

**MAINE STATE HOUSING AUTHORITY**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED MARCH 31, 2009**

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF NET ASSETS**  
**MARCH 31, 2009**

(IN THOUSANDS OF DOLLARS)

	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets:			
Cash, principally time deposits (note 2)	\$240	\$1,733	\$1,973
Investments (notes 2, 6, and 8)	357,572	26,964	384,536
Accounts receivable - Federal	0	4,004	4,004
Accrued interest and other assets	10,831	5,263	16,094
Mortgage notes receivable, net (note 3)	28,418	97	28,515
Other notes receivable, net (note 3)	2	0	2
Total Current Assets	<u>397,063</u>	<u>38,061</u>	<u>435,124</u>
Noncurrent Assets:			
Investments (notes 2, 6, and 8)	146,024	0	146,024
Mortgage notes receivable, net (note 3)	1,207,047	53,476	1,260,523
Other notes receivable, net (note 3)	0	662	662
Land, equipment and improvements, net	1,588	1,045	2,633
Other real estate owned	1,386	141	1,527
Unamortized debt issuance expense	4,226	0	4,226
Total Noncurrent Assets	<u>1,360,271</u>	<u>55,324</u>	<u>1,415,595</u>
Total Assets	<u>\$1,757,334</u>	<u>\$93,385</u>	<u>\$1,850,719</u>
<b>LIABILITIES AND NET ASSETS:</b>			
Current Liabilities:			
Accrued interest payable	\$24,295	\$0	\$24,295
Accounts payable - Federal	0	261	261
Accounts payable and accrued liabilities	2,763	44,649	47,412
Deferred income	917	8,288	9,205
Interfund (note 10)	(1,764)	1,764	0
Mortgage bonds payable, current (notes 4, 9, 11 and 12)	22,390	0	22,390
Total Current Liabilities	<u>48,601</u>	<u>54,962</u>	<u>103,563</u>
Noncurrent Liabilities:			
Excess arbitrage to be rebated (note 9)	6,134	0	6,134
Deferred income	19,876	0	19,876
Mortgage bonds payable, net (notes 4, 9, 11 and 12)	1,399,653	0	1,399,653
Total Noncurrent Liabilities	<u>1,425,663</u>	<u>0</u>	<u>1,425,663</u>
Total Liabilities	<u>1,474,264</u>	<u>54,962</u>	<u>1,529,226</u>
Commitments and contingent liabilities (notes 4, 7 and 12)			
Net Assets:			
Restricted Net Assets	266,183	38,423	304,606
Unrestricted Net Assets	16,887	0	16,887
Total Net Assets	<u>283,070</u>	<u>38,423</u>	<u>321,493</u>
Total Liabilities and Net Assets	<u>\$1,757,334</u>	<u>\$93,385</u>	<u>\$1,850,719</u>

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE PERIOD ENDED MARCH 31, 2009**  
*(IN THOUSANDS OF DOLLARS)*

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
			Charges for Services	Program Investment Income	Operating Grants and Contributions	Business-type Activities	Governmental Activities	Total
Business-type activities:								
Mortgage Purchase Bond Program	\$17,913	\$1,737	\$17,450	\$3,025	\$0	\$825	\$0	\$825
Housing Finance Bond Program	325	133	153	120	0	(185)	0	(185)
Bondholder Reserve Fund	0	10	3	4	0	(3)	0	(3)
General Administrative Fund	3,056	(2,887)	127	0	0	(42)	0	(42)
Total business-type activities	21,294	(1,007)	17,733	3,149	0	595	0	595
Governmental activities:								
American Recovery & Reinvestment Fund	0	2	2	0	0	0	0	0
HOME Fund	1,094	0	3	9	414	0	(668)	(668)
Section 8 Housing Programs	21,761	396	971	2	20,550	0	(634)	(634)
Low Income Housing Energy Assistance Program	21,550	117	208	1	21,432	0	(26)	(26)
Other Federal and State Programs	2,820	492	636	3	2,866	0	193	193
Total governmental activities	47,225	1,007	1,820	15	45,262	0	(1,135)	(1,135)
Total Authority	\$68,519	\$0	\$19,553	\$3,164	\$45,262	595	(1,135)	(540)
General Revenues:								
Unrestricted investment income						3	0	3
Transfers						0	0	0
Total general revenues and transfers						3	0	3
Change in net assets						598	(1,135)	(537)
Net assets at beginning of year						282,472	39,558	322,030
Net assets at end of period						\$283,070	\$38,423	\$321,493

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY  
BALANCE SHEET  
PROPRIETARY FUNDS  
MARCH 31, 2009**

*(IN THOUSANDS OF DOLLARS)*

	<b>Mortgage Purchase Fund Group</b>	<b>Housing Finance Revenue Fund Group</b>	<b>Bondholder Reserve Fund</b>	<b>General Administrative Fund</b>	<b>Total</b>
<b>ASSETS:</b>					
Current Assets:					
Cash, principally time deposits (note 2)	\$ 13	\$ 156	\$ 3	\$ 68	\$ 240
Investments (notes 2, 6, and 8)	325,202	10,752	6,963	14,655	357,572
Accrued interest and other assets	10,602	212	0	17	10,831
Mortgage notes receivable, net (note 3)	27,256	1,024	0	138	28,418
Other notes receivable, net (note 3)	0	2	0	0	2
Total Current Assets	<u>363,073</u>	<u>12,146</u>	<u>6,966</u>	<u>14,878</u>	<u>397,063</u>
Noncurrent Assets:					
Investments (notes 2, 6, and 8)	140,895	5,129	0	0	146,024
Mortgage notes receivable, net (note 3)	1,193,643	11,851	910	643	1,207,047
Land, equipment and improvements, net	22	0	0	1,566	1,588
Other real estate owned	1,386	0	0	0	1,386
Unamortized debt issuance expense	4,160	66	0	0	4,226
Total Noncurrent Assets	<u>1,340,106</u>	<u>17,046</u>	<u>910</u>	<u>2,209</u>	<u>1,360,271</u>
Total Assets	<u>\$1,703,179</u>	<u>\$29,192</u>	<u>\$7,876</u>	<u>\$17,087</u>	<u>\$1,757,334</u>
<b>LIABILITIES AND NET ASSETS:</b>					
Current Liabilities:					
Accrued interest payable	\$23,889	\$406	\$0	\$0	\$24,295
Accounts payable and accrued liabilities	459	0	7	2,297	2,763
Deferred income	853	64	0	0	917
Interfund (note 10)	576	(42)	(201)	(2,097)	(1,764)
Mortgage bonds and notes payable, current (notes 4, 9, 11 and 12)	21,055	1,335	0	0	22,390
Total Current Liabilities	<u>46,832</u>	<u>1,763</u>	<u>(194)</u>	<u>200</u>	<u>48,601</u>
Noncurrent Liabilities:					
Excess arbitrage to be rebated (note 9)	6,134	0	0	0	6,134
Deferred income	19,133	743	0	0	19,876
Mortgage bonds and notes payable, net (notes 4, 9, 11 and 12)	1,383,248	16,405	0	0	1,399,653
Total Noncurrent Liabilities	<u>1,408,515</u>	<u>17,148</u>	<u>0</u>	<u>0</u>	<u>1,425,663</u>
Total Liabilities	<u>1,455,347</u>	<u>18,911</u>	<u>(194)</u>	<u>200</u>	<u>1,474,264</u>
Commitments and contingent liabilities (notes 4, 7 and 12)					
Net Assets:					
Restricted Net Assets	247,832	10,281	8,070	0	266,183
Unrestricted Net Assets	0	0	0	16,887	16,887
Total Net Assets	<u>247,832</u>	<u>10,281</u>	<u>8,070</u>	<u>16,887</u>	<u>283,070</u>
Total Liabilities and Net Assets	<u>\$1,703,179</u>	<u>\$29,192</u>	<u>\$7,876</u>	<u>\$17,087</u>	<u>\$1,757,334</u>

*See accompanying notes to the financial statements*

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE PERIOD ENDED MARCH 31, 2009**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Mortgage Purchase Fund Group</b>	<b>Housing Finance Revenue Fund Group</b>	<b>Bondholder Reserve Fund</b>	<b>General Administrative Fund</b>	<b>Total</b>
<b>OPERATING REVENUES:</b>					
Interest from mortgages and notes	\$17,145	\$153	\$3	\$20	\$17,321
Income from investments	2,862	130	4	3	2,999
Net decrease in the fair value of investments	163	(10)	0	0	153
Fee income	123	0	0	107	230
Other revenue	182	0	0	0	182
<b>Total Revenues</b>	<b>20,475</b>	<b>273</b>	<b>7</b>	<b>130</b>	<b>20,885</b>
<b>OPERATING EXPENSES:</b>					
Salaries and related benefits	0	0	0	2,422	2,422
Other operating expenses	415	1	0	633	1,049
Mortgage servicing fees	458	30	0	1	489
Provision for losses on loans (note 3)	50	0	0	0	50
Interest expense	16,807	294	0	0	17,101
Loss on bond redemption (note 11)	183	0	0	0	183
Allocated operating costs	1,737	133	10	(2,887)	(1,007)
<b>Total Expenses</b>	<b>19,650</b>	<b>458</b>	<b>10</b>	<b>169</b>	<b>20,287</b>
Operating income	825	(185)	(3)	(39)	598
Transfers between funds, net (note 10)	0	0	0	0	0
Change in net assets	825	(185)	(3)	(39)	598
Net assets at beginning of year	247,007	10,466	8,073	16,926	282,472
Net assets at end of period	<u>\$247,832</u>	<u>\$10,281</u>	<u>\$8,070</u>	<u>\$16,887</u>	<u>\$283,070</u>

*See accompanying notes to the financial statements*

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE PERIOD ENDED MARCH 31, 2009**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Mortgage Purchase Fund Group</b>	<b>General Housing Draw Down Bond Fund</b>	<b>Housing Finance Revenue Fund Group</b>	<b>Bondholder Reserve Fund</b>	<b>General Administrative Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Interest receipts from borrowers	\$17,342	\$0	\$133	\$3	\$21	\$17,499
Principal receipts on mortgages and notes - scheduled	6,814	0	290	0	35	7,139
Principal receipts on mortgages and notes - prepayments	10,338	0	213	204	2	10,757
Payments for operating expenses	(2,610)	(458)	(164)	(10)	(633)	(3,875)
Payments received for operating expenses	0	0	0	0	2,887	2,887
Payments to employees	0	0	0	0	(2,422)	(2,422)
Investment in mortgages and other notes	(12,018)	0	(173)	(603)	0	(12,794)
Other	(436)	0	(65)	32	(496)	(965)
Net cash provided by (used for) operating activities	<u>19,430</u>	<u>(458)</u>	<u>234</u>	<u>(374)</u>	<u>(606)</u>	<u>18,226</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>						
Payment of bond issuance costs	(28)	0	0	0	0	(28)
Principal payments on bonds	(23,830)	0	0	0	0	(23,830)
Interest payments on bonds	(263)	0	0	0	0	(263)
Payments (to) from other funds	934	(10)	(23)	(226)	(106)	569
Net cash provided by (used for) non-capital financing activities	<u>(23,187)</u>	<u>(10)</u>	<u>(23)</u>	<u>(226)</u>	<u>(106)</u>	<u>(23,552)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Proceeds from disposition of foreclosed real estate	794	0	6	0	0	800
(Purchase) maturity of short-term investments, net	(4,112)	0	(5,836)	597	706	(8,645)
Purchase of long-term investments	(34,475)	0	0	0	0	(34,475)
Sales and calls of long-term investments	38,393	0	5,365	0	0	43,758
Interest received on investments	3,170	0	190	3	3	3,366
Net cash provided by (used for) investing activities	<u>3,770</u>	<u>0</u>	<u>(275)</u>	<u>600</u>	<u>709</u>	<u>4,804</u>
Net increase (decrease) in cash	13	(468)	(64)	0	(3)	(522)
Cash at beginning of year	0	468	220	3	71	762
Cash at end of year	<u>\$13</u>	<u>\$0</u>	<u>\$156</u>	<u>\$3</u>	<u>\$68</u>	<u>\$240</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>						
Operating income	\$825	\$0	(\$185)	(\$3)	(\$39)	\$598
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:						
Depreciation and amortization	813	0	50	0	119	982
Interest on bonds	15,994	0	244	0	0	16,238
Provision for losses on loans	50	0	0	0	0	50
Loss on bond redemption	183	0	0	0	0	183
Interest income on investments	(2,862)	0	(130)	(3)	(3)	(2,998)
Net decrease in fair value of investments	(163)	0	10	0	0	(153)
Changes in operating assets and liabilities:		0				
Other assets	92	0	(65)	38	(14)	51
Mortgage note interest receivable	197	0	3	0	1	201
Accounts payable and accrued liabilities	(523)	(458)	0	(7)	(707)	(1,695)
Deferred income and other liabilities	(310)	0	(23)	0	0	(333)
Investment in mortgage and other notes	(12,018)	0	(173)	(603)	0	(12,794)
Mortgage & other note principal repayments	17,152	0	503	204	37	17,896
Net cash provided by (used for) operating activities	<u>\$19,430</u>	<u>(\$458)</u>	<u>\$234</u>	<u>(\$374)</u>	<u>(\$606)</u>	<u>\$18,226</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION:</b>						
Real estate acquired through foreclosure	\$1,138	\$0	\$0	\$0	\$0	\$1,138

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**MARCH 31, 2009**  
*(IN THOUSANDS OF DOLLARS)*

	<b>American Recovery &amp; Reinvestment Fund</b>	<b>HOME Fund</b>	<b>Section 8 Housing Programs</b>	<b>Low Income Housing Energy Assistance Program</b>	<b>Other Federal and State Programs</b>	<b>Total</b>
<b>ASSETS:</b>						
Current Assets:						
Cash, principally time deposits (note 2)	\$ 0	\$ 3	\$ 69	\$ 469	\$ 1,192	\$ 1,733
Investments (note 2)	0	15,393	4,274	0	7,297	26,964
Accounts receivable - Federal	2	0	136	683	3,183	4,004
Accrued interest and other assets	0	4	65	195	4,999	5,263
Mortgage notes receivable, net (note 3)	0	30	0	0	67	97
Total Current Assets	<u>2</u>	<u>15,430</u>	<u>4,544</u>	<u>1,347</u>	<u>16,738</u>	<u>38,061</u>
Noncurrent Assets:						
Mortgage notes receivable, net (note 3)	0	13,502	178	0	39,796	53,476
Other notes receivable, net (note 3)	0	0	0	0	662	662
Land, equipment and improvements, net	0	0	152	453	440	1,045
Other real estate owned	0	0	0	0	141	141
Total Noncurrent Assets	<u>0</u>	<u>13,502</u>	<u>330</u>	<u>453</u>	<u>41,039</u>	<u>55,324</u>
Total Assets	<u>\$2</u>	<u>\$28,932</u>	<u>\$4,874</u>	<u>\$1,800</u>	<u>\$57,777</u>	<u>\$93,385</u>
<b>LIABILITIES AND FUND BALANCES:</b>						
Current Liabilities:						
Accounts payable - Federal	\$0	\$0	\$259	\$0	\$2	\$261
Accounts payable and accrued liabilities	0	0	61	0	44,588	44,649
Deferred income	0	0	0	1,014	7,274	8,288
Interfund (note 10)	2	109	(137)	241	1,549	1,764
Total Current Liabilities	<u>2</u>	<u>109</u>	<u>183</u>	<u>1,255</u>	<u>53,413</u>	<u>54,962</u>
Total Liabilities	<u>2</u>	<u>109</u>	<u>183</u>	<u>1,255</u>	<u>53,413</u>	<u>54,962</u>
Commitments and contingent liabilities (note 7)						
Fund Balances:						
Reserved Fund Balances	0	28,823	4,691	545	4,364	38,423
Unreserved Fund Balances	0	0	0	0	0	0
Total Fund Balances	<u>0</u>	<u>28,823</u>	<u>4,691</u>	<u>545</u>	<u>4,364</u>	<u>38,423</u>
Total Liabilities and Fund Balances	<u>\$2</u>	<u>\$28,932</u>	<u>\$4,874</u>	<u>\$1,800</u>	<u>\$57,777</u>	<u>\$93,385</u>

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE PERIOD ENDED MARCH 31, 2009**  
*(IN THOUSANDS OF DOLLARS)*

	<b>American Recovery &amp; Reinvestment Fund</b>	<b>HOME Fund</b>	<b>Section 8 Housing Programs</b>	<b>Low Income Housing Energy Assistance Program</b>	<b>Other Federal and State Programs</b>	<b>Total</b>
<b>OPERATING REVENUES:</b>						
Interest from mortgages and notes	\$0	\$3	\$0	\$0	\$0	\$3
Income from investments	0	9	2	1	3	15
Fee income	2	0	971	208	636	1,817
Grant income	0	414	0	21,432	2,866	24,712
Federal rent subsidy income	0	0	20,550	0	0	20,550
Total Revenues	<u>2</u>	<u>426</u>	<u>21,523</u>	<u>21,641</u>	<u>3,505</u>	<u>47,097</u>
<b>OPERATING EXPENSES:</b>						
Other operating expenses	0	0	441	118	45	604
Provision for losses on loans (note 3)	0	0	0	0	(64)	(64)
Grant expense	0	1,094	0	21,432	2,839	25,365
Federal rent subsidy expense	0	0	21,320	0	0	21,320
Allocated operating costs	2	0	396	117	492	1,007
Total Expenses	<u>2</u>	<u>1,094</u>	<u>22,157</u>	<u>21,667</u>	<u>3,312</u>	<u>48,232</u>
Operating income	0	(668)	(634)	(26)	193	(1,135)
Transfers between funds, net (note 10)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in fund balances	0	(668)	(634)	(26)	193	(1,135)
Fund balances at beginning of year	<u>0</u>	<u>29,491</u>	<u>5,325</u>	<u>571</u>	<u>4,171</u>	<u>39,558</u>
Fund balances at end of period	<u>\$0</u>	<u>\$28,823</u>	<u>\$4,691</u>	<u>\$545</u>	<u>\$4,364</u>	<u>\$38,423</u>

*See accompanying notes to the financial statements*

**MAINE STATE HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS – MARCH 31, 2009**  
*(IN THOUSANDS OF DOLLARS)*

**(1) ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**AUTHORIZING LEGISLATION**

Maine State Housing Authority (MaineHousing) was created by the Maine Housing Authorities Act, Title 30-A, Chapter 201, of the Maine Revised Statutes, as amended, as a public body corporate and politic and an instrumentality of the State of Maine.

MaineHousing is authorized to issue bonds for the purchase or origination of notes and mortgages on single-family and multi-family residential units for the purpose of providing housing for persons and families of low income in the State of Maine.

In addition, MaineHousing presently acts as agent for the State of Maine in administering Federal weatherization, energy conservation, fuel assistance and homeless grant 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. As such, the financial condition and results of operations of MaineHousing are included in the State's financial statements.

**BASIS OF ACCOUNTING**

Business-type activities of MaineHousing 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. Governmental activities of MaineHousing are classified as governmental funds. Governmental funds are reported using the modified accrual basis and revenues are recorded when they become available and measurable and expenses when incurred.

Separate fund financial statements are provided for governmental and proprietary funds. Major individual governmental funds and all proprietary funds and fund groups are reported as separate columns in the fund financial statements.

The Statement of Net Assets and the Statement of Activities display information about MaineHousing as a whole. These statements are prepared using the accrual basis of accounting. There were no material differences in the governmental funds between the accrual basis of accounting used in the Statement of Net Assets and Statement of Activities and the modified accrual method used in the governmental fund statements.

As permitted by Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, MaineHousing has elected not to comply with the Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989.

**FUND STRUCTURE**

The following business-type activities of MaineHousing are classified as proprietary funds:

*MORTGAGE PURCHASE FUND GROUP*

This fund group consists of the funds and 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.

*GENERAL HOUSING DRAW DOWN BOND FUND*

This fund, established by the General Housing Draw Down Bond Resolution, authorizes MaineHousing to issue Draw Down Bonds for the purpose of preserving tax-exempt single-family bond capacity. This fund was discontinued on December 1, 2008. All assets at December

31, 2008 will be used to settle outstanding obligations in 2009 and the fund will be closed.

*HOUSING FINANCE REVENUE FUND GROUP*

This fund group consists of the funds and accounts established by the General Housing Finance Revenue Bond Resolution. Pursuant to the Housing Finance Revenue Program, MaineHousing is authorized to purchase mortgages or notes in connection with single-family and multi-family residential properties.

*BONDHOLDER RESERVE FUND*

This fund, which has been established by the General Authority Bondholder Reserve Fund Resolution, is pledged to replenish any deficiency in the debt service reserve fund of the General Mortgage Purchase Bond and General Housing Finance Revenue Bond resolutions.

*GENERAL ADMINISTRATIVE FUND*

This fund consists of account balances that are not directly pledged to or restricted by a particular bond resolution or program. The receipt of revenues not specifically pledged for the repayment of bonds or notes and the payment of expenses for the administration and operation of MaineHousing are recorded in this fund.

The following governmental activities of MaineHousing are classified as governmental funds:

*HOME FUND*

The State Legislature authorized the creation of the Housing Opportunities for Maine ("HOME") Program to promote and create affordable housing. The program has been 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. MaineHousing also administers in this fund the Shelter Operating Subsidy Program, which is funded by or in conjunction with the State of Maine.

*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 which provide rental subsidies to landlords to preserve low-income rental units and also provide funding to tenants to assist with rent payments. The program funding levels are established by the Federal government annually. MaineHousing receives annual fees from HUD for the administration of these programs. These programs consist of the following:

- Section 8 Moderate Rehabilitation
- Section 8 New Construction
- Section 8 Housing Choice Voucher and 23/8
- Section 8 Portability
- Section 8 Performance Based Contract Administration

*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 this program.

*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 Shelter Grant Program  
HOME Investment Partnership Program  
Lead Based Paint Hazard Control Program  
Homeless Management Information Strategies  
McKinney Act – Financing Adjustment Factor (FAF)  
Housing Counseling Program

**U.S. Department of Energy**

Weatherization

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

Weatherization / Central Heating Improvement Program  
Residential Energy Assistance Challenge Program

**Neighborhood Reinvestment Corporation**

National Foreclosure Mitigation Counseling Program

**State of Maine**

Natural Disaster Housing Assistance Fund  
Mental Health Facilities Program  
Land Acquisition Program  
Low Income Assistance Plan  
Maine Affordable Housing General Obligation Bonds  
Appliance Replacement Program  
Consumer Residential Opportunities Program  
Maine Reentry Emergency Transitional Housing Program

**Private**

Robert Wood Johnson Foundation  
The Ford Foundation

**RESTRICTION OF NET ASSETS AND RESERVATION OF FUND BALANCES**

The restricted net assets and reserved fund balances are restricted by bond resolutions, State statutes, or various Federal regulations and program agreements. Financial activities and resulting account balances which are not so restricted are generally recorded in the General Administrative Fund. The bond program assets are restricted for the acquisition of loans, payment of debt service, and payment of operating costs within each respective fund. In general, fund balances of the governmental funds are reserved for the funding of housing and energy related programs.

**DEPRECIATION**

Capital assets of MaineHousing consist of land, equipment and leasehold improvements. Capital assets are defined by MaineHousing as assets with an initial individual cost of one thousand dollars or more and are depreciated on the straight line method over the respective estimated useful lives of the assets.

**DISCOUNT, PREMIUM AND BOND ISSUANCE COSTS**

Bond discount, bond premium and debt issuance expense are amortized over the lives of the bonds using a method that approximates the effective interest method. Also, gains and losses on debt refundings are deferred and 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.

**INVESTMENTS**

Investments are carried at fair value based on quoted market prices. Unrealized gains and losses due to fluctuations in market values and gains and losses realized upon sale are reported as net increases (decreases) in the fair value of investments.

Interest received that is required by Federal programs to be spent on program activities is recorded as an increase in accounts payable – Federal.

**MORTGAGE NOTES RECEIVABLE**

Mortgages are carried at their original par less principal collections and are reflected on the balance sheet net of the allowance for losses on loans. The recording of interest income on problem loans ceases when collectibility within a reasonable period of time becomes doubtful.

**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 operations. 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.

Funds received, including interest, for revolving loan programs are recorded as a liability in "accounts payable and accrued liabilities" on the balance sheet. Losses on loans in these programs are recognized by charging the amounts held under the revolving loan program liability accounts when the loans are forgiven or charged off.

**LOAN ORIGINATION FEES AND COSTS**

MaineHousing may receive a fee at the time it purchases single-family mortgage loans. The fees received less the costs of origination are deferred and recognized as interest income using the effective interest method over the life of the mortgages. When a loan is paid off prior to maturity, the recognition of income is accelerated and all unamortized deferred income is recognized immediately.

MaineHousing may charge a fee at the time that a commitment is made to originate a mortgage on a multi-family mortgage loan. These fees are recognized as interest income over the life of the mortgage on an accelerated basis approximating the interest method. The deferred fees are included in deferred income on the balance sheets.

**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.

Other real estate owned is carried at the lower of cost or fair value less estimated costs to sell. Losses arising from the acquisition of other real estate owned are charged to the allowance for loan losses. Operating expenses, subsequent provisions to reduce the carrying value, and any gain or loss on disposition of the property are reflected in the Statement of Revenues, Expenses and Changes in Net Assets in the year incurred or realized.

**GRANTS**

Unrestricted grants are recorded as revenues when received. Restricted grants are recorded as revenues upon compliance with the restrictions. Amounts due from the Federal government are accrued when due. Unearned grant income is included in deferred income.

**STATEMENT OF CASH FLOWS**

MaineHousing considers cash to include cash on hand and held by banks in demand deposit and savings accounts.

**INTEREST RATE SWAP AGREEMENTS**

Interest rate swap agreements are accounted for under the net accrual method where the net payable or receivable amount is reflected as an adjustment to interest expense on the related bonds.

**(2.) CASH AND INVESTMENTS**

At March 31, 2009, the carrying amount of MaineHousing's deposits was \$1,973 and the bank balance was \$3,059. The difference between the carrying amount and the bank balance represents outstanding checks. Of the bank balance, \$291 was covered by federal depository insurance and \$2,767 was collateralized by repurchase agreements for which the securities are held by the bank's trustee in MaineHousing's name.

The Mortgage Purchase Program and Housing Finance Revenue Program bond resolutions permit 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). These resolutions also permit MaineHousing to invest in certificates of deposit and repurchase agreements.

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 March 31, 2009 are presented in the following table. The ratings of Standard & Poor's and Moody's Investors Service are listed respectively after the related investments. Actual maturities may differ due to investments being called by the issuer.

Investment	Carrying Amount	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
<b>PROPRIETARY FUNDS</b>					
<b>MORTGAGE PURCHASE FUND GROUP</b>					
Repurchase Agreements	\$223,088	\$223,088	\$0	\$0	\$0
U.S. Government-sponsored enterprise obligations (Rated AAA/Aaa)	242,432	101,537	0	61,428	79,467
State Obligations (Rated AA-/Aa3)	577	577	0	0	0
<b>Total - Mortgage Purchase Fund Group</b>	<b>466,097</b>	<b>325,202</b>	<b>0</b>	<b>61,428</b>	<b>79,467</b>
<b>HOUSING FINANCE REVENUE FUND GROUP</b>					
Repurchase Agreements	10,752	10,752	0	0	0
U.S. Government-sponsored enterprise obligations (Rated AAA/Aaa)	5,129	0	0	5,129	0
<b>Total - Housing Finance Revenue Fund Group</b>	<b>15,881</b>	<b>10,752</b>	<b>0</b>	<b>5,129</b>	<b>0</b>
<b>BONDHOLDERS RESERVE FUND</b>					
Repurchase Agreements	6,963	6,963	0	0	0
<b>GENERAL ADMINISTRATIVE FUND</b>					
Repurchase Agreements	14,655	14,655	0	0	0
<b>Total - Proprietary Funds</b>	<b>\$503,596</b>	<b>\$357,572</b>	<b>\$0</b>	<b>\$66,557</b>	<b>\$79,467</b>
<b>GOVERNMENTAL FUNDS</b>					
<b>HOME FUND</b>					
Repurchase Agreements	\$15,393	\$15,393	\$0	\$0	\$0
<b>SECTION 8 HOUSING PROGRAM</b>					
Repurchase Agreements	4,274	4,274	0	0	0
<b>OTHER FEDERAL AND STATE PROGRAMS</b>					
Repurchase Agreements	7,297	7,297	0	0	0
<b>Total - Governmental Funds</b>	<b>\$26,964</b>	<b>\$26,964</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

All repurchase agreements 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 or held by the broker, dealer or bank's trustee in MaineHousing's name. MaineHousing follows a similar policy for the investments of all funds. MaineHousing generally invests in repurchase agreements for short-term investments. On March 31, 2009, approximately \$282 million was invested in short-term repurchase agreements having maturity dates of less than one year, at rates ranging from 0.14% to .58%.

Investments other than repurchase agreements are registered in MaineHousing's name. Investments issued by FHLMC, FNMA, FFCB, and FHLB make up 11%, 8%, 6%, and 26% of total investments, respectively, in the Mortgage Purchase Fund Group and 0%, 19%, 13% and 0% of total investments, respectively, in the Housing Finance Revenue Fund Group.

**(3.) MORTGAGE AND OTHER NOTES RECEIVABLE:**

For financial statement presentation the allowance for losses on loans has been netted against the non-current portion of mortgage notes receivable and other notes receivable; however, where there is no non-current portion for other notes receivable, the allowance is netted against the current amount.

A summary of mortgage notes receivable at March 31, 2009, is as follows:

	Number of Notes	Principal Balance	Percent of Portfolio
<b>PROPRIETARY FUNDS</b>			
<b>MORTGAGE PURCHASE FUND GROUP - SINGLE-FAMILY:</b>			
VA guaranteed	805	\$64,897	7.3%
FHA insured	2,628	224,736	25.3%
RD guaranteed	3,153	269,730	30.3%
Privately insured	2,409	202,915	22.8%
Non-insured	2,857	126,814	14.3%
Total Mortgage Purchase Fund Group - single-family	<u>11,852</u>	<u>889,092</u>	<u>100.0%</u>
<b>MORTGAGE PURCHASE FUND GROUP - MULTI-FAMILY:</b>			
Federally assisted:			
Section 8	175	102,954	30.2%
Section 236	2	128	0.0%
Conventional	200	199,626	58.6%
Supportive Housing	261	38,109	11.2%
Total Mortgage Purchase Fund Group - multi-family	<u>638</u>	<u>340,817</u>	<u>100.0%</u>
Less: Allowance for losses on loans		(9,010)	
Total Mortgage Purchase Fund Group	<u>12,490</u>	<u>1,220,899</u>	
<b>HOUSING FINANCE REVENUE FUND GROUP – HOME IMPROVEMENT LOANS:</b>			
Non-insured	1,217	6,443	47.5%
<b>HOUSING FINANCE REVENUE FUND GROUP– SINGLE-FAMILY:</b>			
Privately insured	7	317	2.3%
Non-insured	175	6,815	50.2%
Total Housing Finance Revenue Fund Group - single-family	<u>182</u>	<u>7,132</u>	
		13,575	<u>100.0%</u>
Less: Allowance for losses on loans		(700)	
Total Housing Finance Revenue Fund	<u>1,399</u>	<u>12,875</u>	
<b>BONDHOLDER RESERVE FUND– MULTI-FAMILY:</b>			
Non-insured	3	910	100.0%
<b>GENERAL ADMINISTRATIVE FUND - SINGLE-FAMILY:</b>			
VA guaranteed	4	26	3.3%
Non-insured	9	99	12.7%
Privately insured	47	656	84.0%
Total General Administrative Fund	<u>60</u>	<u>781</u>	<u>100.0%</u>
Total Proprietary Funds mortgage notes receivable	<u>13,952</u>	<u>\$1,235,465</u>	
<b>GOVERNMENTAL FUNDS</b>			
<b>HOME FUND SINGLE - FAMILY:</b>			
Non-insured	90	524	
<b>HOME FUND MULTI - FAMILY:</b>			
Non-insured	53	13,701	100.0%
Less: Allowance for losses on loans		(693)	
Total HOME Fund	<u>143</u>	<u>13,532</u>	
<b>SECTION 8 HOUSING PROGRAMS – MULTI-FAMILY:</b>			
Non-insured – revolving loans	5	178	100.0%
<b>OTHER FEDERAL AND STATE PROGRAMS – HOME IMPROVEMENT LOANS:</b>			
Non-insured - revolving loans	34	195	0.5%
<b>OTHER FEDERAL AND STATE PROGRAMS – MULTI-FAMILY:</b>			
Non-insured - revolving loans	151	39,668	99.5%
Total Other Federal and State Programs	<u>185</u>	<u>39,863</u>	<u>100.0%</u>
Total Governmental Funds mortgage notes receivable	<u>333</u>	<u>\$53,573</u>	

A summary of other notes receivable at March 31, 2009, is as follows:

	<u>Number of Notes</u>	<u>Principal Balance</u>	<u>Percent of Portfolio</u>
<b>PROPRIETARY FUNDS</b>			
HOUSING FINANCE REVENUE FUND GROUP:			
Non-insured	2	\$17	100.0%
Less: Allowance for losses on loans		(15)	
Total Housing Finance Revenue Fund Group	<u>2</u>	<u>2</u>	
Total Proprietary Funds other notes receivable	<u>2</u>	<u>\$2</u>	
<b>GOVERNMENTAL FUNDS</b>			
OTHER FEDERAL AND STATE PROGRAMS:			
Non-insured	2	\$38	5.5%
Non-insured - revolving notes	15	651	94.5%
	<u>17</u>	<u>689</u>	<u>100.0%</u>
Less: Allowance for losses on loans		(27)	
Total Other Federal and State Programs	<u>17</u>	<u>662</u>	
Total Governmental Funds other notes receivable	<u>17</u>	<u>\$662</u>	

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

	<u>PROPRIETARY FUNDS</u>		<u>GOVERNMENTAL FUNDS</u>	
	Mortgage Purchase Fund Group	Housing Finance Revenue Fund Group	HOME Fund	Other Federal And State Programs
Balance – December 31, 2008	\$9,132	\$709	\$693	\$91
Provision	0	0	0	0
Loans charged off	(122)	0	0	(64)
Recoveries	<u>0</u>	<u>6</u>	<u>0</u>	<u>0</u>
Balance – March 31, 2008	<u>\$9,010</u>	<u>\$715</u>	<u>\$693</u>	<u>\$27</u>

**(4.) MORTGAGE BONDS PAYABLE**

MaineHousing issues both bonds that are subject to Alternative Minimum Tax (AMT) and bonds that are not subject to this tax. For AMT bonds issued, interest paid is treated as a preference item in calculating the tax imposed on individuals and corporations under the Internal Revenue Service Code. MaineHousing's AMT and Non-AMT bonds are denoted for each series below.

The Single-Family (S/F), Multi-Family (M/F), and Home Improvement (HI) Mortgage Bonds Payable outstanding at March 31, 2009 are as follows:

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
<b>MORTGAGE PURCHASE FUND GROUP</b>							
1997 SERIES D BONDS (S/F):							
1997 Series D-1 (Non-AMT)							
Serial Bonds	13,780	2,420	5.10%	2009	2420		
Term Bonds	17,815	0	5.05%				
1997 Series D-2 (AMT)							
Term Bonds	17,635	0	5.80%				
Term Bonds	1,195	0	5.90%				
Term Bonds	9,475	0	5.90%				
Term Bonds	100	0	5.90%				
	<u>60,000</u>	<u>2,420</u>					
1997 SERIES F BONDS (M/F):							
1997 Series F-1 (Non-AMT)							
Term Bonds	8,580	8,420	5.50%	2018-2029	510	-	890
1997 Series F-2 (AMT)							
Term Bonds	3,825	3,225	5.50%	2010-2017	325	-	490
	<u>12,405</u>	<u>11,645</u>					
1998 SERIES A BONDS (S/F):							
1998 Series A-1 (Non-AMT)							
Serial Bonds	7,970	2,275	4.75%-4.85%	2009-2010	1,105	-	1,170
Term Bonds	6,835	0	5.15%				
1998 Series A-2 (AMT)							
Term Bonds	6,540	0	5.30%				
Term Bonds	7,000	0	4.70%				
Term Bonds	5,470	0	5.35%				
Term Bonds	11,085	10,720	5.33%	2027-2032	1,350	-	2,080
Term Bonds	100	0	5.40%				
	<u>45,000</u>	<u>12,995</u>					
1998 SERIES C BONDS (S/F):							
1998 Series C-1 (Non-AMT)							
Term Bonds	9,000	3,635	5.15%	2010-2012	940	-	1,380
1998 Series C-2 (AMT)							
Serial Bonds	6,000	0	4.90%				
Term Bonds	8,600	0	4.75%				
Term Bonds	605	0	5.38%				
Term Bonds	13,220	13,220	5.25%	2016-2030	600	-	1,235
Term Bonds	12,575	0	5.38%				
	<u>50,000</u>	<u>16,855</u>					
1998 SERIES F BONDS (S/F):							
1998 Series F-1 (Non-AMT)							
Term Bonds	8,000	3,900	5.13%	2009-2013	195	-	1,025
1998 Series F-2 (AMT)							
Serial Bonds	1,790	0	4.50%				
Term Bonds	5,425	0	4.65%				
Term Bonds	10,000	10,000	5.25%	2020-2027	800	-	1,530
Term Bonds	195	195	5.35%	2031		195	
Term Bonds	15,090	7,370	5.35%	2020-2029	270	-	2,150
	<u>40,500</u>	<u>21,465</u>					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
1999 SERIES A BONDS (M/F):							
1999 Series A-1 (Non-AMT)							
Term Bonds	3,525	3,525	5.05%	2011-2018	150	-	590
Term Bonds	3,730	2,340	5.13%	2019-2023	365	-	535
1999 Series A-2 (AMT)							
Serial Bonds	2,595	985	4.50%-4.70%	2010-2012	295	-	390
Term Bonds	5,105	5,105	5.25%	2026-2032	615	-	845
	<u>14,955</u>	<u>11,955</u>					
1999 SERIES B BONDS (S/F):							
1999 Series B-1 (Non-AMT)							
Term Bonds	7,000	0	5.00%				
1999 Series B-2 (AMT)							
Serial Bonds	14,430	2,335	4.80%	2010		2,335	
Term Bonds	11,610	11,610	5.25%	2014-2018	1,045	-	4,590
Term Bonds	16,960	0	4.70%				
Term Bonds	30,000	10,930	5.30%	2021-2026	635	-	2,280
	<u>80,000</u>	<u>24,875</u>					
1999 Series C (AMT)							
Serial Bonds	6,840	1,000	5.00%	2010		1000	
Term Bonds	4,015	0	4.85%				
Term Bonds	17,110	14,045	5.45%	2011-2022	145	-	1,620
Term Bonds	12,035	0	5.55%				
	<u>40,000</u>	<u>15,045</u>					
1999 SERIES D BONDS (S/F):							
1999 Series D-1 (Non-AMT)							
Serial Bonds	995	230	5.15%	2009		230	
Term Bonds	11,500	0	5.25%				
Term Bonds	8,565	0	5.75%				
Term Bonds	1,940	0	5.80%				
1999 Series D-2 (AMT)							
Serial Bonds	3,910	0	5.20%				
Term Bonds	2,750	0	5.90%				
Term Bonds	20,340	0	5.95%				
	<u>50,000</u>	<u>230</u>					
1999 SERIES E BONDS (M/F):							
1999 Series E-1 (Non-AMT)							
Term Bonds	6,315	0	5.85%				
1999 Series E-2 (AMT)							
Serial Bonds	11,195	4,165	5.45%-5.75%	2010-2013	960	-	1,130
Term Bonds	3,610	0	5.95%				
Term Bonds	3,295	0	6.10%				
	<u>24,415</u>	<u>4,165</u>					
2000 SERIES A BONDS (S/F):							
2000 Series A (AMT)							
Serial Bonds	6,000	0	5.50%				
Term Bonds	6,640	0	6.40%				
Term Bonds	855	0	6.40%				
Term Bonds	9,500	0	5.75%				
Term Bonds	12,005	12,005	6.40%	2021-2032	420	-	2,115
	<u>35,000</u>	<u>12,005</u>					
2000 SERIES B BONDS (S/F):							
2000 Series B-1 (Non-AMT)							
Serial Bonds	2,505	0	5.35%				
Term Bonds	4,755	0	5.80%				
Term Bonds	740	0	6.00%				

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2000 Series B-2 (AMT)							
Serial Bonds	5,365	0	5.45%				
Term Bonds	3,835	0	6.05%				
Term Bonds	5,800	45	5.60%	2021	45		
Term Bonds	7,000	0	6.15%				
Term Bonds	10,000	0	6.20%				
	<u>40,000</u>	<u>45</u>					
2001 SERIES A BONDS (M/F):							
2001 Series A (Non-AMT)							
Serial Bonds	17,325	9,470	4.38%-5.05%	2010-2016	1,185	-	1,545
Term Bonds	19,815	17,015	5.35%	2017-2021	1,585	-	4,155
Term Bonds	3,335	0	5.45%				
	<u>40,475</u>	<u>26,485</u>					
2001 SERIES B BONDS (S/F):							
2001 Series B (AMT)							
Serial Bonds	4,130	1,055	4.63%-4.75%	2010-2011	515	-	540
Term Bonds	9,350	9,350	5.40%	2012-2021	725	-	1,170
Term Bonds	3,660	445	4.60%	2022		445	
Term Bonds	4,045	3,445	5.50%	2025-2031	125	-	690
Term Bonds	8,815	3,545	5.50%	2025-2029	240	-	1,035
	<u>30,000</u>	<u>17,840</u>					
2001 SERIES C BONDS (S/F):							
2001 Series C (AMT)							
Serial Bonds	4,715	1,975	4.80%-5.00%	2010-2012	625	-	690
Term Bonds	5,580	5,580	5.45%	2013-2021	385	-	860
Term Bonds	6,425	6,425	5.45%	2013-2022	335	-	1,680
Term Bonds	13,280	5,805	5.55%	2023-2028	70	-	1,275
	<u>30,000</u>	<u>19,785</u>					
2001 SERIES E BONDS (S/F):							
2001 Series E-1 (Non-AMT)							
Serial Bonds	23,500	10,440	4.00%-4.38%	2009-2012	2,490	-	2,710
Term Bonds	6,500	6,500	4.95%	2013-2017	100	-	2,205
2001 Series E-2 (AMT)							
Term Bonds	18,365	2,570	4.25%	2016		2570	
2001 Series E-3 (AMT)							
Term Bonds	16,635	8,260	5.25%	2010-2016	1,040	-	1,340
Term Bonds	25,000	0	5.38%				
	<u>90,000</u>	<u>27,770</u>					
2001 SERIES F BONDS (M/F):							
2001 Series F-1 (Non-AMT)							
Term Bonds	2,255	2,255	5.25%	2012-2021	175	-	285
Term Bonds	4,280	4,280	5.38%	2022-2032	295	-	500
2001 Series F-2 (AMT)							
Serial Bonds	3,830	0	3.75%				
Term Bonds	3,235	3,235	5.50%	2012-2032	85	-	250
	<u>13,600</u>	<u>9,770</u>					
2001 SERIES G BONDS (M/F):							
2001 Series G (AMT)							
Term Bonds	3,130	3,130	5.40%	2012-2021	240	-	390
Term Bonds	5,305	5,305	5.50%	2022-2031	415	-	670
	<u>8,435</u>	<u>8,435</u>					
2002 SERIES A BONDS (S/F):							
2002 Series A-1 (Non-AMT)							
Term Bonds	2,355	2,355	4.95%	2013-2016	40	-	805

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2002 Series A-2 (AMT)							
Serial Bonds	6,190	2,755	4.55%-4.85%	2010-2013	655	-	710
Term Bonds	2,460	2,460	5.30%	2017-2021	435	-	540
Term Bonds	5,815	5,815	5.30%	2017-2022	750	-	1,580
Term Bonds	4,900	940	4.55%	2023		940	
Term Bonds	8,280	5,690	5.40%	2027-2031	470	-	1,410
	<u>30,000</u>	<u>20,015</u>					
2002 SERIES B BONDS (M/F):							
2002 Series B (Non-AMT)							
Serial Bonds	7,245	4,360	4.30%-4.85%	2010-2015	650	-	815
Term Bonds	7,250	7,095	5.30%	2016-2023	755	-	1,030
	<u>14,495</u>	<u>11,455</u>					
2002 SERIES C BONDS (M/F):							
2002 Series C (Non-AMT)							
Serial Bonds	10,165	6,345	4.30%-4.85%	2010-2015	945	-	1,180
Term Bonds	12,020	8,495	5.30%	2016-2021	1,245	-	1,580
	<u>22,185</u>	<u>14,840</u>					
2002 SERIES D BONDS (S/F):							
2002 Series D (AMT)							
Serial Bonds	6,255	2,320	4.20%-4.45%	2010-2012	740	-	805
Term Bonds	15,725	15,725	5.25%	2013-2022	845	-	2,335
Term Bonds	18,020	12,615	5.40%	2023-2030	1,025	-	1,930
	<u>40,000</u>	<u>30,660</u>					
2002 SERIES F BONDS (S/F):							
2002 Series F-1 (Non-AMT)							
Serial Bonds	10,430	8,285	3.45%-4.00%	2009-2012	1,205	-	2,715
Term Bonds	5,790	5,790	4.63%	2013-2017	1,125	-	1,185
2002 Series F-2 (AMT)							
Serial Bonds	13,480	3,585	4.05%-4.25%	2010-2012	1,105	-	1,305
Term Bonds	17,000	4,135	3.75%	2016-2017	205	-	3,930
Term Bonds	10,000	10,000	5.05%	2013-2021	720	-	1,610
Term Bonds	12,580	6,945	5.15%	2013-2019	775	-	1,430
Term Bonds	5,000	5,000	5.10%	2013-2023	15	-	3,020
Term Bonds	10,720	0	5.25%				
	<u>85,000</u>	<u>43,740</u>					
2002 SERIES G BONDS (S/F):							
2002 Series G-1 (Non-AMT)							
Serial Bonds	2,000	2,000	3.80%-4.25%	2012-2015	215	-	620
2002 Series G-2 (AMT)							
Serial Bonds	4,150	1,375	3.80%-4.00%	2010-2012	330	-	535
Term Bonds	8,100	4,375	5.15%	2016-2020	100	-	1,150
Term Bonds	1,815	215	4.00%	2023		215	
Term Bonds	790	335	5.25%	2025-2028	30	-	105
Term Bonds	5,145	2,435	5.25%	2025-2029	190	-	605
	<u>22,000</u>	<u>10,735</u>					
2003 SERIES A BONDS (M/F):							
2003 Series A-1 (Non-AMT)							
Serial Bonds	1,155	500	3.35%-3.90%	2010-2013	115	-	135
Term Bonds	1,735	1,735	4.85%	2014-2023	135	-	215
Term Bonds	2,785	2,670	4.95%	2024-2033	215	-	325
2003 Series A-2 (AMT)							
Serial Bonds	7,795	1,060	3.70%-4.20%	2010-2013	250	-	280
Term Bonds	1,755	1,755	4.90%	2014-2022	160	-	235
Term Bonds	1,975	1,975	4.90%	2014-2023	135	-	450
Term Bonds	3,000	3,000	5.00%	2024-2032	270	-	400
Term Bonds	3,100	3,100	5.00%	2024-2033	210	-	760
	<u>23,300</u>	<u>15,795</u>					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2003 SERIES B BONDS (S/F):							
2003 Series B-1 (Non-AMT)							
Serial Bonds	1,885	1,885	3.90%-4.05%	2013-2014	925	-	960
Term Bonds	4,965	4,965	4.85%	2021-2025	910	-	1,085
2003 Series B-2 (AMT)							
Serial Bonds	3,310	1,310	3.75%-4.15%	2010-2012	275	-	755
Term Bonds	7,000	2,185	3.65%	2015-2017	40	-	1,105
Term Bonds	245	245	5.00%	2026		245	
Term Bonds	7,965	6,365	5.05%	2026-2030	975	-	1,420
	<u>25,370</u>	<u>16,955</u>					
2003 SERIES C BONDS (S/F):							
2003 Series C-1 (Non-AMT)							
Serial Bonds	8,350	5,920	3.45%-4.70%	2009-2016	650	-	850
2003 Series C-2 (AMT)							
Term Bonds	4,420	1,555	4.00%	2020-2024	235	-	355
Term Bonds	5,415	5,080	5.45%	2017-2032	165	-	845
	<u>18,185</u>	<u>12,555</u>					
2003 SERIES D BONDS (S/F):							
2003 Series D-1 (Non-AMT)							
Serial Bonds	21,490	15,805	3.10%-4.50%	2009-2017	1,505	-	2,055
2003 Series D-2 (AMT)							
Term Bonds	4,000	4,000	4.90%	2018-2022	735	-	865
Term Bonds	5,240	5,240	4.90%	2018-2023	650	-	1,695
Term Bonds	9,100	4,255	5.00%	2024-2025	2,090	-	2,165
Term Bonds	10,170	5,555	5.00%	2028-2030	595	-	2,515
	<u>50,000</u>	<u>34,855</u>					
2003 SERIES F BONDS (S/F – M/F):							
2003 Series F (Non-AMT)							
Serial Bonds	27,250	15,995	3.00%-4.00%	2009-2014	1,745	-	4,000
Term Bonds	23,205	23,205	4.80%	2019-2023	4,640	-	4,645
Term Bonds	21,970	21,970	4.80%	2019-2024	50	-	4,385
	<u>72,425</u>	<u>61,170</u>					
2004 SERIES A BONDS (S/F):							
2004 Series A-1 (Non-AMT)							
Serial Bonds	13,385	11,880	2.65%-4.00%	2009-2015	1,550	-	1,875
2004 Series A-2 (AMT)							
Serial Bonds	3,890	0	2.35%				
Term Bonds	13,420	5,865	5.00%	2016-2019	1,370	-	1,540
Term Bonds	5,605	5,605	4.75%	2019-2023	400	-	2,330
Term Bonds	5,060	5,060	4.75%	2019-2024	360	-	1,860
Term Bonds	3,240	2,180	4.80%	2025-2028	70	-	1,080
Term Bonds	2,675	0	4.80%				
	<u>47,275</u>	<u>30,590</u>					
2004 SERIES B BONDS (S/F):							
2004 Series B-1 (Non-AMT)							
Serial Bonds	10,000	6,810	3.10%-4.00%	2009-2014	905	-	1,270
2004 Series B-2 (AMT)							
Term Bonds	15,000	12,525	5.20%	2029-2035	245	-	2,565
2004 Series B-3 (AMT)							
Term Bonds	11,000	11,000	Variable-.88% *	2015-2027	425	-	1,505
Term Bonds	9,000	9,000	Variable-.88% *	2028-2035	730	-	1,620
Term Bonds	5,000	5,000	Variable-.88% *	2036-2038	1,480	-	1,860
	<u>50,000</u>	<u>44,335</u>					
2004 SERIES C BONDS (S/F):							
2004 Series C-1 (Non-AMT)							
Serial Bonds	8,000	4,745	2.80%-3.75%	2009-2013	890	-	995

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2004 Series C-2 (AMT)							
Term Bonds	5,000	5,000	4.80%	2022-2024	1,625	-	1,710
Term Bonds	15,000	14,195	5.00%	2029-2034	2,035	-	2,705
2004 Series C-3 (AMT)							
Term Bonds	15,000	15,000	Variable -.97%*	2035-2038	3,750		
	<u>43,000</u>	<u>38,940</u>					
2004 SERIES D BONDS (S/F):							
2004 Series D-1(Non-AMT)							
Serial Bonds	7,145	4,135	3.00%-3.80%	2009-2013	785	-	890
Term Bonds	1,855	1,855	4.00%	2014-2015	900	-	955
2004 Series D-2 (AMT)							
Term Bonds	6,000	6,000	4.70%	2022-2024	1,955	-	2,050
Term Bonds	10,000	9,730	4.90%	2029-2034	1,420	-	1,800
2004 Series D-3 (AMT)							
Term Bonds	15,000	15,000	Variable -.88%*	2035-2039	3,000		
	<u>40,000</u>	<u>36,720</u>					
2005 SERIES A BONDS (M/F):							
2005 Series A-1 (Non-AMT)							
Serial Bonds	5,785	3,965	3.45%-4.40%	2010-2017	455	-	530
Term Bonds	5,425	5,100	4.90%	2028-2032	920	-	1,160
2005 Series A-2 (AMT)							
Term Bonds	9,715	9,715	4.95%	2018-2027	800	-	1,120
	<u>20,925</u>	<u>18,780</u>					
2005 SERIES B BONDS (M/F):							
2005 Series B (Federally Taxable)							
Term Bonds	15,000	15,000	Variable-1.41% *	2016-2020	2,840	-	3,115
2005 SERIES C BONDS (M/F):							
2005 Series C (AMT)							
Term Bonds	11,125	11,125	Variable-.97%*	2036-2039	2,780	-	2,785
2005 SERIES D BONDS (S/F):							
2005 Series D-1 (Non-AMT)							
Serial Bonds	3,000	2,400	3.05%-3.90%	2009-2015	305	-	380
2005 Series D-2 (AMT)							
Term Bonds	15,000	14,895	4.80%	2026-2036	1,075	-	1,520
2005 Series D-3 (AMT)							
Term Bonds	20,000	20,000	Variable-.88%*	2028-2038	1,485	-	2,190
	<u>38,000</u>	<u>37,295</u>					
2005 SERIES E BONDS (S/F):							
2005 Series E-1 (Non-AMT)							
Serial Bonds	6,330	5,240	3.38%-4.25%	2009-2016	575	-	745
2005 Series E-2 (AMT)							
Term Bonds	9,765	9,765	4.90%	2017-2026	780	-	1,200
Term Bonds	6,965	6,965	4.95%	2027-2031	1,260	-	1,530
Term Bonds	6,940	6,775	5.10%	2032-2035	1,610	-	1,775
	<u>30,000</u>	<u>28,745</u>					
2005 SERIES G BONDS (M/F):							
2005 Series G (AMT)							
Term Bonds	22,300	22,125	Variable-.88%*	2009-2037	135	-	4,385
2006 SERIES A BONDS (S/F):							
2006 Series A-1 (Non-AMT)							
Serial Bonds	6,680	5,590	3.40%-4.05%	2009-2017	460	-	735
2006 Series A-2 (AMT)							
Term Bonds	16,000	16,000	4.65%	2018-2025	1,680	-	2,360
Term Bonds	7,320	7,235	4.85%	2026-2036	515	-	800
	<u>30,000</u>	<u>28,825</u>					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2006 SERIES B BONDS (S/F):							
2006 Series B (AMT)							
Term Bonds	5,000	5,000	Variable-.97%*	2026-2036	350	-	580
2006 SERIES D BONDS (S/F):							
2006 Series D-1 (Non-AMT)							
Serial Bonds	6,970	5,615	3.55%-4.05%	2009-2015	715	-	900
2006 Series D-2 (AMT)							
Term Bonds	7,170	7,170	4.75%	2018-2021	1,665	-	1,925
Term Bonds	10,915	10,915	4.85%	2022-2026	1,985	-	2,395
Term Bonds	7,075	6,970	4.95%	2027-2031	1,280	-	1,485
Term Bonds	12,870	12,870	4.90%	2032-2036	2,130	-	3,690
2006 Series D-3 (AMT)							
Term Bonds	5,000	5,000	Variable-.88%*	2027-2035	455	-	670
	<u>50,000</u>	<u>48,540</u>					
2006 SERIES E BONDS (S/F):							
2006 Series E-1 (Non-AMT)							
Serial Bonds	6,895	6,025	3.60%-4.00%	2009-2015	700	-	960
2006 Series E-2 (AMT)							
Term Bonds	5,535	5,535	4.75%	2019-2021	1,795	-	1,895
Term Bonds	7,365	7,365	4.80%	2022-2026	1,360	-	1,590
Term Bonds	9,040	9,040	4.90%	2027-2031	1,665	-	1,960
Term Bonds	11,165	11,165	4.95%	2032-2036	2,045	-	2,430
	<u>40,000</u>	<u>39,130</u>					
2006 SERIES G BONDS (S/F):							
2006 SERIES G (AMT)							
Serial Bonds	6,170	4,970	3.85%-4.20%	2010-2016	640	-	790
Term Bonds	15,295	15,295	4.55%	2017-2026	830	-	2,350
Term Bonds	7,250	7,250	4.63%	2027-2031	1,320	-	1,590
Term Bonds	11,285	11,285	4.70%	2032-2037	1,665	-	2,115
	<u>40,000</u>	<u>38,800</u>					
2006 SERIES I BONDS (M/F):							
2006 Series I-1 (Non-AMT)							
Term Bonds	2,500	2,500	4.40%	2022-2026		500	
2006 Series I-2 (AMT)							
Term Bonds	9,000	9,000	4.75%	2032-2036		1,800	
2006 Series I-3 (AMT)							
Term Bonds	7,500	385	Variable-.97%*	2027		385	
	<u>19,000</u>	<u>11,885</u>					
2007 SERIES A BONDS (S/F):							
2007 Series A (AMT)							
Serial Bonds	4,840	4,840	4.20%-4.45%	2013-2017	885	-	1,050
Term Bonds	4,855	4,855	4.70%	2018-2022	875	-	1,070
Term Bonds	7,240	7,240	4.75%	2023-2027	1,305	-	1,605
Term Bonds	8,065	8,065	4.75%	2028-2032	1,450	-	1,780
	<u>25,000</u>	<u>25,000</u>					
2007 SERIES C BONDS (S/F):							
2007 Series C (AMT)							
Term Bonds	5,000	5,000	5.05%	2018-2022	860	-	1,135
Term Bonds	8,000	8,000	5.13%	2023-2027	1,100	-	1,900
Term Bonds	12,000	12,000	5.15%	2028-2032	2,200	-	2,600
	<u>25,000</u>	<u>25,000</u>					
2007 SERIES E BONDS (S/F):							
2007 Series E1 (AMT)							
Serial Bonds	2,885	2,885	4.15%-4.65%	2011-2015	515	-	640

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
Term Bonds	1,405	1,405	4.80%	2016-2017	685	-	720
Term Bonds	2,700	2,700	5.15%	2018-2020	700	-	1,200
Term Bonds	10,010	10,010	5.30%	2021-2023	1,810	-	4,300
2007 Series E2 (AMT)							
Term Bonds	8,000	8,000	Variable-.97%*	2032-2041	800		
	<u>25,000</u>	<u>25,000</u>					
2008 SERIES A BONDS (S/F):							
2008 Series A1 (Non-AMT)							
Serial Bonds	6,050	6,050	3.35%-3.65%	2013-2016	950	-	1,760
2008 Series A2 (AMT)							
Term Bonds	10,180	10,180	4.85%	2017-2022	250	-	2,225
Term Bonds	10,985	10,985	5.05%	2023-2027	1,985	-	2,430
Term Bonds	7,785	7,785	5.20%	2028-2032	420	-	1,940
	<u>35,000</u>	<u>35,000</u>					
2008 SERIES B BONDS (S/F):							
2008 Series B (AMT)							
Term Bonds	15,000	15,000	Variable-.80%*	2032-2041	1,025	-	1,785
2008 SERIES C BONDS (S/F):							
2008 Series C1 (Non-AMT)							
Serial Bonds	12,260	12,260	3.30%-4.00%	2013-2016	1,380	-	5,040
2008 Series C2 (AMT)							
Term Bonds	1,740	1,740	5.00%	2017-2020	405	-	460
	<u>14,000</u>	<u>14,000</u>					
2008 SERIES D BONDS (S/F):							
2008 Series D (AMT)							
Term Bonds	20,000	20,000	Variable-.79%*	2028-2042	905	-	1,870
2008 SERIES E BONDS (S/F – M/F):							
2008 Series E1 (Non-AMT)							
Term Bonds	9,585	9,585	Variable-2.82%*	2024-2030	1,185	-	1,400
Term Bonds	30,000	30,000	Variable-2.82%*	2026-2032	4,000	-	5,000
2008 Series E2 (AMT)							
Term Bonds	25,415	25,415	Variable-3.07%*	2024-2030	1,415	-	4,000
Term Bonds	25,550	25,550	Variable-3.07%*	2033-2037	2,135	-	6,415
	<u>90,550</u>	<u>90,550</u>					
2008 SERIES F BONDS (SF)							
2008 Series F1 (Non-AMT)							
Serial Bonds	9,585	9,585	2.00%-4.30%	2009-2018	310	-	1,735
2008 Series F2 (Non-AMT)							
Term Bonds	5,580	5,580	4.95%	2019-2023	1,075	-	1,155
Term Bonds	7,100	7,100	5.15%	2024-2028	1,370	-	1,460
Term Bonds	2,735	2,735	5.30%	2029-2033	530	-	565
	<u>25,000</u>	<u>25,000</u>					
2008 SERIES G BONDS (SF)							
2008 Series G1 (Non-AMT)							
Serial Bonds	20,425	20,425	3.50%-5.35%	2010-2017	1,300	-	3,935
2008 Series G2 (Non-AMT)							
Serial Bonds	4,150	4,150	5.50%	2018		4,150	
Term Bonds	5,200	5,200	6.00%	2019-2020	1,210	-	3,990
Term Bonds	7,925	7,925	6.25%	2021-2023	2,475	-	2,810
	<u>37,700</u>	<u>37,700</u>					
2008 SERIES H BONDS (SF)							
2008 Series H (Non-AMT)							
Term Bonds	23,000	23,000	Variable-.50% *	2029-2040	1,525	-	2,360
2008 SERIES I BONDS (SF)							
2008 Series I (AMT)							
Term Bonds	100,000	100,000	2.00%	2024-2034	4,700	-	15,000

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2008 SERIES J BONDS (MF)							
2008 Series J (Non-AMT)							
Serial Bonds	1,795	1,795	3.20%-3.45%	2010-2011	895	-	900
Term Bonds	2,500	2,500	6.10%	2020-2023	565	-	690
Term Bonds	7,165	7,165	6.50%	2024-2028	1,255	-	1,630
	<u>11,460</u>	<u>11,460</u>					
		1,419,105					
Less: Unamortized Bond Discount		(14,802)					
Total Mortgage Purchase Fund Group bonds payable	<u>2,056,080</u>	<u>1,404,303</u>					

#### HOUSING FINANCE REVENUE FUND GROUP

##### 1995 SERIES I BONDS (HI):

##### 1995 Series I-1 (Non-AMT)

Serial Bonds	2,235	0	5.00%				
Term Bonds	2,765	2,765	5.38%	2009-2012	635	-	750

##### 1995 Series I-2 (AMT)

Serial Bonds	2,000	0	4.80%				
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##### 1995 Series I-4 (AMT)

Serial Bonds	1,350	0	5.10%				
Term Bonds	2,120	2,120	5.70%	2009-2018	165	-	265
Term Bonds	4,530	2,530	5.75%	2019-2030	160	-	275
	<u>15,000</u>	<u>7,415</u>					

##### 1998 SERIES I BONDS (HI):

##### 1998 Series I (AMT)

Serial Bonds	2,690	1,110	4.90%-5.00%	2009-2010	535	-	575
Term Bonds	2,435	2,435	5.30%	2011-2013	760	-	865
Term Bonds	6,680	6,680	5.45%	2014-2017	1,545	-	1,795
Term Bonds	195	195	5.45%	2018		195	
	<u>12,000</u>	<u>10,420</u>					
		17,835					

Less: Unamortized Bond Discount

Total Housing Finance Revenue Fund Group bonds payable	<u>27,000</u>	<u>17,740</u>					
Total bonds payable	<u>\$2,083,080</u>	<u>\$1,422,043</u>					

\* Represents rate at March 31, 2009

The following table summarizes the debt activity for MaineHousing's Proprietary Funds for the period ended March 31, 2009.

Fund	December 31, 2007	Issuance	Retirement	March 31, 2009
Mortgage Purchase Fund Group	\$1,442,935	\$0	(\$23,830)	\$1,419,105
Housing Finance Revenue Fund Group	17,835	0	0	17,835
Total Proprietary Funds	<u>\$1,460,770</u>	<u>\$0</u>	<u>(\$23,830)</u>	<u>\$1,436,940</u>

Interest is payable semi-annually for the Mortgage Purchase Fund Group and the Housing Finance Revenue Fund Group. Scheduled principal payments on bonds are due November 15 for the Mortgage Purchase Fund Group and November 1 for the Housing Finance Revenue Fund Group.

The interest calculations shown in the table below are based on the variable rate in effect at March 31, 2009 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 proprietary funds debt service requirements and net interest rate swap payments through 2012 and in five-year increments thereafter to maturity:

Year(s)	Mortgage Purchase Fund Group					Housing Finance Revenue Fund Group	
	Fixed/Variable Unswapped		Variable Swapped		Interest Rate Swaps, Net	Fixed Unswapped	
	Principal	Interest	Principal	Interest		Principal	Interest
2009	\$20,920	\$52,903	\$135	\$3,586	\$6,985	\$1,335	\$974
2010	36,985	52,207	135	3,490	7,149	1,420	904
2011	36,930	50,714	140	3,489	7,141	1,655	829
2012	39,270	49,204	160	3,490	7,136	1,755	740
2013	39,560	47,527	155	3,486	7,132	1,070	646
2014-2018	209,480	209,706	12,580	17,255	30,271	8,070	1,925
2019-2023	267,175	153,379	13,460	16,205	19,276	875	632
2024-2028	223,140	91,289	48,065	13,822	11,494	1,120	354
2029-2033	219,025	40,532	57,485	7,162	5,498	535	46
2034-2038	85,745	6,207	86,670	3,159	1,371	-	-
2039-2043	4,625	35	17,265	263	-	-	-
Total	\$1,182,855	\$753,703	\$236,250	\$75,407	\$103,453	\$17,835	\$7,050

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 the various resolutions. Security generally includes the mortgage loans made or purchased under the resolutions and all monies and investments in the funds and accounts pledged under the resolutions. Bonds may be redeemed in excess of the annual maturities in accordance with the terms of the various resolutions.

#### Moral Obligation Debt

The reserve funds of the Mortgage Purchase Fund Group and Housing Finance Revenue Fund Group are secured by a non-binding appropriation by the State (moral obligation) to replenish any deficiency in such reserve funds. MaineHousing was authorized to have bonds outstanding for these programs in an aggregate amount not to exceed \$2,150,000 as of March 31, 2009. Of that amount, \$1,436,940 was outstanding at March 31, 2009.

#### Other Debt

MaineHousing had \$24,000 of conduit debt outstanding at March 31, 2009. The conduit debt relates to revenue bonds issued by MaineHousing on behalf of a developer which will be paid solely from the revenues of the project, other assets of the developer, or an irrevocable direct pay letter of credit held by the Trustee. Therefore, these bonds are not a liability of MaineHousing and are not recognized in the accompanying financial statements.

#### Interest Rate Swaps

MaineHousing has entered into sixteen interest rate swap agreements with two counterparties as of March 31, 2009. The objective of the agreements is to attain a synthetic fixed interest rate on the underlying 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 on a notional principal amount of bonds and in exchange receive semi-annual payments based upon either the thirty-day or ninety-day London InterBank Offered Rate (LIBOR).

The table below contains the terms, fair values, and credit ratings of the outstanding agreements as of March 31, 2009. The credit ratings were issued by Moody's Investor Services and Standard & Poor's respectively.

Associated Debt Issuance	Current Notional Amount	Effective Date of Swap	Maturities/Sinking Fund Installments	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Rating
2004 Series B-3	\$20,000	8/24/04	11/15/15-11/15/35	3.756%	63% of 30 day LIBOR plus .20%	(\$2,343)	11/15/2023 <sup>2</sup>	Aaa/AA
2004 Series C-3	\$15,000	10/26/04	11/15/14-11/15/39	3.439%	63% of 30 day LIBOR plus .20%	(\$1,542)	11/15/2021 <sup>2</sup>	Aa2/AA+
2004 Series D-3	\$15,000	1/18/05	11/15/16-11/15/39	3.587%	65% of 30 day LIBOR plus .20%	(\$1,587)	11/15/2021 <sup>2</sup>	Aaa/AA
2005 Series B	\$15,000	4/26/05	11/15/16-11/15/20	4.852%	100% of 90 day LIBOR	(\$2,344)	11/15/2015	Aa2/AA+
2005 Series C	\$11,125	8/23/05	11/01/28-11/01/39	3.832%	65% of 90 day LIBOR plus .10%	(\$1,280)	11/15/2032 <sup>3</sup>	Aa2/AA+

Associated Debt Issuance	Current Notional Amount	Effective Date of Swap	Maturities/ Sinking Fund Installments	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Rating
2005 Series D-3	\$20,000	8/2/05	11/15/16-11/15/38	3.630%	65% of 30 day LIBOR plus .20%	(\$2,190)	11/15/2036 <sup>4</sup>	Aaa/AA
2005 Series G	\$22,125	2/1/06	11/15/07-11/15/37	3.591%	65% of 30 day LIBOR plus .20%	(\$5,198)	11/15/2037	Aaa/AA
2006 Series B	\$5,000	3/14/06	11/15/19-11/15/36	3.670%	65% of 90 day LIBOR plus .20%	(\$783)	11/15/2019	Aa2/AA+
2006 Series D-3	\$5,000	7/11/06	11/15/16-11/15/35	3.922%	65% of 90 day LIBOR plus .20%	(\$754)	11/15/2016	Aaa/AA
2007 Series E-2	\$8,000	9/12/07	11/15/27-11/15/41	4.049%	65% of LIBOR plus .20%	(\$1,221)	11/15/2027 <sup>5</sup>	Aa2/AA+
2008 Series B	\$15,000	1/29/08	11/15/23-11/15/41	3.710%	100% of SIFMA plus .06%	(\$1,177)	5/15/2023 <sup>5</sup>	Aaa/AA
2008 Series D	\$20,000	4/08/08	11/15/22-11/15/42	3.397%	70% of 90 day LIBOR plus .20%	(\$1,785)	11/15/2022 <sup>5</sup>	Aa2/AA+
2008 Series E-1, E-2	\$17,500	12/23/03	11/15/14-11/15/30	3.246%	67% of 30 day LIBOR	(\$2,056)	11/15/2018	Aa2/AA+
2008 Series E-1, E-2	\$17,500	12/23/03	11/15/14-11/15/30	3.246%	67% of 30 day LIBOR	(\$2,059)	11/15/2018	Aaa/AA
2008 Series E-1	\$15,000	12/23/03	11/15/26-11/15/32	3.831%	67% of 30 day LIBOR	(\$1,690)	11/15/2032 <sup>1</sup>	Aa2/AA+
2008 Series E-1	\$15,000	12/23/03	11/15/26-11/15/32	3.831%	67% of 30 day LIBOR	(\$1,547)	11/15/2032 <sup>1</sup>	Aaa/AA
Totals	\$236,250					(\$29,556)		

1 MaineHousing has the option of termination, with no Termination Payment on November 15, 2013 and on each May 15 and November 15 thereafter.

2 MaineHousing has the option of termination, with no Termination Payment on November 15, 2014 and on each May 15 and November 15 thereafter.

3 MaineHousing has the option of termination, with no Termination Payment on May 15, 2015 and on each May 15 and November 15 thereafter.

4 MaineHousing has the option of termination, with no Termination Payment on November 15, 2015 and on each May 15 and November 15 thereafter.

5 MaineHousing has the option of termination, with no Termination Payment on November 15, 2017 and on each May 15 and November 15 thereafter.

Fair Value – The fair value amounts are obtained from mark-to-market statements from the respective counterparties and represent mid-market valuations that approximate the current economic value using market averages, reference rates, and/or mathematical models. Actual trade prices may vary significantly from these estimates as a result of various factors, which may include portfolio composition, current trading intentions, prevailing credit spreads, market liquidity, hedging costs, and risk, position size, transaction and financing costs, and use of capital profit. If a swap is terminated, fair value represents the current amount required to settle the swap in the marketplace. A positive value represents money due to MaineHousing by the counterparty upon termination, while a negative value represents money payable by MaineHousing. In accordance with GASB Technical Bulletin No. 2003-1, MaineHousing has not recorded the fair value of the swaps in the financial statements.

Credit Risk – As of March 31, 2009, MaineHousing is not exposed to credit risk because all outstanding swaps have negative fair values. A positive fair value of the swaps would represent MaineHousing's credit exposure to the two counterparties.

The swap agreements contain varying collateral agreements with the counterparties in order to mitigate the potential for credit risk. These requirements are met as of March 31, 2009.

Basis Risk – The floating rate payments provided by the counterparties are based upon either the SIFMA index or the LIBOR index. The LIBOR rate will be adjusted on a monthly basis, except for 2005 Series B which is adjusted on a quarterly basis. MaineHousing's floating rate bonds will have rates adjusted weekly. MaineHousing's bonds are expected to track with the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA), which differs from the LIBOR index. If the floating rate tax exempt bonds, which should correspond to the SIFMA index, trade at a value significantly different than their historical relationship to LIBOR, the net cost to MaineHousing could increase or decrease. As of March 31, 2009, 67% of the thirty-day LIBOR rate was 0.33%, 63% of the thirty-day LIBOR rate plus .20% was 0.51% and 65% of the thirty-day LIBOR rate plus .20% was 0.52%. As of March 31, 2009 the ninety day LIBOR rate was 1.19% and 70% of the ninety-day LIBOR rate plus .20% was 1.03%. The SIFMA rate was 0.48% at March 31, 2009.

Termination Risk – In addition to the optional terminations embedded in some of MaineHousing's Swap Agreements, Swap 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 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. When these swaps terminate, or in the case of the termination option, if the counterparty exercises its option, MaineHousing will not realize the synthetic rate offered by the swaps.

## **(5.) EMPLOYEE BENEFIT PLANS**

MaineHousing provides its employees with an option of participating in either a defined contribution retirement plan or a defined benefit retirement 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). MaineHousing makes direct contributions on behalf of participants to the 401(a) plan. Additionally, if a participant makes contributions to the 457 plan, a portion of the contribution is matched by MaineHousing. The employer match contribution is made to the 401(a) plan. Total expense under the defined contribution plan was \$112 for the period ended March 31, 2009.

MaineHousing is also a participating local district member of the Maine Public Employees Retirement System (MainePERS) and its employees may participate in a defined benefit plan offered by MainePERS. All employees that do not participate in MaineHousing's defined contribution plan are eligible. The defined benefit plan requires contributions by both participants and MaineHousing. MaineHousing's net expense for the period ended March 31, 2009 was \$36. As of March 31, 2009, MaineHousing's plan has a surplus balance with MainePERS of approximately \$805. This surplus will reduce or eliminate future employer costs. In 2009, MaineHousing has utilized \$18 of the surplus.

## **(6.) AVAILABLE BOND PROCEEDS**

### **MORTGAGE PURCHASE FUND GROUP**

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

2005 Series C (M/F)	\$3,327
2006 Series G (S/F)	601
2006 Series I-2, I-3 (M/F)	5,862
2007 Series E (S/F)	1,902
2008 Series C/D (S/F)	5,105
2008 Series G/H (S/F)	3,790
2008 Series J (M/F)	6,115
	<u>\$ 26,702</u>

Original bond proceeds available for the purchase of single-family and multi-family mortgages amounted to \$10,807 and \$14,052 respectively, at March 31, 2009. Amounts in the Bond Proceeds Fund attributable to income from investments totaled \$1,844 at March 31, 2009, all of which is available to pay debt service when necessary.

## **(7.) COMMITMENTS**

### **MORTGAGE COMMITMENTS**

Mortgage commitments are agreements to lend provided there is no violation of any term or condition established in the agreement. Generally, once exercised, the 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 March 31, 2009, MaineHousing had outstanding commitments to originate multi-family mortgage loans of approximately \$26,593.

MaineHousing, under its single-family program, enters into purchase agreements with lenders to purchase mortgage loans. At March 31, 2009, single-family loans being processed by lenders for MaineHousing totaled approximately \$10,010.

### **LEASE COMMITMENT**

MaineHousing has committed to a lease agreement for approximately 39,000 square feet of office space. Annual rent under this lease agreement is approximately \$581 and increases at a rate of 3% per year. This lease agreement expires on September 30, 2019. For the period ended March 31, 2009, MaineHousing had rental expense of \$143.

## **(8.) RESERVE FUNDS**

### **MORTGAGE PURCHASE FUND GROUP - 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 March 31, 2009 was \$123,202.

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 year. The Housing Reserve Fund Maximum Requirement as of March 31, 2009 was \$123,270.

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 March 31, 2009, 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 \$161,211.

HOUSING FINANCE REVENUE FUND GROUP - CAPITAL RESERVE FUND

On or before December 1 of each year, MaineHousing is required to value the Capital Reserve Fund and verify to the Governor of the State of Maine that the sum of money in the fund equals or exceeds the Capital Reserve Fund Minimum Requirement. The Capital 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 Capital Reserve Fund Minimum Requirement as of March 31, 2009 was \$2,324.

When issuing bonds MaineHousing must also meet the Capital Reserve Fund Maximum Requirement. The Capital Reserve Fund Maximum Requirement equals the maximum debt service required in any subsequent year. The Capital Reserve Fund Maximum Requirement as of March 31, 2009 was \$2,495.

At March 31, 2009, valuation of the investments in the Capital Reserve Fund computed at amortized value in accordance with the General Housing Finance Revenue Bond Resolution was \$3,734.

**(9.) EXCESS ARBITRAGE TO BE REBATED**

Bonds issued by MaineHousing are subject to a variety of Internal Revenue Service (IRS) regulations which limit the amount of income which may be earned with non-mortgage investments to an amount not greater than that amount which would have been earned had the funds been invested at the yield on the bonds as defined by the IRS. Excess earnings must be rebated every five years.

At March 31, 2009, the estimated value of future arbitrage rebates in the Mortgage Purchase Fund Group was \$6,134. There are no other arbitrage liabilities to be rebated in the other fund groups at March 31, 2009.

**(10.) FUND TRANSFERS AND INTERFUND BALANCES**

During the period ended March 31, 2009, MaineHousing had outstanding balances between funds. The following is a summary of outstanding payables (receivables) between funds:

	Mortgage Purchase Fund Group	Housing Finance Revenue Fund Group	Bondholder Reserve Fund	General Administrative Fund	American Recovery & Reinvestment Fund	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Other Federal And State Programs
Operating expenses	\$774	\$58	\$12	(\$15,999)	\$2	\$0	\$3,066	\$2,568	\$9,519
Funds for loan closings	394	(100)	(213)	(1,588)	0	43	0	0	1,464
Program revenues and fees	(592)	0	0	15,490	0	66	(3,203)	(2,327)	(9,434)
	<u>\$576</u>	<u>(\$42)</u>	<u>(\$201)</u>	<u>(\$2,097)</u>	<u>\$2</u>	<u>\$109</u>	<u>(\$137)</u>	<u>\$241</u>	<u>\$1,549</u>

**(11.) REDEMPTION OF BONDS**

For the period ended March 31, 2009, MaineHousing redeemed \$23,830 of its Mortgage Purchase Fund Group bonds from reserve funds, mortgage prepayments, surplus revenues and the proceeds of refunding bonds. Mortgage Purchase Fund Group losses of \$183 were attributable to recognition of the bond discount and debt issuance expenses associated with the redeemed bonds. The following is a summary of bonds redeemed:

	Interest Rate	Maturity	Amount	Redemption Price
1997 Series D-1 Serial Bonds	5.10%	2009	150	100%
1997 Series F-2 Term Bonds	5.50%	2017	315	100%
1998 Series C-2 Serial Bonds	4.90%	2009	980	100%
1998 Series F-1 Term Bonds	5.13%	2015	75	100%
1999 Series A-1 Term Bonds	5.13%	2025	200	100%
1999 Series A-2 Serial Bonds	4.40%	2009	370	100%
1999 Series B-2 Serial Bonds	4.70%	2009	2,235	100%
1999 Series C Serial Bonds	4.90%	2009	950	100%
1999 Series D-1 Serial Bonds	5.15%	2009	255	100%
1999 Series E-2 Serial Bonds	5.35%	2009	910	100%
2000 Series B-2 Serial Bonds	5.45%	2009	740	100%
2000 Series B-2 Term Bonds	5.60%	2024	30	100%
2001 Series A Serial Bonds	4.25%	2009	1,125	100%
2001 Series B Serial Bonds	4.50%	2009	495	100%
2001 Series B Term Bonds	4.60%	2025	50	100%
2001 Series C Serial Bonds	4.70%	2009	600	100%
2001 Series E-1 Serial Bonds	4.00%	2009	195	100%
2001 Series E-2 Term Bonds	4.25%	2019	375	100%
2001 Series E-3 Term Bonds	5.25%	2017	985	100%
2002 Series A-2 Serial Bonds	4.40%	2009	630	100%
2002 Series A-2 Term Bonds	4.55%	2026	140	100%
2002 Series B Serial Bonds	4.10%	2009	630	100%
2002 Series C Serial Bonds	4.10%	2009	905	100%

	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2002 Series D Serial Bonds	4.00%	2009	715	100%
2002 Series F Serial Bonds	3.80%	2009	1,660	100%
2002 Series F-2 Term Bonds	3.75%	2019	255	100%
2002 Series G-2 Serial Bonds	3.55%	2009	495	100%
2002 Series G-2 Term Bonds	4.00%	2024	100	100%
2003 Series A-1 Serial Bonds	3.05%	2009	115	100%
2003 Series A-1 Term Bonds	4.95%	2033	115	100%
2003 Series A-2 Serial Bonds	3.40%	2009	245	100%
2003 Series B-2 Serial Bonds	3.45%	2009	260	100%
2003 Series B-2 Term Bonds	3.65%	2020	320	100%
2003 Series C-2 Term Bonds	4.00%	2030	275	100%
2003 Series D-2 Term Bonds	5.00%	2027	340	100%
2004 Series A-2 Term Bonds	5.00%	2021	575	100%
2004 Series B-1 Serial Bonds	3.10%	2009	165	100%
2004 Series D-1 Serial Bonds	3.00%	2009	100	100%
2005 Series A-1 Serial Bonds	3.30%	2009	450	100%
2006 Series A-1 Serial Bonds	3.40%	2009	75	100%
2006 Series E-1 Serial Bonds	3.60%	2009	95	100%
2006 Series G Serial Bonds	3.80%	2009	610	100%
2006 Series I-3 Term Bonds	Var-1.40%	2036	3,525	100%
			<u>3,525</u>	
			<u>\$23,830</u>	

**(12.) SUBSEQUENT EVENTS**

There are no subsequent events to report.

**(13.) NEW ACCOUNTING PRONOUNCEMENT**

In June 2008, the Governmental Accounting Standard Board (GASB) issued GASB Statement No. 53 "Accounting and Financial Reporting for Derivative Instruments." This Statement will be effective for Maine Housing's financial statements beginning January 1, 2010. Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments, including interest rate swap agreements. The key provision in the Statement is that derivative instruments will be reported at fair value. Management has not yet determined the effect of adopting Statement No. 53 on the financial statements.

In February 2009, GASB issued GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definition." This statement will be effective for MaineHousing's financial statements beginning January 1, 2011. Statement No. 54 addresses fund balance classifications and clarifies governmental fund type definitions. Management has not determined the effect of adopting statement No. 54 on the financial statements.