

**Income and Expenses for the Massachusetts Housing Finance Agency and Affiliates  
Proposed Budget For FY 2025**

**Exhibit 1  
(in millions)**

	FY 2025 Budget Total	FY 2024 Budget Total	Budget to Budget \$ Change	Budget to Budget % Change	FY 2024 Projection Total	FY 2025 Budget to FY 2024 Proj \$ Change	Budget to Projection % Change
<b>INCOME</b>							
<b>Lending</b>							
Transaction & Underwriting Fees	\$ 8,686	\$ 12,261	\$ (3,575)	-29.2%	\$ 11,141	\$ (2,455)	-22.0%
Premiums on Loans Sold	2,640	3,595	(955)	-26.6%	3,477	(837)	-24.1%
Warehousing/Construction Notes, net	(803)	(788)	(15)	1.9%	(548)	(255)	46.5%
Fees - Other (AHTF, ARPA, Other)	1,415	545	870	159.6%	3,116	(1,701)	-54.6%
<b>Total Lending Income</b>	<b>11,938</b>	<b>15,613</b>	<b>(3,675)</b>	<b>-23.5%</b>	<b>17,186</b>	<b>(5,248)</b>	<b>-30.5%</b>
<b>Servicing</b>							
Override/Servicing Fee Income	43,212	40,508	2,704	6.7%	43,906	(694)	-1.6%
GNMA/FFB Servicing Fee Income	10,660	10,479	181	1.7%	10,400	260	2.5%
Fees - Other	364	361	3	0.8%	361	3	0.8%
<b>Total Servicing Income</b>	<b>54,236</b>	<b>51,348</b>	<b>2,888</b>	<b>5.6%</b>	<b>54,667</b>	<b>(431)</b>	<b>-0.8%</b>
<b>Net Interest Spread</b>							
Bond Program Net Interest Spread	61,548	34,995	26,553	75.9%	63,453	(1,905)	-3.0%
WCF Net Interest Spread	11,060	10,170	890	8.8%	12,138	(1,078)	-8.9%
Risk Share Fee Income	3,660	3,133	527	16.8%	3,280	380	11.6%
Loan Prepayment Fees	750	750	-	0.0%	750	-	0.0%
<b>Total Net Interest Spread</b>	<b>77,018</b>	<b>49,048</b>	<b>27,970</b>	<b>57.0%</b>	<b>79,621</b>	<b>(2,603)</b>	<b>-3.3%</b>
<b>Mortgage Insurance Fund (MIF)</b>							
MIF Fee Income	4,680	4,924	(244)	-5.0%	5,796	(1,116)	-19.3%
MIF Investment Earnings	4,131	3,168	963	30.4%	4,275	(144)	-3.4%
MIF Insurance Claims	(710)	(580)	(130)	22.4%	(421)	(289)	68.6%
MIF Expenses	(2,072)	(1,640)	(432)	26.3%	(1,948)	(124)	6.4%
<b>Total MIF Income</b>	<b>6,029</b>	<b>5,872</b>	<b>157</b>	<b>2.7%</b>	<b>7,702</b>	<b>(1,673)</b>	<b>-21.7%</b>
<b>Investment Earnings, Other Income</b>							
Corporate	12,274	9,946	2,328	23.4%	11,776	498	4.2%
Opportunity Fund	6,630	5,241	1,389	26.5%	6,920	(290)	-4.2%
<b>Total Investment Earnings, Other Income</b>	<b>18,904</b>	<b>15,187</b>	<b>3,717</b>	<b>24.5%</b>	<b>18,696</b>	<b>208</b>	<b>1.1%</b>
<b>Investment in Future Income</b>							
Servicing Rights Purchased	\$ (3,575)	\$ (4,350)	\$ 775	-17.8%	\$ (3,867)	\$ 292	-7.6%
Mortgage Origination Expense	-	(3,246)	3,246	-	221	(221)	-100.0%
Costs of Issuance	(7,500)	(7,025)	(475)	6.8%	(7,203)	(297)	4.1%
<b>Total Investment in Future Income</b>	<b>\$ (11,075)</b>	<b>\$ (14,621)</b>	<b>\$ 3,546</b>	<b>-24.25%</b>	<b>\$ (10,849)</b>	<b>\$ (226)</b>	<b>2.08%</b>
<b>TOTAL INCOME</b>	<b>\$ 157,050</b>	<b>\$ 122,447</b>	<b>\$ 34,603</b>	<b>28.3%</b>	<b>\$ 167,023</b>	<b>\$ (9,973)</b>	<b>-6.0%</b>
<b>CORPORATE EXPENSES</b>							
Payroll	\$ (45,388)	\$ (40,968)	\$ (4,420)	10.8%	\$ (41,205)	\$ (4,183)	10.2%
Related Personnel Expenses	(5,920)	(5,791)	(129)	2.2%	(5,791)	(129)	2.2%
Pension & OPEB	(7,401)	(6,745)	(656)	9.7%	(6,746)	(655)	9.7%
Professional Services	(5,425)	(6,222)	797	-12.8%	(5,638)	213	-3.8%
Information Technology	(12,153)	(11,150)	(1,003)	9.0%	(10,970)	(1,183)	10.8%
Leased Office Space	(4,874)	(4,849)	(25)	0.5%	(4,726)	(148)	3.1%
Operating Costs	(4,993)	(5,119)	126	-2.5%	(4,593)	(400)	8.7%
<b>Total Corporate Expenses</b>	<b>\$ (86,154)</b>	<b>\$ (80,844)</b>	<b>\$ (5,310)</b>	<b>6.6%</b>	<b>\$ (79,669)</b>	<b>\$ (6,485)</b>	<b>8.1%</b>
<b>NET INCOME BEFORE GRANT ACTIVITY</b>	<b>\$ 70,896</b>	<b>\$ 41,603</b>	<b>\$ 29,293</b>	<b>70.4%</b>	<b>\$ 87,354</b>	<b>\$ (16,458)</b>	<b>-18.8%</b>
<b>Grant Activity</b>							
Grant Income	137,679	50,748	86,931	171.3%	235,455	(97,776)	-41.5%
Grant Disbursements	(137,960)	(106,947)	(31,013)	29.0%	(62,627)	(75,333)	120.3%
<b>Net Grant Activity</b>	<b>(281)</b>	<b>(56,199)</b>	<b>55,918</b>	<b>-99.5%</b>	<b>172,828</b>	<b>(173,109)</b>	<b>-100.2%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 70,615</b>	<b>\$ (14,596)</b>	<b>\$ 85,211</b>	<b>-583.8%</b>	<b>\$ 260,182</b>	<b>\$ (189,567)</b>	<b>-72.9%</b>

**Income and Expenses for the Massachusetts Housing Finance Agency and Affiliates by Business Line  
Proposed Budget For FY 2025  
Exhibit 2  
(in millions)**

	MF	SF	MIF	Mission	Corporate	FY 2025 Budget Total	FY 2024 Budget Total	FY 2024 Projection Total	FY 2025 Budget to FY 2024 Proj \$ Change	Budget to Projection % Change
<b>INCOME</b>										
<b>Lending</b>										
Transaction & Underwriting Fees	\$ 8,326	\$ 360	\$ -	\$ -	\$ -	\$ 8,686	\$ 12,261	\$ 11,141	\$ (2,455)	-22.0%
Premiums on Loans Sold	750	1,890	-	-	-	2,640	3,595	3,477	(837)	-24.1%
Warehousing/Broker/Construction Notes, net	498	(1,301)	-	-	-	(803)	(788)	(548)	(255)	46.5%
Fees - Other (AHTF, ARPA, Other)	1,370	45	-	-	-	1,415	545	3,116	(1,701)	-54.6%
<b>Total Lending Income</b>	<b>10,944</b>	<b>994</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,938</b>	<b>15,613</b>	<b>17,186</b>	<b>(5,248)</b>	<b>-30.5%</b>
<b>Servicing</b>										
Override/Servicing Fee Income	32,623	10,589	-	-	-	43,212	40,508	43,906	(694)	-1.6%
GNMA/FFB Servicing Fee Income	10,660	-	-	-	-	10,660	10,479	10,400	260	2.5%
Fees - Other	364	-	-	-	-	364	361	361	3	0.8%
<b>Total Servicing Income</b>	<b>43,647</b>	<b>10,589</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,236</b>	<b>51,348</b>	<b>54,667</b>	<b>(431)</b>	<b>-0.8%</b>
<b>Net Interest Spread</b>										
Bond Program Net Interest Spread	44,272	17,276	-	-	-	61,548	34,995	63,453	(1,905)	-3.0%
WCF Net Interest Spread	11,060	-	-	-	-	11,060	10,170	12,138	(1,078)	-8.9%
Risk Share Fee Income	3,660	-	-	-	-	3,660	3,133	3,280	380	11.6%
Loan Prepayment Fees	750	-	-	-	-	750	750	750	-	0.0%
<b>Total Net Interest Spread</b>	<b>59,742</b>	<b>17,276</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,018</b>	<b>49,048</b>	<b>79,621</b>	<b>(2,603)</b>	<b>-3.3%</b>
<b>Mortgage Insurance Fund (MIF)</b>										
MIF Fee Income	-	-	4,680	-	-	4,680	4,924	5,796	(1,116)	-19.3%
MIF Investment Earnings	-	-	4,131	-	-	4,131	3,168	4,275	(144)	-3.4%
MIF Insurance Claims	-	-	(710)	-	-	(710)	(580)	(421)	(289)	68.6%
MIF Expenses	-	-	(2,072)	-	-	(2,072)	(1,640)	(1,948)	(124)	6.4%
<b>Total MIF Income</b>	<b>-</b>	<b>-</b>	<b>6,029</b>	<b>-</b>	<b>-</b>	<b>6,029</b>	<b>5,872</b>	<b>7,702</b>	<b>(1,673)</b>	<b>-21.7%</b>
<b>Investment Earnings, Other Income</b>										
Corporate	-	-	-	-	12,274	12,274	9,946	11,776	498	4.2%
Mission	-	-	-	6,630	-	6,630	5,241	6,920	(290)	-
<b>Total Investment Earnings, Other Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,630</b>	<b>12,274</b>	<b>18,904</b>	<b>15,187</b>	<b>18,696</b>	<b>208</b>	<b>1.1%</b>
<b>Investment in Future Income</b>										
Servicing Rights Purchased	\$ -	\$ (3,575)	\$ -	\$ -	\$ -	\$ (3,575)	\$ (4,350)	\$ (3,867)	\$ 292	-7.6%
Mortgage Origination Expense	-	-	-	-	-	-	(3,246)	221	(221)	-
Costs of Issuance	(4,250)	(3,250)	-	-	-	(7,500)	(7,025)	(7,203)	(297)	4.1%
<b>Total Investment in Future Income</b>	<b>\$ (4,250)</b>	<b>\$ (6,825)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (11,075)</b>	<b>\$ (14,621)</b>	<b>\$ (10,849)</b>	<b>\$ (226)</b>	<b>2.08%</b>
<b>Total Income</b>	<b>\$ 110,083</b>	<b>\$ 22,034</b>	<b>\$ 6,029</b>	<b>\$ 6,630</b>	<b>\$ 12,274</b>	<b>\$ 157,050</b>	<b>\$ 122,447</b>	<b>\$ 167,023</b>	<b>\$ (9,973)</b>	<b>-6.0%</b>
<b>CORPORATE EXPENSES</b>										
Payroll	\$ -	\$ -	\$ -	\$ -	\$ (45,388)	\$ (45,388)	\$ (40,968)	\$ (41,205)	\$ (4,183)	10.2%
Related Personnel Expenses	-	-	-	-	(7,401)	(7,401)	(6,745)	(6,746)	(655)	9.7%
Pension & OPEB	-	-	-	-	(5,920)	(5,920)	(5,791)	(5,791)	(129)	2.2%
Professional Services	-	-	-	-	(5,425)	(5,425)	(6,222)	(5,638)	213	-3.8%
Information Technology	-	-	-	-	(12,153)	(12,153)	(11,150)	(10,970)	(1,183)	10.8%
Leased Office Space, net	-	-	-	-	(4,874)	(4,874)	(4,849)	(4,726)	(148)	3.1%
Operating Costs	-	-	-	-	(4,993)	(4,993)	(5,119)	(4,593)	(400)	8.7%
<b>Total Corporate Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (86,154)</b>	<b>\$ (86,154)</b>	<b>\$ (80,844)</b>	<b>\$ (79,669)</b>	<b>\$ (6,485)</b>	<b>8.1%</b>
<b>NET INCOME (LOSS) BEFORE GRANT ACTIVITY</b>	<b>\$ 110,083</b>	<b>\$ 22,034</b>	<b>\$ 6,029</b>	<b>\$ 6,630</b>	<b>\$ (73,880)</b>	<b>\$ 70,896</b>	<b>\$ 41,603</b>	<b>\$ 87,354</b>	<b>\$ (16,458)</b>	<b>-18.8%</b>
<b>Grant Activity</b>										
Grant Income	-	-	-	137,679	-	137,679	50,748	235,455	(97,776)	-
Grant Disbursements	-	-	-	(137,960)	-	(137,960)	(106,947)	(62,627)	(75,333)	120.3%
<b>Net Grant Activity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(281)</b>	<b>-</b>	<b>(281)</b>	<b>(56,199)</b>	<b>172,828</b>	<b>(173,109)</b>	<b>-100.2%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 110,083</b>	<b>\$ 22,034</b>	<b>\$ 6,029</b>	<b>\$ 6,349</b>	<b>\$ (73,880)</b>	<b>\$ 70,615</b>	<b>\$ (14,596)</b>	<b>\$ 260,182</b>	<b>\$ (189,567)</b>	<b>-72.9%</b>

**Income and Expenses for the Massachusetts Housing Finance Agency and Affiliates - Opportunity Fund Contribution**  
**Proposed Budget For FY 2025**  
**Exhibit 3**  
**(in millions)**

	FY 2025 Budget Total	FY 2024 Budget Total	Budget to Budget \$ Change	Budget to Budget % Change	FY 2024 Projection Total	FY 2025 Budget to FY 2024 Proj \$ Change	Budget to Projection % Change
<b>WCF - Operating Income</b>							
Override/Servicing Fee Income	\$ 43,212	\$ 40,508	\$ 2,704	6.7%	\$ 43,906	\$ (694)	-1.6%
Investment Earnings	11,876	9,946	1,930	19.4%	11,776	100	0.8%
WCF Net Interest Spread	11,677	10,170	1,507	14.8%	12,474	(797)	-6.4%
GNMA/FFB Servicing Fee Income	10,660	10,479	181	1.7%	10,400	260	2.5%
Transaction & Underwriting Fees	8,686	12,261	(3,575)	-29.2%	11,141	(2,455)	-22.0%
Risk Share Fee Income	3,660	3,133	527	16.8%	3,280	380	11.6%
Premiums on Loans Sold	2,640	3,595	(955)	-26.6%	3,477	(837)	-24.1%
Fees - Other (AHTF, ARPA, Other)	2,177	906	1,271	140.3%	3,477	(1,300)	-37.4%
Loan Prepayment Fees	750	750	-	0.0%	750	-	0.0%
Warehousing/Broker/Construction Notes, net	(803)	(788)	(15)	1.9%	(548)	(255)	46.5%
Servicing Rights Purchased	(3,575)	(4,350)	775	-17.8%	(3,867)	292	-7.6%
<b>Total WCF - Operating Income</b>	<b>\$ 90,960</b>	<b>\$ 86,610</b>	<b>\$ 4,350</b>	<b>5.0%</b>	<b>\$ 96,266</b>	<b>\$ (5,306)</b>	<b>-5.5%</b>
<b>WCF - Operating Costs</b>							
Payroll & Related Personnel Expenses	\$ (58,709)	\$ (53,504)	\$ (5,205)	9.7%	\$ (53,742)	\$ (4,967)	9.2%
Administrative Expenses	(27,445)	(27,340)	(105)	0.4%	(25,927)	(1,518)	5.9%
<b>Total WCF - Operating Costs</b>	<b>\$ (86,154)</b>	<b>\$ (80,844)</b>	<b>\$ (5,310)</b>	<b>6.6%</b>	<b>\$ (79,669)</b>	<b>\$ (6,485)</b>	<b>8.1%</b>
<b>Excess of Revenues over Expenses</b>	<b>\$ 4,806</b>	<b>\$ 5,766</b>	<b>\$ (960)</b>	<b>-16.6%</b>	<b>\$ 16,597</b>	<b>\$ (11,791)</b>	<b>-71.0%</b>
<b>Transfers From the Bond Programs</b>							
MF Bond Programs - Housing Bonds	\$ 15,000	\$ 15,000	\$ -	0.0%	\$ 15,000	\$ -	0.0%
MF Bond Programs - Other	3,165	3,221	(56)	-1.7%	3,221	(56)	-1.7%
SF Bond Programs	58	72	(14)	-19.4%	16	42	262.5%
<b>Total Transfers From the Bond Programs</b>	<b>\$ 18,223</b>	<b>\$ 18,293</b>	<b>\$ (70)</b>	<b>-0.4%</b>	<b>\$ 18,237</b>	<b>\$ (14)</b>	<b>-0.1%</b>
<b>Excess After Transfers from Bond Programs</b>	<b>\$ 23,029</b>	<b>\$ 24,059</b>	<b>\$ (1,030)</b>	<b>-4.3%</b>	<b>\$ 34,834</b>	<b>\$ (11,805)</b>	<b>-33.9%</b>
<b>Transfer to Opportunity Fund</b>	<b>\$ 11,515</b>	<b>\$ 12,030</b>	<b>\$ (515)</b>	<b>-4.3%</b>	<b>\$ 17,417</b>	<b>\$ (5,903)</b>	<b>-33.9%</b>

## **Exhibit 4**

### **Glossary of Terms used in MassHousing's Fiscal Plan for FY 2025**

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**

##### **Production and 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 and the Single-Family Housing Revenue Bond Program (SFHRB).
- Transaction/underwriting fees include application and financing fees charged for Multifamily Lending loan commitments and closings. In Single-Family (SF), these include borrower processing 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 SF lending activity, pending subsequent sale of the loans, or loans wrapped by Mortgage-Backed Securities (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.
- Other Income, which represents revenue not included elsewhere.

##### **Servicing Income, Spread, and Investment Earnings**

- Servicing income includes loan servicing fees, including Government National Mortgage Association (GNMA) and Federal Financing Bank (FFB) service fees, and the Performance Based Contract Administration (PBCA) fees from the U.S. Department of Housing and Urban Development (HUD).
- Single-Family and Multifamily 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 the risk of loss for loans funded under the Risk Sharing Program for Insured Affordable Multifamily 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 number of loans that have been funded out of WCF or funded on an interim basis pending the issuance of bonds.

### **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, and leasehold obligations (net of sublease income).

Administrative expenses booked to the bond resolutions refer to fees paid to the trustees of our bond resolutions.

- **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 Purchased**

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

- **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.