

April 15, 2025 Board Packet

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Board of Commissioners Meeting – April 15, 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 March 25, 2025, meeting (VOTE)	All
	Communications and Conflicts	All
	Chair of the Board Updates	Frank O'Hara
9:15	Director Updates	Dan Brennan
9:30	Commence Rulemaking HEAP Rule (VOTE)	Bobbi Crooker/Sarah Johnson/Ashley Carson
10:00	Legislative Update	Erik Jorgensen
10:45	Shared Housing program update	Erik Jorgensen
11:00	2024 Budget and Audit Report	Darren Brown/Jason Emery of Baker, Newman & Noyes
	<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 May 20, 2025
virtually and in person at 26 Edison Drive, Augusta, Maine



Minutes of the Board of Commissioners Meeting March 25, 2025

MEETING CONVENED

A meeting of the Board of Commissioners for MaineHousing convened on March 25, 2025, at the offices of MaineHousing, 26 Edison Drive, Augusta, Maine and virtually. Notice of the meeting was published on March 15, 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 9:05 a.m. Director Dan Brennan, Commissioners Paul Shepherd, Elizabeth Dietz, Noël Bonam, Nancy Harrison and Renee Lewis attended in person. Commissioner Melissa Hue attended remotely due to her schedule, she was alone at her location. Commissioner Laura Buxbaum and State Treasurer Joseph Perry were absent. There was a quorum present.

PUBLIC ATTENDANCE

Guests and staff present for all or part of the meeting included: Jamie Johnson, Senior Director of Operations; Ashley Carson, Chief Counsel; Adam Krea, Senior Director of Finance and Lending; Lauren Bustard, Senior Director of Homeless Initiatives; Erik Jorgensen, Senior Director of Government Relations and Communications; Craig Given, Director of Information Technology; Kim Ferenc, Manager of Housing Services; Karen Lawlor, Executive Administrator; Allison Gallagher, Director of Housing Choice Vouchers; Scott Thistle, Communications Director; Mark Wiesendanger, Director of Development; Sarah Johnson, Manager of Home Energy Assistance Programs; Bobbi Crooker, Director of Energy and Housing Services; Tom Cary, Treasurer; Evelyn Goulette, Housing Program Officer; Laura Mitchell, Maine Affordable Housing Coalition; Melissa Howard, Penquis CAP; Lynn Lugdon, Penquis CAP; Greg Payne, State of Maine Senior Advisor for Housing Policy; and Jack Watson, Paralegal and Note taker.

ADOPT AGENDA

Commissioner Elizabeth Dietz made a motion seconded by Commissioner Renee Lewis to adopt the March 25, 2025, agenda. The vote carried unanimously.

APPROVE MINUTES OF FEBRUARY 18, 2025, MEETING

Commissioner Elizabeth Dietz made a motion seconded by Commissioner Renee Lewis to accept the February 18, 2025, minutes as written.

COMMUNICATIONS AND CONFLICTS

None

CHAIR OF BOARD UPDATES

- Chair Frank O'Hara accompanied Erik Jorgensen and Adam Krea down to Washington D.C. last week and met with Maine's congressional delegation. He said they are all very supportive of MaineHousing.

DIRECTOR UPDATES

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

- Director Brennan shared that our federal funding status is ok, for now, including the Bipartisan Infrastructure Law Weatherization Fund. MaineHousing staff have been able to talk with people at DOE.
- Congress passed a continuing resolution that will go through September which effectively means that this fiscal year will have about the same funding as the last fiscal year.
- HCV is no longer in shortfall.
- Met with Senators Collins and King, and Representative Pingree and staff for Representative Golden. Mr. Brennan said they were all very supportive of our causes. The conversations were very open and transparent.
- Our tax-exempt bonds do not appear to be at risk.
- LIHTC pricing is dropping, but that is not unusual.
- We are not going to be in the governor's budget for a lot of the subsidy monies that we got recently.
- Dan met with the Governor recently and will meet with her again soon. Housing remains at the forefront of the Governor's mind, which is a good thing.
- We raised our first-time home buyer rate to 5.95%. That was not unexpected.
- Dan and Erik Jorgensen have been invited to meet with the government oversight committee to talk about the HEAP program.
- The salary adjustments based on the compensation study have been implemented. Since the implementation we have successfully hired a new attorney and a new member of our loan officer team in development.
- Greg Payne has been appointed as the new chair of the Continuum of Care.
- The HR consultant is working with us.
- Met with Representative Cassie Julia.
- Attended MEREDA Forecast meeting.
- Paid a visit to Mid-Maine CAA.
- Dan is now the chair of the Federal Home Loan Bank Advisor Council. They had a meeting last week.
- Maine Redevelopment Land Bank Authority is continuing to mature and grow.
- Sole Source Memo involving Nesterly Home Share Program is included in the board packet.
- Giving out 9 awards under Rural Affordable Housing Rental Program.
- Affordable Homeownership Program list is being finalized.

LEGISLATIVE UPDATE

Senior Director of Government Relations and Communications Erik Jorgensen and State of Maine Senior Advisor for Housing Policy Greg Payne came up to give a legislative update. Erik said the recent big story in the State is that the house and the senate failed to pass the supplemental budget. They ended up passing a baseline current services biannual budget. Bills are beginning to be printed. Erik said that there is a recognition that there is a financial based problem, and the legislators are adapting to that. There is a lot of interest in the preservation of mobile home parks. There are a couple of bills related to mobile home park preservation that we are supporting. In response to some concerns brought up about how the proposed bills could potentially discourage investors, Greg Payne said that the proposed bills differentiate based on the amount of assets of the purchaser,

allowing for the typical historical exchange of these properties to continue. We are supporting some bills on low-barrier shelters and a bill to extend the student homelessness prevention program. There is also a bill on standardizing all affordable housing applications. Erik also noted that there was a bill that was proposed that asked MaineHousing to buy the Bangor Mall. Erik made it clear that they opposed that bill. There is also some opposition on principal from us on a bill to increase the real estate transfer tax to fund the expansion of the HOME Fund, as there are some concerns about whether this bill is actually going to result in a net increase in the HOME Fund. Director Brennan explained some concerns about the method of acquiring these funds. It would potentially change the flexible nature of the HOME Fund and how it is funded, which could have adverse effects in the future. Greg said he does not know yet whether the Governor will be taking a position on this bill. Greg said that housing bonds have bipartisan support. Chair O'Hara asked Greg about MaineHousing's role in zoning and land use. Greg said MaineHousing's role is to echo the problem. He said that businesses are starting to push for change, which is good.

HEAP RULE/STATE PLAN INTRODUCTION

Director of Energy and Housing Services Bobbi Crooker, Manager of Home Energy Assistance Programs Sarah Johnson, and Chief Counsel Ashley Carson came up to talk about the Home Energy Assistance Program (HEAP) rule and the rule making process. Sarah explained that the HEAP rule governs how MaineHousing administers the Low Income Housing Energy Assistance Program (LIHEAP) grant, which is awarded annually. LIHEAP is administered by The U.S. Department of Health and Human Services and is structured as a block grant. Annually, congressional appropriations fund the LIHEAP program at approximately \$4.1 billion. Each state is distributed a portion of those funds based on several factors. Maine's portion of the annual funding is approximately \$40 million. The U.S. Department of Health and Human Service's Office of Community Services (OCS) oversees the LIHEAP programs for all states and territories. Annually, OCS requires that the administrator of the program for each state must submit a state plan for review, which includes detailed information about how each grantee will administer the program under the LIHEAP statute.

There are several programs that MaineHousing administers using LIHEAP funds. The main program is HEAP, which is an income-based assistance program to help a household offset a portion of their home energy cost. The other programs are the Energy Crisis Intervention Program (ECIP) which is for households that are in danger of losing their ability to heat their home, the Central Heating Improvement Program (CHIP) which is a program that focuses on heating system repair and replacement services, and the Weatherization Program which provides grants to reduce energy costs by improving home energy efficiency.

Some proposed changes to the programs for this year are changing ECIP to a one-time benefit, updating documentation for citizenship, increasing the allowable time for documentation, updating income types to align with the Rule, State Plan and other program guidance, adding direct checks for clients who heat with wood pellets, corn, coal, and bio-fuels, updating CHIP language to remove specific repair language, and requiring two quotes for heating system replacement.

Commissioner Renee Lewis asked a question about how the \$40 million is divided up amongst the programs. Sarah said that in the last year about \$23 million went to HEAP, \$3 million went to ECIP, and about \$1.5 million went to CHIP and Weatherization. About \$8 million goes to administrative and program delivery costs. The remaining 10% or so of the \$40 million is withheld until the annual

budget/continuing resolution is passed. Commissioner Melissa Hue asked a question about the educational component of the plan. Sarah explained that only those who are enrolled are eligible. A short discussion ensued about ways to provide more education and where to look for educational resources.

EMPLOYEE CENTERED LEADERSHIP PRESENTATION

Director Dan Brennan and Senior Director of Operations Jamie Johnson gave a presentation on having an employee centered leadership philosophy. Dan explained how he wants MaineHousing to have an employee centered/shared leadership philosophy that is like that of Hancock Lumber. Dan and other leadership team members of MaineHousing met with Kevin Hancock, the CEO of Hancock Lumber, and his team back in October where he explained what that philosophy looks like. During the presentation, Dan shared some quotes from Kevin that he thought were important to emphasize. This desire to implement this type of leadership is aligned with the goals the Commissioners made last summer. Jamie explained that to have employee centered leadership we have to have avenues for employees to tell us how to do that.

During the presentation Jamie shared a couple of heartfelt stories, one from a graduate of the ReStart Program and one from a MaineHousing administrator of the ReStart Program. The two stories showcase the important work MaineHousing does, and the great people we have working here.

Looking forward, Dan said that to implement this employee centered leadership philosophy they need to bring in the leadership team and management in on the philosophy and strengthen the employee wellness team. He said it will also be important to have a “what do you think” approach. Skip-level coaching is something they are looking into. MaineHousing will be taking part in the best places to work survey this summer. He shared with the Commissioners that MaineHousing is going to have an all-staff day on June 3rd and the Commissioners are welcome to attend.

EXECUTIVE SESSION

Chief Counsel Ashley Carson read the proposed motion to enter into an Executive Session to discuss the Director’s annual review pursuant to Title 1 of the Maine Revised Statute, Section 405(6)(A). Commissioner Nancy Harrison made a motion seconded by Commissioner Noël Bonam to enter into Executive Session. Chief Counsel Carson called on each Commissioner to vote to enter into Executive Session: Commissioners Bonam, yes; Shepherd, yes; Dietz, yes; Lewis, yes; Hue, yes; and Harrison, yes. The Board of Commissioners entered into Executive Session at 11:08 a.m. and came out of Executive Session at 11:40 a.m. and resumed the meeting.

ADJOURN

Commissioner Elizabeth Dietz made a motion seconded by Commissioner Nancy Harrison to adjourn the meeting. The meeting was adjourned at 11:40 a.m. by unanimous vote of the Board.

Respectfully submitted,

Elizabeth Dietz

Memorandum

To: Daniel E. Brennan, Director
From: Bobbi Crooker, Director of Housing & Energy Services
Date: March 27, 2024
RE: Sole Source for Hancock Software Inc.

Overview

MaineHousing entered into a Master Software License and Services Agreement (“Agreement”) on February 29, 2016 with Hancock Software Inc. (“Hancock”) as a result of a Request for Proposals (“RFP”) process for vendors to provide software services for Weatherization Assistance Program. The maximum term included in the RFP was five years. The Agreement expired on March 31, 2024 and MaineHousing did a sole source procurement in 2023, to extend the Agreement for an additional year.

The Agreement now is set to expire on March 31, 2025. MaineHousing has implemented a new software system for Weatherization, however the new software system is currently under review by DOE for approval as an auditing tool. For this reason, MaineHousing needs to keep the Hancock system through June 30, 2025, to ensure that we have a system of record to operate under until we receive DOE approval, so that data is not lost for program participants, and so that we can close out our PY 2024 DOE grant. The only other option to track and reconcile this data would be for MaineHousing to do so manually, which is just not feasible.

Justification

MaineHousing’s Procurement Policy, Section IV – Sole Source Procurement, allows for procurement of goods or services by soliciting a proposal from only one source if it meets the necessary requirements. For a uniqueness exception, the item must be unique to a specific vendor and the nature and necessity of the unique characteristics must be documented. If a vendor has unique expertise in providing a service, the expertise should also be documented. Given the uniqueness of the services that Hancock provides, the fact that the data is only available in Hancock’s system, and MaineHousing’s requirements and needs, the requirements of Sole Source Procurement are met.

Request

To allow MaineHousing to enter into an extension of the Agreement for the period of April 1, 2025 to June 30, 2025 for the price of \$28,690.00 with the option to extend on a monthly basis.

ACKNOWLEDGED & APPROVED

3/27/2025

Date



Daniel Brennan

Director, Maine State Housing Authority

Human Resources and Facilities Department Memorandum

To: Dan Brennan, Director

From: Jane Whitley, Director of Human Resources & Facilities

Date: April 2025

Subject: Procurement: Sole Source Recommendations for Electrical Work

Background

DeBlois Electric, Inc. is the original subcontractor under Landry & French that performed the reconstruction of the new MaineHousing facility at 26 Edison Drive in 2020. This is a large-sized company with access to all the original specifications of our facility and firsthand knowledge of how all the electrical systems, generator transfer switches, and related equipment operate and were installed. No other contractor, without spending a significant amount of time onsite, has that qualification.

In November of 2024 on Thanksgiving Eve and Thanksgiving Day Maine Housing experienced an emergency that required immediate attention. The facilities' main 800-amp breaker tripped, and the site was forced onto emergency backup power. These breakers are very hazardous due to the potential Arc Flash and the issue at the time was found to be the breaker itself. We immediately reached out to DeBlois Electric for an emergency service due to the fact they were the original installer, we have an account with them, and they have a relationship with the manufacturer of the breaker (Siemens). We performed a temporary bypass of the breaker until DeBlois Electric could coordinate a site visit with the manufacturer to assess the breaker issue and order parts as needed. As a result of their ability to respond, assess, and come up with a solution, the building was on emergency power only for several hours and the operation of our facility was not impacted. We are now waiting on parts to arrive from the manufacturer who will have to return to our site to make permanent repairs to the electrical system.

In addition to the above project in December of 2024 we began to lose communication and operation with air handler 2 (one of six air handlers that make up our HVAC system). This air handler brings in fresh air, heats/cools that air, and exhaust air from a significant portion of the first-floor open office on the east side of the facility (where the Homeless and EHS departments are located). Our HVAC representative assessed the issue and determined the wires controlling the unit were being damaged by water infiltration and all required replacement. These wires were run by the HVAC/Plumbing contractor during construction and not DeBlois. DeBlois was able to use their plans to determine the most cost effective solution in order to replace all the wires and rerun the waterproof piping on the roof to prevent further water intrusion without delay as we need to address the issue before we have a complete loss of control of the air handler and before we get into the cooling season when such issues will impact the operations of the facility and the comfort of the employees in the building.

Scope of Project

The objective to have DeBlois Electric, Inc. finish the required repairs, includes:

- Work with Siemens (the breaker manufacturer and only vendor that can certify the 800 Amp breaker) to replace the breakers parts and adjust the breaker settings while removing the wires jumping the building temporarily to the backup breaker that were installed in November to keep us operational.
- Perform the necessary replacement or wiring to AHU2 that will regain functionality of the unit.
- Rework the wire conduit runs that penetrate the roof to service AHU2 and prevent future water damage to the control wiring.
- Inspect the conduit runs to the remaining rooftop air handlers and chiller to identify and water infiltration issues.

Associated Cost of Project Completions not to exceed: \$50,000.00

Request

DeBlois Electric as the original contractor is recommended by Landry & French and will need to be involved with the main breaker repair work due to both their relationship with the manufacturer and to rewire the breaker back to normal operation. They are also ready immediately and without delay perform the task of rewiring AHU2 prior to the cooling season and with no impact on the operation of the facility while also addressing any water infiltration that may occur causing more damage to our facility.

- **Uniqueness:** DeBlois Electric, Inc. started the emergency repairs last November and responded in a timely fashion despite the service calls being after hours and during a major holiday. They are the original electrical contractors which gives them an advantage in assessing electrical issues at our facility, locating the root cause of problems, and repairing and issue to keep the facility operational. The company has a large staff, so they always have someone available to provide dependable services in addition to offering after-hours emergency response. They can also provide us a cost-effective solution to regain control of an important Air Handler that is part of the offices HVAC system and do so in a timely manner that would be delayed otherwise and risk delaying the repairs until the cooling season when the system is needed.
- MaineHousing's Procurement Policy, Section IV. allows for Sole Source Procurement when an item is unique to a specific vendor, or the vendor has expertise in providing a service. Based on the above, DeBlois Electric, Inc. provides expertise that is not offered by any other vendor.
- MaineHousing wishes to contract with DeBlois Electric, Inc. to complete the above-described project at a cost not to exceed \$50,000.

ACKNOWLEDGED & APPROVED

3/31/2025

Date



Daniel Brennan

Director, Maine State Housing Authority

Energy & Housing Services Department

To: MaineHousing Board of Commissioners

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

Date: April 8, 2025

Re: HEAP Rule

The HEAP Rule governs how MaineHousing will administer the Low-Income Home Energy Assistance Program grant which is awarded annually and is commonly referred to as LIHEAP or HEAP.

The HEAP Rule is undergoing modifications for this upcoming program year to change the Energy Crisis Intervention Program (ECIP) component to one benefit instance per program year. We propose minor changes to the documentation requirements for citizenship, identity, and social security numbers to include Certificate of Live Birth, Record of Birth After Adoption, DHHS statements to verify social security number for foster children, and U.S. Passport Card. We removed use of a clinic, doctor, hospital, or school record, including preschool or day care records. We are proposing an increase in the allowable time to return documentation for an application from 20 days to 30 days to reduce denials and waivers in the program. We propose to update income documentation and incorporate language to provide clarity and continuity between the Rule, State Plan, and other program guidance. Additionally, we are proposing that direct checks be issued to clients that use Wood Pellets, Corn, Bio-Bricks for their fuel and add a quality control requirement for this category. We propose to edit CHIP Uses language to eliminate specific repairs under allowable uses and add clarification for solicitation and use of price quotes for CHIP repairs. Additionally, we will make formatting and grammar edits.

At the April board meeting, we will be seeking permission to enter into Rule making and review of the State Plan for the HEAP Program Year 2026. Attached is the updated version of the Chapter 24 Low-Income Home Energy Assistance Rule.

PROPOSED MOTION:

To authorize MaineHousing to commence the rule-making process to repeal Chapter 24 of MaineHousing's rules and replace it with the proposed Chapter 24 provided to the Commissioners in the Board packet and described in the memorandum from Director of EHS, Bobbi Crooker, and Manager of Heap, Sarah Johnson, to the Commissioners dated April 8, 2025.

INDEPENDENT AGENCIES

MAINE STATE HOUSING AUTHORITY

CHAPTER 24

Home Energy Assistance Program Rule

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

1. Definitions.

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

- N. “Dwelling Unit” means an occupied residential housing structure with one or more rooms that was originally constructed and designed as permanent living quarters for one or more persons, when permanently connected to the required utilities (including plumbing, electricity and Heating Systems) and contains bathroom and kitchen facilities specific to that unit. A Dwelling Unit has its own private entrance from the outside or off an enclosed hallway leading from the outside that does not pass through or offer an open access to any other unit within the structure. A Dwelling Unit does not include a camper, trailer, semitrailer, truck camper, motor home, boat, railroad car, bus, yurt or other structure designed and constructed to provide temporary living quarters.
- O. “ECIP” means the Energy Crisis Intervention Program.
- P. “Eligible Household” means a Household that satisfies all eligibility and income requirements of the HEAP Act and requirements of this Rule.
- Q. “Energy Cost” means cost of energy used for heating a Dwelling Unit or Rental Unit.
- R. “Energy Crisis” shall have the same meaning as set forth in [42 U.S.C. §8622\(3\)](#), as same may be amended from time to time.
- S. “Errors and Program Abuse” means the act of applying for or obtaining assistance to which one is not entitled by means of submitting false statements or withholding information pertinent to the determination of eligibility or benefits.
- T. “Fuel Assistance” means the component of HEAP that assists Eligible Households with their Home Energy Costs.
- U. “Functioning Heating System” means a Heating System that is working safely.
- V. “HEAP” means the Home Energy Assistance Program established pursuant to the HEAP Act and the Act.
- W. “HEAP Act” means [42 U.S.C. §8621 et seq.](#), and the regulations promulgated there under, including [45 C.F.R. § 96.1](#) through 96.68 and [45 C.F.R. § 96.80 et seq.](#), all as may be amended from time to time.
- X. “HEAP ~~Handbook~~Guide” means the ~~handbook-program guide~~ in effect for a Program Year that is used as a resource and guide for the administration of HEAP.
- Y. “HEAP Weatherization” means the weatherization component of HEAP that provides Low- cost/no-cost Weatherization Activities, as defined by [10 C.F.R. §440.20](#), and other cost-effective energy-related home repairs or installations.
- Z. “Heating Season” means the period of time beginning October 1 and ending April 30.
- AA. “Heating Source” means any device used to provide heat to a Dwelling Unit.
- BB. “Heating System” means a permanently installed system that is used to heat the Dwelling Unit. A portable space heater is not considered to be a Heating System.
- CC. “Home Energy” means a source of heating or cooling in residential dwellings as set forth in [42 U.S.C. §8622\(6\)](#), as same may be amended from time to time.
- DD. “Household” means any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payments for

energy in the form of rent as set forth in [42 U.S.C. §8622\(5\)](#), as same may be amended from time to time.

- EE. “Household Income” means the total income from all sources before taxes and deductions as further defined in this Rule.
- FF. “Household Member” or “Household Members” means those individuals who are part of the Household.
- GG. “Incidental Costs” means costs of services billed to a Household by a Vendor related to the use or delivery of Home Energy including, but not limited to: surcharges, penalty charges, reconnection charges, clean and repair service charges, security deposits, and insurance.
- HH. “Indirect Determinable Energy Cost” means a cost for Home Energy that is not directly paid for by the Household but is a cost to the Household, such as heat that is included in rent.
- II. “Life Threatening Crisis” means the household is currently without heat or utility service to operate a Heating Source or a Heating System.
- JJ. “MaineHousing” means the Maine State Housing Authority.
- KK. “Manufactured/Mobile Home” means a residence that is constructed at a manufacturing facility on a permanent chassis (i.e. the wheel assembly necessary to transport the residence is removable, but the steel undercarriage remains intact as a necessary structural component), was originally constructed and designed as permanent living quarters, and is transportable in one or more sections, which in traveling mode is 12 body feet or more in width and as erected on site is 600 or more square feet.
- LL. “Modular” means a residence that is constructed at a manufacturing facility, but not constructed on a permanent chassis, was originally constructed and designed as permanent living quarters, and is transportable in one or more sections on an independent chassis such as a truck or train.
- MM. “Overpayment” means any HEAP benefits paid to, or on behalf of, any Applicant or Household that exceeds the amount the Applicant or Household was eligible to receive.
- NN. “Person with a Disability” means a person with a physical or mental disability as defined pursuant to 5 M.R.S. § 4553-A.
- OO. “Programs” means Fuel Assistance, Assurance 16, ECIP, CHIP, ~~Heat Pump Program~~, and HEAP Weatherization.
- PP. “Program Year” means the period of time beginning October 1 and ending September 30.
- QQ. “Rental Unit” means a Dwelling Unit that is rented.
- RR. “Roomer” means a person who qualifies as a separate Household and pursuant to a rental agreement rents no more than two rooms in a Dwelling Unit occupied as separate living quarters and who may, depending upon the rental agreement, be granted privileges to use, but not reside in, other rooms located in the same Dwelling Unit. A Roomer cannot be related by birth, marriage or adoption to any member of the lessor’s Household. A Roomer also includes a boarder (meaning a Roomer who is provided meals).
- SS. “Service Area” means the geographic area, as defined by MaineHousing, within which the Subgrantee operates and administers the Programs and the Vendor provides services.
- TT. “State” means the State of Maine.

- UU. “Subgrantee” means a public or private nonprofit agency, or municipality, selected by MaineHousing to administer the Programs.
- VV. “Subsidized Housing” means Households whose rent is based on their income or the subsidy pays for any portion of their mortgage. Housing in which a tax credit or federal/state loan is applied to reduce debt burden on the property is not considered Subsidized Housing. A resident of a residential housing facility including without limitation group homes, homeless shelters, and residential care facilities or a Tenant who pays below market rent or no rent due to the landlord receiving a federal or state subsidy for rent is living in Subsidized Housing.
- WW. “Supplemental Benefits” means the benefits that are funded with supplemental HEAP funds.
- XX. “Supplemental Nutrition Assistance Program (SNAP)” means the nutrition assistance program administered by the United States Department of Agriculture.
- YY. “TANF” means payments under the Temporary Assistance for Needy Families program as defined in [22 M.R.S., Chapter 1053-B, § 3762 et seq.](#), as ~~the~~ same ~~may~~ be amended from time to time.
- ZZ. “TANF Fuel Supplemental Benefits” means the benefits that are funded with TANF funds pursuant to [22 M.R.S., Chapter 1053-B, § 3769-E.](#)
- AAA. “Tenant” means an Applicant who resides in a Rental Unit.
- BBB. “Vendor” means an energy supplier that has entered into an agreement (“Vendor Agreement”) with MaineHousing to provide Home Energy to Eligible Households.

2. Application.

- A. An Applicant may have only one certified eligible Application per Program Year. Household Members may not submit an Application for a given Program Year if they were included on a certified eligible Application for that Program Year.
- B. An Applicant may resubmit a new Application if the Applicant’s Application has ~~either~~ been denied ~~or withdrawn for any reason at~~ any time prior to the issuance of a Benefit.
- C. Subgrantees will process Applications in accordance with the requirements of this Section and the HEAP ~~Handbook Guide~~:
 - 1. Applications will be taken as prescribed by MaineHousing each Program Year and will continue to be taken until the last working day of May of the Program Year or until otherwise prescribed by MaineHousing, whichever occurs sooner.
 - ~~2. Subgrantee will only take Applications for Households in its Service Area. Applications received in error will be forwarded to the correct Subgrantee and the Applicant will be informed of the error.~~
 - ~~3.2.~~ The Application forms provided or approved by MaineHousing must be used to administer the Programs and will be reviewed annually prior to the commencement of taking Applications each Program Year.
 - ~~4. Applications may be taken via telephone. Subgrantee will complete the Application over the telephone and send the completed Application and other appropriate~~

~~documents to the Applicant for review and signature.~~

~~5.3.~~ All ~~Applications~~ ~~Applicants require need to Applicants to~~ return the signed Application within ~~twenty-thirty (2030)~~ business days of the interview with the Subgrantee. ~~If the Applicant does not return the signed Application within the prescribed period, the Application will be voided. If the Applicant returns the signed Application after the thirty (30) business days, the Subgrantee may reopen the Application at any time during the current application period.~~

~~6.4.~~ Subgrantee will make all reasonable efforts during the first ninety (90) days ~~it takes~~ Applications ~~are taken~~ to process and serve returning Households that have a Direct Energy Cost and a member in the Household who (i) is 60 years of age or older, (ii) has a disability, or (ii) is 6 years or younger.

~~7.5.~~ Subgrantees must comply with MaineHousing's Equal Access ~~Handbook~~ ~~Handbook~~ to assist Households with Limited English Proficiency (LEP) and must make reasonable accommodations for a Person with a Disability.

~~8.6.~~ Subgrantee must certify or deny an Application within thirty (30) business days from the ~~Date of Application~~ ~~Application Received Date~~. Written notification of eligibility must be sent to the Applicant within ten (10) calendar days of the ~~Benefit issuance decision or when funding is available, whichever is later~~. Written notification of denial must be sent to the Applicant within three (3) business days.

- a. **Written notification of eligibility.** The written notification of eligibility must state the Benefit amount, the date the Benefit or credit notification was sent to the Vendor, the approved Home Energy type and the manner by which the Applicant can request an Informal Review or Fair Hearing, if applicable.
- b. **Written notification of denial.** The written notification of denial must state the facts surrounding the decision, the reason for the decision and the manner by which the Applicant can request an Informal Review or Fair Hearing.
 - i. A denial for missing information will be rescinded if the required information is received by the Subgrantee within (15) fifteen business days from the date of written notification of denial.

~~9.7.~~ The Subgrantee must verify citizenship or legal status, income and Social Security Numbers of all Household Members as well as the identity of the Applicant as prescribed by the HEAP ~~Handbook~~ ~~Guide~~ and this Rule.

3. Eligibility.

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

A. Household Eligibility.

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

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

- a. U.S. Passport or U.S. Passport Card
- b. ~~Maine~~ Real ID issued by any U.S. State
- c. Certificate of Naturalization (N-550/N-570)
- d. Certificate of Citizenship (N-560/N-561)
- e. U.S. Birth Certificate
- f. Document from federally recognized Indian Tribe that includes your name and the name of the federally recognized Indian Tribe that issued the document, and shows your membership, enrollment, or affiliation with the tribe. Documents that can be provided:
 - i. A Tribal enrollment card;
 - ii. A Certificate of Degree of Indian Blood;
 - iii. A Tribal census document;
 - iv. Documents on Tribal letterhead signed by a Tribal official

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

LIST A	LIST B
Social Security Card and Citizenship Attestation Form	Driver's license issued by a U.S. State or Territory
Consular Report of Birth Abroad (DS-1350)	Identification card issued by the Federal, state or local government
Certification of Birth Abroad (FS-545)	School identification card
U.S. Citizen Identification Card (I-197)	A clinic, doctor, hospital, or school record, including preschool or day care records (for children under 19 years old)
Northern Mariana Card (I-873)	U.S. Military card or draft record or Military dependent's identification card
Military record showing a U.S. place of birth	U.S. Coast Guard Merchant Mariner card
U.S. medical record from a clinic, hospital, physician, midwife or institution showing a U.S. place of birth	Voter Registration Card
U.S. life, health or other insurance record showing U.S. place of birth	Two other documents that prove your identity, like employer identification cards, high school or college diplomas, marriage certificates, divorce decrees, property deeds or titles
Religious record showing U.S. place of birth recorded in the U.S.	
School record showing the child's name and U.S. place of birth	
Federal or State census record showing U.S. citizenship or U.S. place of birth	
Final adoption decree <u>or Record of Birth After Adoption</u> showing the person's name and U.S. place of birth	

<u>Certificate or Record of Live Birth</u> <u>showing the person's name, date of birth,</u> <u>and U.S. place of birth</u>	
Documentation of a foreign-born adopted child who received automatic U.S. Citizenship (IR3 or IH3)	

Qualified Alien status may be verified using ONE of the following documents:	
<i>Alien lawfully admitted for permanent residence:</i>	Permanent Resident Card, “Green Card” (I-551); OR Unexpired Temporary I-551 stamp in foreign passport or on INS Form I-94
<i>Asylee</i>	INS Form I-94 annotated with stamp showing grant of asylum under Section 208 of the INA; INS Form I-688B (Employment Authorization Card) annotated “274a.12(a)(5)”; INS Form I-766 (Employment Authorization Document) annotated “A5”; Grant letter from the Asylum Office or INS; OR Order of an immigration judge granting asylum
<i>Refugee</i>	INS Form I-94 annotated with stamp showing admission under § 207 of the INA; INS Form I-688B (Employment Authorization Card) annotated “274a.12(a)(3)”; INS Form I-766 (Employment Authorization Document) annotated “A3”; OR INS Form I-571 (Refugee Travel Document)
<i>Alien Paroled into the U.S. for at least one year</i>	INS Form I-94 with stamp showing admission for at least one year under section 212(d)(5) of the INA. (Cannot aggregate period of admission for less than one year to meet the one-year requirement)
<i>Alien whose deportation or removal was withheld</i>	INS Form I-688B (Employment Authorization Card) annotated “274a.12(a)(10)”; INS Form I-766 (Employment Authorization Document) annotated “A10”; OR Order from an immigration judge showing deportation withheld under § 243(h) of the INA as in effect prior to April 1, 1997, or removal withheld under § 241(b)(3) of the INA
<i>Alien Granted Conditional Entry</i>	INS Form I-94 with stamp showing admission under § 203(a)(7) of the INA; INS Form I-688B (Employment Authorization Card) annotated “274a.12(a)(3)”; INS Form I-766 (Employment Authorization Document) annotated “A3”
<i>Cuban/Haitian Entrant</i>	INS Form I-551 (Alien Registration Receipt Card, commonly known as a “green card”) with the code CU6, CU7, or CH6; Unexpired temporary I-551 stamp in foreign passport or on *INS Form I-94 with the code CU6 or CU7; OR INS Form I-94 with stamp showing parole as “Cuba/Haitian Entrant” under Section 212(d)(5) of the INA

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

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

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

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

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

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

Bank tax form	Medicare card with number ending with the suffix "A"
Non SSA-1099 tax form	Social Security Card issued by the Social Security Administration
SSA 1099 tax form	Valid unexpired U.S. Military documents such as DD Form 214 Certificate of Release or Discharge from Active Duty issued by the U.S. Department of Defense
W-2 (wage and tax statement)	

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

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

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

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

4. On the ~~Date of Application~~Application Date, all Household Members must be full-time residents of the State and reside; ~~intend to reside, or have resided in a the Dwelling for which they will receive benefits full-time during the Program Year's for at least four (4) months during a the current program year's~~ Heating Season and have a Direct Energy Cost or Indirect Determinable Energy Cost; ~~excluding new residents of Maine.~~
5. As part of the application process all Household Members 18 years of age or older must sign a release to grant permission to share their personal information between the Maine Department of Health and Human Services, the Maine Department of Labor, the Social Security Administration, Subgrantee and other organizations designated on the permission to share form and MaineHousing to determine eligibility for Benefits as well as eligibility for other programs administered by State, Federal and local agencies.
6. A Household's eligibility to receive benefits from Programs is contingent on the resolution of any Overpayment as described in Section 134, Errors and Program Abuse. During repayment a Household will be eligible for ECIP if they enter into and -are in compliance with the terms of the repayment agreement. The Household will not be eligible under the HEAP Weatherization and the Department of Energy Weatherization Assistance Program, CHIP, or the Heat Pump Program until repayment is complete.
7. Roomers may be eligible Households if the Applicant can show a rental agreement that was in existence for at least sixty (60) days prior to the ~~Date of Application~~Application Date and the Roomers meet all of the other eligibility criteria. The Roomers cannot commingle funds or share expenses with the lessor's Household and must show proof that a reasonable market rate rent has been paid under the rental agreement for the entire sixty (60) day period prior to the ~~Date of Application~~Application Date.
8. A member of the Household who is away from the Dwelling Unit part of the time must be included as a Household Member unless the member is a full-time college student as described below in Section 3~~(A)~~(9).
9. A full-time college student, up to age 23 years old, or more than 23 years of age if permanently or totally disabled, who is a dependent of the Household may be excluded from the Household if the Applicant chooses as long as the student is not the Applicant.
10. A Live-In-Care Attendant who (i) provides needed health/supportive services to a member of the Household as documented by a qualified professional; (ii) would not be living in the unit ~~expect except~~ to provide the necessary supportive services; and (iii) does not contribute financially to the Household, will not be considered part of the Household. If an individual does not meet this definition, they must be included as a Household Member.
11. TANF Fuel Supplemental Benefits. A Household may be eligible for TANF Fuel Supplemental Benefits if its Application for HEAP has been certified eligible in the current Program Year and on the ~~Date of Application~~Application Date the Household included at

least one member who was under the age of eighteen (18) and the Dwelling Unit was not considered Subsidized Housing with heat included.

~~44.12.~~ Any eligibility documentation with mismatched names requires additional verification in accordance with the procedures set forth in the HEAP Guide.

B. Dwelling Unit Eligibility.

1. The Dwelling Unit must:

- a. Have a Functioning Heating System;
 - b. Be occupied by the Household as its primary residence on a full-time/year-round basis;
 - c. Be permanently connected to or serviced by standard utilities such as electricity and water unless the Household can provide supporting documentation to show the Household occupies the Dwelling Unit as its primary residence on a full-time/year-round basis; and
 - d. Be a residential housing structure with one or more rooms that was originally constructed and designed as permanent living quarters.
2. A Dwelling Unit does not include a camper, trailer, semitrailer, truck camper, motor home, boat, railroad car, bus, yurt or any other structure designed and constructed to provide temporary living quarters, regardless of any and all modification(s) or length. For Fuel Assistance only, a Dwelling Unit may include a hotel or motel if the Household provides documentation showing that the hotel/motel has been their permanent residence for at least sixty (60) days prior to the ~~Date of Application~~Application Date.
3. A Dwelling Unit that is considered Subsidized Housing may be eligible for Fuel Assistance if the heat is included in the rent and the Household pays a portion of their rent or utility costs.
4. Dwelling Units that are used partially for business activity are eligible.

C. Income Eligibility

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

1. Household Income is determined and verified in accordance with the information provided on the Application. Household Income means the total combined income of all Household Members over the age of 18, unless (not) otherwise excluded from all sources before taxes and deductions and is verified in accordance with the guidelines in the HEAP ~~Handbook~~Guide. Household Income includes, but is not limited to, the following:
 - a. Wages, salaries, commissions, tips, and bonuses before any taxes or deductions;
 - b. Self-employment income;

- c. Social Security Retirement (SS), Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) Benefits, ~~including medicare deductions;~~
- d. Unemployment ~~Insurance~~ and worker's compensation and/or strike benefits from union funds;
- e. Spousal support or alimony received by a Household Member, or mortgage/rent payments in lieu of or in addition to payments;
- f. Court ordered or voluntary child support payments received by a Household Member, or mortgage/rent payments in lieu of or in addition to support payments;
- ~~g. Military allotments (pay);~~
- ~~h.g.~~ Veteran's Administration (VA) Benefits;
- ~~h.h.~~ ~~Other support~~ Cash gifts from an absent family member or someone not living in the Household excluding loans;
- ~~h.i.~~ ~~Income of person living in the Household who is a non-qualified alien and 18 years of age or older;~~
- ~~h.j.~~ Government employee pensions, private pensions, and regular annuity payments;
- ~~h.k.~~ Income from dividends, ~~rents~~, royalties, estates, trusts, and interest. ~~Interest income under \$200.00 must be included as income, but does not need to be supported by documentation;~~
- ~~h.l.~~ ~~Net rental~~ Rental income, including funds received from Roomers;
- ~~h.m.~~ ~~Winnings from any source of gambling or gaming is considered income including, but not limited to private gambling, lottery, horse racing, bingo, etc.;~~
- n. Contract Income;
- o. Payments from mortgage or sales contracts;
- ~~n. Jury duty fees~~ compensation;

Household Income does not include:

- a. Assets drawn down from financial institutions;
- b. Foster care payments;
- c. Adoption assistance;
- d. ~~In-kind payments to a Household Member in lieu of payment for work, including the imputed value of rent received in lieu of wages or items received in barter for rent;~~

- e. Capital gains (except for business purposes);
- f. Income from the sale of a primary residence, personal car, or other personal property, excluding mortgage or sales contracts;
- g. Tax refunds;
- h. One-time insurance payments;
- i. One-time compensation for injury;
- j. Non-cash income such as General Assistance voucher payments, ~~the bonus value of food and fuel produced and consumed on farms, and the imputed value of rent from owner-occupied farm housing~~;
- k. ~~Bank loans, reverse mortgages, and home equity loans~~;
- l. Reimbursement for expenses incurred in connection with employment;
- m. Reimbursement for medical expenses;
- n. Any funds received for education from grants, loans and scholarships, and work study;
- o. Retroactive payments and overpayment adjustments from an entitlement program ~~for a time period outside of the period being considered for HEAP eligibility~~ (i.e. worker's comp, social security benefits, etc.);
- p. Income earned by a Household Member who is a full time high school student, unless they are the Applicant;
- q. Income earned by a full-time college student who is not counted as a Household Member in accordance with this Rule;
- r. Combat zone pay ~~to~~ from the military;
- s. ~~Credit card loans/advances~~;
- t. All income used to fulfill a Social Security Administration Program to Achieve Self-Sufficiency (PASS);
- u. Federal payments or benefits excluded by law as set forth below:
 - i. Payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1902, [42 U.S.C. 4636](#)).
 - ii. Payments of land settlement judgments distributed to or held in trust for members of certain Indian Tribes under Public Laws [92-254](#), [93-134](#), [93-531](#), [94-114](#); [94-540](#), [97-458](#), [98-64](#), [98-123](#) and [98-124](#).
 - iii. Funds available or distributed pursuant to [Public Law 96-420](#), the Maine Indian Claims Settlement Act of 1980 ([25 U.S.C. 1721 et. seq.](#)) to members of the Passamaquoddy Tribe, the Penobscot Nation and the

Houlton Band of Maliseet Indians.

- iv. The value of the allotment provided a household under the Supplemental Nutrition Assistance Program ([7 U.S.C.A. 51](#)).
- v. The value of assistance to children as excluded under the National School Lunch Act ([42 U.S.C. 1760\(e\)](#)) and under the Child Nutrition Act of 1966 ([42 U.S.C. 1780\(b\)](#)).
- vi. The value of commodities distributed under the Temporary Emergency Food Assistance Act of 1983 ([Public Law. 98-8](#), [7 U.S.C. 612c](#)).
- vii. Allowances, earnings and payments to individuals participating in programs under the Workforce Innovation and Opportunity Act <https://www.congress.gov/113/bills/hr803/BILLS-113hr803enr.pdf>
- viii. Program benefits received under the Older Americans Act of 1965 ([42 U.S.C. sub-section 3020\(a\)\(b\)](#)) as wages under the Senior Community Service Employment Program (SCSEP).
- ix. Payments to volunteers under the Domestic Volunteer Service Act of 1973 ([Public Law 93-113](#), [42 U.S.C. 5044](#)).
- x. The value of any assistance paid with respect to a dwelling unit under the United States Housing Act of 1937, the National Housing Act, Section 101 of the Housing and Urban Development Act of 1965, or Title V of the Housing Act of 1949.
- xi. The tax-exempt portions of payments made pursuant to the provisions of the Alaska Native Claims Settlement Act ([Public Law 92-203](#), [43 U.S.C. 1620\(a\)](#)).
- xii. Payments for supportive services or reimbursement of out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides, or senior companions, and to persons serving in the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and any other programs under Titles II and III, pursuant to Section 418 of [Public Law 93-113](#).
- xiii. Any wages, allowances or reimbursement for transportation and attendant care costs, unless accepted on a case-by-case basis, when received by an eligible handicapped individual employed in a project under Title VI of the Rehabilitation Act of 1973 as amended by Title II of [Public Law No. 95-602](#).
- xiv. All student financial assistance including the following programs funded under Title IV of the Higher Education Act as amended:
 - 1) Pell Grants;
 - 2) Supplemental Educational Opportunity Grants;
 - 3) Grants to States for State Student Incentives;
 - 4) Special Programs for Students from Disadvantaged Backgrounds;
 - 5) Special Programs for Students Whose Families are Engaged in Migrant and Seasonal Farm work;
 - 6) Robert C. Byrd Honors Scholarship Program;

- 7) Assistance to Institutions of Higher Education;
- 8) Veterans Education Outreach Program;
- 9) Special Child Care Services for Disadvantaged College Students;
- 10) Payments to veterans for Aid and Attendance benefits.

~~An adjustment to a Household Member's gross income will be made for court ordered child support payments made by the Household Member that are documented as paid during the income period.~~

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

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

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

4. Benefit Determination.

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

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

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

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

Dwelling Type	Points
Stick-built/Modular	9
Mobile/Manufactured	8
Condo/Duplex	6

Apartment	6
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Residing County	Points
Aroostook	7
Somerset	6
Franklin	6
Piscataquis	6
Oxford	5
Penobscot	5
Androscoggin	4
Hancock	4
Waldo	3
Cumberland	3
Lincoln	3
Knox	3
York	3
Washington	2
Kennebec	2
Sagadahoc	2

Fuel Type	Points
Electricity	14
LP Gas	10
Kerosene	8
Oil	7
Bio-Fuel <u>including Bio-Bricks</u>	6
Coal	5
Wood Pellets	5
Corn	5
Natural Gas	5
Wood	4
Heating Subsidized	-9

<u>Subsidized Household</u>	<u>Points</u>
<u>Responsible for Heating</u>	<u>-9</u>

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

Poverty Level as Calculated under the Federal Poverty Income Guidelines (FPIG)	Percentage of Points
0%-25%	130%
26%-50%	120%
51%-75%	110%
76%-100%	100%
101%-125%	90%
126%-150%	80%

>than 150% FPIG but not exceeding the maximum of the greater of 150% FPIG or 60% state median income	70%
Calculated poverty level amounts falling between brackets will be rounded to the next higher or lower amount. For example: income at 75.1% will be rounded to 75%; income at 100.6% will be rounded to 101%.	

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

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

5. Payment of Benefits.

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

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

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

6. Benefit Returns and Transfer:

- A. Program benefits may not be sold, transferred, released or otherwise conveyed by the Eligible Household or the Vendor without written authorization from MaineHousing. MaineHousing will only authorize such conveyances when it is in the best interest of the Eligible Household

and is consistent with the intent of the HEAP Act. Examples of situations where MaineHousing may authorize such conveyances include, but are not limited to:

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

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

- B. In order to reissue or transfer a Benefit MaineHousing may require the Household to provide an Application ~~update-update form-form~~ bearing the Applicant's signature and date. Failure to provide the information may result in delay or forfeiture of the Benefit.
- C. Program Benefits may not be eligible for reissue or transfer if the Applicant committed Errors and Program Abuse when completing the Application, there was an Overpayment, the Applicant's primary residence changes to a nursing home or long term care facility and there are no remaining Household Members, the Household moves to Subsidized Housing with heat included, the Applicant moves into another Household that received a Benefit in the current Program Year, the Household moves into an ineligible Dwelling Unit, the Program Benefit was not reissued before the deadline, the Applicant passes away and there are no surviving Household Members or the Household moves out of State.
- D. Vendors that receive a Benefit return form requesting the return of Benefits paid to Vendor on behalf of Eligible Households, shall return such Benefits to MaineHousing within fifteen (15) business days of date of Benefit return form. Once the funds are received, MaineHousing will process the reissue or transfer as appropriate within fifteen (15) calendar days of receiving all required documentation.

7. Energy Crisis Intervention Program (ECIP).

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

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

balance and have not entered into or complied with a repayment agreement. An Eligible Household under HEAP is income eligible for ECIP.

B. An Energy Crisis includes:

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

C. Allowable expenditures may include:

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

D. ECIP will be administered pursuant to HEAP between November 1 and April 30.-Conditioned on the availability of ECIP funds; Energy Crisis benefits will be provided within 48 hours of the Household being certified eligible and Life Threatening Crisis funds will be provided within 18 hours of the Household being certified eligible.

E. ECIP benefits are determined each Program Year by MaineHousing based on Home Energy costs, economic conditions, and available funding.

F. Any denial of ECIP benefits will be provided to the Applicant within three (3) business days.

G. ECIP Payments.

1. Payment will be made after the vendor makes delivery and returns documentation required by MaineHousing to Subgrantee. MaineHousing will make payment within ten (10) business days of Subgrantee entering required information into the MaineHousing database.

8. Central Heating Improvement Program (CHIP).

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

A. Eligibility.

1. Household Eligibility.

- a. A Household may be eligible for CHIP if the Household is eligible for HEAP, has an eligible Application that was certified within the preceding twelve (12) months, and does not have a more recent Application that has been certified-denied.
- b. Eligible Households shall be served on a first-come, first-served basis with respect to each level of priority listed below, except when the Subgrantee is providing weatherization services to a Dwelling Unit in which case the Subgrantee can serve Eligible Households that allow the Subgrantee to leverage CHIP funds first. Subgrantees may prioritize within the priority levels listed below by Households that have a Household Member that (i) is 60 years of age or older, (ii) has a disability, or (ii) is 6 years of age or younger.
 - i. Eligible Households experiencing an Energy Crisis caused by Heating System malfunction or failure.
 - ~~ii. Non-wood Heating Systems that cannot achieve a minimum steady state efficiency of 70% (as determined by an evaluation of a Heating System).~~
 - ~~iii.~~ ii. Preventative cleaning, tuning, evaluation and minor repairs on a non-emergency basis (owner-occupied dwelling units only). Date of the last cleaning, tuning and evaluation by a licensed technician must be more than twelve (12) months prior to the initiation of services date.

B. Dwelling Unit Eligibility.

1. Ownership will be verified for all Dwelling Units and Rental Units and additional documentation or written permission may be required for life estates and life leases or tenants.
 - a. A Dwelling Unit that has a life estate or life lease interest may be eligible if the document conferring the Applicant rights of the life estate or life lease is recorded in the appropriate registry of deeds and states that the Applicant is responsible for maintaining the Dwelling Unit or is silent as to who is responsible for maintenance.
2. A Dwelling Unit will not be eligible under CHIP if: it is a Rental Unit that has reached the life-time maximum benefit, it has been designated for acquisition or clearance by a federal, state or local program or order, it is in foreclosure, for sale, vacant, uninhabitable, it is in poor structural condition making CHIP services impractical, ineffective or impossible, it has been damaged by fire, flood or an act of God and insurance will cover the damage, there are discrepancies on the Household's Application, there is evidence that the Heating System was not properly maintained or the Household applied for services for more than one Dwelling Unit and did not provide the required information.

- C. Heating System Replacement Eligibility. A Household may be eligible for assistance to replace a Heating System if the Household meets the eligibility requirements for CHIP. The amount of assistance shall be determined by subtracting the sum of the contributions towards the Heating System replacement cost by the Household and any person who shares a legal ownership

interest in the Dwelling Unit, but does not reside in the Dwelling Unit (“Non-occupying Co-owner”).

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

D. CHIP Uses.

1. CHIP allowable uses include cleaning, tuning and evaluating oil, gas or solid fuel systems, ~~replacing oil or gas burners and cracked heat exchangers, replacing oil, gas, electric or solid fuel Heating Systems, sealing and installing electrical or mechanical Heating System ignition systems, replacing or relocating thermostats and anticipator adjustment, baffling of combustion chamber, optimizing firing rate, cleaning chimneys, smoke alarms, fire extinguishers, carbon monoxide and gas detectors, oil tanks and gauges~~ repairs determined to be necessary for proper operation by a licensed heating technician, ~~temporary relocation in Life-Threatening Crisis situations that cannot be adequately address by ECIP measures~~, measures to bring a Heating System in compliance with applicable laws and codes or to correct measures that pose an immediate health or safety threat.
2. CHIP may not be used as reimbursement or payment for costs incurred by the Applicant, replacement of a Heating System that was previously replaced by CHIP unless the Heating System has reached its useful life as defined by: https://www.hud.gov/sites/documents/EUL_FOR_CNA_E_TOOL.PDF, or for fuel switching.

E. CHIP Benefit Maximums

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

F. Subgrantee Responsibilities.

1. Subgrantees are responsible for performing final inspections on all CHIP services for heating replacement jobs. The inspections will evaluate compliance with all applicable codes, confirm the work performed was authorized and determine the combustion efficiency level of the Heating System where technically feasible.

2. Subgrantees are responsible for procuring all services, including materials, equipment and services from specialized trades, such as electricians, masons and oil burner repairman, and shall follow the procedures below:

Amount	Requirements	Notes
\$10,000 or less	Solicit <u>two price quotes</u> by phone, email, vendor website, catalog, or price list, or similar means one price quote .	If Subgrantee considers the quoted price reasonable based on one or more factors, such as recent purchases of, or research on, goods or services of the same kind or related knowledge or experience, no further solicitation is required. <u>Choose the lowest quote or bid while taking into consideration the Contractor's performance record and other relevant factors.</u> If the quote price is not reasonable, solicit two price quotes by similar means.
Over \$10,000	Perform a price survey by making every reasonable attempt to receive price quotations or bids from at least three (3) Contractors.	Choose the lowest quote or bid while taking into consideration the Contractor's performance record and other relevant factors.

3. Subgrantees are also responsible for procuring Contractors and shall follow the procedures below:
 - a. Prepare an Invitation to Bid or a Request for Proposal that identifies all requirements and factors to be considered including a due date for bids;
 - b. Mail, fax or email the Invitation to Bid or Request for Proposal to at least three (3) contractors; and
 - c. Receive by mail, fax or email by the due date all bids and keep bids in a secure location to be reviewed and tabulated.
4. Sole Source Procurement. A Subgrantee may solicit a proposal from only one source if the following circumstances are met:
 - a. Emergency or Urgent Need. An emergency situation or other urgent need exists and only one known source can provide the required goods or services within the time needed.
 - b. Uniqueness. The item or service is available from only one source, based on a reasonable, good faith review of the market for the type of item or service needed.

- c. Inadequate Competitive Proposals. After evaluation of all proposals submitted in a competitive procurement, all proposals are determined to be inadequate.

Subgrantee shall submit a written statement justifying the sole source procurement for any procurement over \$10,000 to MaineHousing prior to the installation of services.

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

9. HEAP Weatherization.

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

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

A. Eligibility.

1. Household Eligibility. A Household may be eligible for HEAP Weatherization if the Household is eligible for HEAP, has an eligible Application that was certified within the preceding twelve (12) months, and does not have a more recent Application that has been certified-denied.
2. Dwelling Unit Eligibility. Ownership will be verified for all Dwelling Units and Rental Units and additional documentation or written permission may be required for life estates and life leases or tenants.
 - a. A Dwelling Unit that has a life estate or life lease interest may be eligible if the document conferring the Applicant rights of the life estate or life lease is recorded in the appropriate registry of deeds and states that the Applicant is responsible for maintaining the Dwelling Unit or is silent as to who is responsible for maintenance.
 - b. A Dwelling Unit will not be eligible under HEAP Weatherization if the Dwelling Unit received weatherization services under HEAP Weatherization or another MaineHousing program within fifteen (15) years of the ~~date of Application~~ ~~Application certification~~ ~~date~~, it has been designated for acquisition or clearance by a federal state or local program or order, it is in foreclosure, for sale, vacant, uninhabitable, it is in poor structural condition making HEAP Weatherization services impractical, ineffective or impossible, it has been damaged by fire, flood or an act of God and insurance will cover the damage, or there are discrepancies on the Household's Application.
 - c. A Dwelling Unit that was previously weatherized may be reopened if the reopening occurs within six (6) months of completion of the original weatherization service and reopening is required because the previous services are the proximate cause of an immediate threat to the health and safety of the occupants or the quality of the weatherization material or installation is deficient

as determined by MaineHousing.

B. HEAP Weatherization Uses:

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

C. Subgrantee Responsibilities.

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

~~10. Heat Pump Program.~~

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

~~A. Eligibility.~~

- ~~1. Household Eligibility. A Household may be eligible for the Heat Pump Program if the Household is eligible for HEAP, has an eligible Application that was certified within the preceding twelve (12) month, does not have a more recent Application that has been certified denied and has a working primary Heating System.~~

~~2. Dwelling Unit Eligibility.~~

- ~~a. Ownership will be verified for all Dwelling Units and for Dwelling Units that have a life estate or life lease interest, the document conferring the Applicant rights of the life estate or life lease must be recorded in the appropriate registry of deeds and state that the Applicant is responsible for maintaining the Dwelling Unit or is silent as to who is responsible for maintenance.~~
- ~~b. A Dwelling Unit will not be eligible under the Heat Pump Program if the Dwelling Unit is already equipped with a heat pump, it has been designated for acquisition or clearance by a federal state or local program or order, it is in foreclosure, for sale, vacant, uninhabitable, it is in poor structural condition making the installation of a heat pump impractical or there are discrepancies on the Household's Application.~~

~~3. Heat Pump Program Uses~~

- ~~a. Heat Pump Program allowable uses include the installation of a heat pump and electric subpanel for the heat pump if needed.~~

~~10.~~ 10. Administration of the Programs.

A. MaineHousing's Responsibilities.

1. MaineHousing will prepare and submit to the Secretary of the United States Department of Health and Human Services an annual State Plan for HEAP in conformity with the provisions of the HEAP Act after conducting a public hearing for the purpose of taking comments.
2. MaineHousing will maintain this Rule, the HEAP [HandbookGuide](#) and any other guidance and documents that relate to the administration of the Programs.
3. MaineHousing will contract with Subgrantees and other entities to administer the Programs and may, at its discretion, make payments to Eligible Households or Vendors or provide Supplemental Benefits to the extent available. MaineHousing will assign at least one Subgrantee to each Service Area to administer the Programs and will select Subgrantees annually based on applications received by June 1st outlining the Subgrantee's: experience in administering the Programs or similar programs; capacity; availability of other qualified entities within a Service Area; cost efficiency; ability to enhance accessibility to the Programs; schedule for taking Applications; and ability to perform outreach and serve homebound Applicants.
4. MaineHousing will determine the annual allocation of HEAP funds to each Subgrantee, not including any amount allocated to MaineHousing to pay Benefits.
5. MaineHousing will conduct program and fiscal monitoring of Subgrantees and Vendors to ensure compliance with all rules, regulations and laws applicable to this Rule.

B. Subgrantee, Vendor and Contractor Responsibilities.

1. Subgrantees, Vendors and Contractors are responsible for the following:
 - a. Conflict of Interest. No employee, officer, board member, agent, consultant or other representative of Subgrantee, Vendor, or Contractor who exercises or has exercised any function or responsibility with respect to Programs' activities or who is in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from Programs' activities or have an interest in any contract, subcontract or agreement regarding the Programs' activities, or the proceeds there under, which benefits him or her or any person with whom he or she has business or family ties. Subgrantees, Vendors, and Contractors shall notify MaineHousing of any potential conflict of interest.
 - b. Confidentiality. Subgrantees, Vendors, Contractors, and their employees and agents shall keep confidential Applicant or Household information obtained in the administration of the Programs, including without limitation, an individual's name, address and phone number, household income, assets or other financial information, and benefits received ("Confidential Information") and shall safeguard and protect from disclosure at all times Confidential Information.
 - c. Prohibited Discrimination. Subgrantees, Vendors, Contractors, and their employees and agents are prohibited from discriminating against any Household applying for or receiving goods or services in accordance with this Rule.
2. Subgrantees responsibilities also include, but are not limited to, the following as further defined in the annual Subgrant Agreement between MaineHousing and Subgrantees and in accordance with the HEAP Act and this Rule:
 - a. Conduct outreach, accept and verify Applications, determine Household

eligibility, pay Benefits, coordinate with MaineHousing on denials and requests for Informal Review and Fair Hearing, use MaineHousing's database software and equipment, address emergencies, cost effectively administer and operate the Programs, prioritize Eligible Households where required, coordinate services between Programs, submit production schedules, work plans, budgets, monthly status reports, and billing information to MaineHousing, use forms provided by MaineHousing, make reasonable accommodations upon request for a Person with a Disability, follow procurement requirements as may be required by 45 C.F.R. §§ 75.327 – 75.335 and 45 C.F.R. §§ 75.316-753.23, and inform Applicants of their rights to request an Informal Review and Fair Hearing;

- b. Maintain comprehensive, accurate and separate documentation, payroll reports, financial statements, and other records in connection with its administration of the Programs including at a minimum, the amount and disposition of the Programs' funds received by the Subgrantee and the total cost necessary to administer the Programs and provide MaineHousing with copies of any such records as requested and maintain such records for a minimum of three (3) years from the end of the relevant contract period or a longer period as prescribed by MaineHousing. In cases of litigation, other claims, audits, or other disputes the Subgrantee will retain all relevant records for at least one (1) year after the final disposition thereof;
 - c. Provide an annual budget prior to each Program Year and within ninety (90) calendar days of the close of Subgrantee's fiscal year furnish to MaineHousing an annual financial statement prepared by an independent certified public accountant in accordance with 45 C.F.R. Part 75, Subpart F.
- C. Administrative and Program Expenses. Subgrantees shall be permitted administrative and program expenses necessary to carry out their responsibilities under this Rule and the Programs. Such expenses will be allowed in a manner consistent with the provisions of the HEAP Act and must be reasonable in amount as determined by MaineHousing. Administrative expenses for the Program Year may be spent only between October 1 and the following September 30 of the applicable Program Year, unless otherwise authorized. Allowable administrative and program expenses for each of the Programs are listed below. Other expenses may be allowed if authorized by MaineHousing before the expenses are incurred.

Fuel Assistance and ECIP	Expense Category
Salary and fringe benefit costs for the actual time an individual performs intake, processing, or eligibility determination functions associated with an active Application	Program
Salary and fringe benefit costs for the actual time an individual participates in administering Fuel Assistance or ECIP and is not performing functions associated with an active Application	Program
Salary and fringe benefits and other related and reasonable costs for specific HEAP and ECIP training and professional development of individuals performing intake, application processing, eligibility determination, and administration of HEAP fuel assistance and ECIP	Program

Space costs/rent, telephone, copier/printing, office supplies, postage, transportation/travel, data processing/computer costs, equipment repairs and maintenance, equipment purchase/lease, and consultants/professional services associated with the above referenced activities.	Program
Indirect costs	Administrative
Salary and fringe benefits and other related and reasonable costs for specific HEAP and ECIP training and professional development for individuals whose salary and fringe benefits are budgeted directly to Administrative Costs or for whom salary and fringe are included in the agency's Indirect Rate	Administrative
Salary and fringe costs, space costs, rent, telephone, copying, printing, office supplies, postage, transportation, travel, data processing, computer costs, equipment repairs and maintenance, equipment purchase or lease, consultant fees and professional services associated with the administration of HEAP not included in the agency's Indirect Rate or allowable from program funding	Administrative
HEAP Weatherization, CHIP, and Heat Pump Program	Expense Category
Material/labor costs for Heating system repairs/replacements and measures installed as part of weatherization	Program
Either salary and fringe benefit costs for the actual time staff participates in administering HEAP Weatherization, CHIP, Heat Pump Program or a program management fee established by MaineHousing.	Program
Space costs/rent, telephone, copier/printing, office supplies, postage, transportation/travel, equipment purchase/lease, liability insurance, pollution occurrence insurance, and consultants/professional services.	Program
Indirect costs	Administrative
Assurance 16 Services	Expense Category
Salary and fringe benefit costs for staff providing direct services and the direct administrative costs associated with providing the services, such as the costs for supplies, equipment, travel, postage, utilities, rental and maintenance of office space	Program
Indirect costs	Administrative

1. Assurance 16 Activities. Subgrantees may submit annual proposals, for MaineHousing's consideration, describing their planned activities and expenses associated with providing services to Applicants pursuant to Assurance 16 of the HEAP Act. Administration of Assurance 16 Activities will be conditioned on the availability of HEAP funds.

D. Vendors.

1. Eligibility. In order to participate in the Programs Vendors must demonstrate the capacity and stability of their business and supply a credit report and business plan to MaineHousing's satisfaction. ~~Vendors must also show they have been in business for one year prior to enrolling to participate.~~ MaineHousing reserves the right to exclude Vendors in certain situations, including but not limited to, bankruptcies or judgments, ~~and prior Program terminations, violations and defaults, and in situations where the Vendor has been in business for less than a year.~~

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

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

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

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

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

~~Benefits being returned or the twelve (12) months prior~~; and any other documentation requested by MaineHousing.

E. Noncompliance.

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

~~12.11.~~ Native American Tribal Organizations.

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

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

~~13.12.~~ Informal Review and Fair Hearing.

- A. Informal Review. For any dispute other than a dispute regarding TANF Fuel Supplemental Benefits (which are not subject to Informal Review), the Applicant must submit a written request for an Informal Review no later than:
 1. Thirty (30) calendar days from the postmarked date of the denial notification or the benefit

notification;

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

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

B. Fair Hearing.

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

44.13. Errors and Program Abuse.

- A. Reporting Errors and Program Abuse. Subgrantees are required to report any suspected or alleged Errors or Program Abuse. Any individual may also report suspected Errors or Program Abuse by telephone 1-800-452-4668 or (207) 626-4600, in writing to MaineHousing, Attn: HEAP Errors and Program Abuse, 26 Edison Drive, Augusta, ME 04330 or by email at LIHEAPcompliance@mainehousing.org. Any report should include at minimum, the name and address of the person being reported and any details of the suspected Errors and Program Abuse.

- B. Investigation. MaineHousing will investigate all reported and alleged Errors and Program Abuse and may investigate the previous three (3) Program Years and may place Benefits on hold during the investigation. Applicants will be notified and given the opportunity to respond and provide additional documentation. MaineHousing will make a determination on the appropriate action, based on the response. If an Applicant fails to respond or fails to provide the documentation requested, the Applicant may be subject to denial, an Overpayment or other actions available under the law. If Errors and Program Abuse are confirmed or Applicant fails to respond, Applicant will receive a written notification outlining the facts of the decision, the reason for the decision, the Overpayment due (if applicable), and any avenue available to request an Informal Review or Fair Hearing. If MaineHousing determines the Errors were at no fault of the Applicant, MaineHousing will not require an Overpayment from the Applicant.
- C. Overpayments. If an Applicant is required to pay an Overpayment (including any Overpayments due from the previous three (3) Program Years) the Applicant may pay the full amount of the Overpayment, enter into an agreeable payment arrangement and/or be subject to recoupment by MaineHousing.
~~MaineHousing may exercise its right to recoup Overpayments by collecting up to 100% of a Household's current Program Year's Benefit and 50% of a Household's future Program Years' Benefits until the Overpayment has been paid in full.~~

45.14. Waivers of the Rule and HEAP ~~Handbook~~Guide.

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

- A. Subgrantee must certify or deny an Application within thirty (30) business days from the ~~Date of Application~~Application Received Date.
 - 1. **MaineHousing will consider providing a waiver up to forty-five (45) business days.**
- B. Program benefits will only be available for reissue or transfer during the Program Year of issue up until March 31st of the Program Year immediately following.
 - 1. **MaineHousing will consider extending the deadline to April 15th for good cause.**
- C. ECIP will be administered pursuant to HEAP between November 1 and April 30.
 - 1. **Depending on the availability of funds and other factors MaineHousing may extend the April 30th ECIP end date.**
- ~~D. Applications will be voided in HEAP System of Record if the signed application is not received within twenty (20) business days of the date of the interview with the Subgrantee.~~
 - ~~1. MaineHousing will consider extending the deadline to thirty (30) business days.~~
- E.D. A denial for missing information will be rescinded if the required information is received by the Subgrantee within (15) fifteen business days from the date of written notification of denial.
 - 1. **MaineHousing will consider extending the deadline to twenty-five (25) business days.**

~~F.E.~~ CHIP may not be used as reimbursement or payment for costs incurred by the Applicant, replacement of a Heating System that was previously replaced by CHIP unless the Heating System has reached its useful life as defined by: https://www.hud.gov/sites/documents/EUL_FOR_CNA_E_TOOL.PDF, or for fuel switching.

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

~~G.E.~~ HEAP Weatherization does not allow fuel switching when replacing a Heating System.

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

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

BASIS STATEMENT: This replacement rule repeals and replaces in its entirety the current Home Energy Assistance Program Rule. The rule establishes standards for administering fuel assistance, emergency fuel assistance, TANF Fuel Supplemental Benefits, weatherization, ~~heat pumps,~~ and heating system repair and replacement funds to income eligible households in the State of Maine. This replacement rule: changes the ECIP component to one benefit instance per program year, makes minor changes to documentation requirements for citizenship, identity and social security number verification, increases the allowable time to return documentation for an application, updates income documentation and incorporates language to provide clarity and continuity between the rule and the State Plan, adds direct checks for clients that use Wood Pellets, Corn, and Bio-Bricks, and adds a quality control requirement for the direct checks, edits the CHIP uses language to eliminate specific repairs, adds clarification for the solicitation and use of price quotes for CHIP repairs, and makes minor formatting and grammar edits. ~~removes unnecessary definitions and language from the Rule and places it within the HEAP HandbookGuide and other relevant guidance; clarifies existing definitions; modifies the requirements for Categorical Income Eligibility; reorganizes the sections for a more logical flow; adds additional alternatives to the allowable documentation Applicants must provide to verify citizenship/legal status, identity and social security numbers; establishes a new points system for determining Benefits that will assist with the move to mostly online Applications; and clarifies the limited circumstances in which MaineHousing will allow a waiver of the Rule.~~

Low Income Home Energy Assistance Program (LIHEAP)

LIHEAP Model Plan Template

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



Mandatory Grant Application SF-424

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

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

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

SF – 424: MANDATORY

* 1.a. Type of Submission: <input checked="" type="checkbox"/> Plan	* 1.b. Frequency: <input checked="" type="checkbox"/> Annual	* 1.c. Consolidated Application/Plan/Funding Request? Explanation:	* 1.d. Version: <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Resubmission <input type="checkbox"/> Revision <input type="checkbox"/> Update
		2. Date Received:	State Use Only:
		3. Applicant Identifier:	
		4a. Unique Entity Identifier (UEI): NJEKQK2U8ZJ5	5. Date Received By State:
		4b. Federal Award Identifier:	6. State Application Identifier:

7. APPLICANT INFORMATION

***a. Legal Name:** Maine State Housing Authority

***b. Address:**

*Street 1:	26 Edison Drive	Street 2:	
*City:	Augusta	County:	Kennebec
*State:	Maine	Province:	
*Country:	United States	*Zip/Postal Code:	04330-4633

c. Organizational Unit:

Department Name:	Energy and Housing Services	Division Name:	
-------------------------	-----------------------------	-----------------------	--

d. Name and contact information of person to be contacted on matters involving this application (person will be listed on the Notice of Funding Awards and on the U.S. Department of Health and Human Services' LIHEAP contact list web page):

*First Name:	Sarah	*Last Name:	Johnson
Title:	Manager of HEAP	Organizational Affiliation:	
*Telephone Number:	207-624-5777	Fax Number:	
*Email: sjohnson@mainehousing.org			

***8. TYPE OF APPLICANT:**

State Government

a. Is the applicant a Tribal Consortium:

No

If yes, please attach at least one of the following documents:

1. Current State-Tribe agreement between their state and the Consortium, signed by the State Chief Executive Officer (such as the Governor or the delegate) and the Consortium President;
2. Consortium letter listing the tribes, signed by the elected Tribal Chief or President of each tribe in the Consortium and signed by the Consortium President;
3. A current resolution letter from each tribe in the Consortium, signed by the elected Tribal Chief or President of that tribe. Each resolution letter needs to state that the Consortium has the tribes' permission to apply for, and administer, LIHEAP on their behalf and needs to designate a time period for the permission or until rescinded or revoked.

	Catalog of Federal Domestic Assistance Number	CFDA Title:
9. CFDA NUMBERS AND TITLES	93.568	Low-Income Home Energy Assistance Program

10. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:

LIHEAP Administration

11. AREAS AFFECTED BY FUNDING:

Statewide	
12. CONGRESSIONAL DISTRICTS OF APPLICANT:	
2	
13. FUNDING PERIOD:	
a. Start Date: 10/1/2024 10/01/2025	b. End Date: 09/30/ 2025 2026
*14. IS SUBMISSION SUBJECT TO REVIEW BY STATE UNDER EXECUTIVE ORDER 12372 PROCESS? C	
a. This submission was made available to the State under Executive Order 12372	
Process for review on:	
b. Program is subject to E.O. 12372 but has not been selected by State for review.	
c. Program is not covered by E.O. 12372.	
*15. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
<input type="checkbox"/> YES	
<input checked="" type="checkbox"/> NO	
If yes, explain:	
16. By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)	
<input type="checkbox"/> I AGREE	
**The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
17a. Typed or Printed Name and Title of Authorized Certifying Official	17c. Telephone (area code, number, and extension)
Daniel Brennan, Director	207-626-4600
17b. Signature of Authorized Certifying Official on)	17d. Email Address:
	dbrennan@mainehousing.org
17e. Date Report Submitted (Month, Day, Year)	
Attach supporting documents as specified in agency instructions	

Section 1 - Program Components

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

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

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN

Section 1 – Program Components

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

Section 1 Program Components

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

1.1 Check which components you will operate under the LIHEAP program.

(Note: You must provide information for each component designated here as requested elsewhere in this plan.)

Dates of Operation

		Start Date:	End Date:
<input checked="" type="checkbox"/>	Heating assistance	10/1/ 2024 2025	09/30/ 2025 2026
<input type="checkbox"/>	Cooling assistance		
<input checked="" type="checkbox"/>	Weatherization assistance	10/1/ 2024 2025	03/31/ 2026 2027
<input type="checkbox"/>	Summer Crisis assistance		
<input checked="" type="checkbox"/>	Winter Crisis assistance	11/1/ 2024 2025	04/30/ 2025 2026
<input type="checkbox"/>	Year-round crisis assistance		

Provide further explanation for the dates of operation, if necessary

Heating Assistance: For ~~FFY2025~~FFY2026, Subgrantees will begin taking applications on ~~July 22, 2024~~August 1, 2025 and will continue taking applications through May ~~31, 2025~~29, 2026.

Weatherization Assistance: Funding for the Weatherization Assistance components is made available to Subgrantees during the program year and is obligated for use through 3/31/~~2026~~2027 or as extended by contract.

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

1.2 Estimate what amount of available LIHEAP funds will be used for each component that you will operate: The total of all percentages must add up to 100%	Percentage (%):	Prior year totals (auto-populate)
Heating assistance	62 63.00%	59.00%
Cooling assistance	0.00%	0.00%
Summer crisis assistance	0.00%	0.00%
Winter crisis assistance	45 .00%	10.00%
Year-round crisis assistance	0.00%	0.00%
Weatherization assistance	15.00%	15.00%
Carryover to the following federal fiscal year	4.00%	7.00%
Administrative and planning costs	10.00%	8.00%
Services to reduce home energy needs including needs assessment (Assurance 16)	53 .00%	1.00%
Used to develop and implement leverages activities	0.00%	0.00%
TOTAL:	100.00%	100.00%

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

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

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

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

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

<input type="checkbox"/>	A PDF version of the application is available online and can be downloaded, filled out, and mailed, emailed, dropped off in-person, or faxed in for processing.		
<input checked="" type="checkbox"/>	A state-wide online application that allows a customer to complete data entry and submit an application electronically for processing		
<input type="checkbox"/>	One or more local subgrant recipients have an online application that allows a customer to complete data entry and submit an application electronically for processing		
<input checked="" type="checkbox"/>	Online application that is also mobile friendly		
<input checked="" type="checkbox"/> <input type="checkbox"/>	Other, please describe <u>We have a paper application available that can be filled out, and mailed, emailed, dropped off in-person, or faxed in for processing.</u>		
<input checked="" type="checkbox"/>	Please include a link(s) to a statewide application, if available: Maine is currently implementing software with a state wide online application. The application will be available by July 22, 2024 and a link can be provided at that time. Ecos.mainehousing.org		
1.10b Can all program components be applied for online?			
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
If no, explain which components can and cannot be applied for online:			
Households are able to apply online for Energy Assistance. Households will not be able to indicate that they are in need of crisis assistance and will be instructed to contact the subgrantee in their service area via messaging during the online application process. Households will also need to contact their Community Action Agency if they are interested in Assurance 16 or Weatherization services.			
1.11 Do you have a process for conducting and completing applications by phone:			
Yes, Subgrantees have the capacity to conduct intake appointment over the phone, or in person.			
1.12 Do you or any of your subrecipients require in person appointments in order to apply?			
No			
If yes, please provide more information regarding why in-person appointments are required and in what circumstances they are required.			
1.13 How can applicants submit documentation for verification? Select all that apply:			
<input checked="" type="checkbox"/>	In-person		
<input checked="" type="checkbox"/>	Mail		
<input checked="" type="checkbox"/>	Email		
<input checked="" type="checkbox"/>	Portal application		
<input checked="" type="checkbox"/> <input type="checkbox"/>	Other, describe: <u>Fax</u>		

Section 2 - HEATING ASSISTANCE

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

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

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 2 – Heating Assistance

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

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

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

2.2 Do you have additional eligibility requirements for heating assistance?

☐ Yes ☒ No

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

Do you require an Assets test? ☐ Yes ☒ No

If yes, describe:

Do you have additional or differing eligibility policies for:

Renters? ☐ Yes ☒ No

If yes, describe:

Renters living in subsidized housing? ☐ Yes ☒ No

If yes, describe:

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

If yes, describe:

Do you give priority in eligibility to:

Older adults? ☒ Yes ☐ No

If yes, describe:

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

Individuals with a disability? ☒ Yes ☐ No

If yes, describe:

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

Young children? ☒ Yes ☐ No

If yes, describe:

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

Households with high energy burdens? ☐ Yes ☒ No

If yes, describe:

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

Section 3 - COOLING ASSISTANCE

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

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

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 3 – Cooling Assistance

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

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

Add	Household size	Eligibility Guideline	Eligibility Threshold

3.2 Do you have additional eligibility requirements for cooling assistance?

<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
--------------------------	-----	--------------------------	----

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

Do you require an Assets test?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
---------------------------------------	--------------------------	-----	--------------------------	----

If yes, describe:

Do you have additional or differing eligibility policies for:

Renters?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
-----------------	--------------------------	-----	--------------------------	----

If yes, describe:

Renters living in subsidized housing?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
--	--------------------------	-----	--------------------------	----

If yes, describe:

Renters with utilities included in the rent?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
---	--------------------------	-----	--------------------------	----

If yes, describe:

Do you give priority in eligibility to:

Older adults?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
----------------------	--------------------------	-----	--------------------------	----

If yes, describe:

Individuals with a disability?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
---------------------------------------	--------------------------	-----	--------------------------	----

If yes, describe:

Young children?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
------------------------	--------------------------	-----	--------------------------	----

If yes, describe:

Households with high energy burdens?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
---	--------------------------	-----	--------------------------	----

If yes, describe:

Other?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
---------------	--------------------------	-----	--------------------------	----

If yes, describe:

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

3.4 Describe how you prioritize the provision of cooling assistance to vulnerable populations, e.g., benefit amounts, early application periods, etc.

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

<input type="checkbox"/>	Income
<input type="checkbox"/>	Family (household) size
<input type="checkbox"/>	Home energy cost or need:
<input type="checkbox"/>	Fuel type
<input type="checkbox"/>	Climate/region
<input type="checkbox"/>	Individual bill

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

Section 4 - CRISIS ASSISTANCE

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

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

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 4 – Crisis Assistance

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

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

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

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

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

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

Section 7.B. An Energy Crisis includes:

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

4.3 What constitutes a life-threatening crisis?

From Chapter 24 Home Energy Assistance Program Rule:

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

Crisis Requirement, 2604(c)

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

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

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

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

Section 7.B. An Energy Crisis includes:

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

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

Determination of Benefits			
4.8 How do you handle crisis situations?			
<input type="checkbox"/>	Separate component.		
<input type="checkbox"/>	Benefit Fast Track, no separate amount of crisis funds is issued. Rather, benefits are issued to crisis customers within crisis response time frames.		
<input checked="" type="checkbox"/>	Other - Describe: If a household is in a crisis situation, and they have not yet had a LIHEAP Intake appointment, the application is fast tracked. Crisis is also offered as a separate component in the event that a LIHEAP benefit does not provide enough to resolve the erisis crisis, or the LIHEAP Benefit has been exhausted. <u>The crisis benefit is offered one time per Program Year.</u>		
4.9 If you have a separate component, how do you determine crisis assistance benefits?			
<input type="checkbox"/>	Amount to resolve the crisis.	\$ <u>TBD</u>	
<input checked="" type="checkbox"/>	Other - Describe: The maximum crisis benefit amount is determined annually based on economic conditions, available funding, and the average cost of a minimum delivery of home energy. The amount the Household will receive will be the amount necessary to resolve the energy crisis up to the annual maximum Crisis benefit amount.		
Crisis Requirements, 2604(c)			
4.10 Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served?			
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Explain.			
Subgrantees maintain offices in all counties across the state as well as alternative remote offices, they offer services to homebound applicants, have the ability to take applications over the phone and accept documentation electronically.			
4.11 Do you provide individuals with a disability the means to:			
Submit applications for crisis benefits without leaving their homes?			
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
If no, explain.			
Travel to the sites at which applications for crisis assistance are accepted?			
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
If no, explain.			
In person applications for crisis assistance are not necessary, an applicant may seek assistance with the crisis over the phone.			
If you answered "No" to both options in question 4.11, please explain alternative means of intake to those who are homebound or physically disabled?			
Benefit Levels, 2605(c)(1)(B)			
4.12 Indicate the maximum benefit for each type of crisis assistance offered.			
Winter Crisis	Maximum Benefit	\$ 800 <u>TBD</u> .00	
Summer Crisis	Maximum Benefit	\$0.00	
Year-Round Crisis	Maximum Benefit	\$0.00	
4.13 Do you provide in-kind (e.g., blankets, space heaters, fans) or other forms of benefits?			
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
If yes, describe.			
If the crisis cannot be resolved within the required timeframe, space heaters may be provided for the household's use until such time as a fuel delivery can be made or the heating system repaired.			
4.14 Do you provide for equipment repair or replacement using crisis funds?			
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
If you answered "Yes" to question 4.14, you must complete question 4.15.			
4.15 Check appropriate boxes below to indicate type(s) of assistance provided.		Winter Crisis	Summer Crisis
Heating system repair		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Heating system replacement		<input type="checkbox"/>	<input type="checkbox"/>
Cooling system repair		<input type="checkbox"/>	<input type="checkbox"/>
Cooling system replacement		<input type="checkbox"/>	<input type="checkbox"/>

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

Section 5 - WEATHERIZATION ASSISTANCE

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

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

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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 5 – Weatherization Assistance

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

5.1 Designate the income eligibility threshold used for the Weatherization component

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

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

☐ Yes ☒ No

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

5.4 Is there a separate monitoring protocol for weatherization?

☒ Yes ☐ No

Weatherization - Types of Rules

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

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

<input type="checkbox"/>	Mostly under LIHEAP rules with the following DOE WAP rule(s) where LIHEAP and WAP rules differ (Check all that apply):
<input type="checkbox"/>	Income Threshold
<input type="checkbox"/>	Weatherization of entire multi-family housing structure is permitted if at least 66% of units (50% in 2- and 4-unit buildings) are eligible units or will become eligible within 180 days.
<input type="checkbox"/>	Weatherize shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities)
<input type="checkbox"/>	Other - Describe:
<input checked="" type="checkbox"/>	Mostly under DOE WAP rules, with the following LIHEAP rule(s) where LIHEAP and WAP rules differ (Check all that apply.)
<input type="checkbox"/>	Income threshold
<input checked="" type="checkbox"/>	Weatherization not subject to DOE WAP maximum statewide average cost per dwelling unit
<input checked="" type="checkbox"/>	Weatherization measures are not subject to DOE Savings to Investment Ratio (SIR) standards.
<input type="checkbox"/>	Other - Describe: <ul style="list-style-type: none"> Weatherization of entire multi-family housing structure is permitted if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days. Weatherize shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities). Health & Safety and Incidental costs are not subject to DOE rules.

Eligibility, 2605(b)(5) - Assurance 5

5.6 Do you require an assets test?

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
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5.7 Do you have additional or differing eligibility policies for:

Do you require an assets test?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
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Do you have additional or differing eligibility policies for:

Renters?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Renters living in subsidized housing?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Renters with utilities included in the rent?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No

Do you give priority in eligibility to:

Older adults?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Individuals with a disability?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Young children?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Households with high energy burdens?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Other?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No

If you selected "Yes" for any of the options in questions 5.6, 5.7, or 5.8, you must provide further explanation of these policies in the text field below.

5.6 Asset test: Applies to heating system replacement under the Central Heating Improvement Program activities Program Guidance rev 09012023

F. Asset Test (Heating System Replacements Only)

1. Asset Limits

The Applicant household will be required to contribute toward the cost of a Heating System replacement if the Applicant household has Countable Assets in excess of \$5,000 or \$50,000 if a member of the Applicant household is 60 years of age or older (or 55 years or older if the member is a member of an Indian Tribe). The same guidelines apply to non-occupying co-owner's countable assets. If there is a penalty to withdraw funds from an account the funds will not be part of the Countable Asset. Ex: funds from a retirement account when the declarant is younger than the age to withdraw (account documentation will be needed).

5.7 Renters and Renters living in subsidized housing with heat included (see attached - Section 5B Multifamily Weatherization - revised)WAP Program Guidance rev 03052024

B. 2-4 Unit Dwellings

A rental dwelling containing 2 to 4 rental units is eligible for WAP if it is occupied by an eligible Household(s). Prior to conducting the energy audit, the CAA must verify the ownership of the unit/building and secure confirmation from the property owner.

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

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

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

1. Written Permission

Secure owner's and tenant's consent on the *WAP Consent* form to proceed with weatherization measures. Additionally, the owner and tenant are required to sign MaineHousing's *Weatherization Rental Agreement* before the CAA can proceed with weatherization.

5.8 Priority Applicant WAP Program Guidance rev 03052024

SECTION 3: PRIORITIZATION AND WAIT LIST REQUIREMENTS

A. Prioritization

Priority for weatherization services is identified through HEAT Enterprise,¹ based on household composition, annual energy consumption usage for heat (cost), and poverty level. Households with an older adult person, a person with disabilities, and/or a child younger than six (6) years of age are given priority for weatherization services.

Benefit Levels

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

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
If yes, what is the maximum:		\$	

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

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

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

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

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

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

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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 6 – Outreach

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

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

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

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

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

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

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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)**MODEL PLAN****Section 7 – Coordination****Section 7: Coordination, 2605(b)(4) - Assurance 4**

7.1 Describe how you will ensure that the LIHEAP program is coordinated with other programs available to low-income households (TANF, SSI, WAP, etc.).



Joint application for multiple programs

Indicate programs included:

Intake referrals to or from other programs

Indicate programs included:

One-stop intake centers



Other - Describe:

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

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

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

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) MODEL PLAN

Section 8 – Agency Designation

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

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

<input type="checkbox"/>	Administration Agency
<input type="checkbox"/>	Commerce Agency
<input type="checkbox"/>	Community Services Agency
<input type="checkbox"/>	Energy/Environment Agency
<input checked="" type="checkbox"/>	Housing Agency
<input type="checkbox"/>	State Department of Welfare Agency (administers TANF, SNAP, and/or Medicaid)
<input type="checkbox"/>	Economic Development Agency
<input type="checkbox"/>	Other - Describe:

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

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

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

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

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

Not applicable.

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

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

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

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

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

8.6 What is your process for selecting local administering agencies?

Subgrantees will be selected annually based on the following criteria:

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

3.	Demonstrated capacity to adequately serve low-income persons residing in their Service Areas;		
4.	The availability of other qualified entities to service a particular area;		
5.	The geographic area customarily serviced by the potential subgrantee;		
6.	Cost efficiency in administering a Fuel Assistance program;		
7.	The ability to enhance accessibility to other low-income programs administered by the Subgrantee;		
8.	Acceptable schedule for taking Applications; and		
9.	The ability to perform outreach activities and serve homebound recipients.		
Subgrantee shall make annual, written applications to MaineHousing that address each of the above criteria. Subgrantee applications must be received no later than June 1st of each year.			
8.7 How many local administering agencies do you use? <u>1211</u>			
8.8 Have you changed any local administering agencies in the last year?			
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
8.9 If so, why?			
<input type="checkbox"/>	Agency was in non-compliance with grant recipient requirements for LIHEAP -		
<input type="checkbox"/>	Agency is under criminal investigation.		
<input type="checkbox"/>	Added agency		
<input type="checkbox"/>	Agency closed		
<input type="checkbox"/>	Other – describe		
8.10 If a subrecipient is no longer providing LIHEAP, are you aware of prior-year LIHEAP funds being mismanaged or misspent?			
<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
8.10a If yes, please explain:			
8.10b If you are aware, were other federal programs impacted such as CSBG, SSBG, Head Start, TANF, and Department of Energy Weatherization funding, etc.			
<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
8.10c if yes, please explain:			
If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.			

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

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

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

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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) MODEL PLAN

Section 9 – Energy Suppliers

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

9.1 Do you make payments directly to home energy suppliers?

Heating	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Cooling	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Crisis	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Are there exceptions?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No

If yes, Describe.

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

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

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

Once the client's application has been approved for payment, MaineHousing mails a benefit notification letter to the Primary Applicant. ~~The benefit notification letter will also be available through the application portal if the client has applied online.~~ The benefit notification letter shall:

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

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

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

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

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

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

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
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If so, describe the measures unregulated vendors may take.

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

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

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

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

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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 10 – Program, Fiscal Monitoring, and Audit

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

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

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

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

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

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

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

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

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

Management of Vendor Refunds (Benefit Returns):

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

10.1a Provide Definitions for the following:

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

		preparing budgets, creating policies and procedures, attending planning meetings or professional development related to the program as well as indirect costs proportionally charged in relation to a cost allocation plan or fiscal policies.		
Audit Process				
10.2. Is your LIHEAP program audited annually under the Single Audit Act and OMB Circular A - 133?				
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	
10.2a If yes, describe your auditor selection process.				
10.3. Describe any audit findings of the grant recipient (i.e., state, tribe, territory) rising to the level of a material weakness or reportable condition cited in the single audits, inspector general reviews, or other government agency reviews from the most recently audited fiscal year.				
<input checked="" type="checkbox"/>	No Findings			
Finding	Type	Brief Summary	Resolved?	Action Taken
1.				
10.4. Audits of Local Administering Agencies				
What types of annual audit requirements do you have in place for local administering agencies or district offices? Select all that apply.				
<input checked="" type="checkbox"/>	Local agencies and district offices are required to have an annual audit in compliance with Single Audit Act and OMB Circular A-133.			
<input type="checkbox"/>	Local agencies and district offices are required to have an annual audit (other than A-133).			
<input checked="" type="checkbox"/>	Local agencies or district offices' A-133 or other independent audits are reviewed by Grant recipient as part of compliance process.			
<input checked="" type="checkbox"/>	Grant recipient conducts fiscal and program monitoring of local agencies or district offices.			
<input type="checkbox"/>	Local agencies and district offices are required to have an annual audit in compliance with Single Audit Act and OMB Circular A-133.			
Compliance Monitoring				
10.5. Describe your monitoring process for compliance at each level below. Check all that apply.				
Grant recipient employees:				
<input checked="" type="checkbox"/>	Internal program review			
<input checked="" type="checkbox"/>	Departmental oversight			
<input checked="" type="checkbox"/>	Secondary review of invoices and payments			
<input type="checkbox"/>	Other program review mechanisms are in place. Describe:			
Local Administering Agencies or District Offices:				
<input checked="" type="checkbox"/>	On-site evaluation			
<input checked="" type="checkbox"/>	Annual program review			
<input checked="" type="checkbox"/>	Monitoring through central database			
<input checked="" type="checkbox"/>	Desk reviews			
<input checked="" type="checkbox"/>	Client File Testing/Sampling			
<input type="checkbox"/>	Other program review mechanisms are in place. Describe:			
10.6 Explain or attach a copy of your local agency monitoring schedule and protocol.				
<p>MaineHousing's staff perform onsite and desk review audits of the subgrantees. These onsite audits allow for first-hand observation of program activity. Monitoring tasks include:</p> <p>Reviewing procedures and client file documentation</p> <p>Confirming and evaluating use of LIHEAP statewide database</p> <p>Verifying subgrantees are knowledgeable of regulations</p> <p>Confirming that quality of work meets minimum program standards</p>				
10.7. Describe how you select local agencies for monitoring reviews. Attach a risk assessment if subrecipients are utilized.				
Site Visits:	Onsite program and fiscal monitoring reviews are conducted annually at all local agencies. Additional reviews may be conducted if major issues are identified during the annual review.			

Desk Reviews:	<p>MaineHousing conducts desk reviews throughout the program year to ensure compliance with program requirements. MaineHousing's staff conduct desk audits of the following application files:</p> <ul style="list-style-type: none"> •Informal Reviews or Fair Hearing Requests: applicant submitted requests for an informal review or fair hearings will require that an individual, other than the one who made or approved the decision, review the file and documentation provided to determine accuracy. •Computer generated reports: MaineHousing generates periodic healthy data queries to identify and resolve potential compliance issues, for example, duplicate social security numbers, applicant/landlord same address, and medical deduction for analysis. The Program Compliance Office or Program Officers review these reports and application files as necessary. •Files involving reports of alleged fraud. •Files where questions arise during billing reviews of weatherization <u>or</u>; Central Heating Improvement Program or Heat Pump Program jobs.
10.8. How often is each local agency monitored? Please attach a monitoring schedule if one has been developed.	
<input checked="" type="checkbox"/>	Annually
<input type="checkbox"/>	Biannually
<input type="checkbox"/>	Triannually
<input type="checkbox"/>	Other,
10.9. How many local agencies are currently on corrective action plans? 0	
If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.	

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

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

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

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

	Date	Event Description
1	05/21/2024 05/20/2025	Public Hearing for Maine Chapter 24 HEAP Rule for the Low Income Home Energy Assistance Program held during the MaineHousing monthly board meeting both virtually and in person at 26 Edison Dr. Augusta ME.
2	06/18/2024 05/20/2025	Public Hearing for State Model plan held during the MaineHousing monthly Board meeting both virtually and in person at 26 Edison Dr., Augusta, ME.

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

tbd

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

tbd

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

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

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

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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 12 – Fair Hearings

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

12.1 How many fair hearings did the grant recipient have in the prior federal Fiscal Year?

02

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

none

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

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

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

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

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

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

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

12.5 When and how are applicants informed of these rights?

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

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

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

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

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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 13 – Reduction of Home Energy Needs

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

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

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

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

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

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

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

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

MaineHousing has established the following requirements to ensure compliance:

- Budget 5% of Maine's LIHEAP funds for Assurance 16 activities;
- Subgrant agreements specify the allocation amount for these activities;
- Subgrantees are required to submit budgets and work plans that outline their processes for administering these activities;
- Monitor subgrantees' expenditures monthly; and Subgrantee's record-keeping must demonstrate a direct link between services provided to clients and costs charged to Assurance 16. Salary costs for providing Assurance 16 services must be supported by timesheet documentation.

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

MaineHousing provides its subgrantees with an opportunity to develop/submit proposals and funding requests for Assurance 16 (A16) initiatives. Six (6) subgrantees were awarded funds for Assurance 16 activities. Activities included short-term case management, comprehensive energy saving education/counseling, and providing participants with energy saving kits.

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

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

13.5 How many households received these services?

~~1043~~

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

Section 14 - Leveraging Incentive Program, 2607A

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

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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 14 – Leveraging Incentive Program

Section 14: Leveraging Incentive Program, 2607(A)

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

<input checked="" type="checkbox"/> Yes	Yes	<input checked="" type="checkbox"/> No	No
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14.2 Describe instructions to any third parties or local agencies for submitting LIHEAP leveraging resource information and retaining records.

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

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

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

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

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

Section 15 - Training

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

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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM LIHEAP) MODEL PLAN Section 15 – Training

Section 15: Training

15.1 Describe the training you provide for each of the following groups:

a. Grant recipient Staff:

☒ Formal training provided virtually, on-site, and/or formal training conference

How often?

☒ Annually

☐ Biannually

☒ As needed

☐ Other - Describe:

☒ Employees are provided with policy manual

☒ Other - Describe: MaineHousing's participation in monthly Maine Community Action Partner's Energy Council meetings provides a venue for additional training and feedback throughout the program year.

b. Local Agencies:

☒ Formal training provided virtually, on-site, and/or formal training conference

How often?

☒ Annually

☐ Biannually

☒ As needed

☐ Other - Describe:

☒ Employees are provided with policy manual

☒ Other - Describe: MaineHousing provides annual LIHEAP training for Subgrantees. MaineHousing also provides training and technical assistance to all Subgrantees through regular monthly meetings and through monitoring visits. Additionally, MaineHousing will, upon request from the Subgrantee or in response to needs identified by MaineHousing, provide technical assistance.

c. Vendors

☒ Formal training provided virtually, on-site, and/or formal training conference

How often?

☒ Annually

☐ Biannually

☐ As needed

☒ Other - Describe: MaineHousing provides annual training for vendors. MaineHousing also provides training and technical assistance to vendors through monitoring visits. Additionally, MaineHousing will, upon request from the vendor or in response to needs identified by MaineHousing, provide technical assistance.

☒ Policies communicated through vendor agreements

☒ Policies are outlined in a vendor manual

15.2 Does your training program address fraud reporting and prevention?

☒ Yes ☐ No

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

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

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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) MODEL PLAN

Section 16 – Performance Goals and Measures

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

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

Energy Cost Data:

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

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

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

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

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

Home Energy Status

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

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

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

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

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

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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) MODEL PLAN

Section 17 – Program Integrity

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

17.1 Fraud Reporting Mechanisms

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

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

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

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

17.2. Identification Documentation Requirements

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

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

b. Describe any exceptions to the above policies.

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

Driver's license

SNAP electronic benefit transfer (EBT) card with

		photo	
	State issued ID card	U.S. Military ID	
	Passport or passport card		

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

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

17.3 Identification Verification

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

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

17.4. Citizenship or Legal Residency Verification

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

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

17.5. Income Verification

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

<input checked="" type="checkbox"/>	Require documentation of income for all adult household members
<input checked="" type="checkbox"/>	Pay stubs
<input checked="" type="checkbox"/>	Social Security award letters

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

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

	<p>MaineHousing will pursue recoupment of Overpayments by any and all of the following: Applicant may pay MaineHousing the full amount of an Overpayment.</p> <ul style="list-style-type: none"> • <p>Applicant may enter into a payment arrangement. Minimum monthly payment allowed will be set at \$5.00 a month.</p> <ul style="list-style-type: none"> • <p>Despite the existence of a repayment agreement, MaineHousing will recoup 50% of any current Benefits and 50% future Benefits to offset against an overpayment balance until the overpayment has been paid in full.</p> <ul style="list-style-type: none"> • <p>MaineHousing will recoup Benefits on account with the Applicant's Vendor to offset against an overpayment balance.</p> <ul style="list-style-type: none"> • <p>When Applicant fails to repay overpayment, the case may be referred to other internal and external groups for additional action.</p> <p>MaineHousing may close an overpayment for any of the following reasons: Overpayment has been paid in full;</p> <ul style="list-style-type: none"> • <p>The overpayment is determined to be invalid based on a fair hearing decision or a court decision; or</p> <ul style="list-style-type: none"> • <p>All adult persons(s) responsible for overpayment are deceased.</p>
<input checked="" type="checkbox"/>	<p>Clients found to have committed fraud are banned from LIHEAP assistance. For how long is a household banned? Until any overpayment has been resolved <u>repayment agreement has been established and is current.</u></p>
<input type="checkbox"/>	<p>Contracts with local agencies require that employees found to have committed fraud are reprimanded and/or terminated.</p>
<input checked="" type="checkbox"/>	<p>Vendors found to have committed fraud may no longer participate in LIHEAP.</p>
<input type="checkbox"/>	<p>Other - Describe:</p>
<p>If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.</p>	

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

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

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

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

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

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

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

Instructions for Certification

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

rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

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

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

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

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

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

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

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

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

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

Instructions for Certification

- 1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.**
- 2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.**
- 3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.**
- 4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.**
- 5. The prospective lower tier participant agrees by submitting this proposal that, [[Page 33043]] should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.**
- 6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled ``Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.**
- 7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.**
- 8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.**
- 9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.**

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

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

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

☐

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

Section 19: Certification Regarding Drug-Free Workplace Requirements

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

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

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) MODEL PLAN

Section 19 – Certification Regarding Drug-Free Workplace Requirements

Section 19: Certification Regarding Drug-Free Workplace Requirements

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

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

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

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

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

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

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

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

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

recipients Other Than Individuals)

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

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

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

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

Address Line 2

Address Line 3

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

Section 20: Certification Regarding Lobbying

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

August 1987, revised 05/92, 02/95,
03/96, 12/98, 11/01
OMB Clearance No.: 0970-0075
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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Section 20 – Certification Regarding Lobbying

Section 20: Certification Regarding Lobbying

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

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

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

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

Statement for Loan Guarantees and Loan Insurance

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

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

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

Section 21: Assurances

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

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

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

Assurances

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

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

(B) intervene in energy crisis situations;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(8) provide assurances that,

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

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

(9) provide that--

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

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

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

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

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

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

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) * beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

* This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

<input type="checkbox"/>	By checking this box, the prospective primary participant is providing the certification set out above.
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Plan Attachments

U.S. Department of Health and Human Services Administration for Children and Families	August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01 OMB Clearance No.: 0970-0075 Expiration Date: 02/28/2027
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) MODEL PLAN Plan Attachments	
The following documents must be attached to this application	
<ul style="list-style-type: none">• Delegation Letter is required if someone other than the Governor or Chairman Certified this Report.	
<ul style="list-style-type: none">• Heating component benefit matrix, if applicable	
<ul style="list-style-type: none">• Cooling component benefit matrix, if applicable	
<ul style="list-style-type: none">• Minutes, notes, or transcripts of public hearing(s).	
Optional: Policy Manual	
Optional: Subrecipient contract	
Optional: Model Plan Participation notes for Tribes	

Finance Department Memorandum

To: Board of Commissioners

From: Darren Brown

Date: April 8, 2025

Subject: Review of 2024 Budget and Audit Results

As part of the 2024 year-end financial report, the budget and audit results for the year will be reviewed at the April meeting. Jason Emery, Managing Director, from Baker Newman & Noyes will be at the meeting to review their audit work and to answer any questions. The financial results and specific information from the 2024 audited financial statements will be reviewed at the May meeting.

Please find enclosed the following information:

- **2024 Budget Report** - This report presents the budget results for the year. It provides an overview of each budget schedule and summarizes the major variances between budget and actual amounts.
- **December 31, 2024 Audited Financial Statements** - The Independent Auditors' Report, **pages 1–2**, that accompanies the financial statements contains an unmodified opinion. This is also referred to as a “clean opinion” and means that the financial statements were properly prepared and are presented in accordance with Generally Accepted Accounting Principles.

The Management's Discussion and Analysis (MD&A) section of the financial statements, **pages 3–11**, provides an overview of the structure of the financial statements. It also summarizes the financial highlights and provides an analysis of the financial activities for the year.

The Auditors' Report on Internal Controls and Compliance is presented on **pages 49–50**. This report states that the audit did not identify any significant deficiencies or material weaknesses with MaineHousing's internal controls or disclose any instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

- **The Auditor's Communication with Those Charged with Governance Report** – The auditors are required to communicate certain matters to the Board. This report summarizes the auditor's responsibilities regarding the audit as well as certain observations arising from the audit.
- **Audit Management Letter** – This report presents audit observations and recommendations for internal control improvements. The letter includes four recommendations: two recommendations relate to controls over expenditure cutoff procedures and revenue recognition and two are for enhancing security in the area of information technology. MaineHousing's responses to each recommendation are included in the letter.
- **Baker Newman & Noyes – Audit Review Presentation**

I look forward to discussing MaineHousing's budget and audit results at our next meeting.

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To: Board of Commissioners
From: Darren R. Brown
Date: April 8, 2025
Subject: Budget Report – December 31, 2024

Attached are the budget results for the year ended December 31, 2024. The following is a summary of each attachment:

CONSOLIDATED OPERATING REVENUES AND EXPENSES BUDGET

MaineHousing has two primary business segments, which consist of mortgage lending activities and the administration of federal and state funded programs. All operating and program administrative costs are paid by either the net interest income from mortgage lending activities or the fee income received for the administration of programs. **Attachment A** presents the available operating revenues and all operational and administrative expenses.

Revenues

Total revenues were budgeted at \$117.2 million. Actual revenues amounted to \$126.1 million and exceeded the budget by \$8.9 million or 8%. The overage is due to higher interest income from mortgages and investments. Income from mortgages was above budget by \$4 million as loan production exceeded budget estimates and average outstanding loan balances were higher than projected for the year. The average loan rate also exceeded the budget estimate. Income from investments was above budget by \$6.7 million and was also due to higher than projected investment balances and yields.

Expenses

Total expenses were budgeted at \$101.3 million. Actual expenses amounted to \$103.7 million and were over budget by \$2.4 million due mostly to higher interest expense. Interest expense exceeded the budget due to higher average outstanding bonds. Additional bond proceeds were needed to fund the higher loan production. The operating and other program administration expenses (the first two expense lines) are detailed on **Attachment B** and addressed in the section below.

Excess Revenues Over Expenses

Operating revenues exceeded expenses for the year by approximately \$22.4 million, which is \$6.5 million higher than budgeted and is mainly attributed to the higher income from mortgages and investments.

OPERATING & OTHER PROGRAM ADMINISTRATIVE EXPENSES BUDGET

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

Operating Expenses

Operating expenses were budgeted at approximately \$25.7 million. Total actual expenses amounted to \$24.1 million and were under budget by \$1.6 million or 6%. Operating expenses were impacted and under budget due primarily to the following:

- Salaries and employee benefits (lines 1-5) expenses were below budget by a combined amount of \$1.1 million because of fewer full-time equivalents (FTEs). Budget amounts were based on a staff level of 196 FTEs. Actual FTEs were under budget by approximately ten positions due to a high number of position turnovers and internal position changes throughout the year. Many of these positions were vacant for extended periods of time due to the tight labor market.
- Staff education, trainings, and conferences (lines 11-12) expenses were under budget by a combined amount of \$215,000 and is also mainly attributed to staff turnovers and vacancies over the course of the year.
- Partner/Client trainings and meetings (lines 13-14) expenses were under budget by \$97,000 largely because trainings associated with the federal LIHEAP and Weatherization (Wx) programs did not occur to the level budgeted. The training reduction for these programs was due to a reassessment of needs during the year. Additionally, various trainings and travel for certain program monitoring and inspections work were handled remotely.
- Leased vehicles – (line 17) costs were under budget by \$39,000. There are fixed and variable costs associated with vehicles leased through the State of Maine Central Fleet Division. The variable cost component is based on mileage and total actual mileage was below budget estimates. Staff vacancies during the year contributed to lower miles and there were also several cars that were out of service for a portion of the year.
- Property expenses – office building (line 21) expenses were under budget by \$73,000 primarily because of lower than projected cost for heating fuel/natural gas. Natural gas cost and consumption did not increase to the levels projected.
- Depreciation (line 23) was under budget by approximately \$21,000. Depreciation is based on capital expenditures and when items are acquired and placed into service. There were several capital items budgeted for 2024 that were either not acquired or were acquired later than initially planned. (refer to Capital Budget section below).

Other Program Administrative Expenses

Other Program Administrative expenses were budgeted at \$10 million and actual expenses amounted to approximately \$11 million. Expenses were impacted and over budget by \$1 million or 10% due primarily to the following:

- Loan origination expenses (line 5) were over budget by \$633,000. Origination fees are paid to lenders to originate and sell single-family loans and were over budget because loan production exceeded budget projections.
- Bond issuance costs (line 6) were over budget by \$295,000. The budget was based on a total of six bonds. Additional bond proceeds were needed to fund higher loan production and a total of seven bonds were needed. The average cost per bond also increased in 2024 and was higher than projected for the year.
- Mortgage servicing fees (line 4) were over budget by \$64,000 due to higher average outstanding single-family loans because of the higher than projected loan production.
- Program administrator fees (line 13) exceeded the budget by approximately \$400,000 due mostly to the implementation of the Eviction Prevention program. This was an unbudgeted new state-funded program in 2024 and related costs were not included in the budget. The program provided sufficient fee income to cover these expenses.

- Loan foreclosure, REO expenses, and Provisions for losses on loans and REO's (lines 1- 3) were under budget by a combined amount of \$315,000. Loan defaults and foreclosures were below budget estimates due to the ongoing strong performance of the loan portfolios, which experienced very low delinquency rates, loan charge-offs, and foreclosure activity in 2024.

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 2024 was \$684,000. Actual expenditures amounted to \$493,000 and were under budget by \$191,000.

Capital expenditures were mainly for the installment payments associated with the ProLink multifamily housing system and the Amplifund grant management system. Capital expenditures were under budget for the year primarily because several software items were not needed to the extent planned.

**MAINE STATE HOUSING AUTHORITY
CONSOLIDATED OPERATING REVENUES AND EXPENSES BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2024**

(IN THOUSANDS OF DOLLARS)

	Budget	Actual	\$ Variance Over(Under)	% Variance Over(Under)
REVENUES:				
Interest from mortgages and notes	74,385	78,335	3,950	5%
Income from investments	23,400	30,129	6,729	29%
Fee income	19,266	17,057	(2,209)	(11%)
Other revenue	105	548	443	422%
	<u>117,156</u>	<u>126,069</u>	<u>8,913</u>	<u>8%</u>
EXPENSES:				
Operating expenses	25,670	24,083	(1,587)	(6%)
Other program administrative expenses	10,021	10,975	954	10%
Interest expense	65,570	68,631	3,061	5%
	<u>101,261</u>	<u>103,689</u>	<u>2,428</u>	<u>2%</u>
Excess Revenues Over Expenses	<u>15,895</u>	<u>22,380</u>	<u>6,485</u>	<u>41%</u>

**MAINE STATE HOUSING AUTHORITY
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

ATTACHMENT B

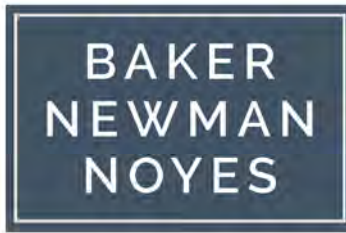
	Budget	Actual	\$ Variance Over(Under)	\$ Variance Over(Under)
Operating Expenses				
1 Salaries	13,853,898	13,247,221	(606,677)	(4%)
2 Payroll taxes	1,013,479	983,053	(30,426)	(3%)
3 Retirement	1,386,948	1,288,538	(98,410)	(7%)
4 Medical, dental and other insurance benefits	3,663,963	3,301,975	(361,988)	(10%)
5 Other fringe benefits	10,000	8,284	(1,716)	(17%)
6 Office supplies	60,525	45,271	(15,254)	(25%)
7 Printing	85,450	75,831	(9,619)	(11%)
8 Memberships, dues and fees	66,879	61,372	(5,507)	(8%)
9 Subscriptions	20,080	13,974	(6,106)	(30%)
10 Sponsorships	19,600	19,250	(350)	(2%)
11 Staff Education/Trainings/Conferences	213,342	126,808	(86,534)	(41%)
12 Travel/Meals - Staff Educ/Train/Conf	230,594	102,302	(128,292)	(56%)
13 Partner/Client Trainings/Meetings	87,250	32,228	(55,022)	(63%)
14 Travel/Meals - Partner/Client Trainings/Meetings	89,506	47,836	(41,670)	(47%)
15 Staff events	36,680	21,571	(15,109)	(41%)
16 Meals - staff events	33,590	33,072	(518)	(2%)
17 Leased vehicles	198,991	160,326	(38,665)	(19%)
18 Computer supplies	31,000	29,561	(1,439)	(5%)
19 Computer licenses - SAAS	248,564	247,674	(890)	(0%)
20 Computer maintenance contracts	986,752	996,953	10,201	1%
21 Property expenses - office building	556,950	484,063	(72,887)	(13%)
22 Interest expense - office building	448,452	446,678	(1,774)	(0%)
23 Depreciation	1,279,000	1,257,639	(21,361)	(2%)
24 Rent	44,519	35,242	(9,277)	(21%)
25 Telephone	131,750	136,712	4,962	4%
26 Employment advertising	18,000	10,502	(7,498)	(42%)
27 Postage and shipping	152,512	137,517	(14,995)	(10%)
28 Insurance	102,186	115,880	13,694	13%
29 Recording fees	1,000	1,350	350	35%
30 Payroll services	51,668	52,383	715	1%
31 Audit services	175,350	188,500	13,150	7%
32 Professional services	371,538	373,053	1,515	0%
Total Operating Expenses	25,670,016	24,082,619	(1,587,397)	(6%)
Other Program Administrative Expenses				
1 Loan foreclosure expenses	200,000	41,047	(158,953)	(79%)
2 REO expenses	50,000	1,272	(48,728)	(97%)
3 Provision for losses on loans & REOs	125,000	0	(125,000)	(100%)
4 Mortgage servicing fees	1,975,000	2,038,590	63,590	3%
5 Loan origination expenses	3,230,000	3,862,668	632,668	20%
6 Bond issuance expenses	900,000	1,195,137	295,137	33%
7 Trustee/Bank fees	178,000	148,187	(29,813)	(17%)
8 Program advertisements	336,500	291,996	(44,504)	(13%)
9 Bond and mortgagee insurance	24,313	24,256	(57)	(0%)
10 Variable rate bond remarket/liquidity facilities	645,000	642,637	(2,363)	(0%)
11 Cash flow/arbitrage/swap consultants/legal	738,500	725,726	(12,774)	(2%)
12 Homebuyer education	150,000	135,900	(14,100)	(9%)
13 Program administrator fees	1,469,000	1,867,811	398,811	27%
Total Other Program Administrative Expenses	10,021,313	10,975,227	953,914	10%
Total Operating and Administrative Expenses	35,691,329	35,057,846	(633,483)	(2%)

**MAINE STATE HOUSING AUTHORITY
CAPITAL BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2024**

ATTACHMENT C

Description	Budget	Actual	\$ Variance Over(Under)	% Variance Over(Under)
Computer Hardware:				
Laptop replacements	57,000	56,900	(100)	
Wycom check signing/printing software upgrade		2,000	2,000	
Total computer hardware	<u>57,000</u>	<u>58,900</u>	<u>1,900</u>	<u>3%</u>
Computer Software:				
Enterprise multi-family housing system	176,958	176,958	0	
Amplifund grant management software	45,600	45,600	0	
ITMS & Patching replacement	20,000	0	(20,000)	
Internal communication enhancements	25,000	0	(25,000)	
Single Family loan servicing system modifications	10,000	5,220	(4,780)	
Single Family lender & loan tracking systems mods	10,000	0	(10,000)	
Salesforce software upgrades	220,000	100,605	(119,395)	
Total computer software	<u>507,558</u>	<u>328,383</u>	<u>(179,175)</u>	<u>(35%)</u>
Office Building:				
Additional workstations & furniture	40,000	13,689	(26,311)	
Office building improvements/repairs	50,000	67,065	17,065	
	<u>90,000</u>	<u>80,754</u>	<u>(9,246)</u>	<u>(10%)</u>
Director's Vehicle:	<u>30,000</u>	<u>25,189</u>	<u>(4,811)</u>	<u>(16%)</u>
Total	<u><u>684,558</u></u>	<u><u>493,226</u></u>	<u><u>(191,332)</u></u>	<u><u>(28%)</u></u>

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Maine State Housing Authority

Basic Financial Statements,
Management's Discussion and Analysis
and Required Supplementary Information

For the Year Ended December 31, 2024
With Independent Auditors' Report

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



MAINE STATE HOUSING AUTHORITY

FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Maine State Housing Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, 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 & Nayja 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	<u>18.9</u>	<u>25.2</u>	<u>(6.3)</u>	<u>(25.0%)</u>
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><u>\$371.8</u></u>	<u><u>\$352.9</u></u>	<u><u>\$18.9</u></u>	<u><u>5.4%</u></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) 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
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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	<u>\$90,777</u>	<u>\$5,088</u>	<u>\$5,943</u>	<u>\$59,483</u>	<u>\$104,553</u>	<u>\$265,844</u>
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	<u>\$90,777</u>	<u>\$5,088</u>	<u>\$5,943</u>	<u>\$59,483</u>	<u>\$104,553</u>	<u>\$265,844</u>

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	<u>\$104,075</u>

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 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	\$88,201	\$3,977	\$138	\$11,052	\$2,833	\$106,201

**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.	(166)
Change in Net Position of governmental activities	\$5,794

See accompanying notes to the financial statements

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

(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
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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
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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.

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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.

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(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
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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
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(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	<u>6</u>	<u>5,255</u>	<u>90.5%</u>
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
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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
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(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					

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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
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					

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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
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
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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
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>					

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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
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>					

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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
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					

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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
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.

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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
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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
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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
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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.

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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:

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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>

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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.maineopers.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
	<u>\$320,019</u>

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.

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(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.



**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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, and each major fund of Maine State Housing Authority (MaineHousing), as of and for the year ended December 31, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that 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*.

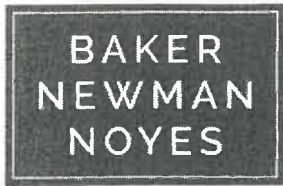
Purpose of this Report

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

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



The Board of Commissioners
Maine State Housing Authority

We are pleased to present this report related to our audit of the basic financial statements of the Maine State Housing Authority (MaineHousing) as of and for the year ended December 31, 2024. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for MaineHousing's financial reporting process.

This report is intended solely for the information and use of the Board of Commissioners and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to MaineHousing.

Baker Newman & Noyes LLC

Portland, Maine
March 28, 2025

Required Communications

The following required communications summarize our responsibilities regarding the financial statement audit as well as observations from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

Our Responsibilities

We described our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States to you in our engagement letter, dated November 4, 2024. Our audit of the basic financial statements does not relieve management or you of your responsibilities, which are also described in that letter.

Planned Scope and Timing of the Audit

We have previously issued a separate communication, dated November 4, 2024, regarding the planned scope and timing of our audit and identified significant risks.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by MaineHousing. MaineHousing did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

Audit Adjustments and Uncorrected Misstatements

Audit adjustments, other than those that are clearly trivial, proposed by us and recorded by MaineHousing are shown in the attached list of Recorded Audit Adjustments.

Uncorrected misstatements are summarized in the attached letter of representation. Uncorrected misstatements or matters underlying them could potentially cause future-period financial statements to be materially misstated, even if we have concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Required Communications (Continued)

Key Audit Matters

Key audit matters are those matters that are communicated to those charged with governance and, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we will not provide a separate opinion on these matters. We determined the following matters to be key audit matters and will describe them in the auditor's report as follows:

Low Income Home Energy Assistance Program (LIHEAP) Benefit Returns

During our audit planning procedures, we were informed by management that \$200,890 in LIHEAP benefit returns were incorrectly obligated and distributed during 2023 and 2024 at the direction of an employee. The incident and related amounts were reviewed by MaineHousing's internal audit and management, and an amount equaling the ineligible disbursements was returned to the United States Department of Health and Human Services by MaineHousing. As part of our audit procedures, we performed additional testing around a sample of LIHEAP disbursements during the time of these benefit returns. No other additional ineligible benefit obligations were identified in the sample that we tested.

Observations About the Audit Process

Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the basic financial statements.

Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management outside of the issue identified in the Key Audit Matters section above.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Significant Matters That Required Consultation

We did not encounter any difficult or contentious matters that required consultation outside the engagement team and that are, in our professional judgment, significant and relevant to your responsibility to oversee the financial reporting process.

Shared Responsibilities: American Institute of Certified Public Accountants (AICPA) Independence

The AICPA regularly emphasizes that independence is a **joint responsibility** and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with AICPA and Government Accountability Office (GAO) independence rules. For Baker Newman & Noyes LLC (BNN) to fulfill its professional responsibility to maintain and monitor independence, management, the audit committee, Board of Commissioners and BNN each play an important role.

Required Communications (Continued)

Our Responsibilities

- AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. BNN is to ensure that the AICPA's and GAO's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

MaineHousing's Responsibilities

- Timely inform BNN, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, or officers.
 - Changes in the organizational structure or the reporting entity impacting affiliates such as partnerships, related entities, investments, joint ventures, component units and jointly governed organizations.
- Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility prior to MaineHousing and its affiliates, officers, directors, or persons in a decision-making capacity engaging in business relationships with BNN.
- Not entering into relationships resulting in close family members of BNN-covered persons, temporarily or permanently, acting as an officer, director or person in an accounting, financial reporting or compliance oversight role at MaineHousing.

Internal Control and Compliance Matters

We have separately communicated on internal control and compliance over financial reporting identified during our audit of the basic financial statements, as required by *Government Auditing Standards*. This communication which identified control deficiencies in internal control is in the attached management letter.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of MaineHousing, including the representation letter provided to us by management, are attached.

Summary of Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in MaineHousing's December 31, 2024 financial statements.

Allowances for Losses on Loans

Accounting Policy

Management provides for an allowance for loan losses at a level that management believes will be adequate to absorb probable loan losses based on evaluations of the collectibility of the loans and prior loss experience.

Management's Estimation Process

The evaluation takes into consideration such factors as changes in the nature and volume of the portfolio, extent of available mortgage insurance, collateral, delinquencies, and current economic conditions that may affect the borrowers' ability to pay.

Basis for our Conclusion on the Reasonableness of the Estimate

We have reviewed management's assumptions and concluded their estimates were reasonable in relation to the financial statements taken as a whole.

Fair Value of Interest Rate Swaps

Accounting Policy

MaineHousing enters into various interest rate swap agreements in order to manage risks associated with interest on its variable rate bond portfolio. The fair value of swap agreements is recognized as either an asset or liability on their Statement of Net Position with the offsetting gains or losses as either deferred inflows or outflows of resources, if deemed an effective hedge.

Management's Estimation Process

Management estimates the fair value of the interest rate swaps by engaging a valuation specialist and by reviewing the methods and assumptions used in the valuation.

Basis for our Conclusion on the Reasonableness of the Estimate

We have reviewed the calculation prepared by management's specialist, including assumptions used, and concluded that the estimate was reasonable in relation to the financial statements taken as a whole.

Funded Status of MaineHousing's Participation in the Maine Public Employees Retirement System's (MainePERS) Participating Local District (PLD) Consolidated Retirement Plan

Accounting Policy

Management provides funding for the retirement plan at a level that will sufficiently cover future beneficiary obligations. MaineHousing measures the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, using information about the fiduciary net position of the MainePERS PLD Consolidated Plan on the same basis reported by MainePERS.

Management's Estimation Process

Management annually reviews the assumptions regarding the determination of the funded status of the pension plan and the benefit cost. Management obtains data from the audited Financial Statements of MainePERS, of which recorded amounts have been determined by a qualified actuary.

Summary of Significant Accounting Estimates (Continued)

Basis for our Conclusion on the Reasonableness of the Estimate

We have reviewed the MainePERS audited financial statements, including assumptions used, and concluded that the estimate was reasonable in relation to the financial statements taken as a whole.

MAINE STATE HOUSING AUTHORITY

RECORDED AUDIT ADJUSTMENTS

December 31, 2024

Management corrected the following material misstatement that was identified as a result of our audit procedures:

<u>Description</u>	<u>Effect – Increase (Decrease)</u>				
	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Revenue</u>	<u>Expenditures</u>
To adjust expenditure cutoff for the Low Barrier Shelter Program	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>(1,250,000)</u>	\$ <u>(1,250,000)</u>

March 28, 2025

Baker Newman & Noyes LLC
280 Fore Street
Portland, Maine 04112-0507

This representation letter is provided in connection with your audit of the basic financial statements (which consist of financial statements of the governmental activities, the business-type activities, each major fund and the related notes to the financial statements) of Maine State Housing Authority (MaineHousing), a component unit of the State of Maine, as of and for the year ended December 31, 2024 for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, that as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 4, 2024, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged in by MaineHousing include:
 - a. Those with the State of Maine; and
 - b. Interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, as applicable.

6. The financial statements properly classify all funds and activities in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
7. We are responsible for determining that significant events or transactions that have occurred since the statement of net position date and through the date of this letter have been recognized or disclosed in the financial statements. No events or transactions other than those disclosed in the financial statements have occurred subsequent to the statement of net position date and through the date of this letter that would require recognition or disclosure in the financial statements. We further represent that as of the date of this letter, the financial statements were complete in a form and format that complied with U.S. GAAP, and all approvals necessary for issuance of the financial statements had been obtained.
8. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 450 and/or GASB Statement No. 10.
9. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
10. The effects of all known, actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
11. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
12. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.
13. Provisions for uncollectible receivables, including loans, have been properly identified and recorded.
14. Capital assets, including infrastructure, intangible assets and right-of-use assets are properly capitalized, reported and, if applicable, depreciated.
15. MaineHousing, as applicable, properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*.
16. Components of net position (net investment in capital assets, restricted and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
17. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, or grants and contributions.

18. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
19. Interfund, internal and intra-entity activity and balances have been appropriately classified and reported.
20. In the audit engagement letter dated November 4, 2024, we requested that you perform certain non-audit services necessary for the preparation of the financial statements, including assistance with the final editing and reproduction of the financial statements (including required supplementary information and supplementary information).

With respect to these services:

- a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.
21. We have no direct or indirect, legal or moral, obligation for any debt of any organization, public or private, or to special assessment bond holders that is not disclosed in the financial statements.
 22. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. In that regard, we believe that we have appropriately addressed and remediated the LIHEAP program benefit returns matter that was identified by us in the current year.
 23. We have informed you of all uncorrected misstatements in the financial statements.
 24. As of and for the year ended December 31, 2024, we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate to the basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Description	Effect – Increase (Decrease)				
	Assets	Liabilities	Equity	Revenue	Expenses
General Administrative Fund					
To reverse the impact of the GENERAL FUND/METBRA adjustment:					
Fund balance	\$ —	\$ —	\$ (165,408)	\$ —	\$ —
Transfers	—	—	—	—	(165,408)
To reverse impact of investment income prior period correction	—	—	(446,190)	446,190	—
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (611,598)</u>	<u>\$ 446,190</u>	<u>\$ (165,408)</u>

Description	Effect – Increase (Decrease)				
	Assets	Liabilities	Equity	Revenue	Expenses
LIHEAP					
To reverse the impact of the LIHEAP/HOME adjustment:					
Transfers out	\$ –	\$ –	\$ –	\$ –	\$ 216,936
Fund balance	–	–	216,936	–	–
	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 216,936</u>	<u>\$ –</u>	<u>\$ 216,936</u>
Other Federal and State Programs					
To reverse the impact of the METBRA/HOME adjustment:					
METBRA:					
Transfers	\$ –	\$ –	\$ –	\$ –	\$ 165,408
Allocated income	–	–	–	165,408	–
To reverse the impact of prior year uncorrected misstatement to New construction:					
Administrative fees earned	–	–	–	201,061	–
Fund balance	–	–	(201,061)	–	–
	<u>\$ –</u>	<u>\$ –</u>	<u>\$ (201,061)</u>	<u>\$ 366,469</u>	<u>\$ 165,408</u>
HOME Fund					
To reverse the impact of the LIHEAP/HOME adjustment:					
HOME:					
Transfers	\$ –	\$ –	\$ –	\$ –	\$ (216,936)
Fund balance	–	–	(216,936)	–	–
	<u>\$ –</u>	<u>\$ –</u>	<u>\$ (216,936)</u>	<u>\$ –</u>	<u>\$ (216,936)</u>

25. There are no organizations that are a part of this reporting entity or with which we have a relationship, as these organizations are defined in Section 2100 of the Governmental Accounting Standards Board's Codification of GASB, that are:
 - a. Component units;
 - b. Other organizations for which the nature and significance of their relationship with MaineHousing are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete; or
 - c. Jointly governed organizations in which we participated.
26. We are a component unit of the State of Maine as this term is defined in Section 2100 of the GASB's *Codification of Governmental Accounting and Financial Reporting Standards*.
27. We have identified for you all of our funds, governmental functions, and identifiable business-type activities.
28. We have properly classified all funds and activities.

29. We have properly determined and reported the major governmental and enterprise funds based on the required quantitative criteria. We believe that all judgmentally determined major funds are particularly important to the financial statement users.
30. We are responsible for compliance with laws and regulations applicable to MaineHousing.
31. We have identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts including legal and contractual provisions for reporting specific activities in separate funds.
32. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
33. The following have been properly recorded and/or disclosed in the financial statements:
- a. Guarantees, whether written or oral, under which MaineHousing is contingently liable;
 - b. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances;
 - c. Line of credit or similar arrangements;
 - d. Agreements to repurchase assets previously sold;
 - e. Security agreements in effect under the Uniform Commercial Code;
 - f. Any other liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way;
 - g. The fair value of investments;
 - h. Amounts of contractual obligations for construction and purchase of real property or equipment not included in the liabilities or encumbrances recorded on the books;
 - i. Any liabilities which are subordinated in any way to any other actual or possible liabilities;
 - j. Debt issue repurchase options or agreements, or sinking fund debt repurchase ordinance requirements;
 - k. Debt issue provisions;
 - l. All leases and material amounts of rental obligations under long-term leases;
 - m. All significant estimates and material concentrations known to management which are required to be disclosed in accordance with the American Institute of Certified Public Accountants' (AICPA) Statement of Position 94-6, *Disclosure of Certain Significant Risks and Uncertainties*. Significant estimates are estimates at the statement of net position date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year;
 - n. Authorized but unissued bonds and/or notes;
 - o. Risk financing activities;
 - p. Derivative financial instruments;
 - q. The effect on the financial statements of GASB Accounting Statements which have been issued, but which we have not yet adopted;
 - r. Special and extraordinary items;
 - s. Deposits and investment categories of risk;

- t. Arbitrage rebate liabilities;
 - u. Impairment of capital assets; and
 - v. Net positions and fund balance classifications.
34. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
- a. To reduce receivables to their estimated net collectable amounts;
 - b. To reduce investments, intangibles, and other assets which have permanently declined in value to their realizable values;
 - c. For risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through December 31, 2024 and/or for expected retroactive insurance premium adjustments applicable to periods through December 31, 2024;
 - d. For pension obligations, post-retirement benefits other than pensions and deferred compensation agreements attributable to employee services rendered through December 31, 2024;
 - e. For any material loss to be sustained in the fulfillment of, or from the inability to fulfill, any service commitments;
 - f. For any material loss to be sustained as a result of purchase commitments; and
 - g. For environmental clean-up obligations.

Information Provided

35. We have provided you with:
- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within MaineHousing from whom you determined it necessary to obtain audit evidence;
 - d. All minutes of the meetings of the governing board and committees of board members or summaries of actions of recent meetings for which minutes have not yet been prepared; and
 - e. All communications from grantors, lenders, other funding sources or regulatory agencies concerning noncompliance with:
 - i. Statutory, regulatory or contractual provisions or requirements; and
 - ii. Financial reporting practices that could have a material effect on the financial statements.
36. All transactions have been recorded in the accounting records and are reflected in the financial statements.
37. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
38. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of an entity's system of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our

assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.

39. We have disclosed to you all information that we are aware of regarding allegations of fraud or suspected fraud affecting MaineHousing's financial statements involving:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
40. We have disclosed to you all information that we are aware of regarding allegations of fraud or suspected fraud affecting MaineHousing's basic financial statements received in communications from employees, former employees, analysts, regulators, or others.
41. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
42. We have disclosed to you the identity of MaineHousing's related parties and all the related-party relationships and transactions of which we are aware.
43. We have informed you of all deficiencies in internal control over financial reporting, including significant deficiencies and material weaknesses, in the design or operation of internal controls that could adversely affect MaineHousing's ability to record, process, summarize and report financial data.
44. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
45. We agree with the findings of specialists in evaluating the fair value of interest rate swaps and the amount of arbitrage due or receivable and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

We believe that the information obtained from the audited financial statements of and other participant information provided by the Maine Public Employees Retirement System's PLD Consolidated Retirement Plan is appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the Plan or its auditor in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the Plan or its auditor.

46. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
47. There are no:
 - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially

- responsible party” by the Federal Environmental Protection Agency or any equivalent state agencies in connection with any environmental contamination;
- b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by Statement of Financial Accounting Standards No. 5 and/or GASB Statement No. 10.
48. We have satisfactory title to all owned assets.
49. We are responsible for and have reviewed and approved the proposed adjustments to the trial balances identified during the audit, which are included in the list of Recorded Audit Adjustments and will post all adjustments accordingly. We have reviewed, approved and are responsible for overseeing the preparation and completion of the basic financial statements and related notes.
50. We have prepared the basic financial statements and we are satisfied that the financial statements contain all material disclosures required by generally accepted accounting principles.

Supplementary Information

51. With respect to Management’s Discussion and Analysis and the Required Supplementary Information presented as required by GASB to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information;
 - b. We believe such information, including its form and content, is fairly presented in accordance with guidelines prescribed by U.S. GAAP;
 - c. The methods of measurement or presentation have not changed from those used in the prior period;
 - d. There are no underlying significant assumptions or interpretations regarding the measurement or presentation of such information; and
 - e. When supplementary information is not presented with the audited basic financial statements, we will make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of the issuance of the supplementary information and the auditors’ report thereon.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

- 1. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework;
- 2. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee;
- 3. Is not aware of any instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements, except for the matter identified by us and communicated to you regarding the handling of LIHEAP benefit returns. In that regard, we believe we have appropriately responded and remediated this matter and returned the appropriate amounts to the funding agency;

4. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
5. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud;
6. Has taken timely and appropriate steps to remedy identified or suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that the auditor reports, if applicable;
7. Has a process to track the status of audit findings and recommendations;
8. Has identified for the auditor previous audits, attestation engagements and other studies related to the objectives of the audit and whether related recommendations have been implemented;
9. Is not aware of any investigations or legal proceedings that have been initiated with respect to the period under audit;
10. Has provided views on the auditors' reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report, if applicable; and
11. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating Darren Brown, Director of Finance, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

Very truly yours,

Maine State Housing Authority



Dan Brennan, Director

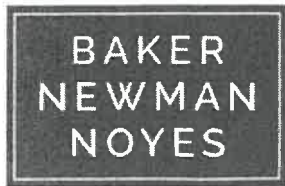


Thomas Cary, Treasurer



Darren Brown, Director of Finance

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Management and the Board of Commissioners
Maine State Housing Authority

In planning and performing our audit of the basic financial statements of Maine State Housing Authority (MaineHousing) as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, we considered MaineHousing's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MaineHousing's internal control. Accordingly, we do not express an opinion on the effectiveness of MaineHousing's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report, dated March 28, 2025, on the financial statements of MaineHousing. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

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

Expenditure Cutoff of Low-Barrier Homeless Shelter Program

MaineHousing administers the Low-Barrier Homeless Shelter Program for the State of Maine, which provides funding to homeless shelters in the state. During 2024, MaineHousing received program funding of \$3,500,000 from the State of Maine. Our audit procedures identified funds that were disbursed and recorded in 2024 as grant revenues and expenditures of which a portion potentially related to 2025. An adjustment for this amount was recorded in 2024 to reduce these grant expenditures and revenue for amounts attributable to 2025. We recommend management monitors the period of performance for expenditures within this program to ensure grant revenues and expenditures are recorded in the proper period.

Management Response

Contracts for the grant required that \$2,500,000 of program awards be paid in their entirety upfront. These payments were made in August 2024 and the total amount was initially recorded as grant income and expenditures. We reexamined the contracts prior to the year-end financial closing and identified the portion of the payments made that applied to 2025. Adjustments were immediately recorded to properly reflect the offsetting grant income and expenditures in the financial statements. These adjustments had no impact on fund balance.

There are cut-off procedures in place to help ensure that grant revenues and expenditures for all programs are recorded in the proper period and we will continue with the established procedures.

General Administrative Fund – Escrow Investment Income Recognition

MaineHousing holds investments in escrow in their General Administrative Fund on behalf of certain housing construction projects. In 2024, MaineHousing identified that during fiscal years 2022 through 2024, they were recognizing income on escrow investments that they were not entitled to, based on the terms of the related project contracts. To correct this issue, MaineHousing adjusted the prior year overstatement through a reduction of 2024 investment income with a corresponding increase to the escrow liability. We recommend that MaineHousing review all of their escrow agreements going forward to ensure that investment income is appropriately recorded.

Management Response

Historically, only a small number of these escrow accounts were maintained and all were structured so that the interest was retained by MaineHousing. A process to review all agreements was implemented in early 2024 due to an increase in escrow accounts being held for construction projects. As a result, it was discovered that agreements for a specific program were structured differently and the interest for these accounts is not retained by MaineHousing. Adjustments to correct previously recorded interest were made.

We will continue with the established process of reviewing all escrow agreements and ensure the proper reporting of interest.

Information Technology Recommendations

AOD User Access Reviews

Upon inspecting the latest AOD User Audit Report, which documents MaineHousing's review of the appropriateness of AOD users and their permissions, we observed that user roles are approved by management during the review process, and any necessary updates or changes are incorporated. The most recent review was completed in May 2023. While MaineHousing is adhering to its Information Security Policy, which specifies only that "periodic reviews" should be conducted, we recommend that MaineHousing consider conducting these reviews more frequently, with a minimum frequency of annually.

Management Response

MaineHousing will update its Information Security Program policy to stipulate that financial system user access reviews shall be conducted at least annually.

Third Party System and Organization Controls (SOC) Reports

MaineHousing has adopted Microsoft Office 365, which includes the implementation of Exchange and single sign-on solutions using Microsoft's Entra ID for authentication. Given that MaineHousing relies on third-party services for key components of its information systems, BNN recommends that MaineHousing obtain and review the relevant SOC 1 and SOC 2 reports from Microsoft. Additionally, MaineHousing should implement appropriate control activities as identified in the reports' user entity controls section.

Management Response

MaineHousing has downloaded and reviewed the Microsoft 365 SOC reports including the Complementary User Entity Controls (CEUCs). MaineHousing is already compliant with many of the applicable CEUCs and will consider implementing the additional controls as the scope of our Microsoft 365 usage expands to include the systems and services that the controls are designed for.

* * * * *

Management's response to the internal control deficiencies identified in our audit were not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Baker Newman & Noyes LLC

Portland, Maine
March 28, 2025

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BAKER
NEWMAN
NOYES

Maine State Housing Authority

Audit Committee
Maine State Housing Authority (MaineHousing)

We are pleased to present the results of our audit of the December 31, 2024 basic financial statements of MaineHousing.

This report summarizes our audit, the scope of our engagement, and the reports issued. We have also included communications required by our professional standards.

We appreciate this opportunity to meet with you to discuss the contents of this report and answer any questions you may have about these or any other audit related matters.

Very truly yours,

Baker Newman & Noyes LLC

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Auditors' Professional Responsibilities

BNN IS RESPONSIBLE FOR:

- Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* have been described in our engagement letter, dated November 4, 2024.
- Our responsibilities, as stated in our auditors' report, are summarized as follows:
 - Exercise professional judgment and maintain professional skepticism throughout the audit.
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MaineHousing's internal control. Accordingly, no such opinion is expressed.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
 - Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MaineHousing's ability to continue as a going concern for a reasonable period of time.

Auditors' Professional Responsibilities (cont.)

MANAGEMENT IS RESPONSIBLE FOR:

- Management's responsibilities, as stated in our auditors' report, are summarized as follows:
 - The preparation of financial statements in accordance with accounting principles generally accepted in the United State of America.
 - The design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
 - To evaluate whether there are any conditions or events, considered in the aggregate, that would raise substantial doubt about MaineHousing's ability to continue as a going concern for twelve months beyond the financial statement date.

Summary of Audit Deliverables

	AUDIT DELIVERABLES	Status
Opinions	Express an opinion on: <ul style="list-style-type: none"> The basic financial statements of MaineHousing. Perform a Uniform Grant Guidance audit for federal expenditures of MaineHousing.	Financial statement audit procedures are complete. The Uniform Grant Guidance audit will be completed by September 30, 2025.
Required internal control communications	Report to management and the Audit Committee on any material weaknesses, significant deficiencies, or internal control matters and suggestions for operational improvements identified during our audit.	No material weaknesses or significant control deficiencies were identified during our audit. Other control deficiencies will be discussed and have been communicated in our management recommendation letter.

Audit Scope and Areas of Audit Emphasis

Our audit scope was developed after considering inherent and control risks in the current environment and the existence of effective internal controls that mitigate those risks. A variety of factors were considered when establishing individual audit scopes for MaineHousing, including the size, volume and types of transactions processed, changes in the business environment, management monitoring controls in place and other factors.

Principal areas of audit emphasis were as follows:

- Internal controls related to the primary financial systems
- Cash
- Investments, investment income and valuation of investments
- Loans receivable and related allowance
- Long-term debt
- Grant revenues and expenditures
- Interest rate swap valuation
- Unearned revenue
- Payroll
- GASB 68 pension liability

* *There were no changes to our planned approach or areas of audit emphasis.*

Audit Summary Discussion

Area	Comments
<p>Auditors' responsibilities under Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards</p> <p>The financial statements are the responsibility of management. Our audit was designed in accordance with auditing standards generally accepted in the United States and <i>Government Auditing Standards</i> to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we obtained an understanding of internal control sufficient to plan our audit and to determine the nature, timing and extent of testing performed. However, we were not engaged to, and we did not, perform an audit of internal control over financial reporting.</p>	<p>We have issued an unqualified opinion on the basic financial statements of MaineHousing indicating that, in our opinion, they are fairly stated in accordance with accounting principles generally accepted in the United States.</p>

Audit Summary Discussion (cont.)

Area	Comments
Accounting policies and practices We report all significant accounting policies and practices used by management in preparing the financial statements and our assessment of the disclosure of such policies. We discuss our judgments about the quality, not just the acceptability, of the accounting policies as applied in MaineHousing's financial reporting, including the consistency of the accounting policies and their application and the clarity and completeness of the financial statements and related disclosures.	Management has ultimate responsibility for the appropriateness of the accounting policies used by MaineHousing. MaineHousing did not adopt any significant new accounting policies during fiscal year 2024.
Methods of accounting for significant unusual transactions and for controversial or emerging areas The Audit Committee is informed about the methods used to account for significant unusual transactions and the effects of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.	We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Audit Summary Discussion (cont.)

Area	Comments
Fraud and illegal acts We report to the Audit Committee fraud and illegal acts involving senior management and fraud and illegal acts (whether caused by senior management or other employees) that cause a material misstatement of the financial statements.	We were made aware of certain ineligible LIHEAP benefit returns during our audit and performed additional procedures over the time period impacted. We were not made aware of any additional fraud or illegal acts, nor did we uncover any fraud or illegal acts based on our audit work performed.
Subsequent events	We are not aware of any items that should be reflected in the financial statements or related disclosures other than those that are already disclosed.
Difficult or contentious matters that required consultation	We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.
Disagreements with management or any serious difficulties encountered in dealing with management when performing the audit	We encountered no disagreements or difficulties in dealing with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultation with other accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Other written communications with management The Audit Committee has received copies of all significant written communication with management in accordance with generally accepted auditing standards.	Written communications include the engagement letter, management letter, and post audit letter.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events.

Area / Accounting Policy	Comments
<p>Allowance for losses on loans</p> <p>Management provides for an allowance for loan losses at a level that management believes will be adequate to absorb probable loan losses based on evaluations of the collectibility of the loans and prior loss experience.</p>	<p>We have reviewed management's assumptions and concluded their estimates were reasonable in relation to the financial statements taken as a whole.</p>
<p>Fair value of interest rate swaps</p> <p>MaineHousing enters into various interest rate swap agreements in order to manage risks associated with interest on its variable rate bond portfolio. The fair value of swap agreements is recognized as either an asset or liability on their Statement of Net Position with the offsetting gains or losses as either deferred inflows or outflows of resources, if deemed an effective hedge.</p>	<p>We have reviewed the calculation prepared by management's specialist, including assumptions used, and concluded that the estimate was reasonable in relation to the financial statements taken as a whole.</p>
<p>Pension Plan</p> <p>Management provides funding for the retirement plan at a level that will sufficiently cover future beneficiary obligations. MaineHousing measures the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, using information about the fiduciary net position of the MainePERS PLD Consolidated Plan on the same basis reported by MainePERS.</p>	<p>We have reviewed the MainePERS audited financial statements, including assumptions used, and concluded that the estimate was reasonable in relation to the financial statements taken as a whole.</p>

Year-End Adjustment and Passed Entries

An adjustment made during our audit as well as passed journal entries are included on the management representation letter.

Adjustments are entries that are made by management to the trial balance.

Passed adjustments are adjustments that are not made due to being quantitatively and qualitatively insignificant to the financial statements as a whole.

Management Recommendation Letter

In planning and performing our audit of the basic financial statements of MaineHousing in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered MaineHousing's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MaineHousing's internal control. Accordingly, we do not express an opinion on the effectiveness of MaineHousing's internal control over financial reporting.

Classification	Comments
<p>Material Weakness</p> <p>A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.</p>	<p>Our consideration of internal control was for the limited purpose described in the management letter and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified.</p>
<p>Significant Deficiency</p> <p>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.</p>	<p>Our consideration of internal control was for the limited purpose described in the management letter and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified.</p>
<p>Control Deficiency</p> <p>A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.</p>	<p>We had internal control recommendations in the accompanying management letter over the following areas:</p> <ul style="list-style-type: none"> • Escrow income recognition • Grant revenue/expenditure cutoff • Information Technology

Looking Ahead

As mentioned previously, the Uniform Guidance audit is in process and will be finalized by September. The purpose of the Uniform Guidance audit is to ensure MaineHousing is adhering to federal guidelines with regards to federal grant programs.

Programs to be audited cover approximately 65% of federal expenditures and are anticipated to be:

- PBCA Program
- LIHEAP Program
- TANF Program
- Expand Affordable Housing Program
- Emergency Rental Assistance Program

BAKER
NEWMAN
NOYES

Final Thoughts & Questions

Audit Department Memorandum

To: Board of Commissioners
From: Linda L. Grotton, Director of Audit
Date: April 15, 2025
Subject: Audit Committee Report

The MaineHousing Audit Committee held the first quarterly meetings April 7, 2025. Laura Buxbaum (Chair of the Audit Committee) and Audit Committee members Betty Dietz and Nancy Harrison met with Linda Grotton. Jason Emery, Managing Partner of Baker, Newman, and Noyes (BNN) was a guest of the Audit Committee.

2024 Annual Financial Audit and Findings

Jason Emery provided the Audit Committee with information regarding the recently completed Financial Audit. He discussed the audit process and results, documented in the Management Letter – information that will also be provided to the full Board of Commissioners at the April 15 meeting.

Other External Audit Updates

DOE Weatherization. During the first quarter of 2025, MaineHousing received a report from the Department of Energy (DOE) regarding the May 2024 Technical Monitoring of the Weatherization Program (Energy and Housing Services department). All findings/concerns/recommendations have been resolved and are now CLOSED.

We also just received notice that DOE will be conducting an abbreviated virtual programmatic monitoring again later this year (to commence sometime between late June – October timeframe).

PBCA 2024 Annual Compliance Review (ACR). In January, MaineHousing received yet another clean final ACR report with no findings (the 24th year in a row!)

ERA 2 Audit. The US Treasury commenced a review of MaineHousing's ERA 2 program at the end of February. Their focus has been on Rent Relief payments, Administrative Expenditures, and Housing Stability. We have provided scores of documents for their review, and expect results within the second quarter.

Next Audit Committee meeting: Wednesday, July 30, 2025

Asset Management Department Memorandum

To: MaineHousing Board of Commissioners

From: Adam S. Krea – Acting Director, Asset Management

Date: April 8, 2025

Subject: April Board Report - Asset Management

Updates from the Department

Managers Kimberly Whitley and Wendy Bonsant continue to lead the department in day-to-day activities and work with Jamie Johnson and me on larger policy issues. Both Jamie and I meet with Kim and Wendy weekly and attend full staff meetings monthly. We have enjoyed getting deeper into the details with the department and spending more time with folks.

The Asset Management department participates in Loan Committee each week, both with respect to new projects in development as well as bringing new loans forward for existing properties. Asset Management underwrites debt for properties in portfolio and for properties that are part of our Project-Based Contract Administration program with the U.S. Department of Housing and Urban Development. New debt on existing projects – part of MaineHousing’s Subsequent Loan program – allow owners to borrow against the equity in the real estate for capital improvements and equity take-out (if the projects are in good shape and have appropriately funded replacement reserves).

On occasion Asset Management has the opportunity to creatively help developers and owners take equity out of a project for the sake of creating new affordable housing as recently happened with the York Housing Authority. The Executive Director of York Housing wanted to preserve an existing mobile home community as naturally occurring affordable housing but did not have the means to purchase the property. As it happens, York Housing owns Yorkshire Commons, which has the cash flow and appraisal to allow for York Housing to borrow against it and use the equity out to purchase the mobile home community. The equity out also allowed York Housing to buy a parcel of land adjacent to Yorkshire Commons for a future affordable housing project. The Executive Director told me that she knew to contact MaineHousing because we would find a way to help her accomplish her goals creatively and effectively. This speaks volumes about the work Asset Management does with existing owners to maintain, and also create, affordable housing in Maine.

Development Department Memorandum

To: MaineHousing Board of Commissioners

From: Mark C. Wiesendanger, Director of Development

Date: April 15, 2025

Subject: Monthly Report

2024 Rural Affordable Rental Housing Program (Rural)

The Applications for the 2024 Rural RFP have received final scoring, and their applicants notified. The nine winning projects are:

Project Name	Developer	City	Total Units	Subsidy Request
36 Cleaves Street	36 Cleaves Street, LLC	Yarmouth	18	\$ 2,874,945.00
55 Weston Avenue II	55 Weston Avenue, LLC	Madison	18	\$ 2,878,668.00
Asher's Village Apartments	Asher's Village Apts, LLC	Winslow	18	\$ 3,448,623.00
Clark Street	Dev Properties, LLC	Thomaston	16	\$ 2,560,000.00
Poland Elderly Housing Dev	Auburn Res. Dev. Corp.	Poland	18	\$ 2,880,000.00
Rangeley Workforce Housing	Rangeley WF Housing	Rangeley	18	\$ 3,430,243.00
Project Greenhouse	Badhus LLC	Rockland	12	\$ 2,304,000.00
Rosa's Place	P.O.L., LLC	Brunswick	14	\$ 2,332,922.00
J. Palmer Merrill Block	JPM, LLC	Skowhegan	5	\$ 749,964.83
Total Units			137	\$ 23,459,366

2024 Affordable Homeownership Program (AHOP)

We received 14 Applications for the 2024 AHOP RFP. Scoring is currently underway. There is a total of \$10,000,000 of subsidy funding available for the program. The Applicants are as follows.

Project Name	Developer	City	Total Units	Subsidy Request
Butler Road	Boothbay Reg. Dev. Corp.	Boothbay	8	\$ 550,400.00

Deering Village	GreenMars	Portland	55	\$	1,800,000.00
Dougherty Commons III	MCDP	Portland	20	\$	1,565,000.00
Front Street III	Portland Housing	Portland	6	\$	468,747.00
Grandview Ave	Developers Collaborative	Bangor	14	\$	973,280.00
Hillcrest Estates	A&O Properties, LLC	Monmouth	9	\$	691,200.00
Island Avenue Subdivision	H4H York County	Sanford	5	\$	400,000.00
Landon Woods	KHHT2	Kennebunkport	6	\$	469,260.00
Linnell Homeownership Project	The Linnell LLC	Rumford	16	\$	1,164,800.00
Newman Meadows	Newman Homes	Waterville	13	\$	899,600.00
Scittery Woods	Scittery Woods Partners	Falmouth	20	\$	1,564,200.00
Stroudwater Commons	GreenMars	Portland	40	\$	1,800,000.00
Harkness Haven	Mid-Coast H4H	Rockport	10	\$	556,800.00
Wahan Oaks	Homes For All LLC	Auburn	12	\$	921,600.00
			Total Requested	234	\$ 13,824,887.00

2024 LIHTC (4%) RFP

We received 10 Full Applications for the 2024 4% program on April 3. There is a total of \$14,560,000 of subsidy funding available for the program. The Applicants are as follows.

Project Name	Developer	City	Total Units	Subsidy Request	
Arbor Village II	Lewiston Housing	Lewiston	63	\$	5,400,000
Fairfield School	KVCAP	Fairfield	27	\$	3,861,000
Landry Heights	South Portland Housing	South Portland	38	\$	4,482,915
Ledgewood II	Developers Collaborative	Damariscotta	32	\$	4,544,000
Martel II	Lewiston Housing	Lewiston	44	\$	5,400,000
Oxford Street Apts	Avesta	Portland	48	\$	1,180,000
Robinson Apartments	Caleb Foundation	Oxford	33	\$	5,280,000
Soleil I	Lewiston Housing	Lewiston	44	\$	5,400,000
Time and Temp Annex	Developers Collaborative	Portland	41	\$	2,593,908
Woodfords II	CHOM	Portland	51	\$	5,908,850
			Total Requested	421	\$ 44,050,673

Events of Note

3/26 – Grand Opening – Picker House Lofts, Lewiston
4/1 – MAHC Meeting - Federal Policy Update, Portland

Staff

We are currently looking to fill Multifamily Loan Officer II and Construction Analyst positions.

Sally Garand fills our new Multifamily Loan Officer I position. Sally brings extensive banking experience and is already making great contributions to our work!

One Construction Analyst position has been filled. Alex Thibadoux will join us in May. Alex comes to us with experience in federally funded and historic construction projects.

Please help us welcome Alex and Sally!

Development Pipeline

Below you will find the Development Pipeline updated as of March 19. 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					
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	4
Fletcher Farms	Patco	AHOP	Sanford	Family	1
Theresa Bray Knowles	Penquis Cap	HOME-ARP	Bangor	Family	36
Berry's Block Apartments	Lake City Investments	Rural	Rockland	Family	9
<i>NC/AR Projects</i>	<i>6</i>			<i>New Units</i>	<i>118</i>
<i>Rehab Projects</i>	<i>0</i>			<i>Rehab Units</i>	<i>0</i>
Total Projects	6			Total Units	118
Under Construction/In Underwriting - likely completed in 2025					
45 Dougherty	Szanton	4%	Portland	Family	63
Betsy Ross Crossing	SoPo HA	4%	So. Portland	Senior	52
Edgewater Village	Avesta	4%	Farmington	Senior	25
Fairview Commons	Brunswick HA	4%	Topsham	Family	38
Lockwood Mill	North River Co.	4%	Waterville	Family	65
Meadowview II	Avesta	4%	Gray	Senior	27
Wedgewood	Lewiston HA/Avesta	4%	Lewiston	Family	65
Peasley Park	DC	9%	Rockland	Senior	49
Rumford Senior Living	DC	9%	Rumford	Senior	33
Alexander Way	BH Land Trust	AHOP	Boothbay Harbor	Family	3
Fletcher Farms	Patco	AHOP	Sanford	Family	2
Highpines Village	Highpine Properties	AHOP	Wells	Family	1
18 Central Ave	Home Start	Islands	Peaks Island	Family	3
CICA 2022 Housing	CICA	Islands	Chebeague Island	Family	4
Islesford RHP	CIRT	Islands	Islesford	Family	4

NHSH Affordable	NH Sust Housing	Islands	North Haven	Family	4
Vinalhaven	Vinalhaven Housing	Islands	Vinalhaven	Family	4
520 Centre Street	Bath HA	Rural	Bath	Family	18
16 Mills Rd	Rob Nelson/Wilbur	Rural	Newcastle	Family	16
Central Park Residences	Reincorp	Rural	Sanford	Family	18
Tree Tops Apartments	Mastway Dev	Rural	Hallowell	Family	17
The Elm Estates	East Town Rentals	Rural	Presque Isle	Family	18
Mechanic Street	WLR Properties	Rural	Houlton	Family	18
<i>NC/AR Projects</i>	<i>23</i>			<i>New Units</i>	<i>547</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	24			Total Units	667

Under Construction/In Underwriting - likely completed in 2026

3i Homes at the Downs	3i Homes/POAH	4%	Scarborough	Family	51
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
Millinocket Manor	Penquis	4%	Millinocket	AL	38
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
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
Wilbur's Woods	GreenMars	AHOP	Brunswick	Family	20
Wildlands	Greater Portland H4H	AHOP	Standish	Family	12
Central Fire Station	DC	CC Rural	Brunswick	Family	5
Cliff Island	Sustainable Cliff Isl	Islands	Cliff Island	Family	2
ICDC Town Acq	ICDC	Islands	Isle au Haut	Family	4
Long Island Aff Housing	Long Island	Islands	Long island	Family	4
MVS	Islesboro Affordable	Islands	Islesboro	Family	2
986 Prospect Ave	Wilbur, Calhoun	Rural	Rumford	Family	18
165 Main Street	Kennebec Realty Part	Rural	Waterville	Family	18
7 Madelyn Lane	Lake City Investments	Rural	Rockport	Family	18
OddFellows Apts.	Archer Properties LLC	Rural	Norway	Family	13
Lupine Landing 2	Safe Voices	SHP	Farmington	Supp.	6
<i>NC/AR Projects</i>	<i>27</i>			<i>New Units</i>	<i>837</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>	6			<i>Rehab Units</i>	352
Total Projects	33			Total Units	1189
Under Construction/In Underwriting - likely completed in 2027					
89 Elm Apartments	Tom Watson & CO	4% PLA	Portland	Family	201
Milford Place	Penquis CAP	9%	Bangor	Senior	40
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
WaterWorks Apts	Northland Ent.	Rural	Waterville	Family	18
Charles Jordan House	ME Prisoner Adv Coal	SHP	Auburn	Supp.	11
Seavey House	Biddeford Housing	SHP	Saco	Supp.	8
<i>NC/AR Projects</i>	8			<i>New Units</i>	330
Franklin Towers	Portland HA	4%/ no sub	Portland	Family	200
Riverton Park	Portland HA	4%/ no sub	Portland	Family	182
<i>Rehab Projects</i>	2			<i>Rehab Units</i>	382
Total Projects	10			Total Units	712
Preliminary Underwriting					
Farwell Mill	Realty Resources	4%	Lisbon Falls	Family	96
Sun Valley Apartments	Chesapeake Comm.	9%	Mexico	Family	24
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
Bridgton Recovery Home	LB Dev	RHP	Bridgton	Supp.	6
Portland Recovery Home	LB Dev	RHP	Portland	Supp.	8
<i>NC/AR Projects</i>	10			<i>New Units</i>	429
Riverlands	VOANNE	CoC	Augusta	Supp.	10
<i>Rehab Projects</i>	1			<i>Rehab Units</i>	10
Total Projects	11			Total Units	439
Total Projects in Underwriting & Construction					
	84			Total Units	3125

Energy & Housing Services Department Memorandum

To: MaineHousing Board of Commissioners

From: Bobbi Crooker – Director of Energy and Housing Services

Date: April 15, 2025

Subject: Monthly Report – Energy and Housing Services Department

DEPARTMENT HIGHLIGHTS

EHS will request to commence rule making for the Home Energy Assistance Program (HEAP) Program Year (PY) 2026 at the Board Meeting in April 2025 and will hold the associated Public Hearing in May 2025. Please note the accompanying Memorandum and Chapter 24 HEAP Rule redline version.

We are happy to announce that EHS has hired a new Fiscal Compliance Coordinator for our Fiscal Team. **Erin Wilcox** started as the new Fiscal Compliance Coordinator with MaineHousing on April 7, 2025. Erin has an Associate of Science in Accounting from CMCC, and a Bachelor of Business Administration from Purdue Global. She comes to MaineHousing with many years working in business financial tracking and reporting. We are excited to have her as a part of the Team.

EHS submitted the Weatherization Annual State Plan to DOE for Program Year 2025 as of February 3, 2025. As of April 1, we have received conditional approval for our ECOS audit tool; there are two conditions that need to be met before full approval is granted. One involves updates to the guidance documents, and one requires changes to the ECOS system. MaineHousing has extended the Hancock HEAT software through June 30, 2025, while we wait for DOE final program approval, final DOE approval for ECOS as the audit tracking tool for the Weatherization program, and so that we can complete PY 2024 DOE reporting.

MaineHousing has received a total of **\$37,567,435** in LIHEAP funds for Program Year 2025 to-date. As of **4/7/2025**, we have paid out **\$19,561,767** in Fuel Assistance and ECIP. The program went to a waitlist for HEAP as of 3/28/2025. At this time, all CAAs are processing pending applications received prior to 5:00 pm on 3/28/2025 through payment processing. Any applications received after this time will be processed to ‘Certify for Benefit’ but not to payment until all applications received prior to the waitlist time have been fully processed and paid.

The U.S. Department of Health and Human Services has laid off the main staff that administers the Low-Income Home Energy Assistance Program (LIHEAP) as of 4/1/2025. The LIHEAP program remains in effect, however there are questions as to how the program will be operated moving forward and if some staff will be reinstated. At this time, we are still able to draw funds for the program.

EHS is sharing the attached **success story** that Melissa Runshe, ACAP’s Energy and Housing Director, sent into the WAP Team regarding one of their Weatherization / Weatherization-readiness clients up in the County. Michael David had the pleasure of meeting the Lovewell family this past fall. The short writeup done by ACAP’s staff highlights how life altering our programs have been for such an amazing family of fellow Mainers.

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. We expect that DOE will announce grant awards in the early part of the second quarter of 2025.

PROGRAM UPDATES

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. Below is a three-year comparison report.

As of April 4, 2025, the HARP Program had completed 22 projects, with 23 more in progress, totaling **\$555,853.16**.

Low-Income Assistance Plan (LIAP)

The Low-Income Assistance Plan (LIAP) helps eligible homeowners and renters with their electric utility bills. The LIAP program is funded by contributions from electricity providers and governed by the MPUC. As of **12/31/2024**, there were **24,205** participants, of which **393** were oxygen/vent participants.

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. HEAP went to a wait list as of 3/28/2025.

	Program Year 2025 to-date	Program Year 2024
Applications Taken	62,325	71,713
Eligible Applicants	39,971	52,479
Benefits Issued	\$19,561,767	\$23,028,737.15

Weatherization Assistance Program (Wx)

We continue to work with ICAST and CCI to develop our multifamily Wx program. We continue to collaborate with the Governor's Energy Office, GOPIF, and EMT following a joint Energy Summit for Multifamily Owners and Developers looking to access federal programs in September 2024.

- **Annual Weatherization: Program Year 2024 (April 1, 2024 – March 31, 2025)**
To date, **68** units have been weatherized, and **128** are under review for payment, with a total cost of **\$12,624,896.41**.
- **BIL Weatherization: Period of Performance (July 1, 2023 – June30, 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, **241** units have been weatherized at a total cost of **\$4,319,565.62**, 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 establish the multifamily weatherization program.

- Heat Pump Program: Period of Performance April 1, 2023 – March 31, 2025

The Heat Pump Installation Program provides eligible households with heat pumps to help reduce their energy burden. Funding for this program is from the Department of Energy Sustainable Energy Resources for Consumers (SERC) grant. To date, **865** units have been installed at a total cost of **\$4,399,489.29**. MaineHousing anticipates that the program's funding will be fully utilized by the end of the performance period.

Central Heating Improvement Program (CHIP)

The Central Heating Improvement Program provides grants to households that are HEAP eligible to aid with heating system, chimney, and oil tank repairs or replacements. Funding for this program is from the LIHEAP grant as well as State HOME funds. As of March 10, 2025, the CHIP Program has completed 172 projects totaling **\$781,689.37**.

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 resides, 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, **15** projects have been completed, with **107** units in progress (63 undergoing environmental review, and 44 under contract).



Success Story:

Transforming a Family's Home with Weatherization and Readiness

"The weatherization program that we participated in was truly life-changing. We have a large family with multiple medically complex children. Although we had spent our entire savings on updating our (over 100-year-old home) we were just unable to fix the many deficits that remained. Our home could not get or stay warm. Snow would blow through the old, cracked windows. Electric heating bills were in the thousands- and our home was never warm during cold weather. After the program made our much-needed repairs, our home is always warm and comfortable (even in the coldest temperatures!) We are so grateful for the opportunity to participate- not only did it give new life to an old home, it gave comfort- safety- and enjoyment, to our family." Thank you!

The Lovewell Family



A family of eight in Caribou, Maine was facing significant challenges with high heating bills, which were exacerbated by their home's poor condition. With three children with challenging needs in the home, most of their income was dedicated to their care, so little was left for home improvements. The family reached out to ACAP for some help. The family's home, with windows dating back to the 1900s, had severe drafts, cracks, and biological materials on the inside window frames. Additionally, the basement lacked insulation entirely, and the attic had minimal insulation creating a situation where the money they were spending on heating was almost quite literally flying out the window.

Before:



After:



Thanks to the Department of Energy's (DOE) weatherization readiness funds, ACAP was able to make substantial improvements to their home. We replaced 14 outdated windows with energy-efficient ones. With the DOE Weatherization grant, we applied spray foam insulation in the basement, and installed blown-in insulation and ventilation in the attic along with health and safety measures throughout. These upgrades have transformed the home into a warm, safe, and energy-efficient space. As a result, the family is now experiencing significant savings on their heating bills, allowing them to allocate more of their income to what truly matters—caring for their children. This project not only improved the family's quality of life but also demonstrated the profound impact of weatherization and readiness programs.

To: Board of Commissioners

From: Darren R. Brown

Date: April 8, 2025

Subject: Monthly Report – Finance Department

ACCOUNTING AND FINANCIAL REPORTING (AFR):

- The audited financial statements for the year ended December 31, 2024 were issued on March 28th and are included in this packet. The auditors, Baker Newman & Noyes (BNN), issued an unmodified (“clean”) opinion. Jason Emery from BNN will be at this month’s meeting to review their work and the audit results.

Work associated with the 2024 Uniform Grant Guidance (A-133) federal compliance audit is in progress. This is an annual audit of MaineHousing’s federal funded programs to determine whether programs have been administered in compliance with federal requirements. For the year ended December 31, 2024, MaineHousing administered and disbursed approximately \$223 million through thirty-two different federal grants. Major federal programs are audited on a rotating basis. The major programs for the 2024 audit are: the Section 8 Performance Based Contract Administrators, Low Income Home Energy Assistance, Emergency Rental Assistance (ERA 2), Expand Affordable Housing (Coronavirus State and Local Fiscal Recovery Funds), and Temporary Assistance for Needy Families (TANF) programs.

The A-133 federal compliance audit needs to be completed and filed with the federal Single Audit Clearinghouse and the HUD Real Estate Assessment Center (REAC) within nine months after year end. The AFR staff will be working with the program departments to compile and prepare information for this audit in the coming weeks. Although this audit has not been completed, BNN will review their scheduled audit work and objectives at the meeting.

LOAN ADMINISTRATION:

- Loan Administration is working with Asset Management to increase the number of multi-family loan accounts enrolled in autopay. The multi-family loan portfolio consists of approximately six hundred paying loans and only about one-third of these loans are currently enrolled in autopay. Increasing the use of autopay will result in a more streamlined multi-family payment process and enhance overall efficiency by reducing the number of payments delivered to the agency’s lockbox that require manual processing.
- Loan Administration is also working with the Homeownership Department to identify areas for process improvements to streamline the work between the two departments and eliminate redundancies with the First Home Loan Program purchase process. An initial kick off meeting was held in March and work on this initiative will continue over the next several months.
- The USDA is performing a review of MaineHousing’s largest servicer, Mortgage Servicing Solutions (MSS), and their test sample of loan files selected for review are all MaineHousing loans. This review is being performed to examine MSS’s general controls over lender eligibility, fiscal soundness, and management. They will also be reviewing loan servicing processes associated with escrow administration, delinquencies and collections, loss mitigation, bankruptcy, foreclosure, property disposition and claim handling.

Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: April 8, 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 two-month period ended February 28, 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 for the changes between the current and prior year net operating results.

Total combined assets are approximately \$2.98 billion and total combined liabilities are \$2.5 billion. Total net assets amount to approximately \$483.3 million. Total combined revenues approximate \$76.6 million and total expenses amount to approximately \$69.2 million, which results in net operating income of \$7.4 million. Total combined net operating income for this period in 2024 was approximately \$3.6 million. Net operating income is \$3.8 million higher in 2025 due primarily to the activities and operating results of the Mortgage Purchase Fund (MPP), MaineHousing's largest fund group.

The MPP has net operating income of \$6.6 million. This is a \$5.5 million increase compared to net operating income of \$1.1 million in 2024. The increase is attributed to the recognition of a paper gain associated with adjusting the carrying values of non-mortgage investments. A paper gain of \$4 million has been recorded for 2025, which is an increase of \$6.1 million over the paper loss of \$2.1 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, the MPP's net operating income is \$2.6 million at the end of February 2025. This is a decrease of \$0.6 million compared to \$3.2 million in 2024. The decrease is attributed lower net interest income, which is the difference between interest income and interest expense. Net interest income is \$0.3 million lower in 2025. Although interest income has increased by \$2.5 million, interest expense has increased by \$2.8 million. Additionally, loan origination expenses are \$0.2 million higher in 2025 because single family loan production is running at a higher level at this point in 2025.

BUDGET RESULTS

Also attached are the budget variance results for the period ended February 28, 2025. These results are summarized and presented on the attachment described below:

OPERATING REVENUES AND EXPENSES BUDGET

MaineHousing has two primary business segments, which consist of mortgage lending activities and the administration of federal and other programs. All operating and program administrative costs are paid by 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 February 28, 2025 amount to \$22.8 million, while total expenses amount to \$18.9 million. For the two-month period ended February 28, 2025, revenues exceed expenses by approximately \$3.9 million. Total revenues and expenses are in line with amounts anticipated for the period.

The operating and other program administration expenses (the first two expense lines) are detailed on **Attachment B** and summarized below:

OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES

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

Total 2025 operating expenses are budgeted at approximately \$27.1 million. As of February 28, 2025, approximately \$4.3 million or 16% of the total operating budget has been used. Total other program administrative expenses are budgeted at \$11.1 million and actual expenses amount to \$1.9 million as of February 28, 2025. Overall, expenditures in these areas are consistent with that anticipated for the period.

CAPITAL BUDGET

The Capital Budget, **Attachment C**, presents items that provide an economic benefit to MaineHousing over a period of time. Items are recorded as assets and depreciated over an estimated useful life. The total authorized capital budget for 2025 is \$682,000. There were no capital expenditures as of February 28, 2025.

MEMBERSHIPS, DUES AND SPONSORSHIPS

In accordance with MaineHousing's Contributions Policy, all payments for memberships, dues and sponsorship are required to be reported to the Commissioners each month as part of the budget variance reports. **Attachment D** presents an itemized listing of the membership, dues, and sponsorship expenses as of February 28, 2025.

MAINE STATE HOUSING AUTHORITY
BALANCE SHEETS
FEBRUARY 28, 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	89,966	98,155	13,390	0	74,402	1	7,393	2,969	0
Investments	626,155	718,201	605,498	6,650	34,558	20,780	0	32,739	17,976
Accounts receivable - Government	8,068	6,627	0	0	0	1,779	4,658	190	0
Accrued interest and other assets	12,288	14,927	13,597	9	424	82	689	90	36
Mortgage notes receivable, net	1,781,813	2,106,288	1,998,033	2,152	4,531	60,987	0	0	40,585
Land, equipment and improvements, net	18,021	16,893	22	0	16,871	0	0	0	0
Derivative instrument - interest rate swaps	16,385	19,631	19,631	0	0	0	0	0	0
Deferred pension expense	629	906	497	3	98	0	0	308	0
Deferred amount on debt refundings	1,964	1,675	1,675	0	0	0	0	0	0
Total Assets	2,555,289	2,983,303	2,652,343	8,814	130,884	83,629	12,740	36,296	58,597
LIABILITIES AND NET ASSETS:									
Accrued interest payable	19,497	23,397	23,131	0	0	0	0	0	266
Excess arbitrage to be rebated	650	1,939	1,939	0	0	0	0	0	0
Accounts payable - Government	1,615	367	0	0	0	0	367	0	0
Accounts payable & accrued liabilities	17,131	29,844	161	0	27,359	183	2,047	94	0
Unearned income	36,567	85,426	0	0	0	625	22,942	61,859	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	16,385	19,631	19,631	0	0	0	0	0	0
Interfund	0	0	4,773	15	45,773	(5,454)	(18,485)	(26,637)	15
Mortgage bonds and notes payable, net	2,006,208	2,336,687	2,276,173	0	12,861	0	0	0	47,653
Deferred grant income	0	117	0	0	0	0	117	0	0
Deferred loan origination points	13	12	12	0	0	0	0	0	0
Total Liabilities	2,100,448	2,500,047	2,327,262	24	86,275	(4,646)	6,988	36,210	47,934
NET ASSETS:									
Restricted Net Assets	412,525	438,647	325,081	8,790	0	88,275	5,752	86	10,663
Unrestricted Net Assets	42,316	44,609	0	0	44,609	0	0	0	0
Total Net Assets	454,841	483,256	325,081	8,790	44,609	88,275	5,752	86	10,663
Total Liabilities and Net Assets	2,555,289	2,983,303	2,652,343	8,814	130,884	83,629	12,740	36,296	58,597

MAINE STATE HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE PERIOD ENDED FEBRUARY 28, 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	12,180	14,531	14,413	17	49	44	0	0	8
Income from investments	5,043	5,102	4,360	47	127	150	4	286	128
Net increase (decrease) in the fair value of investments	(2,151)	3,964	3,964	0	0	0	0	0	0
Fee income	2,820	3,469	652	0	350	0	2,320	147	0
Other revenue	15	13	10	0	0	0	3	0	0
Grant income	18,528	22,438	0	0	0	0	9,271	13,167	0
Income from State	3,426	4,019	0	0	0	4,019	0	0	0
Federal rent subsidy income	20,471	23,106	0	0	0	0	23,106	0	0
Total Revenues	60,332	76,642	23,399	64	526	4,213	34,704	13,600	136
EXPENSES:									
Operating expenses	4,280	4,314	0	0	4,314	0	0	0	0
Other program administrative expenses	1,269	1,537	1,236	0	0	0	162	139	0
Mortgage servicing fees	351	380	379	0	1	0	0	0	0
Interest expense	10,060	12,816	12,652	0	0	0	0	0	164
Grant expense	20,093	26,938	0	0	0	4,139	9,271	13,167	361
Federal rent subsidy expense	20,621	23,230	0	0	0	0	23,230	0	0
Allocated operating costs	0	0	2,489	14	(3,822)	0	1,311	8	0
Total Expenses	56,674	69,215	16,756	14	493	4,139	33,974	13,314	525
Net Operating Income (Loss)	3,658	7,427	6,643	50	33	74	730	286	(389)
Transfers between funds, net	0	0	0	0	0	0	0	0	0
Change in net assets	3,658	7,427	6,643	50	33	74	730	286	(389)
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	454,841	483,256	325,081	8,790	44,609	88,275	5,752	86	10,663

**MAINE STATE HOUSING AUTHORITY
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT
FOR THE PERIOD ENDED FEBRUARY 28, 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	14,479	0	14,479	89,695	75,216	84%
Income from investments	4,534	290	4,824	23,765	18,941	80%
Fee income	1,002	2,467	3,469	21,450	17,981	84%
Other revenue	10	3	13	265	252	95%
Total Revenues	20,025	2,760	22,785	135,175	112,390	83%
EXPENSES:						
Operating expenses	2,995	1,319	4,314	27,118	22,804	84%
Other program administrative expenses	1,616	301	1,917	11,091	9,174	83%
Interest expense	12,652	0	12,652	79,135	66,483	84%
Total Expenses	17,263	1,620	18,883	117,344	98,461	84%
Excess Revenues Over Expenses	2,762	1,140	3,902	17,831	13,929	78%

**MAINE STATE HOUSING AUTHORITY
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES
FOR THE PERIOD ENDED FEBRUARY 28, 2025**

ATTACHMENT B

	Total Annual Budget	Total Year to Date Actual	Budget Available	Percentage of Budget Available
Operating Expenses				
Salaries	14,642,535	2,314,998	12,327,537	84%
Payroll Taxes	1,109,857	196,987	912,870	82%
Retirement	1,472,312	258,069	1,214,243	82%
Medical and Life Insurance	3,855,636	628,094	3,227,542	84%
Other Fringe Benefits	10,000	640	9,360	94%
Office Supplies	54,025	8,806	45,219	84%
Printing	81,550	4,535	77,015	94%
Membership and Dues	69,107	12,162	56,945	82%
Subscriptions	19,197	6,088	13,109	68%
Sponsorships	11,750	3,000	8,750	74%
Staff Educ/Train/Conf	236,535	15,094	221,441	94%
Travel/Meals - Staff Educ/Train/Conf	206,404	22,513	183,891	89%
Partner/Client Train/Meetings	60,827	2,396	58,431	96%
Travel/Meals - Partner/Client Training	134,975	2,249	132,726	98%
Staff Events	36,935	2,846	34,089	92%
Meals - Staff Events	39,693	1,709	37,984	96%
Leased Vehicles	183,486	27,944	155,542	85%
Computer Supplies	33,000	1,969	31,031	94%
Computer License SAAS	251,358	62,439	188,919	75%
Rent-Other	37,630	4,130	33,500	89%
Computer Maintenance	1,048,736	119,324	929,412	89%
Depreciation	1,383,500	219,206	1,164,294	84%
Telephone	136,950	24,072	112,878	82%
Employment Advertising	15,000	0	15,000	100%
Postage and Shipping	167,300	35,761	131,539	79%
Insurance	112,480	355	112,125	100%
Recording Fees	1,600	382	1,218	76%
Payroll Services	61,064	11,658	49,406	81%
Audit Services	172,000	50,000	122,000	71%
Property Expenses	571,350	122,980	448,370	78%
Professional Services	482,249	84,025	398,224	83%
Building Interest Expense	419,284	69,817	349,467	83%
Total Operating Expenses	27,118,325	4,314,248	22,804,077	84%
Other Program Administrative Expenses				
Loan foreclosure expenses	200,000	35,447	164,553	82%
REO expenses	50,000	0	50,000	100%
Provision for losses on loans & REOs	125,000	0	125,000	100%
Mortgage Servicing fees	2,195,000	380,051	1,814,949	83%
Loan Origination expenses	4,162,500	833,474	3,329,026	80%
Bond issuance expenses	1,050,000	3,900	1,046,100	100%
Trustee/Bank fees	182,000	28,923	153,077	84%
Program advertisements	301,400	17,245	284,155	94%
Bond and mortgagee insurance	26,682	0	26,682	100%
Variable rate bond remarket/SBPAs	645,000	138,371	506,629	79%
Cash flow/arbitrage/swap consultants/legal	795,500	173,933	621,567	78%
Homebuyer education	160,000	8,400	151,600	95%
Program administrator fees	1,198,119	296,889	901,230	75%
Total Other Program Administration Expenses	11,091,201	1,916,633	9,174,568	83%

**MAINE STATE HOUSING AUTHORITY
CAPITAL BUDGET
FOR THE PERIOD ENDED FEBRUARY 28, 2025**

ATTACHMENT C

Description	2025 Budget	2025 Actual	Budget Available	% Expended
Computer Hardware:				
Computer replacements (45)	60,000		60,000	
DMZ servers upgrade (2)	25,000		25,000	
Monitoring server upgrade	2,500		2,500	
Total computer hardware	<u>87,500</u>	<u>-</u>	<u>87,500</u>	<u>0%</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		26,950	
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		25,000	
Homeless Mgmt Information System (HMIS)	170,000		170,000	
Total computer software	<u>490,977</u>	<u>-</u>	<u>490,977</u>	<u>0%</u>
Office Building:				
Additional workstations & furniture	18,000		18,000	
EV Charging Station	40,000		40,000	
Potential office building improvements/repairs	45,000		45,000	
	<u>103,000</u>	<u>-</u>	<u>103,000</u>	<u>0%</u>
Total	<u><u>681,477</u></u>	<u><u>-</u></u>	<u><u>681,477</u></u>	<u><u>0%</u></u>

**MAINE STATE HOUSING AUTHORITY
MEMBERSHIPS, DUES, AND SPONSORSHIPS
FOR THE PERIOD ENDED FEBRUARY 28, 2025**

Description	Amount
Memberships and Dues	
Association for Public Policy and Analysis - employee dues	115
American College of Mortgage Attorneys - employee dues	225
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	200
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
 Total	 <u>\$ 12,162</u>
Sponsorships	
New England Resident Service Coordinator - conference sponsor	<u>3,000</u>
Total	<u>\$ 3,000</u>



Finance Department Memorandum

To: Board of Commissioners
From: Darren Brown
Date: April 4, 2025
Subject: Monthly Delinquencies Report

MULTI-FAMILY DELINQUENCIES

The Multi-Family portfolio totals \$1.2 billion with 1,397 loans as of March 31, 2025. There are four loans that are delinquent 60 days or more, 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 \$1.2 billion with 10,334 loans as of February 28, 2025. The over 60-day delinquencies stayed at 2.73%, and the in-foreclosures increased from 0.61% to 0.73%. The over 60-day delinquencies amount to \$33 million, with approximately \$9 million representing accounts in foreclosure. The over 60-day and in-foreclosure historic rates are shown in ***Exhibit 4***. MaineHousing's overall delinquency rate by loan dollars is 2.73% and the overall delinquency rate by loan count is 2.61%. As shown in ***Exhibit 5***, the overall delinquency rate by loan count is below the delinquency rate for all Maine loans.

Servicer Delinquencies – As of February 2025, Bank of America (BOA) had the highest overall delinquency rate of 8.75% (7 loans), with an in-foreclosure rate of 2.65% (2 loans). Bank of America no longer originates loans for MaineHousing and they are servicing an old portfolio of loans. The average age of the loans in their portfolio is 16 years. There have been no new loans added to this portfolio since 2011 and the high delinquency rate is mainly attributed to the decreasing portfolio balance and its small size (80 loans).

Delinquencies for our largest servicer, Mortgage Servicing Solutions, increased from 3.16% to 3.33%, while the in-foreclosure rate increased from 0.72% to 0.85%. Bangor Savings Bank QS had a rate of 0.51%, which was the lowest rate for the month. Delinquency rates for each servicer are shown in ***Exhibit 3***.

Delinquencies by Insurance Type – In February 2025, FHA insured loans had the highest delinquency rate by total insurance type of 5.32%, with in-foreclosures at 0.70%. When compared to the total loan portfolio, RD insured loans had the highest delinquency rate of 1.17%, with in-foreclosures at 0.45%. Delinquencies by insurance type and the portfolio as a whole are shown in ***Exhibit 6***.

FHA insured loans comprise 21% of the Single-Family portfolio and 42% of delinquencies, while RD insured loans comprise 48% of the portfolio and represent 43% of all delinquent loans. The current composition of the Single-Family portfolio by insurance type, along with the percentage of delinquencies by insurance type, is shown in ***Exhibit 7***.

Foreclosure Prevention Activities – ***Exhibit 8*** summarizes our foreclosure prevention activities, as well as the number of completed foreclosures. As of the end of month February 2025, we assisted 198 borrowers with various foreclosure prevention options.

Multi-Family Delinquent Loans

MAINE STATE HOUSING AUTHORITY MULTI-FAMILY DELINQUENCIES 3/31/2025

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
COURT ST APARTMENTS*	0.00	10/01/23	AUBURN	COURT STREET SENIOR HOUSING ASSOC LP		10/01/07	0.00	0.00	959,263.00
COURT ST APARTMENTS*	0.00	10/01/23	AUBURN	COURT STREET SENIOR HOUSING ASSOC LP		10/01/07	0.00	0.00	297,278.00
MARY STREET APARTMENTS *	0.00	08/31/24	SKOWHEGAN	MARY STREET ASSOCIATES LP		12/08/21	4,527,967.28	0.00	0.00
PORTER STATION *	0.00	02/28/25	PORTLAND	AVESTA VALLEY STREET LP		12/09/21	4,998,125.07	0.00	0.00
SNOW SCHOOL APARTMENTS *	0.00	03/31/25	FRYEBURG	AVESTA SNOW SCHOOL LO		12/06/22	780,811.23	0.00	0.00
							10,306,903.58	0.00	1,256,541.00
Supportive Housing & Other						ORIGINATION	-----	DELINQUENT	-----
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER		DATE	1 MONTH	2 MONTHS	3+ MONTHS
BANGOR LANE, 8	275.10	01/01/25	AUGUSTA	CRISIS & COUNSELING CENTERS IN		04/12/99	0.00	12,714.00	0.00
HALIFAX ST, 113	378.00	01/01/25	WINSLOW	CRISIS & COUNSELING CENTERS IN		02/05/99	0.00	16,556.00	0.00
							0.00	29,270.00	0.00
Grand Total							10,306,903.58	29,270.00	1,256,541.00
% of Portfolio Delq 60+ days									
Total Number of Loans									

% of Portfolio Delq 60+ days
Total Number of Loans

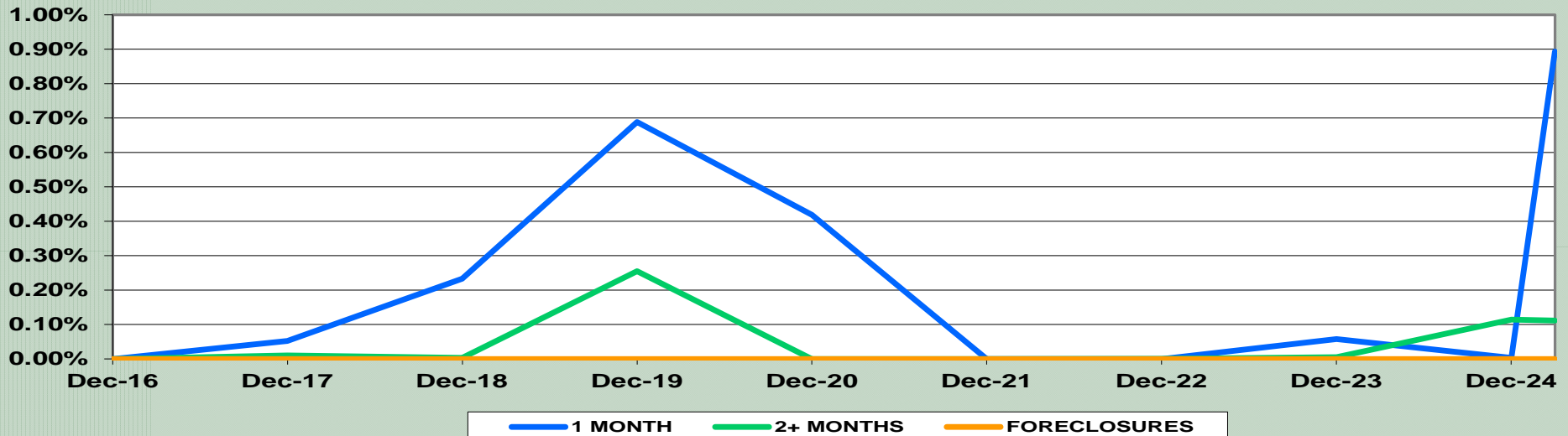
0.11%
1,397

* Loans past maturity date



Multi-Family Delinquency & Foreclosure Trends

MULTI-FAMILY DELINQUENCY AND FORECLOSURE RATES



	OUTSTANDING PRINCIPAL		1 MONTH		2+ MONTHS		FORECLOSURES	
	DOLLARS		DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Mar-25	\$ 1,153,923,757	\$	10,306,904	0.89%	\$ 1,285,811	0.11%	\$ -	0.00%
Dec-24	\$ 1,099,201,435	\$	30,700	0.00%	\$ 1,256,541	0.11%	\$ -	0.00%
Dec-23	\$ 898,515,001	\$	518,845	0.06%	\$ 45,709	0.01%	\$ -	0.00%
Dec-22	\$ 796,448,381	\$	-	0.00%	\$ 4,553	0.00%	\$ -	0.00%
Dec-21	\$ 696,004,882	\$	-	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-20	\$ 666,678,177	\$	2,791,073	0.42%	\$ -	0.00%	\$ -	0.00%
Dec-19	\$ 635,961,774	\$	4,379,009	0.69%	\$ 1,620,600	0.25%	\$ -	0.00%
Dec-18	\$ 630,936,475	\$	1,473,376	0.23%	\$ 20,600	0.00%	\$ -	0.00%
Dec-17	\$ 608,939,257	\$	319,836	0.05%	\$ 60,624	0.01%	\$ -	0.00%
Dec-16	\$ 579,916,852	\$	-	0.00%	\$ -	0.00%	\$ -	0.00%

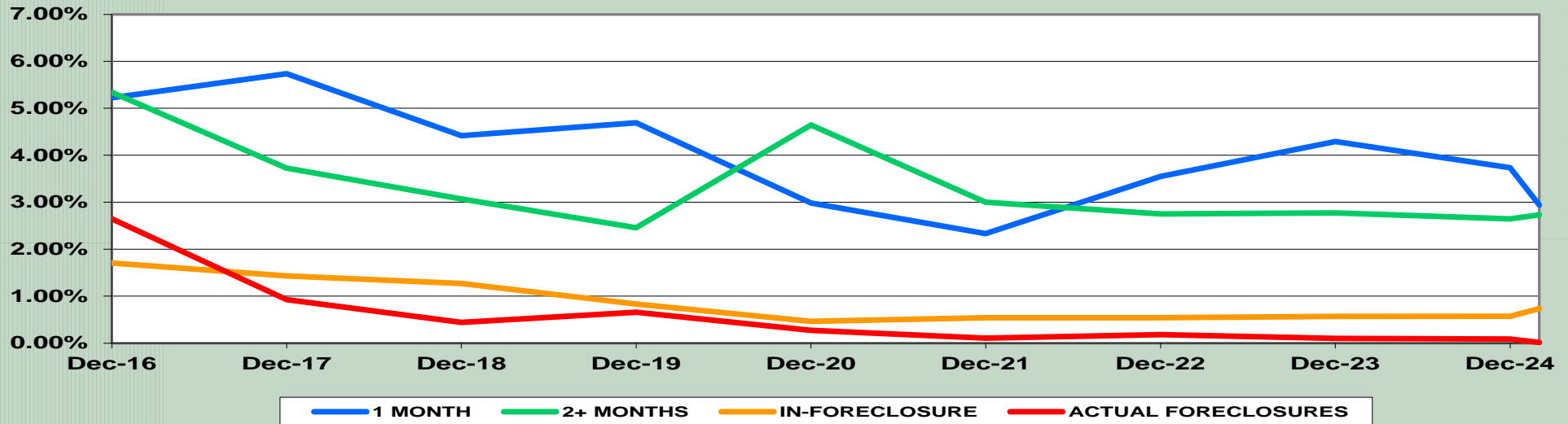
Single-Family Delinquent Loans

Maine State Housing Authority Single-Family Delinquencies by Servicer 2/28/2025

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTIONS	69.95%	3.33%	850,353,081.32	27,173,338.92	6,444,150.42	14,612,037.41	7,240,230.91
BANGOR SAVINGS BANK QS	8.58%	0.51%	104,343,127.42	1,443,695.48	0.00	361,727.05	166,185.13
BANGOR SAVINGS BANK	8.15%	0.90%	99,120,868.75	2,662,915.76	0.00	521,033.24	374,981.09
CAMDEN NATIONAL BANK UK	7.03%	2.00%	85,457,956.13	2,024,662.69	372,310.08	829,437.68	504,305.57
MACHIAS SAVINGS BANK	5.89%	1.93%	71,609,711.40	2,157,786.46	218,991.91	644,055.48	515,883.00
BANK OF AMERICA NA	0.38%	8.75%	4,623,613.85	260,721.42	60,095.90	221,721.05	122,683.39
SALEM FIVE MORTGAGE CORP	0.02%	2.59%	196,308.92	0.00	0.00	5,075.23	0.00
TOTAL	100.00%	2.73%	1,215,704,667.79	35,723,120.73	7,095,548.31	17,195,087.14	8,924,269.09

Single-Family Delinquency & Foreclosure Trends

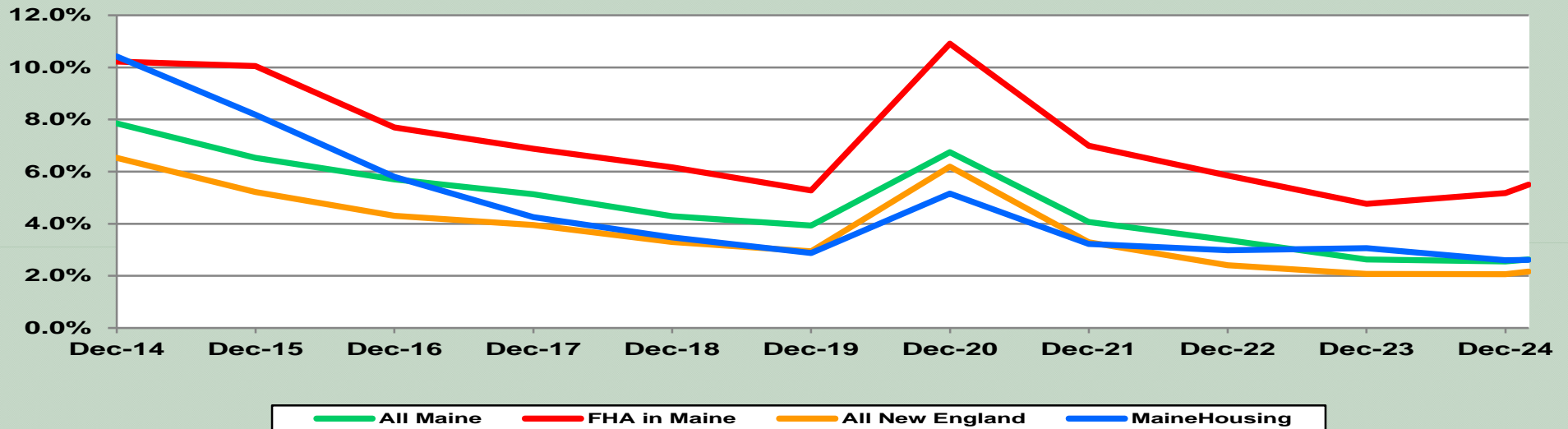
SINGLE-FAMILY DELINQUENCY AND FORECLOSURE RATES



	OUTSTANDING PRINCIPAL		1 MONTH		2+ MONTHS		IN-FORECLOSURE		ACTUAL FORECLOSURES	
	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Feb-25	\$ 1,215,704,668		\$ 35,723,121	2.94%	\$ 33,214,905	2.73%	\$ 8,924,269	0.73%	\$ 203,552	0.02%
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*	127,390	0.68%	1.07%	0.88%	2.63%
FHA for State*	17,605	1.86%	2.20%	1.44%	5.50%
All New England*	1,763,643	0.70%	1.00%	0.46%	2.16%
MaineHousing**	10,334	0.58%	1.28%	0.75%	2.61%

*This information is obtained from MBA's National Delinquency Survey for the fourth quarter of 2024.

**MaineHousing's overall delinquency rate based on loan dollars is 2.73%, whereas rates in this exhibit are based on loan count.

Single-Family Delinquencies by Mortgage Insurer

As A Percent of Total Insurance Type

2/28/2025

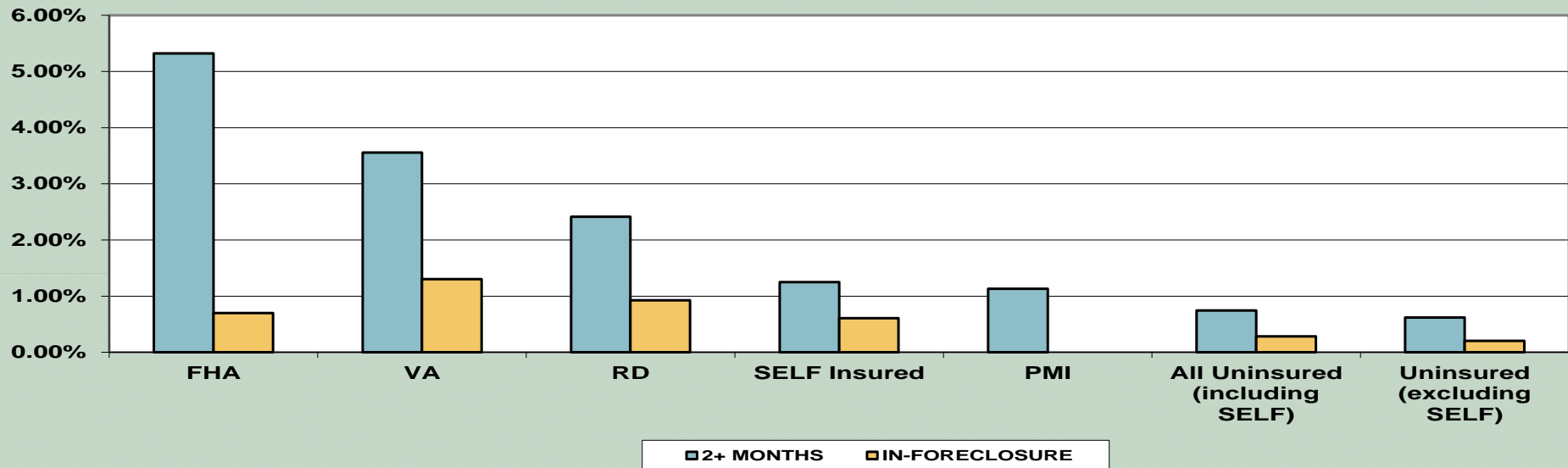
TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	5.32%	0.70%
VA	3.56%	1.30%
RD	2.42%	0.93%
SELF Insured	1.25%	0.61%
PMI	1.13%	0.00%
All Uninsured (including SELF)	0.74%	0.28%
Uninsured (excluding SELF)	0.62%	0.20%

As A Percent of Total Loan Portfolio

2/28/2025

TYPE	2+ MONTHS	IN-FORECLOSURE
RD	1.17%	0.45%
FHA	1.14%	0.15%
VA	0.23%	0.08%
All Uninsured (including SELF)	0.14%	0.05%
Uninsured (excluding SELF)	0.09%	0.03%
PMI	0.06%	0.00%
SELF Insured	0.05%	0.02%

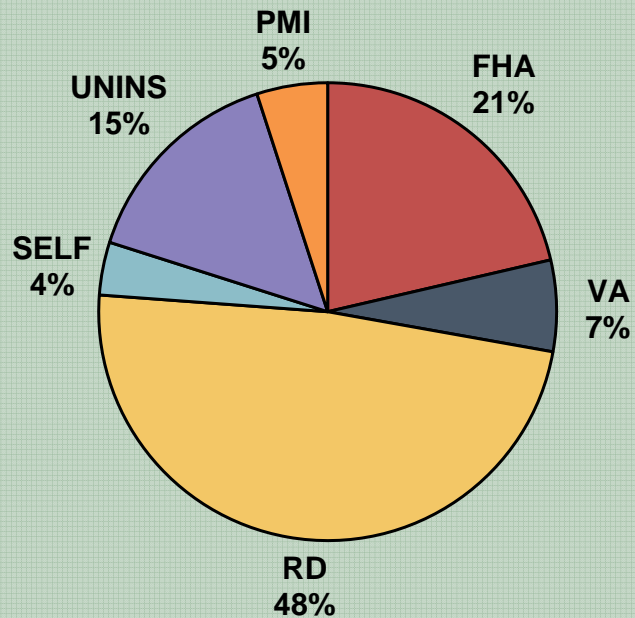
SINGLE-FAMILY DELINQUENCY RATES BY INSURER TYPE



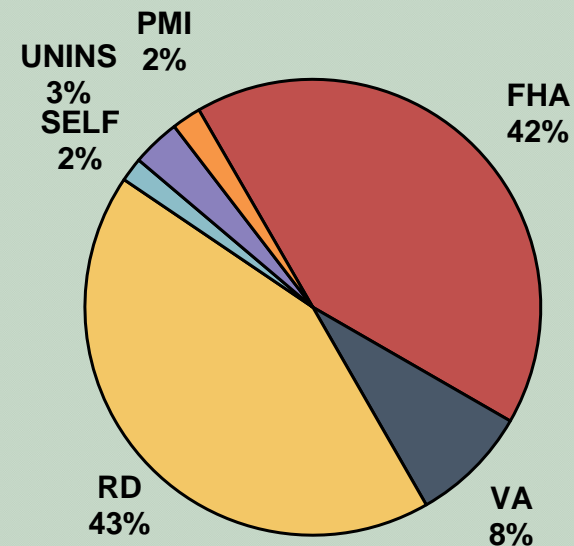
Single-Family Delinquencies by Mortgage Insurer

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

**Single-Family Portfolio by Insurer
2/28/2025**

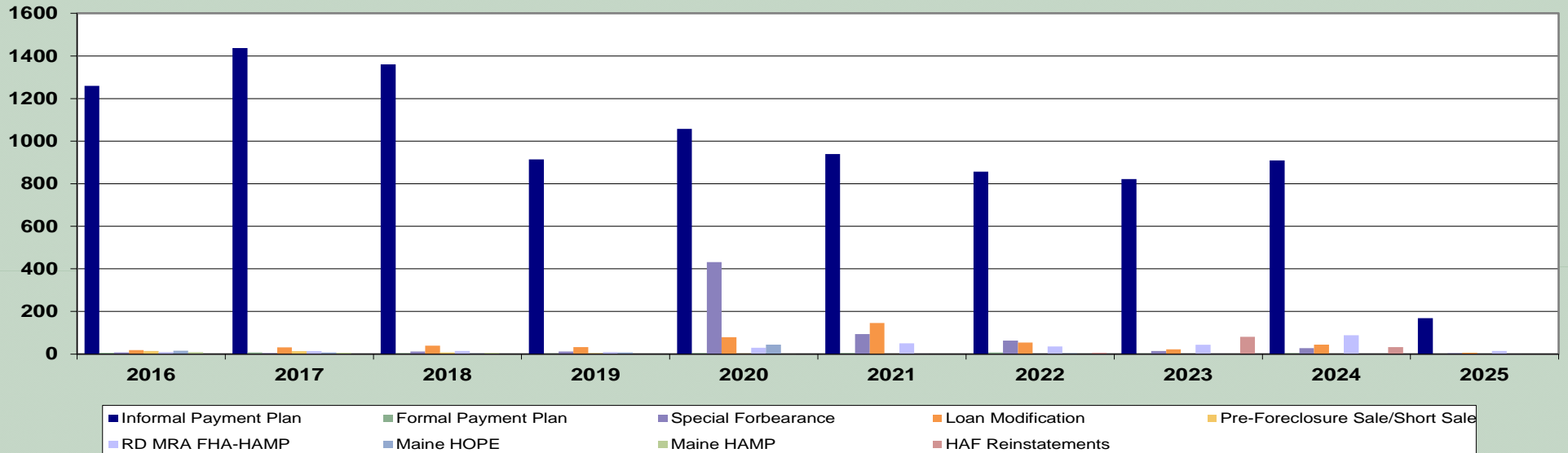


**Single-Family Delinquencies by Insurer
2/28/2025**



Single-Family Foreclosure Prevention Activities

BORROWERS ASSISTED 2013-2024



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
Feb-25	169	2	4	7	0	15	1	0	0	198
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
Feb-25	3	10,334	0.03%
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%

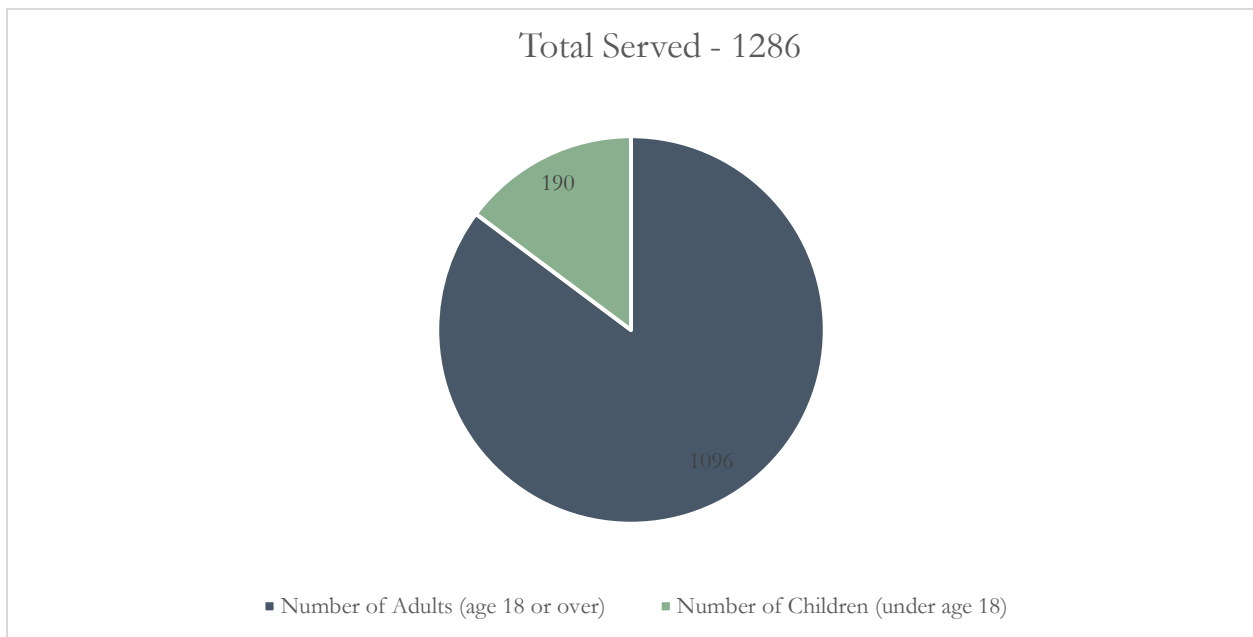
Homeless Initiatives Department Memorandum

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

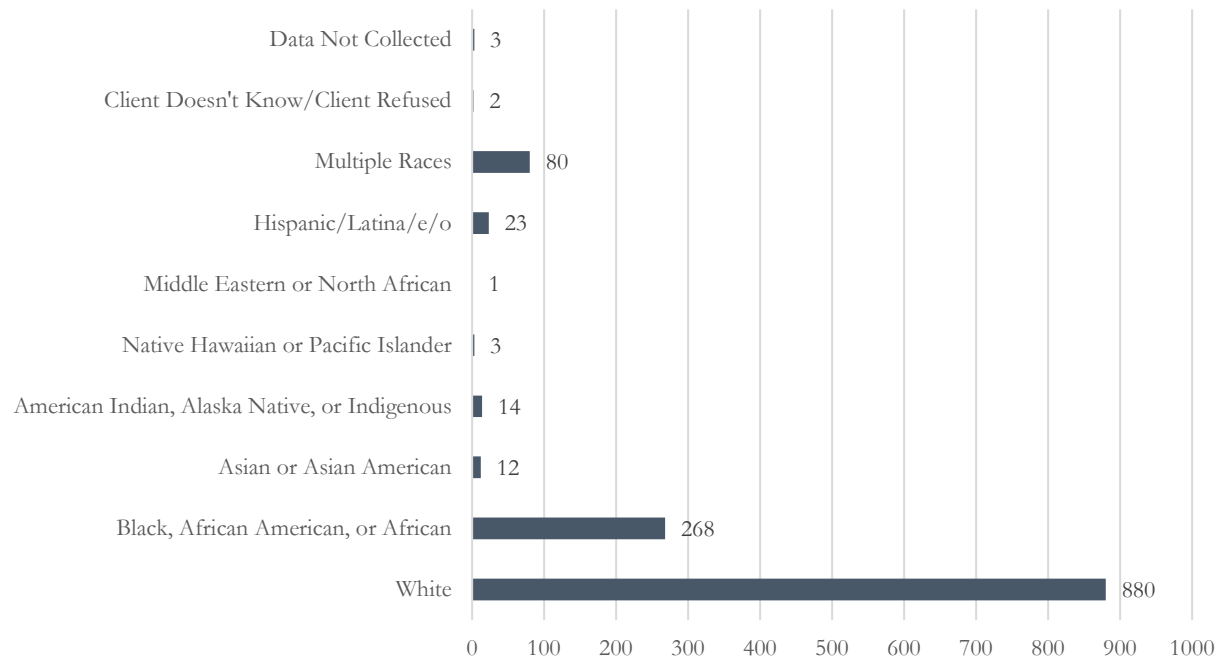
Homeless Data – March 2025

The following are the monthly statistics for March:

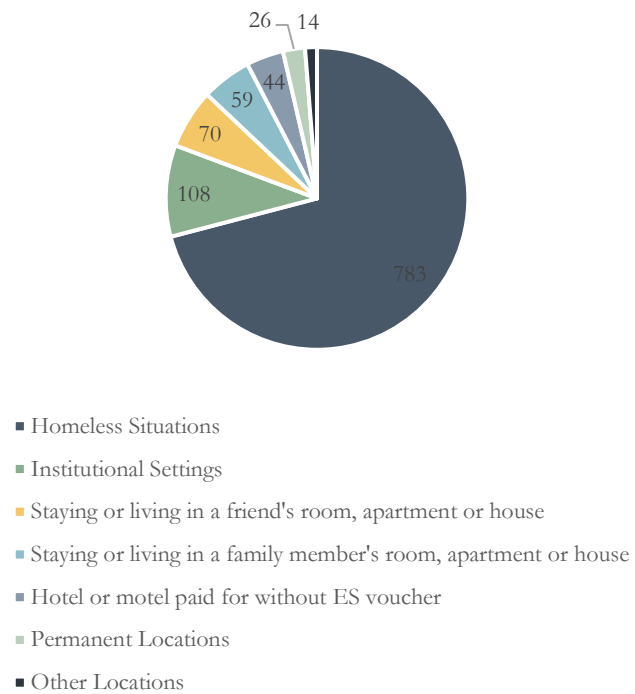
1. Total number of people served in ESHAP funded shelters (1286) increased by 24 individuals from February to March. This number does not include many of the Asylum Seekers in Portland as well as those served in hotels through GA, or those seeking emergency shelter with a Victim Service Provider.
2. Racial equity – the percentage of people of color served stayed consistent at 31 from February to March. The number of those who identify as Hispanic/Latina/e/o increased from 19 in February to 23 in March.
3. The number of Exits to Permanent Housing increased from 65 in February to 77 in March. The total exits from shelter to any location was up by 56 in March from the previous month.

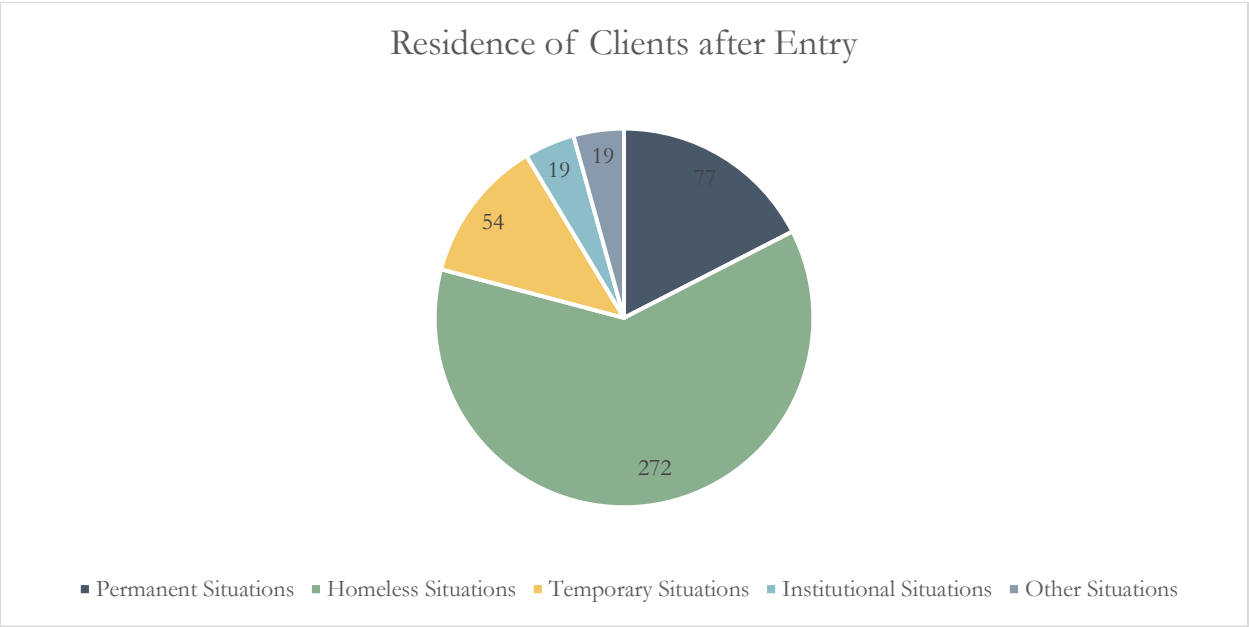


Number of People Served by Race



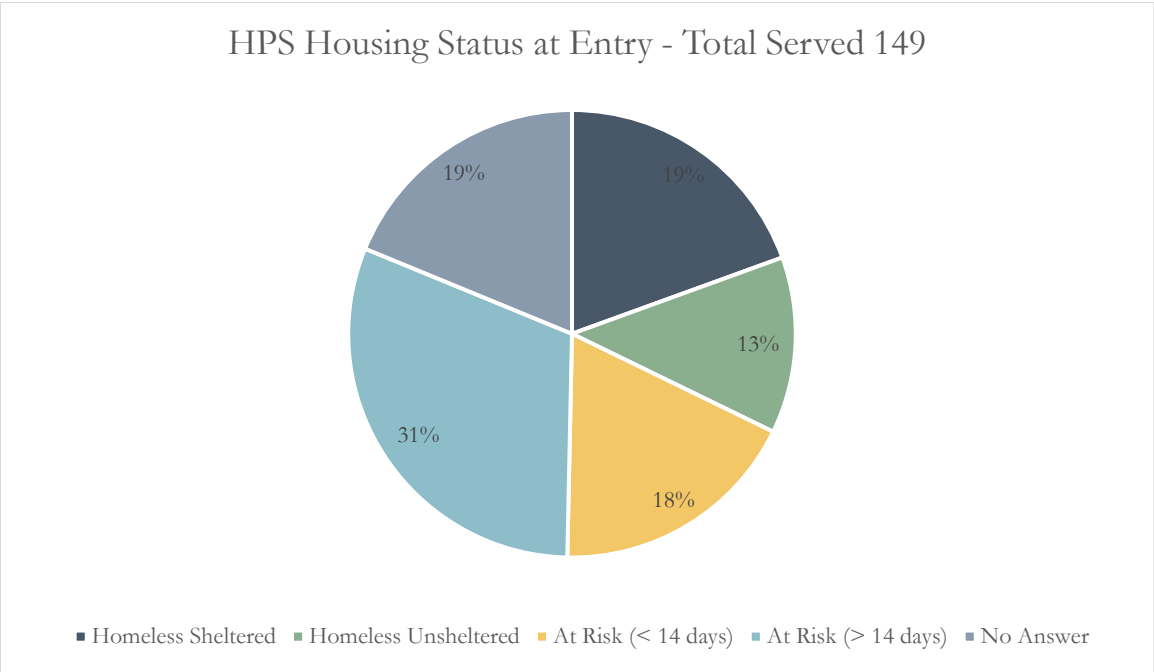
Residence of Clients Prior to Entry

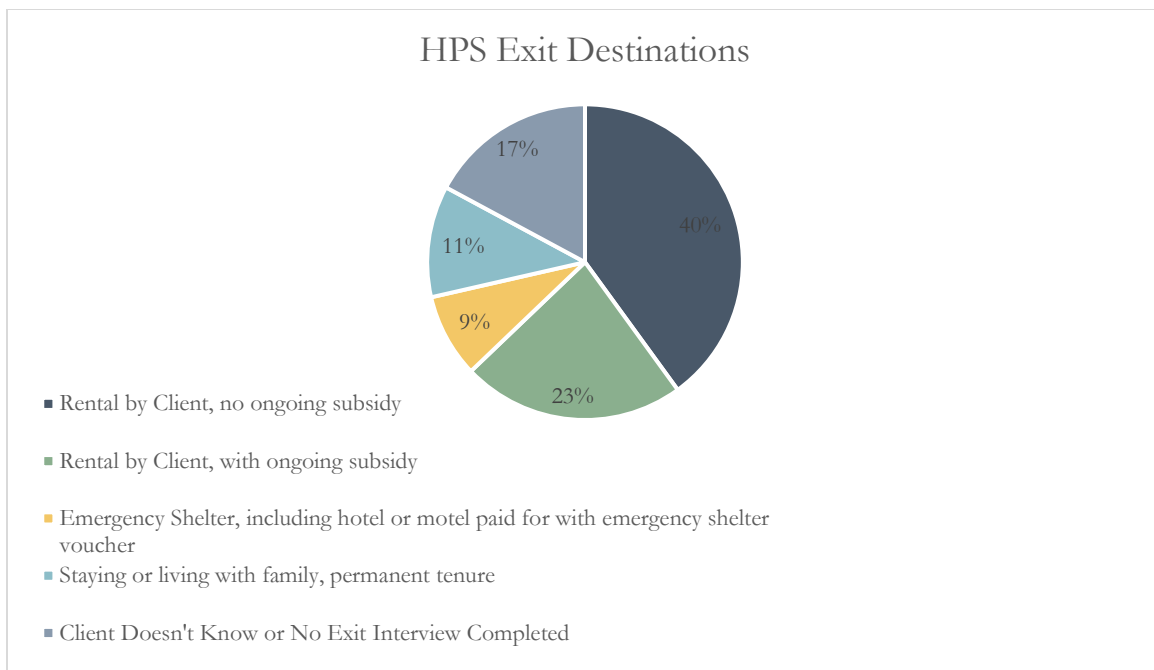




Housing Problem Solving (HPS) Data

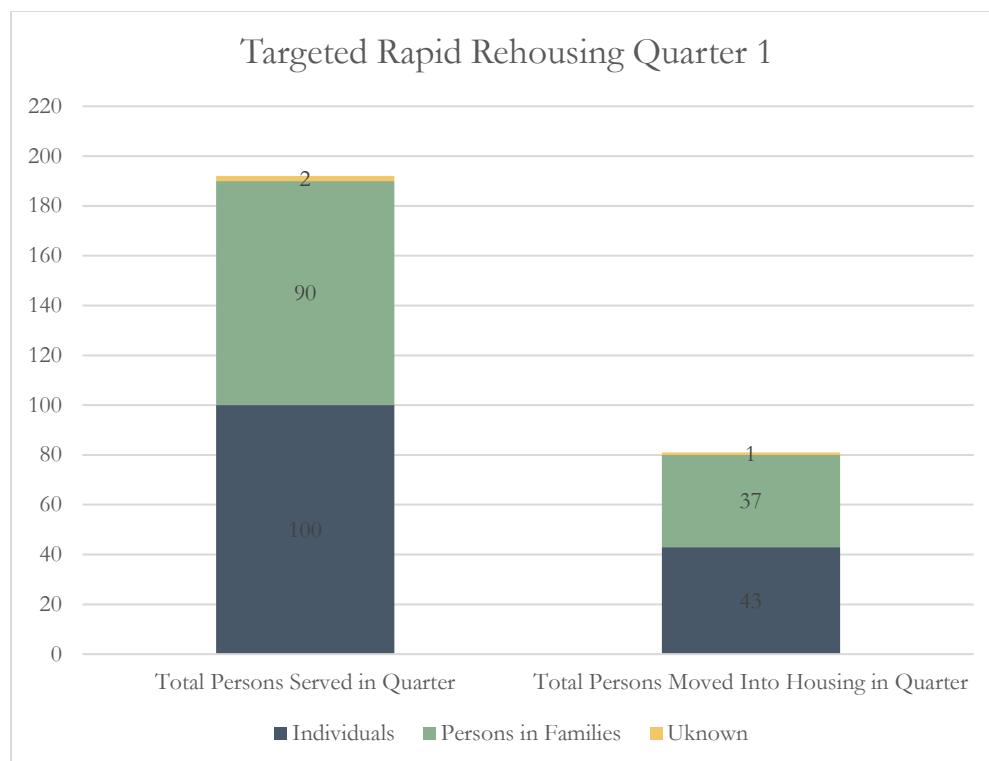
In the month of March, 149 households were served in the Housing Problem Solving Program. This number does not include those served at Victim Service Provider organizations. Of the 35 households exited from the program in March, 24 were reported to have a resolved housing crisis. Forty nine percent of the households served reported having a disabling condition. The charts below break down household housing status at entry for all households and destinations for those who exited the program in March.





Quarterly TRRP Update

Funding was awarded to five agencies for the Targeted Rapid Rehousing Program for 2025. During quarter one, these programs served 100 individuals, 90 persons in families, and 2 persons in unknown household types, for a total of 192 persons served. During quarter one, 81 of these persons moved into housing.



Statewide Homeless Council Update

Under the new Chair, Rich Hooks Wayman, the Statewide Homeless Council will be focusing first on the Council's statutory duty to 1) develop and coordinate an education campaign regarding homelessness and 2) serve as a coordinator of information and communication among state agencies. The following potential themes for the education campaign are being discussed:

- System Outcome Data
- System Funding Analysis
- Current Trends in the Field
- National Best Practices
- Subpopulations and Disparities
- System Structure

The goal is to come up with a consistent approach to messaging on these topics to a variety of audiences.

Service Hub Implementation – Built for Zero Initiative

Despite a lack of housing resources, the Coordinated Entry System is still continuing momentum and Access Points are still coming on board all the time. St. Joseph's Hospital was recently approved to be a Coordinated Entry Access Point in Hub 7. In the coming weeks people experiencing homelessness that are utilizing emergency or inpatient care will have the option of being assessed through the Coordinated Entry System. Once this is tested and an efficient process is in place, they are planning to expand to different departments in the St. Joseph's Healthcare system.

Many of the Hubs are working on outreach coordination and collaboration to de-duplicate efforts of outreach staff and ensure that all areas of the hub have outreach coverage. For example, in rural Hub 7, a team of providers is convening to work on a plan to better assess and connect with individuals that are not known to our system and engage people experiencing homelessness into services. In this team, Mobile Crisis, OPTIONS, PATH, Shaw House and the Hub Coordinator are meeting to plan, map outreach locations, and coordinate efforts to improve support to these areas. Hub 6 (Kennebec and Somerset) is working on three Coordinated Outreach workshops in order to collaborate and gather data in a coordinated effort.

Homeownership Department Memorandum

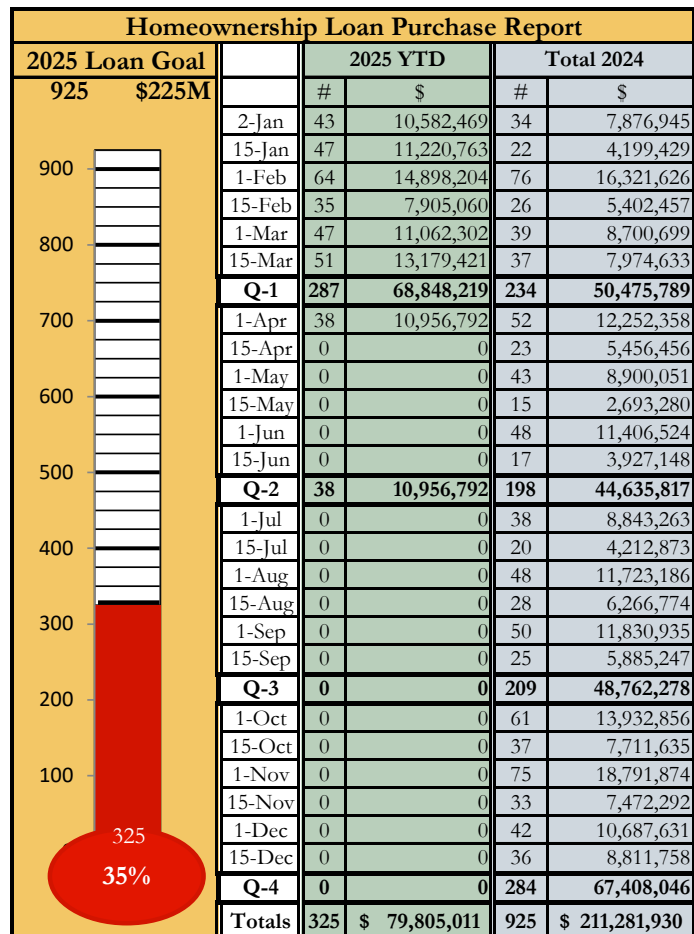
To: MaineHousing Board of Commissioners

From: Patricia Harriman, Director of Homeownership

Date: April 7, 2025

Subject: Monthly Report – Homeownership Department

PRODUCTION UPDATE



Monthly Loan Reservations: 04/01/25	
#	\$ Volume
80	\$ 21,588,877

Loan Pipeline as of: 04/01/25	
#	\$ Volume
197	\$ 49,143,092

Loan Reservation Comparison					
March 2024		March 2025		2024 vs 2025	
#	\$ Volume	#	\$ Volume	#	\$ Volume
190	\$40,955,786	197	\$ 49,143,092	4%	20%

PROGRAM HIGHLIGHTS:

As spring arrives, homebuyers begin their search for their dream homes. While the markets have not really stabilized and economic uncertainty remains, homeowners are faced with the decision of whether or not now is the time to purchase a home. While many have not “settled in” to the higher rate or home price environment, there is the thought that if the home is found and the cost is affordable, now may be the time. Inventory has been an issue, so when presented with the option many are making it work in hopes of a potential refinance opportunity in the years to come.

Jeff Harris, 2025 President of the Maine Association of REALTORS said “for sale listings are up 14% and sales are up over 6.51% compared to February of 2024. The 753 sales reflect the 9th best month since the year 2000.” In addition, he said “we’re seeing an increased number of homes on the market statewide, price growth has moderated which is increasing the purchasing power of buyers.” Early indications are that the spring market is presenting excellent opportunities.

In late March I was able to attend the New Hampshire Housing Homeownership Conference in Concord, NH. Over 300 people attended to get information on the New Hampshire housing market but also the economic outlook in the housing industry going forward. Uncertainty remains and high prices still remain a concern, but markets are continuing to develop. New Hampshire continues to look for legislative avenues to change the current standards to allow more development and mixed-use neighborhoods. Whether it be New Hampshire or Maine or any state, everyone sees the same issue: housing. There is not enough housing to meet the needs of communities, but everyone is working together to not only develop homes, but to assist buyers in achieving homeownership.

As we start the second quarter of 2025 we continue to see consistent growth in our First Time Homebuyer program. With 2024 being a record year in both units and growth, 2025 continues to follow the same path. The continuation of outreach and education combined with our partner relationships allows us to continue to do the work that we do and help homebuyers achieve their dream.

OUTREACH & EDUCATION UPDATES

As the Spring season begins so does the Outreach and Education Activities. Realtors and Lenders are gearing up for the kick off of buying season and home shows are bringing buyers and homeowners alike out to see the possibilities. March found the Homeownership team celebrating successes and engaging with potential buyers interested in our programs.

Lender Luncheon

This was our first (of what we hope to be annual) luncheon to celebrate our top lenders and performers of last year. The representatives that came were pleased with the event and the ability to meet our Homeownership Team. The luncheon was an opportunity to hear first-hand about the remarkable changes made to the program as well as allow our team to thank each and every one of them for their commitment to our program and to helping first time homebuyers on their journey. Top Lenders were presented with a glass award and all top lending officers also received certificates of excellence.



Tricia Harriman, Homeownership Director, welcomes Lenders and Loan officers and shares the successes of 2024.

Auburn Maine Home Show

This was the first of 3 home shows that Maggie Silva, Outreach and Education Coordinator, will be attending this year. The event was very well attended and the MaineHousing table was quite busy on Saturday. Lisa McKenna, Compliance Specialist, Kathy Lasher, Compliance Officer, and Tricia Harriman, Director of Homeownership, attended with Maggie during the weekend. Attendees were able to interact with our team to learn more about our programs and qualifications. In addition, Realtor and Lending partners in attendance were able to bring borrowers to our table for first-hand information on the program and its benefits.



Maggie Silva, Outreach and Education Coordinator

UMA Job & Resource Fair

This event was attended by both Maggie Silva and Daniel Drost from the HR department. The fair was a resource and job fair which allowed Homeownership the opportunity to share information on our programs while Daniel was able to share career opportunities here at MaineHousing.



Daniel Drost, Human Resources and Program Training Coordinator and Maggie Silva, Outreach and Education Coordinator

Housing Choice Vouchers Department Memorandum

To: MaineHousing Board of Commissioners

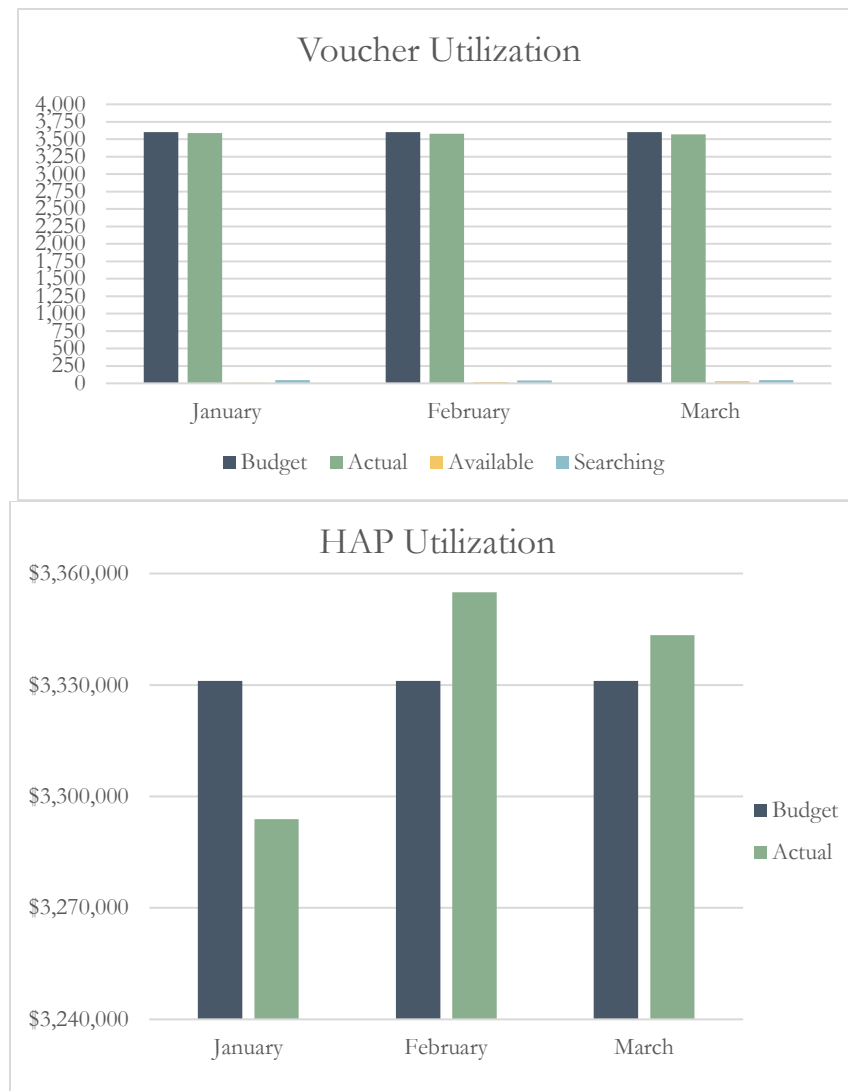
From: Allison Gallagher - Director of HCV Programs

Date: April 15, 2025

Subject: Monthly Report – Housing Choice Voucher Program

Program Updates:

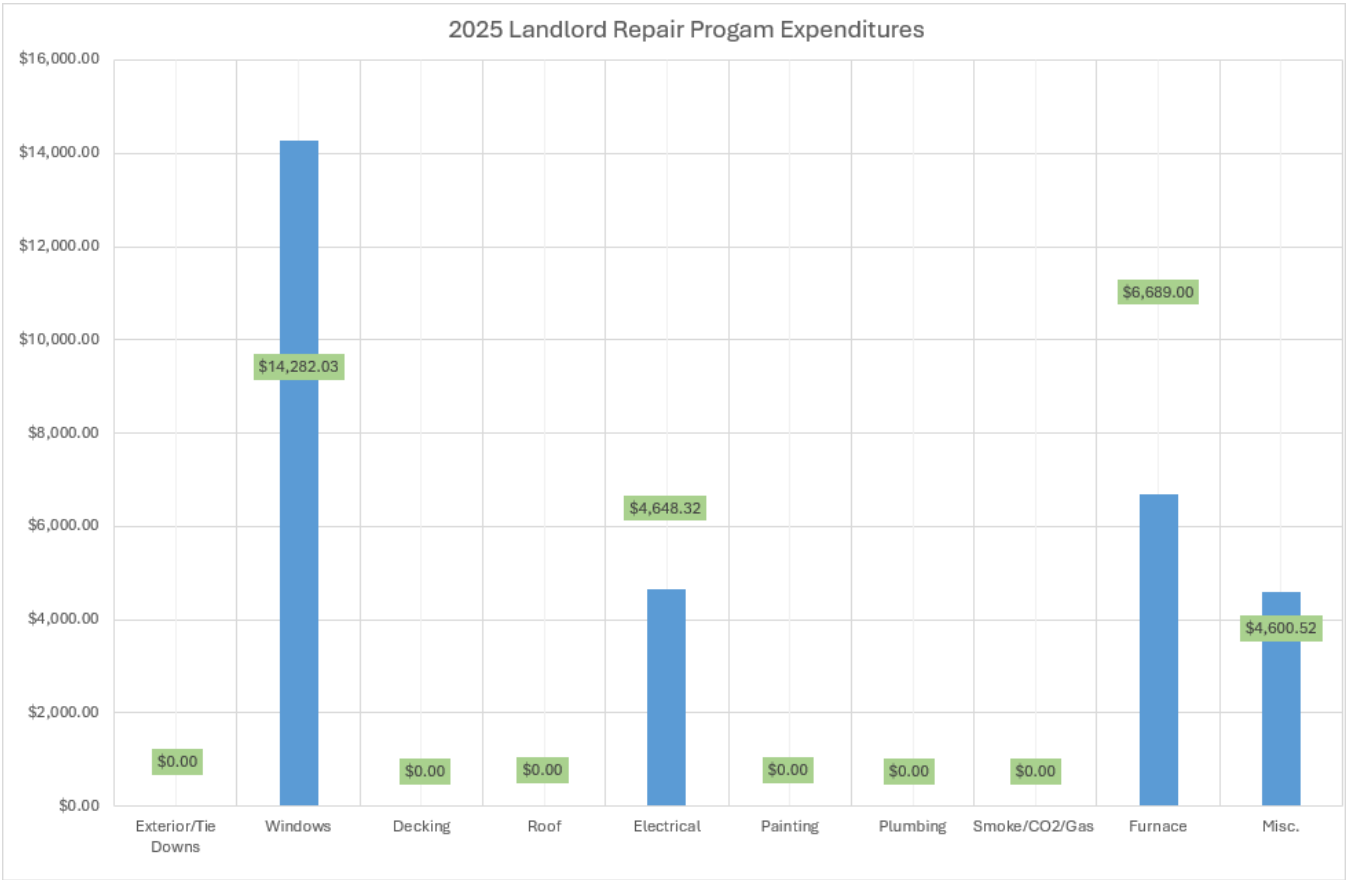
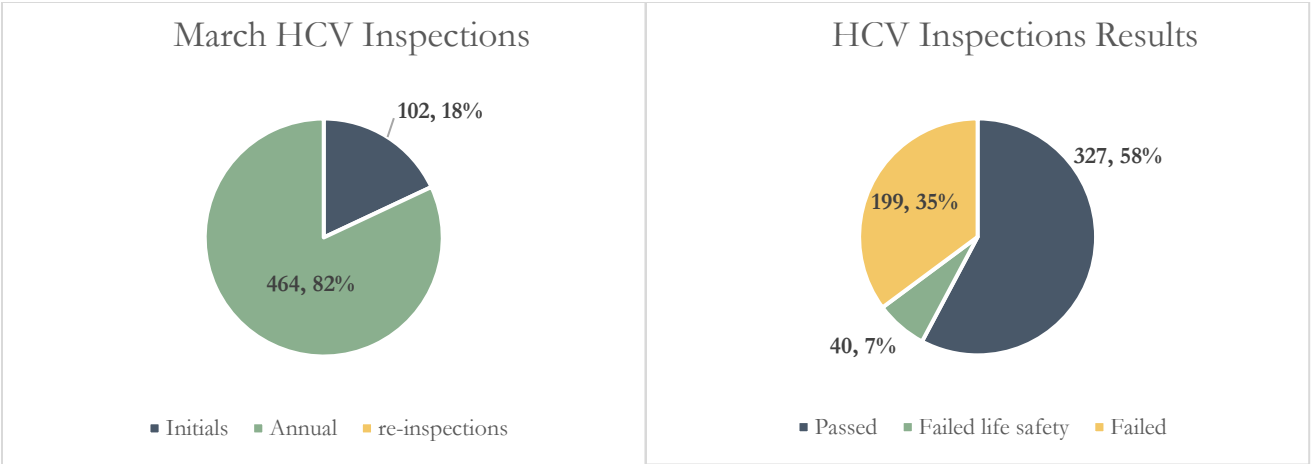
Emergency Housing Voucher EHV funding for new issued vouchers is no longer available, this will not affect voucher holders currently leased with EHV. MaineHousing supports 64 EHV participants.



Re-Start (Family Self Sufficiency Program)

HUD required an annual update of the FSS Action Plan it was submitted with minor edits updating Code of Federal Regulations (CFR) citations, no other changes to the plan were needed for 2025.

Inspection Updates:



Human Resources and Facilities Department Memorandum

To: Board of Commissioners

From: Jane Whitley, Director of Human Resources & Facilities

Date: April 2025

Subject: Board Report

Human Resources – as of April 8, 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

- We have issued two Request for Proposals (RFPs) for Groundskeeping and Janitorial Services. They are posted on our website.

Information Technology Department Memorandum

To: Board of Commissioners

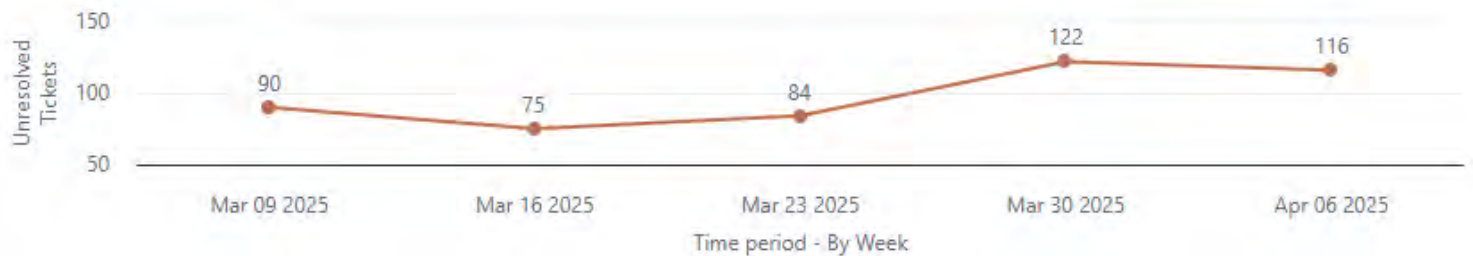
From: Craig Given, Director of IT

Date: April 8, 2025

Subject: Monthly Report

Unresolved Tickets - Trend

Group By : **By Week** ▾

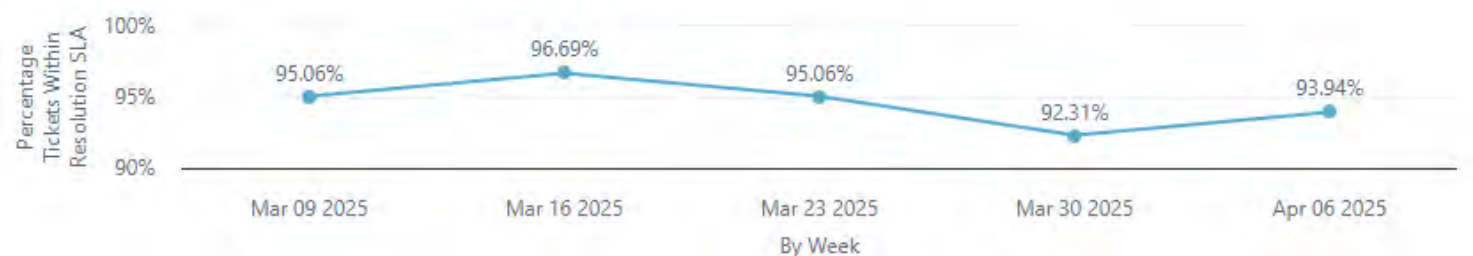


First Response SLA Compliance - Trend



Resolution SLA Compliance - Trend

Group By : **By Week** ▾



Information Technology Updates:

- Open positions for Application Specialist positions filled and new employees will begin orientation on April 22nd.
- Continued implementation of Weatherization software systems. Ongoing Quality Assurance for implemented Heating Assistance software systems.
- Continued quality improvement process for ITSM (Information Technology Service Management) software.
- Implementation of Change Management environment in ITSM beginning with report requests, inventory and change management.
- Quarterly phishing campaign completed with a 6.7% phish prone score, an increase over the previous two quarters and above the average for our industry space.
- Initiated Proof of Concept process for new security vendor focused on protecting agency intellectual property and name space on the internet.
- Continued installation of Microsoft 365 applications on user desktops, replacing no longer supported versions of the software.
- Ongoing configuration and implementation of Microsoft Purview. Preparation for implementation of additional software features of Microsoft 365, including Teams, SharePoint and OneDrive.
- Operationalized implementation of Microsoft Intune enrolling internal devices for comprehensive application and patch management. Expanded patch management systems for server hardware.
- Started hardware refresh for 2025 with assessment of current inventory and staff requirements. Equipment received for deployment in 2Q 2025.
- Applied security patches to critical systems to address identified vulnerabilities.

Planning and Research Department Memorandum

To: Board of Commissioners

From: Jamie Johnson, Senior Director of Operations

Date: April 8, 2025

Subject: April 2025 Board Report

Planning and Research Department

The 2024 State Home Report for the Legislature on activities within the HOME fund has been completed. In addition, the 2024 MaineHousing Annual Report has been completed and reflects the great work of the planning and research team. The design and production offer a nice reflection on the accomplishments of this agency. Once received from the printer, we will provide copies to the legislature and you all.

External Communications

Press Interaction	ME-based outlets Press contacts*	Out-of-state outlets Press contacts*	Director-level Press interviews
March 2025	12	0	8
Previous 3mo Average	30.7	0.7	17.3
Previous 12mo Average	22.4	1	15.1
March 2024	10	2	8

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

In March and early April, questions about program funding and staff changes at the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Health and Human Services (HHS) accounted for most of the media requests that the department responded to with the help of the program staff and leadership.

The other media requests covered various topics, including pending legislation regarding manufactured housing and manufactured housing parks, tariffs, social housing, and multi-family housing developments under construction.

Stories featuring MaineHousing financed developments that opened and/or were celebrated publicly in March, and events were also prominently featured in the local news in Maine.

These stories included the newly formed Cedar Falls Mobile Home Cooperative in Bangor and the newly opened multi-family, 71-unit Picker House Lofts apartment complex in Lewiston. MaineHousing staff attended both events, which were attended by Governor Mills, her staff, and state lawmakers.

Other external communications from the department during the period included a pair of press releases on the Low-Income Home Energy Assistance Program (HEAP). The first announced that HEAP would move to a waiting list on March 28, and the second was largely a statement from Director Brennan assuring the public and

the press that the program was funded for this heating season following a federal announcement that HEAP staff had been terminated.

On Wednesday, April 2, we coordinated two separate on-camera interviews for Director Brennan, which included four reporters from television, online news, and public radio.

Finally, the period closed on April 4 with an external message sent to over 2,000 of MaineHousing's partners and colleagues in Maine, reassuring them that our core mission and daily work remained on track, with their help and support, despite ongoing changes in both state and federal governments.

Here are a few links to stories about MaineHousing that appeared in March:

- [Maine officials worry federal staffing cuts signal trouble ahead for heating assistance program | Maine Public](#)
- [Federal heating assistance staff cuts could impact LIHEAP program in Maine | newscentermaine.com](#)
- [Maine mobile home owners are pushing back against private investors](#)
- [Picker House Lofts breathes new life into Continental Mill](#)
- [New housing development opens in Lewiston](#)

Internal Communications

Intranet Activity	Content Created (Articles, blogs, polls, etc)	Total Content Interactions	Total Page Views
March 2025	21	148	1,969
Previous 3mo Average	19	125	1,797
Previous 12mo Average	27	191	2,341
March 2024	29	251	2,377

Interdepartmental Support

Lytho Activity	New Requests	Requests Completed	Median hours to completion*	Top 2 Departments
March 2025	25	21	.38	Asset Management Energy & Housing
Previous 3mo Average	19	21	2.6	Energy & Housing Homeless Initiatives
Previous 12mo Average	26.3	26.8	3.7	Energy & Housing Homeless Initiatives
March 2024	28	30	2.41	Asset Management Energy & Housing

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

Website

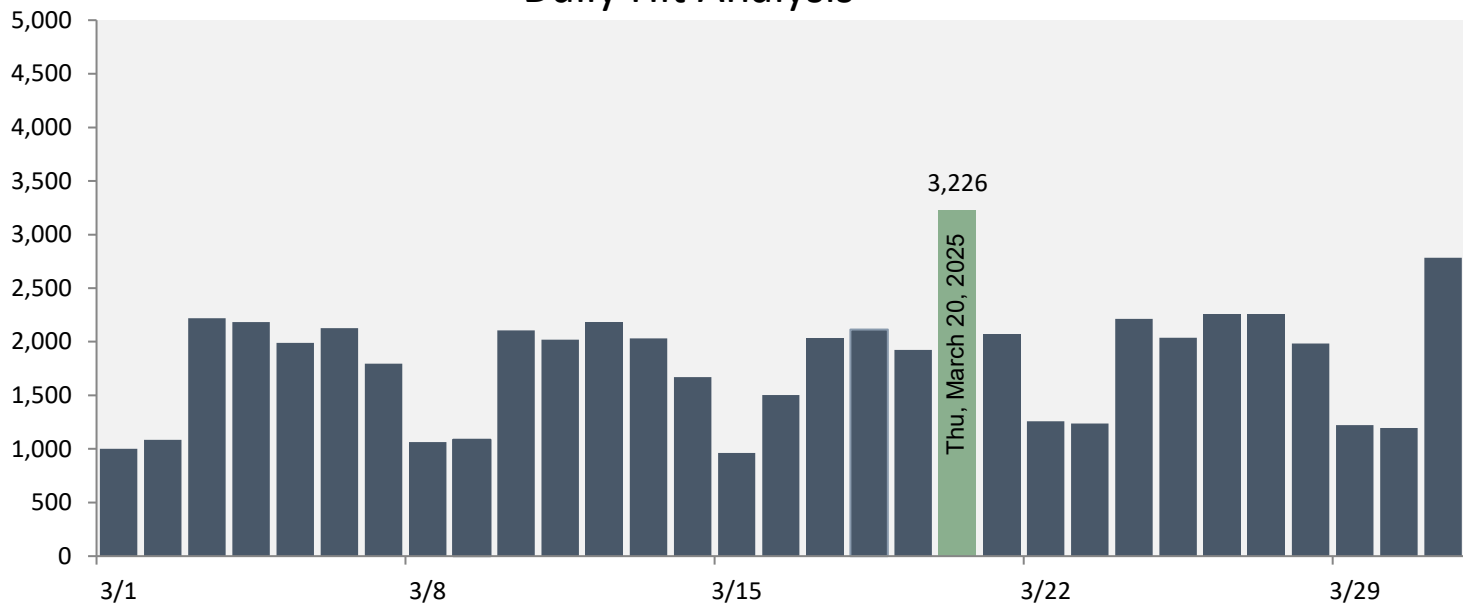
Web Traffic	Visitors	Total Hits	Engagement	Top 2 Program Areas
March 2025	56,836	227,719	82.9%	Homebuyer Programs Rental Programs
Previous 3mo Average	56,339	197,792	85.2%	Energy Programs Homebuyer Programs
Previous 12mo Average	58,785	213,019	87.3%	Homebuyer Programs Rental Programs
March 2024	54,227	198,723	87.8%	Homebuyer Programs

There was a lot of website activity related to the Home Energy Assistance Program (HEAP) in March. However, the overall visits to the energy section of our website were down this month, which is consistent with prior years when the temperature started to rise.

March 2025 - MaineHousing Website Statistics

Hit Summary

Daily Hit Analysis

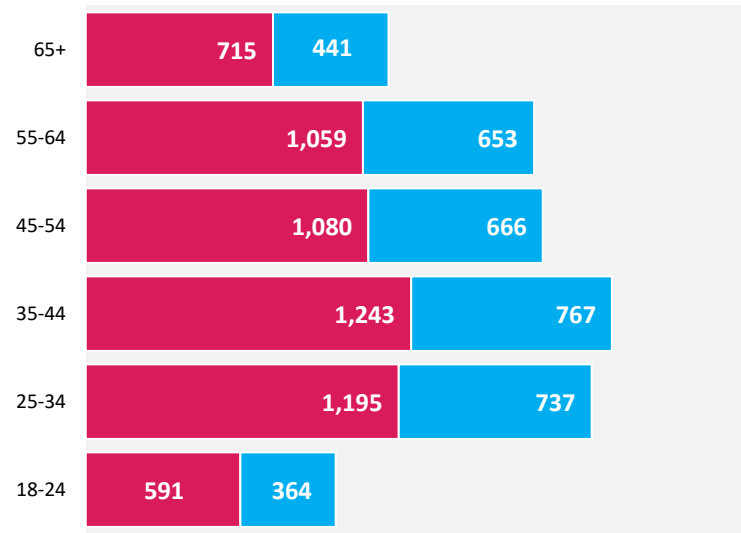


Visitors	Unique Visitors	Page Loads (Hits)	Avg Page Views	Avg Duration	Avg Engagement Rate
56,836	34,848	227,719	3.84	0:02:52	82.9%

Demographics Summary

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

AGE & GENDER



62%



38%

TOP CITIES

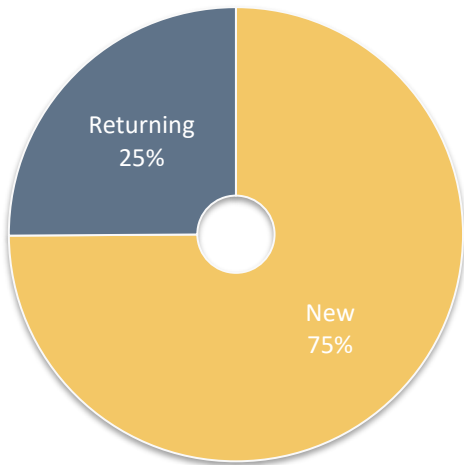
Boston, Massachusetts	4,714
Portland, Maine	4,205
Augusta, Maine	2,438
Bangor, Maine	2,012
Aspen, Colorado	1,787
New York, New York	1,487
Lewiston, Maine	991
Sanford, Maine	754
Ashburn, Virginia	750
Frankfurt, Germany	658

Top Cities account for 34.83% of all website traffic.

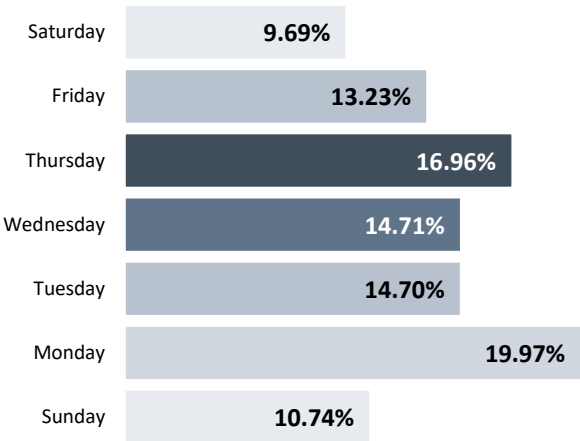
Visitor Engagement

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.

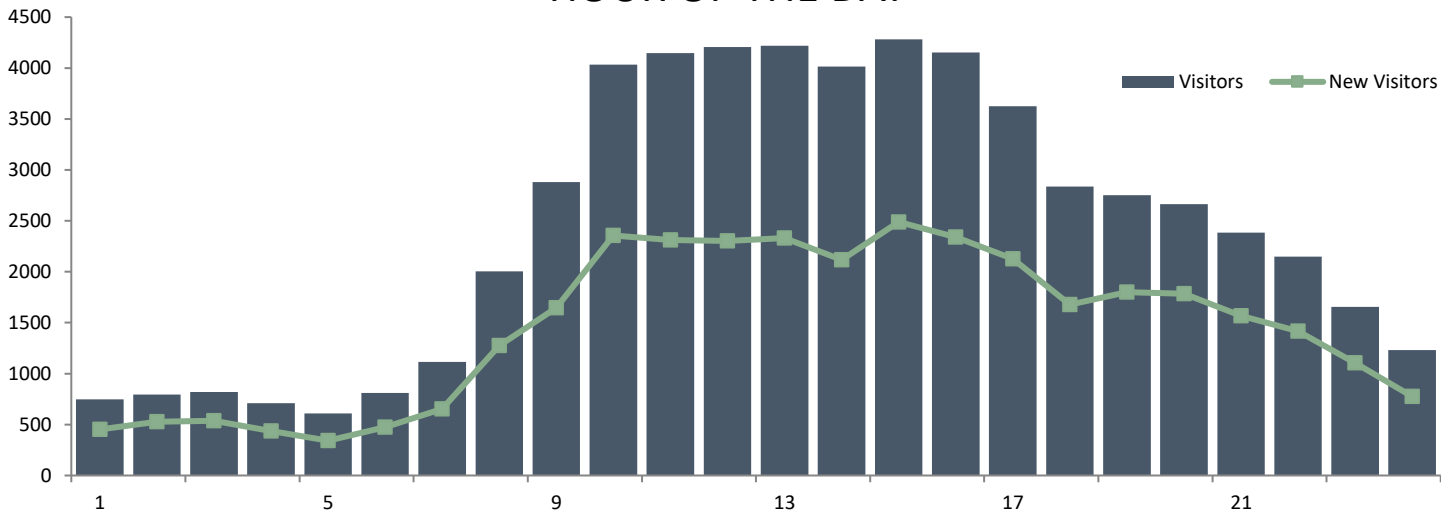
NEW & RETURNING VISITORS



DAYS OF THE WEEK

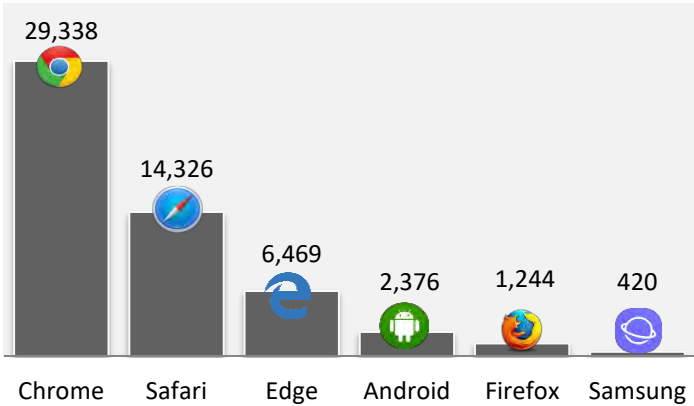


HOUR OF THE DAY



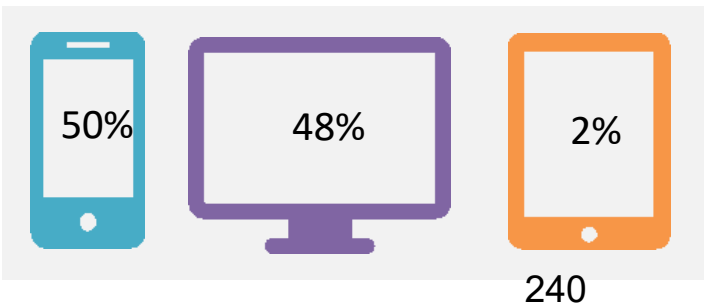
Visitor Technology Summary

Web Browser Analysis



DEVICE ANALYSIS

Cell Phone Desktop Tablet

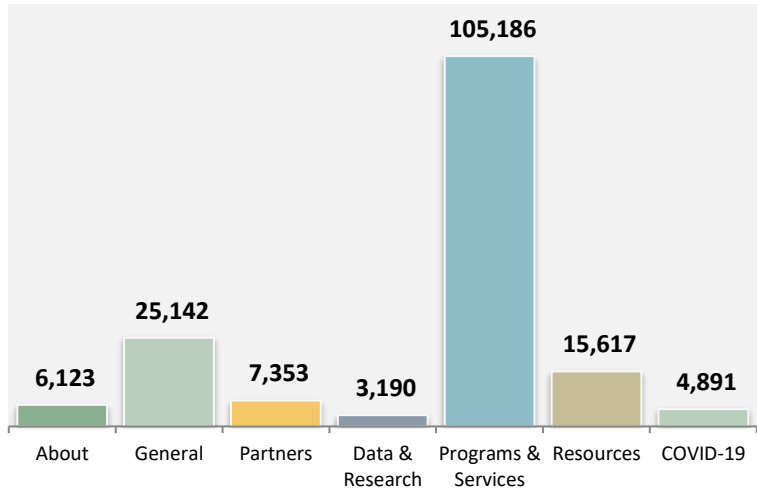


Popular Content

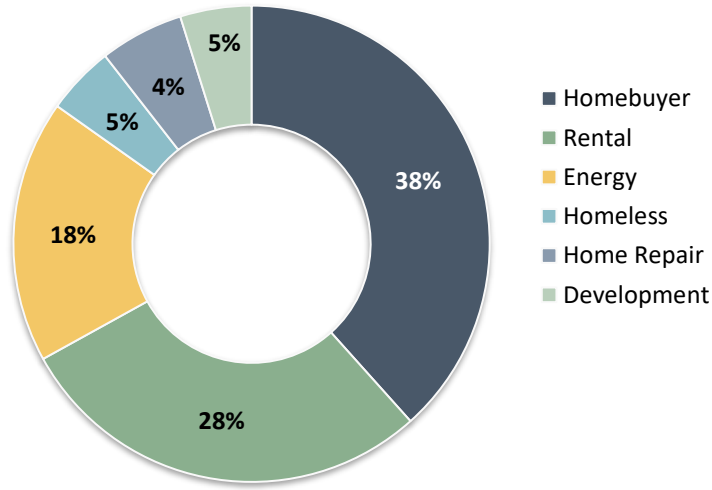
Popular content on our site is defined by pages and or sections of our site that have the highest visits. Below content has been categorized by page, program area and content sections. COVID-19 was added in March of 2020.

Page Title	Hits
Home	24,105
First Home Loan Program	14,644
Home Energy Assistance Program	13,199
Rental Assistance	8,014
Housing Choice Vouchers	6,858
HEAP Income Eligibility	6,186
Subsidized Housing	5,991
MaineHousing Lenders	4,662
Mortgage Calculator	4,377
Eviction Prevention Program	4,071
Homebuyer Income & Purchase Limits	3,659
Current Interest Rates	3,498
Home Repair	3,192
Steps to Homeownership	2,673
Emergency Shelters	2,594
Programs - Services	2,559
First Generation Program	2,200
Careers at MaineHousing	2,077
Homebuyer Programs	2,042
Multifamily Developers Programs	2,019
Rent - Income Charts	1,943
Contact MaineHousing	1,732
HEAP Agency Contacts	1,484
Homeless Initiatives	1,470
Low Income Assistance Program	1,443

Popular Content By Program

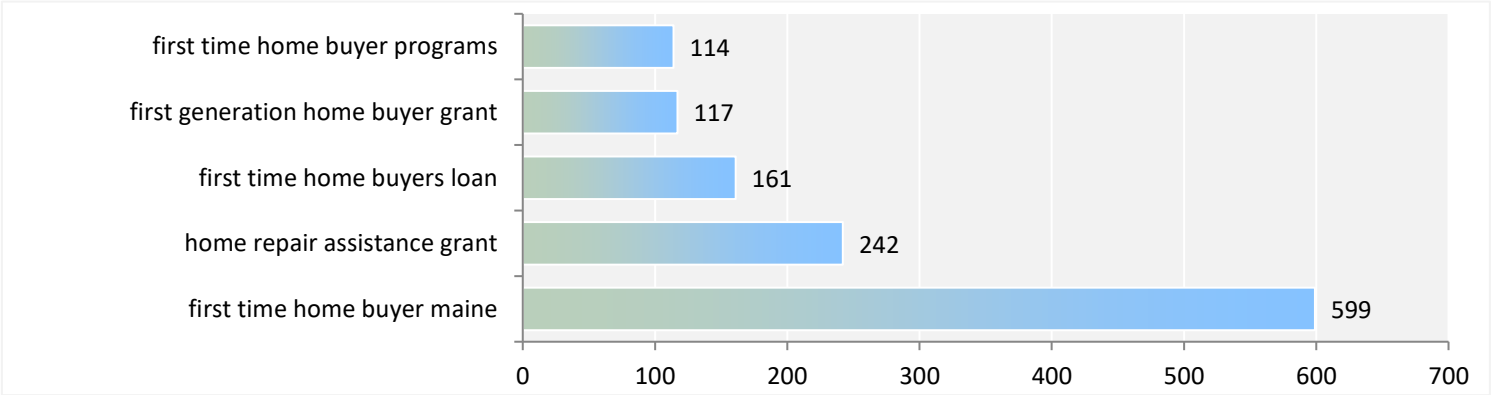


Popular Content By Section



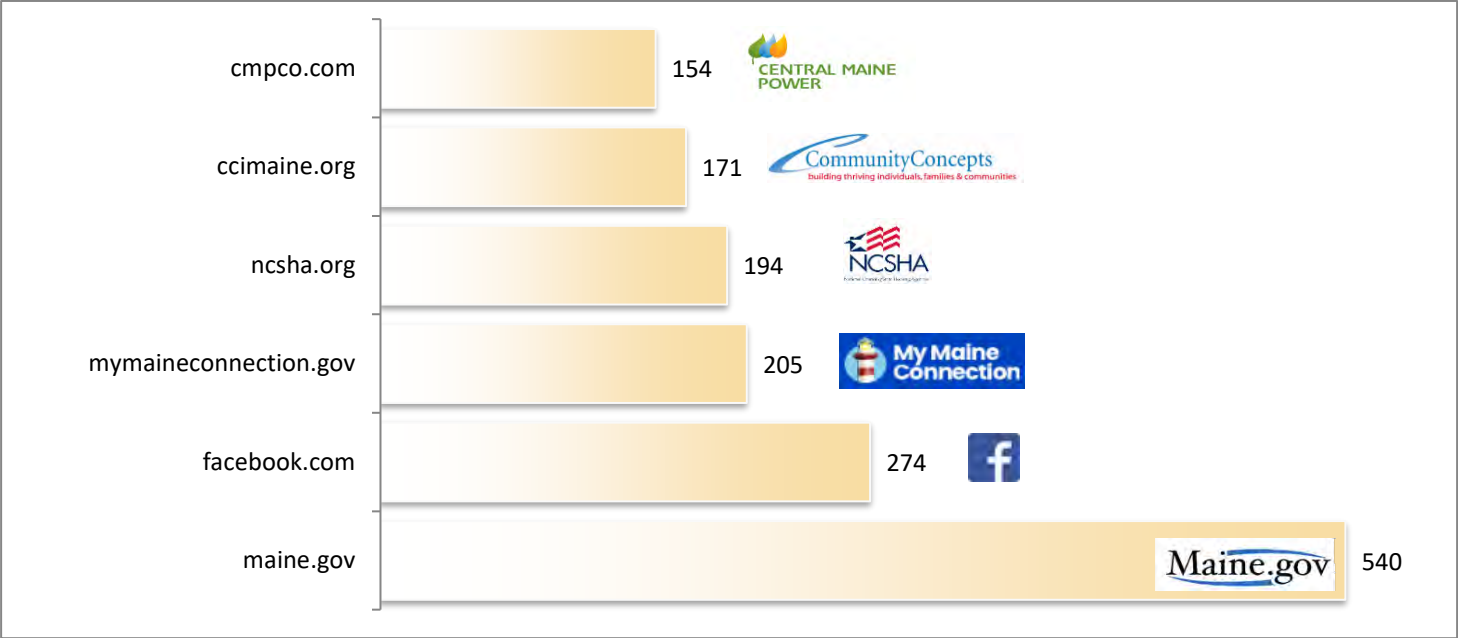
Search Keywords

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

<p>APRIL 15, 2025 <u>Board Business:</u></p> <ul style="list-style-type: none"> Commence Rulemaking HEAP Rule (VOTE) Legislative Update <p><u>Program Presentations:</u> 2024 Budget and Audit results</p>	<p>MAY 20, 2025 <u>Board Business:</u></p> <ul style="list-style-type: none"> HEAP Rule/State Plan Public Hearing Planning and Research department and strategic planning update Executive Session – Personnel matter followed by a (VOTE) <p><u>Program Presentations:</u></p>
<p>JUNE 17, 2025 <u>Board Business:</u></p> <ul style="list-style-type: none"> Adopt HEAP Rule/State Plan (VOTE) HEAP State Plan Public Hearing Legislative Update (final) Update from the Governor’s Office (Greg Payne) <p><u>Program Presentations:</u> IT department update</p>	<p>JULY 15, 2025</p> <p style="text-align: center;">Meeting to be held if necessary</p>
<p>AUGUST 19, 2025 <u>Board Business:</u></p> <ul style="list-style-type: none"> 2026 Goal Setting – initial discussion Introduce PHA Plan <p><u>Program Presentations:</u></p>	<p>SEPTEMBER 16, 2025 <u>Board Business:</u></p> <ul style="list-style-type: none"> PHA Plan Public Hearing 2026 Goal Setting – continued discussion <p><u>Program Presentations:</u></p>
<p>October 21, 2025 <u>Board Business:</u></p> <ul style="list-style-type: none"> Adopt PHA Plan (VOTE) Introduce DOE Weatherization State Plan 2026 Goal Setting – final <p><u>Program Presentations:</u></p>	<p>NOVEMBER 18, 2025 <u>Board Business:</u></p> <ul style="list-style-type: none"> DOE Weatherization State Plan Public Hearing Review Preliminary 2026 Budget Resource Allocation Updates from the Governor’s office (Greg Payne) Housing First Rule Public Hearing <p><u>Program Presentations:</u></p>
<p>DECEMBER 16, 2025 <u>Board Business:</u></p> <ul style="list-style-type: none"> Adopt DOE Weatherization State Plan (VOTE) Approve 2026 Budget (VOTE) Elect Officers (VOTE) MPP Series Resolution (VOTE) <p><u>Program Presentations:</u></p>	<p>JANUARY 20, 2026 <u>Board Business:</u></p> <ul style="list-style-type: none"> Legislative Preview <p><u>Program Presentations:</u> Multi-family Development – 2025 Review, 2026 Preview</p>
<p>FEBRUARY 17, 2026 <u>Board Business:</u></p> <ul style="list-style-type: none"> Legislative Update Governor’s Office Update <p><u>Program Presentations:</u> Homeownership – 2025 Review, 2026 Preview</p>	<p>MARCH 17, 2026 <u>Board Business:</u></p> <ul style="list-style-type: none"> Legislative update HEAP Rule/State Plan introduction Executive Session – Personnel matter (VOTE) <p><u>Program Presentations:</u> Asset Management department update</p>