Community Development Administration
Maryland Department of Housing and Community Development

Residential Revenue Bonds

ANNUAL REPORT PROVIDED PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12

The following information is being provided by the Community Development Administration (the "Administration"), a unit of the Division of Development Finance of the Department of Housing and Community Development, a principal department of the State of Maryland (the "Department"). This information updates certain information in the Report dated October 22, 2021, which was current as of June 30, 2021, for the Administration's Residential Revenue Bonds, which was filed with the Municipal Securities Rulemaking Board ("MSRB") through Electronic Municipal Market Access ("EMMA") pursuant to an undertaking of the Administration and applicable provisions of Rule 15c2-12 of the United States Securities and Exchange Commission. Reference is made to the Administration's official statements for its Residential Revenue Bonds published from time to time (the last Official Statement published prior to June 30, 2022 is dated May 19, 2022 and relates to the Administrations Residential Revenue bonds, 2022 Series A and B), for definition of terms used herein, and additional information about the Administration and the Department and their programs. The financial information contained therein is current as of December 31, 2021.

The attachments hereto are set forth in appendices, identified by letter, which correspond to the appendices to the official statements.

The financial information and the operating data as of June 30, 2022 provided herein updates the Residential Revenue Bonds issued under the Administration's Residential Revenue Bond Resolution adopted by the Administration as of August 1, 1997 and amended and restated as of July 15, 2005 (the "Bond Resolution").

The financial statements for the years ended June 30, 2022 and June 30, 2021 of the Residential Revenue Bonds of the Administration have been audited by CliftonLarsonAllen LLP, as described in the Independent Auditor's Report of CliftonLarsonAllen LLP, accompanying the financial statements in Appendix H to this report. As indicated in the report of the auditor, such financial statements have been prepared in conformity with accounting principles and the audits conducted in accordance with auditing standards generally accepted in the United States.

The Maryland Housing Fund is an insurance fund and a unit of the Department of Housing and Community Development's Division of Credit Assurance. The Maryland Housing Fund insures a portion of the Residential Revenue Bonds mortgage loans made or purchased by the Administration with bond proceeds. The Maryland Housing Fund does not insure the bonds, and the assets of the Maryland Housing Fund are not available to satisfy obligations to holders of the bonds. The obligations of the Maryland Housing Fund are limited to the payment of mortgage insurance claims as described in the Issuer's official statement for the bonds.

The Administration provides quarterly updates to the annual EMMA filing on a voluntary basis. The policy of voluntarily disseminating information is not a contractual obligation to anyone, and the Administration may discontinue this practice at any time in its discretion without notice. Questions concerning this release should be directed to CDA Bonds - Investor Relations at (301) 429-7897, or by email at cdabonds_mailbox.dhcd@maryland.gov.

Attachments

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Date: October 21, 2022

Appendix B-1

THE PROGRAM

The Administration adopted the Bond Resolution in 1997 pursuant to the Act primarily to finance single family housing loans under the Residential Revenue Bond Program, but reserved the right to finance and also may issue Bonds to finance other kinds of housing and other types of loans permitted to be financed under the Bond Resolution. Prior to the adoption of the Bond Resolution, the Administration funded its single family program primarily through the issuance of bonds under the 1980 General Certificate. The 1980 General Certificate was retired in August of 2010.

On January 12, 2010, the Administration issued $154,290,000 of Single Family Housing Revenue Bonds (the “NIBP Bonds”) pursuant to the NIBP Bond Resolution, the proceeds of which, (“the NIBP Proceeds”) were originally held in an escrow fund pending release in accordance with the NIBP. All of the NIBP Proceeds have been released from the NIBP Escrow Fund. In addition, on August 28, 2013 the Administration issued an additional series of bonds under the NIBP Bond Resolution in the aggregate principal amount of $55,987,759. The Administration does not currently anticipate issuing any new series of bonds under the NIBP Bond Resolution, but may do so in the future. NIBP Bonds issued under the NIBP Bond Resolution are not secured by or payable from the loans or assets of the Bond Resolution. The Bonds are not secured or payable from any loans or other assets held under the NIBP Bond Resolution. See the most recent update for the Single Family Housing Revenue Bonds filed with EMMA.

Information provided in this Appendix B is derived from the Administration’s statistics which are compiled from different sources on a weekly, monthly, and quarterly basis and later revised as necessary.

This Appendix B generally describes Whole Mortgage Loans (defined below) except where the context provides otherwise.

Existing Portfolio and Available Funds Under the Bond Resolution

Existing Portfolio. As of June 30, 2022, single family whole loans (“Whole Mortgage Loans”) held in the Revenue Fund under the Bond Resolution total 5,146 in the outstanding principal amount of $447,540,898 and Mortgage-Backed Securities (including participations therein) held in the Revenue Fund under the Bond Resolution total $1,264,704,587. Additional Mortgaged-Backed Securities are held in other funds as described in Appendix J to this report. See Appendix J – “INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS” for a description of the types of Mortgaged-Backed Securities held in the Revenue Fund and in other funds under the Bond Resolution.

Participations in Mortgage Loans. The Administration may finance Mortgage Loans by purchasing participation interests in such Mortgage Loans, which may include Mortgage Loans financed with different Series of Bonds issued under the Bond Resolution. In the event that the Administration finances Mortgage Loans with the proceeds of two or more series of bonds under the Bond Resolution, funds from one or more of the series of bonds may earn interest at the rate of 0%. See “Certain Information Relating to Mortgage Loans” below.

Additionally, pursuant to the Agreement of Participation dated as of October 1, 2011 (the “Participation Agreement”) by and among the Administration, Manufacturers and Traders Trust Company, in its capacity as trustee under the Bond Resolution (the “Trustee”) and Manufacturers and Traders Trust Company, in its capacity as trustee under the NIBP Bond Resolution (the “NIBP Trustee”), the Administration has financed Mortgage Loans, and may continue to finance Mortgage Loans, through the purchase of participation interests in Mortgage-Backed Securities using amounts available under the Bond Resolution combined with amounts available under the NIBP Bond Resolution. Amounts received with respect to such Mortgage-Backed Securities are disbursed in accordance with the Participation Agreement.

Status of Available Proceeds

As of June 30, 2022, the Administration had $236,987,685 of the bond proceeds available in its Program Fund. These proceeds and the corresponding bond series are reflected in the table below:

Residential Revenue Bond Series	Total Lendable Proceeds (including original and recycled)
2006 Series H, I and J (Non-AMT and AMT)	$476,228
2011 Series B (Non-AMT)	4,486,774
2014 Series C (Non-AMT) & 2014 Series D (AMT)	225,000
2015 Series A (Non-AMT)	30,000
2016 Series A (Federally Taxable)	22,146,492
2017 Series A (Federally Taxable)	8,284,121
2019 Series A (Non-AMT)	800,000
2019 Series B (Non-AMT)	4,941,884
2019 Series C (Non-AMT)	4,891,189
2021 Series C (Non-AMT)	81,489,572
2022 Series A (Non- AMT) & 2022 Series B (Federally Taxable)	109,216,425

Lendable proceeds generally represent funds that may earn interest at the rate of 0% and are expected to be used to purchase participations in Mortgage-Backed Securities and/or Whole Mortgage Loans purchased with proceeds of future Additional Bonds and funds from the Additional Collateral Fund. Some of these funds may also be used to fund subordinate Down Payment Assistance loans.

The lendable proceeds in 2022 Series AB have $38,577,425 of the remaining original proceeds which may be lent at a market-driven interest rate.

The Administration has been financing new loans for its single-family program through the pooling of loans in exchange for Mortgage-Backed Securities and utilizing either sales into the capital markets or the issuance of Additional Bonds. It is expected that both executions will continue to be a source of financing for future production.

Certain Information on Loan Type. See Appendix L for certain information on Whole Mortgage Loans by bond series and loan type (including participations in Whole Mortgage Loans). The following table sets forth additional information with respect to its Whole Mortgage Loans as of June 30, 2022.

	Original Number of Loans	**Original Principal Amount**	**Number of Outstanding Loans**	**Outstanding Principal Balance**
30 Year Amortization	20,663	$2,402,018,526	4,383	319,579,107
40 Year Amortization	802	170,290,867	143	22,608,899
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization*	170	44,366,152	19	3,137,648
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization*	2,491	547,685,728	489	80,618,926
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization*	546	131,407,100	112	21,596,321
Total	24,672	$3,295,768,373	5,146	447,540,898

* As of June 30, 2022, all loans in the portfolio that were originally interest only are now amortizing.

In general, funds made available from the issuance of Bonds may be used to finance Mortgage Loans. Origination fees (including discount points) for the Mortgage Loans currently range from zero points to three points. At this time, the Administration would purchase Mortgage Loans that have an original term of 30 years with even monthly payments of principal and interest. Pending application to the purposes of each fund or account, monies held in various funds and accounts under the Bond Resolution will be invested in Investment Obligations.

The Administration may use all or a portion of proceeds available for Mortgage Loans to finance Mortgage Loans on behalf of the Participating Counties (described below) for Single Family Residences located in those counties, where the Participating Counties have requested the Administration to issue their allocable portion of qualified mortgage bonds. The participating counties are the Counties of Allegany, Anne Arundel, Baltimore, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Howard, Kent, Queen Anne’s, St. Mary’s, Somerset, Talbot, Washington, Wicomico, Worcester and the City of Baltimore (the “Participating Counties”). If the Participating County does not use some or all of its allocation within any required period, the Administration may reallocate the funds to another Participating County or use the funds to purchase Mortgage Loans that finance the acquisition of Single Family Residences located in other jurisdictions of the State.

Eligible Mortgage Loans

General Provisions. Each Mortgage Loan must comply with the Act. Further, the Administration has set forth certain Series Program Determinations in Series Resolutions related to applicable Bonds which sets forth certain conditions related to the Mortgage Loans to be purchased with proceeds of such Bonds which includes the following: (1) a deed of trust must be executed and recorded in accordance with the requirements of existing laws; (2) the deed of trust must be the subject of a title insurance policy in an amount at least equal to the outstanding principal amount of the Mortgage Loan, insuring that the deed of trust constitutes a first lien (except as otherwise permitted by the Administration), subject only to permitted liens and encumbrances; (3) unless the Mortgage Loan has a loan-to-value ratio of 80% or less and meets other requirements of the Administration, the Mortgage Loan must be subject to FHA mortgage insurance, a VA or USDA/RD guarantee, private mortgage insurance or by the Maryland Housing Fund Insurance Program, or otherwise credit enhanced, provided that the credit enhancement does not have a negative impact on the ratings on the bonds, and must be insured, with a uniform standard extended coverage endorsement, as and to the extent required by the Administration to protect its interest against loss or damage by fire, and other hazards, and by flooding if the Single Family Residence is located in an area designated as having specific flood hazards. As discussed under "SECURITY FOR THE BONDS – Program Assets", the Administration has the right to materially modify, amend, alter, release or cancel any terms or provisions of any Credit Enhancement for a Mortgage Loan.

Purchase Price Limitations. The federal tax law and the Act place limits on the maximum purchase price of a residence financed with a Mortgage Loan. The maximum purchase price permitted under the Program (which are within the federal tax law requirements) vary from county to county, and currently range from $349,526 for homes in Non-Targeted areas of St. Mary's, Washington, Wicomico and Worcester Counties to $985,842 for homes in Targeted Areas of Washington, D.C. metropolitan statistical area (targeted areas in the counties of Frederick, Montgomery and Prince George's Counties). In addition, the maximum mortgage amounts permitted under the Program vary from county to county, and currently range from $420,680 for Allegany, Caroline, Dorchester, Garrett, Kent, St. Mary's, Somerset, Washington, Wicomico and Worcester Counties, to $647,200 for Calvert, Charles, Frederick, Montgomery and Prince Georges Counties. In certain counties, the insurer's or guarantor's maximum mortgage amounts may be less or more than the maximum purchase prices permitted under federal tax law. The maximum purchase price of a residence financed by the Administration may not exceed the lesser of either the insurer's or guarantor's mortgage limit or the maximum purchase price established by federal tax law. Lower purchase price limits may apply to certain Mortgage Loans made available at interest rates that are lower than those generally available or for other programmatic reasons. In addition, maximum purchase price limits may be set lower for Mortgage Loans to be financed in particular community development projects of Single Family Residences or through Homeownership Initiatives. Current purchase price limitations are published on the Department's website at: https://mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx.

Mortgage Loan Amounts. The maximum amount of a Mortgage Loan may not exceed the FHA maximum insured mortgage loan amount, the maximum loan amount guaranteed by VA or USDA/RD or insured under private mortgage insurance, as applicable. Under certain circumstances, the mortgage insurer or guarantor may allow financing above the amount of the purchase price of the mortgaged property in order to permit the financing of an up-front mortgage insurance premium, funding fee, guarantee fee, permitted closing costs, and other permitted costs such as rehabilitation and related costs permitted by FHA under the FHA Section 203(k) Rehabilitation Insured Mortgage Program, or by a lender that has an acquisition-rehabilitation program. The Administration may finance such costs as part of the Mortgage Loan. Therefore, a substantial proportion of the Mortgage Loans are expected to have loan-to-value ratios which equal or exceed 100%. The

USDA/RD guarantee permits financing of closing costs and guarantee fee above the purchase price, as long as the total loan amount does not exceed the appraised value.

Borrower Income Limitations. The federal tax law and the Act place limits on maximum annual income of Borrowers eligible to receive Mortgage Loans. From time to time the Secretary may determine income limits other than those that are generally applicable (subject to the limits imposed by Section 143). In addition, the insurer or guarantor may have maximum income limits that may differ from the limits imposed by federal law or the Act. The maximum income limit permitted under the Program (which are within the federal tax law requirements), which is adjusted for household size, may vary from county to county, and currently ranges from $117,500 for a one or two-person household in Non-Targeted Areas of Anne Arundel, Baltimore, Carroll, Cecil, Harford, Howard, Queen Anne's, St Mary's, Talbot, Washington, Wicomico and Worcester Counties to $199,220 for a three-person or larger household in Targeted and Non-Targeted Areas of Frederick, Montgomery and Prince George's Counties and Non-Targeted Areas of Calvert and Charles Counties. The maximum annual household income of Borrowers eligible to receive Mortgage Loans may not exceed the lesser of the maximum income limits permitted under federal tax law or by the mortgage insurer or guarantor. Lower income limits may apply to certain Mortgage Loans made available at interest rates that are lower than those generally available or for other programmatic reasons. In addition, maximum income limits may be set lower for Mortgage Loans to be financed in particular community development projects of Single Family Residences or through Homeownership Initiatives. Current borrower income limitations are published on the Department's website at: https://mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx.

"Smart Growth" Requirements. Title 5, Subtitle 7B (Priority Funding Areas) of the State Finance and Procurement Article of the Maryland Annotated Code (the "Smart Growth Act"), enacted in 1997, in general requires the Administration to ensure that newly constructed homes financed by Program loans are located in certain "priority funding areas". The Smart Growth Act requirement does not apply if the loan is financed through bonds issued under a county's transfer of its allocation to the Administration under Title 13, Subtitle 8 of the Financial Institutions Article. See "Existing Portfolio and Available Funds Under the Bond Resolution."

Compliance with Federal Tax Law and Program Requirements. Under the 1986 Code, the failure by a Borrower to occupy a Single Family Residence financed by a Mortgage Loan for a period of 12 consecutive months may result in the inability of such Borrower to deduct interest payments for income tax purposes with respect to such Mortgage Loan during such period. In addition, under the 1986 Code, Borrowers may be required to pay a recapture tax as a result of the sale or other disposition of the Single Family Residence.

In order to comply with Section 103A and Section 143 and to meet other Program requirements, the Administration will require that each Mortgage Loan meets certain additional requirements, including the following:

(1) each Borrower must certify that the proceeds of the Mortgage Loan will be used only to acquire a Single Family Residence located in the State to be owned and occupied by the Borrower, and, except in certain limited circumstances, will not be used to acquire or replace an existing mortgage or other financing of a residence or any improvements thereto;

(2) each Borrower must certify with respect to the residence to be acquired that the Borrower (a) is presently occupying such residence as the Borrower's principal residence, or shall occupy such residence as his principal residence in most cases within no more than 60 days after the closing of the Mortgage Loan, (b) intends thereafter to maintain the residence as the Borrower's sole residence, and (c) will not use all or any portion of the residence in any trade or business activity, except with the prior written permission of the Administration;

(3) subject to certain exceptions, each Borrower must (a) provide to the Mortgage Lender or the Administration such Borrower's credit report or income tax information filed with the Internal Revenue Service during the preceding three years and (b) certify, and the Administration also examines the credit report

or income tax information as evidence, that the Borrower had no present ownership interest in a principal residence of the Borrower at any time during the three-year period ending on the date the Mortgage Loan is originated unless (a) the home to be financed is located in a Targeted Area, as defined below, where such prohibition on prior homeownership is not dictated, or (b) the borrower (or one of the co-borrowers) qualifies for a one-time exemption from these requirements as a veteran; and

(4) each Borrower and seller must certify the amount of the acquisition cost of the mortgaged property, and such acquisition cost may not exceed maximum acquisition costs established by the Administration in conformity with Section 143, FHA or other applicable maximum loan amounts, and Administration policy.

Targeted Area Set-Aside. As required by the 1986 Code, certain percentages of proceeds of Bonds may be required to be reserved to finance residences located in Targeted Areas throughout the State for a period of at least one year following the date of delivery of the related series of Bonds. A "Targeted Area," as defined in Section 143(j) of the 1986 Code, is an area which is either (1) a census tract in which 70% or more of the families have income which is 80% or less of the statewide median family income, or (2) an area of chronic economic distress designated by the State as meeting State standards for such designation and the designation of which has been approved by the United States Secretary of the Treasury and the United States Secretary of Housing and Urban Development.

Remedies for Non-compliance. Mortgage Loans will provide that if the Administration discovers that any of the Borrower's covenants in the deed of trust, including the Borrower's and the seller's certifications concerning eligibility for the loan, is untrue or incomplete, the Administration may require that the Mortgage Loan become immediately due and payable.

Mortgage Loans purchased from Mortgage Lenders are subject to repurchase by such Mortgage Lenders in the event of certain types of non-compliance. See "Mortgage Loans Purchased from Mortgage Lenders – Provisions for Repurchase of Mortgage Loans" below.

In an effort to assure continued compliance with Sections 103A and 143, the Administration includes due-on-sale clauses in the Deeds of Trust for Mortgage Loans, except to the extent FHA, VA, or USDA/RD do not permit such provisions. The Administration will require borrowers to seek the permission of the Administration and the mortgage insurer for any assumption of Mortgage Loans by Borrowers. Under the federal Depository Institutions Act of 1982, due-on-sale clauses, such as those to be contained in the Deeds of Trust with respect to the Mortgage Loans, are generally enforceable, with certain exceptions which may affect the ability of the Administration to enforce such clauses. Although there has been no reported Maryland court decision on the enforceability by the Program of due-on-sale clauses, an Assistant Attorney General of the State, in his capacity as counsel to the Department, rendered an opinion in 1981 that due-on-sale clauses in the context of the Program would be enforceable under Maryland law. However, any such enforcement by equitable remedies, such as foreclosure, would be subject to the exercise of discretion by the courts.

Loans Financed from Taxable Bonds

The Administration has used the proceeds of taxable bonds to purchase Mortgage Loans or participations therein. The Administration was using taxable bond proceeds to support a temporary refinance program, which the Administration closed in August of 2018. The refinance program purchased Loans that refinanced (i) loans with an adjustable rate or an increased payment provision, (ii) loans that otherwise were not affordable for the borrowers, and (iii) loans for borrowers who owed more on their mortgage loans than their homes were worth and who were current on their mortgage loans. The refinance program required that the borrower meet the Administration's income limits for tax-exempt loans, and that the appraised value of the residence not exceed the purchase price limits of the Administration's tax-exempt loan program. The Administration may also finance from taxable bonds (a) Loans that meet the eligibility requirements for the Administration's tax-exempt loans except for the first-time homebuyer requirement in a non-targeted area or (b) certain other Loans that the Administration may wish to finance.

Mortgage Loans Purchased from Mortgage Lenders

The Administration purchases Mortgage Loans from qualified Mortgage Lenders. The Mortgage Lenders accept applications from potential Borrowers, screen them for eligibility, reserve funds with the Administration, obtain the required mortgage insurance commitment, obtain pre-closing compliance approval from the Administration, settle the Mortgage Loans with the Borrowers, and submit the Mortgage Loans to the Administration for purchase.

The Department's Division of Development Finance (the "Division") performs the initial screening of Mortgage Loans for eligibility under the criteria set forth above, unless a Mortgage Lender meets certain requirements to exempt the Mortgage Lender's loans from an initial screening. See "Eligible Mortgage Loans" herein. After a Mortgage Lender obtains a reservation for a potential Borrower, the Mortgage Lender submits the potential Mortgage Loan to the Division. The Division reviews the potential Mortgage Loan for eligibility under the criteria set forth above.

The Administration purchases Mortgage Loans at a price equal to the outstanding principal balance thereof. Except as permitted otherwise by the Administration, the Mortgage Lender may collect origination fees ("points") which include any fee paid to the Administration. Under the three-point program, the Mortgage Lenders pay the Administration a fee ranging between one percent and three percent, depending on when the purchase file is approved. Under the two-point program, the Mortgage Lenders pay the Administration a fee ranging between zero percent and two percent, depending on when the purchase file is approved. The Mortgage Lender thus receives a zero to two percent origination fee depending on when the purchase file is approved. Such fees paid to the Administration are not revenues under the Bond Resolution. Under the one-point program, the Mortgage Lender receives a one-point origination fee and the Administration pays the Mortgage Lender a fee of up to one percent, depending on when the purchase file is approved. Under the zero-point program, the Administration pays the Mortgage Lender a fee ranging between zero percent and two percent, depending on when the purchase file is approved.

Eligibility of Mortgage Lenders. Each Mortgage Lender must be (1) a "mortgage lender" within the meaning of the Act, (2) an approved seller of mortgage loans to Freddie Mac or Fannie Mae or who otherwise meets origination and other requirements of the Administration, and (3) in compliance with all other applicable State and federal laws, rules and regulations governing the business of the Mortgage Lender and the making of loans for residential housing. Each Mortgage Lender must enter into a Purchase Agreement with the Administration. The Administration may permit, upon its written approval, assignment of a Purchase Agreement to another Mortgage Lender that meets the preceding criteria.

Representations of Mortgage Lenders. Each Purchase Agreement sets forth or will set forth certain representations and warranties by the Mortgage Lender to the Administration concerning the Mortgage Loans sold to the Administration, including, among others, that at the time of delivery of such Mortgage Loan to the

Administration (1) there is no default or delinquency under the terms of the Mortgage Loan, and no payments are more than 20 days past due under the Mortgage Loan (except for certain refinancing loans insured through a set aside of the MHF Unallocated Reserve); (2) the Mortgage Loan has never been more than 45 days in arrears (except for certain refinancing loans insured through a set aside of the MHF Unallocated Reserve); (3) all documents required to be filed to perfect the lien on the mortgaged property against third parties have been filed; (4) the deed of trust for such mortgaged property is the subject of a title insurance policy by an insurer acceptable to the Administration in an amount at least equal to the original principal amount of the Mortgage Loan, insuring that the deed of trust constitutes a first lien (except as otherwise permitted by the Administration for Mortgage Loans which may be financed under future bond series), subject only to permitted liens and encumbrances; (5) the term of the Mortgage Loan does not exceed any limits set forth in the Purchase Agreement; (6) the Mortgage Loan meets all applicable State and federal laws, codes and regulations; (7) if the Mortgage Loan was made to finance the purchase of a newly constructed residence, the builder has warranted all materials, workmanship and mechanicals under a homeowners warranty acceptable to the mortgage insurer or credit enhancer; (8) the improvements constituting part of the property are covered by hazard insurance as required by the Administration; and (9) each Mortgage Loan with a loan-to-value ratio greater than eighty percent is subject to mortgage insurance from FHA, a mortgage guarantee from VA or USDA/RD, the Maryland Housing Fund or private mortgage insurance acceptable to the Administration. In addition, under the Act, each Mortgage Lender must certify that the Borrower does not have assets exceeding twenty percent of the purchase price, in order to assure that the Borrower could not obtain a mortgage loan to purchase property in the unassisted private lending market.

Special Mortgage Purchase Agreements. The Administration may enter into alternate mortgage purchase agreements with certain Mortgage Lenders that are not Fannie Mae or Freddie Mac approved sellers of mortgage loans, provided that the Mortgage Lenders meet origination and other requirements of the Administration, which include experience in residential mortgage lending and in working with governmental or private mortgage insurance programs approved for Mortgage Loans.

Provisions for Repurchase of Mortgage Loans. Each Purchase Agreement provides or will provide that the Mortgage Lender will repurchase any Mortgage Loan sold to the Administration, upon written notice by the Administration, if at any time (1) the Administration determines that any representation was untrue or incomplete when made or a misstatement of a material fact exists in any of the documents delivered in connection with such Mortgage Loan; (2) there is a failure to deliver required Mortgage Loan documents; (3) any mortgage insurance with respect to such Mortgage Loan lapses because of the negligence of the Mortgage Lender with respect to the servicing of such Mortgage Loan; (4) the Administration suffers or is threatened with a material loss by reason of the misfeasance, nonfeasance or malfeasance of the Mortgage Lender or its agent acting as servicer of such Mortgage Loan; (5) any payment of principal and interest is not made on the Mortgage Loan or the initial premium for any mortgage insurance is not paid and, on the basis of such non-payment, the issuer of mortgage insurance refuses to pay a claim on such Mortgage Loan; and (6) the Mortgage Lender, without prior written consent of the Administration, waives the enforcement of (or consents on behalf of the Administration to waive) the particular provisions of the Mortgage Loan requiring that (a) the Mortgage Loan is due on sale and may not be assumed except to the extent that the Mortgage Loan so provides; (b) at the time the Mortgage Loan is made, the Borrower shall not borrow additional amounts secured by the lien of the deed of trust without the consent of the Administration; and (c) an event of default permitting acceleration of the indebtedness shall occur if the Administration determines that any representation or statement of a material fact in any document executed in connection with the Borrower's application or the origination of such Mortgage Loan was or is untrue or incomplete.

If a Mortgage Lender refuses to repurchase a Mortgage Loan, then the Administration may seek enforcement through legal proceedings which are subject to bankruptcy, insolvency and other laws affecting creditors' rights generally and to the exercise of judicial discretion in accordance with general principles of equity. Such legal proceedings may result in a delay of the repurchase. In addition, the Administration may exercise discretion in pursuing its rights and remedies under the Purchase Agreements. The ability of a Mortgage Lender to repurchase a Mortgage Loan will depend upon the financial condition of the Mortgage

Lender at the time of the required repurchase. Five repurchase demands remain outstanding as of June 30, 2022. For more detail on such repurchase activity, see the most recent Asset-Backed Securities Disclosure Documents update for the Administration's Residential Revenue Bonds filed on EMMA.

Mortgage-Backed Securities; Sale of Mortgage-Backed Securities and Whole Loans

Effective as of February 1, 2011, newly originated Mortgage Loans insured by FHA or guaranteed by VA, RHS or private mortgage insurers generally have been purchased and securitized into mortgage-backed securities guaranteed by GNMA, Fannie Mae or Freddie Mac (the "Mortgage-Backed Securities"). U.S. Bank, National Association, a GNMA, Fannie Mae and Freddie Mac approved master servicer, purchases, securitizes and services such Mortgage Loans pursuant to a Servicing Agreement between the Administration and U.S. Bank National Association. No assurance can be provided, however, that the Administration will continue to cause such Mortgage Loans to be securitized into Mortgage-Backed Securities.

Given the interest rate environment for tax-exempt bonds and Mortgage Loans, the Administration has financed a substantial portion of its mortgage loan production through the sale of Mortgage-Backed Securities or whole loans to third parties rather than through the issuance of bonds. The Administration expects that sales of Mortgaged-Backed Securities will continue to provide a source of financing for production in the near term, along with the issuance of Additional Bonds.

Homeownership Initiatives; Developer Reservations

Homeownership Initiatives. From time to time, the Administration may set aside a portion of proceeds of the Bonds for special initiatives that promote targeted homeownership objectives. For these special initiatives, the Administration may adjust interest rates, income limits and other eligibility criteria, within the requirements of the 1986 Code or the 1954 Code, as applicable, the requirements of the credit enhancer and the Act.

Developer Reservations. The Administration may agree to provide financing for Mortgage Loans to eligible purchasers of Single Family Residences in certain "community development projects" (the "Single Family Projects") pursuant to commitments to developers. The Administration requires the developer to submit an application acceptable to the Administration. Upon a determination by the Secretary of project eligibility under the Act, the Administration issues a commitment to a developer for a specified time period to finance Mortgage Loans to eligible purchasers with respect to the Single Family Project. A commitment reserves financing for prospective purchasers who qualify and are eligible under the Program and also sets forth maximum sales prices on units to be financed by the Administration and covenants and warranties to be made by the developer. The Administration may allow developers of Single Family Projects to make a deposit in an escrow account which will be applied to reduce the monthly payments due on Mortgage Loans made on residences in the Single Family Projects for up to four years after closing.

After a developer has sold a Single Family Residence and entered into a sales contract, the developer or a representative of the developer forwards the completed loan application to the Administration, if the Administration is expected to make the Mortgage Loan, or to a Mortgage Lender, if the Administration is expected to purchase the Mortgage Loan.

For developers who arrange for Mortgage Loan financing of individual Mortgage Loans through approved Mortgage Lenders, the Administration will purchase Mortgage Loans for Single Family Residences either in accordance with a Purchase Commitment or pursuant to a reservation initiated by the Mortgage Lender on behalf of the borrower.

Mortgage Loans Made by the Administration

The Administration may originate loans eligible for insurance through the Maryland Housing Fund, with Maryland Housing Fund approval, and may also originate uninsured loans that have acceptable secondary financing from the Department, a governmental agency or a non-profit, under circumstances authorized by the Act. The Administration will not originate FHA, VA, USDA/RD or privately insured loans unless it becomes an FHA, VA or USDA/RD lender or a lender authorized by a private mortgage issuer.

Mortgage Loans originated by the Administration that are found to be ineligible under Section 103A or Section 143 are not subject to repurchase by any Mortgage Lender. In order to preserve the exclusion from gross income for federal income tax purposes of the interest payable on the bonds, the loans may be sold out of the Bond Resolution portfolio or the Administration may declare such Mortgage Loans in default and commence foreclosure proceedings or take other appropriate measures. Foreclosure is an equitable remedy subject to various defenses and judicial discretion.

Servicing of Mortgage Loans

Whole Loan Servicer Agreement. As of the date hereof, 100% of all Whole Mortgage Loans are serviced by Dovenmuehle Mortgage, Inc. (the "Whole Loan Servicer"). Dovenmuehle Mortgage, Inc. assumed the servicing obligations of Bogman, Inc. as of July 1, 2016.

The agreement with the Whole Loan Servicer (the "Whole Loan Servicer Agreement") requires the Whole Loan Servicer to perform all duties and acts incident to the servicing of Mortgage Loans covered thereby that a reasonable, prudent mortgagee would perform with respect to mortgage loans owned by it. The Whole Loan Servicer is responsible for the collection of all payments from Borrowers and must render an accounting monthly to the Administration of all sums collected and disbursed under the Whole Loan Servicer Agreement. The Whole Loan Servicer is required to remit to the Trustee all Mortgage Repayments, Prepayments and curtailments it receives with respect to Mortgage Loans serviced under the Whole Loan Servicer Agreement. In addition, the Whole Loan Servicer Agreement requires the Whole Loan Servicer to have in effect (and maintain during the term of the Whole Loan Servicer Agreement), at no cost to the Administration, a fidelity bond and policies of insurance providing fire and extended coverage and errors and omissions coverage, all in amounts and with coverage satisfactory to the Administration, for mortgagee errors and omissions and insuring against loss arising from dishonest, criminal or fraudulent acts, and errors and omissions of the officers and employees of the Whole Loan Servicer.

If any default occurs on a Mortgage Loan covered by the Whole Loan Servicer Agreement, the Whole Loan Servicer must take all actions necessary and proper to enforce all applicable contractual provisions of the defaulted Mortgage Loan, including, at the direction of the Administration, the institution of foreclosure proceedings. The Administration will bear all foreclosure and related expenses, to the extent not reimbursable by the applicable mortgage insurance or collected from the Borrower. The failure of the Whole Loan Servicer to send notice properly and report to the Administration or the insurer of a Mortgage Loan as to the status of a delinquent Mortgage Loan may result in the Whole Loan Servicer being required to compensate the Administration.

The Whole Loan Servicer is required to comply with detailed requirements set forth in the Department's servicing manual.

Asset Management. Asset management for Mortgage Loans is provided to the Administration by the Single Family Operations section of the Division of Credit Assurance ("Asset Management").

With respect to the Mortgage Loans, Asset Management:

(1) monitors the servicing performance of the Whole Loan Servicer for compliance with the requirements of the Whole Loan Servicer Agreement and the Department's servicing manual by requiring from the Whole Loan Servicer:

(a) monthly Mortgage Loan delinquency reports;

(b) annual audited financial statements; and

(c) an annual certification that the Whole Loan Servicer is complying with the Servicer Agreement and the Department's servicing manual;

(2) directs and reviews Whole Loan Servicer's handling of Mortgage Loan delinquencies;

(3) directs and evaluates Whole Loan Servicer's actions in connection with foreclosure proceedings; and

(4) analyzes delinquencies and foreclosures and creates and implements corrective action plans.

The Division of Credit Assurance contracts with two different private sector realty companies which provide REO management and disposition services for properties in the REO portfolio. Asset Management staff monitors these services.

Servicemembers Civil Relief Act. It is possible that one or more of the Mortgage Loans could be affected by the Servicemembers Civil Relief Act, as amended (formerly, the Soldiers' and Sailors' Civil Relief Act of 1940), which applies to persons called to active duty in the armed forces. The act applies only if the service member was not in the military when the loan was made. The act creates a rebuttable presumption that any persons called to active duty will experience a ''material impairment of their ability to pay their debts''. As a result, the outstanding debts of a person called to active duty may be reduced to bear interest at an annual rate of 6% for the period of military service. The act also provides that foreclosure on such debt will not be permitted for a period up to one (1) year after the end of active duty. A mortgagee, such as the Administration, may apply to any federal or State court to override the presumption and preclude its effects on a debt, such as a Mortgage Loan.

Loan Modifications

In the case of delinquencies of Mortgage Loans insured or guaranteed by FHA, VA or Rural Development or by any private insurance companies, the Administration modifies the terms of such Mortgage Loans in accordance with the requirements of the mortgage insurer or guarantor. Such modifications may include the deferral of monthly payments of principal and interest, the extension of the maturity dates and re-amortization of the outstanding principal balances of the Mortgage Loans, and, in the case of FHA insured mortgage loans, the payment by FHA of partial insurance claims. See APPENDIX A – "Business Disruption Risk; COVID-19" for information on the impact of COVID-19 on loan modifications.

Since October 23, 2009, FHA has required lenders holding FHA insured mortgage loans in default to modify such mortgage loans by reducing the interest rates to current market rates and by extending the term to a full 30 years from the date of loan modification. The Administration has received a letter from FHA waiving such requirements; however, no assurance can be given as to whether FHA will continue such waiver or, if not continued, what the impact will be on the Bonds as a result of any such modifications of the Administration's FHA insured mortgage loans.

On March 4, 2009, the U.S. Department of the Treasury announced guidelines to enable mortgage loan servicers to begin modifications of eligible mortgage loans under the Homeowner Affordability and Stability Plan, (the "Plan"). The Administration is not participating in the Making Home Affordable Program, which is part of the Plan, and is not modifying the Administration's Mortgage Loans through the Home Affordable Modification Program, which is also part of the Plan. No assurance can be given whether the Administration will commence the modification of the Administration's Mortgage Loans pursuant to such guidelines or the Plan.

Estimated Revenues of Program

Under Section 143 of the Code, the yield of the Mortgage Loans or participations therein allocable to each Series of federally tax-exempt Bonds issued under the Bond Resolution (other than with any contributions by the Administration) may not exceed the yield of such Series of Bonds by more than 1-1/8 percentage points. All Revenues derived from such Mortgage Loans are available for payment of the Bonds. However, except as otherwise permitted under the 1986 Code, an amount equal to the portion of Revenues derived from investments in Investment Obligations made in connection with such Series of Bonds (other than with contributions by the Administration) that exceeds a yield equal to the yield of such Series of Bonds (calculated in accordance with Section 143 of the Code, whichever is applicable) or represents gains made on such investments must be paid to the United States. Such restrictions limit the amounts available to pay the principal of and interest on the Bonds. The Administration estimates that, in each year in which the bonds are scheduled to be outstanding, there will be sufficient moneys available under the Bond Resolution to pay the principal of and interest on the Bonds, after payment of (1) fees and expenses of the fiduciaries and (2) the estimated costs of servicing the Mortgage Loans and other Program expenses.

Certain Information Relating to Whole Mortgage Loans

Certain information relating to the Whole Mortgage Loans (including participations in Whole Mortgage Loans) made or purchased with proceeds of prior Series of Bonds as of June 30, 2022 is set forth in Appendix K. The following table sets forth as of June 30, 2022, the number, outstanding principal balance and percentage of the total outstanding balance of the Whole Mortgage Loans which have been financed in each of the political subdivisions of the State.

RESIDENTIAL REVENUE BOND PROGRAM LOAN PORTFOLIO BY COUNTY

as of June 30, 2022

County	Current Number of Mortgage Loans[(1)]	Current Outstanding Principal [(1)]	Percent of Current Total Outstanding Principal [(1)]
Allegany County	107	$5,171,408	1.16%
Anne Arundel County	203	$24,399,622	5.45%
Baltimore City	2,233	$143,485,563	32.06%
Baltimore County	900	$79,219,742	17.70%
Calvert County	22	$4,053,693	0.91%
Caroline County	34	$2,263,657	0.51%
Carroll County	31	$4,769,304	1.07%
Cecil County	26	$2,457,351	0.55%
Charles County	84	$14,280,325	3.19%
Dorchester County	25	$1,914,123	0.43%
Frederick County	82	$10,922,632	2.44%
Garrett County	7	$489,645	0.11%
Harford County	221	$21,668,510	4.84%
Howard County	68	$8,786,031	1.96%
Kent County	12	$578,055	0.13%
Montgomery County	79	$11,978,956	2.68%
Prince George's County	536	$74,669,975	16.68%
Queen Anne's County	11	$1,821,426	0.41%
Saint Mary's County	37	$3,900,276	0.87%
Somerset County	31	$2,050,001	0.46%
Talbot County	21	$1,309,531	0.29%
Washington County	191	$13,789,364	3.08%
Wicomico County	160	$12,239,716	2.73%
Worcester County	25	$1,321,990	0.30%
	5,146	$447,540,898	100.00%

Note:

(1) Individual amounts may not add up to the total amount because of rounding.

RESIDENTIAL REVENUE BOND PROGRAM BY INSURER

As of June 30, 2022 the Mortgage Loans (including participations in Mortgage Loans) made or purchased by the Administration with proceeds of prior Series of Bonds were originally covered by primary mortgage insurance or guarantees as of the date of the origination thereof as follows:

Primary Mortgage Insurer or Guarantor	Current Number of Mortgage Loans(1)	Current Outstanding Principal (1)	Percent of Current Total Outstanding Principal (1)	
FHA	**2,804**	**193,543,808**	**43.25%**	
VA	**78**	**5,126,556**	**1.15%**	
RHS	**85**	**8,144,672**	**1.82%**	
All Privately Insured(2)	**1,350**	**200,710,007**	**44.85%**	
Mortgage Guaranty Insurance Corporation	633	99,579,167	22.25%	(3)
Republic Mortgage Insurance Company	210	30,866,803	6.90%	(3)
United Guaranty Residential Insurance Company	346	46,671,125	10.43%	(3)
PMI Mortgage Insurance Company	59	7,933,390	1.77%	(3)
Genworth Financial	51	7,931,771	1.77%	(3)
Triad Guaranty Insurance Corporation	20	2,200,895	0.49%	(3)
Radian Guaranty, Incorporated	31	5,526,857	1.23%	(3)
MHF	**557**	**16,736,345**	**3.74%**	
Uninsured Paid Down (current loan to value ratio of less than 80%)	**22**	**198,968**	**0.04%**	
Uninsured (original loan to value ratio of more than 80%)	**1**	**22,247**	**0.00%**	
Uninsured (original loan to value ratio of less than 80%)	**249**	**23,058,293**	**5.15%**	
	5,146	**447,540,898**	**100.00%**	

Notes:

(1) Individual amounts may not add up to the total amount because of rounding.

(2) Currently, coverage of 35% is required of private mortgage insurance policies; the Administration is not currently financing Mortgage Loans that are insured by private mortgage insurance companies but may do so in the future. According to their respective websites, due to financial conditions, PMI Mortgage Insurance Company, and Triad Guaranty Insurance Corporation are each currently acting under supervision of their respective regulators and as a result are paying only a percentage of any claim allowed under an applicable insurance policy. The Administration makes no representation regarding the financial condition of any of the private mortgage insurance companies or their ability to make full and timely payments to the Administration on Mortgage Loans on which losses are incurred and has no obligation to provide continuing disclosure with respect thereto.

(3) This percentage represents the portion of the private insurer as a percentage for the total of all privately insured.

Information Relating Liquidity Providers for Variable Rate Bonds:

The series of variable rate bonds currently outstanding and information relating to liquidity facilities in place with the Administration's Residential Revenue Bonds with respect to such bonds outstanding as of June 30, 2022 are as follows:

Maryland Community Development Administration
Liquidity Facilities in place as of July 1, 2022

						Liquidity Facility Credit Ratings (3)	
Bond Issue	**Date of Initial Issuance**	**Outstanding Principal As of July 1, 2022**	**Liquidity Facility Provider**	**Notes**	**Liquidity Facility Exp. Date**	**Moody's**	**Fitch**
2006 Series G	5/24/2006	13,930,000	Wells Fargo Bank	(2)	1/6/2027	Aa1/P-1	AA-/F1+
2006 Series J	7/13/2006	44,970,000	Wells Fargo Bank	(2)	1/6/2027	Aa1/P-1	AA-/F1+
2012 Series B	8/23/2012	44,750,000	TD Bank	(1)	8/20/2026	Aa3/P-1	AA-/F1+
2014 Series F	9/25/2014	24,555,000	Wells Fargo Bank	(2)	1/6/2027	Aa1/P-1	AA-/F1+

(1) TD Bank, N.A.
(2) Wells Fargo Bank, National Association
(3) Ratings as of October 7, 2022

Based on reports to the Administration from the Whole Loan Servicer and based on reports to the National Delinquency Survey prepared by the Economic and Research Department of the Mortgage Bankers Association of America, the following tables set forth information about delinquencies and foreclosures of mortgage loans, reported by certain mortgage servicers. See APPENDIX A – "Business Disruption Risk; COVID-19" for information on the impact of COVID-19 on foreclosure activity.

	National Delinquency Survey (defined as a percentage)			Residential Revenue Bond Program [1][2][4]
	U.S.A. All Types 6/30/2022	Maryland All Types 6/30/2022	Maryland FHA [3] 6/30/2022	Program 6/30/2022
30 days delinquent	1.72%	1.95%	4.63%	5.76%
60 days delinquent	0.52%	0.60%	1.47%	1.96%
90 days+ delinquent	1.53%	1.94%	4.06%	3.70%
In foreclosure	0.59%	0.76%	1.39%	3.50%
Placed in foreclosure during last three months	0.18%	0.22%	0.45%	1.17%

	Mortgages Sixty Days or More Delinquent or in Foreclosure			
Quarter Ended	U.S.A. All Types	Maryland All Types	Maryland FHA [3]	Program [1][2] 6/30/2022
6/30/2018	3.04%	3.68%	6.14%	6.21%
6/30/2019	2.73%	3.57%	6.47%	6.68%
6/30/2020	6.31%	7.93%	14.61%	9.66%
6/30/2021	4.57%	5.97%	13.29%	10.51%
6/30/2022	2.64%	3.30%	6.92%	9.16%

Notes:

(1) The delinquency statistics in the tables above include all whole loans financed entirely from the Bond Resolution.

(2) The Program purchased the first Mortgage Loan on October 29, 1997.

(3) Includes all types of FHA mortgage loans.

(4) Program delinquency rates do not include mortgage loans residing in Collateral Reserves (C) or the Administration's refinanced (Lifeline/Homesaver) loans.

Appendix B-2

FORM OF SOCIAL BONDS REPORTING

COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Residential Revenue Bonds
$221,770,000 2021 Series C (Non-AMT) (Social Bonds)
$30,000,000 2021 Series D (Federally Taxable) (Social Bonds)

The table below constitutes the Social Bonds Annual Reporting for the above-captioned bonds (the "Bonds") for the fiscal year ended June 30, 2022.

Series Bond Proceeds Summary		
Total Proceeds	Proceeds Spent as of 6/30/22	Proceeds Remaining
$258,497,192	$177,007,620	$81,489,572

Mortgage Loans Originated By Borrower Income as a % of Area Median Income ("AMI")			
% of AMI:	**$ of Loans ($000)**	**# of Loans**	**Cumulative % of Proceeds Spent**
50% and below	24,858	224	14%
50.1% - 60%	23,300	176	27%
60.1% - 70%	30,566	212	45%
70.1% - 80%	26,058	173	60%
80.1% - 90%	25,272	150	73%
90.1% - 100%	21,543	135	86%
100.1% - 140%	24,013	134	99%
Over 140%	1,396	11	100%

NOTE: As described in "APPENDIX B-2 - DESIGNATION OF THE SERIES BONDS AS SOCIAL BONDS – Post Issuance Reporting," once all bond proceeds have been spent, no further updates will be provided.

Note: This data is updated annually as of the end of each fiscal year.

Appendix B-3

FORM OF SOCIAL BONDS REPORTING

COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Residential Revenue Bonds
$111,625,000 2022 Series A (Non-AMT) (Social Bonds)
$37,375,000 2022 Series B (Federally Taxable) (Social Bonds)

The table below constitutes the Social Bonds Annual Reporting for the above-captioned bonds (the "Bonds") for the fiscal year ended June 30, 2022.

Series Bond Proceeds Summary		
Total Proceeds	Proceeds Spent as of 6/30/22	Proceeds Remaining
$152,211,853	$35,010,428	$117,201,425

Mortgage Loans Originated By Borrower Income as a % of Area Median Income ("AMI")			
% of AMI:	**$ of Loans ($000)**	**# of Loans**	**Cumulative % of Proceeds Spent**
50% and below	5,309	56	15%
50.1% - 60%	4,457	37	28%
60.1% - 70%	7,342	54	49%
70.1% - 80%	5,988	46	66%
80.1% - 90%	4,177	29	78%
90.1% - 100%	4,033	29	89%
100.1% - 140%	3,704	25	100%

NOTE: As described in "APPENDIX B-2 - DESIGNATION OF THE SERIES BONDS AS SOCIAL BONDS – Post Issuance Reporting," once all bond proceeds have been spent, no further updates will be provided.

Note: This data is updated annually as of the end of each fiscal year.

APPENDIX E

OUTSTANDING INDEBTEDNESS OF THE ADMINISTRATION

Outstanding Residential Revenue Bonds

The following table sets forth certain information relating to Bonds issued by the Administration under the Bond Resolution outstanding as of July 1, 2022.

	Effective Bond Yield	Year of Issue	Final Maturity	Amount Issued	Amount Outstanding	
Residential Revenue Bonds						
2006 Series G	(2)	2006	9/1/2040	$ 40,000,000	$ 13,930,000	(1)
2006 Series J	(2)	2006	9/1/2040	60,000,000	44,970,000	(1)
2012 Series A	3.123440%	2012	9/1/2025	44,450,000	1,395,000	(1)(3)
2012 Series B	(2)	2012	9/1/2033	45,000,000	44,750,000	(1)(3)
2014 Series A	3.739403%	2014	9/1/2032	57,515,000	1,870,000	(1)
2014 Series B	3.095548%	2014	9/1/2044	35,565,000	3,430,000	(1)
2014 Series C	3.369241%	2014	9/1/2044	47,960,000	16,425,000	(1)
2014 Series D	3.245679%	2014	9/1/2036	23,885,000	2,585,000	(1)
2014 Series E	3.395849%	2014	9/1/2040	53,205,000	17,225,000	(1)(3)
2014 Series F	(2)	2014	9/1/2044	25,000,000	24,555,000	(3)
2015 Series A	3.379090%	2015	9/1/2045	24,235,000	3,300,000	(1)
2015 Series B	3.565720%	2015	9/1/2041	67,190,000	11,010,000	(1)(3)
2016 Series A	3.401702%	2016	9/1/2047	325,800,000	190,430,000	(1)(3)
2017 Series A	3.734510%	2017	9/1/2048	263,060,000	124,520,000	(1)(3)
2018 Series A	3.958382%	2018	9/1/2048	239,565,000	50,695,000	(1)
2018 Series B	3.958382%	2018	9/1/2048	40,435,000	23,485,000	(1)
2019 Series A	3.650455%	2019	9/1/2049	140,000,000	50,670,000	(1)
2019 Series B	3.277965%	2019	9/1/2049	210,000,000	135,120,000	(1)
2019 Series C	2.940750%	2019	3/1/2050	319,580,000	247,715,000	(1)
2019 Series D	2.898117%	2019	3/1/2050	27,490,000	16,790,000	(1)(3)
2020 Series A	2.753368%	2020	3/1/2050	130,750,000	109,830,000	(1)
2020 Series B	1.612408%	2020	9/1/2023	9,250,000	3,745,000	(1)
2020 Series D	2.344036%	2020	9/1/2050	160,000,000	147,820,000	(1)
2021 Series A	2.117790%	2021	9/1/2051	197,725,000	190,905,000	(1)
2021 Series B	2.235000%	2021	9/1/2051	170,000,000	166,815,000	(1)
2021 Series C	2.509600%	2021	9/1/2051	221,770,000	221,720,000	(1)
2021 Series D	1.620900%	2021	3/1/2027	30,000,000	30,000,000	(1)(3)
2022 Series A	4.708570%	2022	9/1/2052	111,625,000	111,625,000	(1)
2022 Series B	4.354550%	2022	9/1/2034	37,375,000	37,375,000	(1)(3)
Total Residential Revenue Bonds				$ 3,158,430,000	$ 2,044,705,000	

Other Outstanding Bonds of the Administration

The following table sets forth certain information relating to Bonds issued by the Administration under its other programs and outstanding as of July 1, 2022.

	Year of Issue	Final Maturity	Amount Issued	Amount Outstanding	
Single Family Housing Revenue Bonds					
2013 Series A (Pass-Through Program)................	2013	7/1/2043	$ 55,987,759	$ 13,576,875	(6)
Total Single Family Housing Revenue Bonds			$ 55,987,759	$ 13,576,875	

Other Outstanding Bonds of the Administration

	Year of Issue	Final Maturity	Amount Issued	Amount Outstanding	
Housing Revenue Bonds					
Series 2007 C	2007	1/1/2043	$ 2,310,000	$ 1,265,000	
Series 2012 D	2012	1/1/2054	4,700,000	4,115,000	
Series 2013 A	2013	7/1/2054	10,925,000	9,685,000	
Series 2013 B	2013	1/1/2055	11,915,000	4,995,000	
Series 2013 E	2013	7/1/2045	41,795,000	41,795,000	(2)(4)
Series 2013 F	2013	7/1/2055	16,255,000	6,620,000	
Series 2014 A	2014	1/1/2055	4,805,000	4,360,000	
Series 2014 B	2014	7/1/2055	3,790,000	1,165,000	
Series 2014 C	2014	1/1/2046	3,700,000	2,055,000	
Series 2014 D	2014	1/1/2056	10,060,000	9,140,000	
Series 2015 A	2015	1/1/2057	13,395,000	7,425,000	
Series 2015 B	2015	7/1/2057	48,200,000	42,425,000	
Series 2016 A	2016	7/1/2058	15,730,000	6,935,000	
Series 2017 A	2017	11/1/2058	18,720,000	14,314,547	(8)
Series 2017 B	2017	3/1/2059	12,000,000	6,050,492	(8)
Series 2017 C	2017	7/1/2059	28,755,000	17,335,000	
Series 2018 A	2018	1/1/2060	42,430,000	25,755,000	
Series 2019 A	2019	1/1/2061	14,715,000	11,405,000	
Series 2019 B	2019	1/1/2061	10,040,000	9,815,000	
Series 2019 C	2019	7/1/2061	19,665,000	14,485,000	
Series 2019 D	2019	7/1/2061	30,440,000	30,090,000	
Series 2019 E	2019	7/1/2061	6,020,000	2,720,000	
Series 2020 A	2020	7/1/2062	10,315,000	10,315,000	
Series 2020 C	2020	7/1/2062	19,350,000	9,290,000	
Series 2020 D	2020	7/1/2062	11,485,000	10,145,000	
Series 2020 E	2020	7/1/2062	23,860,000	22,110,000	
Series 2021 A	2021	7/1/2063	13,605,000	13,605,000	
Series 2021 B	2021	1/1/2041	11,395,000	11,395,000	
Series 2021 C	2021	7/1/2064	44,585,000	44,585,000	
Series 2022 A	2022	1/1/2042	23,270,000	23,270,000	
Total Housing Revenue Bonds			$ 528,230,000	$ 418,665,039	
Multi-Family Mortgage Revenue Bonds					
Series 2010 A (New Issue)	2010	7/1/2030	$ 8,410,000	$ 4,450,000	
Series 2009 A-1 (Released Program Bonds)	2010	7/1/2051	24,380,000	24,380,000	
Series 2010 B (New Issue)	2010	7/1/2045	16,730,000	3,860,000	
Series 2009 A-2 (Released Program Bonds)	2010	7/1/2051	6,610,000	1,940,000	
Series 2009 A-3 (Released Program Bonds)	2010	1/1/2044	5,410,000	4,435,000	(5)
Series 2010 D (New Issue)	2010	1/1/2035	6,880,000	4,020,000	
Series 2009 A-4 (Released Program Bonds)	2010	7/1/2051	10,760,000	10,760,000	
Series 2011 A (New Issue)	2011	7/1/2026	2,190,000	740,000	
Series 2009 A-5 (Released Program Bonds)	2011	7/1/2051	8,460,000	8,460,000	
Series 2011 B (New Issue)	2011	1/1/2028	8,680,000	1,585,000	
Series 2009 A-6 (Released Program Bonds)	2011	7/1/2051	13,230,000	13,230,000	
Series 2011 C (New Issue)	2011	7/1/2051	16,685,000	11,590,000	
Series 2009 A-7 (Released Program Bonds)	2011	7/1/2051	23,190,000	23,190,000	
Total Multi-Family Mortgage Revenue Bonds			$ 151,615,000	$ 112,640,000	

Other Outstanding Bonds of the Administration

	Year of Issue	Final Maturity	Amount Issued	Amount Outstanding	
Local Government Infrastructure Bonds					
2010 Series A-1 (Senior Obligations)	2010	6/1/2030	$ 19,395,000	$ 750,000	
2010 Series A-2 (Subordinate Obligations)	2010	6/1/2030	8,515,000	370,000	
2012 Series A-1 (Senior Obligations)	2012	6/1/2032	9,550,000	3,135,000	
2012 Series A-2 (Subordinate Obligations)	2012	6/1/2032	4,420,000	1,535,000	
2012 Series B-1 (Senior Obligations)	2012	6/1/2032	14,900,000	3,600,000	
2012 Series B-2 (Subordinate Obligations)	2012	6/1/2032	6,855,000	1,480,000	
2013 Series A-1 (Senior Obligations)	2013	6/1/2043	14,660,000	1,825,000	
2013 Series A-2 (Subordinate Obligations)	2013	6/1/2043	6,720,000	1,100,000	
2014 Series A-1 (Senior Obligations)	2014	6/1/2034	27,605,000	6,700,000	
2014 Series A-2 (Subordinate Obligations)	2014	6/1/2034	12,720,000	3,385,000	
2015 Series A-1 (Senior Obligations)	2015	6/1/2045	13,215,000	8,670,000	
2015 Series A-2 (Subordinate Obligations)	2015	6/1/2045	5,650,000	3,710,000	
2016 Series A-1 (Senior Obligations)	2016	6/1/2036	18,020,000	11,380,000	
2016 Series A-2 (Subordinate Obligations)	2016	6/1/2036	7,715,000	4,880,000	
2017 Series A-1 (Senior Obligations)	2017	6/1/2047	27,310,000	19,820,000	
2017 Series A-2 (Subordinate Obligations)	2017	6/1/2047	11,725,000	8,510,000	
2018 Series A-1 (Senior Obligations)	2018	6/1/2048	4,535,000	3,805,000	
2018 Series A-2 (Subordinate Obligations)	2018	6/1/2048	1,925,000	1,620,000	
2019 Series A-1 (Senior Obligations)	2019	6/1/2049	11,340,000	10,635,000	
2019 Series A-2 (Subordinate Obligations)	2019	6/1/2049	4,875,000	4,570,000	
2019 Series B-1 (Senior Obligations)	2019	6/1/2049	11,810,000	10,780,000	
2019 Series B-2 (Subordinate Obligations)	2019	6/1/2049	5,260,000	4,820,000	
2020 Series A-1 (Senior Obligations)	2020	6/1/2049	16,740,000	15,225,000	
2020 Series A-2 (Subordinate Obligations)	2020	6/1/2049	7,470,000	6,820,000	
2021 Series A-1 (Senior Obligations)	2021	6/1/2051	18,980,000	18,710,000	
2021 Series A-2 (Subordinate Obligations)	2021	6/1/2051	8,170,000	8,040,000	
Total Local Government Infrastructure Bonds			$ 300,080,000	$ 165,875,000	
Multifamily Development Revenue Bonds					
Series 2001 G (Waters Tower Senior Apts.)...........	2001	12/15/2033	$ 4,045,000	$ 2,465,000	(2)
Series 2005 A (Fort Washington Manor Sr. Housing)	2005	11/15/2038	14,000,000	10,160,000	(2)
Series 2005 B (Washington Gardens)..................	2005	2/1/2036	5,000,000	1,665,000	
Series 2006 A (Barclay Greenmount Apartments)....	2006	4/1/2035	4,535,000	2,585,000	
Series 2007 A (Brunswick House Apartments)........	2007	10/1/2037	3,000,000	1,800,000	
Series 2007 B (Park View at Catonsville).............	2007	12/1/2037	5,200,000	4,750,000	(2)
Series 2008 B (Shakespeare Park Apartments)........	2008	5/1/2038	7,200,000	7,200,000	(2)
Series 2008 C (The Residences at Ellicott Gardens)..	2008	12/1/2040	9,105,000	6,175,000	(2)
Series 2008 D (Crusader Arms Apartments)...........	2008	2/1/2041	3,885,000	2,660,000	(2)
Series 2008 E (MonteVerde Apartments).............	2008	3/1/2041	15,200,000	13,445,000	(2)
Series 2008 G (Kirkwood House Apartments).........	2008	12/1/2038	16,000,000	16,000,000	(2)
Series 2012 A (Park View at Bladensburg)............	2012	12/1/2030	3,500,000	2,770,000	
Series 2013 G (Glen Manor Apartments)..............	2013	1/1/2031	13,640,000	11,045,000	
Series 2014 I (Marlborough Apartments).............	2014	12/15/2031	27,590,000	21,690,000	
Series 2015 D (Cumberland Arms Apartments).......	2015	9/1/2032	6,315,000	3,255,000	
Series 2017 G (Bolton North)..........................	2017	9/15/2034	25,200,000	23,260,000	
Series 2020 C (Greenspring Overlook)................	2020	8/1/2022	15,575,000	15,575,000	
Series 2020 D (Fireside Park Apartments)............	2020	12/1/2022	31,000,000	31,000,000	
Series 2020 E (Princess Anne Townhouses)..........	2020	12/1/2022	11,000,000	11,000,000	
Series 2021 A (Rosemont Gardens 4 Apartments)...	2021	5/1/2023	11,400,000	11,400,000	
Series 2021 B (Alexander House).................	2021	9/1/2023	15,000,000	15,000,000	
Series 2021 C-1 (PV at Ellicott City II).................	2021	11/1/2038	7,115,000	7,067,691	
Series 2021 C-2 (PV at Ellicott City II).................	2021	1/1/2023	1,485,000	1,485,000	
Series 2021 D-1 (PV at Furnace Branch).................	2021	11/1/2038	9,505,000	9,441,799	
Series 2021 D-2 (PV at Furnace Branch).................	2021	1/1/2023	405,000	405,000	

Other Outstanding Bonds of the Administration

	Year of Issue	Final Maturity	Amount Issued	Amount Outstanding
Multifamily Development Revenue Bonds continued				
Series 2021 E-1 (PV at Snowden River)……………..	2021	11/1/2038	$ 7,750,000	$ 7,698,468
Series 2021 E-2 (PV at Snowden River)……………..	2021	1/1/2023	790,000	790,000
Series 2021 F (Homes at Oxon Hill) ……………….	2021	7/1/2043	24,660,000	24,660,000
Series 2021 G (Windsor Valley III Apartments)…….	2021	12/1/2023	32,000,000	32,000,000
Series 2022 A (Woodside Gardens)……………..	2022	1/1/2024	30,000,000	30,000,000
Series 2022 B-1 (Weinberg Place Apartments)……….	2022	6/1/2040	18,790,000	18,790,000
Series 2022 B-2 (Weinberg Place Apartments)……….	2022	8/1/2024	12,570,000	12,570,000
Series 2022 C (Overlook Manor Townhouses)……..	2022	4/1/2024	9,600,000	9,600,000
Total Multifamily Development Revenue Bonds ………………………………………….			$ 402,060,000	$ 369,407,958

	Year of Issue	Final Maturity	Amount Issued	Amount Outstanding
Capital Fund Securitization Revenue Bonds				
Series 2003 ………………………………………………	2003	7/1/2023	$ 94,295,000	$ 110,000
Total Capital Fund Securitization Revenue Bonds …………………………………………			$ 94,295,000	$ 110,000

	Year of Issue	Final Maturity	Amount of Note	Amount Outstanding	
Multifamily Notes					(7)
Victory Crossing - Freddie TEL ……………………………	2016	6/1/2037	$ 7,675,000	$ 7,399,159	
Riviera Apartments - Freddie TEL …………………………	2017	6/1/2034	2,430,000	2,345,855	
Momentum at Shady Grove Metro - Freddie TEL …………	2018	1/1/2039	12,900,000	12,900,000	
Victory Haven - Freddie TEL ………………………………	2018	7/1/2037	6,080,000	6,080,000	
J.Van Story Branch Apartments - Freddie TEL ……………	2018	6/1/2039	18,604,000	18,486,848	
Silver Spring Artspace Lofts - Freddie TEL ………………	2019	1/1/2037	8,100,000	8,059,993	
Greenmount and Chase - Freddie TEL ……………………	2019	8/1/2036	1,790,000	1,788,191	
Glenarden Hills 2 - Freddie TEL ……………………………	2019	1/1/2039	5,562,000	5,533,880	
Ox Fibre Apartments - Freddie TEL ………………………	2020	4/1/2037	13,200,000	13,200,000	
Ox Fibre Apartments - Supplemental Freddie TEL ……….	2021	10/1/2022	1,050,000	1,050,000	
Windsor and Main - Freddie TEL …………………………	2020	5/1/2039	10,500,000	10,500,000	
Hollander Ridge - Freddie TEL ……………………………	2020	5/1/2040	6,850,000	6,834,077	
Knowles Manor - Freddie TEL ……………………………	2020	8/1/2040	16,000,000	16,000,000	
Suitland - Freddie TEL ……………………………………	2020	4/1/2041	19,100,000	19,100,000	
Snowden's Ridge Apartments - Freddie TEL …………….	2020	1/1/2038	21,100,000	20,723,909	
Newtowne 20 - Freddie TEL ……………………………..	2020	7/1/2041	11,800,000	51,000	
Rye Street Apartments - Freddie TEL …………………….	2020	1/1/2042	73,500,000	26,280,517	
Hillbrooke Towers - Freddie TEL…………………………	2021	8/1/2040	10,000,000	9,620,732	
525 Aisquith Apartments - Freddie TEL…………………..	2021	1/1/2042	22,000,000	14,484,654	
420 Aisquith Apartments - Freddie TEL…………………..	2021	6/1/2041	15,000,000	3,817,774	
Hillwood Manor - Freddie TEL…………………….........	2021	7/1/2041	18,705,000	4,013,721	
Sandy Spring Sr. Village - Freddie TEL ….....................	2022	3/1/2039	12,230,000	6,436,453	
Woodland Gardens II - Freddie TEL………………………	2022	10/1/2039	9,835,000	68,845	
St. Anne's Senior Apartments - Freddie TEL………………	2022	11/1/2041	13,550,000	336,795	
Frederick Road Senior Apartments - Freddie TEL…………	2022	12/1/2041	20,000,000	3,315,360	
Residences at Springbrook - Freddie Tel……………………	2022	1/1/2040	14,000,000	1,045,128	
Perkins Phase I - Freddie TEL………………………….....	2022	1/1/2042	20,200,000	795,632	
Highlandtown Plaza CO-OP - Freddie TEL………………	2022	1/1/2042	7,830,000	2,058,197	
Total Multifamily Notes………………………………………………………………			$ 399,591,000	$ 222,326,719	

Other Outstanding Bonds of the Administration

Total Amount of Other Bonds and Notes Outstanding	$ 1,931,858,759	$ 1,302,601,591
Total Amount of Residential Revenue Bonds Outstanding (9)	$ 3,158,430,000	$ 2,044,705,000
Total Amount of All Bonds and Notes Outstanding	$ 5,090,288,759	$ 3,347,306,591

(1) Certain prepayments of mortgage loans financed with the proceeds of such series of bonds are to be applied first to the redemption of certain bonds within such series.
(2) These are variable rate bonds that are repriced according to the terms in the respective Official Statement.
(3) These are taxable bonds with redemption provisions pertaining only to these bonds. For a description of the redemption provisions refer to the Official Statement.
(4) These are taxable bonds.
(5) Multi-Family Mortgage Revenue Bonds Series 2009 A-3 are non-parity bonds under this bond resolution. These bonds are special obligations payable solely from the trust estate pledged under the series resolution.
(6) These pass-through bonds are subject to mandatory payment, without premium, on the first day of each month from scheduled principal payments and prepayments. For a description of the principal payment and redemption provisions refer to the Official Statement.
(7) These are Freddie Mac tax-exempt loans (Freddie TEL) with CDA as the governmental lender and Wilmington Trust, National Association, as the fiscal agent.
(8) These bonds are stand-alone non-parity bonds under the Bond Resolution pledged solely from the trust estate pledged under the applicable series resolution and not from revenues or other amounts pledged to parity bonds. These bonds are pass-through bonds and are subject to mandatory payment, without premium, on the first day of each month from scheduled principal payments and prepayments. For a description of the principal payment and redemption provisions refer to the Official Statements for these bonds.
(9) See information under caption "Outstanding Residential Revenue Bonds" above.

For updated information on issuances and/or redemptions after July 1, 2022, please refer to the website www.dhcd.maryland.gov, Investors.

Appendix F
Community Development Administration
Residential Revenue Bonds
Ten Year Rule Percentages*

Bond Series	**12/31/2021**	**12/31/2022**	**12/31/2023**	**12/31/2024**	**12/31/2025**	**12/31/2026**	**12/31/2027**	**12/31/2028**	**12/31/2029**	**12/31/2030**	**12/31/2031**	**12/31/2032**
2006 Series E/F/G	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2006 Series H/I/J	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2014 Series A/B	45.39%	45.39%	45.39%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2014 Series C/D	37.69%	37.69%	37.69%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2015 Series A	0.00%	0.00%	0.00%	0.00%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2018 Series A/B	53.60%	53.60%	53.60%	53.60%	53.60%	53.60%	53.60%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2019 Series A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2019 Series B	2.44%	2.44%	2.44%	2.96%	3.24%	3.24%	3.24%	4.33%	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2019 Series C	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2020 Series A/B	8.94%	8.94%	8.94%	12.14%	12.99%	12.99%	12.99%	16.73%	22.46%	**100.00%**	**100.00%**	**100.00%**
2020 Series D	12.52%	12.52%	12.52%	13.41%	14.01%	14.01%	14.01%	18.01%	26.19%	**100.00%**	**100.00%**	**100.00%**
2021 Series A	50.64%	50.64%	50.64%	58.73%	60.27%	60.27%	60.27%	73.64%	98.71%	**100.00%**	**100.00%**	**100.00%**
2021 Series B	7.50%	7.50%	7.50%	10.77%	12.73%	12.73%	12.73%	15.69%	60.68%	67.03%	**100.00%**	**100.00%**
2021 Series C	10.42%	10.42%	10.42%	14.14%	17.29%	17.29%	17.29%	18.32%	41.68%	43.39%	**100.00%**	**100.00%**
2022 Series A	6.65%	6.65%	6.65%	7.22%	7.84%	7.84%	7.84%	12.98%	43.46%	48.07%	49.16%	**100.00%**

*Percentage represents the amount of each repayment of principal and prepayment received in each series which must be used to pay the principal portion of debt service or redeem bonds of that series. Percentages are requirements as of December 31 of each year.

APPENDIX G

MORTGAGE INSURANCE AND GUARANTY PROGRAMS

APPENDIX G

MORTGAGE INSURANCE AND GUARANTY PROGRAMS

FHA MORTGAGE INSURANCE PROGRAM,
VA HOME LOAN GUARANTY PROGRAM,
USDA/RD MORTGAGE GUARANTY PROGRAM,
PRIVATE MORTGAGE INSURANCE PROGRAM AND
THE MHF INSURANCE PROGRAM

Introduction

The Administration has prepared the following description of the FHA Mortgage Insurance Program, the VA Home Loan Guaranty Program, the USDA/RD Mortgage Guaranty Program, and private mortgage insurance. This description is only a brief outline and does not purport to summarize or describe all of the provisions of these programs, and the Administration does not warrant or represent the accuracy or completeness of such description. For a more complete description of the terms of this program, reference is made to the provisions of the insurance and guaranty contracts embodied in the regulations of FHA, VA and USDA/RD, respectively, and of the regulations, master insurance contracts and other such applicable information for those programs and for applicable private mortgage insurance. Credit Enhancement for Mortgage Loans made or purchased by the Administration with the proceeds of the 2021 Series A Bonds is limited by the Bond Resolutions to insurance under the FHA Mortgage Insurance Program, the VA Home Loan Guaranty Program, the USDA/RD Guarantee Program, and private mortgage insurance (described below). In addition, Mortgage Loans may be insured by the Maryland Housing Fund. See THE MHF INSURANCE PROGRAM below. Moreover, Mortgage Loans with a loan-to-value ratio of 80% or less are not required to have a credit enhancement as described above. If a Mortgage Loan without credit enhancement is supported by secondary financing, then such financing must be acceptable to the Administration. The secondary financing may include, for example, certain grants or loans from governmental or non-profit entities; any loans must be non-amortizing or amortize at an interest rate below the market rate. However, the Bond Resolution does not require that a Mortgage Loan financed in the future be secured by Credit Enhancement. Credit Enhancement of all or a portion of a Mortgage Loan, if any, will be provided in accordance with the provisions therefor set forth in the Series Resolution authorizing a particular Series of Bonds. Credit Enhancement of Mortgage Loans includes (but is not limited to) any credit enhancement, insurance, guaranty, risk-sharing arrangement or any other form of credit support for a Mortgage Loan (or any portion thereof) as provided in any Series Resolution or Supplemental Resolution and it is possible that insurance benefits under other federal, State or private programs in which the Administration may participate could have different terms.

FHA Mortgage Insurance Program

Section 221 and Section 203 of the National Housing Act, as amended (the "Housing Act"), authorize the FHA to insure mortgage loans of up to 40 years for the purchase of one to four family dwelling units, or 30 years if the mortgage is not approved for insurance prior to construction. Section 234 of the Housing Act authorizes the FHA to insure mortgage loans of up to 35 years for the purchase of one-family dwelling units in multi-family condominium projects. The regulations promulgated to implement the Housing Act provide for insurance of mortgage loans for up to 30 years.

Mortgage Loans shall bear interest at a rate agreed upon by the mortgagee and Borrower. Mortgage Loans under any of the foregoing programs must be in conformity with the maximum mortgage loan amount limitations and minimum downpayment requirements specified in the Housing Act and the regulations promulgated thereunder. In addition, the Borrower must establish to the satisfaction of FHA that his or her income is adequate to meet the periodic payments required on the mortgage loan.

FHA permits the fully insured Mortgage Loan amount to include not only the up-front mortgage insurance premium, but, under certain circumstances, certain closing costs and other costs as well. Furthermore, through the FHA Section 203(k) Program, FHA will insure certain loans for up to 110 percent of the expected after-rehabilitation value of the property, plus permitted closing costs.

Under the terms of the foregoing program, the mortgagee, upon a default by the Borrower, is required to take certain actions, and is subject to certain limitations, before the mortgagee is entitled to initiate foreclosure proceedings or to claim insurance benefits. The mortgagee is subject to certain requirements and limitations, including the following: (1) the mortgagee must give notice of default to the Borrower and make reasonable efforts to conduct a face-to-face interview with the Borrower; (2) the mortgagee is required to undertake a pre-foreclosure review to ensure compliance with applicable requirements; and (3) the mortgagee may not commence foreclosure until at least three full monthly installments are in default. In addition, various types of forbearance may be required, including a reduction in mortgage payments, recasting the mortgage to reduce payments, temporary mortgage assistance payments, or pre-foreclosure sale. The mortgage also is subject to reinstatement until completion of foreclosure proceedings. The Housing Act gives discretionary authority to the Secretary of the United States Department of Housing and Urban Development ("HUD") to settle claims for insurance benefits for insured mortgages either in cash or debentures; claim payments currently are being made in cash. HUD debentures bear interest at the rate in effect as of the time of origination of the mortgage loan or when the mortgage loan is endorsed, whichever rate is higher.

Insurance benefits are paid on foreclosure and conveyance of title. The amount of benefits paid by FHA on conveyed properties, except in certain circumstances as described below, is equal to the unpaid principal amount of the mortgage loan plus certain tax, insurance and other payments made by the mortgagee, a percentage of any foreclosure expenses incurred by the mortgagee, which percentage shall be determined in accordance with such terms as HUD shall prescribe, and reasonable expenses incurred by the mortgagee for the preservation, protection and operation of the properties prior to conveyance, as well as interest from date of default at a rate equivalent to the debenture interest rate (which may be less than the interest rate of the insured mortgage loan), less certain amounts received or retained by the mortgagee in respect of the mortgaged property.

When any property to be conveyed to the FHA has been damaged by fire, earthquake, flood or tornado, it is generally required, as a condition to payment of an insurance claim, that such property be repaired by the mortgagee prior to such conveyance.

VA Home Loan Guaranty Program

The Servicemen's Readjustment Act of 1944, as amended, permits a veteran (or in certain instances, the veteran's spouse) to obtain a loan guarantee by the VA covering mortgage financing of the purchase of a one-to-four family dwelling unit at interest rates permitted by the VA. The program has no mortgage loan limits, requires no down payment from the purchaser and permits the guarantee of mortgage loans with terms of up to 30 years and 32 days. VA will guarantee up to 50 percent of a home loan up to $45,000. For loans between $45,000 and $144,000, the minimum guaranty amount is $22,500; and the maximum guaranty is up to 40 percent of the loan, up to $36,000, subject to the amount of entitlement a veteran has available. For loans of more than $144,000 the maximum guaranty is the lesser of 25 percent of the loan or the dollar amount that is equal to 25 percent of the Federal Home Loan Mortgage Corporation conforming loan limitation determined under Section 505(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) for a single-family residence, as adjusted for the year involved. The liability on the guarantee is reduced or increased pro rata with any reduction or increase in the amount of the indebtedness, but in no event will the amount payable on the guarantee exceed the amount of the original guarantee. Notwithstanding the dollar and percentage limitations of the guarantee, a mortgage lender will ordinarily suffer a monetary loss only where the difference between the unsatisfied indebtedness and the proceeds of a foreclosure sale of a mortgaged premises is greater than the original guarantee, as adjusted. The VA may, at its option and without regard to the guarantee, make full payment to a mortgage lender of unsatisfied indebtedness on a mortgage upon its assignment to the VA.

USDA/RD Mortgage Guarantee Program

The Cranston-Gonzalez National Affordable Housing Act of 1990 authorized the establishment of the USDA/RD Guaranteed Rural Housing Loan Program. Households with annual incomes at or below one hundred fifteen percent (115%) of median area income are eligible for these loans, subject to the geographic restrictions described below. Households with annual incomes at or below eighty percent (80%) of the area median income may be eligible for interest assistance, in addition to the loan guarantee. The interest assistance paid monthly by USDA/RD to the loan servicer reduces the borrower's effective interest rate. The amount of interest rate reduction is dependent upon the households' annual income, which is re-certified by the loan servicer annually. No funds currently are available for interest assistance.

The USDA/RD Guaranteed Rural Housing Loan Program is limited to only certain rural areas of the State. Any city, place, town or village with a population not exceeding 20,000, based on the most recent decennial census, will be considered rural.

The USDA/RD guarantee covers the lesser of (a) any loss equal to ninety percent (90%) of the original principal amount of the loan or (b) any loss in full up to thirty-five percent (35%) of the original principal amount of the loan plus any additional loss on the remaining sixty-five (65%) to be shared approximately eighty-five percent (85%) by USDA/RD and approximately fifteen percent (15%) by the mortgagee.

USDA/RD does not accept conveyance of the property, but rather pays the lender's claim upon foreclosure. The claim payment includes certain actual costs incurred by the lender prior to foreclosure, including interest expense, and an allowance for the costs associated with liquidating the property. The claim payment amount is based on the net sales proceeds if the property is sold within six (6) months, or if no sale occurs within six (6) months, the claim payment amount is determined according to a formula based upon an appraisal of the property performed by USDA/RD. The lender's actual disposition costs may be higher than the USDA/RD claim payment.

Private Mortgage Insurance

Each private mortgage insurance policy with respect to a Mortgage Loan must contain provisions substantially as follows: (a) the mortgage insurer must pay a claim, including unpaid principal, accrued interest, the amounts equal to deferred interest in connection with Mortgage Loans with graduated payments schedules, if any, and expenses, within sixty days of presentation of the claim by the Administration; (b) when a claim for the outstanding principal amount, accrued interest and expenses is presented, the mortgage insurer must either (i) pay such claim in full and take title to the mortgaged property and arrange for its sale or (ii) pay the insured percentage of such claim and allow the Administration to retain title to the mortgaged property or (iii) settle a claim for actual losses where such losses are less than the insured percentage of the claim. (See the "Homeowners Protection Act" below for a discussion of federal legislation that affects private mortgage insurance.) *Recent rating agencies' reviews of private mortgage insurers may be indicative of some future inability of these insurers generally to fulfill in full their obligations, if and when required upon a mortgage default, to make timely payments on policies. The Administration makes no representation regarding the financial condition of any of the private mortgage insurance companies or their ability to make full and timely payments to the Administration on Mortgage Loans on which losses are incurred.*

Homeowners Protection Act

The Homeowners Protection Act of 1998 (the "Homeowners Protection Act") permits a borrower to cancel private mortgage insurance (for which the borrower pays the premium) on the date on which the principal balance of the mortgage loan is scheduled to reach 80% of the original value of the residence or on the date on which the principal balance actually reaches 80% of the original value of the residence. The original value is the lesser of the sales price or the appraised value at the time the mortgage loan transaction was consummated. In order to effect such cancellation, the borrower must request in writing that the cancellation be initiated, must have a good payment history with respect to the mortgage loan (i.e., no mortgage payment was, during the year beginning two years prior to cancellation, 60 or more days delinquent, and no mortgage payment was, during the year beginning one year prior to cancellation, 30 or more days delinquent), and must satisfy any requirements of the lender for evidence that the value of the residence has not declined below its original value and for certification that the borrower's equity in the residence is not encumbered by a subordinate loan. This Homeowners Protection Act further provides for automatic termination of mortgage insurance on the date on which the principal balance of the mortgage loan is schedule to reach 78% of the original value of the residence, or if the borrower is not then current on his mortgage loan payments, on the date on which the borrower subsequently becomes current on such payments. These termination and cancellation provisions do not apply to mortgage loans characterized as high risk loans. Even if the private mortgage insurance is not canceled or terminated as described above, private mortgage insurance must be terminated on the first day of the month immediately following the date that is the midpoint of the amortization period of the mortgage loan if the mortgagor is then current on his mortgage loan payments. This Homeowners Protection Act also requires that borrowers be provided with certain disclosures and notices regarding termination and cancellation of private mortgage insurance. This Homeowners Protection Act applies to mortgage loans closed on or after July 29, 1999.

This Homeowners Protection Act applies to insurance provided by the Maryland Housing Fund as well as private mortgage insurance described above.

In addition to termination and cancellation rights available to the borrower under the Homeowners Protection Act, the Administration also permits a borrower to request cancellation of private mortgage insurance or insurance through the Maryland Housing Fund for loans made after January 1, 2005, provided that: (1) the loan balance is 75% or less of the current value of the home as established by a new appraisal acceptable to the Administration; (2) none of the borrower's payments were 30 days or more past due within the 12-month period before the mortgage insurance will be cancelled; (3) none of the borrower's payments were 60 days or more past due during the 24-month period before the mortgage insurance will be cancelled; and (4) the loan is between two and five years old. If the loan is more than five years old, the loan balance may be 80% (instead of 75%) or less of the current value of the home as established by a new appraisal acceptable to the Administration; conditions (2) and (3) also apply.

THE MHF INSURANCE PROGRAM

The following describes the mortgage insurance programs administered by the Maryland Housing Fund ("MHF") pursuant to Section 3-201 through 3-208 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the "MHF Statute"), and is qualified in its entirety by reference to the MHF Statute and the regulations thereunder (the "MHF Regulations").

MHF was created in 1971 as a special insurance fund of the State of Maryland and is a governmental unit in the Division of Credit Assurance of the Department. MHF is authorized to insure mortgage loans, including mortgage loans for multifamily developments financed by public agencies such as the Administration ("Multifamily loans"), to provide primary insurance for single family mortgage loans ("Single Family loans"), and to provide credit enhancement for loans to businesses ("Business loans"). MHF insures against certain monetary losses incurred as a result of nonpayment of principal, interest or other sums agreed to be paid and certain other events of default under the terms of any insured loan, but does not insure against property losses, including without limitation, title risk, risks of defective construction or casualty, or any other reduction in project value due to insurable risk or force majeure, casualty or title loss.

In early 1997, the Department suspended all insurance activity of MHF (except for pool insurance for certain Single Family loans), partly as a result of concerns expressed by Moody's Investors Service ("Moody's") during the 1996 and 1997 rating review. The Department responded to Moody's concerns and has consulted with Moody's regarding the implementation of certain of MHF's insurance programs. MHF continues to service active insured loans originated prior to 1997 and is operating the insurance programs described below.

Multifamily Loan Programs

MHF insures mortgage loans under a group home loan program known as "SHOP" (Special Housing Opportunities Program) that finance or refinance the acquisition, construction or rehabilitation of shared living and related facilities for the special needs population, which are owned by and sponsored by nonprofit organizations. This is an active program with loans funded through the Administration and insured by MHF.

The Administration is a participant in the Federal Housing Administration's ("FHA") Risk-Sharing Program (the "FHA Risk-Sharing Program") for multifamily loans. As a Level I participant under the FHA Risk-Sharing Program, upon payment of a claim by FHA, the Administration would be responsible for reimbursement to FHA of up to 50% of such claim. As a Level II participant, the Administration would be responsible for reimbursement to FHA of up to 25% of such claim. The Administration expects that MHF would reimburse the Administration for its share of such losses, pursuant to a commitment letter issued by MHF to the Administration in connection with each loan. Between 1997 and 2004, the Administration participated in the FHA Risk-Sharing Program only in connection with the refinancing of loans then insured by MHF where the Administration was able to decrease the dollar amount of MHF's insurance exposure with respect to such loans. In 2004, the Department expanded its MHF insurance program for new loans funded through the Administration with credit enhancement under the FHA Risk-Sharing Program.

MHF has also provided mortgage insurance for short term loans made by the Administration pursuant to the Tax Credit Bridge Loan Insurance program. For a project which qualifies for federal low income housing tax credits, MHF provides limited insurance for bridge loans made by the Administration until equity capital contributions are made by the tax credit investor. The Tax Credit Bridge Loan Insurance program is governed by Sections 3-203 and 3-206 of the MHF Statute and COMAR 05.06.02 of the MHF Regulations. There are no loans currently insured under this program.

Effective December 9, 2014, MHF and the Administration created a Demonstration program (the "MHF Demonstration Program") whereby MHF insures short term loans ("Short Term Loans") financed with proceeds from the sale of short-term bonds (the "Short Term Bonds") issued under the Administration's multifamily Housing Revenue Bond Resolution ("HRB"). The MHF Demonstration Program is an additional cost-effective option extended to borrowers for the provision of credit enhancement for Short Term Loans financed under HRB. Eligibility for the MHF Demonstration Program is limited to projects where the project would need to use more than 25% of its projected tax credit equity to cash collateralize a letter of credit ("LOC") that otherwise would be delivered to secure Short Term Bonds during construction, and the amount of the Short Term Loan (which equals the amount of the cash collateral account that would be required by a LOC provider) is greater than 25% of the projected tax credit equity. No borrower, including all related entities, may have Short Term Loans insured under the MHF Demonstration Program at any one time in excess of $5 million. In addition, 25% of the projected amount of tax credit equity to be generated by a project must be contributed to the project at the closing of the Short-Term Loan. MHF's obligations under the MHF Demonstration Program are backed only by MHF's Unallocated Reserve. The aggregate amount of outstanding indebtedness to be insured under the MHF Demonstration Program may not exceed $10 million from the MHF Unallocated Reserve at any given time. There are no loans currently insured under this program.

Single Family Loan Programs

In June 2005, the Department opened a program of MHF to insure 30-year and 40-year amortizing Single Family loans being purchased by the Administration. Because market conditions caused unexpectedly high demand for this insurance, the Department suspended the program as of November 10, 2008.

In June 2006, the Department authorized the expenditure of up to $1 million of the Revitalization Program Insurance Reserve to provide credit enhancement to a loan program that is sponsored by a nonprofit corporation, which is intended to stabilize and strengthen property values in targeted areas of the City of Baltimore. In this agreement, MHF agreed to provide credit enhancement on loans enrolled in the program for a period of up to 10 years from the date the loan is enrolled in the pool. MHF's ability to enroll new loans under that agreement terminated March 31, 2012, and the ten-year coverage of the last loans enrolled in this pool ended in March 28, 2022. As of June 30, 2022 MHF, does not have any contingent liability in this pool.

The Department negotiated an agreement dated January 12, 2012, authorizing the expenditure of up to an additional $800,000 of the Revitalization Program Insurance Reserve to provide credit enhancement for a second loan pool. Just like in the first loan pool the credit enhancement will last for a period of up to ten years after the date the loan is enrolled in the pool; the enrollment period for the second pool ended in January 2020. There are 120 loans in this second pool totaling $14,827,401 in outstanding balances with a remaining contingent liability of $370,685. A new agreement effective January 2, 2020 was negotiated authorizing the expenditure of up to an additional $600,000 of the Revitalization Program Insurance Reserve to provide credit enhancement for a third loan pool. Like the previous pools, the credit enhancement will last for a period of up to ten years from the date the loan is enrolled in the pool. All loans to be credit enhanced in this third pool must be enrolled by January 2, 2025. There are currently 42 loans enrolled in this third pool totaling $5,459,137 in outstanding balances with a current contingent liability of $136,478.

In 2008, MHF committed $10 million of the Unallocated Reserve to provide credit enhancement for certain single family refinancing loans made by private lenders under the Department's Home Owners' Preserving Equity ("HOPE") initiative. The General Reserve Insurance ("General Reserve") was officially established by regulation in November 2008 to insure a broad range of programs, including the HOPE initiative. MHF transferred $10 million of the Unallocated Reserve to the General Reserve on November 3, 2008 to insure loans under the HOPE initiative and other Department programs.

Business Loan Programs

Legislation was passed effective July 1, 2016, allowing MHF to provide insurance coverage and credit enhancement to loans originated by the Administration or other eligible lenders on business projects that will acquire, operate, construct or rehabilitate businesses located in publicly designated renewal or redevelopment areas. This program is governed by Sections 3-203 and 3-206 of the MHF Statute. MHF transferred $1.5 million of the Unallocated Reserve to the General Reserve to insure loans under the Business Loan Program during 2017. These funds, plus an additional $3.5 million transferred from the Unallocated Reserve during 2018 and $5 million transferred during 2021, were transferred into the newly created Business Reserve Insurance ("Business Reserve"). There are no loans currently insured under this program.

Additional Information

For fiscal year 2003, the Maryland Department of Legislative Services asked MHF and the Administration whether there were funds available for transfer to the State. After being advised by Moody's that a transfer, in and of itself, would not have an adverse effect on the rating of the Administration's outstanding parity debt, including the Bonds, MHF transferred $10 million from the Unallocated Reserve to the State. No transfer occurred in 2004, 2005, 2006, or 2007. Legislation was enacted during the 2008 session (SB 983) requiring another $10 million to be transferred. Beginning in fiscal year 2010, and as codified at section 3-203(i) of the MHF Statute, any amount in the Unallocated Reserve at the end of any fiscal year that exceeds an amount necessary to provide backing for insurance issued by MHF by more than $10 million, shall be transferred to the Department's revolving housing loan funds. During the fiscal years ending June 30, 2012, 2013, 2014, 2015, 2016 and 2017, MHF transferred $2.1 million, $1.1 million, $0.77 million, $0.88 million, $0.87 million, and $0.94 million, respectively. As the amount in the Unallocated Reserve at June 30, 2017, 2018 and June 30, 2019 was less than $10 million, no transfer was required in fiscal years 2018, 2019 or 2020. In fiscal year 2021 MHF transferred $0.15 million. For more information, see "Management's Presentation of the MHF Program" below.

MANAGEMENT'S PRESENTATION OF THE MHF PROGRAM

The following information is management's presentation of the MHF Program.

Financial Statements and Information

The financial statements of MHF for the fiscal year ending June 30, 2022 and June 30, 2021 have been audited by CliftonLarsonAllen LLP. As indicated in the report of the auditors, such financial statements have been prepared in conformity with accounting principles and the audits conducted in accordance with auditing standards generally accepted in the United States. The financial statements of MHF are reported on a consolidated basis combining results of operations for all MHF Programs.

Income and Reserves

MHF's income from insurance premiums is used to pay expenses.

MHF currently maintains six insurance reserves, which are separate from MHF's operating funds. Five of the reserves cover specific categories of insurance: the Multifamily Insurance Reserve, the Single Family Regular Insurance Reserve, the Revitalization Program Insurance Reserve, the Business Reserve and the General Reserve. The investment earnings on each of the five specific reserves are credited to a sixth reserve, the Unallocated Reserve, which may be used to pay claims on all categories of insurance, or may be transferred into any other reserve, or may be restricted for claims under a particular category. The Unallocated Reserve is available for any category of claims or for any other purpose consistent with contractual obligations with the Administration's bondholders. Prior to 2011, MHF had maintained a reserve for the Home and Energy Loan Program. The reserve balance of $500,000 was transferred into the Unallocated Reserve when the last loan insured under the program paid off in fiscal year 2009.

The MHF Statute provides that any moneys of MHF that the Department creates as an identifiable insurance reserve may be used only in conformance with the terms and conditions creating that reserve. MHF Regulations provide that each reserve is maintained to pay claims arising from its respective category of insurance and may not be subject to claims arising from other categories of insurance except for the Unallocated Reserve. All reserves are held by the Office of the Treasurer of the State, which credits MHF with interest income based on the total reserve balance for the benefit of MHF.

MHF does not insure the Bonds, and the assets of MHF are not available to the Administration or the Trustee to satisfy obligations to holders of the Bonds. The obligation of MHF is limited to the payment of mortgage insurance claims as described herein. An insurance claim against MHF is payable from and limited to the applicable MHF reserve and does not constitute a general obligation of MHF, the Department, or the State.

Statements of Net Assets Discussion

In fiscal year ending June 30, 2021, the overall equity increased from $77,303,218 to $77,915,860. This net increase is primarily due to fee income related to new multifamily loan closings, combined with overall lesser provisions to the allowances for insurance losses. In fiscal year ending in June 30, 2022 the overall equity further increased to $78,610,400 from last fiscal year's $77,915,860. The net increase is primarily due to premiums and fees from new multifamily loan closings during the year and slightly higher interest income on fund reserves, offset by the slightly higher allowance for insurance losses on account of the increasing loan balances as the multifamily loans are progressively drawn. MHF's interest earnings on fund reserves has started to improve in the latter part of fiscal year 2022 since it last dropped in year 2020 due to economic conditions related to the COVID-19 pandemic in the last two previous years.

The Unrestricted Accumulated Deficit is a part of the overall equity. The Unrestricted Accumulated Deficit, which decreases when claims are paid from the insurance reserves, represents the cumulative net income (loss) of MHF since its inception less any investment income earned on the insurance reserves. When MHF's insurance reserves are greater than its net position, there will be an accumulated deficit in the net position section of the MHF Statement of Net Assets.

In fiscal year 2021, the Unrestricted Accumulated Deficit decreased from $7,345,721 to $6,656,826. This was primarily attributable to a reduction in the provision for loan and insurance losses based upon the risk profile of the portfolios during that period combined with fewer claims paid due to federal and local foreclosure moratoriums. In fiscal year 2022, the Unrestricted Accumulated Deficit decreased from$6,656,826 to $6,324,777. This was primarily attributable to earnings outpacing expenses, combined with a continued low level of claims paid and a reduction in the size of the single family loans insured.

Discussion of Changes in Net Position

During the fiscal year ending June 30, 2021, MHF reported a Change in Net Position of $612,642. This increase in net position is primarily due to earnings outpacing expenses as described above offset by the statutory requirement to transfer funds from the restricted net position to the revolving housing loan funds. This requirement is described in more detail in

"Additional Information" appearing on page G-3. The income continued to outpace the expenses during the fiscal year 2022 resulting to MHF reporting a Change in Net Position of$694,540 as of June 30, 2022.

As described below in "Single Family Information – Certain Additional Expected Single Family Claims" and "Multifamily Information – Certain Additional Expected Multifamily Claims," the Administration has notified MHF of defaults under insured mortgages that are expected to result in additional claims to MHF. Payment of these claims is not reflected in MHF's Statement of Net Assets; however, MHF included provisions for these claims in its allowance for unpaid insurance losses.

Discussion of Operating Cash Account

Selected Activity in MHF's Operating Cash Account

The following table is management's presentation of selected activity in MHF's operating cash account as of June 30, 2022:

	Single Family	Multifamily	Business	Total
Premiums and Fees Collected[1]	$79,056	$1,855,495	$0	$1,934,551
Operating Expenses Paid[2]	(947,379)	(406,019)	0	(1,353,398)
Premiums Net of Operating Expenses	(868,323)	1,449,476	0	581,153
Claims[3]	(23,863)	0	0	(23,864)
Recoveries[4]	914	35,168	0	36,082
Net Claim Activity	(22,949)	35,168	0	12,219
Other[5]	218,061	(67,370)	0	150,691
Net Cash from Selected Activity	**(673,211)**	**1,417,274**	**0**	**744,063**

Notes:

[1] Premiums and credit enhancement related fees as collected.

[2] Operating expenses include salaries and benefits, general administrative and intradepartmental expenses.

[3] Amount includes principal, interest, and supplemental expenses incurred on claims and carrying costs on acquired properties.

[4] Includes proceeds collected on the sale of loans or acquired properties.

[5] Amount includes changes in other assets and liabilities such as mortgage receivables, notes payables, and escrows.

During the fiscal year ending June 30, 2021, the net activity in MHF's operating cash was ($625,637) for Single Family and $1,036,347 for Multi-Family. The change in Single Family cash is primary due to operating expenses exceeding net revenues. The change in Multi-Family cash is primarily due to premiums outpacing expenses.

During the fiscal year ending June 30, 2022, the net activity in MHF's operating cash was ($673,211) for Single Family and $1,417,274 for Multi-Family. The change in operating cash in Single Family was primarily due to allocated operating expenses exceeding net revenues. The change in operating cash in Multi-Family was primarily due to the earnings from new insurance applications and collection of receivables related to foreclosed properties, combined with net revenues exceeding the allocated operating expenses.

Liquidity

MHF's primary uses of funds are to pay its operating expenses (direct and indirect) and to satisfy Business, Multifamily and Single Family claims under its insurance policies resulting from a loan default (payment or physical) by an insured borrower. In general, MHF's insurance policies require MHF to pay claims to the lender, which includes the total principal outstanding, interest in arrears (through foreclosure), and other expenses associated with a failed real estate loan (e.g., foreclosure costs, negative escrows, etc.). MHF occasionally acquires a loan or property with the payment of the claim. The proceeds of the sale of this asset are deducted from the original claim to derive the net loss (or net gain) associated with the defaulted loan claim.

In addition to any proceeds from the sale of assets acquired through the payment of claims, MHF's primary revenue sources result from mortgage insurance premiums paid by borrowers and the investment earnings on insurance reserves. These assets, together with the corpus of the reserves held by MHF, are available to pay insurance claims and related expenses. The available reserves are leveraged against insurance commitments outstanding. Calculations for the leverage ratios are shown in "Discussion of Leverage Ratios" below.

To manage MHF's resources effectively from both a business and liquidity sense, the management of MHF has developed several claim paying strategies. For Multifamily defaulted loans, MHF may pay a debt service claim after a borrower has missed a total of six monthly payments. These claim payments represent any unpaid principal and interest due from the regular scheduled payment. While making these monthly payments, MHF, working with the Administration, attempts to work out the loan in order to minimize its loss. When the final workout of the loan is completed, MHF either pays a partial claim or pays the full claim. A workout may be accomplished through (a) refinancing of the loan after re-underwriting the debt to enable the project to meet debt service from net operating income or (b) payment of claims and resale of the asset to minimize the total size of the claim.

For Single Family defaulted loans, MHF generally requires the lender to foreclose on the loan and secure the property before it pays the claim. This affords MHF the ability to begin marketing the property for re-sale at the same time it has paid out the cash. MHF attempts to resell Single Family properties in a manner that provides for recoveries as soon as possible while minimizing holding costs. While MHF strives to sell its Real Estate Owned (REO) to homebuyers, its desire to conduct quick turnaround sales does necessitate the selling of a significant portion of the REO to investors and non-profit organizations. Selling to investors generally increases the overall net loss on the claim to MHF.

Discussion of Leverage Ratios

MHF operates its Single Family insurance in accordance with an insurance agreement with the Administration dated as of August 1, 2010 (the "2010 Single Family Insurance Agreement"). Claims under the 2010 Single Family Insurance Agreement may be paid from the Single Family Regular Insurance Reserve.

The 2010 Single Family Insurance Agreement amended and restated an insurance agreement dated as of May 14, 1980 (the "1980 Single Family Insurance Agreement") and an insurance agreement dated as of June 20, 2005. Under the 1980 Single Family Insurance Agreement, pool insurance was provided for single family mortgages financed under a bond resolution for which no bonds remain outstanding. As of August 1, 2010, under the 2010 Single Family Insurance Agreement MHF was released from the obligation to provide pool insurance under the 1980 Single Family Insurance Agreement.

Under the 2010 Single Family Insurance Agreement, MHF has contracted with the Administration that, except as necessary to pay claims or advances on claims, MHF will not permit the ratio of the aggregate dollar amount of the Single Family insurance to assets in the Single Family Regular Insurance Reserve (as may be reduced as described below) to exceed 25 to 1, and that no new insurance payable from the Single Family Regular Insurance Reserve shall be issued or committed to, if upon such issuance or commitment and subsequent issuance, that ratio would be exceeded.

Due to MHF having never insured loans that were securitized by Fannie Mae, on April 4, 2014 MHF notified Fannie Mae of its intent to cease seeking certification as a Fannie Mae qualified insurer and requested that Fannie Mae remove MHF from its list of eligible mortgage insurance providers. The Administration and MHF have entered into the First Amendment to the 2010 Single Family Insurance Agreement between MHF and the Administration, dated as of April 30, 2014, which eliminates the obligation of MHF to take all actions necessary for the qualification of Single Family Regular Program insurance as mortgage insurance from a qualified insurer within the meaning of Section 3.02(6)(2) of the Fannie Mae Charter Act.

Selected Information about the Single Family Regular Insurance Reserve Ratio*s*

	06/30/20	06/30/21	06/30/22
Single Family Regular Insurance Reserve[(1)(2)]	$14,019,066	$13,834,499	$13,821,569
Amount Available for Calculation of Ratio of Insurance to Available Reserve[(3)]	14,019,066	13,834,499	13,821,569
Primary Insurance coverage in force[(4)]			
Insurance Agreement prior to 2005	2,620,674	1,881,846	1,300,697
Insurance Agreement post 2005	8,618,703	6,619,009	3,281,353
Pool Insurance coverage in force[(5)]			
Ratio of Mortgage Loans to the Regular Reserve	0.80 to 1	0.61 to 1	0.33 to 1

Notes:

(1) The Single Family Program does not include amounts, if any, which have been restricted for possible additional insurance coverage in the Unallocated Reserve. As of June 30, 2022, MHF had committed no additional primary insurance coverage.

(2) Fund balances for MHF reserves are calculated in the same manner as in the financial statements of MHF and include investment income earned and allocated by the Secretary to the Single Family Regular Insurance Reserve.

(3) In order to determine the leverage ratios, if the Unrestricted Accumulated Deficit exceeds the Unallocated Reserve, the Single Family Regular Insurance Reserve or the Multifamily Insurance Reserve may be reduced in a manner determined by MHF to be appropriate. As of June 30, 2022, there was no reduction in the Single Family Regular Insurance Reserve to cover the accumulated deficit.

(4) The primary insurance coverage is 25% of the allowable claim for loans insured prior to 2005 under the Single Family Insurance Agreement ($5,202,787 at June 30, 2022). The primary insurance coverage is 35% of the allowable claim for loans insured under the 2005 Single Family Insurance Agreement ($9,375,293 at June 30, 2022).

(5) In 2010, MHF provided pool coverage for certain loans done by the Administration prior to 1997. Effective August 1, 2010 the Administration released MHF from any obligation to provide pool insurance for MHF Pool-Insured Loans.

MHF operates its multifamily insurance in accordance with an amended and restated insurance agreement dated February 12, 2006, with the Administration (the "Insurance Agreement").

Under the Insurance Agreement, MHF has contracted with the Administration that, except as necessary to pay claims or advances on claims, MHF will not permit the ratio of Multifamily insurance to assets in the Multifamily Insurance Reserve (as may be reduced as described below) to exceed 10 to 1, and that no new insurance payable from the Multifamily

Insurance Reserve shall be issued or committed to if upon such issuance or commitment and subsequent issuance the ratio would exceed 10 to 1. (Under the terms of the Insurance Agreement, loans insured by MHF that are reinsured without contingent liability on the part of MHF are not taken into account in determining MHF's compliance with the maximum 10 to 1 ratio of amounts insured to assets in the Multifamily Insurance Reserve).

Selected Information about the Multifamily Insurance Reserve Ratios

	06/30/20	06/30/21	06/30/22
Total Multifamily Insurance Reserve	$44,698,739	$44,698,739	$44,698,739
Amount Available for Calculation of "Ratio of Insurance to Available Reserve"	44,698,739	44,698,739	44,698,739
Insurance Outstanding			
Multifamily mortgage insurance in force	$155,432,090	$165,085,359	$168,232,957
Ratio of Insurance to Available Reserve	3.48 to 1	3.83 to 1	4.26to 1

Notes:
(1) The Multifamily Insurance Reserve does not include amounts, if any, which have been restricted for possible additional insurance coverage in the Unallocated Reserve. As of June 30, 2022, MHF had committed to additional mortgages in the amount of $21,960,618.

(2) In order to determine the leverage ratios, if the Unrestricted Accumulated Deficit exceeds the Unallocated Reserve, the Single Family Regular Insurance Reserve or the Multifamily Insurance Reserve may be reduced in a manner determined by MHF to be appropriate. As of June 30, 2022, there was no reduction in the Multifamily Insurance Reserve to cover the accumulated deficit.

The total amount of the Multifamily Insurance Reserve is available to pay multifamily insurance claims. In addition, to the extent available, MHF could elect to pay all or part of any multifamily claim from the Unallocated Reserve or from operating funds. MHF maintains other reserves that are not available to pay such claims (e.g., the Single Family Regular, Revitalization, and General Reserves).

SINGLE FAMILY INFORMATION

Certain Additional Expected Single Family Claims

Under its Single Family Regular insurance program, MHF is not obligated to pay claims on Single Family insurance until after the insured lender has completed foreclosure, evicted the occupants of the properties (if necessary) and restored the property to a condition satisfactory to MHF. As a result, at any time there are a number of mortgages that have been foreclosed and which are likely to result in payment of claims, but which have not yet reached the point where MHF recognizes them as liabilities in its financial statements. The total principal amount of such potential claims was $83,993 as of June 30, 2022. On a quarterly basis, MHF includes its projection of net losses with respect to these potential claims in its financial statements as part of the allowance for Single Family insurance losses. These amounts are potentially payable from other resources of MHF, including operating cash, the Unallocated Reserve and the Single Family Regular Insurance Reserve.

Discussion of Single Family Operations

MHF has taken steps to address the potential Single Family claims. A part of this focus is applying active loss mitigation strategies to Single Family loans to prevent them from going to foreclosure, including forbearance and extended repayment plans. In addition, operational reviews of the loan servicers are ongoing. The reviews are intended to ensure that loss mitigation strategies are being pursued in applicable cases.

MHF is also managing its sales of units acquired through foreclosure or similar action to improve overall returns by employing private sector real estate brokers to perform repairs, listings and sales of all REO units.

Single Family Claims Experience

The following chart sets forth information about claims on mortgage loans insured under the Single Family Regular Insurance Reserve and the Revitalization Program Insurance Reserve. Prior to 2016, MHF acquired properties upon paying a claim. No properties have been acquired by MHF since fiscal year 2016 as the Administration has elected to keep title to all acquired properties and only request MHF to pay its prorata claim amount. The data for all reporting periods is subject to adjustment due to additional expenses paid and proceeds received after June 30, 2022.

Single Family Claims Experience

	06/30/20	06/30/21	06/30/22
Pro-Rata Claims Paid	$457,112	$185,162	$23,864
Properties Acquired	0	0	0
Gross Claims Paid	457,112	185,162	23,864
Recoveries	(3,868)	(595)	(681)
Net Claims Paid	$453,244	$184,567	$23,183

2010 Single Family Insurance Agreement

The 2010 Single Family Insurance Agreement provides as follows:

(1) MHF will not decrease the amount of funds in the Single Family Regular Insurance Reserve as increased from time to time for any reason except to pay claims and advances against claims arising under the Program and for expenditures with respect to properties acquired by MHF as a result of payment of such claims.

(2) Except as necessary to pay claims and advances on claims and except for expenditures with respect to properties acquired by MHF as a result of payment of such claims, MHF will not exceed a certain leverage ratio. See “Management’s Presentation of the MHF Program – Discussion of Leverage Ratios.”

(3) MHF and the Administration agree that MHF is released from any obligation to continue to provide pool insurance for loans originally covered by pool insurance under the 1980 Single Family Insurance Agreement.

Terms of Single Family Insurance Coverage

MHF insures mortgage loans on one-to-four family structures under its Single Family Regular Program, which includes the Primary Insurance Program and the Pool Insurance Program.

Pool Insurance. Effective August 1, 2010, MHF was released from any obligation to provide pool insurance for loans originally covered by pool insurance under the 1980 Single Family Insurance Agreement.

Payment of Claims, MHF pays all claims in cash and may settle under one of four options:

(1) Loan Assignment – MHF takes an assignment of the mortgage and pays the claim (but not including expenses of foreclosure and acquisition of title);
(2) Fixed Percentage Settlement – claim settlement under this option is applicable when MHF provides for payment based on a declared percentage of the outstanding loan amount before foreclosure sale, and MHF, under this method, also waives any interest in the subject property;
(3) Lender Acquisition Settlement – the lender acquires title at foreclosure (or by deed in lieu of foreclosure) and transfers title to MHF, and MHF pays the amount of the claim up to the percentage specified in the insurance policy; and
(4) Third Party Acquisition – when the property is sold to a third party (at foreclosure, by the lender after taking a deed in lieu of foreclosure, or by the borrower after the commencement of foreclosure proceedings), with the approval of MHF, MHF pays the lesser of the percentage specified in the primary policy before crediting net sales proceeds or the full claim after crediting net proceeds of sale.

For claims paid under the Lender Acquisition Settlement method, MHF requires the Administration to take all steps required after default in order to deliver the property to MHF in a condition satisfactory to MHF. These steps may include foreclosure, eviction of the occupants if necessary, and cleaning of the property. As a result, a substantial period may elapse between the time an insured loan goes into default and payment of a claim. MHF Regulations regarding Single Family mortgage insurance do not require MHF to pay interest on a claim from the time an insured lender acquires title to the property, or from the date MHF agrees to take a Loan Assignment or make a Fixed Percentage Settlement, to the time the claim is paid. Claims are not paid after the title to the property has been conveyed, which is at least 60 days after foreclosure and could be longer.

MHF will review cases that involve claims of more than nine months of delinquent interest on a case by case basis to ascertain the cause for the delayed claim and determine the amount of interest, if any, in excess of nine months to be paid. Interest will be paid in excess of nine months where circumstances beyond the control of the insured lender caused the delay in making the claim, such as the filing of bankruptcy by the mortgagor.

MULTIFAMILY INFORMATION

Multifamily Insurance in Force and Available Reserves

The following table sets forth information about outstanding insurance on mortgage loans under MHF's Multifamily program as of June 30, 2022. The amounts shown are net of debt service claim payments.

Outstanding Multifamily Insurance

Lender	Units	# of Loans	Original Insured Principal Amount	Current Balances
CDA permanent financing on large multifamily projects [1]	7,639	75	$196,717,100	157,631,910
CDA Demonstration Program [2]	0	0	0	0
CDA Single Family loans under Multifamily Reserves [3]	0	0	0	0
CDA Special Housing Opportunity Program (SHOP)[4]	445	125	20,453,694	10,601,047
TOTAL	**8,084**	**200**	**217,170,794**	**168,232,957**

[1] Loans financed with proceeds of the Administration's Housing Revenue Bonds and the Administration's Multi-Family Residential Revenue Bonds (Insured Mortgage Loans). The loans provided permanent financing for construction and permanent for developments located in 19 counties and the City of Baltimore. The projects (not including SHOP) contain units that are assisted under the Section 8 Program.

[2] On December 9, 2014, CDA and MHF created a new Demonstration Program whereby MHF insures short term loans. By utilizing MHF for this purpose, borrowers may avoid the need to obtain costly letters of credit. No loans are outstanding under this program at June 30, 2022.

[3] The CDA Single Family loans under Multi-Family Reserves referenced above were financed with the proceeds of Housing Revenue Bonds of the Administration. The last remaining loan under this category paid off during March 2022.

[4] Loans financed with proceeds of the Administration's Special Housing Opportunities Program.

Charts detailing the multifamily loans insured by MHF and financed by the Administration may be found in the Administration's filings in accordance with Rule 15c2-12 of the Securities and Exchange Commission with the Electronic Municipal Market Access ("EMMA") for Housing Revenue Bonds and for Multifamily Housing Revenue Bonds (Insured Mortgage Loans).

Certain Additional Expected Multifamily Claims

MHF Regulations provide that after a multifamily mortgage loan insured by MHF has been in default for six months, the Administration or any other public agency that is an insured lender may require that the mortgage loan be assigned to MHF and an insurance claim paid by MHF to the Administration or such public agency. MHF currently has no loans in financial default.

Discussion of Multifamily Operations

Portfolio Risk Rating. Since June 1997, the Department has developed and implemented a rating system for the MHF-insured Multifamily portfolio. The Department evaluates each insured project each quarter and assigns the loan a rating of "A," "B," or "C". Factors considered in evaluating projects include the project type, the vacancy level, net operating income and debt service coverage ratio, whether the mortgage is delinquent, the age of the loan and the age of the project, whether there is significant deferred maintenance, adequacy of funds held in reserve for replacements in relation to age and condition of project, rating by the Department in its annual management review, and stability of the market surrounding the property.

"A" Projects are those projects that require no more than standard attention because factors indicate the least prospect of default.

"B" Projects are those projects which are not in default but require more oversight and monitoring and present the possibility for default if existing conditions deteriorate further.

"C" Projects are those projects that are in financial or physical default.

MHF's Risk Rating of the Multifamily Projects as of June 30, 2022

	Outstanding Principal Balances	Percentage of Total Principal	Number of Loans	Number of Projects
"A" Loans:[1]	$149,696,356	89.0%	74	68
"B" Loans:	15,496,808	9.2%	5	5
"C" Loans:	3,039,793	1.8%	2	2
Portfolio Totals:	$168,232,957	100.0%	81	75

Notes:
(1) Included in the 'A' Loans, in the "Outstanding Principal Balance" column, is $10,601,047 for 125 group home (SHOP) loans, which are not reflected in the 'Number of Loans' or 'Number of Projects' columns

Portfolio Management. The Division is evaluating each of the loans in the "B" category to develop a plan for stabilizing the loans and reducing its potential for default. Strategies may include loan modification, use of additional resources, adjustments to funding of reserves for replacement going forward, payment forbearance, and replacement of management agents. As of June 30, 2022, there were two loans in the "C" category of which one is collateralized by marketable securities whose value exceeds the outstanding loan amount, minimizing any additional financial risk to MHF.

Multifamily Claims Experience

The following chart describes claims paid by MHF on loans insured under the Multifamily Insurance Reserve as of June 30, 2022.

In the column entitled "Claims Net of Cash Recoveries," the figures show the result as of June 30, 2022. Workouts are in progress. See the individual footnotes below for further information.

MULTIFAMILY CLAIMS PAID BY MHF

Development/Claim Status	Principal	Interest & Carrying Costs	Total	Recoveries	Claims Net of Cash Recoveries	Date Claim Paid
Closed Claims						
Single Family Mortgage Loans[1]	$ 309,392	$ -	$ 309,392	$ 346,620	$ 37,228	Various
Beethoven Apartments	40,000	-	40,000	40,000	-	
Douglynne Woods & Rhoda's Legacy	566,658	-	566,658	566,658	-	04/1982
Bond Street[2]	543,940	71,711	615,651	408,859	(206,792)	08/1989
Belleview-Manchester[3]	288,333	-	288,333	-	(288,333)	10/1990
Strathdale Manor Apartments[4]	10,700,000	2,376,830	13,076,830	-	(13,076,830)	05/1994
Walker Mill[5]	3,346,441	1,229,080	4,575,521	2,314,817	(2,260,704)	01/1997
Edmondale[6]	457,739	24,206	481,945	-	(481,945)	04/1997
Town Properties[7]	819,111	12,493	831,604	582,989	(248,615)	07/1997
Loch Raven[8]	12,103,623	1,065,472	13,169,095	9,080,444	(4,088,651)	02/1998
Village Home Apartments[9]	954,202	55,182	1,009,384	649,523	(359,861)	12/1998
Regent Apartments[10]	1,227,455	72,446	1,299,901	860,603	(439,298)	01/1999
Maple Avenue[11]	3,053,892	211,540	3,265,432	1,748,397	(1,517,035)	06/1999
Westfield Apartments[12]	4,401,438	390,924	4,792,362	2,910,539	(1,881,823)	11/1999
Westfield Gardens[13]	496,757	1,735	498,492	279,435	(219,057)	11/1999
Apartments at the Greens[14]	6,337,284	21,927	6,359,211	6,010,026	(349,185)	11/1999
Stewarttown[15]	2,543,590	-	2,543,590	2,150,000	(393,590)	12/1999
Telephone Apartments[16]	1,030,275	33,569	1,063,844	773,833	(290,011)	01/2001
Robinwood Townhomes[17]	2,451,741	218,057	2,669,798	2,630,807	(38,991)	11/2001
North Avenue Terraces[18]	1,155,285	48,762	1,204,047	750,000	(454,047)	07/2002
SHOP Loans[19]	772,987	78,925	851,912	725,068	(126,844)	03/2001
Bell Haven Apartments[20]	5,856,640	2,449,128	8,305,768	5,842,157	(2,463,611)	03/1996
Quail Run/Bay Street Properties[21]	1,182,578	37,677	1,220,255	1,186,575	(33,680)	03/2003
Tomall Apartments[22]	152,885	994	153,879	75,000	(78,879)	06/2004
Market Mews[23]	1,700,014	1,565,862	3,265,876	2,168,828	(1,097,048)	12/1985
Eastdale[24]	3,302,667	320,060	3,622,727	3,622,727	-	11/1999
Villages of Laurel[25]	5,036,854	607,133	5,643,987	5,643,987	-	11/1999
Hollins Townhouses[26]	2,445,475	1,073,289	3,518,764	2,052,599	(1,466,165)	10/1990
Lease Purchase[29]	1,534,088	82,619	1,616,707	$1,000,277	(616,430)	05/1996
Claims where debt is outstanding						
Renaissance Plaza[27]	$6,907,349	$4,680,554	$11,587,903	$5,071,731	($6,516,168)	02/1991
Mount Pleasant[28]	3,506,595	601,296	4,107,891	4,066,175	(41,716)	02/1996

Notes:

(1) Claims on eight Single Family loans insured under the Multi-Family Reserve before 1980.

(2) Bond Street Deed of Trust Note in the original principal amount of $543,940.

(3) Belleview-Manchester was a Construction Loan under Administration's HELP Program; secured by a second mortgage. First insured lender bought property at the foreclosure sale.

(4) Strathdale Manor Apartments Deed of Trust Note in the original principal amount of $14,285,000. Claim amount paid by MHF included $10,700,000 of original principal on the Note and $145,139 in interest. MHF paid $2,205,204 of operating deficits for the project. The proceeds of a letter of credit in the amount of $3,585,000 provided by Maryland National Bank were used to cover the rest of the original principal portion of the Note. As required by an intercreditor agreement between MHF and Maryland National Bank, MHF filed for foreclosure on August 4, 1994, and after prolonged negotiations with Baltimore City, the project developer, and other developers interested in further renovating the project proved unsuccessful, the property was sold to Baltimore City at foreclosure on April 15, 1997. The property was sold for an amount that was insufficient to provide any recovery to MHF.

(5) Walker Mill Deed of Trust Note in the original principal amount of $4,400,000, as modified by an allonge dated November 5, 1987, reducing the principal amount of the Note to $3,400,000. The Deed of Trust Note was sold and assigned to an unrelated third party purchaser on February 6, 1997.

(6) Edmondale Deed of Trust Note was in the original principal amount of $508,000.

(7) Town Properties Deed of Trust Note in the original principal amount of $884,984. The property was sold to an unrelated third party at foreclosure on August 7, 1997.

(8) Loch Raven Deed of Trust in the original principal amounts, as amended into two, Deed of Trust Notes: of $9,765,000 and $2,785,000, respectively. In return, the Administration accepted a demand note from MHF in the principal amount of $11,782,615, the amount of the outstanding indebtedness net of the non-refundable deposit for the sale of the Deed of Trust Notes bearing interest at 8.25%. The Deed of Trust Notes were sold and assigned to an affiliate of the borrower on February 3, 1998. MHF received net sale proceeds in the amount of $8,900,000, which were combined with additional claim payments totaling $2,890,216 to repay the claim note and accrued interest. The net loss on the transaction was paid from the Unallocated Reserve.

(9) Village Home Apartments Deed of Trust Note in the original principal amount of $986,856, dated September 30, 1993. The property was sold for $640,000. The Administration accepted a claim note from MHF for $1,009,109. MHF paid $318,664 plus $50,720 paid previously as pre-claim payments and $275 per diem interest and then signed over the proceeds to repay the claim note in December 1999.

(10) Regent Apartments Deed of Trust Note in the original principal amount of $1,255,000 dated September 16, 1994. The property was sold for $860,603. The Administration accepted a claim note from MHF for $1,299,265. MHF paid $383,187 plus $55,475 paid previously as pre-claim payments and $636 per diem interest and then signed over the proceeds to repay the claim note in January 1999.

(11) Maple Avenue Deed of Trust Note in the original principal amount of $3,150,000 dated March 12, 1992. The property was sold for $1,700,000 less settlement charges. The Administration accepted a claim note from MHF for $2,953,878. MHF paid $1,288,286 plus $310,294 paid previously as pre-claim payments, $1,259 per diem interest, signed over the proceeds, and, with $10,000 received directly by the Administration, repaid the claim note in June 1999.

(12) Westfield Apartments Deed of Trust Note in the original principal amount of $4,600,000 dated April 12, 1983. The property was sold for $2,910,539. MHF paid a partial claim in the amount of $1,433,520 that includes $390,924 of accrued interest plus $448,303 paid previously as pre-claim payments.

(13) Westfield Gardens Deed of Trust Notes in the original principal amounts of $498,908 and $28,150 dated September 21, 1983. The property was sold for $279, 435. MHF paid a partial claim in the amount of $180,318, which included $1,735 of accrued interest, plus $38,739 paid previously as pre-claim payments.

(14) Apartments at the Greens Deed of Trust Notes in the original principal amounts of $6,348,627 and $341,850 dated April 21, 1983. The property was sold for $6,010,026. MHF paid a partial claim in the amount of $302,222, which included $21,927 of accrued interest, plus $46,963 paid previously as pre-claim payments.

(15) Stewarttown Deed of Trust Note in the original principal amount of $3,136,100 dated July 18, 1975. The property was sold for $2,150,000. MHF paid a partial claim payment in the amount of $393,590.

(16) In May 1993, MHF paid a partial claim on a project called Telephone Apartments, in the amount of $291,487 for which a promissory note has been received. On February 8, 2001, MHF sold the Deed of Trust Note. The proceeds of the sale exceeded the claim paid to the Administration by MHF by $1,477. The partial claim of $291,487 will not be repaid. MHF had an allowance for loan loss for the full amount of this note.

[17] Robinwood Townhomes Deed of Trust Note was in the original principal amount of $2,641,750. MHF paid a claim in full in the amount of $2,653,883 on November 9, 2001. MHF foreclosed on this property on November 15, 2001. MHF sold the property for the purchase amount of $2,410,000. The Circuit Court of Baltimore City ratified the sale on January 10, 2002. On June 24, 2002, MHF collected $2,330,331 in net sales proceeds.

[18] In July 2002, MHF issued a claim note to the Administration and accepted assignment of an insured Deed of Trust and Deed of Trust Note in the original principal amount of $1,350,000 that financed a project known as North Avenue Terrace. MHF sold the Deed of Trust Note and received sales proceeds in the amount of $750,000 on July 25, 2002. MHF paid the claim note in full with payment to the Administration in the amount of $1,145,826 on July 30, 2002.

[19] Nine Deed of Trust Notes in the original principal amounts of $833,650 for the various SHOP loans. MHF paid full claim payments on the nine loans in the amounts of $824,224. In March 2001, MHF accepted five loan assignments in the original principal amount of $502,950. MHF paid full claims on the five loans for $491,062 and received full recovery on the first and fourth loans by virtue of third party sales at foreclosure on June 7, 2001. MHF realized losses on the sale of the second and third loans of approximately $27,000 and $22,000, respectively. MHF realized a loss of approximately $40,000 on the fifth loan by virtue of third party purchasing on June 7, 2001. In August 2001, MHF accepted one assignment in the principal amount of $108,000. MHF paid a full claim on the loan for $106,372 and realized full recovery at a third party foreclosure sale on August 16, 2001. In October 2001, MHF accepted another three assignments in the original principal amount of $222,700. MHF paid full claims on the three loans for $226,790 and received full recovery on one loan at the third party foreclosure sale on June 13, 2002. MHF realized losses of approximately $18,000 and $16,000 on the two loans at the third party foreclosure sale on June 13, 2002. The court ratified the foreclosure sales on July 26, 2002.

[20] In June 1996, MHF accepted assignment of a Deed of Trust and Deed of Trust Note, for a project named Belle Haven, in the original amount of $6,186,990. MHF paid a claim in full for the project in the amount of $7,995,330 on June 26, 1996. MHF received partial recovery of this amount upon disposition of the underlying collateral. The property was brought-in by MHF with a bid of $5,100,000 at foreclosure auction held on July 25, 2000. The Circuit Court of Prince George's Count ratified the foreclosure sale on January 25, 2001. A contract for the sale of the property was executed on February 7, 2001, and sold on August 30, 2001, in the amount of $5,100,000. MHF received net proceeds from the sale in the amount of $4,844,394 and a Note in the remaining amount of $210,000 payable by February 1, 2004. The purchaser made payments on the MHF Note totaling $232, 981, including the final payment in the amount of $130,772, which was received on May 21, 2003.

[21] In March 2003, MHF accepted assignment of an insured Deed of Trust and Deed of Trust Note in the original principal amount of $1,276,037 that financed a project know as Quail Run Apartments (Bay Street Properties). MHF paid the claim note in full on March 13, 2003 with a payment to the Administration in the amount of $1,058,783. The property was sold at foreclosure auction on June 27, 2003 for $1,160,000. Settlement of the transaction occurred on November 5, 2003. On December 2, 2003, the Circuit Court for Worcester County ratified the auditor's report of the transaction. On December 4, 2003, after payment of the auctioneer's commission and advertising expenses, sales proceeds in the amount of $1,174,575 were collected with additional interest received.

[22] On September 19, 1984, the Administration made a loan in the principal amount of $250,000 to Ronald H. Thomas in connection with a project called Tomall Apartments. MHF paid the claim note in full on June 28, 2004 with a payment to the Administration in the amount of $153,879. On June 30, 2004, MHF collected $75,000, which represents a partial recovery. The property was sold to a new owner who plans to rehabilitate the project.

[23] Market Mews Deed of Trust Note is in the original principal amount of $1,700,000. MHF paid all amounts in arrears totaling $151,733. The Administration accepted a promissory note from MHF in the total principal amount of $1,693,568, with interest at the annual rate of 7%, which had a maturity date of December 31, 1995. MHF paid the claim note in full as of February 22, 1995. To date, MHF has paid principal and interest on the claim note and operating deficits in the total amount of $3,265,876. MHF foreclosed on this development in an uncontested foreclosure proceeding held on July 14, 1995. The original collateral for the loan consisted of 31 scattered site units of which all units were sold.

[24] Eastdale Deed of Trust was in the original amount of $3,401,000. The loan was refunded with $2,450,000 in new bond proceeds. MHF made a partial claim payment in the amount of $746,513 and pre-claim payments in the amount of $426,214. MHF received cash of $54,324 and a Cash Flow Note in the amount of $1,118,403, equal to the net claim paid. The MHF Note is secured by a second deed of trust lien on the land and improvements on which the project is located. To date the project has made net payments on the MHF Note of $490,510. In July 2010, the loan was paid off and MHF received payment in the amount of $627,893.

[25] Villages of Laurel Deed of Trust Note is in the original amount of $5,140,000. The loan was refunded with $3,173,200 in new bond proceeds. MHF made a partial claim payment in the amount of $1,645,098 and pre-claim payments in the amount of $825,689. MHF received cash of $54,023 and a Cash Flow Note in the amount of $2,416,765, equal to the net claim paid. The MHF Note is secured by a second deed of trust lien on the land and improvements on which the project is located. To date the project has made net payments on the MHF Note of $686,059. In March 2011, the loan was paid off and MHF received payment in the amount of $1,730,706.

[26] Hollins Townhouses Deed of Trust Note in the original principal amount of $2,300,000. MHF paid all amounts in arrears totaling $176,025, and the Administration accepted a promissory note from MHF in the total principal amount of $2,427,094, with interest at the annual rate of 7%, which had a maturity date of December 31, 1995. MHF paid the claim note in full as of February 22, 1995. To date, MHF has paid principal and interest on

the claim note and operating deficits in full as of February 22, 1995. To date, MHF has paid principal and interest on the claim note and operating deficits in the total amount of $3,518,764. MHF foreclosed on this development in an uncontested foreclosure proceeding held on July 14, 1995. The original collateral for the loan consisted of 48 scattered site units of which the last unit was sold in April 2011.

(27) Renaissance Plaza Deed of Trust Note in the original principal amount of $7,000,000. MHF paid all amounts in arrears totaling $428,052 in February 1991. In connection with the default, MHF also paid additional principal of $6,880,050; interest totaling $1,498,664, and operating deficits in the amount of $2,781,137. The Renaissance Plaza project, which consists of three buildings, has been sold pursuant to the orders of a judicial receivership. Closing on the sale of one building occurred on December 30, 1993. MHF received two notes in payment of the purchase price: a first lien mortgage in the amount of $2,722,544 at 6.22% interest, $365,000 of which is an amortizing loan, the balance to be paid out of cash flow, if any from the properties; and a second lien gap note in the amount of $512,404 at 0% interest until maturity. The gap note was paid in full at the closing of financing for rehabilitation of the building on February 18, 1994. The closing of the other two buildings occurred on December 14, 1994. MHF received three notes in payment of the purchase price for the two buildings: a first lien mortgage in the amount of $2,600,000 at 7.4% interest to begin amortizing on January 1, 1997; a second lien mortgage in the amount of $4,450,000 at 8.23% interest to be paid out of cash flow, if any, from the properties; and a third lien gap note in the amount of $500,000 at 0% interest until maturity (April 13, 1995), and a default rate of 7.4% interest. The gap note was paid in full at the closing of financing for rehabilitation of the two buildings on February 14, 1995. The $2,600,000 deed of trust note was sold at par and assigned to the Administration on September 24, 1996, in connection with an issuance of bonds by the Administration.

(28) In February 1996, MHF accepted assignment of a Deed of Trust and Deed of Trust Note in the original principal amount of $3,900,000 for a project called Mount Pleasant. MHF paid a claim for the project in the amount of $4,107,891 on February 15, 1996. The property was sold to new ownership that planned to rehabilitate the project using a combination of new equity funds and State and City of Baltimore financing in combination with proceeds of the Administration's Multi-Family 1995 December Bond Issue in the amount of $2,550,000. New Administration and MHF loan documents were executed in conjunction with a loan closing in July 1996. MHF received a Deed of Trust Note in the amount of $1,087,259 of which $293,770 is an amortizing 0% interest loan, and the balance is a cash flow loan with interest accruing at 2% per annum. MHF received partial recovery of $2,450,000 at the time of closing and $1,066,720 in September 1996. Reserves for construction contingences and various operating expenses, in the amount of $460,305, were funded from the recovery proceeds. In June 1998, a construction reserve held by MHF in the amount of $198,000 and cost certification savings received from the Administration in the amount of $100,513 were applied to reduce the outstanding principal balance of the Deed of Trust note held by MHF.

(29) In May 1996, MHF accepted assignment of a Deed of Trust and Deed of Trust Note in the original amount of $2,000,000, which financed a project known as Lease Purchase. MHF paid a claim for the project in the amount of $1,587,498 on May 15, 1996. MHF received partial recovery of this amount upon disposition of the underlying collateral. MHF accepted a deed of assignment on this project on July 12, 1996. The original collateral for the loan consisted of 40 scattered site units, the last two of which were sold in April 2020.

Actuarial Study

The Insurance Agreement amended in 2006 no longer requires periodic actuarial studies.

Staff

The Director of MHF is appointed by the Secretary of the Department and serves at the pleasure of the Secretary, with such authority as the Secretary determines to delegate to the Director. The Director also serves as the Director of the Division of Credit Assurance of the Department.

Financial operations for MHF have been centralized and are now within the Division of Finance and Administration for the Department.

Certain senior staff members of the Division of Credit Assurance, the Division of Finance and Administration, and MHF are as follows:

Name	Position
Allen W. Cartwright, Jr.	Director, Division of Credit Assurance and MHF
Sergei V. Kuzmenchuk	Chief Financial Officer
Olasunbo Lawal	Director, Division of Finance and Administration
Crystal Quinzani	Deputy Director, MHF Finance, Special Projects and Reporting
Eizebel Trojillo	Deputy Director, Budget and Grant Accounting
Octavia Robinson	Deputy Director, Capital State Accounts and General Accounting

Allen W. Cartwright, Jr. joined the staff of the Division of Credit Assurance as the Deputy Director of MHF in March 2006 and became the Director of the Division of Credit Assurance and the Director of MHF on April 9, 2015. Mr. Cartwright previously served as MHF Manager of Finance from 1988 through 1991. Prior to rejoining the Division of Credit Assurance in 2006, Mr. Cartwright was the Chief of Mission Support and then Chief of Customer Care for the Washington Suburban Sanitary Commission from April 2000 through November 2005. Mr. Cartwright also served as the Director of Finance and then the Assistant Secretary of Finance and Administration for the Maryland Department of Natural Resources from May 1991 through April 2000. He has worked as a finance manager for the Federal Home Loan Mortgage Corporation (Freddie Mac), MCI and DuPont. He is a Certified Public Accountant and earned his Bachelor of Science degree in Commerce from the McIntire School of Commerce at the University of Virginia.

Sergei V. Kuzmenchuk joined the Department as its Chief Financial Officer in June of 2015 after serving as Chief Financial Officer at the District of Columbia Housing Finance Agency (the "DCHFA") since October 2008. Prior to joining the DCHFA, he served as the Department's Deputy Director of Finance for the Administration from August 2000 until January 2006, and Director of Finance for the Administration from January 2006 until October of 2008. Prior to his work at the Department and DCHFA, Mr. Kuzmenchuk worked in various financial management and international trade and banking capacities, both domestically and overseas. Mr. Kuzmenchuk earned his Master of Business Administration degree in Accounting in 2002 from the Joseph A. Sellinger, S.J., School of Business and Management, Loyola University, and in 1995 earned a Master of Public Management degree in Public Sector Financial Management from the School of Public Policy, University of Maryland, College Park. In 1993, Mr. Kuzmenchuk received his Bachelor of Arts and Master of Arts degrees in English and French Interpretation from the Minsk State Linguistic University, Minsk, Belarus.

Olasunbo Lawal was appointed Director of the Division of Finance and Administration (DFA) effective as of May 9, 2022. Prior to his appointment, Mr. Lawal served as the Director of General Accounting for DFA, a position that he held since February 2018. Before joining the Department, Mr. Lawal served as the Assistant Director of the Division of Finance and Administration for the Baltimore City Department of Social Services for three years. Mr. Lawal holds a Master of Science degree in Accounting from American University Washington DC. In addition, Mr. Lawal is a Certified Public Accountant and a Certified Internal Auditor.

Crystal Quinzani was appointed Deputy Director, MHF Finance, Special Projects and Reporting, of the Division of Finance and Administration (DFA), effective May 9, 2022. Ms. Quinzani joined the Department in August 2016 as Director of Financial Analysis for DFA and in July 2017 became Director of MHF Finance for DFA. She came to the Department from the State of Florida, where she worked for the Florida Office of Financial Regulation for seven years, and was Area Financial Manager for the Division of Banking. Prior to her work with the State of Florida, she spent 16 years working in various capacities in community banks in the Orlando, Florida area. She holds a Bachelor of Arts degree in Finance from the University of Central Florida.

Eizebel Trojillo was appointed Deputy Director, Budget and Grant Accounting, of the Division of Finance and Administration (DFA), effective May 9, 2022. Prior to her appointment, Ms. Trojillo served as the Director of Budget Analysis for DFA, a position that she held since November 2019. Before joining the Department, Ms. Trojillo worked overseas with Royal Dutch Shell Philippines for 20 years, with her last position being the Downstream Compliance Manager in charge of Governance, Risk, and Sarbanes-Oxley Act Compliance. Ms. Trojillo holds a Bachelor of Science degree in Accounting from the Assumption College, Makati, Philippines, and is a Certified Public Accountant (Philippines chapter).

Octavia Robinson was appointed Deputy Director, Capital State Accounts and General Accounting, of the Division of Finance and Administration (DFA), effective May 9, 2022. Prior to her appointment, Ms. Robinson served as the Director of State Funded Loan Programs for DFA, a position that she held since November 2019. Before joining the Department in 2017, Ms. Robinson served as the Chief Financial Officer for the Maryland Department of Public Safety and Correctional Services for seven years. Ms. Robinson holds a Master of Science degree in Accounting from University of Phoenix.

Additional Information

For additional information, please contact Investor Relations via phone at (301) 429-7897 or via email at cdabonds_mailbox.DHCD@maryland.gov.

APPENDIX H

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS

FINANCIAL STATEMENTS

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
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INDEPENDENT AUDITORS' REPORT

Office of the Secretary
Department of Housing and Community Development
Lanham, Maryland

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Community Development Administration Residential Revenue Bonds (the Fund) of the Department of Housing and Community Development of the State of Maryland, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund, as of June 30, 2022 and 2021, and the changes in financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund 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.

Emphasis of Matter

Financial Statement Presentation

As discussed in Note 1, the financial statements present only the financial position, the changes in financial position and cash flows of the Fund and do not purport to, and do not, present fairly the financial position of the Department of Housing and Community Development of the State of Maryland as of and for the years ended June 30, 2022 and 2021, and the changes in its financial position and its cash flows, in conformity with accounting principles generally accepted in the United States of America. Our opinion on the basic financial statements is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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 auditors' 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.

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 the Fund'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.

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

Management has elected to omit the management's discussion and analysis that accounting principles generally accepted in the United States of America require to 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Supplemental Disclosure of Changes in Fair Value of Investments and Mortgage-Backed Securities but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022, on our consideration of the Fund'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 the Fund'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 the Fund's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
September 30, 2022

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
STATEMENTS OF NET POSITION
(in thousands)
JUNE 30, 2022 AND 2021

	2022	2021
RESTRICTED ASSETS		
RESTRICTED CURRENT ASSETS		
Cash and Cash Equivalents on Deposit	$ 398,483	$ 534,725
Investments	145,859	155,777
Mortgage-Backed Securities	110,217	246,648
Single-Family Mortgage Loans	20,868	25,048
Multi-Family Mortgage Loans	861	833
Accrued Interest and Other Receivables	21,553	23,247
Claims Receivable on Foreclosed and Other Loans, Net of Allowance	3,195	4,361
Real Estate Owned	1,225	2,347
Total Restricted Current Assets	702,261	992,986
RESTRICTED LONG-TERM ASSETS		
Investments, Net of Current Portion	95,507	49,162
Mortgage-Backed Securities, Net of Current Portion	1,192,789	856,591
Single-Family Mortgage Loans, Net of Current Portion and Allowance	442,802	546,013
Multi-Family Mortgage Loans, Net of Current Portion	4,350	5,236
Total Restricted Long-Term Assets	1,735,448	1,457,002
Total Restricted Assets	$ 2,437,709	$ 2,449,988
LIABILITIES		
CURRENT LIABILITIES		
Accrued Interest Payable	$ 17,309	$ 18,779
Accounts Payable	2,963	2,579
Bonds Payable	81,390	232,730
Deposits by Borrowers	1,127	917
Total Current Liabilities	102,789	255,005
LONG-TERM LIABILITIES		
Bonds Payable, Net of Current Portion	2,019,583	1,778,250
Deposits by Borrowers, Net of Current Portion	652	965
Total Long-Term Liabilities	2,020,235	1,779,215
Total Liabilities	2,123,024	2,034,220
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflow on Refunding of Bond Debt	536	633
NET POSITION		
Restricted by Bond Indenture	314,149	415,135
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 2,437,709	$ 2,449,988

See accompanying Notes to Financial Statements.

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
(in thousands)
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
OPERATING REVENUE		
Interest on Mortgage Loans	$ 27,880	$ 35,745
Interest on Mortgage-Backed Securities	37,758	34,986
Realized Gains on Sale of Mortgage-Backed Securities	28,839	53,494
Interest Income on Investments, Net of Rebate	1,766	765
Decrease in Fair Value of Investments	(3,527)	(460)
Gain on Early Retirement of Debt	9,535	4,007
Other Operating Revenue	13	1
Total Operating Revenue	102,264	128,538
OPERATING EXPENSES		
Interest Expense on Bonds	52,078	56,896
Professional Fees and Other Operating Expenses	24,476	18,200
(Decrease) Increase in Provision for Loan Losses	(1,301)	1,490
Other Loan Losses and Write-Offs	141	5
(Recoveries) Losses and Expenses on Real Estate Owned, Net	(71)	432
Losses on Foreclosure Claims, Net	135	267
Bond Issuance Costs	4,620	2,905
Total Operating Expenses	80,078	80,195
Operating Income	22,186	48,343
NONOPERATING EXPENSES		
Decrease in Fair Value of Mortgage-Backed Securities	(115,172)	(14,252)
Transfer of Funds as Permitted by the Resolution	(8,000)	2,484
CHANGE IN NET POSITION	(100,986)	36,575
NET POSITION - RESTRICTED AT BEGINNING OF YEAR	415,135	378,560
NET POSITION - RESTRICTED AT END OF YEAR	$ 314,149	$ 415,135

See accompanying Notes to Financial Statements.

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
STATEMENTS OF CASH FLOWS
(in thousands)
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Principal and Interest Received on Mortgage Loans	$ 138,518	$ 169,233
Principal and Interest Received on Mortgage-Backed Securities	267,024	378,396
Escrow Funds Received on Multi-Family Loans	741	755
Escrow Funds Paid on Multi-Family Loans	(844)	(725)
Mortgage Insurance Claims and Other Loan Proceeds Received	6,265	12,071
Foreclosure Expenses Paid	(929)	(1,329)
Purchase of Mortgage Loans	(3,059)	(9,221)
Purchase of Mortgage-Backed Securities	(981,703)	(1,021,109)
Funds Received from Sale of Mortgage-Backed Securities	465,602	777,967
Professional Fees and Other Operating Expenses	(24,449)	(18,196)
Other Income Received	13	1
Other Reimbursements (Disbursements)	2,116	(5,200)
Net Cash (Used) Provided by Operating Activities	(130,705)	282,643
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Maturities or Sales of Investments	40,862	40,810
Purchases of Investments	(81,386)	(172,673)
Interest Received on Investments	1,534	761
Net Cash Used by Investing Activities	(38,990)	(131,102)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Sale of Bonds	587,109	370,820
Payments on Bond Principal	(485,130)	(322,175)
Bond Issuance Costs	(4,430)	(2,874)
Interest on Bonds	(56,096)	(61,078)
Transfers Among Funds	(8,000)	(3,694)
Net Cash Provided (Used) by Noncapital Financing Activities	33,453	(19,001)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS ON DEPOSIT	(136,242)	132,540
CASH AND CASH EQUIVALENTS ON DEPOSIT - BEGINNING OF YEAR	534,725	402,185
CASH AND CASH EQUIVALENTS ON DEPOSIT - END OF YEAR	$ 398,483	$ 534,725

See accompanying Notes to Financial Statements.

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
STATEMENTS OF CASH FLOWS (CONTINUED)
(in thousands)
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
RECONCILIATION OF OPERATING INCOME TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$ 22,186	$ 48,343
Adjustments to Reconcile Operating Income to Net Cash (Used) Provided by Operating Activities:		
Amortization of Investment Discounts and Premiums	570	71
Amortization of Bond Original Issue Discounts and Premiums	(2,548)	(2,284)
(Decrease) Increase in Provision for Loan Losses	(1,301)	1,490
Decrease in Fair Value of Investments	3,527	460
Gain on Early Retirement of Debt	(9,535)	(4,007)
Bond Issuance Costs	4,430	2,874
Interest Received on Investments	(1,534)	(761)
Interest on Bonds	56,096	61,078
Decrease (Increase) in Assets:		
Mortgage Loans	110,020	127,926
Mortgage-Backed Securities	(314,939)	46,363
Accrued Interest and Other Receivables	1,694	(5,063)
Claims Receivable on Foreclosed and Other Loans	696	6,764
Real Estate Owned	1,122	1,318
(Decrease) Increase in Liabilities:		
Accrued Interest Payable	(1,470)	(1,898)
Accounts Payable	384	(61)
Deposits by Borrowers	(103)	30
Net Cash (Used) Provided by Operating Activities	$ (130,705)	$ 282,643

See accompanying Notes to Financial Statements.

NOTE 1 AUTHORIZING LEGISLATION AND PROGRAM DESCRIPTION

The Community Development Administration (CDA) was created in 1970 by Sections 266 DD-1 to 266 DD-8 of Article 41 (now in Sections 4-101 through 4-255 of the Housing and Community Development Article) of the Annotated Code of Maryland to meet the shortage of adequate, safe, and sanitary housing in the state of Maryland, particularly for persons or families of limited income. CDA is in the Division of Development Finance in the Department of Housing and Community Development (DHCD) of the State of Maryland.

The accompanying financial statements only include CDA's Residential Revenue Bonds (the Fund). CDA's other Funds are not included. The Fund was established to issue bonds primarily to originate or purchase single-family mortgage loans.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Fund is accounted for as an enterprise fund. Accordingly, the accompanying financial statements have been prepared using the accrual method of accounting and on the basis of accounting principles generally accepted in the United States of America.

Basis of Accounting and Measurement Focus

The basis of accounting for the Fund is determined by measurement focus. The flow of economic resources measurement focus and the accrual basis of accounting are used to account for the Fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities associated with the operation of the Fund are included on the Statements of Net Position. The Fund is required to follow all statements of the Governmental Accounting Standards Board (GASB).

Accounting Principles Generally Accepted in the United States of America

CDA reports its financial activities by applying Standards of Governmental Accounting and Financial Reporting as promulgated by GASB. Consequently, CDA applies all applicable GASB pronouncements.

In accordance with accounting guidance issued by GASB, net position should be reported as restricted when constraints placed on net position use is either: externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation. Accordingly, the net position of the Fund is restricted as to its use as the net position is pledged to bondholders.

Since CDA is an enterprise fund included in the state of Maryland's Annual Comprehensive Financial Report, a separate Management's Discussion and Analysis is not included in these financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents on Deposit

Cash equivalents may include money market funds, repurchase agreements, investment agreements and any other investments, primarily obligations of the U.S. Treasury and U.S. government agencies, which have maturities of 90 or less days at the time of purchase. As of June 30, 2022 and 2021, the Fund's cash equivalents were primarily invested in a money market mutual fund. Cash equivalents are more fully described in Note 3.

Investments

Investments are principally governmental debt securities or investment agreements collateralized by governmental debt securities. Debt securities are stated at fair value, based on quoted market prices. Investments are classified as current or long-term based on the maturity date or call date, with the exception of State Housing Agency (HFA) Variable Rate Demand Obligations (VRDO) which are short-term (7-day) instruments that can be tendered at 7 days' notice. Callable investments are classified as current, if exercise of the call within the next fiscal year is probable. Investments are more fully described in Note 3.

Mortgage-Backed Securities

These guaranteed securities are issued in connection with mortgage loans on single-family homes. They are stated at fair value, based on quoted market prices. Mortgage-backed securities are more fully described in Note 3.

Mortgage Loans

Mortgage loans are carried at their unpaid principal balances, net of allowance for loan losses. Any single-family mortgage loan in foreclosure with a pending insurance claim is recorded as claims receivable. See Notes 4 and 12 for additional information on mortgage loans and mortgage insurance, respectively.

Accrued Interest and Other Receivables

Accrued interest and other receivables include interest on loans and investments. On insured single-family loans, interest ceases to accrue after foreclosure. On insured multi-family mortgage loans that are in default, CDA continues to accrue interest until receipt of a mortgage insurance claim. See Note 5 for additional information.

Claims Receivable on Foreclosed and Other Loans

Claims receivable on foreclosed and other loans include insured single-family loans that are in foreclosure or other single-family loans with pending insurance claims, recorded net of allowance. These loans are primarily insured by U.S. Government Agencies or private mortgage insurers. Foreclosed loans insured by private mortgage insurers are held in this account until the insurer has made a final determination as to claim payment or transfer of the property to CDA.

Real Estate Owned

Real estate owned represents real estate acquired through foreclosure or deeds-in-lieu and is stated at the lower of cost or fair value less estimated costs to sell. Expenses incurred related to real estate owned are reported on the Statements of Revenue, Expenses and Changes in Net Position.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Loan Losses

Substantially all single-family mortgage loans of the Fund are insured or guaranteed by agencies of the U.S. Government, the Maryland Housing Fund (MHF), or private mortgage insurers. Most primary coverage levels range from 25% to 100% of the loan. As of June 30, 2022 and 2021, CDA has established an allowance for loan losses on the uninsured portions of single-family mortgage loans. CDA has also established an allowance for loan losses on single-family loans that are in foreclosure. Management believes the allowance established is adequate based on prior experience and evaluations from DHCD’s asset management group as well as a current assessment of probability and risk of loss due to default or deteriorating economic conditions. Multi-family mortgage loans of the Fund are insured or guaranteed; as such, no allowance for loans losses was necessary as of June 30, 2022 and 2021. See Note 4 for additional information on allowance for loan losses.

Bond Issuance Costs

Bond issuance costs are recognized and expensed in the period incurred.

Bonds Payable

Bonds payable are carried at their unpaid principal balances, net of unamortized original issue discounts or premiums. However, in an economic refunding, any costs incurred from the refunding of bonds would be reported as deferred outflows or inflows of resources on the Statements of Net Position. See Notes 6, 7, 8, and 10 for additional information on bonds.

Deposits by Borrowers

This account consists of escrows and reserves held by CDA on behalf of multi-family housing developments. CDA invests these deposits and, for reserves, allows earnings to accrue to the benefit of the mortgagor. Escrows represent amounts held by CDA for mortgage insurance and hazard insurance premiums and real estate taxes, all of which are generally paid annually and which are classified as a current liability. Based on the current year’s reserve disbursements, CDA has estimated the current reserve liability. The balance of the reserves is classified as long term. See Note 10 for further information on changes in long-term obligations.

Rebate Liability on Investments

Regulations governing the issuance of tax-exempt debt place limitations on permitted investment yield on borrowed funds. Based on these regulations, CDA is required to periodically rebate excess earnings from investments to the United States Treasury. In addition, the liability may also include an estimate of the rebate obligation related to unrealized gains as a result of recording investments at fair value. Rebate liability is more fully described in Note 9.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Mortgage Yield Limitations

All mortgage loans are subject to yield limitations under the Internal Revenue Code (IRC) in order for the associated bonds to maintain their tax-exempt status. At the time of bond issuance and over the term of the bonds, CDA determines and maintains compliance with the permitted mortgage yield on the loans. In certain bond refunding transactions, CDA transfers loans from prior series of bonds to the refunding series. CDA monitors the yield on these transferred loans to ensure that the composite yield over the term of the bonds is within the yield limitations of the IRC. If at any time the composite yields on the transferred loans are out of compliance with the IRC, CDA has certain remedies available to bring the yield into compliance. As of June 30, 2022 and 2021, all mortgage loan yields were in compliance with the IRC.

Interest on Mortgage Loans and Mortgage-Backed Securities

Interest on mortgage loans and mortgage-backed securities is calculated using the effective interest method.

Administrative Support

In addition to expenses incurred directly by the Fund, CDA receives certain support services from other divisions of DHCD. Support services and the operating expenses of CDA have been allocated to CDA's General Bond Reserve Fund and reported in the financial statements of CDA's Revenue Obligation Funds. The General Bond Reserve Fund records these expenses as invoiced by DHCD for the fiscal year.

The employees of CDA are covered by the Maryland State Retirement and Pension System. See Note 13 for additional information.

Revenue and Expenses

CDA distinguishes operating revenue and expenses from nonoperating items in accordance with accounting guidance issued by GASB. Operating revenue and expenses are identified as those activities that are directly related to financing affordable housing in the state of Maryland. The Fund's activities are considered to be operating except for increases and decreases in the fair value of mortgage-backed securities that are held within the portfolio. Mortgage-backed securities that are part of the To Be Announced (TBA) Mortgage-Backed Securities program are classified as operating which is more fully described in Note 3.

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. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, gains, and losses during the reporting period. Actual results could differ from these estimates.

(in thousands)

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES

Bond proceeds and revenues from mortgages, mortgage-backed securities, and investments are invested in authorized investments as defined in the Residential Revenue Bond Resolution (the Resolution) and in CDA's Investment Policy until required for purchasing mortgage-backed securities or originating mortgage loans, funding reserves, paying bond debt service or redeeming outstanding bonds and funding program expenses. Authorized investments include State Housing Finance Agency (HFA) Variable Rate Demand Obligations (VRDO), obligations of the U.S. Treasury, U.S. Government Agencies, repurchase agreements, investment agreements, money market funds, and certificates of deposit.

The following assets, reported at fair value and held by the Fund as of June 30, 2022 and 2021, are evaluated in accordance with GASB accounting guidance for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Assets	2022	2021
Cash and Cash Equivalents:		
BlackRock Liquidity FedFund Administration Shares	$ 391,152	$ 527,402
Demand Deposit Account	7,331	7,323
Investments:		
State HFA VRDOs	114,695	125,935
U.S. Treasury Securities	115,340	54,544
Obligations of U.S. Government Agencies	8,923	22,052
Repurchase and Investment Agreements	2,408	2,408
Mortgage-Backed Securities:		
GNMA Mortgage-Backed Securities	731,310	513,368
FNMA Mortgage-Backed Securities	467,763	491,506
FHLMC Mortgage-Backed Securities	103,933	98,365
Total	$ 1,942,855	$ 1,842,903

(in thousands)

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses from rising interest rates, CDA's Investment Policy requires that the maturities of the investment portfolio are scheduled to meet the cash requirements for bond debt service, projected loan originations and ongoing operations.

As of June 30, 2022, the amortized cost, fair value, and maturities for these assets were as follows:

			Maturities (in Years)				
Asset	Amortized Cost	Fair Value	Less Than 1	1 - 5	6-10	11 - 15	More Than 15
BlackRock Liquidity FedFund Administration Shares	$ 391,152	$ 391,152	$ 391,152	$ -	$ -	$ -	$ -
Demand Deposit Account	7,331	7,331	7,331	-	-	-	-
State HFA VRDOs	114,695	114,695	114,695	-	-	-	-
U.S. Treasury Securities	117,803	115,340	31,164	84,176	-	-	-
Obligations of U.S. Government Agencies	7,886	8,923	-	2,934	3,463	2,526	-
Repurchase Agreements/ Investment Agreements	2,408	2,408	-	-	2,408	-	-
GNMA Mortgage-Backed Securities	765,833	731,310	-	-	-	-	731,310
FNMA Mortgage-Backed Securities	488,369	467,763	-	-	-	-	467,763
FHLMC Mortgage-Backed Securities	108,005	103,933	-	-	-	-	103,933
Total	$ 2,003,482	$ 1,942,855	$ 544,342	$ 87,110	$ 5,871	$ 2,526	$ 1,303,006

As of June 30, 2021, the amortized cost, fair value, and maturities for these assets were as follows:

			Maturities (in Years)				
Asset	Amortized Cost	Fair Value	Less Than 1	1 - 5	6-10	11 - 15	More Than 15
BlackRock Liquidity FedFund Administration Shares	$ 527,402	$ 527,402	$ 527,402	$ -	$ -	$ -	$ -
Demand Deposit Account	7,323	7,323	7,323	-	-	-	-
State HFA VRDOs	125,935	125,935	-	-	940	-	124,995
U.S. Treasury Notes	54,614	54,544	14,848	39,696	-	-	-
Obligations of U.S. Government Agencies	19,881	22,052	14,994	-	4,070	2,988	-
Repurchase Agreements/ Investment Agreements	2,408	2,408	-	-	1,232	1,176	-
GNMA Mortgage-Backed Securities	490,254	513,368	-	-	-	-	513,368
FNMA Mortgage-Backed Securities	464,265	491,506	-	-	-	-	491,506
FHLMC Mortgage-Backed Securities	92,749	98,365	-	-	-	-	98,365
Total	$ 1,784,831	$ 1,842,903	$ 564,567	$ 39,696	$ 6,242	$ 4,164	$ 1,228,234

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES (CONTINUED)

Interest Rate Risk (Continued)

The BlackRock Liquidity FedFund Administration Shares invests primarily in cash, U.S. Treasury bills, notes, and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations or cash and operates in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended. It can reasonably be expected to have a fair value that will be unaffected by interest rate changes because the interest rates are variable and the principal can be recovered on demand. As noted above, as of June 30, 2022 and 2021, the cost of the money market mutual fund approximated fair value.

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Neither CDA's Investment Policy nor the Resolution requires investment agreements or deposits to be collateralized. CDA's Investment Policy places no limit on the amount that CDA may invest in any one issuer or counterparty. According to the Resolution and CDA's Investment Policy, securities must be at a rating no lower than the rating on the bonds or, if an investment maintains only a short-term rating, a rating not less than F1/P-1; and financial institutions who are a counterparty to CDA in investment agreements must be rated at least comparable to the existing rating on CDA bonds unless counterparty ratings lower than the bond ratings are permitted and do not affect the ratings on the bonds. In addition, certain investment and repurchase agreements require counterparty ratings no less than the ratings on the bonds. As of June 30, 2022 and 2021, all counterparty ratings were at least equal to the ratings on the Fund's bonds. The ratings on Residential Revenue Bonds as of June 30, 2022 and 2021 were Aa1 by Moody's Investors Service and AA by Fitch Ratings. The following tables provide credit quality rating information for the investment portfolio and individual issuers if they represent 5% or more of total investments in accordance with accounting guidance issued by GASB.

The market value of the underlying collateralized securities in repurchase agreements and investment agreements is maintained at a minimum of 102% of the principal of and accrued interest on the invested funds by marking to market at least weekly and using an immediate under value cure provision.

The State HFA VRDOs held in CDA's investment portfolio are short-term (7-day) instruments that can be tendered at 7 days' notice at par. The rate is reset weekly by a remarketing agent, therefore the market value of the bonds is approximately 100% of the principal amount of the bonds during any period.

In order to facilitate a transaction with a liquidity provider, CDA has invested in a demand deposit account that is classified as cash and cash equivalents. This investment is backed by an Irrevocable Standby Letter of Credit dated July 26, 2021, that was established by the Federal Home Loan Bank of Pittsburgh, and is automatically extended each year until July 27, 2026. This date corresponds with the termination date of the standby purchase agreement.

(in thousands)

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES (CONTINUED)

Credit Risk and Concentration of Credit Risk (Continued)

As of June 30, 2022, credit ratings and allocation by type of investments for the following assets were:

Asset	Fair Value	Percentage of Total Investments	Money Market Fund Rating	Securities Credit Rating	Rating Agency
BlackRock Liquidity FedFund Administration Shares	$ 391,152	20.13%	Aaa-mf		Moody's
State HFA VRDOs	114,695	5.90%		Aaa to Aa3 AA+/A-1+	Moody's S&P
Government National Mortgage Association (GNMA) Mortgage-Backed Securities	731,310	37.64%		Direct U.S. Obligations	
Federal National Mortgage Association (FNMA) Mortgage-Backed Securities	467,763	24.08%		Aaa	Moody's
Federal Home Loan Mortgage Corporation (FHLMC) Mortgage-Backed Securities	103,933	5.35%		Aaa	Moody's
				Direct U.S.	

As of June 30, 2021, credit ratings and allocation by type of investments for the following assets were:

Asset	Fair Value	Percentage of Total Investments	Money Market Fund Rating	Securities Credit Rating	Rating Agency
BlackRock Liquidity FedFund Administration Shares	$ 527,402	28.62%	Aaa-mf		Moody's
State HFA VRDOs	125,935	6.83%		Aaa to Aa3	Moody's
Government National Mortgage Association (GNMA) Mortgage-Backed Securities	513,368	27.86%		Direct U.S. Obligations	
Federal National Mortgage Association (FNMA) Mortgage-Backed Securities	491,506	26.67%		Aaa	Moody's
Federal Home Loan Mortgage Corporation (FHLMC) Mortgage-Backed Securities	98,365	5.34%		Aaa	Moody's

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES (CONTINUED)

Mortgage-Backed Securities

All mortgage-backed securities held by CDA are guaranteed by the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Corporation (Freddie Mac).

GNMA mortgage-backed securities are instrumentalities of the United States Government and are "fully modified pass-through" mortgage-backed securities which require monthly payments by a Federal Housing Administration (FHA), Veterans Administration (VA) or United States Department of Agriculture Rural Development (USDA RD) lender, as the issuer of the guaranteed security to CDA. GNMA guarantees timely payment of principal and interest on Guaranteed Securities.

Fannie Mae and Freddie Mac mortgage-backed securities are "guaranteed mortgage pass-through securities" which supplement amounts received by a trust created under a trust agreement as required permitting timely payments of principal and interest on the securities to CDA. The securities and payments of principal and interest on the securities are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae or Freddie Mac.

As an investor of GNMA I mortgage-backed securities (MBS), CDA receives separate principal and interest payments on the 15th of each month; however, for GNMA II MBS, CDA receives the total principal and interest from a central paying agent on the 20th of each month. CDA receives the total principal and interest from the trustee on the 25th of each month for both Fannie Mae and Freddie Mac securities and on the 15th of each month for some Freddie Mac securities. All mortgages backing a GNMA I MBS have the same mortgage rate equal to 50 basis points greater than the coupon, with 44 basis points of servicing fee and 6 basis points of guaranty fee. Similarly, GNMA II MBS also have 6 basis points of guaranty fee, but the mortgage rate for the loans backing the security can vary between 25 to 75 basis points greater than the coupon which may result in a variety of servicing fees. Primarily, Fannie Mae and Freddie Mac securities have a guaranty fee of approximately 45 basis points and a servicing fee of 25 basis points. Some Fannie Mae securities may have a guaranty fee of 82.5 basis points. CDA also participates from time to time in the Fannie Mae or Freddie Mac buy-up or buy-down of the guaranty fee created in the pooling process in order to maximize pooling of securities for efficiency and effectiveness.

In January 2012, CDA expanded the sources of financing for its mortgage-backed securities program through the ongoing sale of forward contracts of GNMA, Fannie Mae, or Freddie Mac mortgage-backed securities. These securities are comprised of single family mortgage loans originated by CDA's network of approved lender partners. As part of this program, CDA periodically enters into forward contracts to sell GNMA, Fannie Mae or Freddie Mac mortgage-backed securities to investors before the securities are ready for delivery (referred to as to-be-announced or TBA Mortgage-Backed Security Contract). These forward contracts are settled monthly, using funds held in Residential Revenue Bonds' additional collateral account, prior to being sold into the secondary market. As of June 30, 2022, CDA entered into TBA Mortgage-Backed Security Contracts with a notional amount of $97,152 outstanding. At June 30, 2021, the notional amount outstanding was $239,759. The increase/decrease in the fair value of GNMA, Fannie Mae or Freddie Mac mortgage-backed securities that are part of the TBA program is classified as operating revenue on the Statements of Revenue, Expenses, and Changes in Net Position.

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES (CONTINUED)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank or counterparty failure, CDA will not be able to recover its deposits or the value of its collateral securities that are in the possession of an outside party. As of June 30, 2022 and 2021, the Fund's investments were not subject to custodial credit risk under accounting guidance issued by GASB. CDA's investments and collateralized securities are held in trust by the trustee or the trustee's agent, kept separate from the assets of the bank and from other trust accounts and are held in CDA's name.

Fair Value Measurements

CDA categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments in money market mutual funds are not subject to the fair value measurement requirements.

The Fund has the following recurring fair value measurements as of June 30, 2022 and 2021:

- U.S. Government Agencies of $8,923 and $22,052 respectively, are valued using quoted market prices (Level 1).
- U.S. Treasury Securities of $115,340 and $54,544, respectively, are valued using quoted market prices (Level 1).
- State HFA VRDOs of $114,695 and $125,935 respectively, are valued using the matrix pricing technique (Level 2).
- GNMA, FNMA, and FHLMC mortgage-backed securities of $1,303,006 and $1,103,239, respectively, are valued using the matrix pricing technique (Level 2).

NOTE 4 MORTGAGE LOANS

Substantially all of the Fund's single family mortgage loans are secured by first liens on the related property. Approximately 95% of all single family outstanding loan amounts are credit enhanced through the FHA mortgage insurance programs, the VA and USDA RD guarantee programs, Maryland Housing Fund (MHF), or by private mortgage insurance policies. As of June 30, 2022 and 2021, interest rates on such loans ranged from 0.0% to 9.50% with remaining loan terms ranging approximately from less than 1 year to 39 years and 37 years, respectively.

All of the Fund's multi-family mortgage loans are credit-enhanced through FHA or MHF. As of June 30, 2022 and 2021, interest rates on such loans ranged from 5.75% to 8.25%, with remaining loan terms ranging from less than 1 year to 13 years and approximately 1 year to 14 years, respectively.

(in thousands)

NOTE 4 MORTGAGE LOANS (CONTINUED)

For the years ended June 30, 2022 and 2021, the single family mortgage loan and claims receivable balances, net of the allowances for loan losses on the uninsured portions of single family loans, including loans in foreclosure and other loans with pending insurance claims, were as follows:

	2022	2021
Single Family Mortgage Loans	$ 468,168	$ 577,457
Allowance for Loan Losses	(4,498)	(6,396)
Single Family Mortgage Loans, Net of Allowance	$ 463,670	$ 571,061
Claims Receivable on Foreclosed and Other Loans	$ 3,928	$ 4,899
Allowance for Loan Losses	(733)	(538)
Claims Receivable on Foreclosed and Other Loans, Net of Allowance	$ 3,195	$ 4,361

NOTE 5 ACCRUED INTEREST AND OTHER RECEIVABLES

Accrued interest and other receivables as of June 30, 2022 and 2021 were as follows:

	2022	2021
Accrued Mortgage Loan Interest	$ 5,154	$ 6,148
Accrued Mortgage-Backed Securities Interest	3,605	2,870
Accrued Investment Interest	1,062	260
Funds Due from Mortgage Insurers for Loan Modifications	-	45
Reimbursement Due for State-Funded Loans	6,996	9,444
Reimbursement Due for Pre-Foreclosure Costs Incurred on Mortgage Loans	4,722	4,372
Miscellaneous Billings	14	108
Total	$ 21,553	$ 23,247

NOTE 6 BONDS PAYABLE

The bonds and notes issued by CDA are special obligations of CDA and are payable from the revenue and special funds of the Resolution. These bonds and notes do not constitute debt of and are not guaranteed by the state of Maryland or any other program of the state of Maryland or any political subdivision.

The provisions of the Resolution require or allow for the special redemption of bonds at par through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of mortgage loans. All outstanding bonds are subject to optional redemption, in whole or in part at any time, after certain dates, as specified in the respective series resolutions, at a redemption price equal to the principal amount thereof to be redeemed. When bonds are redeemed, whether as a special or optional redemption, CDA writes off a proportionate share of any unamortized original issue premiums, net of any unamortized original issue discounts, as a gain on early retirement of debt in the accompanying Statements of Revenue, Expenses, and Changes in Net Position. If unamortized original issue discounts exceed unamortized original issue premiums, CDA records a loss.

The following lists those bonds which are at variable rates and the terms by which the variable rates change. All other bonds have fixed interest rates.

2006 Series G and J; 2012 Series B; and 2014 Series F.

The rate is set weekly by a remarketing agent so that the market value of the bonds is as close as possible to 100% of the principal amount of the bonds. In no event will the bonds bear interest at a rate in excess of 12%.

The following bonds are taxable. All other bonds are tax-exempt.

2012 Series A and B; 2014 Series E and F; 2015 Series B; 2016 Series A; 2017 Series A; 2019 Series D; 2021 Series D and 2022 Series B.

(in thousands)

NOTE 6 BONDS PAYABLE (CONTINUED)

The following is a summary of the bond activity for the year ended June 30, 2022, and the debt outstanding and bonds payable as of June 30, 2022:

					Bond Activity					
	Issue Dated	Range of Interest Rates	Range of Maturities	Debt Outstanding at June 30, 2021	New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed	Debt Outstanding at June 30, 2022	Bond Premium/ Discount Deferred	Bonds Payable at June 30, 2022
Residential Revenue Bonds										
2006 Series G	05/24/06	Variable Rate	9/1/2040	$ 22,930	$ -	$ -	$ (9,000)	$ 13,930	$ -	$ 13,930
2006 Series J	07/13/06	Variable Rate	9/1/2040	56,185	-	-	(11,215)	44,970	-	44,970
2011 Series B	05/05/11	-	-	20,000	-	-	(20,000)	-	-	-
2012 Series A	08/23/12	4.00%	9/1/2025	2,660	-	(295)	(970)	1,395	21	1,416
2012 Series B	08/23/12	Variable Rate	9/1/2033	44,970	-	-	(220)	44,750	-	44,750
2014 Series A	02/20/14	2.90% - 3.15%	2022-2023	10,975	-	(2,110)	(6,995)	1,870	-	1,870
2014 Series B	02/20/14	3.25%	9/1/2044	7,880	-	-	(4,450)	3,430	97	3,527
2014 Series C	09/25/14	2.50% - 4.00%	2022-2044	35,240	-	(2,050)	(16,765)	16,425	170	16,595
2014 Series D	09/25/14	4.00%	9/1/2036	4,720	-	-	(2,135)	2,585	172	2,757
2014 Series E	09/25/14	2.857% - 4.478%	2022-2040	24,565	-	(1,685)	(5,655)	17,225	-	17,225
2014 Series F	09/25/14	Variable Rate	9/1/2044	24,555	-	-	-	24,555	-	24,555
2015 Series A	12/03/15	2.20% - 3.50%	2022-2045	14,075	-	(395)	(10,380)	3,300	103	3,403
2015 Series B	12/03/15	3.16% - 3.419%	2022-2041	28,855	-	(965)	(16,880)	11,010	-	11,010
2016 Series A	08/31/16	2.20% - 3.797%	2022-2047	222,545	-	(3,755)	(28,360)	190,430	795	191,225
2017 Series A	04/27/17	2.756% - 4.416%	2022-2048	176,255	-	(5,130)	(46,605)	124,520	-	124,520
2018 Series A	11/08/18	2.60% - 4.50%	2022-2048	124,915	-	(6,215)	(68,005)	50,695	2,390	53,085
2018 Series B	11/08/18	4.50%	9/1/2048	30,925	-	-	(7,440)	23,485	1,282	24,767
2019 Series A	03/13/19	1.90% - 4.25%	2022-2049	101,810	-	(2,710)	(48,430)	50,670	1,379	52,049
2019 Series B	06/13/19	1.75% - 5.00%	2022-2049	193,125	-	(3,770)	(54,235)	135,120	6,277	141,397
2019 Series C	10/16/19	1.50% - 5.00%	2022-2050	300,650	-	(6,135)	(46,800)	247,715	12,203	259,918
2019 Series D	10/16/19	1.845% - 2.931%	2022-2050	22,310	-	(520)	(5,000)	16,790	-	16,790
2020 Series A	02/25/20	1.10% - 3.75%	2023-2050	125,995	-	-	(16,165)	109,830	3,876	113,706
2020 Series B	02/25/20	1.30% - 1.40%	2022-2023	7,345	-	(3,600)	-	3,745	-	3,745
2020 Series D	08/27/20	0.30% - 3.25%	2022-2050	157,855	-	(4,290)	(5,745)	147,820	4,921	152,741
2021 Series A	02/25/21	0.20% - 3.00%	2022-2051	197,725	-	(3,745)	(3,075)	190,905	6,674	197,579
2021 Series B	08/26/21	0.15% - 3.00%	2022-2051	-	170,000	(1,330)	(1,855)	166,815	6,059	172,874
2021 Series C	12/14/21	1.10% - 3.00%	2027-2051	-	221,770	-	(50)	221,720	6,637	228,357
2021 Series D	12/14/21	0.55% - 1.80%	2022-2027	-	30,000	-	-	30,000	-	30,000
2022 Series A	06/15/22	3.80% - 5.00%	2030-2052	-	111,625	-	-	111,625	3,212	114,837
2022 Series B	06/15/22	2.771% - 4.638%	2023-2034	-	37,375	-	-	37,375	-	37,375
Total				$ 1,959,065	$ 570,770	$ (48,700)	$ (436,430)	$ 2,044,705	$ 56,268	$ 2,100,973

(in thousands)

NOTE 6 BONDS PAYABLE (CONTINUED)

The following is a summary of the bond activity for the year ended June 30, 2021, and the debt outstanding and bonds payable as of June 30, 2021:

	Issue Dated	Range of Interest Rates	Range of Maturities	Debt Outstanding at June 30, 2020	Bond Activity New Bonds Issued	Bond Activity Scheduled Maturity Payments	Bond Activity Bonds Redeemed	Debt Outstanding at June 30, 2021	Bond Premium/ Discount Deferred	Bonds Payable at June 30, 2021
Residential Revenue Bonds										
2006 Series G	05/24/06	Variable Rate	9/1/2040	$ 27,895	$ -	$ -	$ (4,965)	$ 22,930	$ -	$ 22,930
2006 Series I	07/13/06	-	-	2,635	-	(855)	(1,780)	-	-	-
2006 Series J	07/13/06	Variable Rate	9/1/2040	60,000	-	-	(3,815)	56,185	-	56,185
2011 Series A	05/05/11	-	-	10,780	-	(1,290)	(9,490)	-	-	-
2011 Series B	05/05/11	1.18%	3/1/2036	20,000	-	-	-	20,000	(65)	19,935
2012 Series A	08/23/12	4.00%	9/1/2025	6,250	-	(2,570)	(1,020)	2,660	45	2,705
2012 Series B	08/23/12	Variable Rate	9/1/2033	45,000	-	-	(30)	44,970	-	44,970
2014 Series A	02/20/14	2.60% - 3.35%	2021 - 2024	44,270	-	(3,005)	(30,290)	10,975	-	10,975
2014 Series B	02/20/14	3.25%	9/1/2044	11,235	-	-	(3,355)	7,880	229	8,109
2014 Series C	09/25/14	2.20% - 4.00%	2021 - 2044	37,535	-	(800)	(1,495)	35,240	318	35,558
2014 Series D	09/25/14	4.00%	9/1/2036	7,515	-	(1,175)	(1,620)	4,720	329	5,049
2014 Series E	09/25/14	2.857% - 4.478%	2021 - 2040	28,535	-	(1,690)	(2,280)	24,565	-	24,565
2014 Series F	09/25/14	Variable Rate	9/1/2044	24,555	-	-	-	24,555	-	24,555
2015 Series A	12/03/15	2.00% - 3.80%	2021 - 2045	18,010	-	(580)	(3,355)	14,075	179	14,254
2015 Series B	12/03/15	2.93% - 4.515%	2021 - 2041	42,600	-	(1,890)	(11,855)	28,855	-	28,855
2016 Series A	08/31/16	2.045% - 3.797%	2021 - 2047	249,075	-	(7,240)	(19,290)	222,545	1,139	223,684
2017 Series A	04/27/17	2.47% - 4.416%	2021 - 2048	203,535	-	(5,800)	(21,480)	176,255	-	176,255
2018 Series A	11/08/18	2.45% - 4.50%	2021 - 2048	221,380	-	(7,375)	(89,090)	124,915	3,207	128,122
2018 Series B	11/08/18	4.50%	9/1/2048	35,650	-	-	(4,725)	30,925	1,720	32,645
2019 Series A	03/13/19	1.80% - 4.25%	2021 - 2049	135,235	-	(2,980)	(30,445)	101,810	3,145	104,955
2019 Series B	06/13/19	1.70% - 5.00%	2021 - 2049	206,690	-	(4,345)	(9,220)	193,125	8,848	201,973
2019 Series C	10/16/19	1.40% - 5.00%	2021 - 2050	317,800	-	(6,990)	(10,160)	300,650	15,073	315,723
2019 Series D	10/16/19	1.786% -3.235%	2021 - 2050	27,335	-	(635)	(4,390)	22,310	-	22,310
2020 Series A	02/25/20	1.10% - 3.75%	2023 - 2050	130,750	-	(1,660)	(3,095)	125,995	4,847	130,842
2020 Series B	02/25/20	1.15% - 1.40%	2021 - 2023	9,250	-	(1,905)	-	7,345	-	7,345
2020 Series D	08/27/20	0.20% - 3.25%	2021 - 2050	-	160,000	(2,145)	-	157,855	5,686	163,541
2021 Series A	02/25/21	0.10% - 3.00%	2021 - 2051	-	197,725	-	-	197,725	7,215	204,940
Total				$ 1,923,515	$ 357,725	$ (54,930)	$ (267,245)	$ 1,959,065	$ 51,915	$ 2,010,980

(in thousands)

NOTE 7 DEBT SERVICE REQUIREMENTS

As of June 30, 2022, the required principal payments for bonds (including mandatory sinking fund payments and special and optional redemptions that occurred subsequent to June 30, 2022 and excluding the effect of unamortized discounts/premiums as shown in Note 6) and interest payments for each of the next five years and in five-year increments thereafter, were as follows:

Year Ending June 30,	Interest	Principal
2023	$ 55,673	$ 81,390
2024	56,742	57,905
2025	55,700	59,160
2026	54,531	65,330
2027	52,943	71,840
2028 - 2032	233,957	384,255
2033 - 2037	182,940	354,800
2038 - 2042	132,022	354,930
2043 - 2047	80,400	347,370
2048 - 2052	21,855	265,380
2053	59	2,345
Total	$ 926,822	$ 2,044,705

The interest calculations on outstanding variable rate bonds in the amount of $128,205 are based on the variable rates in effect on June 30, 2022, and are not indicative of the actual interest expense that will be incurred in future years. As rates vary, variable rate bond interest payments will vary.

As of June 30, 2021, the required principal payments for bonds (including mandatory sinking fund payments and special and optional redemptions that occurred subsequent to June 30, 2021 and excluding the effect of unamortized discounts/premiums as shown in Note 6) and interest payments for each of the next five years and in five-year increments thereafter were as follows:

Year Ending June 30,	Interest	Principal
2022	$ 53,034	$ 232,730
2023	49,238	52,390
2024	48,197	53,165
2025	47,060	53,390
2026	45,868	57,215
2027 - 2031	202,813	344,735
2032 - 2036	154,545	340,270
2037 - 2041	106,459	324,885
2042 - 2046	64,118	282,775
2047 - 2051	17,534	216,355
2052	17	1,155
Total	$ 788,883	$ 1,959,065

The interest calculations on outstanding variable rate bonds in the amount of $148,640 are based on the variable rates in effect on June 30, 2021, and are not indicative of the actual interest expense that will be incurred in future years. As rates vary, variable rate bond interest payments will vary.

NOTE 8 BOND REFUNDINGS

Certain refundings of debt are due to the prepayments of single family mortgage loans. In these cases, CDA transfers the proceeds of the refunding bonds to a redemption account to redeem previously issued bonds and, simultaneously, transfers the prepayments of single family mortgage loans financed by these prior bonds to the refunding bonds' accounts for the purpose of originating new loans. This recycling of prepayments enables CDA to originate new loans that are not subject to the limitations of the IRS volume cap. CDA does not pay call premiums on these special redemptions, and the refundings are not undertaken to reduce interest rates, revise payment schedules, or modify restrictions related to the old debt. CDA writes off any unamortized original issue premiums, net of any unamortized original issue discounts, as a gain on early retirement of debt in the accompanying statements of revenue, expenses, and changes in net position. If unamortized original issue discounts exceed unamortized original issue premiums, CDA records a loss.

For current refundings of debt in an optional redemption, CDA replaces previously issued bonds for the purpose of lowering debt costs by reducing interest rates or for other purposes such as revising payment schedules or modifying restrictions related to the old debt. This type of transaction is commonly known as an economic refunding.

There were no economic refundings for the years ended June 30, 2022 and 2021.

NOTE 9 REBATE LIABILITY

In accordance with the Internal Revenue Code (IRC), the Fund may record a rebate liability for excess investment earnings in tax-exempt bond and note issues. The excess investment earnings arise due to actual investment yields earned by the Fund being greater than yields permitted to be retained by the Fund under the IRC. The IRC requires 90% of such excess investment earnings to be remitted to the United States Treasury every five years and in full at the final redemption of the bonds. Interest income on the Statements of Revenue, Expenses, and Changes in Net Position is reduced by the rebate liability due to excess investment earnings. The increase/decrease in fair value of investments on the Statements of Revenue, Expenses and Changes in Net Position is adjusted by the change in the estimated rebate liability due to change in fair value of investments. CDA has no rebate liability from interest income or from unrealized gains on mortgage-backed securities. For the years ended June 30, 2022 and 2021, CDA had no rebate liability to record for excess investment earnings in tax-exempt bond issues.

(in thousands)

NOTE 10 LONG-TERM OBLIGATIONS

Changes in long-term obligations for the years ended June 30, 2022 and 2021 were as follows:

	2022	2021
Bonds Payable:		
Beginning Balance at June 30,	$ 2,010,980	$ 1,968,554
Additions	570,770	357,725
Reductions	(485,130)	(322,175)
Change in Deferred Amounts for Issuance Discounts/Premiums	4,353	6,876
Ending Balance at June 30,	2,100,973	2,010,980
Less Due Within One Year	(81,390)	(232,730)
Total Long-Term Bonds Payable	2,019,583	1,778,250
Deposits by Borrowers:		
Beginning Balance at June 30,	1,882	1,852
Additions	741	755
Reductions	(844)	(725)
Ending Balance at June 30,	1,779	1,882
Less Due Within One Year	(1,127)	(917)
Total Long-Term Deposits by Borrowers	652	965
Total Long-Term Liabilities	$ 2,020,235	$ 1,779,215

NOTE 11 INTERFUND ACTIVITY

In accordance with the Resolution, net position in the Fund is restricted and pledged to bondholders. However, restricted assets may be transferred to other Funds, subject to the provisions of the Resolution. Generally, an officer of CDA must authorize such withdrawals and a cash flow analysis must demonstrate that sufficient monies remain in the Resolution to meet the obligations of the Fund in current and future years.

During the years ended June 30, 2022 and 2021, the Fund (transferred) received the following amounts, as permitted, among Funds:

	2022	2021
Excess Revenue Transferred To the General Bond Reserve Fund	$ (8,000)	$ (10,000)
Excess Proceeds Transferred From the Single Family Housing Revenue Bonds Fund for the Sale of MBS	-	6,306
Mortgage-Backed Securities Transferred From the Single Family Housing Revenue Bonds Fund	-	6,178
Total	$ (8,000)	$ 2,484

NOTE 12 MORTGAGE INSURANCE

Substantially all mortgage loans in the Fund have mortgage insurance as described in Note 4.

Multi-family mortgagors pay premiums for mortgage insurance and insurance coverage is 100% of the unpaid principal balance of the loan.

For the single family loan portfolio, approximately 46% of the outstanding loan amounts are insured by agencies of the U.S. Government in an amount substantially equal to the unpaid principal amount of the loan. Approximately 49% of the outstanding loan amounts have primary mortgage insurance in an amount that is at least 25% of the loan amount. Approximately 5% of the outstanding loan amounts of the first lien loans either did not have primary mortgage insurance due to their original loan-to-value ratios of less than 80% or have cancelled primary mortgage insurance due to their outstanding balance falling below 80% of the original loan amount.

Approximately 49% of outstanding loan amounts are insured by private mortgage insurers and MHF. Approximately 97% of the outstanding loan amounts insured by private mortgage insurers and MHF are covered at 35% of the loan amount, while 3% of the outstanding loan amounts are covered at 25%. There are two private mortgage insurers who, due to financial constraints or receivership, are currently paying to CDA approximately three quarters of the amount determined to be due. These two private mortgage insurers represent 2% of the outstanding loan amounts insured by private mortgage insurers and MHF.

An allowance for loan losses has been established for all the loans insured by FHA, VA, USDA RD, MHF and private mortgage insurers.

Mortgage insurance premiums are paid by single family mortgagors.

NOTE 13 PENSION AND OTHER POSTRETIREMENT BENEFITS

Eligible employees of CDA and employees of the state of Maryland are covered under the retirement plans of the State Retirement and Pension System of Maryland (the System) and are also entitled to certain healthcare benefits upon retirement. CDA’s only obligation for retirement and postemployment benefits is its required annual contribution, which was paid in full by CDA to the state of Maryland prior to year-end. The liability for the employees is recorded by the general fund of the state of Maryland and is not allocated to CDA. The System prepares a separate audited Comprehensive Annual Financial Report which can be obtained from the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202 or by visiting the website at www.sra.maryland.gov.

(in thousands)

NOTE 14 SUBSEQUENT EVENTS

CDA has identified the following activity that occurred subsequent to June 30, 2022.

On July 5, 2022, CDA redeemed the following bonds:

2012 Series A	$495
2012 Series B	$105
2014 Series E	$1,495
2015 Series B	$4,135
2016 Series A	$11,275
2017 Series A	$12,310
2019 Series D	$2,380

On September 15, 2022, CDA issued 2022 Series C bonds in the amount of $98,720.

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
SUPPLEMENTAL DISCLOSURE OF CHANGES IN FAIR VALUE OF INVESTMENTS AND MORTGAGE-BACKED SECURITIES
(in thousands)
JUNE 30, 2022 AND 2021

In accordance with accounting guidance issued by GASB, CDA reflects investments and mortgage-backed securities at fair value, and the increase or decrease in fair value is included in the Statements of Revenue, Expenses, and Changes in Net Position.

For investments held by the Fund as of June 30, 2022, the following schedule summarizes annual increases/decreases in fair value and the cumulative difference between fair value and amortized cost:

Fiscal Year Ended June 30,	Annual Increases/ Decreases	Cumulative Total
2000	$ (227)	$ (227)
2001	551	324
2002	97	421
2003	544	965
2004	(674)	291
2005	403	694
2006	(1,567)	(873)
2007	1,062	189
2008	785	974
2009	46	1,020
2010	2,747	3,767
2011	(2,244)	1,523
2012	1,374	2,897
2013	(855)	2,042
2014	243	2,285
2015	43	2,328
2016	445	2,773
2017	(646)	2,127
2018	(866)	1,261
2019	768	2,029
2020	532	2,561
2021	(460)	2,101
2022	(3,527)	(1,426)

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
SUPPLEMENTAL DISCLOSURE OF CHANGES IN FAIR VALUE OF INVESTMENTS AND MORTGAGE-BACKED SECURITIES (CONTINUED)
(in thousands)
JUNE 30, 2022 AND 2021

For mortgage-backed securities held by the Fund as of June 30, 2022, the following schedule summarizes annual increases/decreases in fair value and the cumulative difference between fair value and cost:

Fiscal Year Ended June 30,	Annual Increases/ Decreases	Cumulative Total
2011	$ (585)	$ (585)
2012	1,858	1,273
2013	(5,593)	(4,320)
2014	3,127	(1,193)
2015	503	(690)
2016	4,216	3,526
2017	(3,294)	232
2018	(4,093)	(3,861)
2019	23,239	19,378
2020	50,845	70,223
2021	(14,252)	55,971
2022	(115,172)	(59,201)

APPENDIX I

MARYLAND HOUSING FUND

FINANCIAL STATEMENTS

MARYLAND HOUSING FUND

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

MARYLAND HOUSING FUND
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YEARS ENDED JUNE 30, 2022 AND 2021

INDEPENDENT AUDITORS' REPORT

Office of the Secretary
Department of Housing and Community Development
Lanham, Maryland

Report on the Audit of the Financial Statements

Opinions

We have audited the statements of the Maryland Housing Fund (MHF) of the Department of Housing and Community Development of the State of Maryland, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Fund's basic financial as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund, as of June 30, 2022 and 2021, and the changes in financial position, and, its, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Department of Housing and Community Development 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.

Emphasis of Matter

Financial Statement Presentation

As discussed in Note 1, the financial statements present only the financial position, changes in financial position, and cash flows of MHF and do not purport to, and do not, present fairly the financial position of the Department of Housing and Community Development of the State of Maryland as of June 30, 2022 and 2021, and the changes in its net position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion on the basic financial statements was not modified with respect to this matter.

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.

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 auditors' 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 GAASwill 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.

In performing an audit in accordance with GAAS, 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 the Department of Housing and Community Development'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.

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

Management has elected to omit the management's discussion and analysis that accounting principles generally accepted in the United States of America require to 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. Our opinion on the basic financial statements is not affected by this missing information.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
September 29, 2022

MARYLAND HOUSING FUND
STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Unrestricted Current Assets:		
Deposit with State Treasurer:		
Operating Account	$ 3,697,570	$ 2,953,507
Loans and Interest Receivable, Net of Allowance for Loans and Related Losses	-	-
Due from Other Funds	340,012	564,959
Other	43,695	205,400
Total Unrestricted Current Assets	4,081,277	3,723,866
Restricted Current Assets:		
Deposit with State Treasurer:		
Reserve Accounts	84,946,335	84,570,915
Total Restricted Current Assets	84,946,335	84,570,915
Total Current Assets	89,027,612	88,294,781
NONCURRENT ASSETS		
Investment Held for Borrower	2,459,425	2,551,153
Loans and Interest Receivable, Net of Allowance for Loans and Related Losses and Current Portion	-	-
Total Noncurrent Assets	2,459,425	2,551,153
Total Assets	$ 91,487,037	$ 90,845,934

See accompanying Notes to Financial Statements.

MARYLAND HOUSING FUND
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2022 AND 2021

LIABILITIES AND NET POSITION	2022	2021
CURRENT LIABILITIES		
Accounts Payable	$ 121,097	$ 199,374
Accrued Compensated Absences	40,532	28,506
Accrued Workers' Compensation	300	300
Investment Held for Borrower	194,828	266,546
Unearned Premiums	463,233	393,159
Unearned Fees	12,885	13,026
Allowance for Unpaid Insurance Losses	83,993	105,498
Total Current Liabilities	916,868	1,006,409
NONCURRENT LIABILITIES		
Accrued Compensated Absences, Net of Current Portion	61,173	74,538
Accrued Workers' Compensation, Net of Current Portion	1,700	1,700
Investment Held for Borrower, Net of Current Portion	2,459,425	2,551,153
Allowance for Unpaid Insurance Losses, Net of Current Portion	9,437,472	9,296,274
Total Noncurrent Liabilities	11,959,770	11,923,665
Total Liabilities	12,876,638	12,930,074
NET POSITION		
Restricted Net Position:		
Multi-Family Reserve	44,698,739	44,698,739
Single Family Regular Reserve	13,821,570	13,834,499
Revitalization (Pilot) Reserve	2,185,258	2,185,258
Small Business Reserve	10,000,000	10,000,000
General Reserve	8,593,422	8,593,422
Unallocated Reserve	5,636,189	5,260,768
Total Restricted Net Position	84,935,178	84,572,686
Unrestricted Accumulated Deficit	(6,324,779)	(6,656,826)
Total Net Position	78,610,399	77,915,860
Total Liabilities and Net Position	$ 91,487,037	$ 90,845,934

See accompanying Notes to Financial Statements.

MARYLAND HOUSING FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
OPERATING REVENUES		
Net Premiums	$ 779,591	$ 705,806
Interest Income on Reserves	375,421	260,768
Interest Income on Loans	526,546	528,307
Other Income	987,120	882,230
Total Operating Revenues	2,668,678	2,377,111
OPERATING EXPENSES		
General and Administrative	1,348,661	1,199,608
Direct Losses on Claims	20,178	201,095
Provision (Benefit) for Insurance and Loan Losses	605,300	211,312
Total Operating Expenses	1,974,139	1,612,015
Operating Income before Transfers	694,539	765,096
Transfer of Funds	-	(152,454)
CHANGE IN NET POSITION	694,539	612,642
Net Position - Beginning of Year	77,915,860	77,303,218
NET POSITION - END OF YEAR	$ 78,610,399	$ 77,915,860

See accompanying Notes to Financial Statements.

MARYLAND HOUSING FUND
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Premiums, Net	$ 1,236,317	$ 731,301
Receipts from Principal and Interest on Loans	526,546	528,307
Changes to Provision for Insurance and Loan losses	(605,300)	(211,312)
Payments for Mortgage Escrows	(163,446)	(424)
Receipts from Mortgage Escrows	91,728	(23,416)
Receipts (Payments) from Security Deposits	-	(977)
Receipts from Miscellaneous Fees	986,979	882,467
Payments for General and Administrative Expenses	(1,308,584)	(1,480,478)
Payments for Claims	(20,178)	(201,095)
Receipts from Interest Earned on Reserves	375,421	260,768
Transfer to State Funded Programs	-	(152,454)
Net Cash Provided by Operating Activities	1,119,483	332,687
NET INCREASE IN CASH	1,119,483	332,687
Deposit with State Treasurer, Balance - Beginning of Year	87,524,422	87,191,735
DEPOSIT WITH STATE TREASURER, BALANCE - END OF YEAR	$ 88,643,905	$ 87,524,422
RECONCILIATION OF CHANGE IN OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$ 694,539	$ 765,096
Adjustments to Reconcile Change in Net Position to Net Cash Provided (Used) by Operating Activities:		
Transfer to State Funded Programs	-	(152,454)
Effects of Changes in Operating Assets and Liabilities:		
Premiums and Other Receivables	161,705	(147,934)
Investments and Other Assets	(71,718)	(23,840)
Due from DHCD	224,947	164,740
Accounts Payable and Other Accrued Liabilities	(79,616)	(4,813)
Security Deposits Payable	-	(977)
Allowance for Unpaid Insurance Losses	119,693	(276,057)
Unearned Premiums	70,074	8,689
Unearned Fees	(141)	237
Net Cash Provided by Operating Activities	$ 1,119,483	$ 332,687

See accompanying Notes to Financial Statements.

NOTE 1 PROGRAM DESCRIPTION

The Maryland Housing Fund (MHF) was established in 1971 by Section 3-201 through 3-208 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, to encourage the flow of private investment capital into multiple-unit and Single Family housing by insuring qualified lending institutions against losses on mortgage loans. MHF is authorized to insure mortgage loans, including mortgage loans for Multi-Family developments financed by public agencies such as the Community Development Administration (CDA), a governmental unit within the Division of Development Finance of the Department of Housing and Community Development (DHCD) and to provide primary insurance for Single Family mortgage loans. Legislation enacted in 2016 expanded MHF's authority to insure business loans originated by qualified lending institutions. MHF insures against certain monetary losses incurred as a result of nonpayment of principal, interest or other sums agreed to be paid and certain other events of default under the terms of any insured mortgage loan, but does not insure against property losses, including without limitation, title risk, risks of defective construction or casualty, or any other reduction in project value due to insurable risk or force majeure, casualty or title loss. Legislation enacted in 1981 enables MHF to originate mortgage loans to assist in the disposal of property acquired through foreclosure or pursuant to any other payment in settlement of a claim or loss. MHF is a governmental unit within DHCD's Division of Credit Assurance.

MHF maintains six restricted insurance reserves, which are separate from MHF's operating funds. Five of the reserves cover specific categories of insurance; the Multi-Family Reserve, the Single Family Regular Program Reserve, the Revitalization Reserve (formerly known as the PILOT program insurance reserve), the Business Reserve, and the General Reserve. The investment earnings on each of the five specific reserves are credited to a sixth reserve, the Unallocated Reserve. The Unallocated Reserve may be allocated and transferred by the Secretary into each of the reserves, restricted by the Secretary as a reserve to pay claims on all categories of claims, applied by MHF as payment of a claim, or retained in the Unallocated Reserve pending allocation, transfer, or restriction. Investment earnings on each of the six reserves are credited to the Unallocated Reserve. In 2008, legislation was passed pursuant to Senate Bill 983 requiring MHF to transfer from the Unallocated Reserve to DHCD's Homeownership Programs Fund, Rental Housing Programs Fund, and Special Loan Programs Fund all amounts in excess of $10,000,000 at the end of each fiscal year. These transfers can be found in Note 8 of this document.

The MHF statute provides that any moneys of MHF that DHCD creates as an identifiable insurance reserve may be used only in conformance with the terms and conditions creating that reserve. MHF regulations provide that each reserve is maintained to pay claims arising from its respective category of insurance and may not be subject to claims arising from other categories of insurance except for the Unallocated Reserve.

MHF's reserve funds are derived from the net proceeds of five issues of the State of Maryland (State) general obligation bonds aggregating $39,300,000 and $7,500,000 in proceeds derived from State appropriations. In addition, the funds have earned investment income and paid claims. The unrestricted accumulated deficit reflects MHF's operations since inception less interest income. The reserves are held by the Office of the Treasurer of the State, which credits MHF with income on investment of reserves for the benefit of MHF.

NOTE 1 PROGRAM DESCRIPTION (CONTINUED)

The Multi-Family Reserve supports several programs. All existing Multi-Family insurance insures projects financed by CDA's revenue bonds and projects with Montgomery County. These programs include:

- Regular Multi-Family Program fully insures permanent mortgages originated prior to 1997 that were funded by CDA and the Housing Opportunities Commission of Montgomery County. These loans were paid in full during FY2021.
- Risk-Share Program insures both construction and permanent mortgages financed with CDA bond proceeds with credit enhancement under the Federal Housing Administration (FHA) Risk Sharing Program. As a Level I participant under the FHA Risk-Sharing Program, upon payment of a claim by FHA, CDA is responsible for reimbursing FHA up to 50% of such claim. As a Level II participant under the FHA Risk-Sharing Program, upon payment of a claim by FHA, CDA is responsible for reimbursing FHA up to 25% of such claim. MHF then reimburses CDA for its share of such losses. This is an active multi-family program.
- Special Housing Opportunity Program (SHOP) insures mortgages financed or refinanced for the acquisition, construction or rehabilitation of shared living and related facilities for the special needs population which are owned by and sponsored by nonprofit organizations. This is an active multi-family program.
- Single-Family mortgages funded through private lenders and CDA for permanent mortgages in publicly designated renewal or redevelopment areas. Insurance offered provided 100% coverage and is backed by the Multi-Family Reserve Fund. MHF continues to manage the existing portfolio but ceased issuing new insurance under this program in 1997.
- MHF Demonstration Program – Effective December 9, 2014, MHF and CDA created a demonstration program (the “MHF Demonstration Program”) whereby MHF insures short term loans (“Short Term Loans”) financed with proceeds from the sale of short term bonds (“Short Term Bonds”) issued under CDA's multi-family Housing Revenue Bond Resolution (“HRB”). The MHF Demonstration Program is an additional cost-effective option extended to borrowers for the provision of credit enhancement for Short Term Loans financed under HRB. Eligibility for the MHF Demonstration Program is limited to projects that: (i) need to use more than 25% of its projected tax credit equity to cash collateralize a letter of credit (“LOC”) that otherwise would be delivered to secure Short Term Bonds during construction, and (ii) where the amount of the Short Term Loan (which equals the amount of the cash collateral account that would be required by a LOC provider) is greater than 25% of the projected tax credit equity. No borrower, including all related entities, may have Short Term Loans insured under the MHF Demonstration Program at any one time in excess of $5 million. In addition, 25% of the projected amount of tax credit equity to be generated by a project must be contributed to the project at the closing of the Short Term Loan. MHF's obligations under the MHF Demonstration Program are backed only by MHF's Unallocated Reserve. The aggregate amount of outstanding indebtedness to be insured under the MHF Demonstration Program may not exceed $10 million from MHF's Unallocated Reserve at any given time. There are no loans currently insured under this program.

NOTE 1 PROGRAM DESCRIPTION (CONTINUED)

The Single-Family Regular Reserve insures mortgages funded by private Maryland lending institutions and CDA. These programs include:

- Single-Family Regular Insurance Program consists of mortgages originated prior to 1997. These mortgages may have had primary insurance (MHF is liable for the top 25% of the original mortgage) and/or pool insurance (MHF is liable for the bottom 75% of the original mortgage). Pool insurance coverage was limited to 10% of lendable proceeds for the aggregate of revenue bond issues (stop-loss). Effective August 1, 2010, MHF was released from any obligation to provide the pool insurance on these loans. MHF continues to provide primary insurance on these loans.

- Mortgage Protection Program consists of 30 and 40 year mortgages originated after 2005, funded with CDA bond proceeds with insurance coverage only for the top 35% of the original mortgage and up to six months of mortgage payments (limited to no more than $2,000 per month). These mortgages maintain a fixed rate of interest for the full loan term and allow borrowers to finance a one-time mortgage insurance premium as part of the mortgage, thereby requiring no additional outlay of cash by the borrower at the closing, resulting in a lower monthly mortgage payment. MHF no longer issues new insurance under this program.

- Reinsurance Program commenced in 2011 and consists of mortgages originated between 2005 and 2010 funded with CDA bond proceeds which had mortgage insurance only for the top 35% of the original mortgage. Under the program, CDA paid a monthly premium for MHF to insure 50% of any losses incurred by CDA on the uninsured 65% of the original mortgage up to $12.5 million. The program was set to terminate on the earliest date of MHF reaching $12.5 million in net losses or December 31, 2020. All claims are paid from the Single Family Regular Insurance Reserve. The program terminated in May of 2014 when MHF had paid $12.5 million in net losses.

The Revitalization (Pilot) Reserve insures mortgages funded through CDA and private Maryland lenders for up to 100% of the mortgage balance.

- The program stimulates the flow of private mortgage capital into areas which have suffered decreasing home ownership and associated economic and social instability. These mortgages originated prior to 2005. The last of the loans in this program was paid off during FY2021.

- The Healthy Neighborhood Program provides credit enhancement to a loan program sponsored by a nonprofit corporation, which is intended to stabilize and strengthen property values in targeted areas in the City of Baltimore. MHF insures less than 3% of the outstanding loan balance under this program.

NOTE 1 PROGRAM DESCRIPTION (CONTINUED)

Small Business Insurance Reserve

- Business Loan Program provides insurance coverage and credit enhancement on loans originated by CDA or other eligible lenders to stimulate the flow of private capital to fund business projects located in publicly designated renewal or redevelopment areas. There are currently no loans insured under this program.

General Reserve

- The General Insurance Reserve provides 35% insurance on certain CDA single-family mortgages as an incentive to refinance or restructure loans for Maryland borrowers with an existing CDA loan. MHF continues to maintain active mortgages but no longer issues new commitments under this program.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Relationship with the State

MHF is one of many programs administered by DHCD and the State. Other State agencies, such as the Department of Budget and Management, support DHCD by providing services for DHCD and thus allocate a portion of their expenses to DHCD. MHF has no direct employees and is entirely supported by staff at DHCD to perform all necessary functions of MHF. Thus, MHF's accompanying financial statements are not indicative of MHF as if it were a stand-alone entity. MHF is included in the enterprise funds of the State.

Generally Accepted Accounting Principles

MHF reports its financial activities by applying Standards of Governmental Accounting and Financial Reporting as promulgated by the Governmental Accounting Standards Board (GASB). Consequently, MHF applies all applicable GASB pronouncements.

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. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, and losses during the reporting periods. Actual results could differ from these estimates.

Cash and Cash Equivalents on Deposit

Cash and cash equivalents may include money market funds, repurchase agreements, investment agreements and any other investments, primarily obligations of the U.S. Treasury and U.S. Government Agencies, which have maturities of 90 or less days at the time of purchase.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The investment is a U.S. government treasury zero-coupon bond carried at fair value based on quoted market prices. The investment is classified as long-term based on the maturity date.

Loans and Interest Receivable, Net of Allowance for Loans and Related Losses

Loans and interest receivable, net of allowance for loans and related losses, consist of loans made directly by MHF and loans originally made by others and subsequently assigned to MHF under the provisions of the insurance agreements plus interest receivable, net of possible losses. Based on Management's assessment, MHF has reviewed these loans and determined that collection is unlikely given the financial situation of the borrowers. A full allowance has been recorded.

Allowance for Unpaid Insurance Losses

MHF provides for estimated insurance losses under each insurance plan. The allowance for unpaid insurance losses is increased by provisions charged to current operating expenses and reduced by claim payments. The provision for possible insurance losses is based on management's review of insured properties, considering past loss experience, current economic conditions, and other environmental factors which may affect the frequency of claims and the recovery of claim costs. Actual results could differ from those estimates.

Restricted Net Position

In accordance with accounting guidance issued by the GASB, net position should be reported as restricted when constraints placed on net position use are either: externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or are imposed by law through constitutional provisions or enabling legislation. Accordingly, all funds and accounts whose purpose is to pay possible future claims are restricted as to their use, as is interest earned on these restricted assets. MHF first applies restricted resources when an expense is incurred for purposes for which those restricted and unrestricted net position is available.

Revenues and Expenses

Operating revenues and expenses generally result from mortgage insurance activities in connection with MHF's ongoing operations. The principal operating revenue is mortgage insurance premiums. Operating expenses include expenses relating to claims from defaulted loans and general and administrative expenses. The interest earned on reserve accounts is restricted revenue.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Premium Income Recognition

Premium income on all loans is recognized on a straight-line basis over the benefit period covered by the premiums.

General and Administrative

MHF is subject to an allocation of intradepartmental support costs of the DHCD, which are included in general and administrative in the Statements of Revenues and Expenses. Such costs could affect MHF's financial position or operating results in a manner that differs from those that might have been obtained if MHF was autonomous. MHF records these costs as invoiced by DHCD for the fiscal year. However, the allocation is subject to review and adjustment subsequent to year-end.

NOTE 3 CASH AND INVESTMENTS

Deposit with State Treasurer

MHF defines cash and cash equivalents as cash and short-term investments that are held on deposit with the State Treasurer. Cash receipts and disbursements of MHF are made through a cash pool maintained by the State Treasurer. None is uninsured and uncollateralized. MHF has on deposit with the State Treasurer both unrestricted and restricted cash and cash equivalents. MHF reports its operating account as unrestricted. MHF reserve accounts are reported as restricted.

Additional information can be obtained from the State of Maryland Annual Comprehensive Financial Report by visiting the website https://www.marylandtaxes.gov/reports/cafr.php.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. MHF adheres to Maryland State Treasurer's policy for managing its exposure to fair value loss arising from increasing interest rates. The Maryland State Treasurer's investment policy states that to the extent possible, it will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Treasurer's Office will not directly invest in securities maturing more than five years from the date of purchase.

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. MHF's policy for reducing its exposure to credit risk is to comply with Maryland State Treasurer's policy, which requires that the Treasurer's investments in repurchase agreements be collateralized by U.S. Treasury and agency obligations. In addition, investments may be made directly in U.S. Treasuries or agency obligations.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. MHF's policy for reducing this risk of loss is to comply with the Maryland State Treasurer's policy, which limits the amount of repurchase agreements to be invested with a particular institution to 30% of the portfolio. Otherwise, there is no limit on the amount that may be invested in any one issuer.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank or counterparty failure, MHF will not be able to recover its deposits or the value of its collateral securities that are in the possession of an outside party. Investments and collateralized securities are held in trust by the trustee or the trustee agent, kept separate from the assets of the bank and from other trust accounts and are held in MHF's name.

Investment Held for Borrower

The investment consists of a U.S. government treasury zero-coupon bond carried at fair value based on quoted market prices. The investment is classified as long-term based on the maturity date.

The following asset reported at fair market value and held by MHF at June 30, 2022 and 2021 is evaluated in accordance with accounting guidance issued by the GASB for interest rate risk, credit risk, concentration of credit risk and custodial credit risk. This investment is held as collateral on a Multi-Family loan and matures on April 15, 2024.

	2022	2021
Investment Held for Borrower (Obligations of U.S. Government Agencies)	$ 2,459,425	$ 2,551,153

This bond is pledged as additional collateral to further secure the repayment of certain promissory notes by the borrower of loans that are owned by MHF. The loan agreements provide that, at maturity, MHF will either (i) return the proceeds, or a defined portion thereof, to the borrower if certain limited conditions have been satisfied, or (ii) apply the proceeds, or a defined portion thereof, to the outstanding balances owed to MHF.

Fair Value Measurements

MHF categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Funds have the following recurring fair value measurements as of June 30, 2022:

- Pooled cash maintained by the State Treasurer of $88,643,905 (Level 1).
- Investments held for Borrower, consisting of a U.S. government treasury zero-coupon bond of $2,459,425 carried at fair value based on quoted market prices (Level 1).

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (continued)

The Funds have the following recurring fair value measurements as of June 30, 2021:

- Pooled cash maintained by the State Treasurer of $87,524,422 (Level 1).
- Investments held for Borrower, consisting of a U.S. government treasury zero-coupon bond of $2,551,153 carried at fair value based on quoted market prices (Level 1).

NOTE 4 LOANS AND INTEREST RECEIVABLE, NET OF ALLOWANCE FOR LOANS AND RELATED LOSSES

Loans and interest receivable, net of allowance for loans and related losses, consist of loans made directly by MHF and loans originally made by others and subsequently assigned to MHF under the provisions of the insurance agreements plus interest receivable, net of possible losses. Based on Management's assessment, MHF has reviewed these loans and determined that collection is unlikely given the financial situation of the borrowers. A full allowance has been recorded. Mortgage loans, notes receivable, and interest receivable were as follows for the years ended June 30, 2022 and 2021:

	2022	2021
Multi-Family	$ 7,413,074	$ 7,448,243
Single-Family	178,490	178,490
Other	9,692	10,606
Interest Receivable on Loans	13,114,786	12,593,097
Total	20,716,042	20,230,436
Allowance for Possible Losses on Multi-Family Loans	(7,413,074)	(7,448,243)
Allowance for Possible Losses on Single-Family Loans	(178,490)	(176,794)
Allowance for Possible Losses on Other	(9,692)	(12,302)
Allowance for Possible Losses on Interest Receivable	(13,114,786)	(12,593,097)
Total Allowance for Possible Losses	(20,716,042)	(20,230,436)
Loans and Interest Receivable, Net of Allowance for Loans and Related Losses	$ -	$ -

Changes in the allowance for possible losses on loans and interest receivable were as follows for the years ended June 30, 2022 and 2021:

	2022	2021
Balance - Beginning of Year	$ 20,230,436	$ 19,743,067
Increase in Provision	485,606	487,369
Balance - End of Year	$ 20,716,042	$ 20,230,436

NOTE 5 UNEARNED PREMIUMS

The unearned premiums for the unexpired terms of all policies in force or written as of June 30, 2022 and 2021, and the changes for the years then ended were as follows:

	2022			
	Unearned Premiums at Beginning of Year	Premiums Written	Premiums Earned	Unearned Premiums at End of Year
Multi-Family Programs:				
Construction and Permanent Mortgages	$ 322,238	$ 736,497	$ 646,741	$ 411,994
SHOP Loans	19,463	20,043	28,047	11,459
Total Multi-Family Programs	341,701	756,540	674,788	423,453
Single Family Programs:				
Single Family Regular:				
Primary	51,458	68,015	79,693	39,780
Business Programs:	-	-	-	-
Total - Year Ended June 30, 2021	$ 393,159	$ 824,555	$ 754,481	$ 463,233

	2021			
	Unearned Premiums at Beginning of Year	Premiums Written	Premiums Earned	Unearned Premiums at End of Year
Multi-Family Programs:				
Construction and Permanent Mortgages	$ 304,092	$ 570,098	$ 551,952	$ 322,238
SHOP Loans	20,754	32,495	33,786	19,463
Total Multi-Family Programs	324,846	602,593	585,738	341,701
Single-Family Programs:				
Single-Family Regular:				
Primary	59,624	86,675	94,841	51,458
Business Programs:	-	-	-	-
Total - Year Ended June 30, 2020	$ 384,470	$ 689,268	$ 680,579	$ 393,159

NOTE 6 NONCURRENT OBLIGATIONS

Changes in noncurrent obligations for the years ended June 30, 2022 and 2021 were as follows:

	2022				
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Compensated Absences	$ 103,044	$ -	$ (1,339)	$ 101,705	$ 40,532
Workers' Compensation	2,000	-	-	2,000	300
Investment Held for Borrower	2,817,699	-	(163,446)	2,654,253	194,828
Allowance for Unpaid Insurance Losses	9,401,772	119,693	-	9,521,465	83,993
Total - Year Ended June 30, 2021	$ 12,324,515	$ 119,693	$ (164,785)	$ 12,279,423	$ 319,653

	2021				
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Compensated Absences	$ 81,377	$ 21,667	$ -	$ 103,044	$ 28,506
Workers' Compensation	24,000	-	(22,000)	2,000	300
Investment Held for Borrower	2,819,100	-	(1,401)	2,817,699	266,546
Allowance for Unpaid Insurance Losses	9,677,829	-	(276,057)	9,401,772	105,498
Total - Year Ended June 30, 2020	$ 12,602,306	$ 21,667	$ (299,458)	$ 12,324,515	$ 400,850

NOTE 7 ALLOWANCE FOR UNPAID INSURANCE LOSSES

The allowance for unpaid insurance losses is the estimated claims settlement on notices of default that has been received by MHF, as well as loan defaults that have been incurred but have not been reported by the lenders. Although current accounting guidance specifically excludes mortgage guaranty insurance from its guidance relating to the reserves for losses, MHF establishes loss reserves using the general principles contained in the insurance standard.

For insured Multi-Family program properties, MHF establishes loss reserves on a case-by-case basis when insured loans are identified as currently in default based on MHF’s expected claim payment, net of estimated recovery. At June 30, 2022, MHF had no Multi-Family loans in default. As a result, MHF provides only limited loss reserves on the Multi-Family portfolio.

NOTE 7 ALLOWANCE FOR UNPAID INSURANCE LOSSES (CONTINUED)

For insured Single Family loans, MHF establishes its loss reserves based on past loss experiences and the current real estate market. MHF also reserves for defaults that have been incurred but have not been reported prior to the close of an accounting period, using estimated claim rates and claim sizes for the estimated number of defaults not reported. For Single Family program properties, insured loans which have gone through foreclosure and MHF has not paid a claim, MHF also reserves for losses based on past loss experiences and the current real estate market.

MHF's reserve process is based upon the assumptions of past experience, including the current real estate market and housing values in the locations where MHF has experienced high claim rates. Therefore, the reserves are necessarily based on estimates and the ultimate liability may vary from such estimates. Management regularly reviews the evaluation of the loss reserves utilizing current information and updates the assumptions in the estimation process accordingly. Any resulting adjustments are reflected in the current period's earnings as either a provision for losses or reduction in losses. Management believes that the allowance for unpaid insurance losses at June 30, 2022 was appropriately established on an aggregate basis and was adequate to cover the ultimate net cost of settling reported and unreported claims.

Changes in allowance for unpaid insurance losses were as follows:

	Multi-Family	Single-Family	Business	Total
Balance - June 30, 2020	$ 7,909,105	$ 1,768,724	$ -	$ 9,677,829
			-	
Increase (Decrease) in Provision	(168,716)	(107,341)	-	(276,057)
Balance - June 30, 2021	7,740,389	1,661,383	-	9,401,772
Increase (Decrease) in Provision	875,639	(755,946)	-	119,693
Balance - June 30, 2022	$ 8,616,028	$ 905,437	$ -	$ 9,521,465

NOTE 8 CHANGES IN NET POSITION

Changes in restricted and unrestricted net position were as follows:

	Restricted Net Position							
	Multi-Family Reserve	Single Family Regular Reserve	Revitalization (Pilot) Reserve	Small Business Reserve	General Reserve	Unallocated Reserve	Unrestricted Accumulated Deficit	Total
Balance - June 30, 2020	$ 44,698,739	$ 14,019,066	$ 2,185,258	$ 5,000,000	$ 8,593,422	$ 10,152,454	$ (7,345,721)	$ 77,303,218
								-
Interest Income Allocated at the Discretion of	-	-	-	-	-	260,768	(260,768)	-
DHCD Secretary								-
								-
Transfers In/(Out)	-	-	-	5,000,000	-	(5,152,454)	-	(152,454)
								-
Change in Net Position	-	(184,567)	-	-	-	-	949,663	765,096
Balance - June 30, 2021	44,698,739	13,834,499	2,185,258	10,000,000	8,593,422	5,260,768	(6,656,826)	77,915,860
Interest Income Allocated at the Discretion of	-	-	-	-	-	375,421	(375,421)	-
DHCD Secretary								-
								-
Transfers In/(Out)	-	-	-	-	-	-	-	-
								-
Change in Net Position		(12,929)	-	-	-	-	707,468	694,539
Balance - June 30, 2022	$ 44,698,739	$ 13,821,570	$ 2,185,258	$ 10,000,000	$ 8,593,422	$ 5,636,189	$ (6,324,779)	$ 78,610,399

NOTE 9 COMMITMENTS AND CONTINGENCIES

Multi-Family Mortgages

MHF insured mortgage loans as of June 30, 2022, net of partial claim payments, were as follows:

	Number	Current Balance
CDA Construction and Permanent Mortgages	75	$ 450,926,509
Loans Financed by the Housing Opportunities Commission of Montgomery County	-	-
CDA SHOP Loans	125	10,601,047
Total	200	$ 461,527,556

As of June 30, 2022, MHF had commitments of $21,960,618 which had not yet been drawn.

Single-Family Mortgages

All loans insured by MHF are with approved lenders and are collateralized by a first or second lien against the improved property, which must be located in the state of Maryland. The details of insured loans and commitments to insure loans as of June 30, 2022, were as follows:

	Insured Mortgages			
	Number	Original Amount	Current Amount	Contingent Liability
Primary Insurance Coverage				
Single Family Regular				
25% Insured	479	$ 27,260,836	$ 5,202,787	$ 1,300,697
35% Insured	58	11,401,835	9,375,293	3,281,353
Revitalization (Pilot) Program				
100% Insured	-	-	-	-
2.5% Insured	162	22,475,569	20,286,539	507,163
General				
35% Insured	11	2,765,002	2,310,755	808,764
Total	710	$ 63,903,242	$ 37,175,374	$ 5,897,977

As of June 30, 2022, MHF had no unfunded commitments under the Revitalization Reserve or Healthy Neighborhood Program.

Effective August 1, 2010, MHF was released from any obligation to provide pool insurance for loans originated prior to 2005.

NOTE 10 PENSION AND OTHER POST-RETIREMENT BENEFITS

Eligible employees of the state of Maryland are covered under the retirement plans of the State Retirement and Pension System of Maryland (the System) and are also entitled to certain healthcare benefits upon retirement. MHF's only obligation for retirement and post-employment benefits is its required annual contribution, which was paid in full by MHF to the state of Maryland prior to year-end. The liability for the employees is recorded by the general fund of the state of Maryland and is not allocated to MHF. The System prepares a separate audited Comprehensive Annual Financial Report which can be obtained from the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202 or by visiting the website at www.sra.maryland.gov.

NOTE 11 RELATED PARTY TRANSACTIONS

MHF engages in certain transactions with related parties, specifically other units within DHCD. Premium and fee income generated from insured loans with CDA represent approximately 99% of the total premium and fee income reported during each of the fiscal years ending June 30, 2022 and 2021. Additionally, MHF pays certain post-foreclosure expenses for both CDA and DHCD's State Funded Loan Program to achieve a cost savings to the Agency as a whole. As these expenses are not expenses related to the operations of MHF, they are recorded on the balance sheet as Due From Other Funds, affecting only cash and receivables. These expenses are subsequently reimbursed to MHF by the responsible unit, and the outstanding receivable is cleared.

APPENDIX J

INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS

INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS
As of June 30, 2022

Principal Balance		Guaranteed Investment Contract Provider and Other Investments	Rate of Earnings	Maturity	
		Program Fund			***Program Fund Series***
$476,228		Money Market Funds	Varies	On demand	2006 Series H, I and J
$2,553,422		Money Market Funds	Varies	On demand	2011 Series B
$225,000		Money Market Funds	Varies	On demand	2014 Series CD
$30,000		Money Market Funds	Varies	On demand	2015 Series A
$630,242		Money Market Funds	Varies	On demand	2016 Series A
$481,738		Money Market Funds	Varies	On demand	2017 Series A
$800,000		Money Market Funds	Varies	On demand	2019 Series A
$111,234		Money Market Funds	Varies	On demand	2019 Series B
$39,284		Money Market Funds	Varies	On demand	2019 Series C
$66,839,572		Money Market Funds	Varies	On demand	2021 Series C
$38,911,425		Money Market Funds	Varies	On demand	2022 Series AB
$1,933,352	(1)	US Treasury Note	2.000%	7/31/2022	2011 Series B
$6,991,250	(1)	US Treasury Note	2.375%	1/31/2023	2016 Series A
$7,802,383	(1)	US Treasury Note	0.125% to 0.375%	7/31/2023 to 10/31/2023	2017 Series A
$4,830,650	(1)	US Treasury Note	1.500%	10/31/2024	2019 Series B
$4,851,905	(1)	US Treasury Note	1.500%	10/31/2024	2019 Series C
$14,525,000	(1)(4)	State Housing Finance Agency VRDO	Varies	4/1/2040 to 10/1/2048	2016 Series A
$14,650,000	(1)(4)	State Housing Finance Agency VRDO	Varies	5/1/2044	2021 Series C
$70,305,000	(1)(4)	State Housing Finance Agency VRDO	Varies	5/1/2030 to 10/1/2048	2022 Series A
		Revenue Fund			
$105,585,839		Money Market Funds	Varies	On demand	
$711,861,948	(1)	Government National Mortgage Association (GNMA) mortgage-backed securities	0.50% to 5.50%	4/15/2041 to 6/20/2052	
$450,117,497	(1)	Federal National Mortgage Association (FNMA) mortgage-backed securities	1.55% to 5.800%	1/1/2043 to 6/1/2052	
$102,725,142	(1)	Freddie Mac Home (FHLMC) mortgage-backed securities	2.05% to 5.30%	7/1/2048 to 5/1/2052	
		Reserve Fund			
$6,019,455		Money Market Funds	Varies	On demand	

INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS
As of June 30, 2022

Principal Balance		**Guaranteed Investment Contract Provider and Other Investments**	**Rate of Earnings**	**Maturity**
$1,231,569	(1)	Westdeutsche Landesbank Gironzentrale, New York Branch (BOA)	5.22%	9/1/2029
		Reserve Fund (continued)		
$3,463,101	(1)	Federal Home Loan Mortgage Corp.	6.75%	9/15/2029
$1,176,471	(1)	Westdeutsche Landesbank Gironzentrale, New York Branch (BOA)	5.82%	9/1/2031
$2,525,740	(1)	Federal Home Loan Mortgage Corp.	6.25%	7/15/2032
		Collateral Reserve Fund (2)		
$34,183,484		Money Market Funds	Varies	On demand
$7,331,206		TD Bank, N.A. Demand Deposit Acct.	Varies	On demand
$19,447,786	(1)	Government National Mortgage Association (GNMA) mortgage-backed securities	0.50% to 6.00%	3/15/2041 to 5/20/2052
$17,645,650	(1)	Federal National Mortgage Association (FNMA) mortgage-backed securities	2.80% to 6.30%	4/1/2046 to 6/1/2052
$1,208,000	(1)	Freddie Mac Home (FHLMC) mortgage-backed securities	5.50% to 6.30%	2/1/2049 to 6/1/2052
$15,215,000	(1)(4)	State Housing Finance Agency VRDO	Varies	5/1/2044 to 7/1/2046
$88,930,082	(1)	U.S. Treasury Notes	0.125% to 2.875%	11/30/2022 to 5/31/2025
$2,934,657	(1)	Federal Home Loan Bond	0.40%	4/15/2024
		Warehouse Loan Fund (3)		
$124,329,052		Money Market Funds	Varies	On demand
		Redemption Fund		
$7,986,985		Money Market Funds	Varies	On demand
		Other Funds		
$1,948,877		Money Market Funds	Varies	On demand

(1) In keeping with the provisions of GASB Statement No. 31, these investments and mortgage-backed securities are reported at fair value. The total book value at June 30, 2022 for the investments referenced was $242,791,598 and the cumulative decrease in fair value of these investments was $1,425,438. The total book value at June 30, 2022 for GNMA, FNMA, and Freddie Mac mortgage-backed securities referenced was $1,362,208,779 and the cumulative decrease in fair value of these GNMA, FNMA, and Freddie Mac mortgage-backed securities was $59,202,756.

(2) The Collateral Reserve Fund was established under the Bond Resolution at the time the 1997 Residential Revenue Bonds Series A and Series B were issued.

INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS
As of June 30, 2022

Principal Balance	Guaranteed Investment Contract Provider and Other Investments	Rate of Earnings	Maturity

(3) The Warehouse Loan Fund was established by transferring $45,000,000 in excess revenues from the 1980 General Certificate (Single Family Program Bonds). It provides an interim funding source for loans purchased between issuances of Residential Revenue Bonds.

(4) The State HFA VRDOs are short-term (7-day) instruments that can be tendered at 7 days' notice at par.

APPENDIX K

RESIDENTIAL REVENUE BOND PROGRAM LOAN PORTFOLIO BY BOND SERIES AND INTEREST RATE

as of June 30, 2022 (1) (2)

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
1997 Series A			**17**	**418,181**
	4.000%		6	153,269
	6.400%		10	227,933
	7.500%		1	36,978
1998 Series A			**12**	**316,082**
	5.000%		11	276,265
	6.100%		1	39,817
1998 Series B			**74**	**2,114,051**
	5.500%	(4), (4.2)	19	664,836
	6.100%		54	1,393,821
	6.250%		1	55,394
2000 Series F			**11**	**476,568**
	6.750%		9	383,029
	7.125%		2	93,539
2001 Series E			**21**	**1,053,221**
	5.500%		2	98,800
	5.750%		6	326,570
	5.875%		13	627,851
2002 Series A			**11**	**920,931**
	4.950%		5	307,706
	5.050%		2	134,692
	5.875%	(5), (5.10)	4	478,533

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance $ [(2)]
2006 Series G			**166**	**20,470,078**
	4.000%		1	136,768
	4.750%		5	887,823
	4.825%		1	54,524
	4.875%		38	4,075,346
	4.950%		16	1,870,530
	5.000%		1	126,187
	5.125%		2	432,190
	5.250%		16	2,326,046
	5.375%		4	587,108
	5.500%		49	5,648,994
	5.625%		5	559,327
	5.750%		16	2,103,854
	5.875%		4	622,684
	6.000%		6	741,316
	6.125%		1	189,627
	6.625%		1	107,754
2006 Series H			**18**	**2,242,962**
	6.000%	(5), (5.10)	18	2,242,962
2006 Series I			**162**	**19,600,011**
	4.750%		3	743,481
	4.825%		1	272,054
	4.875%		12	1,753,897
	4.950%		18	1,785,142
	5.000%		2	475,187
	5.075%		1	71,513
	5.250%		11	1,050,424
	5.375%		5	682,909
	5.500%		30	3,089,240
	5.625%		4	516,280
	5.750%		23	2,932,874
	5.875%		5	509,171
	6.000%		15	1,975,016
	6.000%	(5), (5.10)	2	275,274
	6.125%		3	521,203
	6.250%		22	2,157,243
	6.375%		2	259,536
	6.625%		2	314,316
	6.750%		1	215,253

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance $ [(2)]
2006 Series J			**64**	**7,552,137**
	4.825%		1	120,253
	4.875%		2	158,114
	4.950%		1	186,708
	5.375%		3	468,431
	5.500%		13	1,254,887
	5.625%		4	518,918
	5.750%		12	1,290,590
	5.875%		5	422,595
	6.000%		8	1,047,215
	6.125%		2	329,458
	6.250%		8	1,057,053
	6.500%		1	80,544
	7.125%		3	504,056
	7.375%		1	113,316
2010 Series A			**62**	**3,459,360**
	2.000%		1	20,289
	4.000%		1	7,520
	4.250%		1	10,625
	4.374%		1	84
	5.500%	(4), (4.1)	1	21,560
	5.500%	(4), (4.2)	2	72,528
	5.500%	(4), (4.4)	4	155,037
	4.000%	(4), (4.3)	3	79,212
	5.000%	(4), (4.5)	7	275,931
	5.875%	(4), (4.6)	1	43,687
	6.000%	(4), (4.7)	1	27,446
	4.000%	(4), (4.8)	11	405,398
	4.875%		5	569,436
	5.000%		5	434,643
	5.125%		11	1,269,245
	7.750%		2	18,909
	7.875%		2	33,324
	8.000%		1	4,470
	8.750%		1	9,539
	9.000%		1	477

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance $ [(2)]
2011 Series AB			**284**	**33,745,790**
	3.375%		1	133,743
	3.500%		4	522,984
	3.625%		9	979,937
	3.750%		8	924,436
	3.875%		90	10,244,737
	4.000%		27	3,185,531
	4.125%		8	781,989
	4.250%		68	8,382,189
	4.375%		10	1,262,246
	4.500%		13	1,815,211
	4.750%		27	3,518,363
	4.875%		8	766,475
	5.250%		11	1,227,949
2012 Series AB			**324**	**12,903,832**
	4.000%		94	3,564,225
	4.000%	(4), (4.3)	6	161,657
	4.750%		11	442,611
	4.750%	(5), (5.8)	18	767,674
	5.000%		5	232,235
	5.000%	(5), (5.4)	23	980,870
	5.000%	(5), (5.4)	6	245,217
	5.500%		18	803,361
	5.500%	(4), (4.4)	54	1,853,709
	5.500%	(5), (5.9)	4	403,717
	5.750%		5	234,286
	5.875%		13	629,155
	5.875%	(4), (4.6)	9	342,214
	6.000%		11	395,707
	6.125%		34	1,276,490
	6.500%		12	510,253
	6.900%		1	60,452
2014 Series AB			**214**	**12,163,362**
	4.000%		16	447,762
	4.750%		5	225,493
	4.875%		19	974,658
	4.950%		142	8,689,848
	5.000%		1	38,634
	5.050%		1	35,163
	5.125%		5	411,234
	5.250%		12	501,501
	5.500%		13	839,067

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance $ [(2)]
2014 Series CD			**250**	**13,628,333**
	3.000%		1	52,850
	3.250%		5	348,736
	3.375%		1	11,554
	3.500%		3	291,992
	3.750%		1	134,974
	4.000%		44	1,427,302
	4.125%		10	857,033
	4.250%		4	284,352
	4.375%		6	512,498
	4.500%		3	281,664
	4.625%		6	593,432
	4.750%		6	650,181
	4.875%		23	1,207,932
	4.950%		7	648,240
	5.000%		2	105,829
	5.125%		8	395,304
	5.250%		2	124,180
	5.500%		63	3,975,760
	5.500%	(4), (4.1)	4	131,753
	5.625%		3	200,074
	6.400%		46	1,287,941
	6.900%		1	47,735
	7.250%		1	57,017
2014 Series E			**295**	**19,696,755**
	4.000%		5	161,508
	4.750%		13	385,183
	4.875%		84	4,851,131
	4.950%		49	2,634,412
	5.000%		29	1,484,044
	5.125%		1	115,238
	5.250%		6	338,983
	5.500%		33	2,801,990
	5.500%	(5), (5.9)	30	2,921,604
	5.625%		39	2,962,394
	5.875%		5	889,000
	5.950%		1	151,267
2014 Series F			**52**	**8,718,092**
	4.875%		52	8,718,092

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
2015 Series B			**157**	**21,129,234**
	2.000%		1	50,328
	4.750%		1	150,221
	4.875%		111	16,250,579
	5.250%		7	857,454
	5.375%		2	230,400
	5.500%		30	2,802,523
	5.875%		5	787,731
2016 Series A			**684**	**98,835,916**
	2.000%		1	84,241
	4.825%		1	219,069
	4.875%		33	5,672,290
	4.950%		8	955,329
	5.000%		5	306,509
	5.125%		3	343,594
	5.250%		51	6,346,954
	5.375%		29	4,883,980
	5.500%		132	16,925,727
	5.625%		35	5,856,246
	5.750%		110	16,792,784
	5.875%		24	4,222,457
	6.000%		78	10,358,474
	6.125%		19	3,324,972
	6.250%		118	15,948,337
	6.375%		10	1,781,049
	6.500%		16	2,719,843
	6.625%		7	1,441,524
	6.750%		4	652,537

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance $ [(2)]
2017 Series A [(7)]			**768**	**93,286,550**
	1.500%		1	114,178
	2.000%		1	229,650
	2.500%		1	197,073
	3.625%		1	129,157
	4.000%		2	126,627
	4.875%		51	7,686,776
	4.950%		34	1,843,755
	5.000%		18	853,529
	5.250%		1	142,765
	5.350%		1	112,745
	5.375%		21	2,644,911
	5.500%		86	8,414,338
	5.625%		39	4,088,679
	5.750%		59	6,196,126
	5.875%		46	4,929,157
	5.875%	(5), (5.24)	5	644,266
	6.000%		81	9,170,964
	6.125%		27	4,433,428
	6.250%		93	12,074,272
	6.375%		16	2,700,457
	6.500%		51	7,519,021
	6.625%		10	1,639,114
	6.750%		60	7,468,118
	6.875%		9	1,525,997
	7.000%		32	4,494,016
	7.125%		4	823,342
	7.250%		16	2,806,499
	7.500%		1	123,527
	7.625%		1	154,063

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
2018 Series AB			**737**	**58,158,087**
	1.000%		1	187,853
	3.510%		1	138,746
	3.750%		4	321,354
	3.875%		2	280,658
	4.000%		3	222,490
	4.000%	(4), (4.8)	16	617,751
	4.125%		1	69,399
	4.250%		8	694,358
	4.500%		1	46,137
	4.750%		3	199,786
	4.750%	(5), (5.8)	1	55,123
	4.750%	(5), (5.8)	5	228,811
	4.875%		4	419,902
	4.950%	(5), (5.7)	2	134,826
	4.950%	(5), (5.7)	8	415,484
	5.000%		17	870,768
	5.000%	(4), (4.5)	15	622,365
	5.050%	(5), (5.6)	1	37,763
	5.050%	(5), (5.6)	3	126,423
	5.125%		4	479,535
	5.250%		14	1,461,068
	5.375%		23	2,264,346
	5.500%		27	2,054,298
	5.625%		39	3,736,775
	5.750%		63	5,814,416
	5.750%	(5), (5.1)	5	201,144
	5.750%	(5), (5.1)	31	1,321,808
	5.875%		99	9,293,514
	5.875%	(5), (5.24)	28	3,382,547
	6.000%		66	5,656,606
	6.000%	(4), (4.7)	6	263,479
	6.125%		28	2,642,086
	6.250%		49	5,295,625
	6.375%		8	931,026
	6.500%		24	1,689,798
	6.750%		22	1,314,127
	6.875%		2	323,979
	6.900%		10	446,013
	7.000%		38	1,659,141
	7.125%		22	1,015,178
	7.250%		26	994,787
	7.500%		7	226,793
Collateral Reserve (A)			**28**	**803,819**
	4.000%	(3)	28	803,819

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
Collateral Reserve (C)			**716**	**12,511,262**
	0.000%	(3)	5	88,222
	2.000%		5	84,512
	3.625%		1	92,474
	3.875%		2	171,673
	4.000%		33	1,035,062
	4.125%		1	66,691
	4.375%		13	1,225,607
	4.500%		3	325,628
	5.000%		100	1,086,387
	5.125%		3	401,335
	5.250%		2	254,862
	5.500%		32	386,529
	5.625%		4	357,345
	5.750%		4	452,792
	5.875%		2	238,235
	5.950%		53	530,824
	6.000%		1	10,383
	6.250%		11	80,073
	6.375%		12	213,247
	6.750%		38	447,744
	6.850%		25	245,155
	6.875%		18	237,770
	6.900%		51	931,334
	7.000%		85	709,846
	7.125%		11	202,404
	7.250%		2	5,366
	7.350%		16	230,077
	7.500%		39	641,046
	7.750%		80	973,055
	7.875%		1	47,229
	6.463%	(6)	25	145,040
	8.000%		29	467,430
	8.400%		1	10,754
	8.500%		1	1,975
	8.875%		4	53,385
	9.250%		1	24,009
	9.500%		2	35,760
CDA Assurance			**4**	**421,972**
	1.000%		1	109,628
	4.000%		2	213,494
	4.125%		1	98,850

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance $ [(2)]
Refinance Loans			**15**	**2,914,312**
	6.250%		1	230,765
	6.500%		13	2,450,856
	6.750%		1	232,691
Total All Series [(2)]			**5,146**	**447,540,898**

(1) For information on the status of remaining funds from prior Series of Bonds, see "Existing Portfolio and Available Funds Under the Bond Resolution - Status of Available Funds" above.

(2) Individual amounts may not add up to the total amount because of rounding. The total number of loans for all series is adjusted to prevent double counting of participation loans financed from multiple bond series under the Bond Resolution. (For detail on participation loans see Footnote (5)).

(3) The Collateral Reserve Fund is a fund established under the Bond Resolution at the time the 1997 Series A Bonds and the 1997 Series B Bonds were issued. Collateral Reserves (A), and (C) are additional accounts under the Collateral Reserve Fund.

(4) See Page K-11 for more detail.

(5) See Page K-12 for more detail.

(6) These loans are melded loans from various rates of interest with a weighted average of 6.463%, which were transferred to the Residential Revenue Bond Program from the former Single Family Program Bonds.

(7) Bond Series 505, CDA Refinance Loans, were transferred to 2017 A.

(4) The mortgage rate paid by the borrower is derived from a blend of proceeds from a series of Residential Revenue Bonds and proceeds from the 1998 First Series Bonds issued under the General Certificate and loaned at 0.00%. *(See the table below for details)*

Footnote #	Indenture	Blended Series	Interest Rate by Series	Interest Rate to Borrower	Number of Current Loans	Outstanding Principal Amount
(4.1)	Residential Revenue Bond	2010 A	6.40%	5.50%	5	21,560
	Residential Revenue Bond	2014 CD	0.00%			131,753
(4.2)	Residential Revenue Bond	2010 A	6.10%	5.50%	21	72,528
	Residential Revenue Bond	1998 B	0.00%			664,836
(4.3)	Residential Revenue Bond	2010 A	5.96%	4.00%	9	79,212
	Residential Revenue Bond	2012 AB	0.00%			161,657
(4.4)	Residential Revenue Bond	2010 A	5.96%	5.50%	58	155,037
	Residential Revenue Bond	2012 AB	0.00%			1,853,709
(4.5)	Residential Revenue Bond	2010 A	6.75%,7.5%	5.00%	22	275,931
	Residential Revenue Bond	2018 AB	0.00%			622,365
(4.6)	Residential Revenue Bond	2010A	6.625%	5.875%	10	43,687
	Residential Revenue Bond	2012 AB	0.00%			342,214
(4.7)	Residential Revenue Bond	2010 A	6.625%	6.00%	7	27,446
	Residential Revenue Bond	2018 AB	0.00%			263,479
(4.8)	Residential Revenue Bond	2010 A	6.625%	4.00%	27	405,398
	Residential Revenue Bond	2018 AB	0.00%			617,751

(5) The mortgage rate paid by the borrower is derived from a blend of proceeds from different series of Residential Revenue Bonds. (See the table below for details) Total number of loans is adjusted to avoid a double count of the number of loans financed with proceeds of different series issued under the Residential Revenue Bond Resolution.

Footnote #	Indenture	Blended Series	Interest Rate by Series	Interest Rate to Borrower	Number of Current Loans	Outstanding Principal Amount
(5.1)	Residential Revenue Bond	2018 AB	6.625%	5.75%	36	$ 1,321,808
	Residential Revenue Bond	2018 AB	0.00%			201,144
(5.4)	Residential Revenue Bond	2012 AB	6.250%	5.00%	29	980,870
	Residential Revenue Bond	2012 AB	0.00%			245,217
(5.6)	Residential Revenue Bond	2018 AB	6.560%	5.05%	4	126,423
	Residential Revenue Bond	2018 AB	0.00%			37,763
(5.7)	Residential Revenue Bond	2018 AB	6.560%	4.95%	10	415,484
	Residential Revenue Bond	2018 AB	0.00%			134,826
(5.8)	Residential Revenue Bond	2012 AB	6.500%	4.75%	24	767,674
	Residential Revenue Bond	2018 AB	0.00%			228,811
	Residential Revenue Bond	2018 AB	0.00%			55,123
(5.9)	Residential Revenue Bond	2014 E	6.260%	5.50%	34	2,921,604
	Residential Revenue Bond	2012 AB	0.00%			403,717
(5.10)	Residential Revenue Bond	2006 H	0.000%	6.00%	24	2,242,962
	Residential Revenue Bond	2006 I	7.110%			275,274
	Residential Revenue Bond	2002 A	0.00%			478,533
(5.24)	Residential Revenue Bond	2018 AB	0.000%	5.875%	33	3,382,547
	Residential Revenue Bond	2017 A	6.99%			644,266

APPENDIX L

RESIDENTIAL REVENUE BOND PROGRAM LOAN PORTFOLIO BY BOND SERIES AND LOAN TYPE
as of June 30, 2022

Sources of Funds		Number of Outstanding Loans	Outstanding Principal Balance $ [2]
1997 Series A		**17**	**$418,181**
	30 Year Amortization	17	418,181
1998 Series A		**12**	**316,082**
	30 Year Amortization	12	316,082
1998 Series B [1]		**74**	**2,114,051**
	30 Year Amortization	74	2,114,051
2000 Series F		**11**	**476,568**
	30 Year Amortization	11	476,568
2001 Series E		**21**	**1,053,221**
	30 Year Amortization	21	1,053,221
2002 Series A [1]		**11**	**920,931**
	30 Year Amortization	11	920,931
2006 Series G		**166**	**20,470,078**
	30 Year Amortization	113	11,905,257
	40 Year Amortization	3	406,822
	35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	50	8,157,998
2006 Series H [1]		**18**	**2,242,962**
	30 Year Amortization	18	2,242,962
2006 Series I [1]		**162**	**19,600,011**
	30 Year Amortization	107	10,707,659
	40 Year Amortization	7	935,005
	35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	47	7,639,816
	40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	1	317,531
2006 Series J		**64**	**7,552,137**
	30 Year Amortization	39	3,938,937
	40 Year Amortization	6	828,835
	35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	17	2,537,125
	40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	2	247,239
2010 Series A		**62**	**3,459,360**
	30 Year Amortization	62	3,459,360
2011 Series AB		**284**	**33,745,790**
	30 Year Amortization	284	33,745,790

APPENDIX L

RESIDENTIAL REVENUE BOND PROGRAM LOAN PORTFOLIO BY BOND SERIES AND LOAN TYPE
as of June 30, 2022

Sources of Funds		Number of Outstanding Loans	Outstanding Principal Balance $ [(2)]
2012 Series AB		**324**	**12,903,832**
	30 Year Amortization	324	12,903,832
2014 Series AB		**214**	**12,163,362**
	30 Year Amortization	214	12,163,362
2014 Series CD		**250**	**13,628,333**
	30 Year Amortization	250	13,628,333
2014 Series E		**295**	**19,696,755**
	30 Year Amortization	295	19,696,755
2014 Series F		**52**	**8,718,092**
	30 Year Amortization	52	8,718,092
2015 Series B		**157**	**21,129,234**
	30 Year Amortization	138	18,302,622
	35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	19	2,826,612
2016 Series A		**684**	**98,835,916**
	30 Year Amortization	313	34,832,665
	30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	13	2,053,691
	40 Year Amortization	36	5,689,921
	35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	266	45,284,966
	40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	56	10,974,672
2017 Series A		**768**	**93,286,550**
	30 Year Amortization	560	59,438,666
	40 Year Amortization	61	9,153,428
	30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	6	1,083,956
	35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	90	14,172,409
	40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	51	9,438,091
2018 Series AB		**737**	**58,158,087**
	30 Year Amortization	716	54,535,139
	40 Year Amortization	20	3,344,984
	40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	1	277,965
Collateral Reserve (A) [(3)]		**28**	**803,819**
	30 Year Amortization	28	803,819
Collateral Reserve (C) [(3)]		**716**	**12,511,262**
	30 Year Amortization	716	12,511,262

APPENDIX L

RESIDENTIAL REVENUE BOND PROGRAM LOAN PORTFOLIO BY BOND SERIES AND LOAN TYPE
as of June 30, 2022

Sources of Funds		Number of Outstanding Loans	Outstanding Principal Balance $ (2)
CDA Assurance		**4**	**421,972**
	30 Year Amortization	4	421,972
Refinance Loans		**15**	**2,914,312**
	30 Year Amortization	4	323,586
	40 Year Amortization	10	2,249,903
	40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	1	340,823
Total All Series (2)		**5,146**	**$447,540,898**

Notes:

(1) Loans under this bond series include participation interests purchased with this series bond proceeds. For more information about participation loans see Participations in Mortgage Loans section on page B-1 and Residential Revenue Bond Program Loan by Bond Series and Interest Rate in Appendix K.

(2) Individual amounts may not add up to the total amount because of rounding. The total number of loans for all series is adjusted to prevent double counting of participation loans financed from multiple bond series under the Bond Resolution. (For detail on participation loans see Footnotes (4) and (5) of Appendix K).

(3) The Collateral Reserve Fund is a fund established under the Bond Resolution at the time the 1997 Series A Bonds and the 1997 Series B Bonds were issued. Collateral Reserves (A) and (C) are additional accounts under the Collateral Reserve Fund.

APPENDIX M

RESIDENTIAL REVENUE BOND PROGRAM
PREPAYMENT SPEED OF MORTGAGE LOAN PORTFOLIO BY BOND ISSUANCE

Prepayments on mortgage loans are commonly measured relative to a prepayment standard model. The Securities Industry and Financial Markets Association (formerly the Public Securities Association) standard prepayment model (commonly referred to as the "SIFMA Prepayment Model" or "SIFMA") represents an assumed monthly rate of prepayment of the then outstanding principal balance of a pool of new mortgage loans. SIFMA does not purport to be either an historic description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans. One hundred percent (100%) SIFMA assumes prepayment rates of 0.2 percent per year of the then-unpaid principal balance of such mortgage loans in the first months of the life of the mortgage loans and an additional 0.2 percent per year in each month thereafter (for example, 0.4 percent per year in the second month) until the 30th month. Beginning in the 30th month and in each month thereafter during the life of the mortgage loans, 100% PSA assumes a constant prepayment rate of six percent per year. Multiples of SIFMA are calculated from this prepayment rate series. For example, 200% PSA assumes prepayment rates will be 0.4 percent per year in month one, 0.8 percent per year in month two, reaching 12% per year in month 30 and remaining constant at 12% per year thereafter. The following Average Prepayment Speed tables express the prepayment speed of mortgage loans of the Administration's Residential Revenue Bonds as a percent of SIFMA based on actual prepayments and assuming all mortgage loans were originated in the month when the greatest number of mortgage loans was originated.

The Average Prepayment Speed tables provide historic SIFMA prepayment speeds. The Administration makes no representation as to the percentage of the principal balance of the loans that will be prepaid as of any date or as to the overall rate of prepayment of such mortgage loans. The Administration makes no representation as to the speed with which any series of Bonds will be redeemed with prepayments.

For information on cross-call practices, see the Administration's official statements for its Residential Revenue Bonds published from time to time (the most recent of which is dated May 19, 2022, and relates to the Administration's Residential Revenue Bonds, 2022 Series AB). For additional information please refer to the website, www.dhcd.state.md.us and click CDA Bonds – Investor Information. In the section labeled EMMA Filings, the Administration has provided additional information on its cross-calling practices and the sources for the redemption of bonds in "Other Informational Filings". Furthermore, the recent and historical quarterly NRMSIR filings include a Ten Year Rule table, a schedule of debt outstanding with the effective yields of bonds, and the mortgage loan portfolio detail by bond series and interest rate.

AVERAGE PREPAYMENT SPEEDS AS PERCENTAGE OF SIFMA (1)

Bond Series	1997 A & B	1998 A & B	2000 F & G	2001 E & F	2002 A	2006 E, F & G	2006 H, I & J	2010 A&B	2011 A&B	2012 A&B	2014 A&B
Original WAC (2)	**5.85%**	**5.94%**	**6.10%**	**5.74%**	**5.06%**	**5.37%**	**5.23%**	**7.57%**	**5.22%**	**5.87%**	**4.97%**
6-month period ending (3)											
Dec-19	417%	87%	104%	191%	87%	114%	162%	253%	218%	102%	161%
Jun-20	24%	78%	113%	77%	39%	110%	131%	138%	109%	98%	133%
Dec-20	23%	86%	88%	79%	60%	255%	204%	217%	281%	100%	484%
Jun-21	155%	89%	313%	76%	282%	358%	212%	230%	247%	177%	401%
Dec-21	110%	115%	101%	85%	415%	304%	347%	258%	240%	150%	387%
Jun-22	193%	129%	8%	130%	5%	255%	273%	51%	142%	135%	306%
WAC at 6/30/2022(4)	5.62%	5.81%	5.79%	5.19%	5.50%	5.31%	5.59%	4.98%	4.18%	5.10%	4.14%

Notes:

(1) The above table expresses the prepayment speed of mortgage loans of CDA's Residential Revenue Bonds portfolio. Prepayment speeds are expressed as percentages of the SIFMA standard model.

(2) Weighted Average Coupon Rate (WAC) as stated is calculated based on the original mortgage loan interest rates at the time of loan purchase.

(3) Prepayment rates as listed are prepayment rates between each 6-month period.

(4) Weighted Average Coupon Rate (WAC) as stated is calculated based on the outstanding principal balance of mortgage loans as of June 30, 2022.

AVERAGE PREPAYMENT SPEEDS AS PERCENTAGE OF SIFMA (1)

Bond Series	2014 C&D	2014 E	2014 F	2015 A	2015 B	2016 A	2017A	2018 A&B	2019 A	2019 B	2019 C	2019 D	2020 A&B	2020 D	2021 A	2021 B	2021 CD	2022 A&B
Original WAC (2)	5.52%	5.25%	4.88%	4.90%	5.03%	5.85%	6.18%	5.04%	5.17%	4.78%	3.96%	3.96%	3.79%	3.40%	3.11%	3.259%	3.259%	4.954%
6-month period ending (3)																		
Dec-19	124%	75%	211%	272%	123%	176%	190%	204%	460%	183%								
Jun-20	109%	100%	228%	104%	219%	177%	151%	282%	632%	533%	148%	148%						
Dec-20	531%	174%	358%	629%	286%	197%	259%	563%	1004%	1220%	1310%	1310%	1459%					
Jun-21	400%	280%	527%	620%	534%	360%	349%	489%	688%	817%	672%	672%	646%	452%	26%			
Dec-21	380%	259%	389%	571%	474%	390%	391%	449%	636%	577%	595%	595%	447%	516%	571%	674%	23%	
Jun-22	236%	185%	130%	326%	290%	235%	241%	310%	500%	353%	302%	0%	322%	187%	250%	213%	66%	-
WAC at 6/30/2022(4)	4.27%	5.24%	4.88%	3.21%	5.01%	5.76%	6.02%	4.95%	4.80%	4.46%	4.00%	3.99%	3.81%	3.34%	3.19%	3.37%	3.72%	4.95%

Notes:

(1) The above table expresses the prepayment speed of mortgage loans of CDA's Residential Revenue Bonds portfolio. Prepayment speeds are expressed as percentages of the SIFMA standard model.

(2) Weighted Average Coupon Rate (WAC) as stated is calculated based on the original mortgage loan interest rates at the time of loan purchase.

(3) Prepayment rates as listed are prepayment rates between each 6-month period.

(4) Weighted Average Coupon Rate (WAC) as stated is calculated based on the outstanding principal balance of mortgage loans as of June 30, 2022.