

**MassHousing**  
**Massachusetts Housing Finance Agency and Affiliates**  
**Proposed Fiscal Plan For FY 2020**  
**Exhibit 1**  
**(000's Omitted)**

	FY 2020 Budget Total	FY 2019 Budget Total	Budget to Budget % Change	Budget to Budget \$ Change
<b><u>OPERATING REVENUES</u></b>				
<b>New Lending</b>				
Premiums on Loans Sold	\$ 5,625	\$ 5,018	12.1%	\$ 607
Transaction & Underwriting Fees	19,511	18,741	4.1%	770
Warehousing/Construction Notes, net	797	(1,361)	-158.6%	2,158
<b>Total New Lending Income</b>	<b>25,934</b>	<b>22,398</b>	<b>15.8%</b>	<b>3,536</b>
<b>Servicing</b>				
Override/Servicing Fee Income	36,955	37,813	-2.3%	(858)
GNMA/FFB Servicing Fee Income	6,912	5,640	22.6%	1,272
Fees - Other (TAP, FAF, Escrow Mgmt, etc.)	2,160	2,206	-2.1%	(46)
<b>Total Servicing Income</b>	<b>46,027</b>	<b>45,659</b>	<b>0.8%</b>	<b>368</b>
<b>Net Interest Spread</b>				
Bond Program Net Interest Spread	38,721	34,902	10.9%	3,819
Risk Share Fee Income	2,700	2,400	12.5%	300
Loan Prepayment Fees	750	750	0.0%	-
WCF Interest on Loans	6,703	6,041	11.0%	662
<b>Total Net Interest Spread</b>	<b>48,874</b>	<b>44,093</b>	<b>10.8%</b>	<b>4,781</b>
<b>Investment Earnings</b>				
Investment Earnings - MMDT	11,379	9,596	18.6%	1,783
Investment Earnings - Other	2,468	1,812	36.2%	656
<b>Total Investment Earnings</b>	<b>13,847</b>	<b>11,408</b>	<b>21.4%</b>	<b>2,439</b>
<b>Total Operating Revenues</b>	<b>\$ 134,682</b>	<b>\$ 123,558</b>	<b>9.0%</b>	<b>\$ 11,124</b>
<b><u>DIRECT EXPENSES</u></b>				
<b>Administrative Expenses</b>				
Personnel & Payroll Added Costs	\$ 55,533	\$ 52,115	6.6%	\$ 3,418
Professional Services	9,150	9,493	-3.6%	(343)
Information Technology	5,573	6,599	-15.6%	(1,026)
Leased Office Space	5,182	5,086	1.9%	96
Operating Costs	4,311	4,278	0.8%	33
Asset Protection	125	120	4.2%	5
Miscellaneous Expenses	500	700	-28.6%	(200)
Grant Expenditures	1,475	850	73.5%	625
Insurance Claims	687	733	-6.3%	(46)
<b>Total Direct Expenses</b>	<b>\$ 82,536</b>	<b>\$ 79,974</b>	<b>3.2%</b>	<b>\$ 2,562</b>
<b>Investment in Future Income</b>				
Servicing Rights Purchases (Production)	\$ 6,125	\$ 4,125	48.5%	\$ 2,000
HomeOwnership Origination Fee (MBS Purch)	4,600	4,600	0.0%	-
Costs of Issuance	5,305	4,705	12.8%	600
<b>Total Investment in Future Income</b>	<b>\$ 16,030</b>	<b>\$ 13,430</b>	<b>19.36%</b>	<b>\$ 2,600</b>
<b>NET INCOME</b>	<b>\$ 36,116</b>	<b>\$ 30,154</b>	<b>19.8%</b>	<b>\$ 5,962</b>

**MassHousing**  
**Working Capital Fund and Affiliates**  
**Proposed Fiscal Plan For FY 2020**  
**Exhibit 2**  
**(000's Omitted)**

	Home Ownership	Rental Areas	Mortgage Insurance Fund	Opportunity Fund	Corporate	FY 2020 Budget Total	FY 2019 Budget Total	Budget to Budget % Change	Budget to Budget \$ Change
<b>OPERATING REVENUES</b>									
<b>New Lending</b>									
Premiums on Loans Sold	\$ 3,150	\$ 2,475	\$ -	\$ -	\$ -	\$ 5,625	\$ 5,018	12.1%	\$ 607
Transaction & Underwriting Fees	825	13,225	5,461	-	-	19,511	18,741	4.1%	770
Warehousing/Construction Notes, net	413	384	-	-	-	797	(1,361)	-158.6%	2,158
<b>Total New Lending Income</b>	<b>4,388</b>	<b>16,084</b>	<b>5,461</b>	<b>-</b>	<b>-</b>	<b>25,934</b>	<b>22,398</b>	<b>15.8%</b>	<b>3,536</b>
<b>Servicing</b>									
Override/Servicing Fee Income	12,494	20,768	-	-	-	33,262	33,540	-0.8%	(278)
GNMA/FFB Servicing Fee Income	-	6,912	-	-	-	6,912	5,640	22.6%	1,272
Fees - Other (TAP, FAF, Escrow Mgmt, etc.)	-	2,160	-	-	-	2,160	2,206	-2.1%	(46)
<b>Total Servicing Income</b>	<b>12,494</b>	<b>29,840</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,334</b>	<b>41,386</b>	<b>2.3%</b>	<b>948</b>
<b>Spread</b>									
Bond Program Net Interest Spread	-	-	-	-	-	-	-	-	-
Risk Share Fee Income	-	2,700	-	-	-	2,700	2,400	12.5%	300
Loan Prepayment Fees	-	750	-	-	-	750	750	0.0%	-
WCF Interest on Loans	-	6,703	-	-	-	6,703	6,041	11.0%	662
<b>Total Spread</b>	<b>-</b>	<b>10,153</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,153</b>	<b>9,191</b>	<b>10.5%</b>	<b>962</b>
<b>Investment Earnings</b>									
Investment Earnings - MMDT	-	-	-	4,140	7,239	11,379	9,596	18.6%	1,783
Investment Earnings - Other	-	-	2,468	-	-	2,468	1,812	36.2%	656
<b>Total Investment Earnings</b>	<b>-</b>	<b>-</b>	<b>2,468</b>	<b>4,140</b>	<b>7,239</b>	<b>13,847</b>	<b>11,408</b>	<b>21.4%</b>	<b>2,439</b>
<b>Total Operating Revenues</b>	<b>\$ 16,882</b>	<b>\$ 56,077</b>	<b>\$ 7,929</b>	<b>\$ 4,140</b>	<b>\$ 7,239</b>	<b>\$ 92,268</b>	<b>\$ 84,383</b>	<b>9.3%</b>	<b>\$ 7,885</b>
<b>DIRECT EXPENSES</b>									
<b>Administrative Expenses</b>									
Personnel & Payroll Added Costs	\$ 10,668	\$ 19,174	\$ 772	\$ -	\$ 24,920	\$ 55,533	\$ 52,115	6.6%	\$ 3,418
Professional Services	920	517	657	-	7,057	9,150	9,493	-3.6%	(343)
Information Technology	1,609	382	-	-	3,581	5,573	6,599	-15.6%	(1,026)
Leased Office Space	952	1,826	78	-	2,326	5,182	5,086	1.9%	96
Operating Costs	645	287	21	-	3,359	4,311	4,278	0.8%	33
Asset Protection	100	-	-	-	-	100	100	0.0%	-
Miscellaneous Expenses	-	-	-	-	-	-	-	-	-
Grant Expenditures	-	-	-	775	700	1,475	850	73.5%	625
Insurance Claims	-	-	687	-	-	687	733	-6.3%	(46)
<b>Total Direct Expenses</b>	<b>\$ 14,894</b>	<b>\$ 22,185</b>	<b>\$ 2,214</b>	<b>\$ 775</b>	<b>\$ 41,943</b>	<b>\$ 82,011</b>	<b>\$ 79,254</b>	<b>3.5%</b>	<b>\$ 2,757</b>
<b>Investment in Future Income</b>									
Servicing Rights Purchases (Production)	\$ 6,125	\$ -	\$ -	\$ -	\$ -	\$ 6,125	\$ 4,125	48.5%	\$ 2,000
HomeOwnership Origination Fee (MBS Purch)	-	-	-	-	-	-	-	-	-
Costs of Issuance	-	500	-	-	-	500	1,000	-50.0%	(500)
<b>Total Investment in Future Income</b>	<b>\$ 6,125</b>	<b>\$ 500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,625</b>	<b>\$ 5,125</b>	<b>29.27%</b>	<b>\$ 1,500</b>
<b>NET INCOME</b>	<b>\$ (4,137)</b>	<b>\$ 33,392</b>	<b>\$ 5,716</b>	<b>\$ 3,365</b>	<b>\$ (34,704)</b>	<b>\$ 3,632</b>	<b>\$ 4</b>	<b>90695.0%</b>	<b>\$ 3,628</b>

**MassHousing**  
**Combined HomeOwnership and Rental Bond Programs**  
**Proposed Fiscal Plan For FY 2020**  
**Exhibit 3**  
**(000's Omitted)**

	Home Ownership Bond Programs	Rental Bond Programs	FY 2020 Budget Total	FY 2019 Budget Total	Budget to Budget % Change	Budget to Budget \$ Change
<b><u>OPERATING REVENUES</u></b>						
<b>New Lending</b>						
Premiums on Loans Sold	\$ -	\$ -	\$ -	\$ -	-	\$ -
Transaction & Underwriting Fees	-	-	-	-	-	-
Warehousing/Construction Notes, net	-	-	-	-	-	-
<b>Total New Lending Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Servicing</b>						
Override/Servicing Fee Income	-	3,693	3,693	4,273	-13.6%	(580)
GNMA/FFB Servicing Fee Income	-	-	-	-	-	-
Fees - Other (TAP, FAF, Escrow Mgmt, etc.)	-	-	-	-	-	-
<b>Total Servicing Income</b>	<b>-</b>	<b>3,693</b>	<b>3,693</b>	<b>4,273</b>	<b>-13.6%</b>	<b>(580)</b>
<b>Spread</b>						
Bond Program Net Interest Spread	15,303	23,418	38,721	34,902	10.9%	3,819
Risk Share Fee Income	-	-	-	-	-	-
Loan Prepayment Fees	-	-	-	-	-	-
WCF Interest on Loans	-	-	-	-	-	-
<b>Total Spread</b>	<b>15,303</b>	<b>23,418</b>	<b>38,721</b>	<b>34,902</b>	<b>10.9%</b>	<b>3,819</b>
<b>Investment Earnings</b>						
Investment Earnings - MMDT	-	-	-	-	-	-
Investment Earnings - Other	-	-	-	-	-	-
<b>Total Investment Earnings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating Revenues</b>	<b>\$ 15,303</b>	<b>\$ 27,111</b>	<b>\$ 42,414</b>	<b>\$ 39,175</b>	<b>8.3%</b>	<b>\$ 3,239</b>
<b><u>DIRECT EXPENSES</u></b>						
<b>Administrative Expenses</b>						
Personnel & Payroll Added Costs	\$ -	\$ -	\$ -	\$ -	-	\$ -
Professional Services	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-
Leased Office Space	-	-	-	-	-	-
Operating Costs	-	-	-	-	-	-
Asset Protection	25	-	25	20	25.0%	5
Miscellaneous Expenses	500	-	500	700	-28.6%	(200)
Grant Expenditures	-	-	-	-	-	-
Insurance Claims	-	-	-	-	-	-
<b>Total Direct Expenses</b>	<b>\$ 525</b>	<b>\$ -</b>	<b>\$ 525</b>	<b>\$ 720</b>	<b>-27.1%</b>	<b>\$ (195)</b>
<b><u>Investment in Future Income</u></b>						
Servicing Rights Purchases (Production)	\$ -	\$ -	\$ -	\$ -	-	\$ -
HomeOwnership Origination Fee (MBS Purch)	4,600	-	4,600	4,600	0.0%	-
Costs of Issuance	2,505	2,300	4,805	3,705	29.7%	1,100
<b>Total Investment in Future Income</b>	<b>\$ 7,105</b>	<b>\$ 2,300</b>	<b>\$ 9,405</b>	<b>\$ 8,305</b>	<b>13.25%</b>	<b>\$ 1,100</b>
<b>NET INCOME</b>	<b>\$ 7,673</b>	<b>\$ 24,811</b>	<b>\$ 32,484</b>	<b>\$ 30,150</b>	<b>7.7%</b>	<b>\$ 2,334</b>

**MassHousing**  
**Combined HomeOwnership Operations**  
**Proposed Fiscal Plan For FY 2020**  
**Exhibit 4**  
**(000's Omitted)**

	Home Ownership Bond Programs	WCF - Home Ownership	FY 2020 Budget Total	FY 2019 Budget Total	Budget to Budget % Change	Budget to Budget \$ Change
<b><u>OPERATING REVENUES</u></b>						
<b>New Lending</b>						
Premiums on Loans Sold	\$ -	\$ 3,150	\$ 3,150	\$ 2,393	31.6%	\$ 757
Transaction & Underwriting Fees	-	825	825	768	7.4%	57
Warehousing/Construction Notes, net	-	413	413	(696)	-159.4%	1,109
<b>Total New Lending Income</b>	<b>-</b>	<b>4,388</b>	<b>4,388</b>	<b>2,465</b>	<b>-</b>	<b>1,923</b>
<b>Servicing</b>						
Override/Servicing Fee Income	-	12,494	12,494	11,234	11.2%	1,260
GNMA/FFB Servicing Fee Income	-	-	-	-	-	-
Fees - Other (TAP, FAF, Escrow Mgmt, etc.)	-	-	-	-	-	-
<b>Total Servicing Income</b>	<b>-</b>	<b>12,494</b>	<b>12,494</b>	<b>11,234</b>	<b>11.2%</b>	<b>1,260</b>
<b>Spread</b>						
Bond Program Net Interest Spread	15,303	-	15,303	13,858	10.4%	1,445
Risk Share Fee Income	-	-	-	-	-	-
Loan Prepayment Fees	-	-	-	-	-	-
WCF Interest on Loans	-	-	-	-	-	-
<b>Total Spread</b>	<b>15,303</b>	<b>-</b>	<b>15,303</b>	<b>13,858</b>	<b>10.4%</b>	<b>1,445</b>
<b>Investment Earnings</b>						
Investment Earnings - MMDT	-	-	-	-	-	-
Investment Earnings - Other	-	-	-	-	-	-
<b>Total Investment Earnings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating Revenues</b>	<b>\$ 15,303</b>	<b>\$ 16,882</b>	<b>\$ 32,185</b>	<b>\$ 27,557</b>	<b>16.8%</b>	<b>\$ 4,628</b>
<b><u>DIRECT EXPENSES</u></b>						
<b>Administrative Expenses</b>						
Personnel & Payroll Added Costs	\$ -	\$ 10,668	\$ 10,668	\$ 9,073	17.6%	\$ 1,595
Professional Services	-	920	920	882	4.3%	38
Information Technology	-	1,609	1,609	2,292	-29.8%	(683)
Leased Office Space	-	952	952	960	-0.8%	(8)
Operating Costs	-	645	645	789	-18.3%	(144)
Asset Protection	25	100	125	120	4.2%	5
Miscellaneous Expenses	500	-	500	700	-28.6%	(200)
Grant Expenditures	-	-	-	-	-	-
Insurance Claims	-	-	-	-	-	-
<b>Total Direct Expenses</b>	<b>\$ 525</b>	<b>\$ 14,894</b>	<b>\$ 15,419</b>	<b>\$ 14,816</b>	<b>4.1%</b>	<b>\$ 603</b>
<b><u>Investment in Future Income</u></b>						
Servicing Rights Purchases (Production)	\$ -	\$ 6,125	\$ 6,125	\$ 4,125	48.5%	\$ 2,000
HomeOwnership Origination Fee (MBS Purch)	4,600	-	4,600	4,600	0.0%	-
Costs of Issuance	2,505	-	2,505	1,805	38.8%	700
<b>Total Investment in Future Income</b>	<b>\$ 7,105</b>	<b>\$ 6,125</b>	<b>\$ 13,230</b>	<b>\$ 10,530</b>	<b>25.64%</b>	<b>\$ 2,700</b>
<b>NET INCOME</b>	<b>\$ 7,673</b>	<b>\$ (4,137)</b>	<b>\$ 3,536</b>	<b>\$ 2,211</b>	<b>59.9%</b>	<b>\$ 1,325</b>

**MassHousing  
Combined Rental Operations  
Proposed Fiscal Plan For FY 2020  
Exhibit 5  
(000's Omitted)**

	Rental Bond Programs	WCF - Rental	FY 2020 Budget Total	FY 2019 Budget Total	Budget to Budget % Change	Budget to Budget \$ Change
<b><u>OPERATING REVENUES</u></b>						
<b>New Lending</b>						
Premiums on Loans Sold	\$ -	\$ 2,475	\$ 2,475	\$ 2,625	-5.7%	\$ (150)
Transaction & Underwriting Fees	-	13,225	13,225	12,050	9.8%	1,175
Warehousing/Construction Notes, net	-	384	384	(665)	-157.7%	1,049
<b>Total New Lending Income</b>	<b>-</b>	<b>16,084</b>	<b>16,084</b>	<b>14,010</b>	<b>-</b>	<b>2,074</b>
<b>Servicing</b>						
Override/Servicing Fee Income	3,693	20,768	24,461	26,579	-8.0%	(2,118)
GNMA/FFB Servicing Fee Income	-	6,912	6,912	5,640	22.6%	1,272
Fees - Other (TAP, FAF, Escrow Mgmt, etc.)	-	2,160	2,160	2,206	-2.1%	(46)
<b>Total Servicing Income</b>	<b>3,693</b>	<b>29,840</b>	<b>33,533</b>	<b>34,425</b>	<b>-2.6%</b>	<b>(892)</b>
<b>Spread</b>						
Bond Program Net Interest Spread	23,418	-	23,418	21,044	11.3%	2,374
Risk Share Fee Income	-	2,700	2,700	2,400	12.5%	300
Loan Prepayment Fees	-	750	750	750	0.0%	-
WCF Interest on Loans	-	6,703	6,703	6,041	11.0%	662
<b>Total Spread</b>	<b>23,418</b>	<b>10,153</b>	<b>33,571</b>	<b>30,235</b>	<b>11.0%</b>	<b>3,336</b>
<b>Investment Earnings</b>						
Investment Earnings - MMDT	-	-	-	-	-	-
Investment Earnings - Other	-	-	-	-	-	-
<b>Total Investment Earnings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating Revenues</b>	<b>\$ 27,111</b>	<b>\$ 56,077</b>	<b>\$ 83,188</b>	<b>\$ 78,670</b>	<b>5.7%</b>	<b>\$ 4,518</b>
<b><u>DIRECT EXPENSES</u></b>						
<b>Administrative Expenses</b>						
Personnel & Payroll Added Costs	\$ -	\$ 19,174	\$ 19,174	\$ 17,015	12.7%	\$ 2,159
Professional Services	-	517	517	694	-25.6%	(178)
Information Technology	-	382	382	310	23.2%	72
Leased Office Space	-	1,826	1,826	1,683	8.5%	143
Operating Costs	-	287	287	268	7.0%	19
Asset Protection	-	-	-	-	-	-
Miscellaneous Expenses	-	-	-	-	-	-
Grant Expenditures	-	-	-	-	-	-
Insurance Claims	-	-	-	-	-	-
<b>Total Direct Expenses</b>	<b>\$ -</b>	<b>\$ 22,185</b>	<b>\$ 22,185</b>	<b>\$ 19,970</b>	<b>11.1%</b>	<b>\$ 2,215</b>
<b>Investment in Future Income</b>						
Servicing Rights Purchases (Production)	\$ -	\$ -	\$ -	\$ -	-	\$ -
HomeOwnership Origination Fee (MBS Purch)	-	-	-	-	-	-
Costs of Issuance	2,300	500	2,800	2,900	-3.4%	(100)
<b>Total Investment in Future Income</b>	<b>\$ 2,300</b>	<b>\$ 500</b>	<b>\$ 2,800</b>	<b>\$ 2,900</b>	<b>-3.45%</b>	<b>\$ (100)</b>
<b>NET INCOME</b>	<b>\$ 24,811</b>	<b>\$ 33,392</b>	<b>\$ 58,203</b>	<b>\$ 55,800</b>	<b>4.3%</b>	<b>\$ 2,403</b>

## Exhibit 6

### **Glossary of Terms used in MassHousing's Fiscal Plan for FY 2020**

This material provides a brief explanation of the various revenue and expense categories that are used throughout this Fiscal Plan. This guide does not present textbook definitions of these terms, but describes how certain types of transactions are recognized.

#### **Operating Revenues**

##### **□ New Lending Income**

This income is earned and recognized at the time of the loan funding. This includes the following:

- Premiums earned on loans that are securitized and sold to the secondary market.
- Transaction/underwriting fees include application and financing fees charged for Rental Lending loan commitments and closings. In HomeOwnership, these include borrower processing fees and FNMA recourse fees. Fees also include premiums and renewals earned by the Mortgage Insurance Fund (MIF).
- Warehousing, which represent the interest earned on loans that are initially funded through the Working Capital Fund (WCF). The WCF serves as a temporary funding source for Home Ownership lending activity, pending subsequent sale of the loans, or loans wrapped by MBS, either to outside investors or to one or more of MassHousing's bond programs. The warehousing interest earned is offset by the interest expense of the line of credit, which is used to fund the purchase of these loans.
- Construction Loans/Notes, which represents the interest earned on construction loans offset by the interest expense of the construction loan notes used to fund the financing of these loans.

##### **□ Servicing Income**

Servicing income includes loan servicing fees, including GNMA/FFB service fees, contract administration fees from HUD, as well as fees charged to participants of the Tenants' Assistance Program (TAP).

##### **□ Net Interest Spread**

This includes the following:

- Bond Program Net Interest Spread, which represents the interest earned in the bond resolutions on its loans and investment earnings offset by the interest expense of the bonds used to fund the financing of these loans and financing costs.
- In addition, there are fees which are unique to certain resolutions such as remarketing and liquidity fees applicable in the case of variable rate bonds. Lastly, certain resolutions have financed Section 8 developments subsidized with a so-called Financing Adjustment Factor (FAF). The bonds financing these developments were

refunded in prior years with the resulting interest rate savings being shared equally with HUD and booked as Financing Costs.

- Risk Share Fee Income, which represents the fees earned for bearing a risk loss for loans funded under the Risk Sharing Program for Insured Affordable Multi Family Project Loans (Risk-Sharing Program), which is administered by HUD.
  - Loan Prepayment Fees, which is a fee received to recapture the interest lost when a loan is paid off before its scheduled maturity date.
  - WCF Interest on Loans, which represents a limited number of loans (i.e., Section 8 recapitalization second mortgages, mortgage increases, Priority Development Loans, Home Ownership construction loans, etc.) that have been funded out of WCF in lieu of issuing bonds, or on an interim basis pending the issuance of bonds. In addition, loans funded through an advance of funds from the Federal Home Loan Bank of Boston are booked to WCF.
- **Investment Earnings-MMDT**  
Earnings from investments held by MassHousing in WCF and the Opportunity Fund, excluding Construction Loan Notes, and MIF.
- **Investment Earnings-Other**  
Earnings from investments held by MIF.

### **Direct Expenses**

- **Administrative Expenses**  
Administrative expenses booked to WCF refer to the cost of doing business, including such costs as all personnel and operating expenses, professional service contracts, leasehold obligations (net of sublease income), and depreciable capital items (e.g., computer equipment). Administrative expenses also include the continuing support of community services such as TAP (Tenants' Assistance Program) and Youth RAP (Residents' Activities Program). This line item also funds the provision of technical assistance and other resources targeting minority-owned and woman-owned business enterprises (MBEs & WBEs) in industries related to housing construction and management. Costs associated with crime prevention, youth development and community engagement that are provided to certain MassHousing developments are also included in this item.

Administrative expenses booked to the bond resolutions refer to fees paid to the trustees of our bond resolutions (e.g., US Bank, Wells Fargo, Bank of New York Mellon) as well as our HomeOwnership loan servicers (e.g., First Eastern Mortgage Corporation).

❑ **Asset Protection**

Asset protection refers to expenses incurred to stabilize properties in the portfolio which are considered to be “at-risk”. Such expenses might include an emergency repair of a physically distressed building in the portfolio which does not have the necessary resources to pay for the repair on its own.

❑ **Miscellaneous**

Miscellaneous expenses are those not included elsewhere and non-operating type of disbursements such as payments and contributions.

❑ **Grant Expenditures**

Grants expended to further the Agency’s mission, which include grants for the Center for Community Recovery Innovations (CCRI) and the Opportunity Fund.

❑ **Insurance Claims**

Insurance claims refer to claims paid by MIF on loans insured by the Fund, or partial claims paid with various risk-share partners.

**Investment in Future Income**

❑ **Servicing Rights Purchases**

The cost to acquire the rights to service, and earn a servicing fee, over the life of the loans.

❑ **HomeOwnership Origination Fees**

The cost that the Single-Family Housing Revenue Bond Program (SFHRB) pays for MBS investments to the WCF as reimbursement for the premium that the WCF paid to purchase loans that are subsequently securitized. This amount approximates 2% of the loan amount purchased.

❑ **Cost of Issuance**

Financing costs include the costs to issue and refund bonds such as those fees paid to the bond underwriting team and selling group, bond counsel, rating agencies, as well as any ancillary expenses.