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Lt. Governor Timothy P. Murray, MassHousing React to Standard & Poor's Upgrade of MassHousing's Bond Rating

Despite unsettled financial and housing markets, Commonwealth's affordable housing bank earns high marks from Wall Street rating agency

February 5, 2009 – Reacting to an upgrade in MassHousing's bond rating announced today by Standard & Poor's, Lt. Governor Timothy P. Murray praised MassHousing for successfully managing its finances during a period of turmoil in the financial and housing finance markets.

"Given the daily barrage of bad news stories from Wall Street as well as the struggling housing market, it's remarkable that our state's housing finance agency has not only weathered the storm, but has thrived," said Murray. "The management team at MassHousing has done a great job keeping their financial house in order, and as a result both MassHousing and the Patrick-Murray Administration are well positioned to continue the mission of providing financing for affordable housing."

Standard & Poor's announced that it was upgrading MassHousing's Issuer Credit Rating from 'A' to 'A+'. The outlook is "stable." In its narrative explaining the upgrade, Standard & Poor's noted MassHousing's strong management team, improved financial performance and stable equity levels. It also took note of the agency's management of variable rate debt exposure; the improved performance of MassHousing's loan portfolios and sufficient state support to allow MassHousing the autonomy and independence to effectively meet its legislative mandate.

MassHousing Executive Director Thomas R. Gleason praised his finance team for their prudent management of the agency's resources and for responding to the need for quality financing.

"Our financial staff has steered a straight course through some perilous waters over the last year or so," Gleason said. "With a strong and stable financial base, the rest of the MassHousing team has been free to develop innovative loan products that are in strong demand in the marketplace, and that's really where we add value these days, given that many lenders have curtailed or restricted their business."

"This is great news for the people of the Commonwealth," Lt. Governor Murray concluded. "For families looking for an affordable mortgage to buy their first home, or developers looking to build much-needed affordable rental housing, it's a good time to see the folks at MassHousing, the state's affordable housing bank."

About MassHousing

MassHousing (The Massachusetts Housing Finance Agency) is an independent, quasi-public agency created in 1966 and charged with providing financing for affordable housing in Massachusetts. The Agency raises capital by selling bonds and lends the proceeds to low- and moderate-income homebuyers and homeowners, and to developers who build or preserve affordable and/or mixed-income rental housing. MassHousing does not use taxpayer dollars to sustain its operations, although it administers some publicly funded programs on behalf of the Commonwealth. Since its inception, MassHousing has provided more than \$5.6 billion for rental housing and more than \$4.8 billion for homeownership. For more information, visit the MassHousing website at www.masshousing.com.

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