to order at 9:04 a.m. Director Dan Brennan, Commissioners Elizabeth Dietz, Nancy Harrison, Renee Lewis, Laura Buxbaum, Paul Shepherd, Noël Bonam, and Melissa Hue attended in person. Deputy Treasurer Gregory Olson on behalf of State Treasurer Joseph Perry attended remotely due to his schedule, he was alone at this location. There was a quorum present.

PUBLIC ATTENDANCE

Guests and staff present for all or part of the meeting included: Jamie Johnson, Senior Director of Operations; Ashley Carson, Chief Counsel; Adam Krea, Senior Director of Finance and Lending; Erik Jorgensen, Senior Director of Government Relations and Communications; Craig Given, Director of Information Technology; Kim Ferenc, Manager of Housing Services; Allison Gallagher, Director of Housing Choice Vouchers; Scott Thistle, Communications Director; Bobbi Crooker, Director of Energy and Housing Services; Jane Whitley, Director of Human Resources and Facilities; Tom Cary, Treasurer; Mark Wiesendanger, Director of Development; Linda Groton, Director of Audit; Patricia Harriman, Director of Homeownership; Kelly Watson, Director of Homeless Initiatives; Jonny Kurzfeld, Director of Planning and Research; Andrew Thomas, Help Desk Analyst II; Jodie Stevens, Counsel; Jenny Stasio, Through These Doors; Kelly Brown, Next Step Domestic Violence Project; Rebecca Austin, Safe Voices; Francine Garland Stark, Maine Coalition to End Domestic Violence; Regina Rooney Maine Coalition to End Domestic Violence; Dr. Katie Spencer White, Mid-Maine Homeless Shelter and Services; Emily Gormley, Caring Unlimited; Amanda Cost, Partners for Peace; Rebekah Parades, New Hope Midcoast; Courtney Chasse, Hope and Justice Project; Ross Anthony, Governor's Energy Office; and Jack Watson, Paralegal and Note taker.

ADOPT AGENDA

Commissioner Renee Lewis made a motion seconded by Commissioner Laura Buxbaum to adopt the September 16, 2025, agenda. The vote carried unanimously.

APPROVE MINUTES OF AUGUST 19, 2025, MEETING

Commissioner Laura Buxbaum made a motion seconded by Commissioner Elizabeth Dietz to accept the August 19, 2025, minutes as written.

COMMUNICATIONS AND CONFLICTS

None

CHAIR OF BOARD UPDATES

- Chair Frank O'Hara mentioned how MaineHousing held the Maine Affordable Housing Conference on September 9th and asked Commissioner Dietz and Commissioner Hue how it went. Both Commissioner Dietz and Commissioner Hue said it was great, and they learned a lot.

DIRECTOR UPDATES

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

- Director Brennan said the Maine Affordable Housing Conference was a success. Everyone did a great job.
- We received our grant agreements from HUD for five programs for the Federal Home program. Dan has not signed them yet as he and his team have to review them. There are addendums to each of the agreements that align with the administration's primary policies. It's \$22 million in federal money, which is about the same as last year. He trusts that we'll end up signing them, we just must do our due diligence.
- There was a notice of funding put out by HUD for the Continuum of Care. We are not going to apply for these funds.
- Hearing more conversations about a continuing resolution.
- Both House and Senate budget committees have advanced funding for the Home Energy Assistance Program. Both increased funding, which is a positive sign. A government shutdown could complicate things.
- A road to home legislation bill that positively impacts housing and has bipartisan support will be going to both houses soon and we are in full support of it.
- There has been discussion about the President declaring a national housing crisis emergency and we are curious about what that looks like. We are interested in a relaxation of Build America Buy America provisions that apply to housing.
- State side we have talked about the Board forming a legislative committee to get ready for the next legislative session.
- Dan has spoken with Speaker Ryan Fecteau, Senator Chip Curry, Representative Traci Gere.
- Met with Jennifer Hawkins, the new President of Avesta Housing.
- Statewide Homeless Council had a very good interagency meeting that we hosted here at MaineHousing.
- Attended ribbon cutting at 45 Dougherty, where Dan had the opportunity to honor Nathan Szanton. 45 Dougherty is his final project built here in Maine after a 20-year career.
- We have continued our discussion with the Maine Bankers Association regarding the construction lending issue of the 50% test going to the 25% test.
- Visited with Mat Eddy of Midcoast Council of Governments.
- Met with Mike Mets of Senator Collins's office.
- Will be heading to Boston for quarterly meeting of Federal Home Loan Bank of Boston advisory board.
- Will be attending groundbreaking in Bangor on September 24th at Sunridge.
- Will be going to New Orleans in October for the NCSHA annual awards.
- We have 9% LIHTC applications due on September 18th.

HOMELESS SOLUTIONS RULE PUBLIC HEARING

Chief Counsel Ashley Carson and Director of Homeless Initiatives Kelly Watson conducted the 2025 Homeless Solutions Rule public hearing. Chief Counsel Carson introduced the Commissioners and staff representing MaineHousing. Director of Homeless Initiatives Kelly Watson went over the stakeholder process. Kelly said on June 25th, MaineHousing held a virtual meeting with current ESHAP, housing problem solving, and targeted rapid rehousing grantees to discuss and receive feedback on proposed changes to the Rule. On July 8th, MaineHousing presented proposed Rule changes to the Statewide Homeless Council and solicited feedback on those proposed changes. On July 14th, MaineHousing held a follow-up virtual meeting with the current ESHAP, housing problem solving, and targeted rapid rehousing grantee team to discuss and receive feedback on the proposed changes. Then on July 17th, MaineHousing presented the proposed Rule changes to the Maine Continuum of Care at their meeting and solicited feedback on the proposed changes. Chief Counsel Carson said the notice to interested parties was sent out on August 27th, and we also published it on our website and in newspapers statewide on the same day. The comment period expires on Friday, September 26th at 5:00pm. The comments from the hearing will be summarized and written responses to the comments will be made available to the public. Multiple meeting attendees testified. The public hearing was adjourned at 10:11 a.m. by Chief Counsel Carson.

PHA PLAN WRAP-UP

Director of Housing Choice Vouchers, Allison Gallagher finished her discussion on the Public Housing Authority Plan from last month and gave some updates. She shared that we are still waiting on HUD's approval to update our administration plan with information regarding inspections and new NSPIRE standards. Once we receive approval we will move forward. She also said there is a change in the way we are going to receive referrals for the homeless priority set aside. We are moving towards two preferences with that priority, one for people on the Stability Through Engagement Program and then the Emergency Housing Vouchers, where the funding is ending in February. There haven't been any significant changes to the PHA Plan. For the Home for Good Program, we're not sure if those projects will be ready in 2026, but we wanted to include it in the plan to be able to move forward. The public hearing for the PHA Plan will be on October 15th.

MPP AMENDEMENTS

Treasurer Tom Cary discussed the Supplemental Resolution, which contains two primary amendments to the General Mortgage Purchase Bond Resolutions (MPP) with the commissioners, and asked them to adopt it. The two amendments are to (1) add governmental money market funds as a permitted investment in the MPP and (2) revise the definition of "Variable Interest Rate Calculation Rate" with respect to quantifying the projected interest rate on Variable Rate Bonds when certifying that the amount in the MPP's Housing Reserve Fund is greater than the projected annual debt service in any future year. As outlined in the board packet, Tom shared that currently about \$280 million of the \$2.5 billion bonds outstanding in the MPP are Variable Interest Rate Bonds. He said the amendment has been approved by our bond counsel, Kutak Rock, by U.S. Bank Trust, National Association, the trustee of the MPP, and by the trustee's counsel Troutman Pepper Locke.

Chair Frank O'Hara entertained the proposed to approve the Supplemental Resolution dated September 16, 2025. It was motioned by Commissioner Laura Buxbaum and seconded by Commissioner Elizabeth Deitz. The vote carried unanimously.

2026 GOAL SETTING – CONTINUED DISCUSSION

Senior Director of Operations Jamie Johnson and Director of Planning and Research Jonny Kurzfeld facilitated continued discussion of goal setting amongst the Commissioners. They began by sharing with the commissioners the notes from last month's meeting and asking for their thoughts on them. The commissioners focused the discussion on innovation and creativity and what that means to them. They also discussed outreach, accessibility, education, proactive legislation and production. Jonny Kurzfeld then provided an update on the mission statement and the core values of the agency. He shared how the core values the commissioners picked aligned with the core values picked by the MaineHousing staff at all staff day. It was mentioned how eventually a decision is going to have to be made on the strategic plan and what the mission statement will be. Director Brennan said the decision will probably be made by the end of the year.

ADJOURN

Commissioner Laura Buxbaum made a motion seconded by Commissioner Elizabeth Dietz to adjourn the meeting. The meeting was adjourned at 11:37 a.m. by unanimous vote of the Board.

Respectfully submitted,

Elizabeth Dietz

Legal Department Memorandum

To: Dan Brennan

From: Kelly Watson

Date: September 18, 2025

Subject: Sole Source Procurement for HMIS Assessment for the Continuum of Care

Background

MaineHousing is transferring its role of HMIS Lead Agency to the Institute for Community Alliances (ICA) at the end of calendar year 2025. An assessment of the HMIS system and related processes would best facilitate a smooth and effective transfer. An assessment would include review of current policies, procedures, data quality processes, system set up, and other various workflows. The assessment would result in a comprehensive written report to the CoC.

Request

MaineHousing would like to support this effort by contracting with ICA to complete the assessment, utilizing Planning Grant funds to fund the project.

The rationale for this request falls under the Uniqueness and Emergency or Urgent Need category in MaineHousing's procurement policy, Section IV.

- **Uniqueness:** the item or service is available from only one source, based on a reasonable, good faith review of the market for the type of item or service needed.
- **Emergency or Urgent Need:** an emergency or other urgent need exists and only one known source can provide the required goods or services within the time needed.

ICA is the entity chosen by the CoC to assume the HMIS Lead Agency role in January of 2026, therefore they are the only source able to provide an assessment through this specific role and grant transfer lens. In addition, there are less than 4 months available to ensure an effective role transfer, making this request urgent and necessary to carry out the transfer effectively.

I am hopeful that you will provide written approval so that the contracts can be presented to the Board at the next Board meeting. Please let me know if you have any questions. Thank you.

ACKNOWLEDGED & APPROVED

9/19/2025

Date



Daniel Brennan
Director, Maine State Housing Authority



Homeless Initiatives Department Memorandum

To: Dan Brennan
From: Kelly Watson
Date: October 1, 2025
Subject: Sole Source Procurement for HMIS Transition Services

Background

MaineHousing is transferring its role of HMIS Lead Agency to the Institute for Community Alliances (ICA) at the end of calendar year 2025. A sudden unexpected staff vacancy on the HMIS Team at MaineHousing has led to a gap in capacity to conduct regular business and adequately serve the CoC in our role as Lead Agency. Given the short window of time in which MaineHousing will be in the HMIS Lead Agency role before it changes hands to ICA, going through the hiring process to fill this vacancy is not feasible.

Request

MaineHousing would like to address this capacity issue by contracting with ICA to provide 1 FTE to cover critical end of year and user support duties, utilizing HMIS and CoC Planning Grant funds to fund the work.

The rationale for this request falls under the Uniqueness and Emergency or Urgent Need category in MaineHousing's procurement policy, Section IV.

- **Uniqueness:** the item or service is available from only one source, based on a reasonable, good faith review of the market for the type of item or service needed.
- **Emergency or Urgent Need:** an emergency or other urgent need exists and only one known source can provide the required goods or services within the time needed.

ICA is the entity chosen by the CoC to assume the HMIS Lead Agency role in January of 2026, therefore they are the only source able to provide these services in very short order.

ACKNOWLEDGED & APPROVED

10/2/2025

Date

Daniel Brennan

Director, Maine State Housing Authority

Memorandum

To: Dan Brennan

From: Jamie Johnson, Senior Director of Operations
Adam Krea, Senior Director of Finance and Lending

Date: October 1, 2025

Subject: Sole Source Procurement for Heating Assistance Grant

Background

The AIO Food & Energy Assistance Program serves over 1,400 households each year through its food program. In addition, the AIO provides emergency heating assistance for households in Knox County, Maine and plans to serve 300 households this year.

Request

MaineHousing would like to provide a grant in the amount of \$100,000 to AIO to assist in the heating assistance they provide the households of Knox County, Maine. The rationale for this request falls under the Uniqueness category in MaineHousing's procurement policy, Section IV, as well as the Emergency or Urgent Need category:

- **Uniqueness:** you must determine that the goods or services are available from only one source, based on a reasonable, good faith review of the market for the type of goods or services needed.
- **Emergency or Urgent Need:** an emergency or other urgent need exists and only one known source can provide the required goods or services within the time needed.

AIO has an established relationship with the households in Knox County through their existing food and heating assistance program. Moreover, AIO has an existing infrastructure and funding to deliver heating assistance which allows them to serve households as of October 1st. Additionally, the households served through AIO are not currently and will not be households that receive benefits through the federal LIHEAP program.

ACKNOWLEDGED & APPROVED

10/1/2025

Date



Daniel Brennan

Director, Maine State Housing Authority

Planning & Research Department Memorandum

To: Dan Brennan, Director

From: Jonathan Kurzfeld, Ph.D., Director of Planning and Research

Date: October 14, 2025

Subject: Sole Source Procurement for Lytho

Background

Lytho is the current workflow system the Planning and Research Department uses for collaboration and tracking of internal requests. These requests include graphic design work, management of website content, data analysis, and more.

Request

MaineHousing would like to expand our subscription with Lytho to include their Digital Asset Management Library Module and Brand Center. The rationale for this request falls under the Software Improvements category in MaineHousing's procurement policy, Section IV:

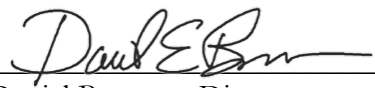
- **Software Improvements:** for software owned or used by, or licensed to, MaineHousing, if the Software Improvement is needed for an identified reason relating to MaineHousing's business, including but not limited to a MaineHousing business process, program or other activity or a change in federal or state requirements.

Lytho offers expansions through their Digital Asset Manager and Brand Center. Access to these expansions will provide the following benefits:

- Streamlined production of design files
- Organized and searchable storage of existing images and design files
- Reduction in critical storage space on our network
- Cross-agency access to existing images and design content
- Organized brand standards

This improvement will streamline the design and marketing process within the Planning and Research Department and in support of all MaineHousing programs.

ACKNOWLEDGED & APPROVED



Daniel Brennan, Director

10/15/2025

Date



To: MaineHousing Board of Commissioners

From: Kelly Watson, Director of Homeless Initiatives
Ashley Carson, Chief Counsel

Date: October 8, 2025

Subject: Adoption of the Maine Homeless Solutions Rule

At your meeting on October 21, 2025, we will ask you to repeal and replace the existing Homeless Solutions Rule with the attached.

As you know, the public hearing was held on September 16, 2025. The proposed rule was sent to interested parties and posted on the MaineHousing website with a thirty (30) day comment period provided starting on August 27, 2025. We continued to receive written comments through the close of business on September 26, 2025. A summary of the comments and staff's proposed responses to the comments is in the attached rule, beginning on page 9.

Comments on the proposed rule addressed exclusively the proposed Low Barrier Shelter definition changes, which clarified the continuing practice that sex offender registry checks are part of background checks and added operational requirements including 24-hour site accessibility and staffing, regular staff training on substance abuse and crisis response, and overdose prevention and mitigation strategies.

During the meeting a number of advocates representing Maine's domestic violence shelters asked us not to change the current definition. One commenter supported our proposed change. A number of written comments came in after the meeting from operators of other shelters also supporting our proposed change. We are proposing we continue with our recommended change as presented to you last month.

Shelters designated as Low Barrier receive a 25% increase in the Bed Capacity, which impacts the Operations Share that they receive. The intent of this increase has been, and continues to be, to compensate those shelters who have higher operational costs as a result of how they must operate in order to ensure the safety of the guests they serve. This policy and practice is not a value judgement or prioritization of any specific type of shelter or service but instead is a fiscal policy aimed at allocating additional funding to shelter models that are known to cost more. While intake policies are an important piece of low barrier sheltering, they do not alone encompass the key aspects that lead to the higher costs that are incurred by specific shelter models. The addition of the operational requirements is to ensure that the intent of the definition and funding surrounding it is maintained.

State law and the Governor's Executive Order on rulemaking state that prior to adopting a final

rule, MaineHousing should:

- consider all relevant information available, including, but not limited to, economic, environmental, fiscal and social impact analyses;
- prioritize the health, safety, and welfare of Maine people in conducting these environmental and social impact analyses; and
- consider the extent to which existing law addresses the matter and the rule's impact on the ability of Maine employers to retain and attract a skilled workforce, including by reducing compliance burdens on small businesses in conducting the economic and fiscal impact analysis.

PROPOSED MOTION:

To repeal the existing Homeless Solutions Rule, Chapter 19 of MaineHousing's rules, and replace it with the updated Homeless Solutions Rule as described in the memorandum to the MaineHousing Board of Commissioners from Kelly Watson and Ashley Carson dated October 8, 2025.

99-346 MAINE STATE HOUSING AUTHORITY

Chapter 19: HOMELESS SOLUTIONS RULE

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, and potential selection criteria. Some resources are distributed according to a funding formula set forth in the applicable Program Guide and Application. Other resources may be distributed according to programs designed by MaineHousing.

1. Definitions

- A. "Act" means the Maine Housing Authorities Act, 30-A M.R.S. §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 year round beds in an Emergency Shelter as indicated on the agency's Emergency Shelter and Housing Assistance Program ("ESHAP") 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. "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, Continuum of Care Program, [77 FR 45442, July 31, 2012, as amended at 80 FR 75940, Dec. 7, 2015]) 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.
- F. "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.

- G. “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.
- H. “Funding Formula Allocation” means an annual allocation of funds by MaineHousing for Emergency Shelters as further described in section 4 of this Rule.
- I. “General Assistance” means the programs run by cities/towns in Maine that help people in need by providing for basic necessities, such as affordable housing, utilities and food.
- J. “HEARTH Act” means the Homeless Emergency and Rapid Transition to Housing Act of 2009 (P.L. 111-22), and the regulations promulgated thereunder.
- K. “HMIS” means the Homeless Management Information System as further defined in the McKinney-Vento Act as amended by the HEARTH Act.
- L. “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 Victim Service Providers, as a condition of their funding.
- M. “HMIS Lead Agency” means the entity designated by the CoC to manage the CoC’s HMIS on the CoC’s behalf
- 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.
- P. “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.
- Q. “HUD” means the United States Department of Housing and Urban Development.
- R. “Low Barrier Shelter” means an Emergency Shelter that does not require the following for a person or persons to enter or stay at the shelter: (i) criminal background checks, (ii) passing a sex offender registry check, (ii) credit checks or income verification, (iii) payment, (iv) program participation, (iv) sobriety, or (v) identification. Low Barrier Shelters must be accessible and have staff on-site 24 hours a day. Low Barrier Shelters must conduct regular staff training on substance

abuse and crisis response and must have overdose prevention and mitigation strategies in place for common spaces and sleeping quarters. All Low Barrier Shelters must maintain and enforce safety requirements for self, staff, place, and others in instances of an imminent threat to safety.

- S. “MaineHousing” means Maine State Housing Authority.
- T. “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.
- U. “Maine’s Job Bank” is an on-line job posting and job search system provided by Maine CareerCenter.
- V. “McKinney-Vento Act” means the Stewart B. McKinney-Vento Homeless Assistance Act, 42 U.S.C. §11301 *et seq.*, and the regulations promulgated thereunder.
- W. “Performance” means the performance of the eligible applicants with regards to performance indicators as described in the applicable Program Guide and Application.
- X. “Persons Experiencing Homelessness” means persons meeting the definition of homeless as defined by 24 CFR 576.2, Definitions, [76 FR 75974, Dec. 5, 2011, as amended at 80 FR 75939, Dec. 7, 2015].
- Y. “Program” means an offering of grants, potentially, subject to recapture, available to prospective eligible Applicants on certain terms and for certain purposes determined by MaineHousing pursuant to this Rule.
- Z. “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 application completed by Applicants.
- AA. “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.
- BB. “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. The allocation of funding that an Emergency Shelter will receive for Shelter Operations will relate to the Emergency Shelter’s Bed Capacity as described further in the applicable Program Guide and Application.

- CC. “Victim Service Providers” means private nonprofit organizations whose primary mission is to provide direct services to victims of domestic violence.
- DD. “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 meet the eligibility criteria defined within the applicable Program Guide and Application for funding and comply with MaineHousing requirements for the applicable Program. Applicants for ESHAP will be required to participate in the Coordinated Entry Process. Applicants for other Programs may be required to participate in the Coordinated Entry Process as prescribed in the applicable Program Guide and Application.

3. Emergency Shelter Requirements

To be eligible to receive funding for operation of an Emergency Shelter, the following requirements must be met:

- 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 arranging access to breakfast and, if open 24 hours, also provide lunch and dinner or arrange access to lunch and dinner; if meal arrangements occur offsite, arrangement must be reasonably located, comply with accommodation requests, and be safe to consume;
- D. provide adequate staffing for program and facility design that ensures participant safety and access to necessary services;
- E. treat all guests with dignity and respect, regardless of religious or political beliefs, cultural background, disability, gender identity or sexual orientation;
- F. provide shelter, housing services, and connection to permanent housing without preconditions and barriers to entry, such as sobriety, treatment, or service participation requirements;
- G. have admittance and stay policies that are appropriate for the population served and do not create unnecessary barriers to guests staying;
- H. 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;

- I. assess guests for program eligibility and services to enable mobility to permanent housing with adequate supports;
- J. inform guests of their rights and responsibilities, including specific shelter policies and house rules;
- K. 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;
- L. refrain from collecting fees from guests' personal assets unless approved by MaineHousing;
- M. have no lease requirements for guests;
- N. if serving families with children, provide space other than open dormitory style and do not require involuntary family separation for admission;
- O. provide separate accommodations for male and female consumers consistent with their gender identity;
- P. protect the privacy and confidentiality of guests and their personal information;
- Q. provide training, policies, procedures and regular maintenance to encourage, improve, and maintain the health and safety of guests, volunteers and staff;
- R. post fire, disaster, and other emergency procedures in a conspicuous place and review the procedures with each guest;
- S. maintain a daily and confidential census of shelter clients including precise sleeping locations;
- T. operate in compliance with all applicable federal, state and local codes, laws and regulations; and
- U. 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 Allocation

From time to time MaineHousing will allocate a certain amount of funds to be distributed, subject to availability. The funding formula for allocations of funding will be enumerated in

the applicable Program Guide and Application. Based on availability, funds will be allocated for the following Programs:

- A. **Emergency Shelter and Housing Assistance Program** – Funding for shelter and rehousing services aimed at meeting immediate shelter needs and movement into permanent housing. Funding will be allocated according to the Funding Formula Allocation, as enumerated in the Program Guide and Application, to include a share for Shelter Operations and Housing Stabilization, and Performance.
- B. **Targeted Rapid Rehousing Program (TRRP)** – Funding for rapid rehousing activities aimed at quickly moving Persons Experiencing Homelessness to housing.
- C. **Housing Problem Solving (HPS)** –Funding for homelessness prevention and rapid exit activities aimed at diverting persons from the homeless system or making their time in the homeless services system rare, brief, and non-reoccurring.
- D. **The Student Homelessness Prevention Pilot (and any continuation thereof)** – Funding to provide assistance to students and their families to prevent them from becoming homeless and/or support them in obtaining stable housing. Funding will be provided to school districts who may choose to subcontract with nonprofit organizations to administer the program.
- E. **Other Programs.** MaineHousing may allocate other funds for Programs to assist Persons Experiencing Homelessness in accordance with applicable federal and state laws.

5. Program Design

- A. **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; to support the construction, renovation or acquisition of a new or existing building to provide emergency housing and shelter services and/or cover the costs to lease a building; and to provide assistance to homeless students in elementary school and secondary school.
- B. **Program Guide and Application.** MaineHousing may distribute a Program Guide and Application to: parties who may be eligible for a Program and who have expressed an interest to MaineHousing in connection with the type of activities eligible under a Program; parties MaineHousing selects for marketing a particular Program; parties that request the Program Guide and Application; and the public by posting it on MaineHousing's website.

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 and Application for submission for review by a committee. The selection process will be outlined in the Program Guide and Application.
- 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 and Application. selection criteria may include but are not limited to the following:

- i. **Mainstream Resources**

- 1. how well the Applicant collaborates with their respective Homeless Service Hub;
- 2. how well the Applicant assists clients in the completion and submission of applications for Mainstream Resources; and
- 3. 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 for Applicants

In order to receive funding, eligible Applicants must do the following, unless prohibited by VAWA or other statute or not required at MaineHousing's sole discretion:

- A. Enter into an Agency Participation Agreement with the HMIS Lead Agency 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.

Victim Service Providers 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 for Applicants

- 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 in the grant agreement.
- 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 may be required to 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 for Applicants

- A. MaineHousing will review for Program compliance based on assessment of risk or at least every three 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 VAWA or 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), Minimum standards for emergency shelters, [76 FR 75974, Dec. 5, 2011, as amended at 88 FR 30498, May 11, 2023].

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.
-

STATUTORY AUTHORITY: 30-A M.R.S. §§4741 (1) and (18); §4766; §4994-A; 42 U.S.C. §§11301, *et seq.*

EFFECTIVE DATE:

PUBLIC COMMENT:

Process:

Notice of Agency Rule-making Proposal (MAPA-3) was submitted to the Secretary of State for publication in the August 27, 2025, edition of the appropriate newspapers. Additionally, MaineHousing sent the proposed Rule to Interested Parties on August 27, 2025, and published the proposed Rule on its website on August 27, 2025. MaineHousing held a public hearing on September 16, 2025. The comment period was held open until Friday, September 26, 2025 at 5:00 PM.

Summary of Comments and Responses to Comments:

Comment: Susan Giambalvo, Executive Director of Caring Unlimited, provided written comments expressing strong opposition to the proposed changes to the Rule, specifically the redefinition of “low-barrier shelter.” Giambalvo commented that if the changes to the Rule are adopted it will directly reduce the funding their organization receives to provide shelter and essential services to individuals and families who are homeless because of domestic violence.

MaineHousing’s Response:

The proposed change to the low barrier definition aims to address the expense disparity between shelters serving a population of guests requiring increased staffing, training, and overdose prevention and mitigation strategies. These operational practices are necessary for the safety of guests and staff at these shelters and come with increased costs.

Comment: Giambalvo further commented that the new definition goes far beyond describing what constitutes low-barrier access, introducing operational and staffing requirements that disproportionately emphasize substance use disorder. Giambalvo stated that agencies need flexibility to make staffing and operational decisions that best serve their specific populations and that while substance use and overdose prevention are important, these issues affect all populations and potentially exclude shelters that serve other high-need groups, such as survivors of domestic violence and unaccompanied youth.

MaineHousing’s Response:

MaineHousing believes that low barrier sheltering includes both low barrier access and specific operational aspects that ensure the safety of guests. These operational practices lead to increase costs and support the additional funding allocated to shelters meeting the definition.

Comment: Giambalvo commented that in redefining low-barrier shelters we could emphasize a model that provides accommodations for all household configurations and family sizes, safe indoor and outdoor spaces for children to play, 24-hour unrestricted access to all shelter areas including food preparation and laundry, and training on domestic violence advocacy for all staff to ensure trauma-informed services and guest safety.

MaineHousing’s Response:

MaineHousing trusts our partners to operate a shelter model that works best for their partners and recognizes that certain models of access and operations cost more than others. MaineHousing has incorporated the key areas that increase costs for low barrier shelters into the definition.

Comment: Giambalvo commented that prioritizing one service model or population over another through funding differentials fosters competition for scarce resources rather than collaboration and that these decisions should be made through the CoC or other statewide bodies following robust discussion and needs assessment.

MaineHousing's Response:

The low barrier shelter model is not prioritized over any other model, however, it does cost more than other sheltering models, which informs the policy to allocate additional funding to those shelters operating a model that has higher operating costs.

Comment: Jenny Stasio, Co-Executive Director of Through These Doors provided oral and written testimony expressing strong opposition to the proposed changes to the current Rule. Stasio commented that if the proposed Rule is implemented, the changes would effectively exclude domestic violence shelters like Through These Doors from low-barrier designation. Stasio suggested removing the prohibition of a sex offender registry check from the proposed low-barrier shelter definition and changing the 24 hour a day staffing requirements to the requirement to make staff accessible 24 hours a day.

MaineHousing's Response:

It has been MaineHousing's practice to consider a sex offender registry check a type of background check when reviewing low barrier shelter status. The proposed definition clarifies this but does not change the standing requirement that guests accessing low barrier shelters cannot be denied access due to status on the sex offender registry. Staffing expenses for shelters that have staff on site 24 hours a day are higher than those shelters without 24 hour staffing. These expenses contribute to the increased costs for low barrier shelters and support the policy to allocate additional funding to those shelters.

Comment: Stasio commented that not having 24-hour staffing does not indicate a lower level of services, nor does it suggest the individuals being served have fewer barriers. Through These Doors staffing model ensures support is available when needed, first by phone and on-site in each situation when called for.

MaineHousing's Response:

It is not MaineHousing's position that shelters that can operate without 24 hour staffing provide a lower level of service, as different models address varying needs. Shelters that do have 24 hour staffing have higher staffing costs than those that do not.

Comment: Stasio further commented that decreasing funding for Through These Doors would undermine essential services they provide to families in crisis and disproportionately impact shelters that serve families and children. Stasio stated the proposed Rule prioritizes cost structures designed for single adult populations at the expense of vulnerable families fleeing abuse.

MaineHousing's Response:

The proposed change to the low barrier definition aims to address the expense disparity between shelters serving a population of guests requiring increased staffing, training, and overdose prevention and mitigation strategies. These operational practices are necessary for the safety of guests and staff at these shelters and come with increased costs.

Comment: Kelly Brown, Executive Director of Next Step Domestic Violence Project provided oral and written testimony on the proposed Rule. Brown stated that there are costs associated with shelters serving victims of domestic violence that were not taken into account. Brown commented that the update to the low-barrier shelter definition, which requires 24 hours a day staffing, is not necessary for certain populations and that shelters should not lose funding for this reason.

MaineHousing's Response:

MaineHousing recognizes that there are varying expenses incurred by shelter providers impacted by location, sheltering model, and other factors, however expenses specific to 24 hour staffing, substance abuse training, and overdose prevention and mitigation strategy expenses create more disparity than others. MaineHousing supports shelters operating within a model that works best for their guests needs and ensures safety of both guests and staff. Having 24 hour on site staffing is a source of increased costs, which is what the proposed Low Barrier Shelter definition aims to account for.

Comment: Brown further commented that the domestic violence shelters face additional costs, as the shelters are not overnight-only but residential. Families live in the shelters 24/7, which means in addition to staffing, there are extra costs of living such as washers and dryers, several bathrooms and bedrooms for privacy, common spaces that are safe for children, and highly trained staff that assist in connecting families to housing and services. Additionally, Brown commented that in rural areas without public transportation, there are further costs to provide transportation to connect families with resources.

MaineHousing's Response:

MaineHousing recognizes that there are varying expenses incurred by shelter providers impacted by location, sheltering model, and other factors, however expenses specific to 24 hour staffing, substance abuse training, and overdose prevention and mitigation strategy expenses create more disparity than others.

Comment: Brown commented that the sex offender registry check is not a barrier to service, rather a safety measure, due to the fact that domestic violence shelters serve children. Brown stated in those cases where there are restrictions, they work with the individuals to find alternative ways to meet their needs.

MaineHousing's Response:

It has been MaineHousing's practice to consider a sex offender registry check a type of background check when reviewing low barrier shelter status. The proposed definition clarifies this but does not change the standing requirement that guests accessing low barrier shelters cannot be denied access due to status on the sex offender registry.

Comment: Brown further commented that the proposed change to the lower barrier definition negatively impacts children and survivors with children. Brown stated that the domestic violence shelter serve the same populations and that survivors of domestic violence also struggle with substance use and mental health challenges. Brown urged MaineHousing to reconsider the low-barrier shelter definition within the newly proposed Rule.

MaineHousing's Response:

The proposed Low Barrier Shelter definition is not intended to limit access to unhoused families and children, rather it is intended to provide some additional funding to shelters who experience increased costs due to specific operational practices. Shelter models that are not considered Low Barrier remain eligible for ESHAP funding.

Comment: Rebecca Austin, Executive Director of Safe Voices, provided oral and written testimony expressing that domestic violence resource shelters and general population shelters should be partners in this work, and funding decisions should not put them against each other. Austin stated that if the proposed Rule changes move forward, survivors and child survivors will be impacted, and greater instability in the network of shelter providers will be created.

MaineHousing's Response:

The proposed definition aims to allocate additional funding to shelter models that have increased operating costs. While there are not enough resources to fully fund shelters, allocation of resources to shelter models that cost more to operate should not be an impetus to weakened partner relationships.

Comment: Austin commented that the cost study that was conducted was not a true cost study of operations, and that the actual costs are far more than what is reflected in the budget, which shows a lack of meaningful understanding of what it takes to shelter survivors and families in Maine.

MaineHousing's Response:

The rule changes in question are based on the necessary hours of direct supervision within shelter facilities, which are reflected in the budgeted payroll expenses that were submitted for the shelter cost study.

Comment: Austin further commented that domestic violence shelters provide comprehensive sheltering services in ways that general population shelters do not, mainly allowing the facilities to be open and accessible 24/7 unlike other shelters that are only operated as nighttime programs.

MaineHousing's Response:

While not required, almost all ESHAP funded shelters are currently accessible to guests 24 hours a day.

Comment: Austin commented that domestic violence shelters operating in rural areas do incur more costs with the lack of public transportation and services, which requires the shelter to provide expanded services.

MaineHousing's Response:

MaineHousing recognizes that there are varying expenses incurred by shelter providers impacted by location, sheltering model, and other factors, however expenses specific to 24 hour staffing, substance abuse training, and overdose prevention and mitigation strategy expenses create more disparity than others.

Comment: Austin further commented that domestic violence shelters do serve individuals on the sex offender registry or that have restrictions being around children, by placing individuals in motels to maintain the safety of the children in the brick-and-mortar shelters.

MaineHousing's Response:

MaineHousing appreciates the accommodations made to ensure guests are not turned away due to sex offender registry status.

Comment: Austin further commented that the Rule changes would prioritize some shelter services over others and urged MaineHousing to keep the current Rule in place and not go forward with the changes.

MaineHousing's Response:

The low barrier shelter model is not prioritized over any other model, however, it does cost more than other sheltering models, which informs the policy to allocate some additional funding to those shelters operating a model that has higher operating costs.

Comment: Francine Garland Stark, Executive Director of the Maine Coalition to End Domestic Violence, provided oral and written comments expressing that Maine's domestic violence shelters were previously included in the Rule as meeting the existing low barrier designation, but with the proposed changes, will be excluded. Garland Stark commented that this change would prioritize certain populations with specific needs while discounting others by including the provision that low-barrier shelters must have staff on site 24 hours a day. Garland Stark stated that that needs of shelter residents can be met in other ways such as a 24/7 helpline staffed by advocates at the agency, which creates no access barriers as intake for new shelter residents is available 24/7.

MaineHousing's Response:

The low barrier shelter model is not prioritized over any other model, however, it does cost more than other sheltering models, which informs the policy to allocate some additional funding to those shelters operating a model that has higher operating costs.

Comment: Garland Stark commented that the shelter cost study performed did not represent an accurate assessment of cost and did not include what it would cost to fully staff and meet the needs of the sheltered populations. Garland Stark stated the study failed to consider the 24-hour support offered by the domestic violence shelter model, where residents have full 24/7 access to their rooms, kitchen, laundry, bathrooms, playgrounds, private outdoor space, and pet areas – as well as a full range of advocacy support and on call overnight support.

MaineHousing's Response:

The rule changes in question are based on the necessary hours of direct supervision within shelter facilities, which are reflected in the budgeted payroll expenses that were submitted for the shelter cost study.

Comment: Garland Stark urged MaineHousing to revisit the proposed low-barrier shelter definition and exclude the provisions that require 24/7 staffing and prevent a sex offender registry check, as this excludes shelters that have different operational models and will result in a significant loss of funding for Maine's domestic violence shelters. Garland Stark commented that the proposed changes prioritize shelters that serve single adults over shelters that serve families with children.

MaineHousing's Response:

It has been MaineHousing's practice to consider a sex offender registry check a type of background check when reviewing low barrier shelter status. The proposed definition clarifies this but does not change the standing requirement that guests accessing low barrier shelters cannot be denied access due to status on the sex offender registry.

The low barrier shelter model is not prioritized over any other model, however, it does cost more than other sheltering models, which informs the policy to allocate some additional funding to those shelters operating a model that has higher operating costs.

Comment: Dr. Katie Spencer White, President and CEO of Mid-Maine Homeless Shelter, provided oral testimony commenting that one of the key reasons for the distinction between low-barrier shelters and all other shelters stems from how ESHAP funding is awarded. The operation and stabilization shares make up 45% each of the funding while the performance share makes up 10%. Shelters serving those who are incredibly difficult to house (sex offenders, those suffering from major mental illnesses, etc.) suffer financial loss, so providing a slight uptick in the operation share to those shelters balances the scales to make it fiscally responsible for providers to ensure that the needs of the people are being met.

MaineHousing's Response:

The impact on the Stabilization Share for shelters working with a population with the highest barriers to housing was a consideration in the increased allocation for low barrier shelters, as the time from shelter entry to housing is often longer for this population, impacting the number of clients who can be served with stabilization services at these shelters. Client numbers directly impact payment amounts for the Stabilization Share.

Comment: Dr. Katie Spencer White further commented that the cost study was conceived based on a national study, and while it may need more work, the findings of the study replicated what was determined by the national research. The methodology provided a clear indication of the disparate and distinct needs of serving various different populations and that 24-hour staffing is required for those suffering from untreated mental illness or substance use disorder.

MaineHousing's Response:

MaineHousing appreciates the support.

Comment: Dr. Katie Spencer White commented that the proposed Rule change is necessary to ensure that low-barrier shelters serving people who experience chronic homelessness and other co-occurring conditions remain a financially stable option.

MaineHousing's Response:

MaineHousing appreciates the support.

Comment: Dr. Katie Spencer White also provided written comments stating that low barrier shelters accept all individuals regardless of addiction, treatment of mental illness, or criminal convictions, and the needs of these individuals are significant, which leads to 24/7 staff assistance at all times of the day and night. Dr. Katie Spencer White further commented that the average length of stay is extraordinarily high for these individuals as landlords are unwilling to enter into leases with these individuals. Dr. Katie Spencer White summarized that these factors lead to a significant increase in operational costs, including significant staff training, certifications, on-site programs, and equipment

to prevent crime and injury, which the funding low-barrier shelters receive does not even begin to cover. Dr. Katie Spencer White expressed her support for the proposed Rule changes that reflect the necessity of serving this population.

MaineHousing's Response:

MaineHousing appreciates the support.

Comment: Emily Gormley, Director of Development and Community Engagement at Caring Unlimited provided oral testimony expressing concern over the Rule change as it will reduce funding that their organization receives to serve individuals and families who are homeless due to domestic violence. Gormley commented that the same section of the Rule was revised one year ago, which resulted in shelters like theirs qualifying for additional support and now the Rule change reverses that progress to exclude those shelters and deprioritize victims of domestic violence and families and youth.

MaineHousing's Response:

The Low Barrier Shelter definition was revised last year only to clarify that shelters should enforce safety requirements in cases of imminent threat. There were no changes to the intake requirements at that time. The proposed change to the low barrier definition aims to address the expense disparity between shelters serving a population of guests requiring increased staffing, training, and overdose prevention and mitigation strategies. These operational practices are necessary for the safety of guests and staff at these shelters and come with increased costs.

Comment: Gormley commented that the proposed low-barrier shelter definition goes far beyond describing low barrier access, introducing operational and staffing requirements that emphasize substance use disorder at the expense of other critical needs. Gormley commented that prioritizing one servicing model or population over another through funding differentials fosters competition for scarce resources rather than collaboration and that these decisions should be made through the CoC or other statewide bodies following robust discussion and needs assessment.

MaineHousing's Response:

The proposed definition does introduce operational requirements as these operational practices are directly connected to increased operations costs. The low barrier shelter model is not prioritized over any other model, however, it does cost more than other sheltering models, which informs the policy to allocate some additional funding to those shelters operating a model that has higher operating costs.

Comment: Mark Swann, the Executive Director of Preble Street, provided written comments supporting the proposed additions to the definition of low-barrier shelters, including the requirement that low-barrier shelters must be accessible and have staff on-site 24 hours a day. Swann commented operating a low-barrier shelter without 24-hour staffing would put clients and staff at risk, stating in his experience it is an important staffing model. Swann further commented that most of the clients served in the low-barrier shelters are experiencing complex mental health and substance use challenges, which make it difficult, if not impossible for them to access other shelters, and require access to staff 24/7.

MaineHousing's Response:

MaineHousing appreciates the support.

Comment: Swann further commented that sheltering this population requires additional staffing, training and safety measures, which costs the shelter more in operations. Swann stated that the change to the low-barrier definition in the Rule ensures the shelters with minimum barriers receive the funding required to adequately staff these facilities and ensure the safety of the guests.

MaineHousing's Response:

MaineHousing appreciates the support and recognition that this is a fiscal policy aimed at addressing the increased costs experienced by shelters staffed 24 hours a day with costly training and safety measures.

Comment: Pamela Morin, the Executive Director of Family Violence Project, provided written comments expressing concerns about revision of the low-barrier shelter definition in the Rule, which would effectively exclude domestic violence shelters from eligibility. Morin commented that domestic violence shelters often serve entire families, including children, not just individuals and the changes to the Rule limit access for unhoused families and children.

MaineHousing's Response:

The proposed Low Barrier Shelter definition is not intended to limit access to unhoused families and children, rather it is intended to provide some additional funding to shelters who experience increased costs due to specific operational practices. Shelter models that are not considered Low Barrier remain eligible for ESHAP funding.

Comment: Morin further commented that the cost survey did not reflect the true cost of operating domestic violence shelters. Staffing in domestic violence shelters is not limited to supervision, it also includes advocacy, safety planning, legal navigation and other wraparound services. Additionally, domestic violence shelters incur costs for background checks, security systems, and other safety measures that general shelters do not require. Morin stated that although 24/7 staffing is not provide, a helpline is staffed 24/7 for shelter guests during the times when shelter staff are not on site, which comes at a significant cost.

MaineHousing's Response:

The rule changes in question are based on the necessary hours of direct supervision within shelter facilities, which are reflected in the budgeted payroll expenses that were submitted for the shelter cost study.

Comment: Jayme Villanueva, Co-Executive Director of Milestone Recovery provided written comments expressing strong support for MaineHousing's recognition of the critical role of low-barrier shelters in the State. Villanueva commented that Milestone, as a low-barrier shelter, serves people who are often turned away from elsewhere, those struggling with substance use, complex health challenges and the realities of living unsheltered. Villanueva stated guests frequently need assistance at all hours, which requires around the clock support and staffing. Villanueva strongly urged the adoption of the Rule that recognizes the importance of 24-hour staffing and access as defining features of low-barrier shelters. Villanueva stated without these requirement, shelters cannot safely or effectively serve the people most in need.

MaineHousing's Response:

MaineHousing appreciates the support.

Comment: Courtney Chasse, Executive Director of Hope and Justice Project, provided written comments urging MaineHousing to revise the low-barrier shelter definition to remove the prohibition of a sex offender registry check and the requirement for 24 hour a day staffing, to instead include accessibility to staff 24 hours a day which is the domestic violence shelter model. Chasse commented that the proposed definition excludes domestic violence shelters from receiving low-barrier shelter funding and instead reallocates funds to shelters that only serve individuals.

MaineHousing's Response:

It has been MaineHousing's practice to consider a sex offender registry check a type of background check when reviewing low barrier shelter status. The proposed definition clarifies this but does not change the standing requirement that guests accessing low barrier shelters cannot be denied access due to status on the sex offender registry. There are costs differentials between 24 hour on site staffing and access to 24 hour off site staffing.

Comment: Chasse further commented that the overnight needs of shelter residents can be met via the 24/7 helpline, which is staffed by the shelter. Chasse stated this creates no access barriers as intake for new shelter residents is available 24/7.

MaineHousing's Response:

MaineHousing supports shelters operating within a model that works best for their guests needs and ensures safety of both guests and staff. Having 24 hour on site staffing is a source of increased costs, which is what the proposed Low Barrier Shelter definition aims to account for.

Comment: Amanda Cost, Executive Director of Partners for Peace, provided written comments urging MaineHousing to revise the low-barrier shelter definition to remove the prohibition of a sex offender registry check and the requirement for 24 hour a day staffing, to instead include accessibility to staff 24 hours a day which is the domestic violence shelter model. Cost commented that the proposed definition excludes domestic violence shelters from receiving low-barrier shelter funding and instead reallocates funds to shelters that only serve individuals.

MaineHousing's Response:

It has been MaineHousing's practice to consider a sex offender registry check a type of background check when reviewing low barrier shelter status. The proposed definition clarifies this but does not change the standing requirement that guests accessing low barrier shelters cannot be denied access due to status on the sex offender registry. There are costs differentials between 24 hour on site staffing and access to 24 hour off site staffing.

Comment: Cost further commented that the overnight needs of shelter residents can be met via the 24/7 helpline, which is staffed by the shelter. Cost stated this creates no access barriers as intake for new shelter residents is available 24/7.

MaineHousing's Response:

MaineHousing supports shelters operating within a model that works best for their guests needs and ensures safety of both guests and staff. Having 24 hour on site staffing is a source of increased costs, which is what the proposed Low Barrier Shelter definition aims to account for.

Comment: Rebekah Paredes, Executive Director of New Hope, provided written comments urging MaineHousing to reconsider the definition of low-barrier shelter by removing the prohibition of a sex offender registry check and changing the 24 hour a day staffing requirements to the requirement to make staff accessible 24 hours a day. Paredes commented that the proposed changes exclude domestic violence shelters, which serve families, and instead prioritize shelters that only serve single adults.

MaineHousing's Response:

It has been MaineHousing's practice to consider a sex offender registry check a type of background check when reviewing low barrier shelter status. The proposed definition clarifies this but does not change the standing requirement that guests accessing low barrier shelters cannot be denied access due to status on the sex offender registry. There are costs differentials between 24 hour on site staffing and access to 24 hour off site staffing.

Comment: Paredes further commented that the overnight needs of shelter residents can be met via the 24/7 helpline, which is staffed by the shelter. Paredes stated this creates no access barriers as intake for new shelter residents is available 24/7.

MaineHousing's Response:

MaineHousing supports shelters operating within a model that works best for their guests needs and ensures safety of both guests and staff. Having 24 hour on site staffing is a source of increased costs, which is what the proposed Low Barrier Shelter definition aims to account for.

Housing Choice Vouchers Department Memorandum

To: Board of Commissioners

From: Allison Gallagher

Date: October 21, 2025

Subject: HCV Annual Plan

PROPOSED MOTION:

To adopt the HCV FFY 2026 Annual Plan as attached to the memo.

The Annual plan provides a progress report on our program goals and priorities outlined in the HCV 5 Year plan (2020-2025). There were no changes to Annual Plan from the previous year.

MaineHousing did not receive comments at the October public hearing or from the resident Advisory Board specifically about the plan.

Streamlined Annual PHA Plan (HCV Only PHAs)	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 09/30/2027
--	---	--

Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services. They also inform HUD, families served by the PHA, and members of the public of the PHA's mission, goals, and objectives for serving the needs of low-, very low-, and extremely low- income families.

Applicability. The Form HUD-50075-HCV is to be completed annually by **HCV-Only PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, High Performer PHA, Small PHA, or Qualified PHA do not need to submit this form. Where applicable, separate Annual PHA Plan forms are available for each of these types of PHAs.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers (HCVs) and was designated as a high performer on both the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, SEMAP for PHAs that only administer tenant-based assistance and/or project-based assistance, or PHAS if only administering public housing.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceed 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceed 550, and that was designated as a standard performer in the most recent PHAS and SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or HCVs combined and is not PHAS or SEMAP troubled.

A. PHA Information.	
A.1	PHA Name: _____ PHA Code: _____ PHA Plan for Fiscal Year Beginning: (MM/YYYY): _____ PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Housing Choice Vouchers (HCVs) _____ PHA Plan Submission Type: ☐ Annual Submission ☐ Revised Annual Submission Public Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA and should make documents available electronically for public inspection upon request. PHAs are strongly encouraged to post complete PHA Plans on their official websites and to provide each resident council with a copy of their PHA Plans.

☐ **PHA Consortia:** (Check box if submitting a joint Plan and complete table below)

Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program
Lead HA:				

B.1 | Revision of Existing PHA Plan Elements.

a) Have the following PHA Plan elements been revised by the PHA since its last Annual Plan submission?

Y N

- | | | |
|--------------------------|--------------------------|--|
| ☐ | ☐ | Statement of Housing Needs and Strategy for Addressing Housing Needs. |
| ☐ | ☐ | Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions. |
| ☐ | ☐ | Financial Resources. |
| ☐ | ☐ | Rent Determination. |
| ☐ | ☐ | Operation and Management. |
| ☐ | ☐ | Informal Review and Hearing Procedures. |
| ☐ | ☐ | Homeownership Programs. |
| ☐ | ☐ | Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements. |
| ☐ | ☐ | Substantial Deviation. |
| ☐ | ☐ | Significant Amendment/Modification. |

(b) If the PHA answered yes for any element, describe the revisions for each element(s):

B.2	New Activities. (a) Does the PHA intend to undertake any new activities related to the following in the PHA’s applicable Fiscal Year? Y N ☐ ☐ Project-Based Vouchers (b) If Project-Based Voucher (PBV) activities are planned for the applicable Fiscal Year, provide the projected number of PBV units and general locations, and describe how project-basing would be consistent with the PHA Plan.
B.3	Progress Report. Provide a description of the PHA’s progress in meeting its Mission and Goals described in its 5-Year PHA Plan.

B.4	Capital Improvements. – Not Applicable
B.5	Most Recent Fiscal Year Audit. (a) Were there any findings in the most recent FY Audit? Y N N/A ☐ ☐ ☐ (b) If yes, please describe:
C.	Other Document and/or Certification Requirements.
C.1	Resident Advisory Board (RAB) Comments. (a) Did the RAB(s) have comments to the PHA Plan? Y N ☐ ☐ (b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.

C.2	Certification by State or Local Officials. Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.
C.3	Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan. Form HUD-50077-ST-HCV-HP, <i>PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.
C.4	Challenged Elements. If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public. (a) Did the public challenge any elements of the Plan? Y ☐ N ☐ (b) If yes, include Challenged Elements.

Instructions for Preparation of Form HUD-50075-HCV Annual PHA Plan for HCV-Only PHAs

A. PHA Information. All PHAs must complete this section (24 CFR 903.4).

- A.1** Include the full **PHA Name, PHA Code, PHA Type, PHA Fiscal Year Beginning (MM/YYYY), Number of Housing Choice Vouchers (HCVs), PHA Plan Submission Type,** and the **Public Availability of Information,** specific location(s) of all information relevant to the public hearing and proposed PHA Plan. Note: The number of HCV's should include all special purpose vouchers (e.g. Mainstream Vouchers, etc.) (24 CFR 903.23(e)).

PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table (24 CFR 943.128(a)).

B. Plan Elements. All PHAs must complete this section (24 CFR 903.11(c)(3)).

B.1 Revision of Existing PHA Plan Elements. PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the "yes" box. If an element has not been revised, mark "no."

☐ **Statement of Housing Needs and Strategy for Addressing Housing Needs.** Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA's strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA and other families who are on the Section 8 tenant-based assistance waiting lists. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income); (ii) elderly families (iii) households with individuals with disabilities, and households of various races and ethnic groups residing in the jurisdiction or on the public housing and Section 8 tenant-based assistance waiting lists based on information provided by the applicable Consolidated Plan, information provided by HUD, and generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.

The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. (24 CFR 903.7(a)(2)(i)). Provide a description of the ways in which the PHA intends, to the maximum extent practicable, to address those housing needs in the upcoming year and the PHA's reasons for choosing its strategy (24 CFR 903.7(a)(2)(ii)).

☐ **Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.** A statement of the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for HCV (24 CFR 903.7(b)).

☐ **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA HCV funding and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program and state the planned use for the resources (24 CFR 903.7(c)).

☐ **Rent Determination.** A statement of the policies of the PHA governing rental contributions of families receiving tenant-based assistance, discretionary minimum tenant rents, and payment standard policies (24 CFR 903.7(d)).

☐ **Operation and Management.** A statement that includes a description of PHA management organization, and a listing of the programs administered by the PHA (24 CFR 903.7(e)).

☐ **Informal Review and Hearing Procedures.** A description of the informal hearing and review procedures that the PHA makes available to its applicants (24 CFR 903.7(f)).

☐ **Homeownership Programs.** A statement describing any homeownership programs (including project number and unit count) administered by the agency under section 8y of the 1937 Act, or for which the PHA has applied or will apply for approval (24 CFR 903.7(k)).

☐ **Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements.** A description of any PHA programs relating to services and amenities coordinated, promoted, or provided by the PHA for assisted families, including those resulting from the PHA's partnership with other entities, for the enhancement of the economic and social self-sufficiency of assisted families, including programs provided or offered as a result of the PHA's partnerships with other entities, and activities subject to Section 3 of the Housing and Community Development Act of 1968 (24 CFR Part 135) and under requirements for the Family Self-Sufficiency Program and others. Include the program's size (including required and actual size of the FSS program) and means of allocating assistance to households. (24 CFR 903.7(l)(i)) Describe how the PHA will comply with the requirements of section 12(c) and (d) of the 1937 Act that relate to treatment of income changes resulting from welfare program requirements (24 CFR 903.7(l)(iii)).

☐ **Substantial Deviation.** PHA must provide its criteria for determining a "substantial deviation" to its 5-Year Plan (24 CFR 903.7(s)(2)(i)).

☐ **Significant Amendment/Modification.** PHA must provide its criteria for determining a "Significant Amendment or Modification" to its 5-Year and Annual Plan (24 CFR 903.7(s)(2)(ii)).

If any boxes are marked "yes", describe the revision(s) to those element(s) in the space provided.

- B.2 New Activities.** If the PHA intends to undertake any new activities related to these elements in the applicable Fiscal Year, mark "yes" for those elements, and describe the activities to be undertaken in the space provided. If the PHA does not plan to undertake these activities, mark "no."

☐ **Project-Based Vouchers.** Describe any plans to use HCVs for new project-based vouchers, which must comply with PBV goals, civil rights requirements, Housing Quality Standards (HQS) and deconcentration standards, as stated in 24 CFR 983.55(b)(1) and set forth in the PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. If using project-based vouchers, provide the projected number of project-based units and general locations (including if PBV units are planned on any former or current public housing units or sites), and describe how project-basing would be consistent with the PHA Plan (24 CFR 903.7(b)(3), 24 CFR 903.7(r)).

- B.3 Progress Report.** For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year PHA Plan (24 CFR 903.11(c)(3), 24 CFR 903.7(s)(1)).
- B.4 Capital Improvements.** This section refers to PHAs that receive funding from the Capital Fund Program (CFP) which is not applicable for HCV-Only PHAs.
- B.5 Most Recent Fiscal Year Audit.** If the results of the most recent fiscal year audit for the PHA included any findings, mark "yes" and describe those findings in the space provided (24 CFR 903.7(p)).

C. Other Document and/or Certification Requirements.

- C.1 Resident Advisory Board (RAB) comments.** If the RAB had comments on the annual plan, mark "yes," submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations (24 CFR 903.13(c), 24 CFR 903.19).
- C.2 Certification by State or Local Officials.** Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan (24 CFR 903.15). Note: A PHA may request to change its fiscal year to better coordinate its planning with planning done under the Consolidated Plan process by State or local officials as applicable.
- C.3 Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.** Provide a certification that the following plan elements have been revised, provided to the RAB for comment before implementation, approved by the PHA board, and made available for review and inspection by the public. This requirement is satisfied by completing and submitting form HUD-50077 ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed*. Form HUD-50077-ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed* must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the certification requirement to affirmatively further fair housing if the PHA fulfills the requirements of 24 CFR 5.150 *et seq.*, 24 CFR 903.7(o)(1), and 24 CFR 903.15.
- C.4 Challenged Elements.** If any element of the Annual PHA Plan or 5-Year PHA Plan is challenged, a PHA must include such information as an attachment to the Annual PHA Plan or 5-Year PHA Plan with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public (24 CFR 903.23(b)).

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the Annual PHA Plan. The Annual PHA Plan provides a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public for serving the needs of low- income, very low- income, and extremely low- income families.

Public reporting burden for this information collection is estimated to average 4.52 hours per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, REE, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-0226. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 *et seq.*, and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

Development Department Memorandum

To: MaineHousing Board of Commissioners

From: Mark C. Wiesendanger, Director of Development

Date: October 21, 2025

Subject: LIHTC Processing Improvements

Development endeavors to be as customer-friendly and efficient as possible. Accordingly, we have undertaken some process improvement initiatives that we hope will address some partner concerns.

Notice of Award – We hear that partners are frustrated with the time it takes to receive what we currently call a Notice to Proceed. This document was initially intended to formalize the verbal award and confirm Loan Committee’s approval to move forward. However, over the years MaineHousing has added more and more project-specific detail to this document and developers and other partners have been using it for more formal purposes. This has resulted in a greater length of time between project award and the receipt of a Notice to Proceed. Our intent is to make notification significantly faster and more standardized. We have created a replacement document, called a Notice of Award, and have shared it with a number of partners to ensure it meets their needs and will not have unintended consequences. Development staff will be able to issue the document with little Legal assistance and no approval of Loan Committee. With the Legal Department’s help and review by partners, we believe we have come up with an improved document that Development staff can send out within a week of the verbal award of a project receiving funding.

Notification of assigned MaineHousing staff – Since the onslaught of COVID funding, MaineHousing has been assigning projects based on staff availability. While this was done initially to be transparent about staff capacity, it currently does not serve this purpose. Moving forward, we will assign Development staff when we issue the Notice of Award.

These two changes alone, will provide developers with the comfort to begin their projects within a week of award. This process change will start with the 9% LIHTC projects that we will award in November. We appreciate partner feedback and understand they anxiously await the new timeline. Construction Services process – Earlier this fall we changed the timing of construction services’ review of 50% architectural plans. Our prior process was not to review the 50% plans until Loan Committee had approved a Notice to Proceed. This held up certain projects, so we decided that construction services would review plans as they were submitted and as time allowed with no delay due to the Notice to Proceed. This was beneficial for the projects already in our pipeline – and of course now that the Notice to Proceed will be replaced with the Notice of Award within a week of verbal award, there will be no waiting for plan review.

In addition, construction services is focusing on adding value to the planning and constructing of the projects we fund. We have been working with partners to understand what is helpful and what is not and will continue to refine our process to focus on where we can be helpful. Now that the constant increases in material and labor costs have abated somewhat, we have hard cost caps. This frees construction services from having to review for costs in the detailed manner they had been – if developers meet the cost caps and there is nothing out of line with the project, we will focus much less on that aspect and more on adding value.

To: MaineHousing Board of Commissioners

From: Jamie Johnson, Senior Director of Operations
Jonny Kurzfeld, Director of Planning and Research

Date: October 14, 2025

Subject: 2026 MaineHousing Board of Commissioners Annual Goal Setting

During the August 2025 board meeting, you engaged in the annual goal-setting exercise to discuss priorities for 2026. Additionally, you participated in an activity focused on core values which built on the staff's evaluation of current core values.

At the September 2025 board meeting, you shared additional thoughts on the summary of that discussion and reflected on how the core values you highlighted aligned with those that were in the forefront for staff.

Please review the attached proposed priorities, mission statement, and core values for discussion at the October board meeting. These key pieces will be incorporated into the 2026 MaineHousing Strategic Plan.

2026 MaineHousing Board of Commissioners Annual Goal Setting

2026 Priorities

- Advocacy – Be proactive in our advocacy for legislation and public policies that create efficiencies within our programs and allow us to grow within our mission.
- Creativity – Focus both externally and internally on innovation and creativity. Lead and support creative efforts to address Maine’s housing needs. Foster a culture of continuous improvement by empowering staff to analyze internal processes and align them with program goals.
- Short and long-term goals – Clearly identify short-term and long-term goals through the milestones and metrics outlined in the strategic plan.

Proposed Mission Statement

To empower MaineHousing staff, through strategic partnerships, in helping Maine people afford safe, high-quality housing as a foundation for healthy communities.

Proposed Core Values

 Integrity and Accountability	 Innovation and Creativity
 Collaboration and Communication	 Caring

Asset Management Department Memorandum

To: MaineHousing Board of Commissioners

From: Laurie Warzinski – Director of Asset Management

Date: October 14, 2025

Subject: September Board Report - Asset Management

Department Highlights

We're pleased to share that our department will be fully staffed with two exceptional hires who bring both experience and energy to our team.

First, Betty Daniels has stepped into the Asset Manager (AM) II role, transitioning internally with a strong background in compliance, regulatory oversight, and financial analysis. Thanks to the generous support and training from our other AM IIs, she has hit the ground running. Her adventurous spirit and quick adaptability have positioned her on a clear path toward success, and her early contributions are already making a meaningful impact.

Second, we're excited to welcome a new team member joining us from out of state this December. Drawn to our organization by the unique mission and culture she experienced during the interview process, she chose us over other opportunities because of the connection she felt with our team. Her professional background aligns seamlessly with the work we do, and she brings vibrant energy that we're confident will enhance our department. You will be introduced to her more fully when she arrives at MaineHousing.

With these two hires, we are now fully staffed and well-positioned to continue advancing our goals.

Portfolio Highlights:

Two properties in our portfolio are quietly transforming what shelter means for survivors of domestic violence and exploitation. Through innovative programming, strategic funding, and trauma-informed design, this organization is not only providing refuge — it's redefining safety, dignity, and healing.

Shelter A of this Organization: Located in a communal living facility, this shelter serves as an emergency shelter for survivors fleeing domestic violence and/or sex trafficking. Uniquely, it accommodates both individuals and families, with capacity for up to 17 residents. Originally funded under the 1984 Homeless Shelter Demonstration Program, the shelter was developed without a specified bed count or target population.

In 2023, the organization secured \$71,372 through the Supportive Housing Repair Program process to address critical repairs, including roof and chimney restoration, security and smoke alarm upgrades, walkway replacement, and kitchen and bathroom improvements. The funding source for the loan was the StateHOME Program, with the loan deferred until December 11, 2030, aligning with the maturity of an existing \$47,305 loan.

Shelter B of this Organization: Originally donated to the organization in 2011, this property was repurposed in 2021 into a multi-purpose facility serving survivors across three Maine counties. Renovations were completed in early 2023 with a total budget of \$1,759,015, of which \$1,727,354 was funded through three separate MaineHousing programs (2020 Supportive Housing Program, 2021 Emergency Shelter Renovations /Conversion Program, 2021 CDBG CV-19).

The completed facility includes:

- Two 1-bedroom rental units for survivors
- An 8-bed emergency shelter
- A fully equipped resource center offering crisis support, legal advocacy, case management, basic needs assistance, and access to technology

This site is particularly notable for pioneering the state's first pet-inclusive shelter model. Since opening, 117 animals have entered shelter alongside their owners, eliminating a major barrier to safety for many survivors. The program was further enhanced by a \$40,000 grant from Purina, which funded private outdoor enclosures attached to each shelter bedroom.

Impact and Innovation

The pet-inclusive model has proven transformative. Survivors often delay leaving abusive environments due to fear of abandoning their pets—who provide emotional safety and companionship. By welcoming both survivors and their animals, this organization has created a healing-centered environment that honors the full scope of trauma and recovery.

Three success stories illustrate the depth of this impact:

- A survivor and her traumatized dog found safety and support after escaping a violent home where both had been abused.
- Another survivor lived in her car for a month with two protective dogs before finding refuge at the shelter.
- A third arrived with a cat in labor; the birth of six kittens brought unexpected joy and healing to the shelter community.

These stories underscore the importance of holistic, trauma-informed care and the power of innovation in meeting survivors' needs.

Development Department Memorandum

To: MaineHousing Board of Commissioners

From: Mark C. Wiesendanger, Director of Development

Date: October 21, 2025

Subject: Monthly Report

2025 Low Income Housing Tax Credit (9%) Program

We received 15 Full Applications for the 2025 LIHTC program on September 18, down from 21 Pre-Applications. Threshold reviews have been completed and all 15 are being scored. We plan to employ a new simpler and faster award process to more quickly provide developers with documentation of award and the assignment of Development staff.

Project Name	Developer	City/Town	Subsidy Request	Tenants	Total Units
33 Union	Developers Collaborative	Augusta	\$ 2,800,000	Fam	50
Atlantic Street Apts	LB Dev Part	Portland	\$ 1,287,303	Senior	30
Belfast Birches	Realty Resources	Belfast	\$ 1,600,000	Senior	24
Belmont Avenue Apts	Waldo CAP	Belfast	\$ 3,000,000	Family	60
Cumberland Housing	Portland Housing	Portland	\$ -	Senior	50
Elm Ridge	Avesta	Kennebunk	\$ 2,405,000	Senior	37
Landry Heights	So. Portland Housing	South Portland	\$ 33,466	Senior	38
McLain School	Developers Collaborative	Rockland	\$ 1,680,000	Family	29
Meadowridge Apts	Westbrook Housing	Biddeford	\$ 2,340,000	Senior	36
Nason Park Manor	Bangor Housing	Bangor	\$ 3,000,000	Senior	50
Prosperity Place	ProsperityME	Portland	\$ 3,000,000	Family	50
Quebec Commons	Westbrook Housing	Biddeford	\$ 2,600,000	Senior	45
Soleil Apts II	Lewiston Housing	Lewiston	\$ 1,960,000	Senior	28
The Rochambeau	Avesta	Biddeford	\$ 2,990,000	Senior	46
The Woodbury	CHOM	Portland	\$ 2,773,798	Senior	51

Home For Good

Five project teams were selected to participate in the first cohort of the Home For Good Program. Each project will house and provide on-site support to 20-30 individuals experiencing chronic homelessness. The teams are as follows:

Location	Developer	Owner	Property Manager	Service Provider
Auburn.	Developers Collaborative	Auburn Housing	Auburn Housing	Spurwink
Augusta	Developers Collaborative	VOANNE	Developers Collaborative	VOANNE
Bangor	Bangor Housing	Bangor Housing	Bangor Housing	Preble Street
Sanford	Avesta Housing	Sanford Housing	Sanford Housing	YCCAC
Greater Portland	Avesta Housing	Avesta Housing	Avesta Housing	Preble ST

Events of Note

9/18 – Genesis Fund Fall Tent Party

9/23 – Home For Good Cohort Meeting #6

9/30 – Place Ste. Marie Groundbreaking



10/3 – MDF's 47th Annual Meeting & Champion Awards Celebration, L.L.Bean

10/4 - 10/7 – National Council of State Housing Authorities Annual; Conference, New Orleans

10/8 – Grand Opening of Meadowview II, Gray



10/14 – Betsy Ross Crossing Ribbon Cutting, South Portland



10/16 – QAP Partner Meeting #1

Staff

We are fully staffed!

Development Pipeline

Below you will find the Development Pipeline updated as of August 12. We expect that a small number of these projects will not see completion, and that predicted construction starts and completions will change as projects move forward.

Project Name	Developer	Program	City	Family/ Senior	Total Units
Completed in 2025					
45 Dougherty	Szanton	4%	Portland	Family	63
Betsy Ross Crossing	SoPo HA	4%	So. Portland	Senior	52
Fairview Commons	Brunswick HA	4%	Topsham	Family	38
Meadowview II	Avesta	4%	Gray	Senior	27
Wedgewood	Lewiston HA/Avesta	4%	Lewiston	Family	65
Peasley Park	DC	9%	Rockland	Senior	49
Picker House Lofts	Szanton	9%	Lewiston	Family	36
Sturgeon Landing	Augusta Housing	9%	Augusta	Family	32
Alexander Way	BH Land Trust	AHOP	Boothbay Harbor	Family	7
Fletcher Farms	Patco	AHOP	Sanford	Family	7
Highpines Village	Highpine Properties	AHOP	Wells	Family	20
Wilbur's Woods	GreenMars	AHOP	Brunswick	Family	20
Theresa's Place	Penquis Cap	HOME-ARP	Bangor	Family	36
18 Central Ave	Home Start	Islands	Peaks Island	Family	3

CICA 2022 Housing	CICA	Islands	Chebeague Island	Family	4
NHSH Affordable	NH Sust Housing	Islands	North Haven	Family	4
16 Mills Road	Rob Nelson/Wilbur	Rural	Newcastle	Family	16
520 Centre Street	Bath HA	Rural	Bath	Family	18
Berry's Block Apartments	Lake City Investments	Rural	Rockland	Family	9
Tree Tops Apartments	Mastway Dev	Rural	Hallowell	Family	17
<i>NC/AR Projects</i>	<i>20</i>			<i>New Units</i>	<i>523</i>
Oak Grove Commons	Realty Resources	9%	Bath	Family	34
<i>Rehab Projects</i>	<i>1</i>			<i>Rehab Units</i>	<i>34</i>
Total Projects	21			Total Units	557

Under Construction* - likely completed in 2025

Lockwood Mill*	North River Co.	4%	Waterville	Family	65
Rumford Senior Living*	DC	9%	Rumford	Senior	33
ICDC Town Acq*	ICDC	Islands	Isle au Haut	Family	4
Islesford RHP*	CIRT	Islands	Islesford	Family	4
MVS*	Islesboro Affordable	Islands	Islesboro	Family	2
Vinalhaven*	Vinalhaven Housing	Islands	Vinalhaven	Family	4
Portland Recovery Home*	LB Dev	RHP	Portland	Supp.	8
986 Prospect Ave*	Wilbur, Calhoun	Rural	Rumford	Family	18
Central Park Residences*	Reincorp	Rural	Sanford	Family	18
The Elm Estates*	East Town Rentals	Rural	Presque Isle	Family	18
<i>NC/AR Projects</i>	<i>10</i>			<i>New Units</i>	<i>174</i>
Harbor Terrace*	Portland HA	4%	Portland	Senior	120
<i>Rehab Projects</i>	<i>1</i>			<i>Rehab Units</i>	<i>120</i>
Total Projects	11			Total Units	294

Under Construction*/In Underwriting - likely completed in 2026

Edgewater Village*	Avesta	4%	Farmington	Senior	25
Iron Heights*	Mastway Dev	4%	Gardiner	Family	32
King Street Apartments*	KVCAP	4%	Waterville	Family	37
Lambert Woods North	Maine Coop Dev Part	4%	Portland	Family	74
Malta Street Senior	Augusta Housing	4%	Augusta	Senior	34
Martel School Apts	Lewiston Housing	4%	Lewiston	Senior	44
Sunridge Senior Housing*	Bangor Housing	4%	Bangor	Senior	50
DeWitt*	LHA/Avesta	4% Choice	Lewiston	Family	104
Adams Point*	Biddeford HA	9%	Biddeford	Family	39
Equality Comm Housing *	Equality Comm. Center	9%	Portland	Senior	54
Landry Woods*	SoPo Housing	9%	So. Portland	Senior	43
Milford Place	Penquis CAP	9%	Bangor	Senior	40
Seavey Crossing*	Avesta	9%	Westbrook	Senior	61
Varney Heights	FHA/Gooch	9%	Freeport	Senior	42
Dougherty Commons	Maine Coop Dev Part	AHOP	Portland	Family	12
Wildlands	Greater Portland H4H	AHOP	Standish	Family	12
540 Centre Street*	Bath HA	Debt Only	Bath	Family	24
Central Fire Station*	DC	CC Rural	Brunswick	Family	5
Bridgton Recovery Home*	LB Dev	RHP	Bridgton	Supp.	6
7 Madelyn Lane*	Lake City Investments	Rural	Rockport	Family	18

Mechanic Street*	WLR Properties	Rural	Houlton	Family	18
<i>NC/AR Projects</i>	<i>21</i>			<i>New Units</i>	<i>774</i>
Berry Park Apartments*	Northland Enterprises	4%	Biddeford	Family	46
North Deering Gardens*	Wingate Dev.	4%	Portland	Family	164
Place St. Marie*	Brisa Dev w/ Andy J	4%	Lewiston	Family	40
Summer Block*	Bateman	4%	Saco	Senior	32
Patriot Place	Avesta	4%/no sub	Sanford	Family	40
Oak Ridge Apartments	Realty Resources	9%	Bath	Senior	30
<i>Rehab Projects</i>	<i>6</i>			<i>Rehab Units</i>	<i>352</i>
Total Projects	27			Total Units	1126

Under Construction/In Underwriting - likely completed in 2027

3i Homes at the Downs	3i Homes/POAH	4%	Scarborough	Family	51
Millinocket Manor	Penquis	4%	Millinocket	AL	38
89 Elm Apartments*	Tom Watson & CO	4% PLA	Portland	Family	201
19 Bodwell Street	Androscoggin Homes	AHOP	Sanford	Family	9
Beals Ave WF Housing	LB Dev Partners	AHOP	Ellsworth	Family	23
Nasson 4	GreenMars	AHOP	Springvale	Family	20
Cliff Island	Sustainable Cliff Isl	Islands	Cliff Island	Family	2
Long Island Aff Housing	Long Island	Islands	Long island	Family	4
165 Main Street	Kennebec Realty Part	Rural	Waterville	Family	18
OddFellows Apts.	Archer Properties LLC	Rural	Norway	Family	13
Charles Jordan House	ME Prisoner Adv Coal	SHP	Auburn	Supp.	11
Seavey House	Biddeford Housing	SHP	Saco	Supp.	8
<i>NC/AR Projects</i>	<i>12</i>			<i>New Units</i>	<i>398</i>
Franklin Towers	Portland HA	4%/ no sub	Portland	Family	200
Riverton Park*	Portland HA	4%/ no sub	Portland	Family	182
<i>Rehab Projects</i>	<i>2</i>			<i>Rehab Units</i>	<i>382</i>
Total Projects	14			Total Units	780

Preliminary Underwriting

	Boothbay Reg Dev				
Cedar Bend Condos	Corp	AHOP	Boothbay	Family	8
Dougherty Commons III	MCDP	AHOP	Portland	Family	20
Front Street III	Portland Housing	AHOP	Portland	Family	6
Grandview Ave	DC	AHOP	Bangor	Family	14
Harkness Haven	Mid-Coast H4H	AHOP	Rockport	Family	10
Hillcrest Estates	A&O Properties	AHOP	Monmouth	Family	9
Island Avenue Sub	H4H York County	AHOP	Sanford	Family	5
Landon Woods	Neigh Housing Trust	AHOP	Kennebunkport	Family	6
Linnell Homeownership	The Linnell LLC	AHOP	Rumford	Family	16
Newman Meadows	Newman Homes	AHOP	Waterville	Family	13
Scittery Woods	Scittery Woods Part	AHOP	Falmouth	Family	20
TBD	Avesta	Home 4 Good	Sanford		
TBD	Avesta	Home 4 Good	Portland		
TBD	DC	Home 4 Good	Auburn.		
TBD	DC	Home 4 Good	Augusta		
TBD	Bangor Housing	Home 4 Good	Bangor		

Farwell Mill	Realty Resources	4%	Lisbon	Family	42
Martel II	Lewiston Housing	4%	Lewiston	Senior	44
COMB Block Phase 1	Portland Housing	9%	Portland	Family	55
Thatcher Brook Apts I	Westbrook Housing	9%	Biddeford	Family	40
Woodfords Parish House	CHOM	9%	Portland	Seniors	45
Youth & Family Outreach	YF&O/DC	9%	Portland	Family	60
Anchorage South	Bath Housing	9%	Bath	Seniors	47
Windham Senior	DC	9%	Windham	Seniors	48
J. Palmer Merrill Block	Patric Moore	Rural	Skowhegan	Family	5
Asher's Village Apts	Newman Homes	Rural	Winslow	Family	18
Rosa's Place	Golek/Dooryard	Rural	Brunswick	Family	14
36 Cleaves Street	Moll, Hight, Wilbur	Rural	Yarmouth	Family	18
Project Greenhouse	Badhus LLC	Rural	Rockland	Family	12
Clark Street	DEV Properties	Rural	Thomaston	Family	16
Poland Eld Housing Dev	Auburn Housing	Rural	Poland	Seniors	18
Rangeley WF Housing	Wasilewski, Teare	Rural	Rangeley	Family	18
55 Weston Avenue II	55 Weston	Rural	Madison	Family	18
Glenridge Supp Housing	Motivational Svs	SHP	Augusta	Family	8
Old Post Road	Fair Tide	SHP	Kittery	Family	12
<i>NC/AR Projects</i>	<i>35</i>			<i>New Units</i>	<i>665</i>
Riverlands	VOANNE	CoC	Augusta	Supp.	10
Sun Valley Apartments	Chesapeake Comm.	9%	Mexico	Family	24
<i>Rehab Projects</i>	<i>2</i>			<i>Rehab Units</i>	<i>34</i>
Total Projects	37			Total Units	699

**Total Projects in
Underwriting & Under
Construction 110**

Total Units 3456

Energy & Housing Services Department Memorandum

To: MaineHousing Board of Commissioners

From: Bobbi Crooker – Director of Energy and Housing Services

Date: October 21, 2025

Subject: Monthly Report – Energy and Housing Services Department

DEPARTMENT HIGHLIGHTS

The LIHEAP State Model Plan to HHS for Program Year 2026 was reviewed and accepted by Department of Health and Human Services (HHS), Office of Community Services on September 15th, 2025. This has not yet been awarded; amount TBD.

The Weatherization Annual State Plan to DOE for Program Year 2025 was approved on September 26th, 2025 for a total of \$4,465,333 (\$4,067,543 for the Weatherization Assistance Program (WAP) and Training and Technical Assistance (T&TA) and \$397,790 in Weatherization Readiness Funding (WRF)). Contracts will go out to CAAs in the next couple of weeks once these are updated to account for the new terms and conditions as well as the requirements of the Financial Assistance Letter (FAL).

Our System of Record for Weatherization, ECOS, has conditional approval by DOE for the audit tool portion through Jan. 1, 2026; full approval will be granted once JAI's third party software consultant addresses the final item DOE has requested to be updated.

MaineHousing applied to DOE for an Enhancement & Innovation Grant in October, requesting \$2,000,000. If awarded, these funds will be combined with our current DOE Weatherization grant to address weatherization readiness for 125 households. The application is still under review per the DOE infrastructure-exchange website.

EHS Director and Manager of Housing and Weatherization attended the National Association for State Community Services Programs (NASCSPP) conference at the end of September. NASCSPP is the sole national association charged with advocating and enhancing the leadership role of States in the administration of the Weatherization Assistance Program (WAP). The focus of the conference was on the U.S. Department of Energy's (DOE) WAP initiatives and grantee management issues.

PROGRAM UPDATES

Home Energy Assistance Program (HEAP)

Maine's Low-Income Home Energy Assistance Program (LIHEAP or HEAP) is a grant funded by the US Department of Health and Human Services (HHS) and is administered by MaineHousing in collaboration with Maine's Community Action Agencies and ProsperityME.

	Program Year 2026 to-date	Program Year 2025
Applications Taken	20,018	58,433
Eligible Applicants	7,648	44,535
Benefits Issued	\$0	\$22,554,406

The formal appropriations process is continuing while Congress considers a short-term Continuing Resolution to reopen the government. We are hopeful that a Continuing Resolution will be enacted soon to allow for a speedy release of 90 percent of the funds we typically initially receive in early November, as the winter heating season quickly approaches.

Weatherization Assistance Program (Wx)

MaineHousing's Weatherization team continues to collaborate with DOE to finalize the Priority List and Program Manual for the multifamily (5+ units) weatherization program. Our Technical Services Specialists are currently undergoing training on multifamily inspection requirements, and we hope to move this initiative forward in the near future.

The Weatherization Department is continuing to work to implement the Energy Audit software system, ECOS. We are collaborating with JAI, the software developer, and the community action agencies to resolve remaining issues.

- Annual Weatherization: Program Year 2025 (April 1, 2025 – June 30, 2026)

The U.S. Department of Energy (DOE) recently approved our State Plan that allocated \$4,465,333 in Total; (\$4,067,543 for the Weatherization Assistance Program (WAP) and Training and Technical Assistance, along with an additional \$397,790 in Weatherization Readiness Funding (WRF)). Contracts are being prepared to be sent to our partner agencies in the next couple of weeks.

- IIJA (formerly BIL) Weatherization: Period of Performance (July 1, 2023 – June 30, 2029)

The U.S. Department of Energy has extended the performance period for this grant through 2029, extending the original end date of March 31, 2027. To date, **237** units have been weatherized at a total cost of **\$4,285,574.86** with our partner agencies actively working toward the goal of weatherizing **1,628** units by 2029. MaineHousing will continue collaborating with Community Concepts, Inc. to launch the multifamily weatherization program.

Home Accessibility and Repair Program (HARP)

The Home Accessibility and Repair Program provides grants to income eligible homeowners for professional home repairs and accessibility modifications. HARP is delivered statewide through the network of Community Action Agencies.

As of **October 8, 2025**, the HARP Program has completed **145** projects, with an additional **41** currently in progress. The total cost for these projects is **\$2,486,109.57**.

Community Aging in Place (CAIP)

The Community Aging in Place Program provides no-cost home safety checks, minor maintenance repairs, and accessibility modifications to eligible low-income older and disabled homeowners.

As of October 9, 2025, safety enhancements have been completed in **149** homes, with an average cost of **\$816.00** per home.

Lead Abatement Program

The Lead Abatement Program provides funding for single family homes and owners of rental properties in Maine to help make them lead safe. Priority for program funds is granted to abatement projects for housing in which a child lives, and it has been determined that they have an elevated blood lead level. MaineHousing works with four Community Action Agencies to deliver the Lead Abatement Program across the state. Currently, **112** projects have been completed, with **250** units in progress.

Low-Income Assistance Plan (LIAP)

The Low-Income Assistance Plan (LIAP) helps eligible homeowners and renters with their electric utility bills. The LIAP program is funded by contributions from electricity providers and governed by the MPUC. As of **9/30/2025**, there were **47,828** participants, of which **2,054** were oxygen/vent participants.

Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: October 14, 2025

Subject: Monthly Report – Finance Department

ACCOUNTING AND FINANCIAL REPORTING (AFR):

- Work on MaineHousing's budgets for 2026 is underway. In September, staff assisted the departments as they prepared their budget packets and we are working to consolidate the information from the departments into the agency-wide 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.
- The federal compliance single audit for the year ended December 31, 2024 was completed in September and the audit reports were filed with the Federal Audit Clearinghouse and HUD's Real Estate Assessment Center. This compliance audit is an annual audit of federally funded programs to determine whether the programs have been administered in compliance with federal requirements.

MaineHousing administered and disbursed approximately \$227 million through twenty-six different federal programs in 2024. Major programs are audited on a rotating basis. There were six major programs included as part of the 2024 audit, which are as follows: the Section 8 Performance Based Contract Administrators, Low Income Home Energy Assistance, Emergency Rental Assistance, Expand Affordable Housing (Coronavirus State and Local Fiscal Recovery Funds), Housing Trust Fund, and Temporary Assistance for Needy Families (TANF) programs

The audit report contains an unmodified (a.k.a. "clean") auditors' opinion, which means that MaineHousing administered programs and complied, in all material respects, with federal guidelines and requirements. There are three audit findings noted in the report. None of the findings modified the auditors' opinion and none were considered a material weakness in internal controls. The audit reports along with a content summary are included within this section of your packet.

LOAN ADMINISTRATION:

- The transfer of loans from Machias Savings Bank (MSB) to Mortgage Servicing Solutions (MSS) occurred on September 30th. The portfolio of loans transferred consisted of 764 loans and amounted to \$64 million. The transfer was successful with no significant financial or customer issues arising. Loan Administration staff continue to work on various post-transfer activities and our staff along with MSB and MSS staff are readily available to address and respond to potential customer inquiries regarding this transfer.
- Recruitment activities to fill the vacant Financial Reporting Specialist position were completed in September. The Financial Reporting Specialist is responsible for performing financial reporting and loan purchasing functions for MaineHousing's residential loan portfolio. Arinda (Rindy) Stokes accepted the position and started on September 22nd. Rindy brings 15 years of financial experience to MaineHousing with a background in accounting, auditing, client services, and operations.

To: Board of Commissioners

From: Darren R. Brown

Date: October 14, 2025

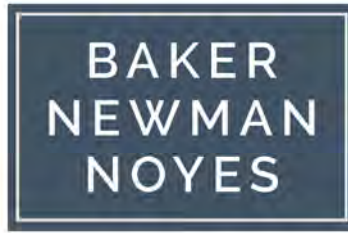
Subject: 2024 Federal Programs Compliance Audit Reports

Attached are the federal compliance audit reports for the year ended December 31, 2024. Baker Newman & Noyes completed their audit work and issued their reports on September 24th. 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 30th.

Most of the compliance audit reports consist of the financial statements and related reports for that audit, which were previously presented and reviewed in April. Jason Emery from Baker Newman & Noyes also reviewed their objectives, procedures, and preliminary work for the compliance audit at the April meeting. The following is a brief overview of the sections presented in the attached reports:

- *Basic Financial Statements* (pages 1-48) - The audit reports for these financial statements were issued on March 28, 2025. As noted above, the audit procedures and results for this audit were presented and reviewed back in April 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 2024 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 and states that there were no material weakness deficiencies in internal controls.
- *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* (pages 59-62) – There were no financial statement audit findings and three compliance audit findings. None of the findings contained questioned costs and none were designated as material weakness in internal controls by the auditors.
- *Summary of Schedule of Prior Audit Finding* (page 63) – This page presents the status of audit findings from the prior year. All prior year findings were resolved.

- *Corrective Action Plan* (page 64-65) – These page presents our responses and corrective action plans to address the audit findings presented on pages 59-62.
- *Management Letter* - The matters contained in this letter do not rise to the significance of reporting as audit findings in the audit report and are observations and recommendations by the auditors for internal control improvements. The letter includes two recommendations. Our responses and the action taken are included for each recommendation.



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*

For the Year Ended December 31, 2024

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnn CPA.com



MAINE STATE HOUSING AUTHORITY

FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

TABLE OF CONTENTS

Independent Auditors' Report	1– 2
Management's Discussion and Analysis	3 – 11
Basic Financial Statements:	
Agency – Wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Statement of Net Position – Proprietary Funds	14
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	15
Statement of Cash Flows – Proprietary Funds	16
Balance Sheet – Governmental Funds	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
Notes to Financial Statements	19 – 47
Required Supplementary Information:	
Schedule of MaineHousing's Proportionate Share of the Net Pension Liability (Asset)	48
Schedule of MaineHousing's Pension Contributions	48
Schedule of Expenditures of Federal Awards	49 – 51
Notes to Schedule of Expenditures of Federal Awards	52
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	53 – 54
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	55 – 58
Schedule of Findings and Questioned Costs	59 –62
Summary Schedule of Prior Audit Findings	63
Corrective Action Plan	64



INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Maine State Housing Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Maine State Housing Authority (MaineHousing), a component unit of the State of Maine, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise MaineHousing's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of MaineHousing, as of December 31, 2024, 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 Liability (Asset) and Schedule of MaineHousing's Pension Contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025 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 & Nayor LLC

Portland, Maine
March 28, 2025

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2024**

Management's discussion and analysis provides an overview of the Maine State Housing Authority's (MaineHousing) financial activities for the year ended December 31, 2024. It should be read in conjunction with the audited financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- MaineHousing's net position increased by \$24.6 million to \$475.8 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 by \$18.9 million while the net position of governmental activities increased by \$5.7 million.
- An all-time high volume of loan production contributed to a \$296.9 or 17% increase in MaineHousing's mortgage notes receivable portfolio in 2024. Single-family loan purchases and multi-family loan originations totaled \$456.9 million, which is an increase of \$150.9 million or 49.3% over 2023.
- Bond issuances totaled \$490 million in 2024; an increase of \$142.6 million or 41% over 2023. The increase was driven by higher loan production and contributed to an increase in outstanding bonds. Total bonds outstanding increased by \$370.2 or 18.8% to \$2.34 billion as of December 31, 2024.
- Total revenues from governmental activities decreased further in 2024 due to the completion of more programs with one-time funding from federal and state sources. MaineHousing administered various federal pandemic relief programs, which continued to sunset in 2024, and exhausted certain program funding provided by the State of Maine. The reduction in governmental activities revenues is attributed primarily to lower grant income, which decreased by \$103.5 million or 40.5%.

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. MaineHousing also receives federal subawards through the State of Maine and is a subrecipient for various federal 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.
- 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.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2024**

- 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 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, 2024**

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, 2024 and 2023 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
	2024	2023	2024	2023	2024	2023	
Cash and investments	\$791.9	\$632.8	\$93.2	\$75.0	\$885.1	\$707.8	25.0%
Mortgage notes receivable	1,939.8	1,669.3	100.6	74.2	2,040.4	1,743.5	17.0%
Other assets (net of internal balances)	48.4	44.9	10.3	10.8	58.7	55.7	5.4%
Total Assets	2,780.1	2,347.0	204.1	160.0	2,984.2	2,507.0	19.0%
Total Deferred Outflows of Resources	2.3	2.4	0.3	0.2	2.6	2.6	0.0%
Bonds and notes payable	2,289.1	1,915.6	47.7	51.0	2,336.8	1,966.6	18.8%
Other liabilities (includes internal balances)	101.6	64.2	52.4	10.8	154.0	75.0	105.3%
Total Liabilities	2,390.7	1,979.8	100.1	61.8	2,490.8	2,041.6	22.0%
Total Deferred Inflows of Resources	19.9	16.7	0.3	0.1	20.2	16.8	20.2%
Investment in capital assets	3.7	3.9	0.0	0.0	3.7	3.9	(5.1%)
Restricted	327.2	310.6	104.0	98.3	431.2	408.9	5.5%
Unrestricted	40.9	38.4	0.0	0.0	40.9	38.4	6.5%
Total Net Position	\$371.8	\$352.9	\$104.0	\$98.3	\$475.8	\$451.2	5.5%

Total assets at December 31, 2024 were \$2.98 billion, an increase of \$477.2 million or 19% from December 31, 2023. The change in assets consisted primarily of a \$177.3 million increase in cash and investments and a \$296.9 million net increase to mortgage notes receivable. Other assets increased by \$3 million due primarily to an increase in the fair value of interest rate swap agreements.

Total deferred outflows of resources consist of deferred amounts associated with debt refundings and pension expenses and totaled \$2.6 million at December 31, 2024 and 2023.

Total liabilities at December 31, 2024 were \$2.49 billion, an increase of \$449.2 million or 22% from December 31, 2023. The increase in liabilities is due mainly to higher outstanding bonds and notes payable, which increased by \$370.2 million to \$2.34 billion at December 31, 2024. Other liabilities increased by \$79 million due primarily to an increase in unearned grant income and higher escrow payable balances for undisbursed loan proceeds.

Total deferred inflows of resources, which consist mainly of the accumulated increase in the fair value of interest rate swap agreements and deferred pension credits, increased \$3.4 million or 20.2% as a result of an aggregate increase in the fair value of interest rate swaps.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2024**

Cash and Investments

Total cash and investments increased by \$177.3 million or 25% due primarily to higher unexpended bond proceeds and program awards at December 31, 2024. 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 2024, the fair value of investments decreased and \$2.5 million of unrealized losses were recorded compared with \$3.6 million of unrealized gains in 2023.

Mortgage Notes Receivable

Total net mortgage notes receivable increased \$296.9 million or 17% in 2024. Total mortgage purchases and originations amounted to \$456.9 million, which is an increase of \$150.9 million or 49.3% compared with 2023. Single-family loan purchases amounted to \$211 million, which is an increase of \$38.4 million or 22.2% from 2023. Multi-family loan originations totaled \$245.9 million; an increase of \$112.5 million or 84.3% from 2023.

Scheduled loan repayments in 2024 amounted to \$111.9 million, which is an increase of \$30 million from the previous year's level of \$81.9 million. Scheduled repayments from multi-family loans with short terms were significantly higher in 2024. Loan prepayments decreased in 2024 by \$3.5 million or 6.9% to a total of \$47.1 million. Higher market interest rates have reduced the volume of single-family loans that were refinanced outside MaineHousing and have kept prepayments at lower levels in 2023 and 2024.

Loan foreclosures totaled \$1.1 million in 2024 and \$1 million in 2023. The allowance for loan losses at December 31, 2024 amounted to \$8 million, which is unchanged from December 31, 2023.

Bonds and Notes Payable

Bonds and notes payable increased \$370.2 million or 18.8% to \$2.34 billion at December 31, 2024. 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 \$24.6 million or 5.5% to \$475.8 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, 2024**

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, 2024 and 2023:

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

	2024	2023	Increase/(Decrease)	
			Amount	Percentage
Revenues:				
Interest from mortgages and notes	\$78.6	\$67.2	\$11.4	17.0%
Income from investments	32.6	30.7	1.9	6.2%
Net (decrease) increase in fair value of investments	(2.5)	3.6	(6.1)	(169.4%)
Fee income	17.1	16.8	0.3	1.8%
Grants and subsidies	283.4	371.9	(88.5)	(23.8%)
Other	0.7	0.5	0.2	40.0%
Total revenues	409.9	490.7	(80.8)	(16.5%)
Expenses:				
Operating and other program expenses	36.4	34.7	1.7	4.9%
Interest expense	67.4	56.0	11.4	20.4%
Grants and subsidies	281.5	363.7	(82.2)	(22.6%)
Total expenses	385.3	454.4	(69.1)	(15.2%)
Increase in net position	24.6	36.3	(11.7)	(32.2%)
Net position at beginning of year	451.2	414.9	36.3	8.7%
Net position at end of year	<u>\$475.8</u>	<u>\$451.2</u>	<u>\$24.6</u>	<u>5.5%</u>

Changes in business-type and governmental activities are explained in the following Results of Operations sections.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2024**

RESULTS OF OPERATIONS

Proprietary Funds Results

The net position of MaineHousing's proprietary funds increased by \$18.9 million or 5.4% and totaled \$371.8 million at December 31, 2024. 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, 2024 and December 31, 2023:

Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position (in millions of dollars)				
	<u>2024</u>	<u>2023</u>	<u>Increase/(Decrease)</u> <u>Amount</u>	<u>Percentage</u>
Operating Revenues:				
Interest from mortgages and notes	\$78.3	\$67.1	\$11.2	16.7%
Income from investments	28.8	27.4	1.4	5.1%
Net (decrease) increase in fair value of investments	(2.5)	3.6	(6.1)	(169.4%)
Fee income	3.9	3.9	0.0	0.0%
Other revenue	0.6	0.3	0.3	100.0%
Total revenues	<u>109.1</u>	<u>102.3</u>	<u>6.8</u>	<u>6.6%</u>
Operating Expenses:				
Operating and other program expenses	26.2	23.9	2.3	9.6%
Interest expense	66.4	55.0	11.4	20.7%
Total expenses	<u>92.6</u>	<u>78.9</u>	<u>13.7</u>	<u>17.4%</u>
Net Operating income	16.5	23.4	(6.9)	(29.5%)
Transfers in	2.4	1.8	0.6	33.3%
Change in net position	18.9	25.2	(6.3)	(25.0%)
Net position at beginning of year	<u>352.9</u>	<u>327.7</u>	<u>25.2</u>	<u>7.7%</u>
Net position at end of year	<u>\$371.8</u>	<u>\$352.9</u>	<u>\$18.9</u>	<u>5.4%</u>

Operating revenues of MaineHousing's business-type activities are generated principally from earnings on mortgages and investments. Total revenues from business-type activities increased \$6.8 million or 6.6% in 2024 and amounted to \$109.1 million. Of this total, \$107.1 million or 98.2% was from interest earned on mortgages, notes, 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 \$92.6 million, of which \$66.4 million or 71.7% was interest expense.

The 2024 operating results and net position of MaineHousing's proprietary funds were significantly affected by the following:

- Interest earned on mortgages and notes increased by \$11.2 million or 16.7% due to higher average outstanding mortgage receivable balances and average interest rates.
- Income from investments increased by \$1.4 million or 5.1% due to higher average investment yields and higher average investment balances.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2024**

- Interest rate changes during the year generated an unrealized loss of \$2.5 million, which is a \$6.1 million decrease compared with the unrealized gain of \$3.6 million recorded in 2023.
- Interest expense increased by \$11.4 million or 20.7% as a result of higher average interest rates and outstanding bond balances in 2024.
- Operating and other program administrative expenses increased by \$2.3 million or 9.6% due primarily to higher single-family loan origination fees and bond issuance costs, which increased \$0.7 million and \$0.5 million, respectively. The increases are attributed to higher loan production. Additionally, excess arbitrage expense increased by \$0.5 million in 2024 due to higher earnings from mortgage and non-mortgage investments.

Governmental Fund Results

The net position of MaineHousing's governmental funds increased by \$5.7 million or 5.8% and totaled \$104 million at December 31, 2024. 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, 2024 and December 31, 2023:

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (in millions of dollars)				
	<u>2024</u>	<u>2023</u>	<u>Increase/(Decrease)</u> <u>Amount</u>	<u>Percentage</u>
Revenues:				
Income from mortgages and notes	\$0.3	\$0.1	\$0.2	200.0%
Income from investments	3.8	3.3	0.5	15.2%
Fee income	13.2	12.9	0.3	2.3%
Grant income	152.1	255.6	(103.5)	(40.5%)
Federal rent subsidy income	131.3	116.3	15.0	12.9%
Other revenue	0.1	0.2	(0.1)	(50.0%)
Total revenues	<u>300.8</u>	<u>388.4</u>	<u>(87.6)</u>	<u>(22.6%)</u>
Expenditures:				
Program administrative expenditures	10.2	10.8	(0.6)	(5.6%)
Interest expenditures	1.0	1.0	0.0	0.0%
Grant expenditures	150.3	246.7	(96.4)	(39.1%)
Federal rent subsidy expenditures	131.2	117.0	14.2	12.1%
Total expenditures	<u>292.7</u>	<u>375.5</u>	<u>(82.8)</u>	<u>(22.1%)</u>
Revenues in excess of expenditures	8.1	12.9	(4.8)	(37.2%)
Transfers out	<u>(2.4)</u>	<u>(1.8)</u>	<u>(0.6)</u>	<u>33.3%</u>
Change in fund balances	5.7	11.1	(5.4)	(48.6%)
Fund balances at beginning of year	98.3	87.2	11.1	12.7%
Fund balances at end of year	<u><u>\$104.0</u></u>	<u><u>\$98.3</u></u>	<u><u>\$5.7</u></u>	<u><u>5.8%</u></u>

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2024**

MaineHousing's 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 \$300.8 million in 2024, which is a decrease of \$87.6 million or 22.6%. Expenditures associated with governmental activities consist primarily of federal grants and rent subsidies payments. Total expenditures decreased \$82.8 million or 22.1% to \$292.7 million in 2024.

MaineHousing earns fees for administering federal programs, which amounted to \$13.2 million in 2024. Typically, fees earned provide MaineHousing with a revenue source adequate to recover direct and indirect costs of delivering related services.

The 2024 operating results and net position of MaineHousing's governmental activities were significantly affected by the following:

- Grant income decreased by \$103.5 million due to a reduction in programs funds from federal and state governments. Federal grant income decreased in 2024 by \$55.2 million or 42.8% due primarily to the completion of various federal COVID-19 relief programs and lower available Low Income Home Energy Assistance Program (LIHEAP) funds. A supplemental federal LIHEAP award was available in 2023. Similar funds were not available in 2024. Grant income from the State of Maine decreased by \$48.3 million or 38.2%. The state provided \$48.3 million in 2023 to supplement the federal Low Income Home Energy Assistance Program. Similar funds were not available in 2024.
- Federal rent subsidy income, which is income associated with various HUD Section 8 programs, increased \$15 million or 12.9% due to higher available income for the Section 8 Housing Choice Voucher (HCV) and Performance Based Contract Administration (PBCA) programs. The HCV and PBCA programs subsidy income increased by \$4.9 million and \$9.9 million, respectively.
- Income from investments increased by \$0.5 million due to higher average investment balances and yields.
- Grant expenditures decreased by \$96.4 million or 39.1% due to the reduction in available federal and state program funds, while federal rent subsidy expenditures increased \$14.2 million or 12.1% due to higher available income for the Section 8 HCV and PBCA programs.
- Program administrative expenditures decreased \$0.6 million or 5.6% due to the completion of various federal COVID-19 relief programs and reduction in related operating and administrative costs.

DEBT ACTIVITY

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, 2024 amounted to \$2.33 billion; an increase of \$374 million or 19.2% from 2023. Bond issuances in 2024 totaled \$490 million, while principal payments on bonds totaled \$116 million. MaineHousing redeemed prior to maturity \$74.4 million of its outstanding bonds in 2024 from reserve funds, mortgage prepayments, surplus revenues, and the proceeds of bond refundings. Scheduled principal payments on bonds totaled \$41.6 million in 2024.

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, 2024, the total amount of variable rate debt outstanding was \$282.9 million and represented 12.2% of the \$2.33 billion total bond portfolio. Thirteen interest rate swap agreements have been executed with four counterparties in connection with \$207 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 2024.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2024**

MaineHousing may enter into loan agreements for program and capital funding purposes. At December 31, 2024, MaineHousing had \$13 million of outstanding notes payable in its General Administrative Fund. Notes payable decreased by \$0.6 million from 2024 as a result of scheduled principal payments. All proceeds from the loan associated with the outstanding balance at December 31, 2024 provided capital funding for the development of an office facility for MaineHousing.

For additional information about MaineHousing's mortgage bonds and notes payables, see Notes 6, 7, 9, 14, and 16 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 impact both the mortgage program and investment income revenues. If interest rates increase and are at higher levels, as they were in 2023 and 2024, mortgage and investment income should increase as new loans are originated and new investments are purchased with higher yields. If interest rates decrease, mortgage and investment income should decrease as new loans are originated and new investments are purchased at lower rates. Any decrease in interest rates could also cause an increase in prepayments on higher rate mortgages. These prepayments are used to redeem higher rate bonds to lower interest expense. Starting in 2023 and continuing through 2024, MaineHousing experienced a substantial reduction of prepayments in its single-family loan portfolio and redemption of bonds prior to maturity due to higher interest rates.

Federal and state funded grants and subsidies are subject to appropriations by those governments. In recent years, the federal government has provided significant program funds in response to the COVID-19 pandemic. MaineHousing has 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, home energy, and homeowners mortgage payments and homeless prevention initiatives.

Recent State of Maine budgets included significant investments in housing and energy-related programs. Program funds included amounts to help low-income homeowners and renters pay for electricity and heating costs, address the housing supply shortage and create more affordable housing units, and to assist people who are experiencing homelessness.

Most of the federal COVID relief programs contain sunset provisions extending into 2025 unless funding is exhausted before then. In 2024, federal program funding for MaineHousing's governmental activities experienced a substantial reduction due to the completion of various COVID-related programs and fully expending certain one-time program funds from the State of Maine. MaineHousing program activities in 2025 and beyond will see further reductions as more of these programs are concluded and program funds are exhausted.

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, 2024. Inquiries for additional information may be directed to the Director of Finance at Maine State Housing Authority, 26 Edison Drive, Augusta, Maine 04330-6046, at (207) 626-4600 or at www.mainehousing.org.

MAINE STATE HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2024
(IN THOUSANDS OF DOLLARS)

	Business-type Activities	Governmental Activities	Total
ASSETS:			
Current Assets:			
Cash, principally time deposits (note 3)	\$104,801	\$9,592	\$114,393
Investments (notes 3, 9, and 11)	517,611	83,607	601,218
Accounts receivable - government	0	9,805	9,805
Mortgage notes receivable, net (note 4)	59,390	3	59,393
Other assets (note 5)	11,614	545	12,159
Internal balances (note 13)	(58,078)	58,078	0
Total Current Assets	<u>635,338</u>	<u>161,630</u>	<u>796,968</u>
Noncurrent Assets:			
Investments (notes 3, 9, and 11)	169,473	0	169,473
Mortgage notes receivable, net (note 4)	1,880,444	100,546	1,980,990
Capital assets, net	17,113	0	17,113
Derivative instrument - interest rate swaps (note 7)	19,631	0	19,631
Total Noncurrent Assets	<u>2,086,661</u>	<u>100,546</u>	<u>2,187,207</u>
Total Assets	<u>2,721,999</u>	<u>262,176</u>	<u>2,984,175</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred pension expense (note 8)	598	308	906
Deferred amount on debt refundings	1,737	0	1,737
Total Deferred Outflows of Resources	<u>2,335</u>	<u>308</u>	<u>2,643</u>
LIABILITIES:			
Current Liabilities:			
Accrued interest payable	9,988	56	10,044
Accounts payable - government	0	374	374
Accounts payable and accrued liabilities	29,965	13,429	43,394
Unearned income	0	95,839	95,839
Bonds and notes payable (notes 6, 9, 14, and 16)	81,888	3,055	84,943
Total Current Liabilities	<u>121,841</u>	<u>112,753</u>	<u>234,594</u>
Noncurrent Liabilities:			
Subscription Liability (note 5)	226	0	226
Excess arbitrage to be rebated (note 12)	1,939	0	1,939
Pension liability (note 8)	1,478	762	2,240
Bonds and notes payable (notes 6, 9, 14, and 16)	2,207,198	44,645	2,251,843
Total Noncurrent Liabilities	<u>2,210,841</u>	<u>45,407</u>	<u>2,256,248</u>
Total Liabilities	<u>2,332,682</u>	<u>158,160</u>	<u>2,490,842</u>
DEFERRED INFLOWS OF RESOURCES:			
Accumulated increase in fair value of hedging derivatives (note 7)	19,631	0	19,631
Deferred federal program income	0	117	117
Deferred loan origination points	12	0	12
Deferred pension credit (note 8)	255	132	387
Total Deferred Inflows of Resources	<u>19,898</u>	<u>249</u>	<u>20,147</u>
NET POSITION:			
Net investment in capital assets	3,702	0	3,702
Restricted for bond resolutions	327,156	0	327,156
Restricted for grants and programs	0	104,075	104,075
Unrestricted	40,896	0	40,896
Total Net Position	<u>\$371,754</u>	<u>\$104,075</u>	<u>\$475,829</u>

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024
(IN THOUSANDS OF DOLLARS)

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Investment Income	Grants and Contributions	Business-type Activities	Governmental Activities	Total
Business-type activities:							
Mortgage Purchase Fund	\$89,994	\$80,713	\$25,498	\$0	\$16,217	\$0	\$16,217
Bondholder Reserve Fund	78	36	412	0	370	0	370
General Administrative Fund	2,548	2,051	0	0	(497)	0	(497)
Total business-type activities	92,620	82,800	25,910	0	16,090	0	16,090
Governmental activities:							
HOME Fund	25,388	348	1,423	27,218	0	3,601	3,601
Section 8 Housing Programs	136,220	7,499	15	131,328	0	2,622	2,622
Low Income Home Energy Assistance Program	33,192	1,383	13	32,494	0	698	698
Maine Energy, Housing and Economic Recovery Program	7,439	43	1,100	4,316	0	(1,980)	(1,980)
Other Federal and State Programs	90,431	4,334	1,268	88,028	0	3,199	3,199
Total governmental activities	292,670	13,607	3,819	283,384	0	8,140	8,140
Total Agency-wide	\$385,290	\$96,407	\$29,729	\$283,384	16,090	8,140	24,230
General Revenues:							
Unrestricted investment income					416	0	416
Transfers					2,346	(2,346)	0
Total general revenues and transfers					2,762	(2,346)	416
Change in Net Position					18,852	5,794	24,646
Net Position at beginning of year					352,902	98,281	451,183
Net Position at end of year					\$371,754	\$104,075	\$475,829

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024
(IN THOUSANDS OF DOLLARS)

	Mortgage Purchase Fund	Bondholder Reserve Fund	General Administrative Fund	Total
ASSETS:				
Current Assets:				
Cash, principally time deposits (note 3)	\$ 22,486	\$ 0	\$ 82,315	\$ 104,801
Investments (notes 3, 9, and 11)	476,568	6,620	34,423	517,611
Mortgage notes receivable, net (note 4)	58,711	524	155	59,390
Other assets (note 5)	11,314	13	287	11,614
Interfund (note 13)	0	0	7,002	7,002
Total Current Assets	<u>569,079</u>	<u>7,157</u>	<u>124,182</u>	<u>700,418</u>
Noncurrent Assets:				
Investments (notes 3, 9, and 11)	169,473	0	0	169,473
Mortgage notes receivable, net (note 4)	1,872,129	1,610	6,705	1,880,444
Capital assets, net	22	0	17,091	17,113
Derivative instrument - interest rate swaps (note 7)	19,631	0	0	19,631
Total Noncurrent Assets	<u>2,061,255</u>	<u>1,610</u>	<u>23,796</u>	<u>2,086,661</u>
Total Assets	<u>2,630,334</u>	<u>8,767</u>	<u>147,978</u>	<u>2,787,079</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred pension expense (note 8)	497	3	98	598
Deferred amount on debt refundings	1,737	0	0	1,737
Total Deferred Outflows of Resources	<u>2,234</u>	<u>3</u>	<u>98</u>	<u>2,335</u>
LIABILITIES:				
Current Liabilities:				
Accrued interest payable	9,988	0	0	9,988
Accounts payable and accrued liabilities	147	0	29,818	29,965
Interfund (note 13)	4,855	21	60,204	65,080
Bonds and notes payable (notes 6, 9, 14, and 16)	81,210	0	678	81,888
Total Current Liabilities	<u>96,200</u>	<u>21</u>	<u>90,700</u>	<u>186,921</u>
Noncurrent Liabilities:				
Subscription Liability (note 5)	0	0	226	226
Excess arbitrage to be rebated (note 12)	1,939	0	0	1,939
Pension liability (note 8)	1,230	7	241	1,478
Bonds and notes payable (notes 6, 9, 14, and 16)	2,194,906	0	12,292	2,207,198
Total Noncurrent Liabilities	<u>2,198,075</u>	<u>7</u>	<u>12,759</u>	<u>2,210,841</u>
Total Liabilities	<u>2,294,275</u>	<u>28</u>	<u>103,459</u>	<u>2,397,762</u>
DEFERRED INFLOWS OF RESOURCES:				
Accumulated increase in fair value of hedging derivatives (note 7)	19,631	0	0	19,631
Deferred loan origination points	12	0	0	12
Deferred pension credit (note 8)	212	2	41	255
Total Deferred Inflows of Resources	<u>19,855</u>	<u>2</u>	<u>41</u>	<u>19,898</u>
NET POSITION:				
Net investment in capital assets	22	0	3,680	3,702
Restricted for bond resolutions	318,416	8,740	0	327,156
Unrestricted	0	0	40,896	40,896
Total Net Position	<u>\$318,438</u>	<u>\$8,740</u>	<u>\$44,576</u>	<u>\$371,754</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, 2024
(IN THOUSANDS OF DOLLARS)

	Mortgage Purchase Fund	Bondholder Reserve Fund	General Administrative Fund	Total
OPERATING REVENUES:				
Interest from mortgages and notes	\$77,949	\$36	\$350	\$78,335
Income from investments	28,005	412	416	28,833
Net decrease in the fair value of investments	(2,507)	0	0	(2,507)
Fee income	2,288	0	1,555	3,843
Other revenue	400	0	146	546
Gain on bond redemption (note 14)	76	0	0	76
	<u>106,211</u>	<u>448</u>	<u>2,467</u>	<u>109,126</u>
OPERATING EXPENSES:				
Operating expenses	13,275	78	2,526	15,879
Other program administrative expenses	6,978	0	11	6,989
Mortgage servicing fees	2,027	0	11	2,038
Interest expense	66,425	0	0	66,425
Excess arbitrage (note 12)	1,289	0	0	1,289
	<u>89,994</u>	<u>78</u>	<u>2,548</u>	<u>92,620</u>
Operating Income (Loss)	16,217	370	(81)	16,506
Transfers between funds, net (note 13)	<u>0</u>	<u>0</u>	<u>2,346</u>	<u>2,346</u>
Change in Net Position	16,217	370	2,265	18,852
Net Position at beginning of year	<u>302,221</u>	<u>8,370</u>	<u>42,311</u>	<u>352,902</u>
Net Position at end of year	<u>\$318,438</u>	<u>\$8,740</u>	<u>\$44,576</u>	<u>\$371,754</u>

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024
(IN THOUSANDS OF DOLLARS)

	Mortgage Purchase Fund	Bondholder Reserve Fund	General Administrative Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Interest receipts from borrowers	\$76,818	\$36	\$360	\$77,214
Principal receipts on mortgages and notes - scheduled	111,831	0	158	111,989
Principal receipts on mortgages and notes - prepayments	46,260	0	95	46,355
Payments for operating expenses	(11,476)	(14)	(749)	(12,239)
Payments for personnel expenses	(10,804)	(64)	(1,777)	(12,645)
Investment in mortgages and other notes	(427,628)	(2,134)	(110)	(429,872)
Other	3,134	(4)	15,568	18,698
Net cash provided by (used for) operating activities	<u>(211,865)</u>	<u>(2,180)</u>	<u>13,545</u>	<u>(200,500)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	0	0	(258)	(258)
Proceeds from the disposal of capital assets	0	0	15	15
Principal paid on capital debt	0	0	(655)	(655)
Interest paid on capital debt	0	0	(433)	(433)
Payment on subscription liabilities	0	0	(203)	(203)
Net cash used for capital and related financing activities	<u>0</u>	<u>0</u>	<u>(1,534)</u>	<u>(1,534)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Proceeds from sale of bonds	486,880	0	0	486,880
Principal payments on bonds	(112,930)	0	0	(112,930)
Interest payments on bonds	(64,445)	0	0	(64,445)
Payments from other funds	2,050	4	22,868	24,922
Net cash provided by non-capital financing activities	<u>311,555</u>	<u>4</u>	<u>22,868</u>	<u>334,427</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from disposition of foreclosed real estate	1,072	0	24	1,096
Purchase of investments	(1,647,959)	0	(12,912)	(1,660,871)
Sales and maturity of investments	1,515,900	1,752	0	1,517,652
Interest received on investments	18,630	421	418	19,469
Net cash provided by (used for) investing activities	<u>(112,357)</u>	<u>2,173</u>	<u>(12,470)</u>	<u>(122,654)</u>
Net (decrease) increase in cash	(12,667)	(3)	22,409	9,739
Cash at beginning of year	35,153	3	59,906	95,062
Cash at end of year	<u>\$22,486</u>	<u>\$0</u>	<u>\$82,315</u>	<u>\$104,801</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating income (loss)	\$16,217	\$370	(\$81)	\$16,506
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization	501	0	1,172	1,673
Loss on disposal of capital assets	0	0	85	85
Interest on bonds and notes	65,924	0	433	66,357
Gain on bond redemption	(76)	0	0	(76)
Pension expense	268	2	53	323
Interest income on investments	(28,005)	(412)	(416)	(28,833)
Net decrease in fair value of investments	2,507	0	0	2,507
Changes in operating assets and liabilities:				
Other assets	570	0	(66)	504
Pension contributions	(456)	0	(93)	(549)
Mortgage note interest receivable	(1,131)	0	10	(1,121)
Accounts payable and accrued liabilities	1,353	(6)	12,305	13,652
Investment in mortgage and other notes	(427,628)	(2,134)	(110)	(429,872)
Mortgage & other note principal repayments	158,091	0	253	158,344
Net cash provided by (used for) operating activities	<u>(\$211,865)</u>	<u>(\$2,180)</u>	<u>\$13,545</u>	<u>(\$200,500)</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION:				
Transfer from mortgage notes receivable to other assets and other real estate owned	\$1,033	\$0	\$24	\$1,057

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024
(IN THOUSANDS OF DOLLARS)

	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Maine Energy, Housing & Economic Recovery Fund	Other Federal and State Programs	Total
ASSETS:						
Current Assets:						
Cash, principally time deposits (note 3)	\$1	\$4,773	\$4,011	\$0	\$807	\$9,592
Investments (notes 3, 9, and 11)	21,298	0	0	18,855	43,454	83,607
Accounts receivable - government	2,062	89	1,871	0	5,783	9,805
Mortgage notes receivable, net (note 4)	3	0	0	0	0	3
Other assets	92	226	61	74	92	545
Interfund (note 13)	7,329	0	0	0	54,417	61,746
Total Current Assets	30,785	5,088	5,943	18,929	104,553	165,298
Noncurrent Assets:						
Mortgage notes receivable, net (note 4)	59,992	0	0	40,554	0	100,546
Total Noncurrent Assets	59,992	0	0	40,554	0	100,546
Total Assets	\$90,777	\$5,088	\$5,943	\$59,483	\$104,553	\$265,844
LIABILITIES:						
Current Liabilities:						
Accrued interest payable	\$0	\$0	\$0	\$56	\$0	\$56
Accounts payable - government	0	374	0	0	0	374
Accounts payable and accrued liabilities	2,576	247	897	0	9,709	13,429
Unearned income	0	0	3,830	0	92,009	95,839
Interfund (note 13)	0	373	1,078	675	2	2,128
Bonds payable (notes 6 and 9)	0	0	0	3,055	0	3,055
Total Current Liabilities	2,576	994	5,805	3,786	101,720	114,881
Noncurrent Liabilities:						
Bonds payable (notes 6 and 9)	0	0	0	44,645	0	44,645
Total Non Current Liabilities	0	0	0	44,645	0	44,645
Total Liabilities	2,576	994	5,805	48,431	101,720	159,526
DEFERRED INFLOWS OF RESOURCES:						
Deferred federal program income	0	117	0	0	0	117
FUND BALANCES:						
Restricted by program requirements	88,201	3,977	138	0	2,833	95,149
Nonspendable	0	0	0	11,052	0	11,052
Total Fund Balances	88,201	3,977	138	11,052	2,833	106,201
Total Liabilities and Fund Balances	\$90,777	\$5,088	\$5,943	\$59,483	\$104,553	\$265,844

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

Total fund balances in governmental funds	\$106,201
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.	308
Pension liabilities reported in governmental activities are not due and payable in the current period and therefore are not reported in the governmental funds.	(762)
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.	(132)
Interfund balances related to the allocation of pension liabilities and deferrals of resources reported in governmental activities are not due and payable in the current period and therefore not reported in the governmental funds.	(1,540)
Net Position of governmental activities	\$104,075

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, 2024
(IN THOUSANDS OF DOLLARS)

	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Maine Energy, Housing & Economic Recovery Fund	Other Federal and State Programs	Total
REVENUES:						
Interest from mortgages and notes	\$267	\$0	\$0	\$43	\$0	\$310
Income from investments	1,423	15	13	1,100	1,268	3,819
Fee income	0	7,497	1,383	0	4,334	13,214
Other revenue	81	2	0	0	0	83
Grant income	27,218	0	32,494	4,316	88,028	152,056
Federal rent subsidy income	0	131,328	0	0	0	131,328
Total Revenues	28,989	138,842	33,890	5,459	93,630	300,810
EXPENDITURES:						
Operating expenditures	0	4,472	976	0	2,558	8,006
Other program administrative expenditures	0	154	32	5	1,757	1,948
Provision for losses on loans (note 4)	8	0	0	0	0	8
Grant expenditures	25,380	282	32,165	6,441	86,061	150,329
Federal rent subsidy	0	131,220	0	0	0	131,220
Interest	0	0	0	993	0	993
Total Expenditures	25,388	136,128	33,173	7,439	90,376	292,504
Revenues in Excess of (Less Than) Expenditures	3,601	2,714	717	(1,980)	3,254	8,306
Transfers between funds, net (note 13)	273	(1,888)	(703)	2,186	(2,214)	(2,346)
Change in Fund Balances	3,874	826	14	206	1,040	5,960
Fund Balances at beginning of year	84,327	3,151	124	10,846	1,793	100,241
Fund Balances at end of year	<u>\$88,201</u>	<u>\$3,977</u>	<u>\$138</u>	<u>\$11,052</u>	<u>\$2,833</u>	<u>\$106,201</u>

**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	\$5,960
Amounts reported for governmental activities in the Statement of Activities are different because:	
Expenses reported in the Statement of Activities include a pension expense, which does not effect the use of current financial resources and therefore is not reported as an expenditure in the governmental funds.	<u>(166)</u>
Change in Net Position of governmental activities	<u>\$5,794</u>

See accompanying notes to the financial statements

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2023**

(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, 2024**

Fund Structure

PROPRIETARY FUNDS

Financial activities operated similarly to private business enterprises and financed through fees and charges assessed primarily to users of loans and other lender services are presented as proprietary funds. MaineHousing's proprietary funds are as follows, all of which are considered major funds:

Mortgage Purchase Fund

This fund consists of accounts established by the General Mortgage Purchase Bond Resolution. Pursuant to the Mortgage Purchase Program, MaineHousing is authorized to purchase or originate first lien mortgages on single-family and multi-family residential properties. Proceeds from the sale of mortgage revenue bonds, the debt service requirements of the bond indebtedness, and mortgage loans made from bond proceeds are recorded in this fund.

Bondholder Reserve Fund

This fund consists of accounts established by the General Authority Bondholder Reserve Fund Resolution and is pledged to replenish any deficiency in the debt service reserve fund of the General Mortgage Purchase Bond Resolution.

General Administrative Fund

This fund consists of account balances that are not directly pledged to or restricted by a particular bond resolution or program and generates fee and interest income. Revenues not specifically pledged for the repayment of bonds or notes are recorded in this fund.

GOVERNMENTAL FUNDS

Activities financed by grant and program agreements with the federal government and appropriations and allocations from the State of Maine Legislature are presented as governmental funds. None of the governmental funds are legally required to adopt a formal budget. MaineHousing's governmental funds are as follows, all of which are considered major funds:

Home Fund

The Maine State Legislature authorized the creation of the Housing Opportunities for Maine (HOME) Program to promote and create affordable housing. The program is funded by a portion of the Real Estate Transfer Tax levied by the State of Maine and by appropriations. These funds may be used in conjunction with MaineHousing's other housing resources. Activities associated with the Shelter Operating Subsidy Program, which is funded by the State of Maine and provides funding for emergency shelters that serve Maine's homeless citizens, are also recorded in this fund.

Section 8 Housing Programs

This fund group consists of activity related to MaineHousing's administration of various Department of Housing and Urban Development (HUD) Section 8 programs. These are federal programs that provide rental subsidies to landlords to preserve low-income rental units and funding to tenants to assist with rent payments. The program funding levels are established by the federal government annually. MaineHousing receives annual fees from HUD for the administration of these programs. These programs consist of the following:

- Moderate Rehabilitation
- Section 811 Project Rental Assistance
- Housing Choice Voucher
- Performance Based Contract Administration
- Family Self-Sufficiency
- Mainstream Vouchers
- Section 8 Emergency Housing Voucher – *American Rescue Plan Act*

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

Low Income Home Energy Assistance Program

MaineHousing is the designated administrator of the Low Income Home Energy Assistance Program for the State of Maine. This program is federally funded through the Department of Health and Human Services. Under this program, funds are provided to low income homeowners and renters to assist with the payment of heating costs. The funding level is established annually by the federal government and MaineHousing receives annual fees for the administration of the program.

Maine Energy, Housing and Economic Recovery Fund

The purpose of the Maine Energy, Housing and Economic Recovery Fund (MEHER) is to create capital funding sources to provide affordable housing and to improve energy efficiency of residential housing in the State of Maine. The fund consists of accounts established by the MEHER General Indenture. The revenue anticipation bonds issued under the MEHER General Indenture are liabilities of the fund and the debt service for these bonds is paid by a source of revenue from the State of Maine.

Other Federal and State Programs

MaineHousing administers various other federal and state housing and energy related programs and grants. This fund group records the activity and reflects the consolidation of these programs and grants. Program administration is governed by the appropriate federal regulations or state laws. The annual program and grant funding levels are set by the appropriate federal or state government. MaineHousing receives annual fees for the program administration for most of the federal programs and grants. Federal and state programs consist of the following:

U.S. Department of Housing and Urban Development

- Emergency Solutions Grants
- HOME Investment Partnerships Program
- HOME Investment Partnerships Program – *American Rescue Plan Act*
- National Housing Trust Fund
- Lead-Based Paint Hazard Control Program
- Homeless Management Information System
- Continuum of Care - Planning Grant
- Community Development Block Grant - *Coronavirus Aid, Relief, and Economic Security Act* (via State of Maine)
- Older Adult Home Modification Program
- Recovery Housing Program

U.S. Department of Energy

- Weatherization Assistance Program
- Weatherization Assistance Program - Training Centers and Programs
- Weatherization Assistance Program – *Bipartisan Infrastructure Law*
- Sustainable Energy Resources for Consumers Grant

U.S. Department of Health and Human Services

- Weatherization / Central Heating Improvement Program
- Temporary Assistance for Needy Families (via State of Maine)

U.S. Department of Treasury

- Housing Navigators Program – *American Rescue Plan Act* (via State of Maine)
- Emergency Rental Assistance Program – *American Rescue Plan Act* (via State of Maine)
- Homeowner Assistance Fund – *American Rescue Plan Act* (via State of Maine)
- Expand Affordable Housing Program – *American Rescue Plan Act* (via State of Maine)

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

State of Maine

Well Water Treatment Program
Lead Abatement Program
State General Obligation Bonds
Emergency Housing Relief Fund
Emergency Housing Facility Construction, Renovation and Acquisition Program
Eviction Prevention Program
Low-Barrier Homeless Shelter Program
Rural Recovery Residence Fund
Improve Access to Credit for Low-Income Individuals
Manufactured and Mobile Home Park Preservation and Assistance Program
Rural Affordable Rental Housing Program
Low Income Home Energy Assistance
Housing Subsidy Program for Homeless Students

Private

Low Income Assistance Plan

Net Position

In the agency-wide and proprietary fund financial statements, net position is displayed in three components as follows:

Net investment in capital assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any notes, liabilities or other borrowings for the acquisition, construction, or improvement of those assets.

Restricted – This consists of activities that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. For business-type activities, the net position is restricted by bond resolutions for the acquisition of loans, payment of debt service and payment of operating costs. For governmental activities, the net position is restricted by state statutes or federal regulations and program agreements for specific program purposes.

Unrestricted – This consists of activities that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balances

In the governmental funds financial statements, fund balances are reported as either restricted for housing and energy related programs or nonspendable in current form due to the long term nature of certain assets. If unrestricted fund balances are available, they are generally used after assigned or restricted amounts.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and held by banks in demand deposits and savings accounts.

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

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 collectibility within a reasonable period of time becomes doubtful. Program income received for revolving loan programs are recorded as unearned income. MaineHousing reclassifies its liability for amounts due under revolving loan programs relating to forgivable loans and loans with no payments due until sale of the collateral or maturity of the loan (usually 30 years from origination) to reduce the associated loan balances. MaineHousing believes this presentation better reflects the underlying economics of the loan.

Allowances For Losses On Loans

MaineHousing has established allowances for losses on mortgages and other notes receivable. The allowances are established through provisions for losses on loans charged to expenses. Losses are charged against the allowances when MaineHousing believes that collection of the loan principal is unlikely.

The allowances are amounts that MaineHousing believes will be adequate to absorb losses based on evaluations of collectibility and prior loss experience. The evaluation takes into consideration such factors as the nature and volume of the portfolio, extent of available mortgage insurance, collateral, delinquencies and current economic conditions that may affect the borrowers' ability to pay.

Capital Assets

Capital assets consisting of building, land, and equipment are stated at cost less accumulated depreciation and are reported in the agency-wide and proprietary funds financial statements. MaineHousing capitalizes assets with an initial cost of one thousand dollars or more. Depreciation is computed using the straight line method over the estimated useful lives of the assets, which range from three to forty years. Land and assets that are being developed are not depreciated. Intangible assets from subscription-based information technology arrangements are recorded as capital assets and amortized using the straight line method over the subscription term.

Other Real Estate Owned

Other real estate owned consists of single-family and multi-family residential properties acquired through foreclosure, or acceptance of a deed in lieu of foreclosure and are carried at the lower of cost or fair value less estimated costs to sell. Other real estate owned net of reserve is recorded in other assets. 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.

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

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.

MaineHousing may receive points in connection with the origination of certain mortgage loans, which are essentially yield adjustments on the loans. Points received for single-family loans are reflected as a deferred inflow of resources and amortized as a component of interest income using the effective interest method over the life of the mortgages. When a loan is paid off prior to maturity, all unamortized deferred points are recognized immediately as interest income. MaineHousing may charge a fee at the time that a commitment is made to originate a mortgage on a multi-family loan. These fees are recognized as income in the year the commitment is made.

Revenues, Expenses and Expenditures

Program revenues in the agency-wide Statement of Activities are reported in three categories including (1) charges for services, (2) investment income and (3) grants and contributions. Charges for services include all revenues from mortgage loans and program administration fees. Investment income consists of earnings from non-mortgage investment assets. Grants and contributions include revenues from other governments and organizations that are restricted for use in a particular program. All revenues are recorded as income when earned and the associated expenses are recorded as incurred.

The proprietary funds' primary sources of operating revenues are income from mortgage loans and other permitted investments. Operating expenses in the proprietary funds consist of costs incurred for originating and servicing loans, interest on bonds and notes, and program administration.

Revenues in the governmental funds are derived from grant and program agreements with the federal government, appropriations from the Maine State Legislature, and other organizations. MaineHousing also receives fee income for program administration. Expenditures in the governmental funds are all current operating expenditures and consist primarily of program disbursements and administration charges.

Derivatives and Hedging Instruments

MaineHousing enters into interest rate swap agreements in order to manage risks associated with interest on its variable rate bond portfolio. MaineHousing recognizes the fair value of swap agreements as either an asset or liability on its Statement of Net Position with the offsetting gains or losses as either deferred inflows or outflows of resources, if deemed an effective hedge. If swap agreements are not effective hedges, interest expense is increased or decreased by the change in the fair value. MaineHousing measures the effectiveness of its interest rate swap agreements in total whereby all the swaps are used to hedge interest expense on a portion of the total variable rate bonds equal to the notional amount of the swaps. Hedge effectiveness is determined by using the regression analysis 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, 2024.

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

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.

Defined Benefit Pension Plan

MaineHousing is a participating local district (PLD) member of the Maine Public Employees Retirement System (MainePERS) PLD Consolidated Retirement Plan and employees may participate in a defined benefit plan offered by MainePERS. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of MainePERS' PLD Consolidated Plan have been determined on the same basis as they are reported by MainePERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments at MainePERS are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the statements and the reported amounts of revenues, expenses and expenditures during the reporting year. Material estimates that are particularly susceptible to significant change in the near-term relate to the determination of the allowance for losses on loans, the fair value of interest rate swaps and the net pension liability for MaineHousing's participation in the MainePERS PLD Consolidated Retirement Plan. Actual results could differ from estimates.

New Accounting Standards

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

- GASB Statement No. 102, *Certain Risk Disclosures* is effective for the year ending December 31, 2025. The objective of GASB Statement No. 102 is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.
- GASB Statement No. 103, *Financial Reporting Model Improvements* and GASB Statement No. 104, *Disclosure of Certain Capital Assets* are effective for the year ending December 31, 2026. GASB Statement No. 103 improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. GASB Statement No. 104 provides users of government financial statements with essential information about certain types of capital assets.

MaineHousing has not adopted these standards and is evaluating the impact they may have on its financial statements.

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

(3.) CASH AND INVESTMENTS

At December 31, 2024, the carrying amount of MaineHousing's bank deposits was \$114,393 and the bank balance was \$114,820. The difference between the carrying amount and the bank balance is a result of transactions in transit. Of the bank balance, \$250 was covered by federal depository insurance and \$114,570 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.

MaineHousing's investment balances and stated maturities as of December 31, 2024 are presented in the following table. Actual maturities may differ due to investments being called by the issuer.

Investment Type	Investment Maturities in Years					Moody's Credit Rating
	Carrying Amount	Less than 1	1-5	6-10	More than 10	
PROPRIETARY FUNDS						
MORTGAGE PURCHASE FUND						
Repurchase Agreements	\$159,179	\$159,179	\$0	\$0	\$0	NR
Money Market Funds	\$427	427	0	0	0	NR
Federal Farm Credit Bank (FFCB)	67,844	0	4,602	41,902	21,340	P-1/Aaa
Federal National Mortgage Association (FNMA)	102,609	102,609	0	0	0	P-1/Aaa
Federal Home Loan Bank (FHLB)	244,474	149,837	8,635	56,820	29,182	P-1/Aaa
U.S. Treasury Securities	71,508	64,516	3,008	3,984	0	P-1/Aaa
Total - Mortgage Purchase Fund	646,041	476,568	16,245	102,706	50,522	
BONDHOLDER RESERVE FUND						
Repurchase Agreements	6,620	6,620	0	0	0	NR
GENERAL ADMINISTRATIVE FUND						
Repurchase Agreements	6,041	6,041	0	0	0	NR
Money Market Funds	25,688	25,688	0	0	0	NR
Certificates of Deposit	2,694	2,694	0	0	0	NR
Total - General Administrative Fund	34,423	34,423	0	0	0	
Total - Proprietary Funds	\$687,084	\$517,611	\$16,245	\$102,706	\$50,522	
GOVERNMENTAL FUNDS						
HOME FUND						
Repurchase Agreements	\$21,298	\$21,298	\$0	\$0	\$0	NR
MAINE ENERGY, HOUSING & ECONOMIC RECOVERY FUND						
Repurchase Agreements	18,855	18,855	0	0	0	NR
OTHER FEDERAL AND STATE PROGRAMS						
Repurchase Agreements	43,454	43,454	0	0	0	NR
Total - Governmental Funds	\$83,607	\$83,607	\$0	\$0	\$0	

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

MaineHousing generally invests in repurchase agreements and money market funds for short-term investments, which are not credit rated and are continuously and fully secured by permitted investments. It is MaineHousing's policy to require that collateral be held by MaineHousing's trustee in MaineHousing's name, wherever practicable.

A market approach is used to determine fair value using Level 2 inputs for investments carried at fair value. Prices and other relevant information are generated by market transactions involving identical or comparable investments.

At December 31, 2024, \$598,524 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 4.63%. 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), Federal National Mortgage Association (FNMA), and Federal Home Loan Bank (FHLB) make up 11%, 16%, and 38% of total investments, respectively, in the Mortgage Purchase Fund.

At December 31, 2024, \$2,694 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 4.00% and will mature in June 2025. The certificate is not credit rated and is being held by its bank trustee in MaineHousing's name.

MaineHousing originates loans that provide capital funding for the creation of affordable rental housing. Undisbursed loan proceeds for certain programs are held as investments in the General Administrative Fund with a corresponding escrow amount recorded in accounts payable and accrued liabilities. Escrow investments totaled \$25,688 at December 31, 2024.

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

(4.) MORTGAGE NOTES RECEIVABLE

For financial statement presentation, the allowance for losses on loans has been netted against the noncurrent portion of mortgage notes receivable. A summary of mortgage notes receivable at December 31, 2024 is as follows:

	<u>Number of Notes</u>	<u>Principal Balance</u>	<u>Percent of Portfolio</u>
PROPRIETARY FUNDS			
MORTGAGE PURCHASE FUND - SINGLE-FAMILY:			
VA guaranteed	502	\$75,150	6.3%
FHA insured	1,798	246,825	20.9%
USDA/RD guaranteed	5,079	584,088	49.4%
Privately insured	251	58,917	5.0%
Non-insured	2,560	218,039	18.4%
Total Mortgage Purchase Fund - single-family	<u>10,190</u>	<u>1,183,019</u>	<u>100.0%</u>
MORTGAGE PURCHASE FUND - MULTI-FAMILY:			
Section 8	188	176,479	23.4%
Conventional	354	546,072	72.3%
Supportive Housing	154	32,394	4.3%
Total Mortgage Purchase Fund - multi-family	<u>696</u>	<u>754,945</u>	<u>100.0%</u>
Less: Allowance for losses on loans		<u>(7,124)</u>	
Total Mortgage Purchase Fund	<u>10,886</u>	<u>1,930,840</u>	
BONDHOLDER RESERVE FUND - MULTI-FAMILY:			
Conventional	<u>1</u>	<u>2,134</u>	<u>100.0%</u>
GENERAL ADMINISTRATIVE FUND - SINGLE-FAMILY:			
Non-insured	50	1,146	<u>100.0%</u>
GENERAL ADMINISTRATIVE FUND - MULTI-FAMILY:			
Section 8	1	553	9.5%
Conventional	6	5,255	90.5%
Total General Administrative Fund - multi-family	<u>7</u>	<u>5,808</u>	<u>100.0%</u>
Less: Allowance for losses on loans		<u>(94)</u>	
Total General Administrative Fund	<u>57</u>	<u>6,860</u>	
Total Proprietary Funds	<u>10,944</u>	<u>\$1,939,834</u>	
GOVERNMENTAL FUNDS			
HOME FUND - SINGLE-FAMILY:			
Non-insured	237	\$2,712	<u>100.0%</u>
HOME FUND - MULTI-FAMILY:			
Non-insured	<u>135</u>	<u>58,056</u>	<u>100.0%</u>
Total HOME Fund		60,768	
Less: Allowance for losses on loans		<u>(773)</u>	
Total HOME Fund	<u>372</u>	<u>59,995</u>	
MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY FUND - MULTI-FAMILY			
Non-insured	<u>32</u>	<u>40,554</u>	<u>100.0%</u>
Total Governmental Funds	<u>404</u>	<u>\$100,549</u>	

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

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

	PROPRIETARY FUNDS	GOVERNMENTAL FUNDS	
	Mortgage Purchase Fund Group	General Administrative Fund	HOME Fund
Balance – December 31, 2023	\$7,111	\$102	\$780
Provision	0	0	8
Loans charged off	(22)	(8)	(15)
Recoveries	35	0	0
Balance – December 31, 2024	\$7,124	\$94	\$773

(5.) SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

MaineHousing uses subscription-based information technology arrangements (SBITA) for certain information technology cloud software. One arrangement provides software for its multi-family housing programs and one arrangement is for grant management.

The term for the multi-family SBITA is for an initial three year period at an annual fee of \$167, which increases by 3% per annum. Renewal options are available for two additional years at the same terms and conditions. It is reasonably certain that these options will be exercised and they have been included in the determination of the right-to-use asset and subscription liability. This SBITA arrangement also included an implementation fee and other costs of \$186.

The term for the grant management SBITA is for an initial three year period at an annual fee of \$46 and implementation fees of \$34. Renewal options are available for two additional years at the same terms and conditions. It is reasonably certain that these options will be exercised and they have been included in the determination of the right-to-use asset and subscription liability.

At December 31, 2024, MaineHousing has a combined net right-to-use SBITA asset, an intangible asset, of \$670 and a \$441 subscription liability, the current portion of which is included in accounts payable and accrued liabilities. At December 31, 2024, \$310 of amortization expense and \$15 of interest expense on the subscription liability was recorded. The following table provides a summary of principal and interest requirements for the subscription liability through December 31, 2026:

Year	Principal	Interest	Total
2025	\$215	\$13	\$228
2026	226	7	233
Total	<u>\$441</u>	<u>\$20</u>	<u>\$461</u>

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

(6.) BONDS AND NOTES PAYABLE

MaineHousing issues bonds that pay interest that is subject to Alternative Minimum Tax (AMT), bonds that pay interest that is not subject to this tax (Non-AMT) and federally taxable bonds. Interest paid on AMT bonds is treated as a preference item in calculating the tax imposed on individuals and corporations under the Internal Revenue Service Code. MaineHousing's AMT, Non-AMT and federally taxable bonds are denoted for each series or sub-series in the following table.

The interest rates presented in the following table for variable rate bonds represent the rate at December 31, 2024. The Single-Family (S/F) and Multi-Family (M/F) Mortgage Bonds Payable outstanding at December 31, 2024 are as follows:

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
PROPRIETARY FUNDS							
MORTGAGE PURCHASE FUND							
2013 SERIES B BONDS (S/F)							
2013 Series B (Non-AMT)							
Serial Bonds	\$7,540	\$0	2.75%				
Term Bonds	3,890	2,000	3.00%	2026-2027	985	-	1,015
Term Bonds	38,690	16,275	3.45%	2031-2032	7,995	-	8,280
Term Bonds	28,880	27,600	3.60%	2033-2036	2,230	-	9,205
Term Bonds	27,000	0	4.00%				
	106,000	45,875					
2015 SERIES A BONDS (M/F)							
2015 Series A-2 (Non-AMT)							
Term Bonds	6,555	1,125	3.25%	2028-2029	525	-	600
2015 Series A-3 (Non-AMT)							
Serial Bonds	8,050	0	1.20%				
Term Bonds	11,220	9,135	3.50%	2031-2034	2,160	-	2,410
Term Bonds	13,505	11,000	3.63%	2036-2039	2,590	-	2,905
Term Bonds	16,225	16,225	3.75%	2040-2044	2,995	-	3,500
	55,555	37,485					
2015 SERIES B BONDS (S/F)							
2015 Series B (Non-AMT)							
Serial Bonds	9,750	1,175	2.60%	2025		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	9,890	0	3.50%				
	32,000	9,435					
2015 SERIES C BONDS (M/F)							
2015 Series C (Federally Taxable)							
Serial Bonds	9,480	0	2.74% - 3.04%				
Term Bonds	18,000	0	3.59%				
Term Bonds	12,520	7,800	3.95%	2038-2040	2,500	-	2,700
	40,000	7,800					
2015 SERIES E BONDS (S/F)							
2015 Series E-3 (AMT)							
Term Bonds	30,000	30,000	Variable - 3.71%	2035-2038	5,455	-	8,975
	30,000	30,000					
2015 SERIES F BONDS (M/F)							
2015 Series F-2 (Non-AMT)							
Serial Bonds	2,450	1,000	2.65% - 2.85%	2025-2026		500	
2015 Series F-3 (Non-AMT)							
Serial Bonds	15,005	0	1.10%				
Term Bonds	6,340	5,155	3.40%	2028-2030	1,650	-	1,785
Term Bonds	9,565	0	3.85%				
Term Bonds	11,840	0	3.95%				
	45,200	6,155					
2015 SERIES G BONDS (S/F)							
2015 Series G (Non-AMT)							
Serial Bonds	8,185	5,530	2.70% - 3.00%	2025-2027	1,700	-	2,095
Term Bonds	1,730	1,730	3.35%	2028-2030	535	-	615
Term Bonds	2,125	0	3.65%				
Term Bonds	12,060	7,420	3.85%	2038-2040	2,410	-	2,535
Term Bonds	5,900	0	3.50%				
	30,000	14,680					

Maine State Housing Authority
Notes to Financial Statements
December 31, 2024

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2016 SERIES A BONDS (S/F)							
2016 Series A (Non-AMT)							
Serial Bonds	6,065	1,680	2.30% - 2.45%	2025-2026	825	-	855
Term Bonds	6,520	6,520	2.90%	2027-2030	1,545	-	1,720
Term Bonds	4,630	4,630	3.30%	2031-2035	865	-	990
Term Bonds	10,900	10,900	3.55%	2036-2040	1,960	-	2,355
Term Bonds	6,885	0	4.00%				
	35,000	23,730					
2016 SERIES B BONDS (S/F)							
2016 Series B-1 (Non-AMT)							
Serial Bonds	19,260	6,955	2.20% - 2.55%	2025-2027	2,220	-	2,410
Term Bonds	3,885	1,205	2.70%	2028		1,205	
Term Bonds	18,855	0	3.50%				
2016 Series B-2 (AMT)							
Term Bonds	28,000	28,000	Variable - 3.71%	2029-2037	2,720	-	3,420
	70,000	36,160					
2016 SERIES C BONDS (S/F)							
2016 Series C (Non-AMT)							
Serial Bonds	13,620	5,385	2.00% - 2.50%	2025-2028	1,080	-	2,045
Term Bonds	5,670	5,670	2.75%	2029-2031	1,185	-	2,285
Term Bonds	8,975	8,975	3.00%	2032-2036	1,305	-	2,510
Term Bonds	3,355	3,355	3.15%	2037-2041	625	-	720
Term Bonds	8,380	0	3.50%				
	40,000	23,385					
2016 SERIES D BONDS (M/F)							
2016 Series D (Federally Taxable)							
Serial Bonds	32,000	24,100	2.54% - 2.99%	2025-2029	3,915	-	8,185
Term Bonds	8,000	8,000	3.29%	2030-2031		4,000	
	40,000	32,100					
2016 SERIES E BONDS (S/F)							
2016 Series E (Non-AMT)							
Serial Bonds	6,250	2,310	2.90% - 3.15%	2025-2027	745	-	800
Term Bonds	3,050	0	3.63%				
Term Bonds	10,385	0	3.90%				
Term Bonds	8,315	695	4.00%	2037-2046	65	-	75
	28,000	3,005					
2017 SERIES A BONDS (S/F)							
2017 Series A (Non-AMT)							
Serial Bonds	5,920	2,890	2.80% - 3.15%	2025-2028	685	-	765
Term Bonds	3,360	0	3.65%				
Term Bonds	6,315	0	4.00%				
Term Bonds	7,625	0	4.05%				
Term Bonds	6,780	270	4.00%	2043-2047	45	-	80
	30,000	3,160					
2017 SERIES B BONDS (S/F)							
2017 Series B (Non-AMT)							
Serial Bonds	8,680	5,235	2.25% - 3.00%	2025-2030	765	-	1,010
Term Bonds	4,215	4,215	3.25%	2031-2032	2,090	-	2,125
Term Bonds	6,170	2,605	3.65%	2036-2037	1,280	-	1,325
Term Bonds	8,745	8,745	3.75%	2038-2044	1,115	-	1,355
Term Bonds	7,190	460	4.00%	2045-2047	150	-	155
	35,000	21,260					
2017 SERIES D BONDS (M/F)							
2017 Series D-1 (Non-AMT)							
Serial Bonds	13,175	5,000	2.30% - 2.95%	2025-2029		1,000	
Term Bonds	14,320	14,320	3.50%	2033-2037	2,250	-	3,980
Term Bonds	5,870	5,870	3.65%	2038-2042	1,090	-	1,265
Term Bonds	7,810	7,810	3.75%	2043-2047	1,445	-	1,680
	41,175	33,000					
2017 SERIES E BONDS (S/F)							
2017 Series E (Federally Taxable)							
Term Bonds	60,000	60,000	Variable - 4.35%	2042-2052	5,000	-	10,000
	60,000	60,000					

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2017 SERIES F BONDS (S/F)							
2017 Series F (Non-AMT)							
Serial Bonds	13,180	8,720	2.20% - 3.00%	2025-2030	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	1,445	3.50%	2043-2047	230	-	485
	40,000	25,140					
2017 SERIES G BONDS (S/F - M/F)							
2017 Series G-1 (Federally Taxable)							
Term Bonds	55,000	55,000	Variable - 4.40%	2045-2050	8,290	-	10,090
	55,000	55,000					
2017 SERIES H BONDS (S/F)							
2017 Series H (Non-AMT)							
Serial Bonds	18,380	16,135	2.45% - 3.05%	2025-2030	1,635	-	4,510
Term Bonds	5,420	5,420	3.25%	2031-2033	1,750	-	1,865
Term Bonds	10,625	5,495	3.55%	2036-2037	2,700	-	2,795
Term Bonds	1,485	1,485	3.70%	2038-2042	275	-	320
Term Bonds	2,590	2,590	3.75%	2043-2047	480	-	555
	38,500	31,125					
2018 SERIES A BONDS (S/F)							
2018 Series A (Non-AMT)							
Serial Bonds	13,510	7,055	2.75% - 3.25%	2025-2030	1,155	-	1,200
Term Bonds	3,680	2,465	3.50%	2032-2033	1,220	-	1,245
Term Bonds	8,630	5,240	3.75%	2036-2038	1,725	-	1,765
Term Bonds	9,180	9,180	3.90%	2039-2043	1,790	-	1,885
	35,000	23,940					
2018 SERIES B BONDS (S/F)							
2018 Series B (Non-AMT)							
Serial Bonds	10,565	4,855	2.75% - 3.10%	2025-2028	1,200	-	1,230
Term Bonds	6,005	2,445	3.50%	2032-2033	1,215	-	1,230
Term Bonds	11,270	6,850	3.75%	2036-2038	2,245	-	2,320
Term Bonds	12,160	12,160	3.85%	2039-2043	2,355	-	2,515
	40,000	26,310					
2018 SERIES C BONDS (S/F)							
2018 Series C (Non-AMT)							
Serial Bonds	14,200	6,655	2.60% - 3.25%	2025-2030	485	-	1,955
Term Bonds	4,080	0	3.55%				
Term Bonds	7,195	1,485	3.85%	2038		1,485	
Term Bonds	9,595	0	3.95%				
Term Bonds	9,930	2,165	4.00%	2044-2048	75	-	985
	45,000	10,305					
2018 SERIES D BONDS (S/F - M/F)							
2018 Series D-1 (Federally Taxable)							
Term Bonds	40,000	40,000	Variable - 4.90%	2043-2053	2,965	-	4,395
2018 Series D-2 (Federally Taxable)							
Term Bonds	3,150	0	0.00%				
	43,150	40,000					
2018 SERIES F BONDS (S/F)							
2018 Series F (Non-AMT)							
Serial Bonds	7,710	0	2.65%				
Term Bonds	3,745	0	3.85%				
Term Bonds	6,450	0	4.13%				
Term Bonds	6,225	0	4.20%				
Term Bonds	10,300	2,685	4.25%	2044-2048	110	-	1,210
	34,430	2,685					
2019 SERIES A BONDS (S/F)							
2019 Series A (Non-AMT)							
Serial Bonds	12,670	7,630	2.45% - 3.05%	2025-2030	760	-	3,330
Term Bonds	4,305	4,305	3.45%	2031-2034	1,005	-	1,150
Term Bonds	2,605	2,130	3.80%	2036-2039	495	-	570
Term Bonds	10,880	0	4.00%				
Term Bonds	9,005	2,500	4.00%	2046-2049	365	-	950
	39,465	16,565					
2019 SERIES B BONDS (S/F)							
2019 Series B (Non-AMT)							
Serial Bonds	18,075	10,930	2.05% - 2.80%	2025-2032	695	-	2,205
Term Bonds	1,470	1,470	2.95%	2033-2034	720	-	750
Term Bonds	10,615	10,615	3.15%	2035-2039	1,745	-	2,730
Term Bonds	9,840	9,840	3.35%	2040-2044	1,795	-	2,130
	40,000	32,855					

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2019 SERIES C BONDS (S/F)							
2019 Series C (Non-AMT)							
Serial Bonds	8,415	4,800	1.85% - 2.45%	2025-2031	100	-	1,055
Term Bonds	6,350	6,350	2.75%	2032-2034	2,040	-	2,195
Term Bonds	5,250	5,250	3.00%	2035-2039	100	-	2,275
Term Bonds	10,270	10,270	3.20%	2040-2045	1,315	-	1,920
Term Bonds	8,825	3,005	4.00%	2047-2050	545	-	845
	<u>39,110</u>	<u>29,675</u>					
2019 SERIES E BONDS (S/F)							
2019 Series E (Non-AMT)							
Serial Bonds	15,540	12,500	1.75% - 2.35%	2025-2031	735	-	3,430
Term Bonds	5,895	5,895	2.70%	2032-2034	1,935	-	1,995
Term Bonds	6,610	6,610	3.10%	2040-2044	1,230	-	1,415
Term Bonds	6,400	2,325	3.75%	2047-2049	210	-	1,080
	<u>34,445</u>	<u>27,330</u>					
2020 SERIES A BONDS (S/F)							
2020 Series A (Non-AMT)							
Serial Bonds	9,800	6,780	1.55% - 2.40%	2025-2032	750	-	955
Term Bonds	1,995	1,995	2.60%	2033-2034	980	-	1,015
Term Bonds	7,195	7,195	2.85%	2035-2039	1,050	-	1,750
Term Bonds	8,645	8,645	3.00%	2040-2044	1,620	-	1,840
Term Bonds	6,715	2,725	3.75%	2047-2049	385	-	1,680
	<u>34,350</u>	<u>27,340</u>					
2020 SERIES B BONDS (M/F)							
2020 Series B (Non-AMT)							
Serial Bonds	12,000	0	1.10%				
Term Bonds	7,000	7,000	2.10%	2033-2035	2,140	-	2,530
Term Bonds	14,275	14,275	2.35%	2036-2040	2,690	-	3,015
Term Bonds	7,755	7,755	2.50%	2041-2045	1,470	-	1,640
Term Bonds	8,970	8,970	2.60%	2046-2050	1,695	-	1,900
	<u>50,000</u>	<u>38,000</u>					
2020 SERIES C BONDS (S/F)							
2020 Series C (Non-AMT)							
Serial Bonds	12,765	9,795	1.65% - 2.50%	2025-2032	950	-	1,675
Term Bonds	5,315	5,315	2.70%	2033-2035	1,715	-	1,830
Term Bonds	9,640	9,640	3.00%	2036-2040	1,770	-	2,055
Term Bonds	11,235	4,980	4.00%	2044-2050	175	-	995
	<u>38,955</u>	<u>29,730</u>					
2020 SERIES D BONDS (S/F)							
2020 Series D (Non-AMT)							
Serial Bonds	10,280	9,290	1.15% - 2.20%	2025-2032	1,015	-	1,310
Term Bonds	4,390	4,390	2.30%	2033-2035	1,090	-	2,170
Term Bonds	7,580	7,580	2.55%	2036-2040	1,270	-	2,215
Term Bonds	12,750	12,750	2.80%	2041-2045	1,465	-	4,120
	<u>35,000</u>	<u>34,010</u>					
2020 SERIES E BONDS (M/F)							
2020 Series E (Federally Taxable)							
Serial Bonds	40,000	40,000	2.02% - 2.74%	2026-2033	4,600	-	5,455
	<u>40,000</u>	<u>40,000</u>					
2020 SERIES F BONDS (S/F)							
2020 Series F (Non-AMT)							
Serial Bonds	10,465	8,295	0.85% - 1.75%	2025-2032	930	-	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>37,830</u>					
2020 SERIES G BONDS (S/F)							
2020 Series G (Non-AMT)							
Serial Bonds	25,180	24,145	0.65% - 2.20%	2025-2035	1,065	-	5,315
Term Bonds	10,465	10,465	2.38%	2036-2040	1,960	-	2,215
	<u>35,645</u>	<u>34,610</u>					
2020 SERIES H BONDS (S/F - M/F)							
2020 Series H (Federally Taxable)							
Serial Bonds	27,345	27,345	1.70% - 2.57%	2026-2032	3,800	-	4,055
Term Bonds	12,655	12,655	2.67%	2033-2035	4,130	-	4,310
	<u>40,000</u>	<u>40,000</u>					

Maine State Housing Authority
Notes to Financial Statements
December 31, 2024

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2021 SERIES A BONDS (M/F)							
2021 Series A (Non-AMT)							
Serial Bonds	21,000	12,000	0.50% - 0.60%	2025-2026	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>41,000</u>					
2021 SERIES B BONDS (S/F)							
2021 Series B (Non-AMT)							
Serial Bonds	10,150	7,700	0.55% - 1.85%	2025-2032	875	-	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>37,550</u>					
2021 SERIES C BONDS (S/F)							
2021 Series C (Non-AMT)							
Serial Bonds	10,755	8,635	0.60% - 1.80%	2025-2033	845	-	1,080
Term Bonds	5,730	5,730	1.90%	2034-2036	1,850	-	1,965
Term Bonds	10,865	10,865	2.15%	2037-2041	2,035	-	2,310
Term Bonds	12,650	12,650	2.30%	2042-2046	2,375	-	2,700
	<u>40,000</u>	<u>37,880</u>					
2021 SERIES D BONDS (S/F)							
2021 Series D (Non-AMT)							
Serial Bonds	11,675	9,825	0.70% - 2.10%	2025-2033	965	-	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	6,030	3.00%	2049-2051	1,185	-	3,395
	<u>39,330</u>	<u>35,055</u>					
2022 SERIES A BONDS (M/F)							
2022 Series A (Non-AMT)							
Serial Bonds	19,000	11,500	0.65% -0.85%	2025-2026	5,000	-	6,500
Term Bonds	10,180	10,180	2.40%	2037-2041	1,945	-	2,120
Term Bonds	19,570	19,570	2.60%	2042-2046	3,720	-	4,125
Term Bonds	1,250	1,250	2.65%	2047-2051	235	-	265
	<u>50,000</u>	<u>42,500</u>					
2022 SERIES B BONDS (M/F)							
2022 Series B (Federally Taxable)							
Serial Bonds	40,000	40,000	1.50% -2.58%	2025-2032	2,780	-	6,440
Term Bonds	10,000	10,000	2.98%	2033-2036	2,395	-	2,610
	<u>50,000</u>	<u>50,000</u>					
2022 SERIES C BONDS (MF)							
2022 Series C (AMT)							
Term Bonds	69,865	69,865	Variable - 3.76%	2041-2051	1,280	-	12,230
	<u>69,865</u>	<u>69,865</u>					
2022 SERIES D BONDS (S/F)							
2022 Series D (Non-AMT)							
Serial Bonds	14,000	12,555	2.35% - 3.80%	2025-2034	770	-	2,840
Term Bonds	5,520	5,520	3.88%	2035-2037	1,750	-	1,930
Term Bonds	16,975	16,975	4.00%	2038-2042	2,070	-	6,555
Term Bonds	2,450	2,450	4.13%	2043-2047	450	-	525
Term Bonds	10,300	8,150	5.00%	2049-2052	525	-	3,165
	<u>49,245</u>	<u>45,650</u>					
2022 SERIES E BONDS (S/F)							
2022 Series E (Non-AMT)							
Serial Bonds	11,935	10,625	2.35% - 3.88%	2025-2034	835	-	1,320
Term Bonds	4,400	4,400	4.00%	2035-2037	1,395	-	1,540
Term Bonds	11,925	11,925	4.15%	2038-2042	2,145	-	2,630
Term Bonds	15,325	15,325	4.25%	2043-2047	2,775	-	3,340
Term Bonds	10,595	8,820	5.00%	2050-2052	1,480	-	4,730
	<u>54,180</u>	<u>51,095</u>					

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2022 SERIES F BONDS (M/F)							
2022 Series F (Non-AMT)							
Serial Bonds	24,000	24,000	3.10% - 3.40%	2025-2027	8,000		
Term Bonds	16,000	16,000	4.85%	2038-2042	3,010	-	3,410
Term Bonds	20,000	20,000	4.95%	2043-2047	3,765	-	4,245
	60,000	60,000					
2022 SERIES G BONDS (S/F)							
2022 Series G-1 (Non-AMT)							
Serial Bonds	7,000	7,000	3.45% - 4.10%	2025-2029	1,000	-	3,000
Term Bonds	8,000	8,000	5.15%	2038-2042	1,425	-	1,785
Term Bonds	9,000	9,000	5.30%	2043-2047	1,605	-	2,005
Term Bonds	12,000	12,000	5.40%	2048-2052	2,160	-	2,590
2022 Series G-2 (Non-AMT)							
Term Bonds	24,000	24,000	4.21%	2033-2037	4,410	-	5,205
	60,000	60,000					
2023 SERIES A BONDS (S/F)							
2023 Series A (Non-AMT)							
Serial Bonds	7,670	7,260	2.75% - 3.75%	2025-2034	420	-	1,010
Term Bonds	5,135	5,135	4.15%	2035-2038	1,175	-	1,390
Term Bonds	5,085	5,085	4.40%	2039-2043	905	-	1,130
Term Bonds	12,350	12,350	4.60%	2044-2048	2,200	-	2,755
Term Bonds	9,760	9,760	4.70%	2049-2053	1,580	-	2,850
	40,000	39,590					
2023 SERIES B BONDS (S/F)							
2023 Series B-1 (Non-AMT)							
Serial Bonds	8,020	7,420	3.50% - 4.20%	2025-2033	710	-	960
Term Bonds	5,455	5,455	4.50%	2034-2038	995	-	1,190
Term Bonds	6,830	6,830	4.75%	2039-2043	1,240	-	1,495
Term Bonds	8,655	8,655	4.95%	2044-2048	1,570	-	1,900
Term Bonds	11,040	11,040	5.05%	2049-2053	1,995	-	2,435
2023 Series B-2 (Non-AMT)							
Serial Bonds	6,740	6,410	3.15% - 3.75%	2025-2033	620	-	815
Term Bonds	4,580	4,580	4.00%	2034-2038	845	-	990
Term Bonds	5,645	5,645	4.40%	2039-2043	1,030	-	1,230
Term Bonds	7,070	7,070	4.63%	2044-2048	1,285	-	1,545
Term Bonds	10,965	10,965	4.75%	2049-2054	1,620	-	2,050
	75,000	74,070					
2023 SERIES C BONDS (M/F)							
2023 Series C (Non-AMT)							
Serial Bonds	18,790	18,790	2.80% - 3.10%	2025-2028	1,120	-	10,145
Term Bonds	4,025	4,025	4.45%	2039-2043	740	-	875
Term Bonds	14,310	14,310	4.70%	2044-2048	2,610	-	3,125
Term Bonds	20,235	20,235	4.80%	2049-2053	3,680	-	4,430
	57,360	57,360					
2023 SERIES D BONDS (S/F)							
2023 Series D (Non-AMT)							
Serial Bonds	7,875	7,875	3.20% - 4.05%	2026-2035	605	-	1,005
Term Bonds	4,945	4,945	4.15%	2036-2038	1,560	-	1,740
Term Bonds	8,150	8,150	4.50%	2039-2043	1,450	-	1,815
Term Bonds	8,125	8,125	4.65%	2044-2048	1,445	-	1,810
Term Bonds	15,905	15,905	4.70%	2049-2053	2,800	-	3,665
	45,000	45,000					
2023 SERIES E BONDS (M/F)							
2023 Series E (Non-AMT)							
Serial Bonds	40,000	40,000	3.50% - 3.75%	2025-2028	10,000		
Term Bonds	5,000	5,000	4.45%	2035-2038	1,165	-	1,335
Term Bonds	15,000	15,000	4.75%	2039-2043	2,745	-	3,260
Term Bonds	15,000	15,000	4.88%	2044-2048	2,730	-	3,285
Term Bonds	15,000	15,000	4.90%	2049-2053	2,730	-	3,285
	90,000	90,000					
2024 SERIES A BONDS (S/F)							
2024 Series A (Non-AMT)							
Serial Bonds	9,380	9,380	3.40% - 3.80%	2029-2035	675	-	1,885
Term Bonds	5,135	5,135	4.00%	2036-2039	1,175	-	1,390
Term Bonds	5,630	5,630	4.45%	2040-2044	1,000	-	1,250
Term Bonds	8,095	8,095	4.65%	2045-2049	1,440	-	1,805
Term Bonds	11,760	11,760	4.75%	2050-2054	1,905	-	3,435
	40,000	40,000					

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2024 SERIES B BONDS (M/F)							
2024 Series B (Non-AMT)							
Serial Bonds	40,000	40,000	3.45% - 3.65%	2027-2030	9,000	-	10,500
Term Bonds	5,555	5,555	4.00%	2037-2039	1,775	-	1,930
Term Bonds	8,050	8,050	4.55%	2040-2044	1,465	-	1,755
Term Bonds	11,610	11,610	4.65%	2045-2049	2,115	-	2,540
Term Bonds	14,785	14,785	4.70%	2050-2054	2,690	-	3,245
	80,000	80,000					
2024 SERIES C BONDS (S/F)							
2024 Series C (Non-AMT)							
Serial Bonds	16,825	16,825	3.40% - 4.10%	2025-2036	415	-	3,215
Term Bonds	9,515	9,515	4.15%	2037-2039	2,985	-	3,365
Term Bonds	13,920	13,920	4.55%	2040-2044	2,460	-	3,130
Term Bonds	15,850	15,850	4.75%	2045-2049	2,800	-	3,560
Term Bonds	13,890	13,890	4.85%	2050-2054	2,450	-	3,125
	70,000	70,000					
2024 SERIES D BONDS (S/F)							
2024 Series D (Non-AMT)							
Serial Bonds	12,155	12,155	3.15% - 4.00%	2025-2036	635	-	1,380
Term Bonds	9,295	9,295	4.10%	2037-2039	2,915	-	3,285
Term Bonds	9,870	9,870	4.50%	2040-2044	1,070	-	2,390
Term Bonds	8,620	8,620	4.70%	2045-2049	1,530	-	1,935
Term Bonds	20,060	20,060	4.75%	2050-2054	3,150	-	6,270
	60,000	60,000					
2024 SERIES E BONDS (S/F)							
2024 Series E (Non-AMT)							
Term Bonds	60,000	60,000	3.25%	2026-2054	1,215	-	3,230
	60,000	60,000					
2024 SERIES F BONDS (M/F)							
2024 Series F (Non-AMT)							
Serial Bonds	59,760	59,760	3.30% - 3.55%	2026-2029	8,500	-	20,260
Term Bonds	3,240	3,240	4.10%	2037-2039	1,030	-	1,130
Term Bonds	6,520	6,520	4.55%	2040-2044	1,185	-	1,425
Term Bonds	11,165	11,165	4.70%	2045-2049	2,030	-	2,440
Term Bonds	14,315	14,315	4.75%	2050-2054	2,605	-	3,140
	95,000	95,000					
2024 SERIES G BONDS (S/F)							
2024 Series G (Non-AMT)							
Serial Bonds	9,435	9,435	3.30% - 3.90%	2029-2036	970	-	1,415
Term Bonds	3,670	3,670	3.95%	2037-2039	1,155	-	1,295
Term Bonds	12,630	12,630	4.35%	2040-2044	2,270	-	2,815
Term Bonds	10,025	10,025	4.55%	2045-2049	1,795	-	2,225
Term Bonds	14,240	14,240	4.60%	2050-2054	2,540	-	3,225
	50,000	50,000					
		2,281,295					
Less: Net Unamortized Bond Discount		(5,179)					
Total Mortgage Purchase Fund	2,840,960	2,276,116					
Total Proprietary Funds	\$2,840,960	\$2,276,116					
GOVERNMENTAL FUNDS							
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	29,430	0.96% - 2.42%	2025-2034	295	-	3,480
		44,450					
Plus: Net Unamortized Bond Premium		3,250					
Total Maine Energy, Housing & Recovery Fund Group	53,950	47,700					
Total Governmental Funds	\$53,950	\$47,700					

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

The following table summarizes bond debt activity for the year ended December 31, 2024:

Fund	Outstanding at December 31, 2023	Issues	Retirement	Outstanding at December 31, 2024
Mortgage Purchase Fund	\$1,904,225	\$490,000	(\$112,930)	\$2,281,295
Maine Energy, Housing & Economic Recovery Fund	47,485	0	(3,035)	44,450
Total	<u>\$1,951,710</u>	<u>\$490,000</u>	<u>(\$115,965)</u>	<u>\$2,325,745</u>

Interest on bonds is payable semi-annually for the Mortgage Purchase Fund and the Maine Energy, Housing & Economic Recovery Fund. Scheduled principal payments on bonds are due November 15 for the Mortgage Purchase Fund and June 15 for the Maine Energy, Housing & Economic Recovery Fund.

The interest calculations shown in the table below are based on the variable rate in effect at December 31, 2024 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 2029 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
2025	\$81,210	\$72,081	\$0	\$8,184	(\$4,054)	\$3,055	\$1,247
2026	106,740	70,545	0	8,255	(3,917)	3,085	1,214
2027	102,675	67,860	0	8,255	(3,055)	3,120	1,174
2028	107,955	64,951	0	8,258	(3,069)	3,165	1,126
2029	89,105	61,797	2,795	8,252	(2,924)	3,215	1,071
2030-2034	331,350	276,305	15,655	39,633	(10,500)	17,055	4,305
2035-2039	351,420	222,918	39,550	33,879	(1,089)	11,755	901
2040-2044	361,390	158,811	7,515	30,103	0	0	0
2045-2049	296,619	91,775	99,161	21,854	0	0	0
2050-2054	245,801	30,348	42,354	2,614	0	0	0
Total	<u>\$2,074,265</u>	<u>\$1,117,391</u>	<u>\$207,030</u>	<u>\$169,287</u>	<u>(\$28,608)</u>	<u>\$44,450</u>	<u>\$11,038</u>

MaineHousing's bonds are a special obligation of MaineHousing and do not constitute a debt or liability of the State of Maine. The bonds are secured in accordance with bond resolutions. Security for bonds in the Mortgage Purchase Fund includes the mortgage loans made or purchased under the resolution and all monies and investments in the fund and accounts pledged under the resolution. Bonds in the Mortgage Purchase Fund may be redeemed in excess of the annual maturities in accordance with the terms of the resolution. Bonds in the Maine Energy, Housing & Economic Recovery Fund are secured by a portion of the Real Estate Transfer Tax revenues collected by the State of Maine and the bonds may be redeemed in excess of the annual maturities.

Notes Payable

At December 31, 2024, MaineHousing has a \$12,970 note payable to TD Bank, N.A. at a fixed rate of 3.20%, maturing November 1, 2033. The note, which is recorded in the General Administrative Fund, has principal and interest payments due monthly based on a 20-year amortization schedule.

The proceeds from this note were used for the acquisition and rehabilitation of an office building for MaineHousing. The note is secured by a mortgage agreement on the property and a \$2,694 non-negotiable certificate of deposit held with the lender.

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

The following table provides a summary of note payment requirements through 2029 and in four-year increments thereafter to maturity:

Year(s)	Principal	Interest	Total
2025	\$678	\$411	\$1,089
2026	700	388	1,088
2027	723	365	1,088
2028	746	343	1,089
2029	772	317	1,089
2030-2033	9,351	1,006	10,357
Total	<u>\$12,970</u>	<u>\$2,830</u>	<u>\$15,800</u>

Moral Obligation Debt

The reserve funds of the Mortgage Purchase Fund are secured by a non-binding obligation (moral obligation) from the State of Maine to replenish by appropriation any deficiency in such reserve funds. MaineHousing is authorized to have an aggregate amount not to exceed \$3,000,000 of outstanding bonds secured by this obligation. Of that amount, \$2,281,295 was outstanding at December 31, 2024.

Conduit Debt Obligation

MaineHousing may use its tax-exempt debt issuing authority to provide financial assistance to private sector developers for the acquisition and rehabilitation, or the construction of multi-family housing projects serving low-to-moderate income households. The debt, which is referred to as conduit debt, is collateralized by revenues generated by the properties financed and is repayable solely from payments received on the underlying mortgage loans and any specific third-party credit enhancement associated with the individual financings. MaineHousing has a total of \$25,584 outstanding at December 31, 2024. The debt does not constitute a liability or a pledge of faith and credit of MaineHousing and is not reported in the accompanying financial statements.

(7.) INTEREST RATE SWAP AGREEMENTS

MaineHousing has thirteen interest rate swap agreements (swaps) with four counterparties as of December 31, 2024. The objective of the agreements is to attain a synthetic fixed interest rate on a portion of its variable rate bonds at a cost expected to be less than rates associated with fixed-rate debt. The swap agreement terms state MaineHousing is to make semi-annual fixed interest rate payments at a specified rate on a notional principal amount and in exchange receive semi-annual payments based upon either the thirty-day, ninety-day or one hundred eighty-day Secure Overnight Financing Rate (SOFR).

The swaps have an aggregate positive fair value of \$19,631 at December 31, 2024. During 2024, the fair value of the swaps increased by \$3,246. 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, 2024 by using the regression analysis and synthetic instrument methods. The aggregate fair value is classified as a derivative instrument asset and a deferred inflow of resources, which represents the accumulated increase in fair value. Variable rate bonds outstanding at December 31, 2024 total \$282,865.

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

The following table contains the terms, fair values, and credit ratings of the swaps as of December 31, 2024. Specific swaps are assigned to certain debt issuances for arbitrage purposes. The credit ratings were issued by Moody's Investor Services and Standard & Poor's, respectively.

Related Debt Issuance	Current Notional Amount	Effective Date of Swap	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Rating
2015 Series E-3	\$5,000	11/15/2016	1.15%	70% of 30 day SOFR plus .08014%	\$94	11/15/2025	Aa1/AA-
2015 Series E-3	5,000	11/15/2019	1.40%	70% of 30 day SOFR plus .08014%	344	11/15/2029	Aa3/A+
2015 Series E-3	20,000	5/15/2021	1.46%	67% of 30 day SOFR plus .0767%	1,733	11/15/2032	A1/A+
2016 Series B-2	8,000	5/15/2017	1.61%	70% of 30 day SOFR plus .08014%	681	11/15/2031 ₁	Aa1/AA-
2016 Series B-2	20,000	11/15/2017	1.66%	70% of 30 day SOFR plus .08014%	1,657	11/15/2031 ₁	Aa1/AA-
2017 Series E	25,000	11/15/2021	1.69%	100% of 30 day SOFR plus .11448%	4,282	11/15/2032	Aa3/A+
2017 Series G-1	25,000	11/15/2019	1.90%	100% of 30 day SOFR plus .11448%	1,103	11/15/2026	A1/A+
2017 Series G-1	30,000	11/15/2020	0.88%	100% of 90 day SOFR plus .26161%	9,089	11/15/2035	A1/A+
2022 Series C	19,030	2/1/2006	3.59%	65% of 30 day SOFR plus .27441%	(1,101)	11/15/2037	Aa2/AA-
2022 Series C	10,000	11/15/2019	1.87%	75% of 30 day SOFR plus 0.54086%	341	11/15/2026	Aa3/A+
2022 Series C	12,500	11/15/2018	2.57%	70% of 30 day SOFR plus 0.53014%	380	11/15/2028	Aa3/A+
2022 Series C	12,500	11/15/2018	2.59%	70% of 30 day SOFR plus 0.53014%	757	11/15/2033	Aa3/A+
2022 Series C	15,000	8/1/2023	2.70%	72% of 180 day SOFR	271	11/15/2033	Aa3/A+
Totals	<u>\$207,030</u>				<u>\$19,631</u>		

1. MaineHousing has the option of termination, with no Termination Payment on November 15, 2026 and on each May 15 and November 15 thereafter.

Credit Risk – The swaps contain varying collateral agreements with the counterparties in order to mitigate the potential for credit risk. The requirements of the collateral agreements were met as of December 31, 2024. MaineHousing is not exposed to credit risk for the swaps that have negative fair values. At December 31, 2024, there are twelve swaps that have positive fair values totaling \$20,732. This amount represents MaineHousing's credit exposure to the related counterparties and the maximum loss that would be recognized at the reporting date if the counterparty failed to perform as contracted. Fair value is only a factor upon termination.

Basis Risk – MaineHousing is exposed to basis risk to the extent that the interest payments on its variable rate bonds do not match the variable rate payments received on the related swap agreements. The variable rate payments provided by the counterparties are based on SOFR and MaineHousing's variable rate bonds are expected to track with the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA). MaineHousing's variable rate bonds are adjusted weekly. The SOFR rates are adjusted on a monthly basis, except for 2017 Series G-1, which is adjusted on a quarterly basis and 2022-C, which is adjusted on a semi-annual basis. If the variable rate bonds trade at a value significantly different than their historical relationship to SOFR, the net cost to MaineHousing could increase or decrease. As of December 31, 2024, the thirty-day, ninety-day and one hundred eighty-day SOFR rates were 4.53%, 4.69% and 5.03%, respectively, and the SIFMA rate was 3.62%.

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

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.

(8.) RETIREMENT BENEFITS

MaineHousing has defined contribution and defined benefit pension plans that cover substantially all employees. Employees have the option to participate in either plan.

Defined Contribution Plan

The defined contribution plan consists of a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and a separate plan created under the provisions of the Internal Revenue Code Section 401(a).

Benefit terms, including contribution requirements, for the defined contribution plan are established by management. For each participant in the plan, MaineHousing contributes 3.6% 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 6.9% of annual salary. The employer match contribution is made to the 401(a) plan.

For the year ended December 31, 2024, employee contributions totaled \$917 and MaineHousing contributed and recognized expense of \$747. Employees are immediately vested in their own contributions, MaineHousing contributions, and the earnings on those contributions.

Defined Benefit Plan

Plan Description: MaineHousing is a participating local district (PLD) member of the Maine Public Employees Retirement System's (MainePERS) PLD Consolidated Retirement Plan and employees may elect to participate in this multiple-employer cost sharing defined benefit plan. An advisory group established by Maine statute reviews the terms of the plan and periodically makes recommendations to the Legislature to amend them.

Benefits Provided: Retirement benefits are based on participants' average final compensation and service credit earned as of retirement. Vesting occurs upon the earning of five years of service credit. The normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years (20 years for participants in the plan prior to July 1, 2014) of service credit is reduced by a statutorily prescribed factor for each year of age that a participant is below their 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 3.88%.

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

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, 2024, the established MainePERS employer contribution rate is 9.90% and employee contribution rates are 7.50% for participants with a normal retirement age of 60 and 6.75% for participants with a normal retirement age of 65. MaineHousing pays on behalf of its employees 0.60% 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 \$541 for the year ended December 31, 2024.

Actuarial Methods and Assumptions

The collective total pension liability was determined by an actuarial valuation as of June 30, 2024, 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 their expected future salary. The normal cost for each member is the product of the member's pay and normal cost rate. The normal cost for the group is the sum of the normal costs for all members. Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method – The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization – The net pension liability is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

Actuarial Assumptions: The actuarial valuation as of June 30, 2024 and June 30, 2023 used the following actuarial assumptions:

Investment Rate of Return – 6.50% per annum, compounded annually.

Inflation Rate – 2.75%.

Annual Salary Increases, Including Inflation – 2.75% to 11.48%.

Cost of Living Benefit Increases – 1.91%

Mortality Rates – 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table for males and females, projected generationally using RPEC_2020 model.

The actuarial and demographic assumptions used in the June 30, 2024 and June 30, 2023 valuations were based on the results of an actuarial experience study covering the period July 1, 2015 through June 30, 2020. The economic assumptions used are based on this experience study along with advice of the MainePERS investment consultants for June 30, 2024 and June 30, 2023.

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equities	30.0%	5.6%
US Government	10.0%	2.2%
Private Equity	12.5%	7.2%
Real Estate	10.0%	5.8%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.1%
Traditional Credit	5.0%	2.7%
Alternative Credit	10.0%	6.4%
Risk Diversifiers	7.5%	4.8%

Discount Rate: The discount rate used to measure the collective total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that participant contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of MaineHousing's proportionate share of the net pension liability to changes in the discount rate: The following represents MaineHousing's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what MaineHousing's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

1% Decrease	Current Discount Rate	1% Increase
<u>@ 5.50%</u>	<u>@ 6.50%</u>	<u>@ 7.50%</u>
\$5,596	\$2,240	(\$526)

Net Pension Liability: At December 31, 2024, MaineHousing has a liability of \$2,240 for its proportionate share of the total collective net pension liability. The net pension liability was measured as of June 30, 2024 and the total collective pension liability used to calculate the proportionate share of the net pension liability was determined by an actuarial valuation as of that date. MaineHousing's proportion of the net pension liability was based on MaineHousing's employer contributions received by MainePERS during the measurement period July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all participating entities. MaineHousing's proportion was 0.559555% at December 31, 2024. The proportion was 0.604935% at December 31, 2023.

Changes in net pension liability are recognized in pension expense for the year ended December 31, 2024 with the following exceptions:

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

Differences Between Expected and Actual Experience – The difference between expected and actual experience with regard to economic or demographic factors is recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For 2024 and 2023 valuation, this was three years.

Differences Between Projected and Actual Investment Earnings – Differences between projected and actual investment earnings are recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Assumptions – Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The actuarial assumptions for the June 30, 2024 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions – Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The first year is recognized as pension expense and the remaining years are shown either as deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2024, MaineHousing recognized pension expense of \$488 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	\$665	\$0
Employer contributions subsequent to the measurement date	241	0
Net difference between projected and actual earnings on pension plan investments	0	233
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	154
Total	<u>\$906</u>	<u>\$387</u>

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

Amounts reported as deferred outflows of resources related to pensions for MaineHousing's contributions subsequent to the measurement date will be recognized as an addition to the Net Pension Liability for the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (benefit) through December 31, 2028 as follows:

Year ended December 31:	Pension Expense (Benefit) Amount
2025	(\$142)
2026	\$496
2027	(\$31)
2028	(\$45)

Payables to the Pension Plan: At December 31, 2024, MaineHousing's total payable to MainePERS for unremitted contributions is \$59.

Pension plan fiduciary net position: Detailed information about the plan's fiduciary net position is available in the separately issued MainePERS' Comprehensive Annual Financial Report at www.mainebers.org.

(9.) AVAILABLE BONDS PROCEEDS

MORTGAGE PURCHASE FUND

The following bond proceed amounts are invested in the various bond proceed sub-accounts of the Bond Proceeds Fund of the Mortgage Purchase Fund and are available for the purchase of mortgages:

2022 Series F (M/F)	\$5,424
2023 Series C (M/F)	2,653
2023 Series E (M/F)	33,016
2024 Series A (S/F)	14,388
2024 Series B (M/F)	42,971
2024 Series C (S/F)	3,685
2024 Series D (S/F)	29,687
2024 Series E (S/F)	55,654
2024 Series F (M/F)	86,973
2024 Series G (S/F)	45,568
	\$320,019

MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY FUND

Bond proceeds in the amount of \$14,652 from the 2021 Series 2 are invested in accordance with the Maine Energy, Housing and Recovery General Indenture and are available for programs.

(10.) COMMITMENTS

MORTGAGE COMMITMENTS

Mortgage commitments are agreements to loan money provided there is no violation of any term or condition established in the agreement. Generally, once exercised, loans made under the terms of such commitments are secured by a lien on the related property and other collateral as MaineHousing deems necessary. At December 31, 2024, MaineHousing had outstanding commitments to originate multi-family mortgage loans of approximately \$312,642. MaineHousing, under its single-family program, enters into purchase agreements with lenders to purchase mortgage loans. At December 31, 2024, single-family loans being processed by lenders for MaineHousing totaled approximately \$65,646.

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

(11.) RESERVE FUNDS

MORTGAGE PURCHASE FUND – HOUSING RESERVE FUND

On or before December 1 of each year, MaineHousing is required to value the Housing Reserve Fund and verify to the Governor of the State of Maine that the sum of money in the fund equals or exceeds the Housing Reserve Fund Minimum Requirement. The Housing Reserve Fund Minimum Requirement equals the amount of principal and interest maturing and coming due in the next succeeding calendar year on bonds outstanding. The Housing Reserve Fund Minimum Requirement as of December 31, 2024 was \$180,667. 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, 2024 was \$213,006.

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, 2024, 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 \$218,984.

MAINE ENERGY, HOUSING & ECONOMIC RECOVERY FUND – RESERVE FUND

MaineHousing is not required to maintain a Reserve Fund for outstanding bonds.

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, 2024, the maximum debt service amount was \$4,302.

(12.) EXCESS ARBITRAGE TO BE REBATED

Tax-exempt bonds issued by MaineHousing are subject to Internal Revenue Service regulations that limit the amount of income that can be earned with non-mortgage investments to an amount not greater than the amount that would have been earned had the funds been invested at the yield on the bonds. Excess earnings must be rebated every five years. At December 31, 2024, the estimated value of future arbitrage liabilities in the Mortgage Purchase Fund Group was \$1,939.

(13.) FUND TRANSFERS AND INTERFUND BALANCES

MaineHousing records transfers between funds for various purposes including program subsidies, fees and capital asset transfers. Transfers for the year ended December 31, 2024 consisted of the following:

	General Administrative Fund	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Other Federal and State Programs	Maine Energy, Housing & Economic Recovery Program
Capital Assets	\$624	\$0	\$0	(\$374)	(\$250)	\$0
Program Subsidies	(166)	273	0	(329)	(1,964)	2,186
Program Administrative Fees	1,888	0	(1,888)	0	0	0
	<u>\$2,346</u>	<u>\$273</u>	<u>(\$1,888)</u>	<u>(\$703)</u>	<u>(\$2,214)</u>	<u>\$2,186</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.

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

Interfund accounts receivable (payable) balances at December 31, 2024 consisted of the following:

	Mortgage Purchase Fund	Bondholder Reserve Fund	General Administrative Fund	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Maine Energy, Housing & Economic Recovery Program	Other Federal and State Programs
Receivable due from:								
Mortgage Purchase Fund	\$0	\$0	\$4,855	\$0	\$0	\$0	\$0	\$0
General Administrative Fund	0	0	0	7,327	0	0	0	52,877
Section 8 Housing Programs	0	0	373	0	0	0	0	0
Low Income Home Energy Assistance Program	0	0	1,078	0	0	0	0	0
Collectively, all other funds	0	0	696	2	0	0	0	0
	0	0	7,002	7,329	0	0	0	52,877
Payables	(4,855)	(21)	(60,204)	0	(373)	(1,078)	(675)	(2)
	<u>(\$4,855)</u>	<u>(\$21)</u>	<u>(\$53,202)</u>	<u>\$7,329</u>	<u>(\$373)</u>	<u>(\$1,078)</u>	<u>(\$675)</u>	<u>\$52,875</u>

The receivable amounts of the General Administrative Fund consist primarily of operating expenses owed from the Mortgage Purchase Fund, Section 8 Housing Programs, and Low Income Home Energy Assistance Program, and program expenses owed from Maine Energy, Housing & Economic Recovery Program. The General Administrative Fund payable amounts consist primarily of program funds received and due to the Home Fund and Other Federal and State Programs.

(14.) REDEMPTION OF BONDS

For the year ended December 31, 2024, MaineHousing redeemed prior to maturity \$74,440 of its Mortgage Purchase Fund bonds from recoveries of principal and the proceeds of remarketed bonds. Gains of \$76 were attributed to the recognition of related bond premium. The following is a summary of bonds redeemed:

	Interest Rate	Original Maturity	Amount	Redemption Price
2013 Series B Serial Bonds	2.75%	11/15/2024	\$1,835	100%
2014 Series C-1 Term Bonds	3.50%	11/15/2044	230	100%
2015 Series B Serial Bonds	2.45%	11/15/2024	1,145	100%
2015 Series E-1 Term Bonds	3.50%	11/15/2035	1,055	100%
2015 Series F-2 Serial Bonds	2.50%	11/15/2024	500	100%
2015 Series G Serial Bonds	2.55%	11/15/2024	700	100%
2015 Series G Term Bonds	3.50%	11/15/2045	155	100%
2016 Series A Term Bonds	4.00%	11/15/2045	135	100%
2016 Series C Term Bonds	3.50%	11/15/2046	720	100%
2016 Series D Serial Bonds	2.39%	11/15/2024	7,075	100%
2016 Series E Serial Bonds	2.70%	11/15/2024	715	100%
2016 Series E Term Bonds	4.00%	11/15/2046	470	100%
2017 Series A Serial Bonds	2.50%	11/15/2024	655	100%
2017 Series A Term Bonds	4.00%	11/15/2047	815	100%
2017 Series B Term Bonds	4.00%	11/15/2047	905	100%
2017 Series F Term Bonds	3.50%	11/15/2047	1,390	100%
2018 Series A Serial Bonds	2.60%	11/15/2024	1,145	100%
2018 Series B Serial Bonds	2.60%	11/15/2024	1,180	100%
2018 Series C Serial Bonds	2.45%	11/15/2024	1,735	100%
2018 Series C Term Bonds	4.00%	11/15/2048	1,385	100%
2018 Series F Term Bonds	4.25%	11/15/2048	1,345	100%
2019 Series A Serial Bonds	2.30%	11/15/2024	2,590	100%
2019 Series A Term Bonds	4.00%	11/15/2049	1,255	100%
2019 Series C Term Bonds	4.00%	11/15/2050	1,310	100%
2019 Series E Term Bonds	3.75%	11/15/2049	990	100%

**Maine State Housing Authority
Notes to Financial Statements
December 31, 2024**

	<u>Interest Rate</u>	<u>Original Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2020 Series A Term Bonds	3.75%	11/15/2049	1,015	100%
2020 Series C Term Bonds	4.00%	11/15/2050	1,650	100%
2021 Series D Term Bonds	3.00%	11/15/2051	1,365	100%
2022 Series D Term Bonds	5.00%	11/15/2052	1,370	100%
2022 Series E Term Bonds	5.00%	11/15/2052	1,265	100%
2023 Series A Serial Bonds	2.70%	11/15/2024	410	100%
2023 Series B Term Bonds	3.13%	11/15/2054	35,000	100%
2023 Series B-1 Serial Bonds	3.40%	11/15/2024	600	100%
2023 Series B-2 Serial Bonds	3.15%	11/15/2024	330	100%
			<u>\$74,440</u>	

(15.) 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.

(16.) SUBSEQUENT EVENTS

On March 26, 2025, MaineHousing issued, at par, \$60,000 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>
2025 Series A Serial Bonds	3.20%-3.95%	2029-2037	\$12,955	100%
2025 Series A Term Bonds	4.10%	2040	7,685	100%
2025 Series A Term Bonds	4.50%	2045	12,670	100%
2025 Series A Term Bonds	4.65%	2050	6,570	100%
2025 Series A Term Bonds	4.70%	2053	20,120	100%
			<u>\$60,000</u>	

**MAINE STATE HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF SELECTED PENSION INFORMATION - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2024
(IN THOUSANDS OF DOLLARS)**

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability (Asset)	0.559555%	0.604935%	0.669532%	0.674986%	0.709590%	0.746717%	0.834117%	0.906494%	0.922203%	1.181151%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$2,240	\$1,931	\$1,780	(\$217)	\$2,819	\$2,282	\$2,823	\$3,712	\$4,899	\$3,768
Employer's Covered-Employee Payroll	\$5,319	\$5,649	\$5,516	\$4,972	\$4,567	\$4,544	\$4,658	\$4,892	\$4,810	\$4,598
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	42.1%	34.2%	32.3%	(4.4%)	61.7%	50.2%	60.6%	75.9%	101.9%	81.9%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	91.1%	92.3%	93.3%	100.9%	88.3%	90.6%	91.1%	86.4%	81.6%	88.3%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$541	\$577	\$552	\$504	\$480	\$477	\$490	\$513	\$505	\$483
Contributions in Relation to Contractually Required Contribution	\$541	\$577	\$552	\$504	\$480	\$477	\$490	\$513	\$505	\$483
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employer's Covered Employee Payroll	\$5,319	\$5,649	\$5,516	\$4,972	\$4,567	\$4,544	\$4,658	\$4,892	\$4,810	\$4,598
Contributions as a Percentage of Covered Employee Payroll	10.2%	10.2%	10.0%	10.1%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%

Notes to Required Supplementary Information

Changes of Benefit Terms:

There were no changes of benefit terms for the measurement period ended June 30, 2024.

Changes of Assumptions:

There were no changes of assumptions for the measurement period ended June 30, 2024.

MAINE STATE HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2024

<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:				
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856	ME901MR	\$ —	\$ 534,708
Total Section 8 Project-Based Cluster			—	534,708
Housing Voucher Cluster:				
Section 8 Housing Choice Voucher Program	14.871	ME901VO	—	42,697,822
COVID-19 – Section 8 Emergency Housing Voucher Program	14.871	COVID-19/ME901E	—	1,111,898
Section 8 Mainstream Voucher Program	14.879	ME901DV	—	176,893
Total Housing Voucher Cluster			—	43,986,613
Section 8 Performance Based Contract Administrator Program	14.327	ME800CC001	—	91,428,797
Continuum of Care Program – Planning Program	14.267	ME0138L1T002100/ ME0146L1T002200	—	542,790
Family Self-Sufficiency Program	14.896	FSS23ME488201	—	90,121
Emergency Solutions Grants Program	14.231	E-24-DC-23-0001	—	1,391,803
Homeless Management Information Systems Technical Assistance	14.261	ME0017L1T002114/T002215	—	326,358
HOME Investment Partnerships Program	14.239	M-19/M-20/M-21/M22/ M23-SG-23-0100	—	4,622,012
COVID-19 – HOME Investment Partnerships Program – <i>American Rescue Plan Act</i>	14.239	COVID-19/M21-SP23-0100	—	4,191,146
Housing Trust Fund	14.275	F-19/F-20/F-21/F-22-SG-23-0100	—	4,404,824
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	MELHB074119/MELHD050223		237,717
COVID-19 – Community Development Block Grants	14.228	COVID-19/ CT19A20201211000000001856	—	974,834
Recovery Housing Program	14.U01	B-21-RH-23-0001/B-22-RH-23-0001	—	897,442
Older Adults Home Modification Grant Program	14.921	MEHMR001321	—	256,935

MAINE STATE HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended December 31, 2024

<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>
Section 811 Project Rental Assistance Program	14.326	ME36DRD1301	\$ —	\$ 89,413
Subtotal – U.S. Department of Housing and Urban Development			—	153,975,513
U.S. Department of Energy:				
Weatherization Assistance for Low-Income Persons	81.042	EE0009906/EE0009991	9,598,531	9,598,531
U.S. Department of Health and Human Services:				
Low Income Home Energy Assistance	93.568	2401MELIEA/2501MELIEA/ 2401MELIEI	16,245,252	34,611,700
COVID-19 – Low Income Home Energy Assistance – <i>American Rescue Plan Act</i>	93.568	COVID-19/2101MEE5C6	2,822,355	2,822,355
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	—	3,011,153
Subtotal – U.S. Department of Health and Human Services			19,067,607	40,445,208
U.S. Department of the Treasury:				
Pass-through from the State of Maine Department of Administrative and Financial Services:				
COVID-19 – Emergency Rental Assistance Program – ERA 2	21.023	COVID-19/OMB 1505-0270	1,145,779	3,550,574
COVID-19 – Homeowner Assistance Fund – <i>American Rescue Plan Act</i>	21.026	COVID-19/FAIN: HAF0103/ OMB: 1505-0269	—	10,788,502

MAINE STATE HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended December 31, 2024

<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>
COVID-19 (Coronavirus State and Local Fiscal Recovery Funds) Housing Navigation Pilot Program – <i>American Rescue Plan Act</i>	21.027	COVID-19/SLFRP0144	\$ –	\$ 386,115
COVID-19 (Coronavirus State and Local Fiscal Recovery Funds) Expand Affordable Housing – Single Family – <i>American Rescue Plan Act</i>	21.027	COVID-19/SLFRP0144	–	3,010,000
COVID-19 (Coronavirus State and Local Fiscal Recovery Funds) Expand Affordable Housing – Multi Family – <i>American Rescue Plan Act</i>	21.027	COVID-19/SLFRP0144	<u>–</u>	<u>5,308,176</u>
Subtotal – U.S. Department of the Treasury			<u>1,145,779</u>	<u>23,043,367</u>
Total Expenditures of Federal Awards			<u>\$ 29,811,917</u>	<u>\$ 227,062,619</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, 2024

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, 2024. 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. 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, and each major fund of Maine State Housing Authority (MaineHousing), as of and for the year ended December 31, 2024, 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, 2025.

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 MaineHousing'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. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether MaineHousing's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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, 2025



**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 identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of MaineHousing's major federal programs for the year ended December 31, 2024. MaineHousing's major federal programs are identified in the summary of Auditors' Results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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 2024-001, 2024-002 and 2024-003. 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance 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 2024-001, 2024-002 and 2024-003 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 and each major fund of MaineHousing, a component unit of the State of Maine, as of and for the year ended December 31, 2024, 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, 2025, 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, 2025.

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 24, 2025

MAINE STATE HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2024

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 U.S. GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no
Significant deficiency(ies) identified? _____ yes X none reported
Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? _____ yes X no
Significant deficiency(ies) identified? X yes _____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes _____ no

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.327	Section 8 Performance Based Contract Administration Program
93.568	Low Income Home Energy Assistance/COVID-19 – Low Income Home Energy Assistance – <i>American Rescue Plan Act</i>
14.275	National Housing Trust Fund
93.558	Temporary Assistance for Needy Families State Programs
21.023	COVID-19 – Emergency Rental Assistance Program – <i>ERA 2</i>
21.027	COVID-19 – (Coronavirus Stat and Local Fiscal Recovery Funds) Housing Navigation Pilot Program – <i>American Rescue Plan Act</i> COVID-19 – (Coronavirus Stat and Local Fiscal Recovery Funds) Expand Affordable Housing – Single Family – <i>American Rescue Plan Act</i> COVID-19 – (Coronavirus Stat and Local Fiscal Recovery Funds) Expand Affordable Housing – Multi Family – <i>American Rescue Plan Act</i>

MAINE STATE HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended December 31, 2024

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

Auditee qualified as low-risk auditee? X yes no

Section II – Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*: None

Section III – Federal Award Findings and Questioned Costs

2024-001: Subrecipient Monitoring – Low Income Home Energy Assistance Program

Federal Program: Low Income Home Energy Assistance/COVID-19 – Low Income Home Energy Assistance–
American Rescue Plan Act

Assistance Listing No.: 93.568

Federal Agency: U.S. Department of Health and Human Services

Pass-Through Entity: None

Federal Award Identification Number: 2401MELIEA/2501MELIEA/2401MELIEI/COVID-19 2101MEE5C6

Repeat Finding: This is not a repeat finding

Criteria – 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. MaineHousing performs annual quality assurance reviews over subrecipients for the Low Income Home Energy Assistance (LIHEAP) Program to ensure source documentation for determining benefits is accurate. In addition, MaineHousing performs annual fiscal monitoring reviews for subrecipients participating in the LIHEAP Program.

Condition – During 2024, for two subrecipients, MaineHousing did not perform annual quality assurance reviews. For one high-risk subrecipient, MaineHousing did not formally document their fiscal monitoring review.

Questioned costs – None.

Cause – MaineHousing did not perform annual quality assurance reviews for two subrecipients due to staff turnover in the program. The annual fiscal monitoring review was not formally documented for one high-risk subrecipient as the subrecipient did not have an annual audit performed for the fiscal year.

MAINE STATE HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended December 31, 2024

<i>Effect or potential effect –</i>	There is a risk that LIHEAP benefits may not be properly calculated and beneficiaries may not have provided proper support in their request for benefits.
<i>Context –</i>	The sample of subrecipients was a statistically valid sample.
<i>Recommendation –</i>	MaineHousing should enhance controls to ensure that all subrecipients undergo required quality assurance reviews annually. If fiscal monitoring reviews are not applicable to certain subrecipients, management should document what steps were taken to supplant the monitoring reviews to ensure that the subrecipient was appropriately monitored and reviewed.
<i>Views of responsible officials –</i>	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.

2024-002: Reporting – Low Income Home Energy Assistance Program

Federal Program: Low Income Home Energy Assistance/COVID-19 – Low Income Home Energy Assistance – *American Rescue Plan Act*

Assistance Listing No.: 93.568

Federal Agency: U.S. Department of Health and Human Services

Pass-Through Entity: None

Federal Award Identification Number: 2401MELIEA/2501MELIEA/2401MELIEI/COVID-19 2101MEE5C6

Repeat Finding: This is not a repeat finding

<i>Criteria –</i>	MaineHousing is required to review and submit certain annual, monthly and quarterly reports as part of its administration of the LIHEAP program.
<i>Condition –</i>	MaineHousing filed certain reports after the required reporting deadlines, including the Federal Financial Report (SF-425), Performance Data Report, Carryover and Reallotment Report and Annual Report on Households Assisted by LIHEAP. In addition, not all reports had clear documentation that supervisory review was completed.
<i>Questioned costs –</i>	None.
<i>Cause –</i>	Turnover within the LIHEAP department delayed the review and submission of the reports noted above.
<i>Effect or potential effect –</i>	Reports are not submitted in accordance with federal guidelines and amounts within those reports may not be accurate.
<i>Context –</i>	Our sample of reports was a statistically valid sample.

MAINE STATE HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended December 31, 2024

Recommendation – MaineHousing should enhance controls over reporting to ensure that due dates are monitored and adhered to. In addition, supervisory review of all reports should be clearly documented and retained by the individual performing the review.

Views of responsible officials – 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.

2024-003: Reporting – Temporary Assistance for Needy Families (TANF) State Programs

Federal Program: Temporary Assistance for Needy Families (TANF) State Programs

Assistance Listing No.: 93.558

Federal Agency: U.S. Department of Health and Human Services

Pass-Through Entity: Maine State Department of Health and Human Services

Federal Award Identification Number: OFI MOU 11/8/17

Repeat Finding: This is not a repeat finding

Criteria – MaineHousing is required to submit certain monthly and annual reports to the State of Maine Department of Health and Human Services as part of its administration of the TANF program.

Condition – During 2024, MaineHousing did not file its Agreement Closeout Report on a timely basis. Formal evidence of submission of the Program Delivery Report, Program Projections Report, and Monthly Household Reports was not retained.

Questioned costs – None.

Cause – Turnover within the TANF department delayed the review and submission of the reports noted above.

Effect or potential effect – Reports are not submitted in accordance with federal or state guidelines and amounts within the reports might not be accurate.

Context – Our sample of reports was a statistically valid sample.

Recommendation – MaineHousing should enhance controls over the tracking, completion and review of TANF reporting to ensure that due dates are monitored and adhered to.

Views of responsible officials – 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, 2024

II. Financial Statement Findings

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

<u>Finding No.</u>	<u>Description</u>	<u>Classification</u>	<u>Status</u>
2023-001	Expenditure Cutoff of Low Income Assistance Plan (LIAP)	Significant Deficiency	Resolved

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>
2023-002	Fiscal Monitoring of Subrecipients – Weatherization for Low-Income Persons	Significant Deficiency	Resolved
2023-003	Housing Voucher Cluster – Eligibility – Document Retention	Significant Deficiency	Resolved
2023-004	Report – Expanded Affordable Housing – Multi Family	Significant Deficiency	Resolved

**Corrective Action Plan for Maine State Housing Authority
For the Year Ended December 31, 2024**

Section III – Federal Award Findings and Questioned Costs

2024-001: Subrecipient Monitoring – Low Income Energy Assistance Program

Name of Contact Person: Bobbie Crooker, Director of Energy and Housing

Management’s Views and Corrective Action Plan: The Department of Energy and Housing Services (EHS) at MaineHousing agrees that not all subrecipients had the required annual quality assurance reviews performed within the specified timeframe. Additionally, it agrees that all monitoring reviews were not formally documented.

This issue occurred due to staff turnover within the LIHEAP Team, within the Fiscal Team, and within the EHS Department overall, as well as due to an insufficient monitoring process.

EHS is in the process of developing and implementing a department wide Monitoring group with representation from all Teams in the department. As part of this, the Monitoring group is developing a regular schedule to visit the Community Action Agencies (CAAs) each year based on the established schedule. At the conclusion of each review, a consolidated report with an overall summary will be completed for each CAA. This new process will ensure that all CAAs are monitored by all program teams as well as the fiscal team each year and that all monitoring visits are documented appropriately. In addition to this, EHS has hired a Quality Control Specialist to review all monitoring reports, and program processes to ensure that each Team is monitoring to the applicable programmatic requirements annually. The monitoring group will be fully implemented by January 2026.

Proposed Completion Date: January 2026

2024-002: Reporting - Low Income Energy Assistance Program

Name of Contact Person: Bobbie Crooker, Director of Energy and Housing

Management’s Views and Corrective Action Plan: The Department of Energy and Housing Services (EHS) at MaineHousing agrees that certain reports such as the Federal Financial Report, Performance Data report, Carryover and Reallotment Report, and the Annual Households report were filed after the required reporting deadlines. Additionally, we agree that not all reports had clear documentation showing the supervisory review was completed.

This issue occurred due to staff turnover within LIHEAP, within the Fiscal Team, and within the EHS Department overall. Additionally, there were questions as to who was responsible for inputting the information, who was responsible for submitting the reports, and when certain reports were due.

Corrective Action Plan for Maine State Housing Authority (Continued)
For the Year Ended December 31, 2024

EHS is in the process of developing and implementing the use of an up-to-date report tracking spreadsheet for the Department. As part of the training for newly onboarded staff, such as the new department Director, the newly hired Quality Control Specialist, and the newly hired Fiscal Compliance Coordinator, EHS has also identified who is responsible for maintaining the tracking spreadsheet, identified who is responsible for the information contained in specific reports, identified who is responsible for submitting each report, and identified who is responsible for updating the department calendar with reminders for report due dates. This spreadsheet will help ensure that all reports are submitted accurately and in a timely manner in accordance with federal guidelines. The new tracking spreadsheets and process will be fully implemented by the end of October 2025.

Proposed Completion Date: October 2025

2024-003: Reporting – Temporary Assistance for Needy Families (TANF) State Programs

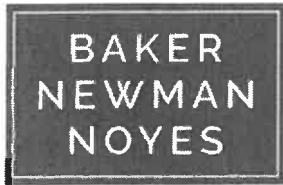
Name of Contact Person(s): Bobbie Crooker, Director of Energy and Housing

Management's Views and Corrective Action Plan: The Department of Energy and Housing Services (EHS) at MaineHousing agrees that for 2024 the Program Delivery Report, the Program Projections Report, and many of the Monthly Household reports did not have evidence of submission and that the Closeout Report was not filed timely.

This issue occurred due to staff turnover within the LIHEAP Team, within the Fiscal Team, and within the EHS Department overall, as well as due to an insufficient monitoring process or what was required. The State of Maine DHHS verbally informed MaineHousing that all 2024 reporting requirements have been satisfied.

EHS is in the process of developing and implementing the use of an up-to-date report tracking spreadsheet for the Department. As part of the training for newly onboarded staff, such as the new department Director, the newly hired Quality Control Specialist, and the newly hired Fiscal Compliance Coordinator, EHS has also identified who is responsible for maintaining the tracking spreadsheet, identified who is responsible for the information contained in specific reports, identified who is responsible for submitting each report, and identified who is responsible for updating the department calendar with reminders for report due dates. This spreadsheet will help ensure that all reports for all programs are submitted accurately and in a timely manner in accordance with state guidelines for report submission. Additionally, EHS walked through the process and what is required with a representative from Maine DHHS. For TANF, this process and tracking has been fully implemented.

Proposed Completion Date: Completed



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) *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, 2024, we considered MaineHousing's compliance with the applicable types of compliance requirements as described in the OMB *Compliance Supplement* for the year ended December 31, 2024. 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.

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.

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

Schedule of Federal Expenditures – Accuracy

Management prepares the Schedule of Federal Expenditures (SEFA) annually. In 2024, there were amounts owed from a subrecipient totaling \$90,209 related to the Low Income Home Energy Assistance Program (LIHEAP) that offset previous grant expenditures. The amount was recorded as an offset to expenditures when received in 2025, rather than 2024 when it was determined the amounts were owed and collectible. This did not have a material impact on the SEFA or any impact on major program determination.

We recommend that management review the SEFA to ensure expenditures are accurately reported, transfers are treated appropriately and assistance listing numbers for programs are correct.

Management's Response

Program staff provided the repayment notification to the subrecipient in December 2024. The Finance Department was not made aware of the repayment requirements until February 2025 when the first payment was received. At that point, year-end closing procedures were near completion, and it was decided not to make the adjustment based on the amount.

The Governmental Accounting Manager will continue to perform a secondary review of the SEFA to ensure that expenditures are correctly reported. Additionally, the Finance Department will proactively check with program departments at year end to inquire about potential repayments.

LIHEAP – Procurement, Suspension and Debarment

In subcontracts with subrecipients, MaineHousing includes a signed certification from the entity (typically Appendix A) regarding debarment, suspension, ineligibility and voluntary exclusions for the subrecipient's operations in relation to the grant. For one subrecipient agreement tested in LIHEAP, Exhibit A was not provided to or signed by the subrecipient. MaineHousing had separate agreements that included the applicable debarment, suspension, ineligibility and voluntary exclusion language with the subrecipient.

We recommend that MaineHousing provide the applicable appendix on each grant for all subrecipients in the future.

Management's Response

A signed Appendix A has been received for the referenced agreement. It was not initially obtained due to staff turnover within the LIHEAP team of the Energy and Housing Services (EHS) Department. The department has implemented a report tracking process, which includes a contract tracking spreadsheet for contracts with subrecipients and vendors.

The new process and spreadsheet specifically track when contracts are sent out, when they are returned, and that all parties have properly executed all applicable sections. The tracking spreadsheet serves as a checklist for pertinent items of the contract and will ensure that all parts of the contract are executed and received.

* * * * *

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 24, 2025

Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: October 14, 2025

Subject: Monthly Financial and Budget Report

FINANCIAL RESULTS

Attached are the Balance Sheets and Statements of Revenues, Expenses, and Changes in Net Assets for the eight-month period ended August 31, 2025.

MaineHousing's programs are accounted for in Fund Groups, based on funding sources. For financial reporting purposes, each Fund Group is a separate and standalone entity. There are seven Fund Groups and the individual Balance Sheets and Statements of Revenues, Expenses and Changes in Net Assets for each are presented in columns on the attachments (pages 1 and 2). The following is a summary of MaineHousing's total combined financial position and operating results for the current year and a brief explanation of the changes between the current and prior year net operating results.

Total combined assets are \$3.16 billion and total combined liabilities are \$2.66 billion. Total net assets amount to approximately \$507 million. Total combined revenues approximate \$288.3 million and total expenses amount to approximately \$257.1 million, which results in net operating income of \$31.2 million. Total combined net operating income for this period in 2024 was approximately \$24.1 million. Net operating income is \$7.1 million higher in 2025 due in part to the activities and operating results of the Mortgage Purchase Fund (MPP), MaineHousing's largest fund group.

The MPP has net operating income of \$18.7 million as of August 31, 2025. This is a \$1.7 million increase compared to the net operating income of \$17 million in 2024. The increase is attributed primarily to the recognition of a paper gain associated with adjusting the carrying values of non-mortgage investments. A paper gain of \$5.4 million has been recorded for 2025, which is an increase of approximately \$1.2 million over the paper gain of \$4.2 million recorded in 2024. 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 gains and losses, the MPP's has net operating income of \$13.3 million at the end of August 2025 and \$12.8 million on August 31, 2024. The increase of \$0.5 million is primarily due to an increase in loan origination fees collected from multifamily loans. These fees have increased by approximately \$2 million due to an increase in multifamily loan production. Single family loan production has also increased, which has caused loan origination expenses paid to lenders to increase by \$1.2 million.

The Maine Energy Housing & Economic Recovery Fund (MEHER) has net operating income of \$3.3 million at August 31, 2025. This is an increase of approximately \$3.3 million compared to a net operating loss of \$16,000 at the end of August 2024. The increase is due to timing differences with the expending of program funds and recognition of grant expenses. Grant expenditures for 2025 are \$3.3 million lower than expenditures in 2024 at this point.

The net operating income in the HOME Fund amounts to \$5.1 million, which is an increase of \$3.8 million over last year. This increase is attributed to timing differences between the receipt of program funds and the expending and recognition of grant expenses. At this point, revenues from Real Estate Transfer Taxes (RETTs) are higher than last year by \$1.8 million, while grant expenses are lower by \$2 million. Income is recognized when funds are received, and grant expenses are recognized when program disbursements are made.

BUDGET RESULTS

Also attached are the budget variance results for the period ended August 31, 2025. These results are summarized and presented in the attachment described below:

OPERATING REVENUES AND EXPENSES BUDGET

MaineHousing has two primary business segments, which consist of mortgage lending activities and the administration of federal and other programs. All operating and program administrative costs are paid by the net interest income from mortgage lending activities and 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 2025 are \$135.1 million and total expenses are budgeted at \$117.3 million. Total actual revenues as of August 31, 2025 amount to \$94 million, while total expenses amount to \$78.5 million. For the eight-month period ended August 31, 2025, revenues exceed expenses by approximately \$15.5 million.

Revenues are running above budget due to higher income from mortgage and non-mortgage investments. The higher interest from mortgages is attributed to the higher than projected volume of loan production. Average yields from non-mortgage investments have also exceeded budget assumptions and have provided for higher interest income. In total, expenses are in line with budget amounts anticipated for the period. The operating and other program administration expenses (the first two expense lines) are detailed in **Attachment B** and summarized below:

OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES

MaineHousing's overhead and operational costs for the year as well as other program administrative expenses, which are costs that are specifically and exclusively related to a particular program, are itemized on **Attachment B**.

Operating expenses are budgeted at approximately \$27.1 million. As of August 31, 2025, approximately \$17.6 million or 65% of the total operating budget has been used. In total, operating expenses are slightly below budget at this point and are projected to be under budget for the year by approximately \$300,000 or 1%. The primary reason for the underage variance is due to lower than projected expenses for staff and partner trainings.

Total other program administrative expenses are budgeted at \$11.1 million and actual expenses amount to \$8.6 million as of August 31, 2025. Expenses in this area are running over budget and are expected to exceed the budget for the year by approximately \$2.2 million due primarily to higher loan origination expenses. Loan origination expenses are projected to be over budget by \$1.6 million because single family loan production will substantially exceed budget projections. Additionally, the repayment of \$655,000 of Emergency Rental Assistance program funds to the U.S. Treasury was not included in the budget.

CAPITAL BUDGET

The Capital Budget, **Attachment C**, presents items that provide an economic benefit to MaineHousing over a period of time. Items are recorded as assets and depreciated over an estimated useful life. The total authorized capital budget for 2025 is \$682,000. Expenditures are approximately \$470,000 as of August 31, 2025 and are primarily for the ProLink multifamily housing system and modifications to the LIHEAP and Wx system. Capital expenditures are expected to be under budget for the year by approximately \$100,000 because most of the unacquired computer software items at August 31, 2025 will not be needed.

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, 2025.

MAINE STATE HOUSING AUTHORITY
BALANCE SHEETS
AUGUST 31, 2025
(IN THOUSANDS OF DOLLARS)

	Memorandum Only Combined Totals		Mortgage Purchase Fund Group	Bondholder Reserve Fund	General Fund	HOME Fund	Federal Programs Fund	Other Funds	Maine Energy Housing & Economic Recovery Funds
	2024	2025							
ASSETS:									
Cash, principally time deposits	105,418	92,091	17,502	0	62,479	0	8,686	3,424	0
Investments	818,748	756,030	595,387	7,324	28,622	24,716	0	85,854	14,127
Accounts receivable - Government	8,614	12,913	0	0	0	7,776	3,204	197	1,736
Accrued interest and other assets	13,564	21,537	18,750	15	811	79	407	1,431	44
Mortgage notes receivable, net	1,902,169	2,246,628	2,141,239	1,625	4,314	59,204	0	0	40,246
Land, equipment and improvements, net	17,647	16,419	22	0	16,397	0	0	0	0
Other real estate owned	92	384	384	0	0	0	0	0	0
Derivative instrument - interest rate swaps	19,926	14,510	14,510	0	0	0	0	0	0
Deferred pension expense	629	906	497	3	98	0	0	308	0
Deferred amount on debt refundings	1,827	1,538	1,538	0	0	0	0	0	0
Total Assets	<u>2,888,634</u>	<u>3,162,956</u>	<u>2,789,829</u>	<u>8,967</u>	<u>112,721</u>	<u>91,775</u>	<u>12,297</u>	<u>91,214</u>	<u>56,153</u>
LIABILITIES AND NET ASSETS:									
Accrued interest payable	21,540	25,090	24,830	0	0	0	0	0	260
Excess arbitrage to be rebated	1,389	1,939	1,939	0	0	0	0	0	0
Accounts payable - Government	444	339	0	0	0	0	339	0	0
Accounts payable & accrued liabilities	20,539	26,950	270	0	26,192	0	427	61	0
Unearned income	76,013	121,057	0	0	0	0	8,795	112,262	0
Net pension liability	1,931	2,240	1,230	7	241	0	0	762	0
Deferred pension credit	451	387	212	2	41	0	0	132	0
Accumulated increase in fair value of hedging derivatives	19,926	14,510	14,510	0	0	0	0	0	0
Interfund	0	0	3,330	16	28,739	(1,500)	(4,495)	(23,159)	(2,931)
Mortgage bonds and notes payable, net	2,271,036	2,463,337	2,406,358	0	12,521	0	0	0	44,458
Deferred grant income	103	117	0	0	0	0	117	0	0
Deferred loan origination points	13	11	11	0	0	0	0	0	0
Total Liabilities	2,413,385	2,655,977	2,452,690	25	67,734	(1,500)	5,183	90,058	41,787
NET ASSETS:									
Restricted Net Assets	431,697	461,992	337,139	8,942	0	93,275	7,114	1,156	14,366
Unrestricted Net Assets	43,552	44,987	0	0	44,987	0	0	0	0
Total Net Assets	<u>475,249</u>	<u>506,979</u>	<u>337,139</u>	<u>8,942</u>	<u>44,987</u>	<u>93,275</u>	<u>7,114</u>	<u>1,156</u>	<u>14,366</u>
Total Liabilities and Net Assets	<u>2,888,634</u>	<u>3,162,956</u>	<u>2,789,829</u>	<u>8,967</u>	<u>112,721</u>	<u>91,775</u>	<u>12,297</u>	<u>91,214</u>	<u>56,153</u>

MAINE STATE HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE PERIOD ENDED AUGUST 31, 2025
(IN THOUSANDS OF DOLLARS)

	Memorandum Only Combined Totals		Mortgage Purchase Fund Group	Bondholder Reserve Fund	General Fund	HOME Fund	Federal Programs Fund	Other Funds	Maine Energy Housing & Economic Recovery Funds
	2024	2025							
REVENUES:									
Interest from mortgages and notes	50,588	61,294	60,915	61	162	126	0	0	30
Income from investments	21,278	20,487	17,270	197	557	604	20	1,356	483
Net increase (decrease) in the fair value of investments	4,166	5,354	5,354	0	0	0	0	0	0
Fee income	11,267	14,673	4,058	0	1,402	0	8,948	265	0
Other revenue	119	136	25	0	66	33	12	0	0
Grant income	66,041	71,523	0	0	0	6,289	30,597	34,637	0
Income from State	19,035	20,733	0	0	0	16,416	0	0	4,317
Federal rent subsidy income	86,925	94,086	0	0	0	0	94,086	0	0
Total Revenues	259,419	288,286	87,622	258	2,187	23,468	133,663	36,258	4,830
EXPENSES:									
Operating expenses	15,923	17,574	0	0	17,574	0	0	0	0
Other program administrative expenses	5,493	7,061	5,562	0	655	0	638	206	0
Mortgage servicing fees	1,355	1,505	1,500	0	5	0	0	0	0
Provision for losses on loans	0	0	0	0	0	0	0	0	0
Losses on foreclosed real estate	0	0	0	0	0	0	0	0	0
Interest expense	42,617	52,919	52,271	0	0	0	0	0	648
Grant expense	83,212	84,431	0	0	0	18,360	30,549	34,654	868
Federal rent subsidy expense	85,931	93,575	0	0	0	0	93,575	0	0
Loss on bond redemption	83	71	71	0	0	0	0	0	0
Excess arbitrage	739	0	0	0	0	0	0	0	0
Allocated operating costs	0	0	9,517	56	(15,636)	0	6,004	59	0
Total Expenses	235,353	257,136	68,921	56	2,598	18,360	130,766	34,919	1,516
Net Operating Income (Loss)	24,066	31,150	18,701	202	(411)	5,108	2,897	1,339	3,314
Transfers between funds, net	0	0	0	0	822	(34)	(805)	17	0
Change in net assets	24,066	31,150	18,701	202	411	5,074	2,092	1,356	3,314
Net assets at beginning of year	451,183	475,829	318,438	8,740	44,576	88,201	5,022	(200)	11,052
Net assets at end of period	475,249	506,979	337,139	8,942	44,987	93,275	7,114	1,156	14,366

**MAINE STATE HOUSING AUTHORITY
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT
FOR THE PERIOD ENDED AUGUST 31, 2025**

(IN THOUSANDS OF DOLLARS)

	Mortgage Lending Activities Actual	Federal & Other Program Administration Actual	Total Combined Actual	Total Annual Budget	Total Under / (Over)	% Variance
REVENUES:						
Interest from mortgages and notes	61,138	0	61,138	89,695	28,557	32%
Income from investments	18,024	20	18,044	23,765	5,721	24%
Fee income	5,460	9,213	14,673	21,450	6,777	32%
Other revenue	91	12	103	265	162	61%
Total Revenues	84,713	9,245	93,958	135,175	41,217	30%
EXPENSES:						
Operating expenses	11,511	6,063	17,574	27,118	9,544	35%
Other program administrative expenses	7,722	844	8,566	11,091	2,525	23%
Interest expense	52,342	0	52,342	79,135	26,793	34%
Total Expenses	71,575	6,907	78,482	117,344	38,862	33%
Excess Revenues Over Expenses	13,138	2,338	15,476	17,831	2,355	13%

**MAINE STATE HOUSING AUTHORITY
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES
FOR THE PERIOD ENDED AUGUST 31, 2025**

ATTACHMENT B

	Total Annual Budget	Total Year to Date Actual	Budget Available	Percentage of Budget Available
Operating Expenses				
Salaries	14,642,535	9,704,338	4,938,197	34%
Payroll Taxes	1,109,857	755,220	354,637	32%
Retirement	1,472,312	976,438	495,874	34%
Medical and Life Insurance	3,855,636	2,541,913	1,313,723	34%
Other Fringe Benefits	10,000	9,975	25	0%
Office Supplies	54,025	30,351	23,674	44%
Printing	81,550	40,632	40,918	50%
Membership and Dues	69,107	19,796	49,311	71%
Subscriptions	19,197	8,997	10,200	53%
Sponsorships	11,750	5,750	6,000	51%
Staff Educ/Train/Conf	236,535	60,605	175,930	74%
Travel/Meals - Staff Educ/Train/Conf	206,404	75,368	131,036	63%
Partner/Client Train/Meetings	60,827	15,901	44,926	74%
Travel/Meals - Partner/Client Training	134,975	25,563	109,412	81%
Staff Events	36,935	12,260	24,675	67%
Meals - Staff Events	39,693	12,363	27,330	69%
Leased Vehicles	183,486	110,952	72,534	40%
Computer Supplies	33,000	13,428	19,572	59%
Computer License SAAS	251,358	222,193	29,165	12%
Rent-Other	37,630	20,198	17,432	46%
Computer Maintenance	1,048,736	619,856	428,880	41%
Depreciation	1,383,500	890,861	492,639	36%
Telephone	136,950	91,183	45,767	33%
Employment Advertising	15,000	495	14,505	97%
Postage and Shipping	167,300	66,822	100,478	60%
Insurance	112,480	99,656	12,824	11%
Recording Fees	1,600	1,605	(5)	0%
Payroll Services	61,064	41,802	19,262	32%
Audit Services	172,000	125,000	47,000	27%
Property Expenses	571,350	379,389	191,961	34%
Professional Services	482,249	313,380	168,869	35%
Building Interest Expense	419,284	280,954	138,330	33%
Total Operating Expenses	27,118,325	17,573,244	9,545,081	35%
Other Program Administrative Expenses				
Loan foreclosure expenses	200,000	112,040	87,960	44%
REO expenses	50,000	3,599	46,401	93%
Provision for losses on loans & REOs	125,000	0	125,000	100%
Mortgage Servicing fees	2,195,000	1,505,498	689,502	31%
Loan Origination expenses	4,162,500	3,485,683	676,817	16%
Bond issuance expenses	1,050,000	437,806	612,194	58%
Trustee/Bank fees	182,000	118,188	63,812	35%
Program advertisements	301,400	113,448	187,952	62%
Bond and mortgagee insurance	26,682	26,582	100	0%
Variable rate bond remarket/SBPAs	645,000	493,411	151,589	24%
Cash flow/arbitrage/swap consultants/legal	795,500	728,967	66,533	8%
Homebuyer education	160,000	71,400	88,600	55%
US Treasury/ERA program repayment	0	655,245	(655,245)	N/A
Program administrator fees	1,198,119	814,827	383,292	32%
Total Other Program Administration Expenses	11,091,201	8,566,694	2,524,507	23%

**MAINE STATE HOUSING AUTHORITY
CAPITAL BUDGET
FOR THE PERIOD ENDED AUGUST 31, 2025**

ATTACHMENT C

Description	2025 Budget	2025 Actual	Budget Available	% Expended
Computer Hardware:				
Computer replacements (45)	60,000	67,676	(7,676)	
DMZ servers upgrade (2)	25,000		25,000	
Monitoring server upgrade	2,500		2,500	
Total computer hardware	<u>87,500</u>	<u>67,676</u>	<u>19,824</u>	<u>77%</u>
Computer Software:				
Enterprise multi-family housing system	182,267	182,267	-	
Amplifund grant management software	45,600		45,600	
Single Family loan servicing system modifications	26,950	14,160	12,790	
Single Family lender & loan tracking systems mods	10,000		10,000	
Multi-family loan servicing system modifications	31,160		31,160	
LIHEAP & Wx JAI system modifications	25,000	114,298	(89,298)	
Homeless Mgmt Information System (HMIS)	170,000		170,000	
Total computer software	<u>490,977</u>	<u>310,725</u>	<u>180,253</u>	<u>63%</u>
Office Building:				
Additional workstations & furniture	18,000		18,000	
EV Charging Station	40,000	7,956	32,044	
Potential office building improvements/repairs	45,000	83,200	(38,200)	
	<u>103,000</u>	<u>91,156</u>	<u>11,844</u>	<u>89%</u>
Total	<u><u>681,477</u></u>	<u><u>469,556</u></u>	<u><u>211,921</u></u>	<u><u>69%</u></u>

**MAINE STATE HOUSING AUTHORITY
MEMBERSHIPS, DUES, AND SPONSORSHIPS
FOR THE PERIOD ENDED AUGUST 31, 2025**

	Description	Amount
Memberships and Dues		
	American Bar Association - employee dues	355
	American Payroll Association - employee annual membership	305
	Association for Public Policy and Analysis - employee dues	115
	Association of Certified Fraud Examiners - (1) employee annual membership	245
	American College of Mortgage Attorneys - employee dues	225
	Board of Overseers of the Bar - (5) employee annual registration	1,710
	Construction Specifications Institute - employee annual membership	375
	Council of State Community Development Agencies - annual membership	1,500
	Diversity Hiring Coalition - annual membership	300
	Institute of Internal Auditors - employee annual membership	200
	Information Systems Audit and Control Association - employee annual membership	210
	Kennebec Board of Realtors - employee dues	199
	Kennebec Valley Human Resources Association - employee dues	175
	Maine Association of Mortgage Professional - employee annual membership	450
	Maine Bankers Association - annual affiliate membership	995
	Maine Dept of Environmental Protection - employee lead inspection license	400
	Maine Indoor Air Quality Council - annual membership	650
	Maine Municipal Bond Bank - annual membership	50
	Maine Real Estate & Development Association - annual membership	1,350
	National Association of Home Builders - employee membership	95
	National Association for State Community Services Programs - annual membership	986
	National Energy & Utility Affordability Coalition - annual membership	600
	National Energy Assistance Directors' Association - annual membership	7,197
	National Leased Housing Association - annual membership	810
	Society for Human Resource Management - employee annual membership	299
	Total	\$ 19,796
Sponsorships		
	New England Resident Service Coordinator - conference sponsor	3,000
	Preble Street - conference sponsor	2,500
	Realtor Green Day - conference sponsorship	250
	Total	\$ 5,750



Finance Department Memorandum

To: Board of Commissioners
From: Darren Brown
Date: October 3, 2025
Subject: Monthly Delinquencies Report

MULTI-FAMILY DELINQUENCIES

The Multi-Family portfolio totals \$1.2 billion with 1,414 loans as of September 30, 2025. There are no loans 60 days or more delinquent, as shown in *Exhibit 1*. The Multi-Family delinquency rate is benchmarked against MaineHousing's historical rates, as shown in *Exhibit 2*.

SINGLE-FAMILY DELINQUENCIES

The Single-Family portfolio totals \$1.3 billion with 10,452 loans as of August 31, 2025. The over 60-day delinquencies increased from 2.68% to 2.76%, and the in-foreclosures decreased from 0.64% to 0.62%. The over 60-day delinquencies amount to \$36 million, with approximately \$8 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 2.76% and the overall delinquency rate by loan count is 2.46%. As shown in *Exhibit 5*, the overall delinquency rate by loan count is below the delinquency rate for all Maine loans.

Servicer Delinquencies –Delinquencies for our largest servicer, Mortgage Servicing Solutions, increased from 3.09% to 3.22%, while the in-foreclosure rate decreased from 0.81% to 0.77%. Salem Five Mortgage Corp had a rate of 0.00%, which was the lowest rate for the month. Delinquency rates for each servicer are shown in *Exhibit 3*.

Delinquencies by Insurance Type – In August 2025, FHA insured loans had the highest delinquency rate by total insurance type of 4.84%, with in-foreclosures at 0.49%. When compared to the total loan portfolio, RD insured loans had the highest delinquency rate of 1.22%, with in-foreclosures at 0.39%. Delinquencies by insurance type and the portfolio as a whole are shown in *Exhibit 6*.

FHA insured loans comprise 23% of the Single-Family portfolio and 41% of delinquencies, while RD insured loans comprise 45% of the portfolio and represent 44% 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 2025, we assisted 754 borrowers with various foreclosure prevention options.

Multi-Family Delinquent Loans

MAINE STATE HOUSING AUTHORITY MULTI-FAMILY DELINQUENCIES 9/30/2025

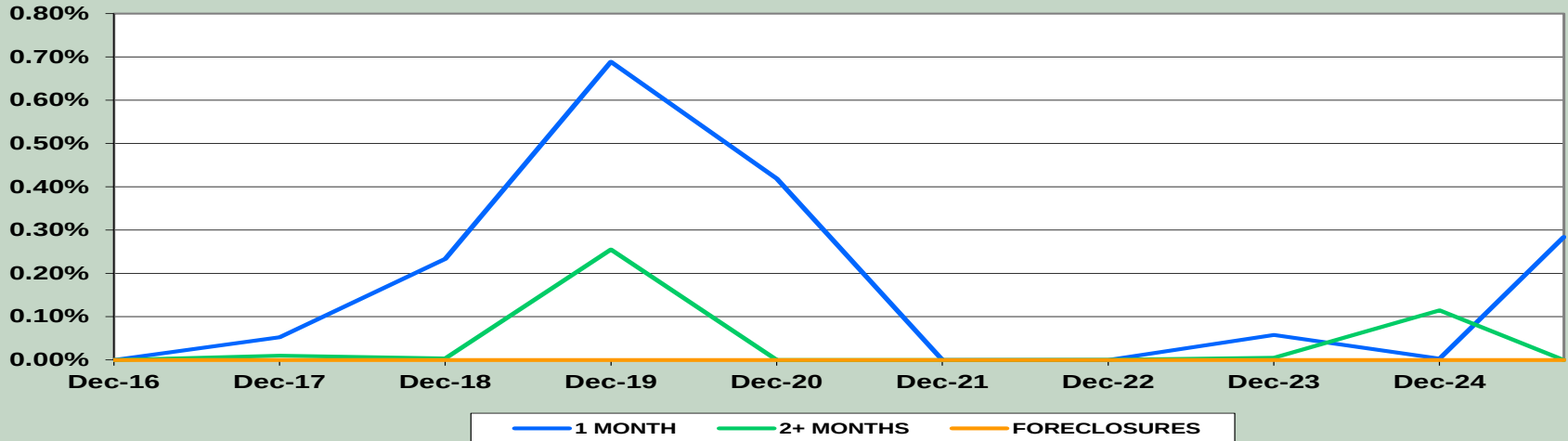
Section 8					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
						0.00	0.00	0.00
Rental Housing					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
CENTRE ST, 520	14,634.28	08/01/25	BATH	BATH HOUSING DEVELOPMENT CORP	04/01/24	3,512,227.00	0.00	0.00
						3,512,227.00	0.00	0.00
Supportive Housing & Other					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
						0.00	0.00	0.00
Grand Total						3,512,227.00	0.00	0.00
% of Portfolio Delq 60+ days		0.00%						
Total Number of Loans		1,414						

* Loans past maturity date

**Partial payment held in suspense

Multi-Family Delinquency & Foreclosure Trends

MULTI-FAMILY DELINQUENCY AND FORECLOSURE RATES



	OUTSTANDING			<u>1 MONTH</u>		<u>2+ MONTHS</u>		<u>FORECLOSURES</u>	
	PRINCIPAL	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Sep-25	\$ 1,236,583,152	\$ 3,512,227	0.28%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-24	\$ 1,099,201,435	\$ 30,700	0.00%	\$ 1,256,541	0.11%	\$ -	0.00%	\$ -	0.00%
Dec-23	\$ 898,515,001	\$ 518,845	0.06%	\$ 45,709	0.01%	\$ -	0.00%	\$ -	0.00%
Dec-22	\$ 796,448,381	\$ -	0.00%	\$ 4,553	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-21	\$ 696,004,882	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-20	\$ 666,678,177	\$ 2,791,073	0.42%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-19	\$ 635,961,774	\$ 4,379,009	0.69%	\$ 1,620,600	0.25%	\$ -	0.00%	\$ -	0.00%
Dec-18	\$ 630,936,475	\$ 1,473,376	0.23%	\$ 20,600	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-17	\$ 608,939,257	\$ 319,836	0.05%	\$ 60,624	0.01%	\$ -	0.00%	\$ -	0.00%
Dec-16	\$ 579,916,852	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%

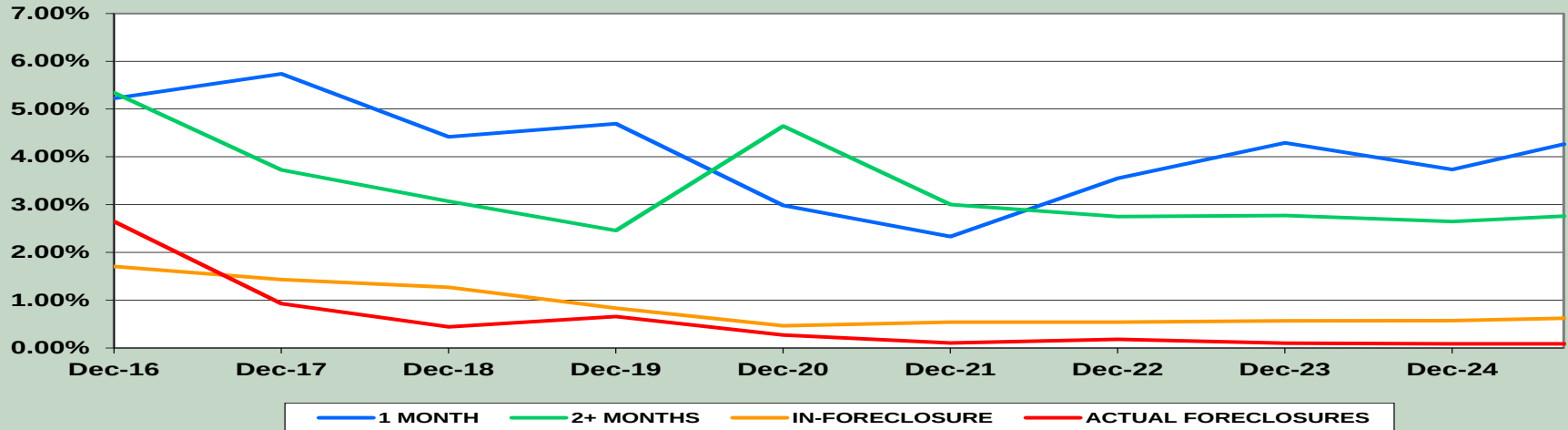
Single-Family Delinquent Loans

Maine State Housing Authority Single-Family Delinquencies by Servicer 8/31/2025

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTIONS	70.89%	3.22%	925,258,964.29	46,274,641.78	7,513,705.00	15,130,865.05	7,139,281.70
BANGOR SAVINGS BANK QS	9.81%	1.68%	128,091,350.71	1,299,012.16	484,889.53	1,495,351.49	166,185.13
BANGOR SAVINGS BANK	7.26%	1.32%	94,779,020.35	2,454,385.81	348,972.07	740,267.35	158,782.31
CAMDEN NATIONAL BANK UK	6.68%	1.92%	87,235,029.05	2,236,085.55	556,573.90	483,801.30	631,899.98
MACHIAS SAVINGS BANK	5.34%	1.67%	69,652,583.79	3,403,232.04	882,929.49	283,318.62	0.00
SALEM FIVE MORTGAGE CORP	0.01%	0.00%	160,268.03	0.00	0.00	0.00	0.00
TOTAL	100.00%	2.76%	1,305,177,216.22	55,667,357.34	9,787,069.99	18,133,603.81	8,096,149.12

Single-Family Delinquency & Foreclosure Trends

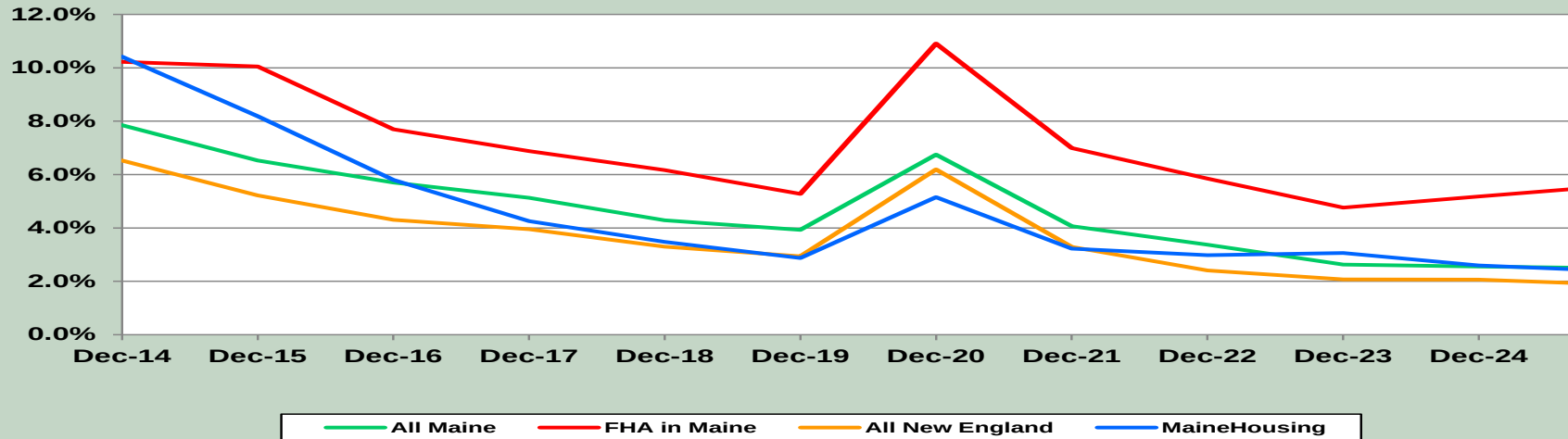
SINGLE-FAMILY DELINQUENCY AND FORECLOSURE RATES



	OUTSTANDING		1 MONTH		2+ MONTHS		IN-FORECLOSURE		ACTUAL FORECLOSURES	
	PRINCIPAL		DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Aug-25	\$ 1,305,177,216		\$ 55,667,357	4.27%	\$ 36,016,823	2.76%	\$ 8,096,149	0.62%	\$ 1,109,691	0.09%
Dec-24	\$ 1,184,161,154		\$ 44,223,429	3.73%	\$ 31,339,302	2.65%	\$ 6,758,973	0.57%	\$ 1,045,136	0.09%
Dec-23	\$ 1,053,014,623		\$ 45,215,476	4.29%	\$ 29,205,657	2.77%	\$ 5,986,311	0.57%	\$ 1,043,395	0.10%
Dec-22	\$ 958,984,521		\$ 33,996,366	3.55%	\$ 26,378,301	2.75%	\$ 5,183,906	0.54%	\$ 1,733,447	0.18%
Dec-21	\$ 887,303,920		\$ 20,685,547	2.33%	\$ 26,645,647	3.00%	\$ 4,806,968	0.54%	\$ 941,490	0.11%
Dec-20	\$ 960,761,414		\$ 28,645,024	2.98%	\$ 44,603,599	4.64%	\$ 4,471,656	0.47%	\$ 2,617,001	0.27%
Dec-19	\$ 967,171,381		\$ 45,399,415	4.69%	\$ 23,774,547	2.46%	\$ 8,037,512	0.83%	\$ 6,357,994	0.66%
Dec-18	\$ 916,608,577		\$ 40,526,473	4.42%	\$ 28,155,105	3.07%	\$ 11,647,401	1.27%	\$ 4,056,247	0.44%
Dec-17	\$ 844,497,676		\$ 48,457,930	5.74%	\$ 31,454,643	3.72%	\$ 12,099,518	1.43%	\$ 7,847,858	0.93%
Dec-16	\$ 799,557,471		\$ 41,780,468	5.23%	\$ 42,682,410	5.34%	\$ 13,625,991	1.70%	\$ 21,142,137	2.64%

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*	126,869	0.63%	0.99%	0.89%	2.51%
FHA for State*	17,009	1.86%	2.23%	1.36%	5.45%
All New England*	1,746,836	0.61%	0.88%	0.45%	1.94%
MaineHousing**	10,452	0.75%	1.14%	0.57%	2.46%

*This information is obtained from MBA's National Delinquency Survey for the second quarter of 2025.

**MaineHousing's overall delinquency rate based on loan dollars is 2.76%, whereas rates in this exhibit are based on loan count.

Single-Family Delinquencies by Mortgage Insurer

As A Percent of Total Insurance Type

8/31/2025

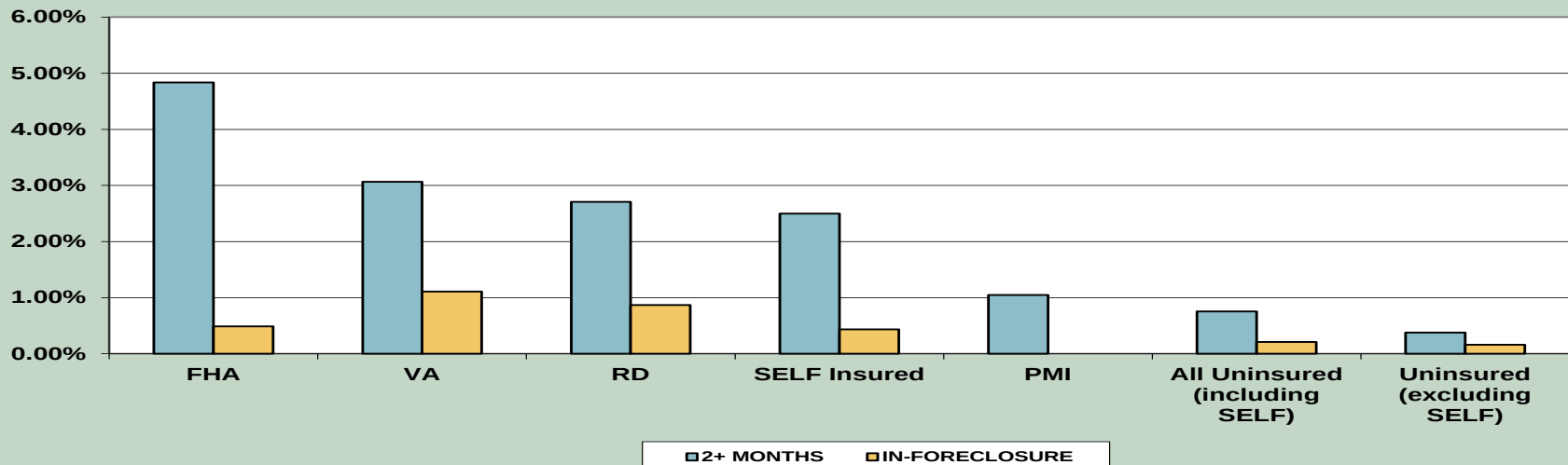
TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	4.84%	0.49%
VA	3.07%	1.11%
RD	2.71%	0.87%
SELF Insured	2.50%	0.44%
PMI	1.05%	0.00%
All Uninsured (including SELF)	0.76%	0.21%
Uninsured (excluding SELF)	0.38%	0.16%

As A Percent of Total Loan Portfolio

8/31/2025

TYPE	2+ MONTHS	IN-FORECLOSURE
RD	1.22%	0.39%
FHA	1.13%	0.11%
VA	0.20%	0.07%
All Uninsured (including SELF)	0.15%	0.04%
SELF Insured	0.09%	0.01%
Uninsured (excluding SELF)	0.06%	0.03%
PMI	0.06%	0.00%

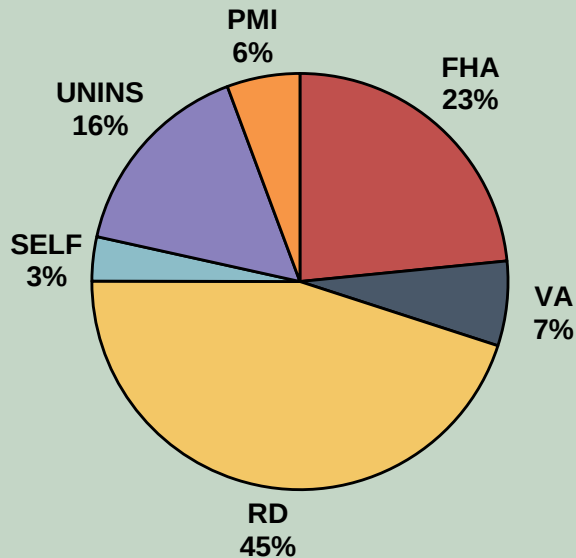
SINGLE-FAMILY DELINQUENCY RATES BY INSURER TYPE



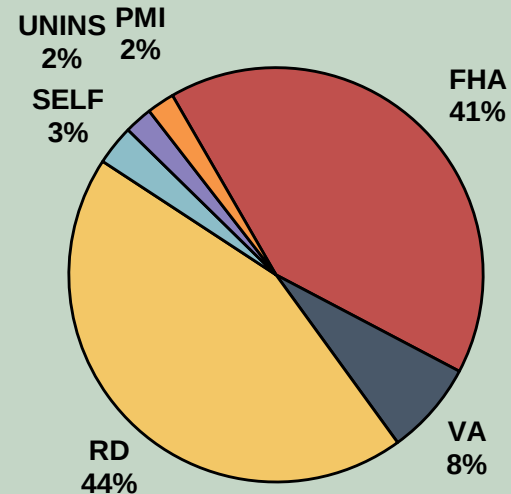
Single-Family Delinquencies by Mortgage Insurer

The following charts show the composition of MaineHousing loans by mortgage insurer. Self insured loans are mainly mobile homes. Uninsured loans are those not needing mortgage insurance (i.e. for loans under 80% property value). The following charts are in dollar amounts.

**Single-Family Portfolio by Insurer
08/31/2025**

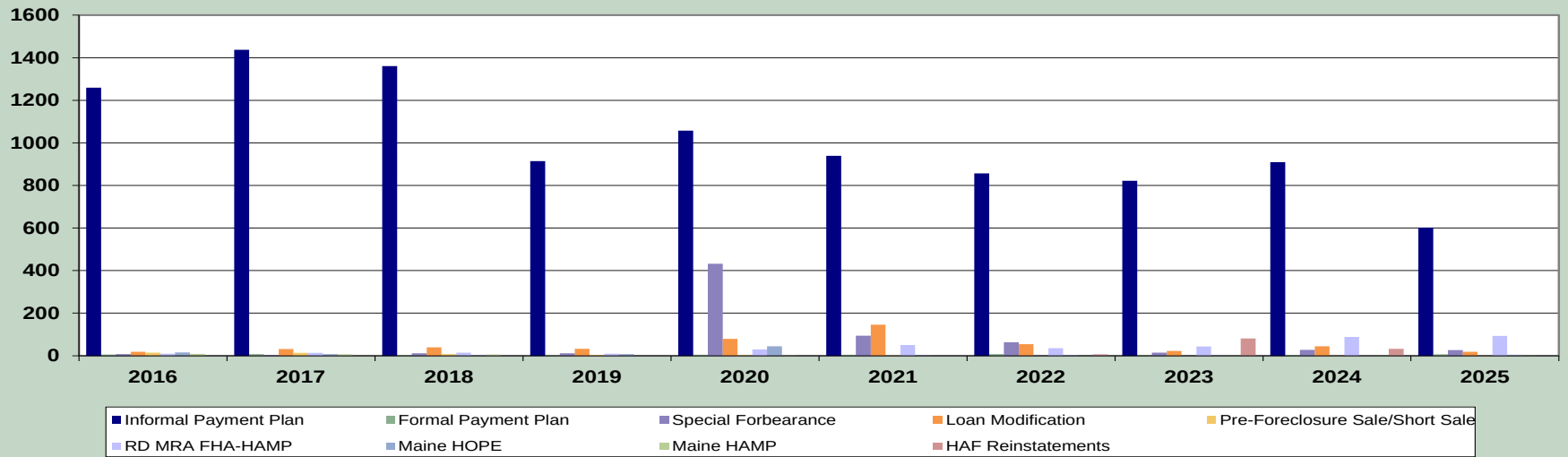


**Single-Family Delinquencies by Insurer
08/31/2025**



Single-Family Foreclosure Prevention Activities

BORROWERS ASSISTED 2013-2025



Number of Borrowers Approved for Assistance

	Informal Payment Plan	Formal Payment Plan	Special Forbearance	Loan Modification	Pre-Foreclosure Sale/Short Sale	RD MRA FHA-HAMP	Maine HOPE	Maine HAMP	HAF Reinstatements	Total Workouts
Aug-25	602	7	26	19	1	93	5	1	0	754
Dec-24	909	4	27	44	1	88	1	1	32	1107
Dec-23	822	3	15	22	0	43	2	1	81	989
Dec-22	857	8	63	54	0	35	4	0	7	1028
Dec-21	939	5	94	146	2	50	2	0	0	1238
Dec-20	1058	5	432	79	3	29	44	2	0	1652
Dec-19	914	3	12	32	4	10	8	0	0	983
Dec-18	1361	4	12	39	8	15	3	6	0	1448
Dec-17	1437	8	4	31	14	14	8	7	0	1523
Dec-16	1259	6	8	19	15	10	16	9	0	1342

Actual Foreclosures

	Number of Foreclosures	Number of Loans in Portfolio	Percentage of Portfolio
Aug-25	12	10,453	0.11%
Dec-24	12	10,239	0.12%
Dec-23	16	9,927	0.16%
Dec-22	21	9,739	0.22%
Dec-21	14	9,750	0.14%
Dec-20	38	10,668	0.36%
Dec-19	86	10,904	0.79%
Dec-18	57	10,673	0.53%
Dec-17	97	10,332	0.94%
Dec-16	258	10,097	2.56%

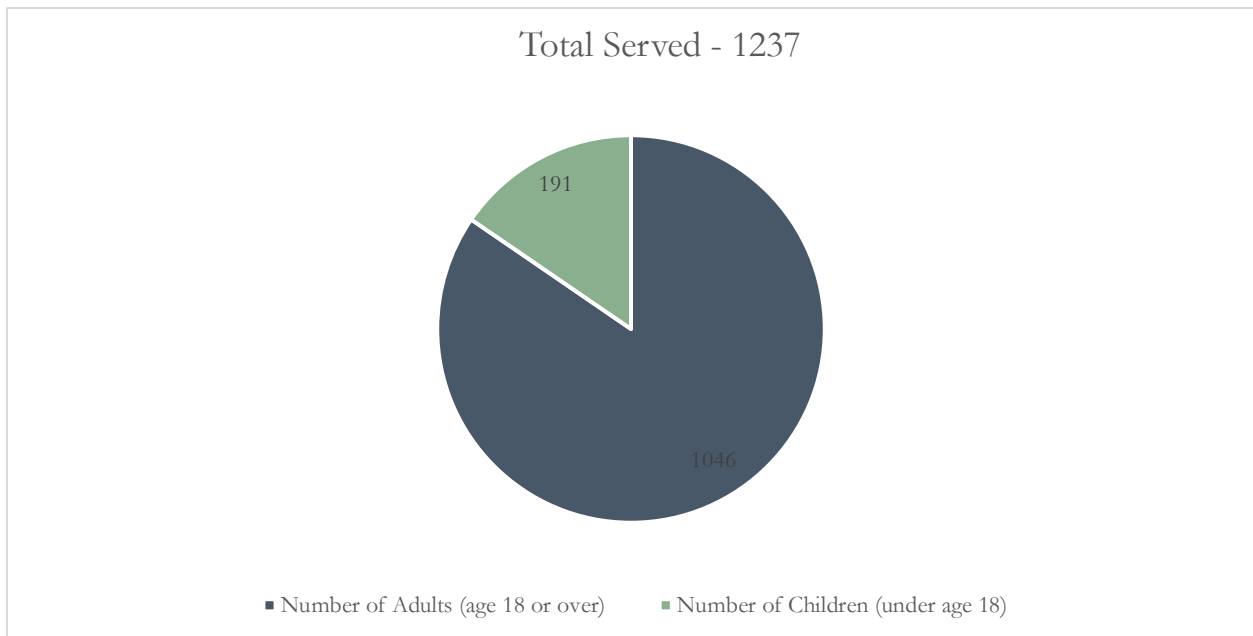
Homeless Initiatives Department Memorandum

To: Board of Commissioners
From: Kelly Watson, Director of Homeless Initiatives
Date: October 8, 2025
Subject: Homeless Initiatives Report

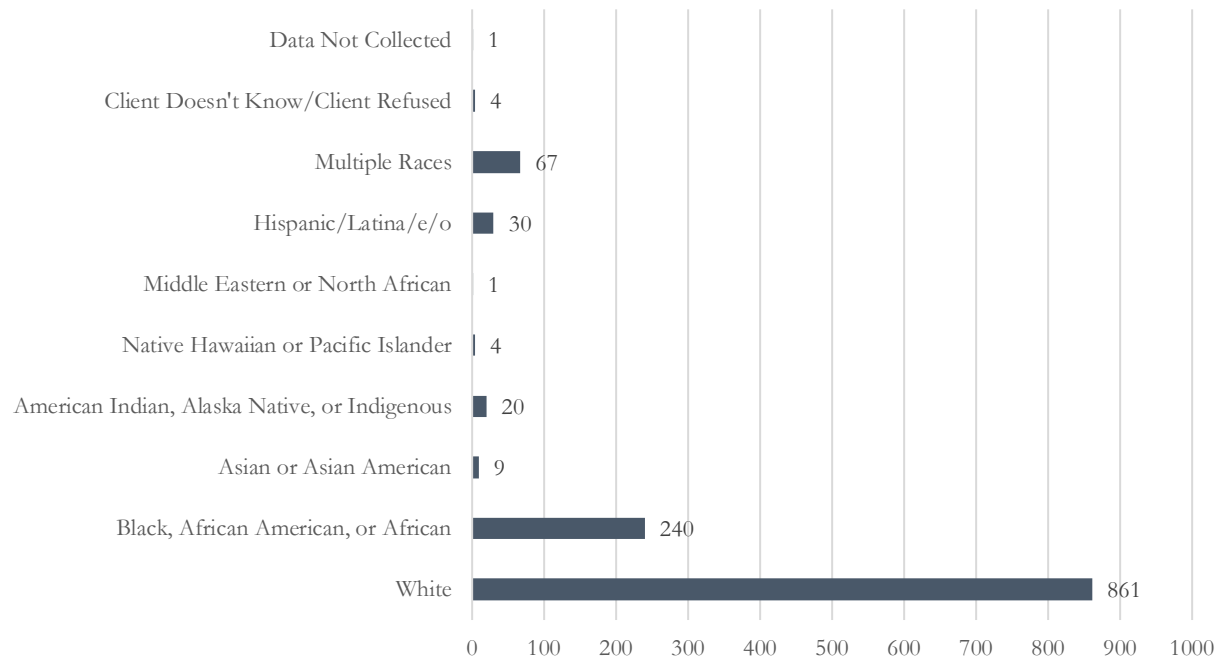
Homeless Data – September 2025

The following are the monthly statistics for September:

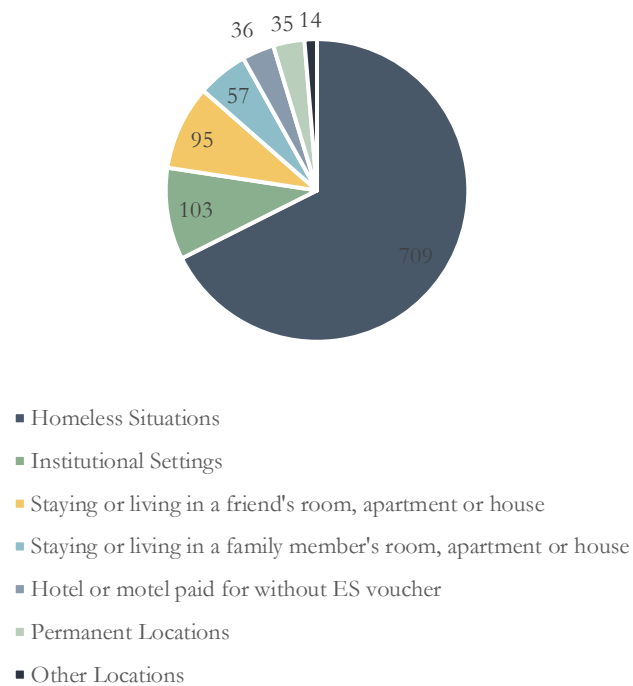
1. The total number of people served in ESHAP funded shelters (1237) decreased by 42 individuals from August to September. This number does not include many of the Asylum Seekers in Portland as well as those served in hotels through GA, or those seeking emergency shelter with a Victim Service Provider.
2. Racial equity – the percentage of people of color stayed consistent at 30 from August to September. The number of those who identify as Hispanic/Latina/e/o increased from 28 in August to 30 in September.
3. The number of Exits to Permanent Housing increased from 52 in August to 75 in September. The total exits from shelter to any location was down by 40 in September from the previous period.

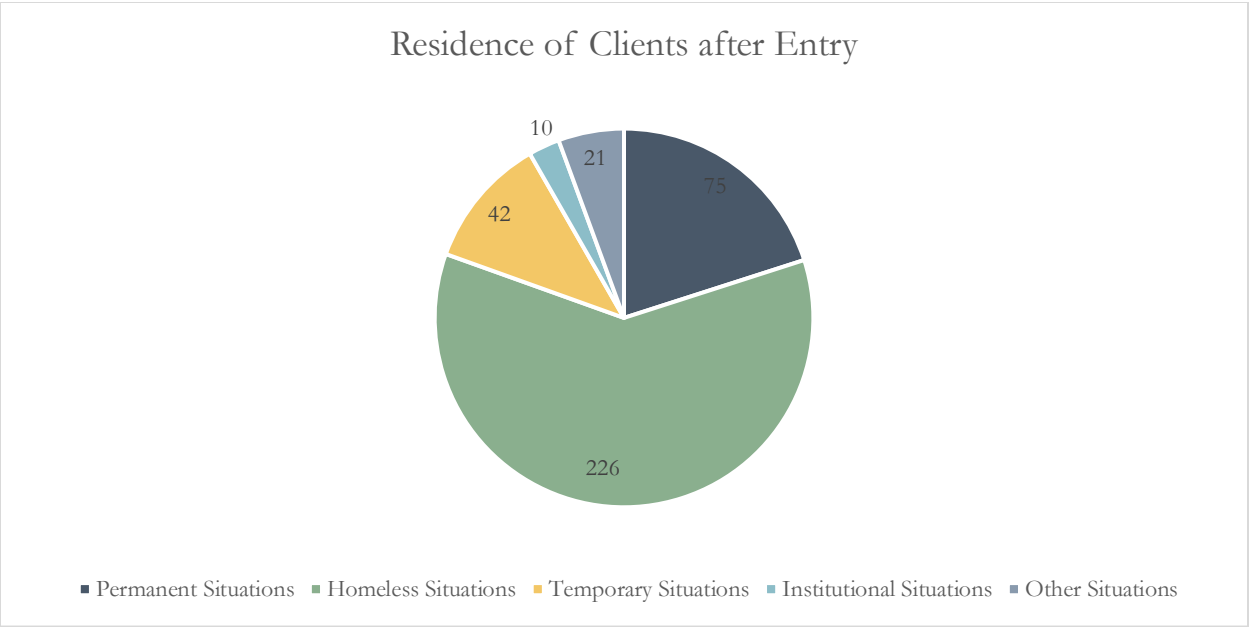


Number of People Served by Race



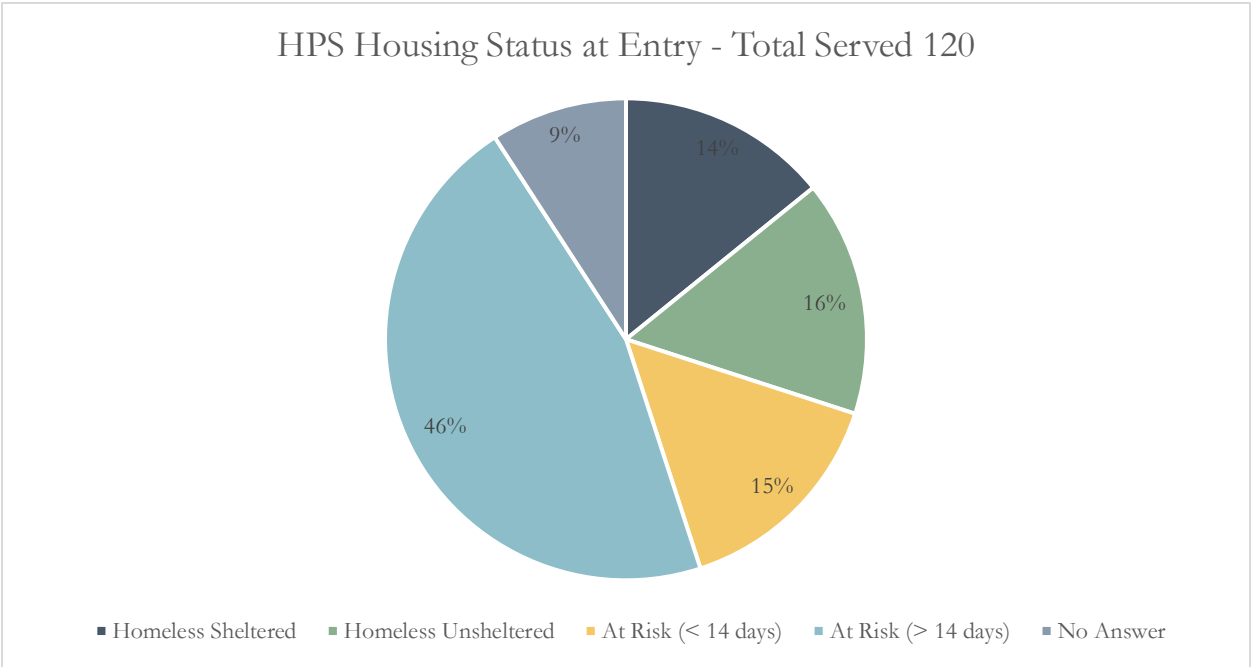
Residence of Clients Prior to Entry



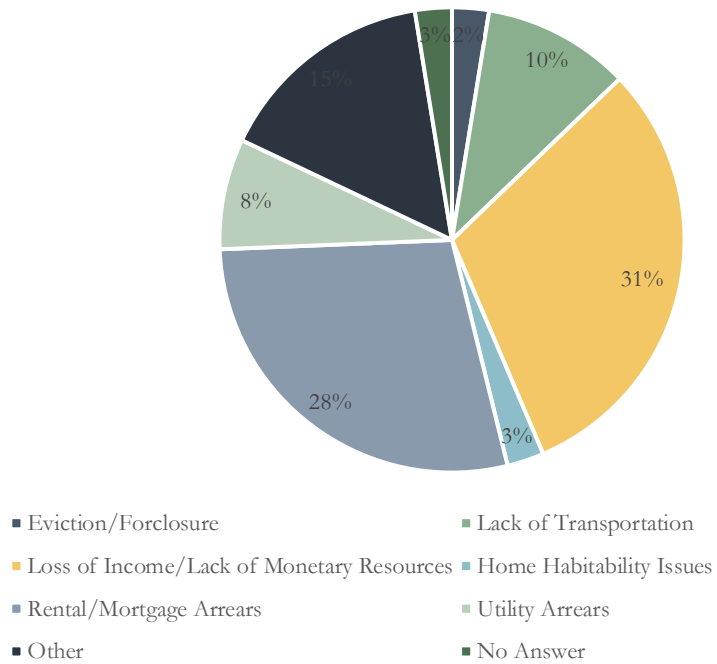


Housing Problem Solving (HPS) Data

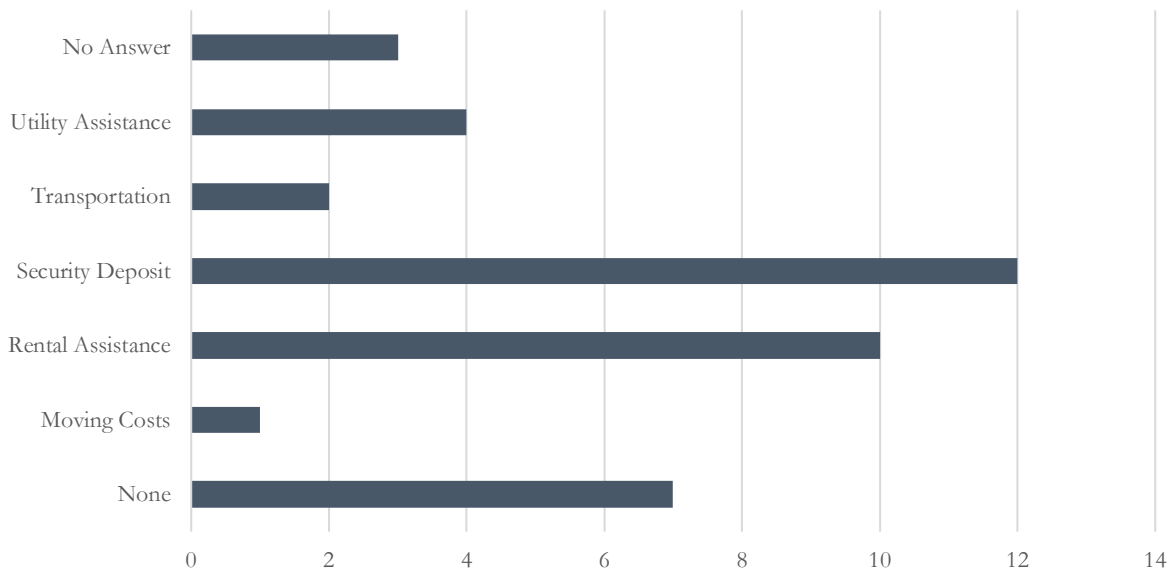
In the month of September, 120 households were served in the Housing Problem Solving Program. This number does not include those served at Victim Service Provider organizations. Of the 39 households exited from the program in September, 33 were reported to have a resolved housing crisis. Forty five percent of the households served reported having a disabling condition. The charts below break down household housing status at entry for all households, reason for client outreach, and type of financial assistance provided for those who exited in September.



Housing Problem Solving September Reason for Call



Housing Problem Solving September - Type of Financial Intervention



Warming Shelter Update

Twelve Warming Shelter awards were granted as a result of the Warming Shelter RFP which closed on September 12th. The 12 awards make up a total of over \$2.3 million dedicated to keeping people sheltered during the coldest months of the year. Warming shelters were funded in 10 cities/towns in 8 of the Homeless Service Hubs.

Rapid Resolution Training RFP

A RFP for rapid resolution training was released on September 18th with a due date of October 17th. The RFP seeks proposals for a training program for grantees of our Housing Problem Solving program as well as other key internal and external partners. The training focuses on skills related to housing problem solving conversations and intervention strategies that are integral to successfully diverting and preventing homelessness.

HMIS Lead Agency Update

The CoC's selection of the new HMIS Lead Agency has launched the collaborative transition process between MaineHousing and ICA. During the next three months, ICA will be doing a full assessment of the HMIS for the CoC as well as assisting with some key reporting and system administration tasks to ensure a smooth and successful transition in January of 2026. Both MaineHousing and ICA HMIS teams are also meeting regularly on the transition to that end.

Portland Shelter Visit

On September 23rd, members of Homeless Initiatives leadership visited the three city-run shelters in Portland as well as their Prevention and Diversion office downtown. City staff shared the ins and outs of running these shelters, and their commitment to provide a safe welcoming place for those seeking shelter was evident in the conversations. Getting beyond MaineHousing's walls to see the important work that our partners are doing is a key ingredient to success the Homeless Initiatives department.

Department Update

In a continued effort to connect the different departments and initiatives across MaineHousing, the Homeless Initiatives department invited Adam Krea and Erik Jorgensen to join their September staff meeting to learn more about the Home for Good program and the legislative process. The presentations were incredibly informative and appreciated by the members of the HI team.

In early September, Kelly Watson attended a three day kickoff to the Institute for Civic Leadership through the Maine Development Foundation. The program will run through April of 2026, with monthly cohort meetings. The launch of the program took place at the Outward Bound base camp in Spruce Head, Maine, and was full of challenge, reflection, and connection. **Photo of Kelly's solo campsite on the second night below.*



Service Hub Implementation – Built for Zero Initiative

Recently, providers in Hubs 1 (York County), 3 (Midcoast), 4 (Androscoggin), 5 (Western), and 6 (Central) have signed on to become access points in Coordinated Entry and enter clients into HMIS. This is another step that gets us closer to “Quality Data”, where we feel confident that at least 90% of individuals experiencing homelessness in each Hub are included in our by-name dataset. The other Hubs- 2 (Cumberland), 7 (Penquis), 8 (Downeast), and 9 (Aroostook) have reached the benchmarks of “Quality Data” and are currently having those benchmarks verified by Community Solutions.

The Hubs are focusing in on unsheltered homelessness, encouraging providers to keep the “unsheltered” field in HMIS updated so that we can have more specific data around unsheltered homelessness in each Hub. They are also having meetings with providers around warming shelters and the unsheltered portion of the Point-in-Time Count that will happen in January.

Homeownership Department Memorandum

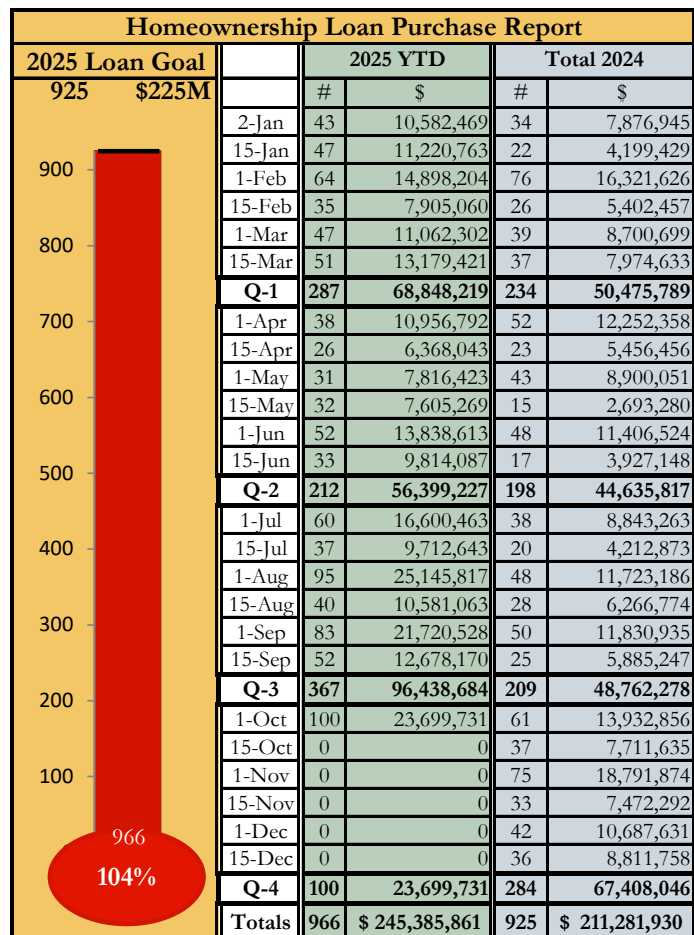
To: MaineHousing Board of Commissioners

From: Patricia Harriman, Director of Homeownership

Date: October 10, 2025

Subject: Monthly Report – Homeownership Department

PRODUCTION UPDATE



Monthly Loan Reservations: 10/01/25	
#	\$ Volume
136	\$ 35,528,579

Loan Pipeline as of: 10/01/25	
#	\$ Volume
368	\$ 90,621,838

Loan Reservation Comparison					
September 2024		September 2025		2024 vs 2025	
#	\$ Volume	#	\$ Volume	#	\$ Volume
246	\$55,192,390	368	\$ 90,621,838	50%	64%

PROGRAM HIGHLIGHTS:

The seasons are changing, and the real estate market is changing as well. While the need for affordable housing still remains the biggest challenge, First Time Homebuyers who have been working through Maine Housing's program have been finding success at rates that far exceed those of 2024.

Sales of homes in Maine continue to rise, up almost 10% in August of 2025 compared to the same time in 2024. Median home prices continue to rise, but appear to be slowing down, currently at \$409,450.

"Potential home buyers in Maine have more options than they have had over the past five years," says Jeff Harris, 2025 President of the Maine Association of REALTORS. "For the sixth consecutive month, the number of homes for sale on the market has increased and the number of sales has risen. The inventory level of homes for sale is building as more sellers enter the market- currently at the highest level since October of 2020.

The market is shifting, moving more in balance, and allowing borrowers more opportunities than in years past. While the market remains a sellers' market, it does still tend to show some favorable improvements for the buyer.

Maine Housing's First Time Homebuyer program has seen an increase in both production and reservations to the program; the highest levels we have seen post pandemic. New Lenders continue to reach out, wanting to add our program to their portfolio of options, recognizing that the First Time Homebuyer is a growing demographic that often has some challenges and needs a little extra help in the process. Lenders recognize that assisting them now, helping them into their first home, sets the foundation for the future.

While the future remains unknown and the mortgage industry remains volatile, we remain steadfast on educating future home buyers and assisting them on their journey to Homeownership.

EDUCATION AND OUTREACH UPDATES:

The Homebuyer Education classes continue to be well attended by those building their dream of homeownership, each class provides them with the knowledge they need to start their journey. Maggie Silva, Outreach and Education Coordinator recently surveyed some of the recent class attendees and received the following responses:

"This class is amazing. The information is informative and much needed. Thank you to all who keep this together."

"This was an easy-to-follow format, had engaging instructor and presenters, and I enjoyed every topic. Thank you! I definitely feel more prepared for the next steps."

“I am a first-time homebuyer that had no knowledge at all; now I know what to do.”

Outreach and Education remain a vital component of our program to ensure we are providing potential homeowners with the tools they need for success.

Maggie Silva and Patricia Harriman, Director of Homeownership, attended the Affordable Housing Conference in Bangor hosted by MaineHousing and were able to engage with many different people about promoting our programs at their own businesses or using the program themselves! EHS also shared the table with the Homeownership Department and brought their highly informative pamphlets for current homeowners.

In addition to the table Patricia also held a session to discuss “The Changing Landscape of Homeownership.” With the assistance of Jamie Plourde, Broker for Coldwell Banker, Plourde Real Estate and Brendan Fontaine, loan officer for Guild Mortgage, the panel had a robust discussion on how homebuying has changed post pandemic. Our panelists all agreed that ensuring our borrowers are educated, that they know and understand the process and that they have proper guidance through the transaction is key to building the foundation of successful homeownership. The perspective of a lender and realtor helped our audience fully understand the challenges as well as successes from both sides of the transaction.



Most recently, Maggie Nason, Compliance Specialist, and Maggie Silva, Outreach and Education Coordinator, attended the Kennebec Valley Board of Realtors Affiliate Trade Show which was held at the Calumet Club in Augusta. A great event to make new realtor connections, connect with familiar faces and share the work that we do to benefit future homebuyers.



Housing Choice Vouchers Department Memorandum

To: MaineHousing Board of Commissioners

From: Allison Gallagher - Director of HCV Programs

Date: October 21, 2025

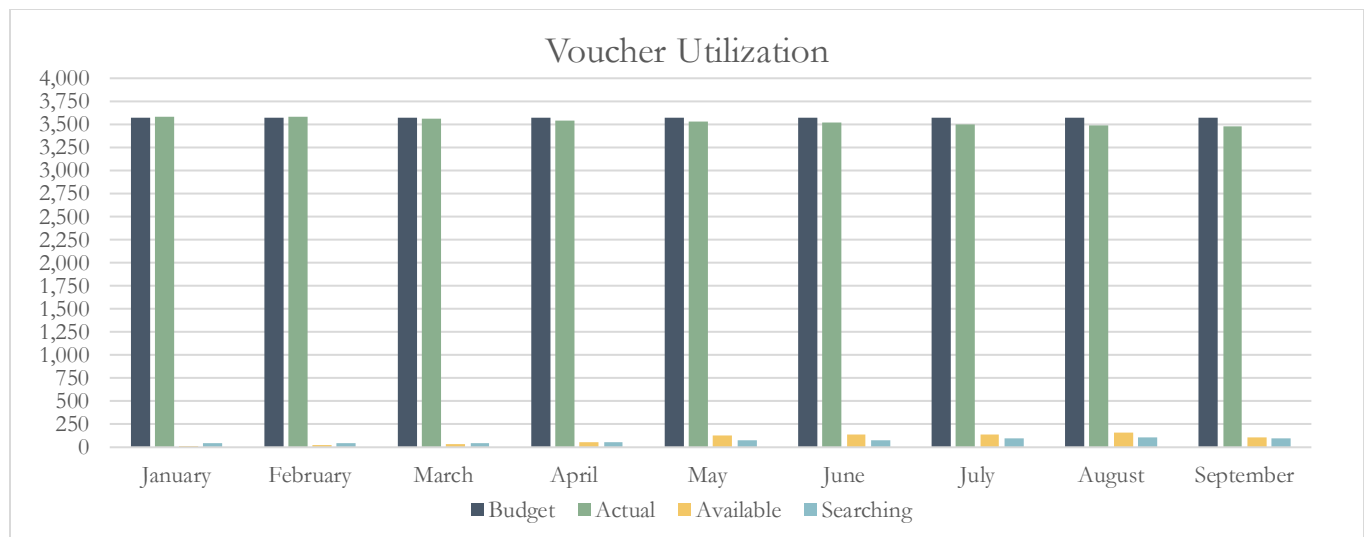
Subject: Monthly Report – Housing Choice Voucher Program

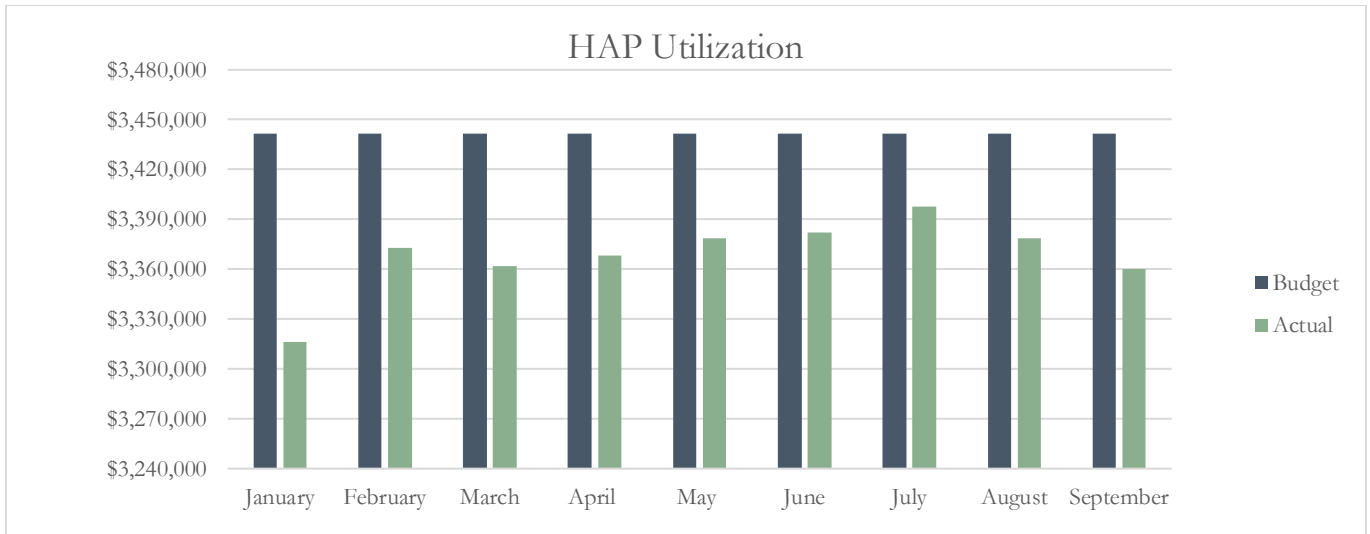
Program Updates:

The Public Hearing for the 2026 PHA Plan was held October 15, 2025, at 9:30am. The final draft of the PHA Plan will be presented to the board for approval at the October board meeting.

HCV staff joined Homeless Initiatives staff throughout the summer connecting with partners by visiting shelters, strengthening communication and process as we transition to a new referral system for Homeless Priority vouchers. We are also attending Hub meetings and setting up visits with homeless partners who are working with families but not providing shelter.

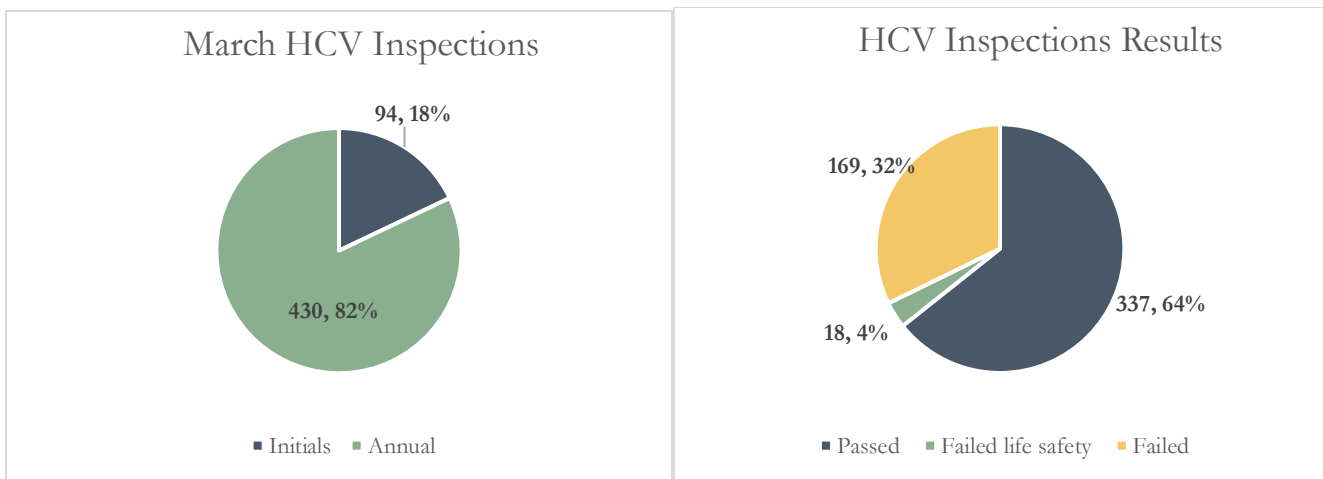
I attended a one-day workshop, Transforming Child Welfare while Keeping Families Safe and Together, organized through Maine Child Welfare Action Network. I joined Victoria Morales, Quality Housing Coalition, to learn more about how MaineHousing's Family Unification Program can be a part of this initiative in Maine. The presentation focused on keeping families together and avoiding removing children from the home, presented by Alia Innovations.





Inspection Updates:

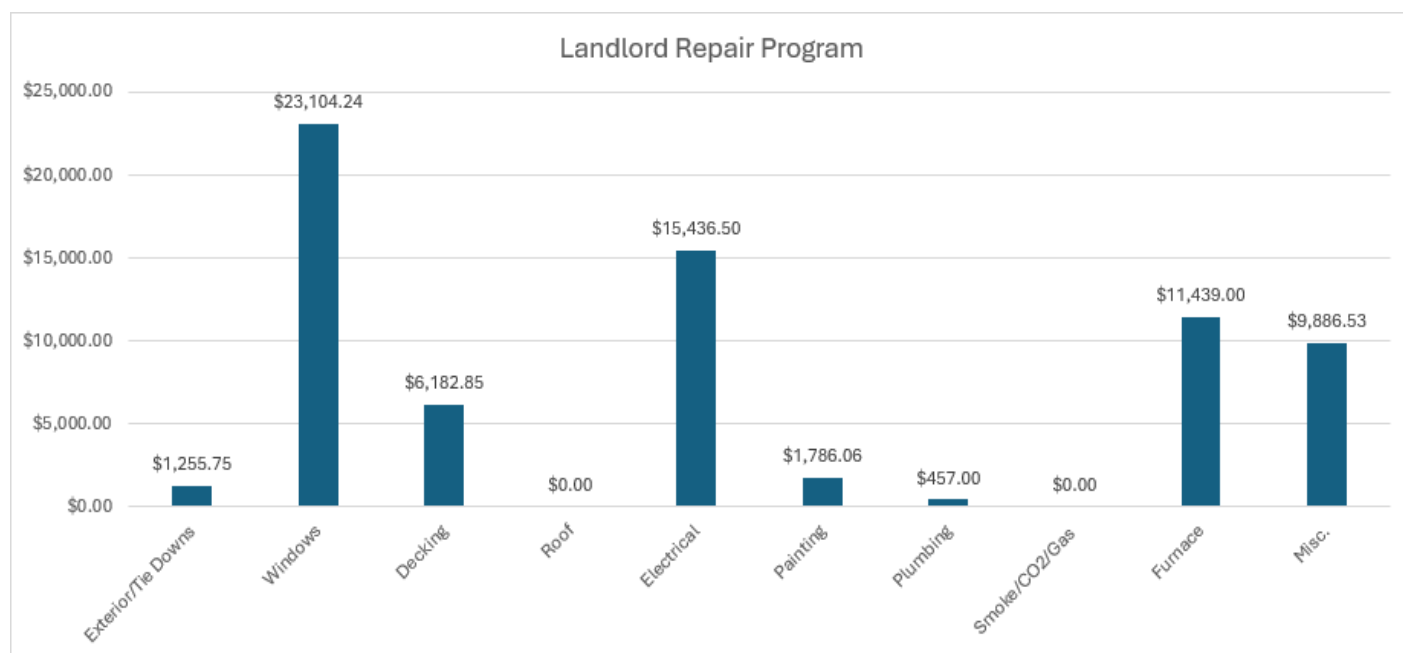
HUD has issued an extension on the compliance date moving from HQS to NSPIRE from September 2025 to February 2027. MaineHousing is still working with HUD to get Administrative Plan changes approved and to comply with NSPIRE by January 2026.



Landlord Repair Grant Program helps landlords participating in MaineHousing's Housing Choice Voucher (HCV) Program make repairs for certain failed items identified during the initial inspection. MaineHousing's goal in offering this reimbursement program is to assist HCV landlords who do not have other funds readily available to complete their repairs.

Damage Reimbursement Grant Program is another incentive available to landlords and provides funds to make repairs for damages caused by a family who has vacated their unit. MaineHousing's goal in offering this reimbursement program is to increase the availability of units by assisting HCV landlords financially to complete repairs to their damaged units.

- LL Repair Program YTD – \$69,547
- Damage Reimbursement Program YTD – \$33,493



Restart-Family Self Sufficiency Program:

The Restart team presented at the Maine Affordable Housing Conference in September, they presented with FSS Coordinators from Bangor and Westbrook. They shared the importance of partnerships within communities in assisting participants with their financial goals.

We are close to hitting our 2025 goal of enrolling and working with 100 participants.

An FSS participant who has been living in a campground for a few months with 5 kids, successfully leased up in September and shared the impact having a home is having on her family.

"This was our first picture in the apartment. It feels like the final piece of that part of our life is encapsulated. I brought the kids up first and let everyone settle, then brought up the kitties so they could see the new place. He took the kitty and showed each window and room, telling her what he thought of each view."



Human Resources and Facilities Department Memorandum

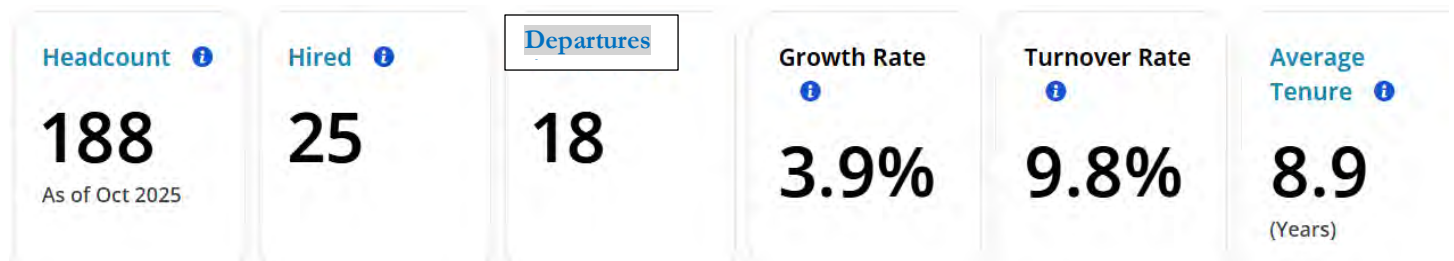
To: Board of Commissioners

From: Jane Whitley, Director of Human Resources & Facilities

Date: October 2025

Subject: Board Report

Human Resources stats as of October 13, 2025



Fair Housing Training for Partners

MaineHousing is offering a free Understanding of Fair Housing training program. This program is on demand and self-paced. It is available through our online learning portal. To register for the training, please visit our website: <https://www.mainehousing.org/education/fair-housing-education>

Facilities Updates

➤ No new news

Information Technology Department Memorandum

To: Board of Commissioners

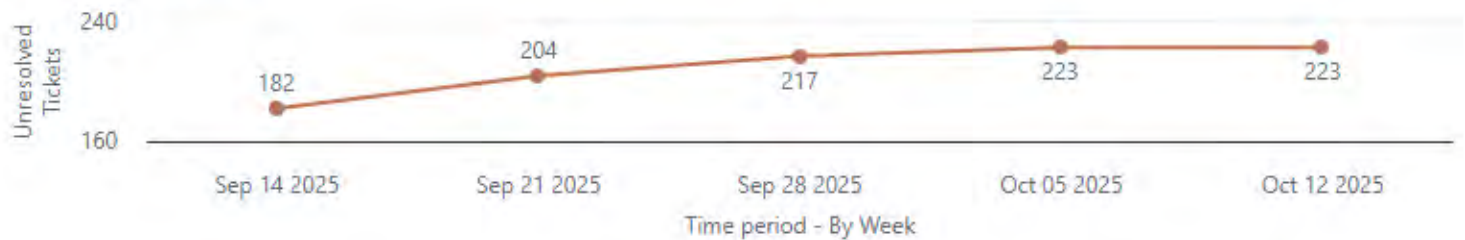
From: Craig Given, Director of IT

Date: October 14, 2025

Subject: Monthly Report

Unresolved Tickets - Trend

Group By : By Week ▾

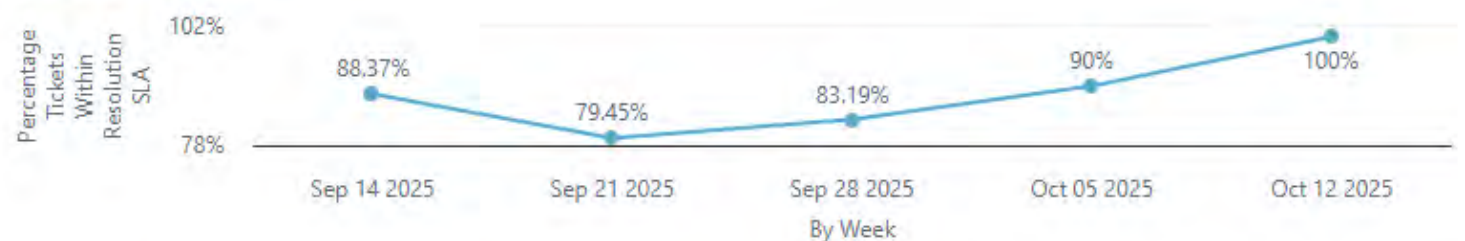


First Response SLA Compliance - Trend



Resolution SLA Compliance - Trend

Group By : By Week ▾



Information Technology Updates:

- Ongoing Phase II rollout of Microsoft Teams, including departmental enhancements to achieve process improvements. Migration of existing processes from previous environment to support within Teams.
- Started the setup and pilot phase of Microsoft Teams phone system to replace existing telecommunication infrastructure by end of year.
- External risk assessment and penetration testing completed with final report under review.
- Formed Data Stewardship Team as required to meet the goals and objectives of Data Governance on a data management level.
- Launched TANF tracking application developed internally.
- Completed Quarterly security training with 100% of available staff completing.
- Continued rollout of Windows 11 to cover all desktop configurations with completion prior to end of support planned.
- Ongoing configuration and implementation of Microsoft Purview. Preparation for the implementation of additional software features of Microsoft 365, including Teams, SharePoint and OneDrive.
- Continued quality improvement process for ITSM (Information Technology Service Management) software. Reviewed upcoming release of Employee Journeys tool to improve tracking of Onboarding/Offboarding and internal transitions.
- Explored replacement of Grant Management processes with a unified application across programs.
- Members of the IT Staff attended the NCSHA Annual Conference & Showplace. Participated in Information Technology focused forums, presentations and networking including topics on software applications, security, and AI.
- Completed Planning and Budget for FY 2026.
- Applied security patches to critical systems to address identified vulnerabilities.

To: Board of Commissioners

From: Jonathan Kurzfeld, Ph.D., Director of Planning & Research

Date: October 14, 2025

Subject: October 2025 Board Report

Planning and Research Department (PnR)

As part of the contingent of MaineHousing staff, PnR Director Jonny Kurzfeld and Communications Director Scott Thistle attended the NCSHA (National Council of State Housing Agencies) Annual Conference in New Orleans October 4-7. While there, the group was thrilled to learn that one of MaineHousing's submissions for the NCSHA Annual Awards for Excellence was chosen as the winner of the Homeownership category for Encouraging New Construction. The winning entry, "[Bridging the Gap in a Market Lacking Starter Homes](#)," was for Development's Affordable Homeownership Program (AHOP). The program has leveraged \$20 million in funding from the Maine State Legislature to create 276 modest new homes affordably priced for purchase by Maine households earning up to 120% of the local median income.



2025 NCSHA Award for Excellence, Homeownership: Encouraging New Construction category. MaineHousing representatives from left to right: Portfolio Manager Bonsant; Loan Administration Manager Marcoux; Multifamily Loan Officer Garand; Director of Homeownership Tricia Harriman; Director Dan Brennan; Senior Director of Communications and Government Relations Erik Jorgensen; Loss Mitigation Specialist DePue; and Communications Director Scott Thistle.

MaineHousing also submitted award entries in two other categories. Although neither of those entries won the award in their category, each represent impressive achievements by MaineHousing leadership and staff that we are proud to share and encourage others to replicate. Furthermore, the winning entries that edged us out in each category were examples of HFA excellence as well, both

worthy of celebrating and considering what we take from their efforts. This is all part of an industry standard R&D (Rip off & Deploy) strategy to advance affordable housing together. Should you wish to review any of them, the following are our entries and their winning competitors:

- Category – Management Innovation: Human Resources
 - ❖ MaineHousing entry: [MaineHousing’s Internal Communications Plan – Facts & Snacks](#)
 - ❖ Winning entry: [The Honors Fellow Program: Identifying and Recruiting Talent](#)
- Category – Special Achievement
 - ❖ MaineHousing entry: [Creative Cooperative Coordination](#)
 - ❖ Winning entry: [Contributing to Housing for the Mission \(And a Tax Credit\)](#)

External Communications

Press Interaction	ME-based outlets Press contacts*	Out-of-state outlets Press contacts*	Director-level Press interviews
September 2025	8	0	3
Previous 3 mo Average	14.0	0.3	8.0
Previous 12 mo Average	21.1	0.6	14.3
September 2024	20	2	17

**Repeated outreach from the same outlet regarding a single topic is considered a single press contact.*

Media requests and responses in the month of September were relatively light, with only 8 making it the slowest month that PnR has on record. However, October is off to a busier start with five requests in the first nine days of the month.

The release of a winter energy guide provided by the new Department of Energy Resources drove renewed attention to winter heating. This led to several requests regarding a change to the Energy Crisis Intervention Program (ECIP), the emergency element of our Home Energy Assistance Program (HEAP). A story by the Portland Press Herald on the change, which you may recall reduced the \$800 maximum annual benefit to an annual one-time \$500 maximum benefit, prompted several copy-cat reports that you may have seen or heard in print, television, or radio.

In other energy-related news, MaineHousing’s Sarah Johnson appeared as an expert guest on Maine Calling on Oct. 6. The show focused on ways to save energy, weatherization programs, and available heating assistance programs. Johnson did an exceptional job of representing MaineHousing with professionalism and subject-matter expertise.

The only other housing-related topic that drew significant media attention was the award of warming shelter grants for those who responded to a mid-summer request for proposals.

Internal Communications

Intranet Activity	Total Monthly Visits	Average Users Per Day	Average Session Time
September 2025	7,673		2m 5s
Previous 3 mo Average	-	-	-
Previous 12 mo Average	-	-	-
September 2024	-	-	-

Intranet visits were up in September by 18% over August (6,492). Unfortunately, we are experiencing a technical growing pain with the new SharePoint system and are currently unable to generate the figure for average users per day (113 in August) for the month of September. This will be addressed in the upcoming reporting period. Additionally, the Sharepoint iteration of our intranet has still not been in use for a full three months and, therefore, the “previous average” figures cannot be calculated.

Interdepartmental Support

Lytho Activity	New Requests	Requests Completed	Median hours to completion*	Top 2 Departments
September 2025	20	21	1.53	HCV, Homeless
Previous 3 mo Average	25	27	4.09	EHS
Previous 12 mo Average	24	25	2.37	EHS, Homeless
September 2024	23	18	0.23	EHS, Homeless

*These hours are the project duration, which begins once the job has been accepted and ends when it is marked completed. This excludes any lag time between submission and staff acknowledgement, such as when a request is submitted on a Friday afternoon and not seen by PnR staff until the following week.

Website

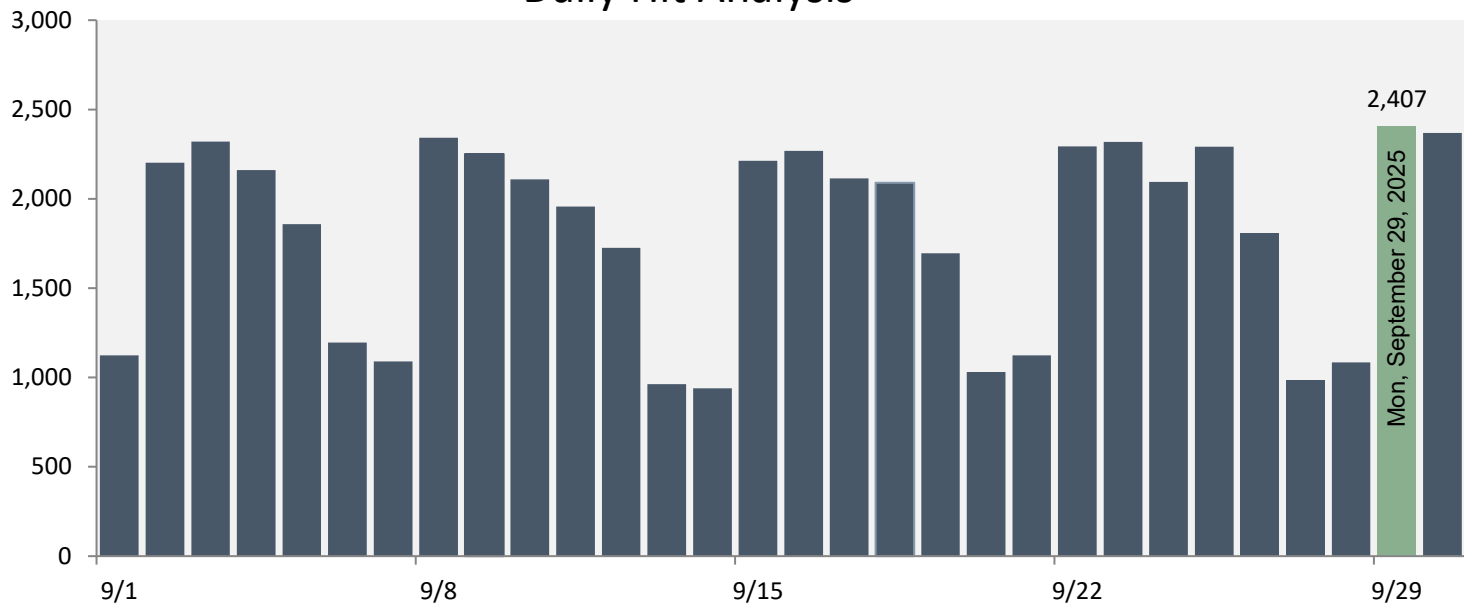
Web Traffic	Visitors	Total Hits	Engagement	Top 2 Program Areas
September 2025	54,422	198,703	85.6	Energy Programs, Homebuyer Programs
Previous 3 mo Average	49,164	178,602	84.3	Homebuyer Programs, Rental Programs
Previous 12 mo Average	56,724	204,505	85.2	Homebuyer Programs, Rental Programs
September 2024	58,877	217,872	88.1%	Homebuyer Programs, Rental Programs

Full web report for September is included below. Visitations to the EHS section of the website were comparatively high this month at 40%, most likely due to the fact that the HEAP advertising campaign has reengaged.

September 2025 - MaineHousing Website Statistics

Hit Summary

Daily Hit Analysis

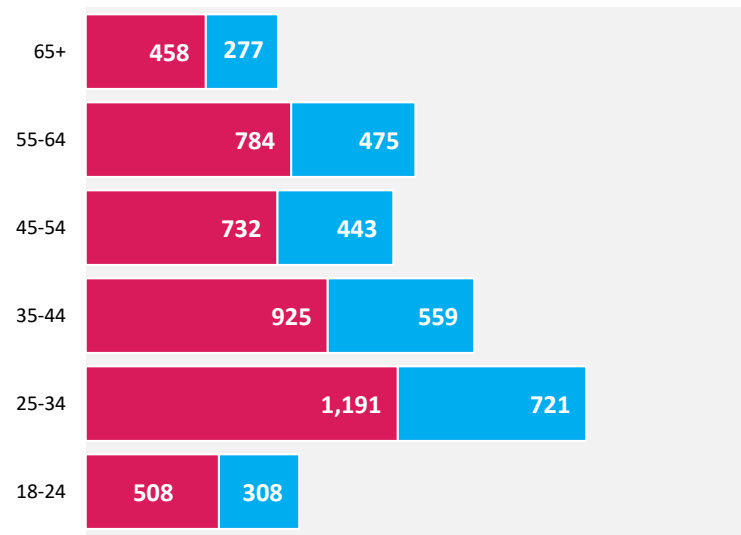


Visitors	Unique Visitors	Page Loads (Hits)	Avg Page Views	Avg Duration	Avg Engagement Rate
54,422	31,606	198,703	3.64	0:03:01	85.6%

Demographics Summary

Demographic information collected by Google Analytics via a 3rd party collection tool. Age and gender are estimated numbers based upon several features present on a users mobile device, browser history, and other factors. Users must have previously allow this information to be collected through browser or app settings.

AGE & GENDER



62%



38%

TOP CITIES

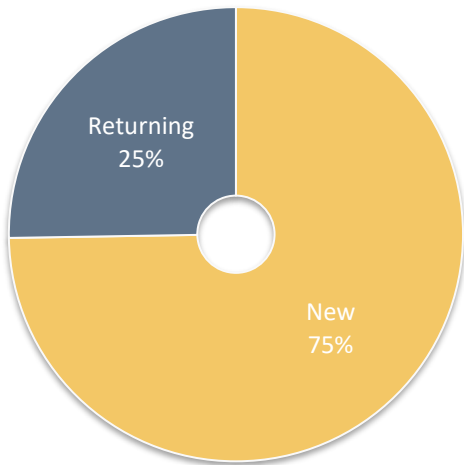
Boston, Massachusetts	3,781
Portland, Maine	3,263
Augusta, Maine	2,250
Bangor, Maine	1,611
New York, New York	1,391
Lewiston, Maine	960
Frankfurt, Germany	888
Ashburn, Virginia	608
South Portland, Maine	564
Brunswick, Maine	511

Top Cities account for 29.08% of all website traffic

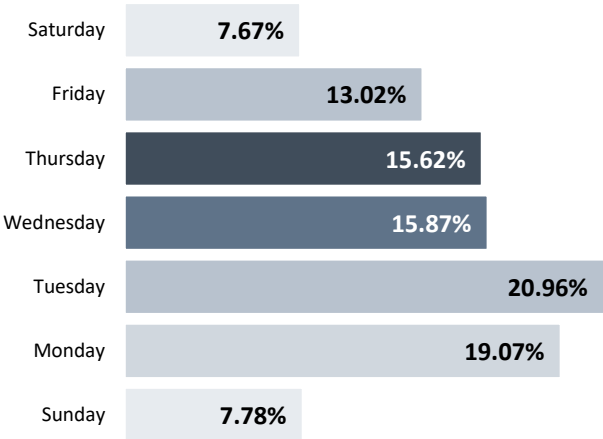
Visitor Engagement

Demographic information collected by Google Analytics via a 3rd party collection tool. Age and gender are estimated numbers based upon several features present on a users mobile device, browser history, and other factors.

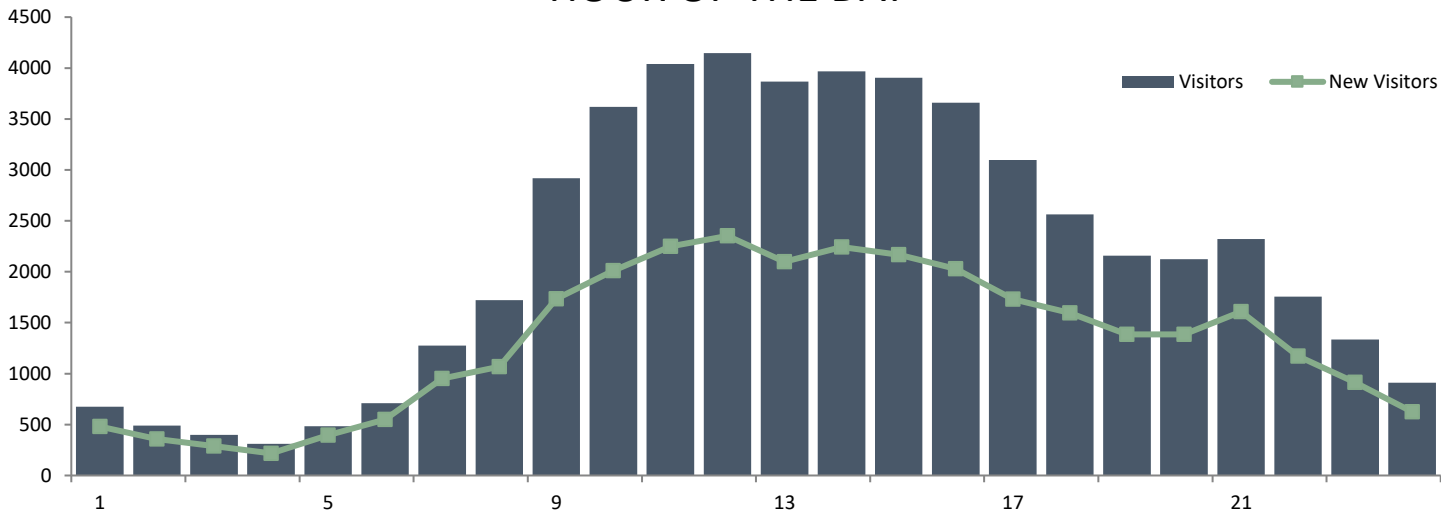
NEW & RETURNING VISITORS



DAYS OF THE WEEK

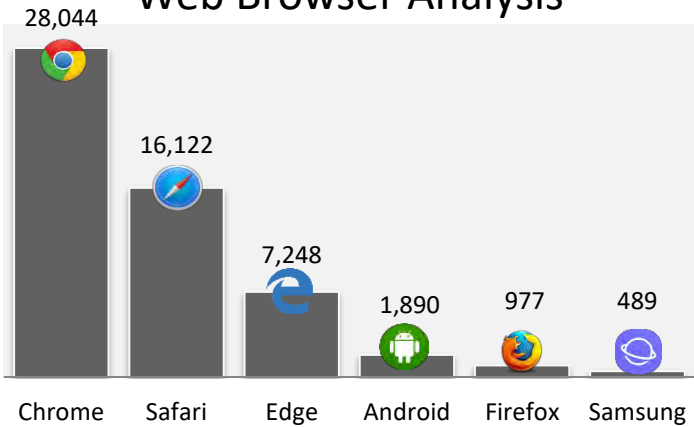


HOUR OF THE DAY



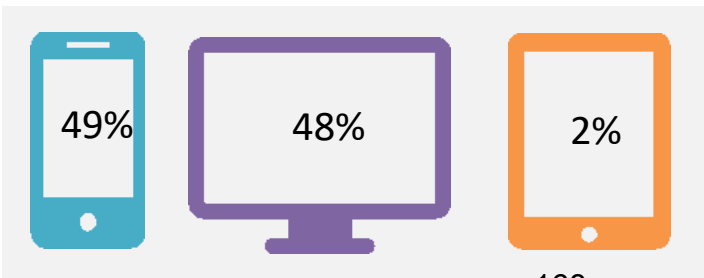
Visitor Technology Summary

Web Browser Analysis



DEVICE ANALYSIS

Cell Phone Desktop Tablet

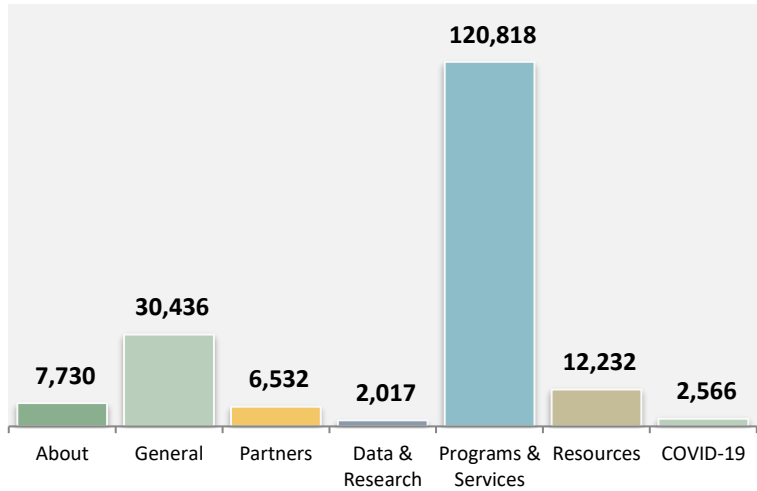


Popular Content

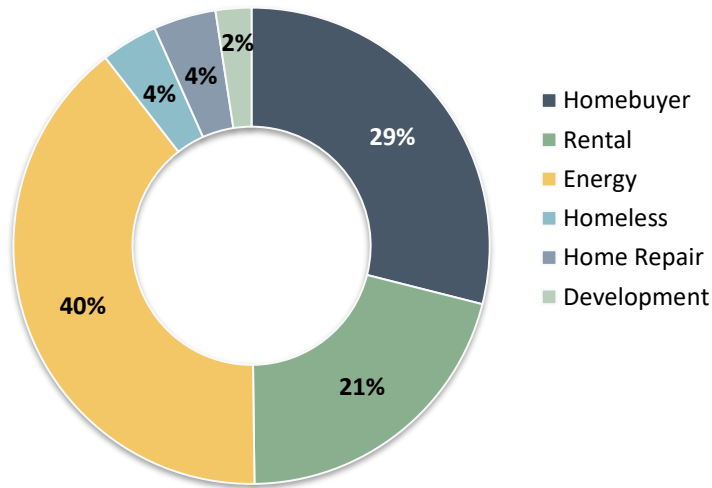
Popular content on our site is defined by pages and or sections of our site that have the highest visits. Below content has been categorized by page, program area and content sections. COVID-19 was added in March of 2020.

Page Title	Hits
Home	26,895
Home Energy Assistance Program	25,816
Home Energy Assistance Program Online Application Resources	17,171
First Home Loan Program	13,862
Rental Assistance	7,163
Housing Choice Vouchers	6,215
Subsidized Housing	6,156
HEAP Income Eligibility	3,976
Mortgage Calculator	3,912
MaineHousing Lenders	3,881
Current Interest Rates	3,341
Emergency Shelters	2,878
Homebuyer Income & Purchase Limits	2,740
Eviction Prevention Program	2,359
Programs - Services	2,023
Steps to Homeownership	2,015
Rent - Income Charts	1,765
Contact MaineHousing	1,760
Home Repair	1,698
Careers at MaineHousing	1,667
Low Income Assistance Program	1,616
Homebuyer Programs	1,558
Energy Assistance	1,476
First Generation Program	1,436
Multifamily Developers Programs	1,382

Popular Content By Program

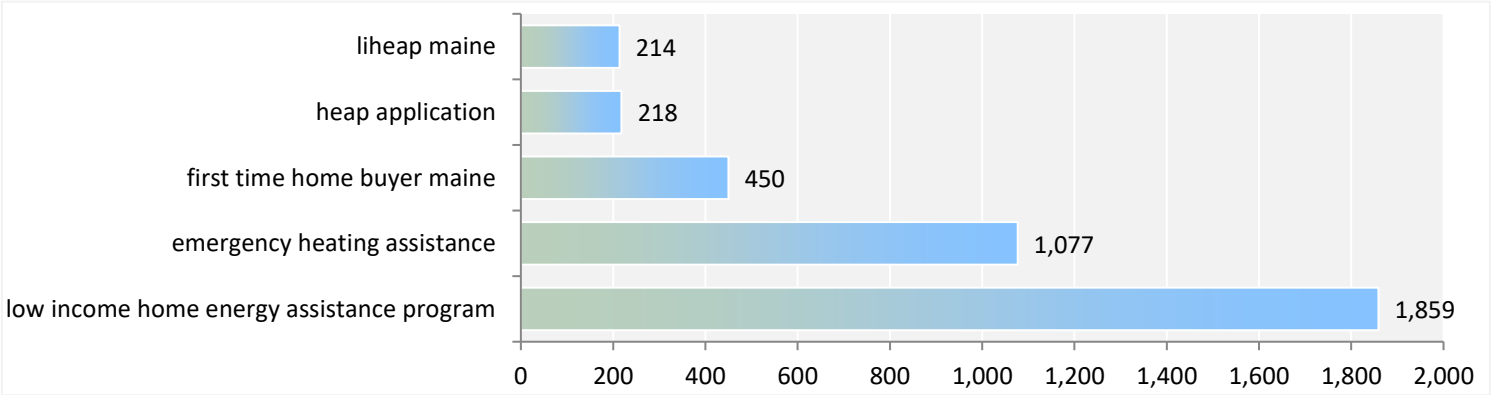


Popular Content By Section



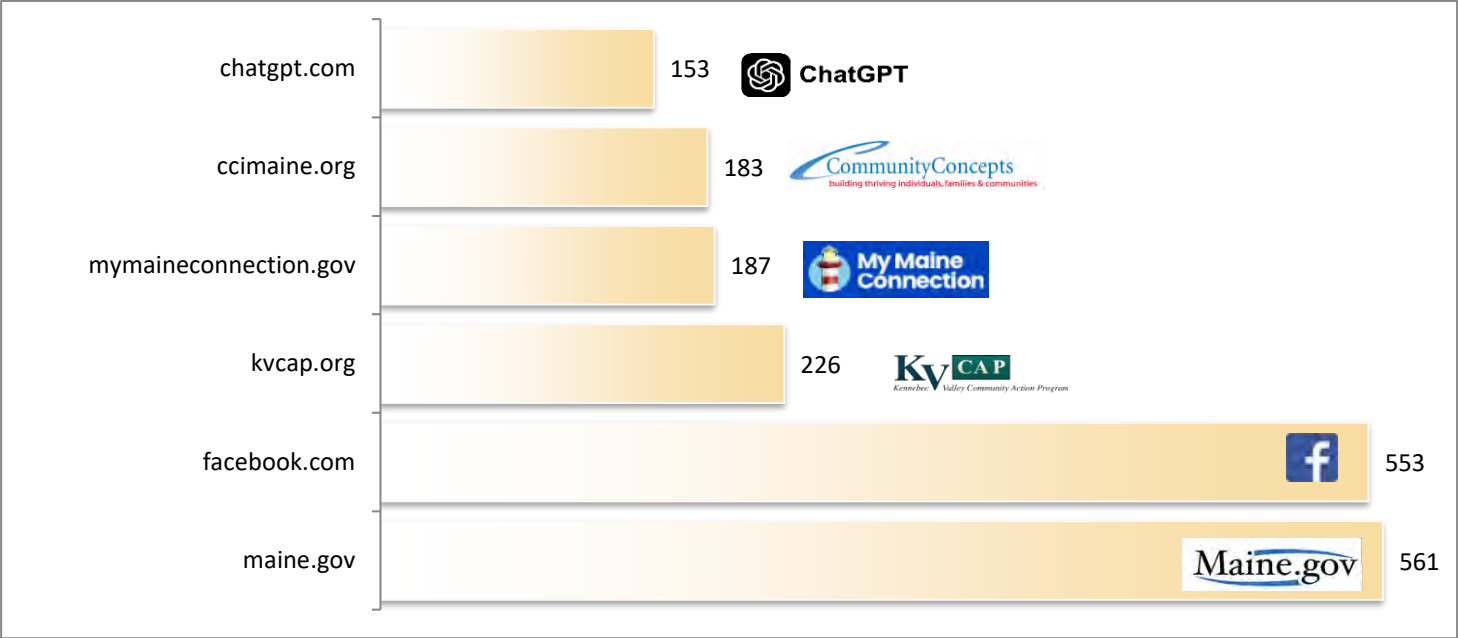
Search Keywords

Below are some of the most popular phrases that people are typing into a search engine (such as google or bing) that then provide a search result for our site.



Referring Websites

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



Board Calendar 2025-2026

OCTOBER 21, 2025 <u>Board Business:</u> • Adopt PHA Plan (VOTE) • Adopt Homeless Rule (VOTE) • Mission Statement/Core Values/2026 Goal Setting – Priorities <u>Program Presentations:</u> Development Department Update	NOVEMBER 18, 2025 <u>Board Business:</u> • Review Preliminary 2026 Budget • Resource Allocation for 2026 • Updates from the Governor's office (Greg Payne) <u>Program Presentations:</u>
DECEMBER 16, 2025 <u>Board Business:</u> • Approve 2026 Budget (VOTE) • Elect Officers (VOTE) • MPP Series Resolution (VOTE) • Review Investment Policy Changes and Swap Policy (VOTE) • Introduction of New Bond Indenture <u>Program Presentations:</u>	JANUARY 20, 2026 <u>Board Business:</u> • Legislative Preview • Vote on New Bond Indenture (VOTE) <u>Program Presentations:</u> Multi-family Development – 2025 Review, 2026 Preview Asset Management Department update
FEBRUARY 17, 2026 <u>Board Business:</u> • Legislative Update • Governor's Office Update <u>Program Presentations:</u> Homeownership – 2025 Review, 2026 Preview	MARCH 17, 2026 <u>Board Business:</u> • HEAP Rule/State Plan introduction • Introduce DOE Weatherization State Plan • Legislative Update • Executive Session – Personnel matter <u>Program Presentations:</u> Asset Management Department update
APRIL 21, 2026 <u>Board Business:</u> • Commence Rulemaking HEAP Rule (VOTE) • DOE Weatherization State Plan Public Hearing • Legislative Update • Executive Session – Personnel Matter (VOTE) <u>Program Presentations:</u> 2025 Budget and Audit results	MAY 19, 2026 <u>Board Business:</u> • HEAP Rule/State Plan Public Hearing • Adopt DOE Weatherization State Plan (VOTE) • Planning and Research department and strategic planning update <u>Program Presentations:</u> Mortgage Purchase Program (MPP) Overview/Financial Results
JUNE 16, 2026 <u>Board Business:</u> • Adopt HEAP Rule/State Plan (VOTE) • Homeless Rule Intro • Legislative Update/Update from the Governor's Office • Executive Session – Personnel matter followed by a (VOTE) <u>Program Presentations:</u> IT department update Development department update	JULY 21, 2026 Meeting to be held if necessary
AUGUST 18, 2026 <u>Board Business:</u> • Commence Rulemaking Homeless Solutions Rule (VOTE) • Introduce PHA Plan • 2027 Goal Setting – initial discussion <u>Program Presentations:</u>	SEPTEMBER 15, 2026 <u>Board Business:</u> • Homeless Solutions Rule Public Hearing • PHA Plan Public Hearing • Mortgage Purchase Program Amendments • 2027 Goal Setting – continued discussion <u>Program Presentations</u>