Community Development Administration
Maryland Department of Housing and Community Development

Residential Revenue Bonds

QUARTERLY UPDATE TO ANNUAL INFORMATION 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 26, 2017 for the Administration's Residential Revenue Bonds, which was filed with the Municipal Securities Regulating 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 most recent of which is dated April 6, 2017 and relates to the Administration's Residential Revenue Bonds, 2017 Series A), for definition of terms used herein, additional information about the Administration and the Department and their programs and financial information contained therein. The information is current as of March 31, 2018.

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 March 31, 2018 provided herein are a voluntary informational update for 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, 2017 and June 30, 2016 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. Unaudited financial statements for the Residential Revenue Bonds for the nine months ended March 31, 2018 are also included in Appendix H.

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) 429-7898, or by email at cdabonds_mailbox.dhcd@maryland.gov.

<u>Attachments</u>

Appendix B -	The Program
Appendix E -	Outstanding Indebtedness of the Administration
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Date: June 28, 2018

The Administration is in the process of developing a lending program to finance commercial business projects located in the State (the "Business Lending Program"). In order to provide an initial contribution of funds to the Business Lending Program, the Administration has withdrawn available monies from the Collateral Reserve Fund under the Bond Resolution in an amount not to exceed $10,000,000. Any such funds withdrawn from the Collateral Reserve Fund would be released from the lien and pledge of the Bond Resolution following the Administration's compliance with the requirements for the release of funds thereunder. The Administration does not intend to reimburse the Bond Resolution for such withdrawal. The Administration has disclosed the foregoing withdrawal from the Collateral Reserve Fund to the Rating Agencies and no adverse impact is expected with respect to the ratings on the Bonds.

APPENDIX B

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. 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.

Existing Portfolio and Available Funds Under the Bond Resolution

Existing Portfolio. As of March 31, 2018, the Mortgage Loan portfolio of the Administration under the Bond Resolution consisted of 8,690 Mortgage Loans with an aggregate principal amount outstanding of $912,865,663.

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 through the purchase of participation interests in GNMA Certificates using amounts available under the Bond Resolution combined with amounts available under the NIBP Bond Resolution. Amounts received with respect to such GNMA Certificates are disbursed in accordance with the Participation Agreement.

Status of Available Proceeds.

As of March 31, 2018, all original proceeds from the Prior Bonds were expended and there were no outstanding reservations and commitments, except that approximately $338,673 in original proceeds from the Administration's Residential Revenue Bonds 2015 Series B (Federally Taxable), and $22,256,983 of the Administration's Residential Revenue Bonds 2016 A (Federally Taxable) and $8,485,685 of the Administration's Residential Revenue Bonds 2017 A (Federally Taxable) were unexpended as of March 31, 2018.

The Administration has been financing new loans for its single family program primarily through the pooling of loans in exchange for Mortgage-Backed Securities and the sale of such Mortgage-Backed Securities in the capital markets.

Certain Information on Loan Type. See Appendix L for certain information on Mortgage Loans by bond series and loan type (including participations in Mortgage Loans). The following table sets forth additional information as of March 31, 2018.

	Original Number of Loans	Original Principal Amount	Number of Outstanding Loans	Outstanding Principal Balance
30 Year Amortization	20,636	$2,402,274,033	7,121	$618,663,809
40 Year Amortization	802	170,290,867	350	58,100,955
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization*	170	44,366,152	43	8,449,746
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization*	2,491	547,685,728	965	181,846,847
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization*	546	131,407,100	211	45,804,306
	24,645	$3,296,023,880	8,690	$912,865,663

*Note: All loans previously 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; in addition, a grant of 2% or 3% may be available. 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 and with the following conditions: (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, 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, or private mortgage insurance, 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. See Appendix G – "MORTGAGE INSURANCE AND GUARANTEE PROGRAMS" herein.

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 federal tax law may vary from county to county, and currently ranges from $253,809 for homes in Non-Targeted areas of Washington County to $715,872 for homes in Targeted Areas of the Washington, D.C. metropolitan statistical area (targeted areas in the counties of Frederick, Montgomery and Prince George's) . In addition, FHA maximum mortgage amounts vary from county to county; range from $310,211 for Allegany, Caroline, Dorchester, Garrett and Washington Counties, to $715,872 for the Washington, D.C. metropolitan statistical area, which includes Frederick, Montgomery and Prince George's. 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.

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 federal tax law, which is adjusted for household size, may vary from county to county, and currently ranges from $92,500 for a one or two-person household in non-Targeted Areas in the counties of Cecil, Talbot, Washington, Wicomico and Worcester to $154,420 for a three-person or larger household in the Washington, D.C. metropolitan statistical area. 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.

"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 also may use taxable bond proceeds to purchase Loans that will refinance loans with an adjustable rate or an increased payment, or loans that otherwise may not be affordable for the borrowers ("Refinance Loans"). The refinancing program currently requires that the borrower meet income limits for tax-exempt loans, and that the appraised value of the residence may not exceed the purchase price limits for the tax-exempt 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. 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. Eight repurchase demands remain outstanding as of March 31, 2018.

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, FNMA or Freddie Mac (the "Mortgage-Backed Securities"). U.S. Bank, National Association, a GNMA and FNMA 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 recent interest rate environment for tax-exempt bonds, the Administration has financed a substantial portion of its recent mortgage loan production through the sale of Mortgage-Backed Securities or whole loans to third parties rather than through the issuance of bonds and it is expected that such sales will continue to provide the primary source of financing such production in the near term.

Homeownership Initiatives and 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 Mortgage Loans are serviced by Dovenmuehle Mortgage, Inc.

The agreements with the Whole Loan Servicers (the "Whole Loan Servicer Agreements") require the Whole Loan Servicers 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 Servicers are 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 Agreements. The Whole Loan Servicers are 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 Agreements. In addition, the Whole Loan Servicer Agreements require the Whole Loan Servicers to have in effect (and maintain during the term of the related 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 respective Whole Loan Servicer.

If any default occurs on a Mortgage Loan covered by the Whole Loan Servicer Agreements, the Whole Loan Servicers 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 a 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 a Whole Loan Servicer being required to compensate the Administration.

The Whole Loan Servicers are 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 Servicers for compliance with the requirements of the Whole Loan Servicer Agreements and the Department's servicing manual by requiring from the Whole Loan Servicers:

(a) monthly Mortgage Loan delinquency reports;

(b) annual audited financial statements; and

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

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

(3) directs and evaluates respective 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 Servicemember Civil Relief Act, 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 servicemember 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 nine (9) months after the end of active duty. Unless renewed, the nine (9) month period will revert to a ninety (90) day period after December 31, 2012. 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.

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 Mortgage Loans

Certain information relating to the Mortgage Loans (including participations in Mortgage Loans) made or purchased with proceeds of prior Series of Bonds as of March 31, 2018, is set forth in Appendix K.

The following table sets forth as of March 31, 2018, the number, outstanding principal balance and percentage of the total outstanding balance of the 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 March 31, 2018

County	Current Number of Mortgage Loans[1]	Current Outstanding Principal [1]	Percent of Current Total Outstanding Principal [1]
Allegany County	192	$10,623,723	1.16%
Anne Arundel County	370	55,878,208	6.12%
Baltimore City	3,558	258,097,209	28.27%
Baltimore County	1,491	164,920,385	18.07%
Calvert County	51	10,055,562	1.10%
Caroline County	71	6,360,868	0.70%
Carroll County	68	12,469,430	1.37%
Cecil County	56	6,224,494	0.68%
Charles County	164	31,621,802	3.46%
Dorchester County	53	4,229,368	0.46%
Frederick County	177	29,461,496	3.23%
Garrett County	10	617,450	0.07%
Harford County	430	55,513,236	6.08%
Howard County	126	19,235,380	2.11%
Kent County	21	1,771,189	0.19%
Montgomery County	142	25,174,192	2.76%
Prince George's County	867	138,220,611	15.14%
Queen Anne's County	25	4,114,039	0.45%
Saint Mary's County	68	9,758,216	1.07%
Somerset County	54	4,351,591	0.48%
Talbot County	37	2,918,478	0.32%
Washington County	338	32,469,244	3.56%
Wicomico County	277	25,778,695	2.82%
Worcester County	44	3,000,799	0.33%
	8,690	$912,865,663	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 March 31, 2018 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	**4,224**	**$345,602,684**	**37.86%**
VA	**161**	**13,835,411**	**1.52%**
RHS	**167**	**19,542,344**	**2.14%**
All Privately Insured(2)	**2,534**	**441,961,031**	**48.41%**
Mortgage Guaranty Insurance Corporation	1,212	222,107,888	24.33% (3)
Republic Mortgage Insurance Company	432	75,022,003	8.22% (3)
United Guaranty Residential Insurance Company	600	96,059,455	10.52% (3)
PMI Mortgage Insurance Company	114	17,749,178	1.94% (3)
Genworth Financial	89	16,206,931	1.78% (3)
Triad Guaranty Insurance Corporation	35	5,234,293	0.57% (3)
Radian Guaranty, Incorporated	52	9,581,283	1.05% (3)
MHF	**1,261**	**63,007,986**	**6.90%**
Uninsured Paid Down (current loan to value ratio of less than 80%)	**83**	**1,523,600**	**0.17%**
Uninsured (original loan to value ratio of more than 80%)	**3**	**486,798**	**0.05%**
Uninsured (original loan to value ratio of less than 80%)	**257**	**26,905,810**	**2.95%**
	8,690	**$912,865,663**	**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 April 1, 2018 are as follows:

Maryland Community Development Administration
Liquidity Facilities in place as of April 1, 2018

Bond Issue	Date of Initial Issuance	Outstanding Principal As of April 1, 2018	Liquidity Facility Provider	Notes	Liquidity Facility Exp. Date	Liquidity Facility Credit Ratings (3) Moody's	Fitch
2006 Series G	5/24/2006	35,865,000	State Street	(2)	9/14/2022	Aa1/P-1	AA/F1+
2006 Series J	7/13/2006	60,000,000	State Street	(2)	9/14/2022	Aa1/P-1	AA/F1+
2007 Series M	12/12/2007	29,050,000	TD Bank	(1)	7/26/2020	Aa3/P-1	AA-/F1+
2008 Series D	9/4/2008	42,475,000	TD Bank	(1)	7/1/2020	Aa3/P-1	AA-/F1+
2012 Series B	8/23/2012	45,000,000	TD Bank	(1)	8/20/2018	Aa3/P-1	AA-/F1+
2014 Series F	9/25/2014	24,555,000	State Street	(2)	9/14/2022	Aa1/P-1	AA/F1+

(1) TD Bank, N.A.
(2) State Street Bank and Trust Company
(3) Ratings as of May 29, 2018

Based on reports to the Administration from the Whole Loan Servicers 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.

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	National Delinquency Survey (defined as a percentage)			Residential Revenue Bond Program (1)(2)(4)
	U.S.A. All Types 3/31/2018	Maryland All Types 3/31/2018	Maryland FHA (3) 3/31/2018	Program 3/31/2018
30 days delinquent	2.10%	2.47%	4.82%	6.26%
60 days delinquent	0.75%	0.85%	1.56%	1.29%
90 days+ delinquent	1.45%	1.53%	2.36%	3.33%
In foreclosure	1.16%	1.45%	2.23%	1.97%
Placed in foreclosure during last three months	0.28%	0.37%	0.70%	1.32%

	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) 3/31/2018
3/31/2014	6.93%	7.78%	10.97%	13.62%
3/31/2015	5.07%	6.57%	9.04%	10.38%
3/31/2016	4.03%	5.07%	8.04%	10.43%
3/31/2017	3.46%	4.26%	6.56%	9.03%
3/31/2018	3.36%	3.83%	6.15%	6.60%

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 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 April 1, 2018.

	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	$ 35,865,000	(1)
2006 Series I	5.204300%	2006	9/1/2026	142,330,000	17,645,000	(1)
2006 Series J	(2)	2006	9/1/2040	60,000,000	60,000,000	(1)
2007 Series M	(2)	2007	9/1/2043	29,050,000	29,050,000	(5)
2008 Series D	(2)	2008	9/1/2038	50,000,000	42,475,000	
2009 Series A	4.798085%	2009	9/1/2039	40,000,000	33,500,000	
2009 Series B	4.516954%	2009	9/1/2039	45,000,000	37,415,000	
2009 Series C	4.227838%	2009	9/1/2039	15,985,000	13,285,000	
2010 Series A	4.416792%	2010	3/1/2021	28,465,000	14,280,000	
2011 Series A	4.494892%	2011	3/1/2041	70,825,000	29,295,000	(1)
2011 Series B	2.795789%	2011	3/1/2036	20,000,000	20,000,000	(1)(8)
2012 Series A	3.123440%	2012	9/1/2025	44,450,000	15,690,000	(1)(3)
2012 Series B	(2)	2012	9/1/2033	45,000,000	45,000,000	(1)(3)
2014 Series A	3.739403%	2014	9/1/2032	57,515,000	50,510,000	(1)
2014 Series B	3.095548%	2014	9/1/2044	35,565,000	19,815,000	(1)
2014 Series C	3.369241%	2014	9/1/2044	47,960,000	41,520,000	(1)
2014 Series D	3.245679%	2014	9/1/2036	23,885,000	15,865,000	(1)
2014 Series E	3.395849%	2014	9/1/2040	53,205,000	36,690,000	(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	21,540,000	(1)
2015 Series B	3.565720%	2015	9/1/2041	67,190,000	56,585,000	(1)(3)
2016 Series A	3.401702%	2016	9/1/2047	325,800,000	297,545,000	(1)(3)
2017 Series A	3.734510%	2017	9/1/2048	263,060,000	248,780,000	(1)(3)
Total Residential Revenue Bonds				$ 1,554,520,000	$ 1,206,905,000	

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 April 1, 2018.

	Year of Issue	Final Maturity	Amount Issued	Amount Outstanding	
Single Family Housing Revenue Bonds					
2011 Series A (New Issue)	2011	3/1/2027	$ 40,310,000	$ 12,775,000	
2009 Series A-1 (Released Program Bonds)	2011	9/1/2041	60,460,000	30,110,000	
2011 Series B (New Issue)	2011	3/1/2027	40,000,000	13,830,000	
2009 Series A-2 (Released Program Bonds)	2011	9/1/2041	60,000,000	29,530,000	
2011 Series C (New Issue)	2011	3/1/2027	22,555,000	8,520,000	
2009 Series A-3 (Released Program Bonds)	2011	9/1/2041	33,830,000	21,030,000	
2013 Series A (Pass-Through Program)................	2013	7/1/2043	55,987,759	35,613,225	(7)
Total Single Family Housing Revenue Bonds			$ 313,142,759	$ 151,408,225	

Other Outstanding Bonds of the Administration

	Year of Issue	Final Maturity	Amount Issued	Amount Outstanding	
Housing Revenue Bonds					
Series 1996 A	1996	7/1/2023	$ 137,385,000	$ 1,475,000	
Series 1996 B	1996	7/1/2028	2,575,000	895,000	
Series 2006 D	2006	7/1/2048	8,000,000	4,030,000	
Series 2007 B	2007	1/1/2038	4,875,000	4,315,000	
Series 2007 C	2007	1/1/2043	2,310,000	1,385,000	
Series 2008 A	2008	7/1/2038	5,845,000	4,845,000	
Series 2008 B	2008	7/1/2049	17,360,000	9,550,000	
Series 2008 C	2008	7/1/2048	11,380,000	6,830,000	
Series 2008 D	2008	7/1/2039	5,110,000	3,400,000	
Series 2009 A	2009	7/1/2041	8,755,000	6,075,000	
Series 2012 A	2012	1/1/2054	9,340,000	8,845,000	
Series 2012 B	2012	7/1/2054	5,505,000	4,265,000	
Series 2012 D	2012	1/1/2054	4,700,000	4,430,000	
Series 2013 A	2013	7/1/2054	10,925,000	10,400,000	
Series 2013 B	2013	1/1/2055	11,915,000	9,520,000	
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	12,045,000	
Series 2014 A	2014	1/1/2055	4,805,000	4,650,000	
Series 2014 B	2014	7/1/2055	3,790,000	1,240,000	
Series 2014 C	2014	1/1/2046	3,700,000	2,290,000	
Series 2014 D	2014	1/1/2056	10,060,000	9,765,000	
Series 2015 A	2015	1/1/2057	13,395,000	7,870,000	
Series 2015 B	2015	7/1/2057	48,200,000	44,990,000	
Series 2016 A	2016	7/1/2058	15,730,000	15,730,000	
Series 2017 A	2017	11/1/2058	18,720,000	18,720,000	(11)
Series 2017 B	2017	3/1/2059	12,000,000	12,000,000	(11)
Series 2017 C	2017	7/1/2059	28,755,000	28,755,000	
Total Housing Revenue Bonds			$ 463,185,000	$ 280,110,000	
Multi-Family Mortgage Revenue Bonds					
Series 2010 A (New Issue)	2010	7/1/2030	$ 8,410,000	$ 6,340,000	
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	15,055,000	
Series 2009 A-2 (Released Program Bonds)	2010	7/1/2051	6,610,000	6,610,000	
Series 2009 A-3 (Released Program Bonds)	2010	1/1/2044	5,410,000	4,955,000	(6)
Series 2010 D (New Issue)	2010	1/1/2035	6,880,000	5,085,000	
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	1,425,000	
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	2,730,000	
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	14,355,000	
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	$ 136,575,000	

Other Outstanding Bonds of the Administration

	Year of Issue	Final Maturity	Amount Issued	Amount Outstanding
Infrastructure Financing Bonds (MBIA Insured)				
1998 Series B	1998	6/1/2028	$ 30,320,000	$ 75,000
1999 Series A	1999	6/1/2029	6,985,000	105,000
2001 Series A	2001	6/1/2031	8,460,000	55,000
Total Infrastructure Financing Bonds (MBIA Insured)			$ 45,765,000	$ 235,000
Local Government Infrastructure Bonds (Ambac Insured)				
2002 Series A	2002	6/1/2032	$ 11,790,000	$ 170,000
2004 Series A	2004	6/1/2034	16,375,000	500,000
2004 Series B	2004	6/1/2034	4,735,000	130,000
2005 Series A	2005	6/1/2030	9,345,000	2,340,000
2006 Series A	2006	6/1/2026	8,940,000	355,000
2007 Series B	2007	6/1/2027	24,575,000	1,410,000
Total Local Government Infrastructure Bonds (Ambac Insured)			$ 75,760,000	$ 4,905,000
Local Government Infrastructure Bonds				
2010 Series A-1 (Senior Obligations)	2010	6/1/2030	$ 19,395,000	$ 13,065,000
2010 Series A-2 (Subordinate Obligations)	2010	6/1/2030	8,515,000	5,775,000
2012 Series A-1 (Senior Obligations)	2012	6/1/2032	9,550,000	6,190,000
2012 Series A-2 (Subordinate Obligations)	2012	6/1/2032	4,420,000	2,920,000
2012 Series B-1 (Senior Obligations)	2012	6/1/2032	14,900,000	11,265,000
2012 Series B-2 (Subordinate Obligations)	2012	6/1/2032	6,855,000	5,200,000
2013 Series A-1 (Senior Obligations)	2013	6/1/2043	14,660,000	12,410,000
2013 Series A-2 (Subordinate Obligations)	2013	6/1/2043	6,720,000	5,755,000
2014 Series A-1 (Senior Obligations)	2014	6/1/2034	27,605,000	24,675,000
2014 Series A-2 (Subordinate Obligations)	2014	6/1/2034	12,720,000	11,465,000
2015 Series A-1 (Senior Obligations)	2015	6/1/2045	13,215,000	12,095,000
2015 Series A-2 (Subordinate Obligations)	2015	6/1/2045	5,650,000	5,170,000
2016 Series A-1 (Senior Obligations)	2016	6/1/2036	18,020,000	17,185,000
2016 Series A-2 (Subordinate Obligations)	2016	6/1/2036	7,715,000	7,355,000
2017 Series A-1 (Senior Obligations)	2017	6/1/2047	27,310,000	27,310,000
2017 Series A-2 (Subordinate Obligations)	2017	6/1/2047	11,725,000	11,725,000
Total Local Government Infrastructure Bonds			$ 208,975,000	$ 179,560,000

Other Outstanding Bonds of the Administration

				Year of Issue	Final Maturity	Amount Issued	Amount Outstanding	
Multifamily Development Revenue Bonds								
Series	1999	A	(GNMA-Selborne House Project)…..	1999	12/20/2040	$ 2,150,000	$ 1,785,000	
Series	2001	D	(Princess Anne Townhouses)……….	2001	12/15/2033	4,350,000	2,675,000	
Series	2001	E	(Princess Anne Townhouses)……….	2001	12/15/2033	2,875,000	2,160,000	(2)
Series	2001	G	(Waters Tower Senior Apts.)……….	2001	12/15/2033	4,045,000	3,030,000	(2)
Series	2002	C	(Orchard Mews Apartment Project)…	2002	5/1/2035	5,845,000	3,530,000	
Series	2003	A	(Barrington Apartments Project)…….	2003	6/15/2037	40,000,000	39,905,000	(2)
Series	2005	A	(Fort Washington Manor Sr. Housing)	2005	11/15/2038	14,000,000	11,675,000	(2)
Series	2005	B	(Washington Gardens)………………	2005	2/1/2036	5,000,000	1,960,000	
Series	2006	A	(Barclay Greenmount Apartments)….	2006	4/1/2035	4,535,000	3,110,000	
Series	2006	B	(Charles Landing South Apartments)..	2006	12/1/2036	3,375,000	3,375,000	(2)
Series	2007	A	(Brunswick House Apartments)…….	2007	10/1/2037	3,000,000	1,890,000	
Series	2007	B	(Park View at Catonsville)………….	2007	12/1/2037	5,200,000	4,750,000	(2)
Series	2008	A	(Walker Mews Apartments)……….	2008	5/1/2048	11,700,000	11,700,000	(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	14,280,000	(2)
Series	2008	F	(Hopkins Village Apartments)………	2008	11/1/2038	9,100,000	9,100,000	(2)
Series	2008	G	(Kirkwood House Apartments)………	2008	12/1/2038	16,000,000	16,000,000	(2)
Series	2009	A	(Sharp Leadenhall Apartments)…….	2009	3/1/2041	16,950,000	13,010,000	(2)
Series	2012	A	(Park View at Bladensburg)…………	2012	12/1/2030	3,500,000	3,190,000	
Series	2013	G	(Glen Manor Apartments)……………	2013	1/1/2031	13,640,000	11,590,000	
Series	2014	I	(Marlborough Apartments)…………	2014	12/15/2031	27,590,000	23,765,000	
Series	2015	D	(Cumberland Arms Apartments)…….	2015	9/1/2032	6,315,000	3,400,000	
Series	2015	G	(Lakeview Tower)………………….	2015	6/1/2018	19,190,000	19,190,000	
Series	2015	H	(Bel Park Tower)…………………….	2015	6/1/2018	15,600,000	15,600,000	
Series	2016	E	(Calvin Mowbray Park & Stephen Camper Park)……………………….	2016	1/1/2019	14,700,000	14,700,000	
Series	2016	F	(Pleasant View Gardens Townhomes)	2016	7/1/2018	17,300,000	17,300,000	
Series	2016	G	(Waverly View Apartments)………..	2016	2/1/2019	24,000,000	24,000,000	
Series	2016	H	(Pleasant View Gardens Senior Apts.)	2016	9/1/2018	8,200,000	8,200,000	
Series	2016	I	(Key's Pointe Phase 1B)…………….	2016	11/1/2018	11,000,000	11,000,000	
Series	2016	J	(St. James Terrace Apartments)…….	2016	4/1/2019	12,000,000	12,000,000	
Series	2016	K	(McCulloh Homes Extension)………	2016	5/1/2019	37,500,000	37,500,000	
Series	2016	L	(Park Heights Apartments)…………	2016	12/1/2018	8,500,000	8,500,000	
Series	2016	M	(Govans Manor)…………………….	2016	12/1/2018	19,500,000	19,500,000	
Series	2016	N	(Chase House)……………………….	2016	12/1/2018	17,600,000	17,600,000	
Series	2017	A	(Golden Ring Co-op Apartments)……	2017	7/1/2018	10,000,000	10,000,000	
Series	2017	B	(Beall's Grant)……………………….	2017	7/1/2018	8,570,000	8,570,000	
Series	2017	C	(The Ellerslie)……………………….	2017	2/1/2019	13,500,000	13,500,000	
Series	2017	D	(Belnor Senior Residences)…………	2017	6/1/2019	12,900,000	12,900,000	
Series	2017	E	(Westminster House)……………….	2017	6/1/2019	21,000,000	21,000,000	
Series	2017	F	(Bethel Gardens)…………………….	2017	2/1/2019	8,500,000	8,500,000	
Series	2017	G	(Bolton North)……………………….	2017	9/15/2034	25,200,000	25,005,000	
Series	2018	A	(Zion Towers)……………………….	2018	3/1/2020	30,000,000	30,000,000	
Total Multifamily Development Revenue Bonds ……………………………………………						$ 569,320,000	$ 536,480,000	

Other Outstanding Bonds of the Administration

	Year of Issue	Final Maturity	Amount of Note	Amount Drawn	
Multifamily Notes					
Victory Crossing - Freddie TEL	2016	6/1/2037	$ 11,305,000	$ 10,243,376	(9)
Riviera Apartments - Freddie TEL	2017	6/1/2034	5,620,000	4,440,414	(10)
Total Multifamily Notes..			$ 16,925,000	$ 14,683,790	
Capital Fund Securitization Revenue Bonds					
Series 2003	2003	7/1/2021	$ 94,295,000	$ 2,905,000	
Total Capital Fund Securitization Revenue Bonds			$ 94,295,000	$ 2,905,000	
Local Government Infrastructure Bonds					
2011 Series A (Mayor and City Council of Cumberland Issue)	2011	6/1/2032	$ 12,275,000	$ 11,220,000	
Total Local Government Infrastructure Bonds			$ 12,275,000	$ 11,220,000	
Total Amount of Other Bonds and Notes Outstanding			$ 1,951,257,759	$ 1,318,082,015	
Total Amount of Residential Revenue Bonds Outstanding (12)			$ 1,554,520,000	$ 1,206,905,000	
Total Amount of All Bonds and Notes Outstanding			$ 3,505,777,759	$ 2,524,987,015	

(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) These bonds were remarketed October 8, 2009 from taxable to tax-exempt. The bonds were originally issued on December 12, 2007 in the amount of $30,000,000. For a description of the redemption provisions refer to the Official Statement.

(6) 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.

(7) 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.

(8) On March 1, 2016, these variable rate bonds were remarketed to a fixed rate term bond due March 1, 2036.

(9) This is a Freddie Mac tax-exempt loan (Freddie TEL). Pursuant to the Funding Loan Agreement dated November 22, 2016, Capital One, National Association is the initial funding lender, CDA is the governmental lender and Wilmington Trust, National Association is the fiscal agent.

(10) This is a Freddie Mac tax-exempt loan (Freddie TEL). Pursuant to the Funding Loan Agreement dated May 24, 2017, STI Institutional and Government, Inc. is the initial funding lender, CDA is the governmental lender and Wilmington Trust, National Association is the fiscal agent.

(11) 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.

(12) See information under caption "Outstanding Residential Revenue Bonds" above.

For updated information on issuances and/or redemptions after April 1, 2018, please refer to the website www.dhcd.maryland.gov, Investors.

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

Bond Series	**12/31/2017**	**12/31/2018**	**12/31/2019**	**12/31/2020**	**12/31/2021**	**12/31/2022**	**12/31/2023**	**12/31/2024**	**12/31/2025**
1998 Series A/B	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
1999 Series E/F	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
1999 Series H	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2000 Series A/B	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2000 Series F/G	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2001 Series E/F	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2002 Series A	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2003 Series A/B/C	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2004 Series A/B/C	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2004 Series D/E/F	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2004 Series G/H/I	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2004 Series J/K	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2005 Series A/B/C	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2005 Series D/E	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2006 Series A/B/C/D	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2006 Series E/F/G	**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%**
2006 Series K/L/M/N	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2006 Series O/P/Q/R	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2007 Series A	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2007 Series C/D	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2007 Series G/H	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2007 Series K/L	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2008 Series A	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2008 Series B/C/D	46.51%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2008 Series E/F	53.33%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2009 Series A/2007 Series J	0.00%	0.00%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2009 Series B/2007 Series M	0.00%	0.00%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2009 Series C/ 2007 Series F	0.00%	0.00%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2010 Series A	76.59%	76.59%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2010 Series B	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2011 Series A/B	0.00%	0.00%	0.00%	0.00%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
2014 Series A/B	45.39%	45.39%	45.39%	45.39%	45.39%	45.39%	45.39%	**100.00%**	**100.00%**
2014 Series C/D	37.69%	37.69%	37.69%	37.69%	37.69%	37.69%	37.69%	**100.00%**	**100.00%**
2015 Series A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	**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 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 dependant 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 guaranty 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 small businesses ("Small 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 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. The ability to enroll new loans under that agreement terminated March 31, 2012; however, MHF will continue its coverage of active loans enrolled in the loan pool for up to ten years after the date a loan is enrolled in the pool. The Department negotiated a new agreement dated January 12, 2012, authorizing the expenditure of up to an additional $800,000 of the Revitalization Reserve to provide credit enhancement for a second loan pool. The credit enhancement will last for a period of ten years after the date the loan is enrolled in the pool. All loans to be credit enhanced must be enrolled in the pool by January 2018.

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 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.

Small 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 Small Business Loan Program. The first loan insured under this program originated during 2017.

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 was less than $10 million, no transfer is required for fiscal year 2018. 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 years ending June 30, 2016 and June 30, 2017 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 of the 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 Reserve, the Single Family Regular Program Reserve, the Revitalization 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

During the fiscal year ending June 30, 2017, the overall equity increased from $71,049,195 at June 30, 2016 to $72,033,254. The net increase of $984,059 is primarily due to a reduction in general and administrative expenses paid by MHF for the fiscal year and the benefit of a $292,575 reduction in the allowance for insurance losses, offset by the $943,319 transfer of excess reserves to the Department's revolving housing loan funds. During the nine-month period ending March 31, 2018, the overall equity continued to increase from $72,033,254 to $72,771,920. The net increase of $738,666 is primarily due to interest earned on reserve funds, combined with no statutorily required transfer of excess reserve funds for fiscal year 2018.

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 2017, MHF realized a decrease to the Unrestricted Accumulated Deficit from $11,026,214 to $9,722,173, of which, $528,369 was attributable to claims being paid from the reserve funds. During the nine-months ending March 31, 2018, the Unrestricted Accumulated Deficit increased slightly from $9,722,173 to $9,771,712, with only $97,985 attributable to claims being paid from reserve funds.

Discussion of Changes in Net Position

During the fiscal year ending June 30, 2017, MHF reported a Change in Net Position of $984,059. This change is primarily due to the reduction of expenses paid during the fiscal year offset by the transfer of funds to the Department's revolving housing loan funds.

During the nine-months ending March 31, 2018, MHF reported a Change in Net Position of $738,666. This change is primary due to interest income earned on reserve funds.

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 March 31, 2018.

	Single Family	Multifamily	Business	Total
Premiums and Fees Collected(1)	$ 103,845	$ 755,250	$ 65,000	$ 924,095
Operating Expenses Paid(2)	(546,740)	(286,606	(4,782)	(838,128)
Premiums Net of Operating Expenses	(442,895)	468,644	60,218	85,967
Claims(3)	(22,698)	0	0	(22,698)
Recoveries(4)	732	0	0	1,415
Net Claim Activity	(21,966)	0	0	(21,966)
Other(5)	(549,554)	0	0	(549,554)
Net Cash from Selected Activity	**(1,014,415)**	**468,644**	**60,218**	**(485,553)**

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, 2017, the net activity in MHF's operating cash was ($692,317) for Single Family and $502,712 for Multi-Family. The change in Single Family cash is due to claims paid combined with an increase in receivables relating to acquired properties and properties in the process of foreclosure. The change in Multi-Family cash is due to premiums outpacing allocated operating expenses. There was a $16,818 increase in operating cash relating to the Small Business Loan Program.

During the nine-months ending March 31, 2018, the net activity in MHF's operating cash was ($1,014,415) for Single Family, $468,644 for Multi-Family and $60,218 for Small Business. The change in Single Family cash is due to an increase in receivables relating to acquired properties and properties in the process of foreclosure combined with a decrease in payables related to checks that were in the process of being issued. The change in Multi-Family cash is due to premiums outpacing operating expenses. The increase in Small Business cash is due to additional premiums received.

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 Program 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 Reserve (as may be reduced as described below) to exceed 25 to 1, and that no new insurance payable from the Single Family 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 Insurance Agreement Between the Maryland Housing Fund and the Community Development 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 Reserve Ratio*s*

	06/30/16	06/30/17	03/31/18
Single Family Regular Program Reserve[(1)(2)]	$ 15,654,671	$15,126,302	$15,028,317
Amount Available for Calculation of "Ratio of Insurance to Available Reserve[(3)]	15,654,671	15,126,302	15,028,317
Primary Insurance coverage in force[(4)]			
Insurance Agreement prior to 2005	7,177,309	5,752,512	4,964,390
Insurance Agreement post 2005	17,362,733	17,974,919	17,282,624
Pool Insurance coverage in force[(5)]	-	-	-
Ratio of Mortgage Loans to the Regular Reserve	1.57 to 1	1.57 to 1	1.48 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 March 31, 2018, 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 Program Reserve.

(3) In order to determine the leverage ratios, if the Unrestricted Accumulated Deficit exceeds the Unallocated Reserve, the Single Family Regular Reserve or the Multi-Family Reserve may be reduced in a manner determined by MHF to be appropriate. As of March 31, 2018, there was no reduction in the Single Family 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 ($19,857,558 at March 31, 2018). The primary insurance coverage is 35% of the allowable claim for loans insured under the 2005 Single Family Insurance Agreement ($49,378,926 at March 31, 2018).

(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 Reserve (as may be reduced as described below) to exceed 10 to 1, and that no new insurance payable from the Multifamily 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 Reserve).

Selected Information about the Multifamily Reserve Ratios

	06/30/16	06/17/17	03/31/18
Total Multifamily Reserve[1]	$ 44,698,739	$ 44,698,739	$44,698,739
Amount Available for Calculation of "Ratio of Insurance to Available Reserve"[2]	44,698,739	44,698,739	44,698,739
Insurance Outstanding			
Multifamily mortgage insurance in force	156,486,309	162,474,429	157,004,043
Ratio of Insurance to Available Reserve	3.46 to 1	3.64 to 1	3.51 to 1

Notes:
(1) The Multi-Family Reserve does not include amounts, if any, which have been restricted for possible additional insurance coverage in the Unallocated Reserve. As of March 31, 2018, MHF had committed to additional mortgages in the amount of $5,162,951.

(2) In order to determine the leverage ratios, if the Unrestricted Accumulated Deficit exceeds the Unallocated Reserve, the Single Family Regular Reserve or the Multi-Family Reserve may be reduced in a manner determined by MHF to be appropriate. As of March 31, 2018, there was no reduction in the Multi-Family Reserve to cover the accumulated deficit.

The total amount of the Multifamily 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 $1,335,139 as of March 31, 2018. 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 Reserve.

Discussion of Single Family Operations

MHF has taken steps to address the potential Single Family claims. A part of this focus is applying more 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 insure 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 Program Reserve and the Revitalization Reserve. Prior to 2016, MHF acquired properties upon paying a claim. No properties were acquired by MHF during 2016 or 2017 as the Administration elected to keep title to all acquired properties and only request MHF to pay its prorata claim amount. The data for all of these reporting periods are subject to adjustment due to additional expenses paid and proceeds received after March 31, 2018.

Single Family Claims Experience

	06/30/16	06/30/17	03/31/18
Pro-Rata Claims Paid	$1,295,671	$613,276	$22,698
Properties Acquired	-	-	-
Gross Claims Paid	1,295,671	613,276	22,698
Recoveries	-	34,576	10,914
Net Claims Paid	$1,295,671	$578,700	$11,784

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 Program 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 of time 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 March 31, 2018. The amounts shown are net of debt service claim payments. The CDA Single

Family loans under Multi-Family Reserves referenced below were financed with the proceeds of Housing Revenue Bonds of the Administration.

Outstanding Multifamily Insurance as of March 31, 2018

Lender	Units	# of Loans	Original Insured Principal Amount	Current Balances
CDA permanent financing on large multifamily projects [1]	6,627	78	167,774,536	138,892,246
CDA Demonstration Program [2]		0	0	0
CDA Single Family loans under Multifamily Reserves	1	1	42,200	8,981
CDA Special Housing Opportunity Program (SHOP)[3]	494	148	21,771,120	15,370,956
Montgomery County Housing Opportunities Commission (HOC) [4]	168	2	4,987,000	2,740,842
TOTAL	**7,290**	**229**	**$194,574,856**	**$157,013,025**

[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 17 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 March 31, 2018.

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

[4] Insurance issued to the Housing Opportunities Commission of Montgomery County ("HOC") to insure loans financed with proceeds of bonds issued by HOC. The mortgage loans provided financing for developments containing 168 units. The mortgage loans were initially endorsed for insurance between 1980 and 1996.

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 March 31, 2018

	Outstanding Principal Balances	Percentage of Total Principal	Number of Loans	Number of Projects
"A" Loans:[1]	344,402,109	95.08%	75	63
"B" Loans:	17,838,729	4.92%	5	5
Portfolio Totals:	$362,240,838	100.00%	80	68

Notes:

[1] Included in the 'A' Loans, in the “Outstanding Principal Balance” column, is $15,370,956 for 148 group home 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, and replacement of management agents. As of March 31, 2018, there were no loans in the “C” category.

Multifamily Claims Experience

The following chart describes claims paid by MHF on loans insured under the Multifamily Reserve as of March 31, 2018.

In the column entitled “Claims Net of Cash Recoveries,” the figures show the result as of March 31, 2018. Workouts are in progress. See the individual footnotes below for further information.

MULTIFAMILY CLAIMS PAID BY MHF
As of March 31, 2018

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
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
Claims where REO is held						
Lease-Purchase[29]	$1,534,088	$ 82,619	$ 1,616,707	$901,933	$ (714,774)	05/1996

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. Thirty-six of the original 40 units have been sold and the majority of the remaining units are occupied by tenants, some of whom are candidates to purchase their properties.

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
Ruth Putnam	Director, Division of Finance and Administration
Robyne Chaconas	Deputy Director, Division of Finance and Administration
Crystal Quinzani	Director of MHF Finance, Division of Finance and Administration

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 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.

Ruth Putnam was named Director of Finance and Administration in 2015. She has been with the Department since 1990 when she joined the Department in the Budget Office. Over the past 28 years she held numerous positions within the Department from Budget Director, Director of Fiscal Planning, Director of Insurance and Accounting, Deputy Director and now Director. Prior to joining the Department, she worked as Manager of Investor Relations in a private corporation. She holds a Bachelor of Arts in Finance from the University of Maryland.

Robyne Chaconas was named Deputy Director of Finance and Administration in May 2016. She came to the Department from the private sector, where she worked for a financial services firm, Robert W. Baird & Co for five years. Prior to that, she was with the Department from 2006-2010, where she held several positions in the Department, including Special Assistant, Legislative Liaison, and Budget Director. She holds a Bachelor of Science degree from the University of Maryland, College Park, and a Masters in Public Administration from the University of Baltimore.

Crystal Quinzani joined the Department as Director of Financial Analysis within the Division of Finance and Administration in August, 2016. She became Director of MHF Finance on July 1, 2017. 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, Orlando, Florida.

Additional Information

For additional information, please contact Investor Relations at (301) 429-7897 or 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, 2017 AND 2016

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
YEARS ENDED JUNE 30, 2017 AND 2016

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying 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 year ended June 30, 2017 and 2016, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility 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' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2017 and 2016 and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Financial Statement Presentation

As discussed in Note 1, the financial statements present only 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, 2017 and 2016, and the changes in its net position and its cash flows in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Management has omitted 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 missing information, although not 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

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information on pages 37 through 38, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion, or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2017, 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 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 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 29, 2017

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
STATEMENTS OF NET POSITION
(in thousands)
JUNE 30, 2017 AND 2016

	2017	2016
RESTRICTED ASSETS		
Restricted Current Assets:		
Cash and Cash Equivalents on Deposit	$ 344,255	$ 394,526
Investments	-	14,712
Mortgage-Backed Securities	10,612	12,180
Single Family Mortgage Loans	30,008	32,054
Multi-Family Mortgage Loans	1,103	1,098
Accrued Interest and Other Receivables	17,177	18,944
Claims Receivable on Foreclosed and Other Loans, Net of Allowance	40,163	50,211
Real Estate Owned	8,235	13,659
Total Restricted Current Assets	451,553	537,384
Restricted Long-Term Assets:		
Investments, Net of Current Portion	11,579	12,224
Mortgage-Backed Securities, Net of Current Portion	184,834	124,420
Single Family Mortgage Loans, Net of Current Portion and Allowance	967,305	1,092,902
Multi-Family Mortgage Loans, Net of Current Portion	12,246	14,463
Total Restricted Long-Term Assets	1,175,964	1,244,009
Total Restricted Assets	1,627,517	1,781,393
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflow of Fair Value on Interest Rate Swap Agreements	1,917	6,908
Total Restricted Assets and Deferred Outflows of Resources	$ 1,629,434	$ 1,788,301
LIABILITIES		
Current Liabilities:		
Accrued Interest Payable	$ 12,290	$ 19,036
Accounts Payable	2,647	2,418
Bonds Payable	56,655	58,655
Deposits by Borrowers	1,543	1,440
Total Current Liabilities	73,135	81,549
Long-Term Liabilities:		
Bonds Payable, Net of Current Portion	1,251,539	1,385,459
Deposits by Borrowers, Net of Current Portion	1,384	1,834
Interest Rate Swap Agreements	1,917	6,908
Total Long-Term Liabilities	1,254,840	1,394,201
Total Liabilities	1,327,975	1,475,750
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflow on Refunding of Bond Debt	918	113
NET POSITION		
Restricted	300,541	312,438
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 1,629,434	$ 1,788,301

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, 2017 AND 2016

	2017	2016
OPERATING REVENUE		
Interest on Mortgage Loans	$ 60,736	$ 69,537
Interest on Mortgage-Backed Securities	4,639	2,849
(Decrease) Increase in Fair Value of Mortgage-Backed Securities	(20)	20
Realized Gains on Sale of Mortgage-Backed Securities	16,501	21,259
Interest Income on Investments	2,003	1,317
(Decrease) Increase in Fair Value of Investments	(646)	445
Gain on Early Retirement of Debt	1,056	1,467
Other Operating Revenue	14	3
Total Operating Revenue	84,283	96,897
OPERATING EXPENSES		
Interest Expense on Bonds	48,741	59,923
Professional Fees and Other Operating Expenses	10,553	10,332
Decrease in Provision for Loan Losses	(121)	(2,833)
Losses and Expenses on Real Estate Owned, Net	3,938	7,481
Loss on Foreclosure Claims, Net	5,183	5,060
Bond Issuance Costs	4,612	1,104
Total Operating Expenses	72,906	81,067
Operating Income	11,377	15,830
NONOPERATING (EXPENSE) REVENUE		
(Decrease) Increase in Fair Value of Mortgage-Backed Securities	(3,274)	4,196
Transfer of Funds as Permitted by the Resolution	(20,000)	(8,500)
CHANGE IN NET POSITION	(11,897)	11,526
NET POSITION - RESTRICTED AT BEGINNING OF YEAR	312,438	300,912
NET POSITION - RESTRICTED AT END OF YEAR	$ 300,541	$ 312,438

See accompanying Notes to Financial Statements.

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
STATEMENTS OF CASH FLOWS
(in thousands)
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Principal and Interest Received on Mortgage Loans	$ 162,452	$ 183,535
Principal and Interest Received on Mortgage-Backed Securities	17,413	10,472
Escrow Funds Received on Multi-Family Loans	1,259	1,343
Escrow Funds Paid on Multi-Family Loans	(1,606)	(3,214)
Mortgage Insurance Claims and Other Loan Proceeds Received	57,780	65,672
Foreclosure Expenses Paid	(7,830)	(15,596)
Purchase of Mortgage Loans	(12,638)	(14,356)
Transfer of Mortgage Loans	-	(21)
Purchase of Mortgage-Backed Securities	(414,213)	(650,012)
Funds Received from Sale of Mortgage-Backed Securities	355,625	625,707
Professional Fees and Other Operating Expenses	(11,003)	(9,857)
Other Income Received	14	268
Other Reimbursements	(172)	257
Net Cash Provided by Operating Activities	147,081	194,198
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Maturities or Sales of Investments	14,627	102,015
Purchases of Investments	-	(29,980)
Interest Received on Investments	2,116	1,449
Net Cash Provided by Investing Activities	16,743	73,484
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Sale of Bonds	592,146	91,913
Payments on Bond Principal	(725,999)	(209,325)
Bond Issuance Costs	(4,549)	(1,073)
Interest on Bonds	(55,693)	(62,472)
Transfers Among Funds	(20,000)	(8,500)
Net Cash Used in Noncapital Financing Activities	(214,095)	(189,457)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS ON DEPOSIT	(50,271)	78,225
CASH AND CASH EQUIVALENTS ON DEPOSIT - BEGINNING OF YEAR	394,526	316,301
CASH AND CASH EQUIVALENTS ON DEPOSIT - END OF YEAR	$ 344,255	$ 394,526

See accompanying Notes to Financial Statements.

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
STATEMENTS OF CASH FLOWS
(in thousands)
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$ 11,377	$ 15,830
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Amortization of Investment Discounts and Premiums	84	257
Amortization of Bond Original Issue Discounts and Premiums	(206)	(178)
Decrease in Provision for Loan Losses	(121)	(2,833)
Decrease (Increase) in Fair Value of Mortgage-Backed Securities	20	(20)
Decrease (Increase) in Fair Value of Investments	646	(445)
Gain on Early Retirement of Debt	(1,056)	(1,467)
Bond Issuance Costs	4,549	1,073
Interest Received on Investments	(2,116)	(1,449)
Interest on Bonds	55,693	62,472
Decrease (Increase) in Assets:		
Mortgage Loans	131,255	145,253
Mortgage-Backed Securities	(62,140)	(37,853)
Accrued Interest and Other Receivables	1,767	2,608
Claims Receivable on Foreclosed and Other Loans	8,769	11,487
Real Estate Owned	5,424	2,730
(Decrease) Increase in Liabilities:		
Accrued Interest Payable	(6,746)	(2,371)
Accounts Payable	229	975
Deposits by Borrowers	(347)	(1,871)
Net Cash Provided by Operating Activities	$ 147,081	$ 194,198

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 (GAAP).

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).

Generally Accepted Accounting Principles

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 Comprehensive Annual Financial Report, a separate Management's Discussion and Analysis is not included in these financial statements. CDA prepares a Management's Discussion and Analysis for the General Accounting Division of the State of Maryland that is not part of 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, 2017 and 2016, 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. 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 13 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, 2017 and 2016, CDA has established an allowance for loan losses on the uninsured portions of single family mortgage loans with private mortgage insurance. CDA has also established an allowance for loan losses on single family loans with private mortgage insurance 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, 2017 and 2016. 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, 9 and 11 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 11 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 also includes 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 10.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest Rate Exchange Agreements (Swaps)

Interest rate exchange agreements (swaps) are derivative instruments which are entered into as cash flow hedges to reduce exposure to identified financial risks associated with assets, liabilities or expected transactions or to lower the costs of borrowings and are considered to be hedging derivative instruments. Swaps are reported at fair value in the Statements of Net Position and are tested quarterly for hedge effectiveness. Effectiveness is established if the changes in cash flows of the swaps substantially offset the changes in cash flows of the hedgeable items. The changes in fair values of the swaps that are determined to be effective hedges will be recognized as deferred inflows or outflows of resources in the Statements of Net Position. The changes in fair value of the swaps that are determined not to be effective hedges will be reported in the Statements of Revenue, Expenses and Changes in Net Position. CDA's swaps are more fully described in Note 8.

Mortgage Yield Limitations

All mortgage loans are subject to yield limitations under the Internal Revenue Service Code (the Code) 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 Code. If at any time the composite yields on the transferred loans are out of compliance with the Code, CDA has certain remedies available to bring the yield into compliance. As of June 30, 2017 and 2016, all mortgage loan yields were in compliance with the Code.

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 14 for additional information.

(in thousands)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Expenses

CDA distinguishes operating revenue and expenses from non-operating 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 TBA 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.

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 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, 2017 and 2016, are evaluated in accordance with GASB accounting guidance for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Assets	2017	2016
Cash and Cash Equivalents:		
BlackRock Liquidity FedFund Administration Shares	$ 325,258	$ -
Federated Prime Cash Obligations Fund	-	376,857
Demand Deposit Account	18,997	17,669
Investments:		
Obligations of U.S. Government Agencies	9,171	24,528
Repurchase and Investment Agreements	2,408	2,408
Mortgage-Backed Securities:		
GNMA Mortgage-Backed Securities	132,473	108,512
FNMA Mortgage-Backed Securities	62,973	28,088
Total	$ 551,280	$ 558,062

(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, 2017, 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	$ 325,258	$ 325,258	$ 325,258	$ -	$ -	$ -	$ -
Demand Deposit Account	18,997	18,997	18,997	-	-	-	-
Obligations of U.S. Government Agencies	7,044	9,171	-	2,305	-	3,975	2,891
Repurchase Agreements/ Investment Agreements	2,408	2,408	-	-	-	2,408	-
GNMA Mortgage-Backed Securities	132,831	132,473	-	-	-	-	132,473
FNMA Mortgage-Backed Securities	62,383	62,973	-	-	-	-	62,973
Total	$ 548,921	$ 551,280	$ 344,255	$ 2,305	$ -	$ 6,383	$ 198,337

As of June 30, 2016, 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
Federated Prime Cash Obligations Fund	$ 376,857	$ 376,857	$ 376,857	$ -	$ -	$ -	$ -
Demand Deposit Account	17,669	17,669	17,669	-	-	-	-
Obligations of U.S. Government Agencies	21,755	24,528	14,712	3,135	-	3,604	3,077
Repurchase Agreements/ Investment Agreements	2,408	2,408	-	-	-	1,232	1,176
GNMA Mortgage-Backed Securities	105,943	108,512	-	-	-	-	108,512
FNMA Mortgage-Backed Securities	27,131	28,088	-	-	-	-	28,088
Total	$ 551,763	$ 558,062	$ 409,238	$ 3,135	$ -	$ 4,836	$ 140,853

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (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. The Federated Prime Cash Obligations Fund invests primarily in short-term, high-quality, fixed-income securities issued by banks, corporations and the U.S. Government. Both operate in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended. Both 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, 2017 and 2016, 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, 2017 and 2016, 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, 2017 and 2016 were Aa2 by Moody's Investors Service and AA by Fitch Ratings. The following table provides credit quality rating information for the investment portfolio and individual issuers if they represent 5 percent or more of total investments in accordance with accounting guidance issued by GASB.

(in thousands)

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

As of June 30, 2017, 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	$ 325,258	59.00%	Aaa		Moody's
Demand Deposit Account: Counterparty Rated Aa2 by Moody's	18,997	3.45%			
Government National Mortgage Association (GNMA) Mortgage-Backed Securities	132,473	24.03%		Direct U.S. Obligations	
Federal National Mortgage Association (FNMA) Mortgage-Backed Securities	62,973	11.42%		Aaa	Moody's
Obligations of U.S. Government Agencies	9,171	1.66%		Aaa	Moody's
				Underlying Securities Credit Rating	
Collateralized Repurchase Agreements and Investment Agreements: Counterparty Rated Aaa by Moody's	2,408	0.44%		Direct U.S. Obligations	
Total	$ 551,280	100.00%			

As of June 30, 2016, 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
Federated Prime Cash Obligations Fund	$ 376,857	67.53%	Aaa		Moody's
Demand Deposit Account: Counterparty Rated Aa1 by Moody's	17,669	3.17%			
Government National Mortgage Association (GNMA) Mortgage-Backed Securities	108,512	19.44%		Direct U.S. Obligations	
Federal National Mortgage Association (FNMA) Mortgage-Backed Securities	28,088	5.03%		Aaa	Moody's
Obligations of U.S. Government Agencies	24,528	4.40%		Aaa	Moody's
				Underlying Securities Credit Rating	
Collateralized Repurchase Agreements and Investment Agreements: Counterparty Rated Aaa by Moody's	2,408	0.43%		Direct U.S. Obligations	
Total	$ 558,062	100.00%			

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

The market value of the underlying collateralized securities in repurchase agreements and investment agreements is maintained at a minimum of 102 percent 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.

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, 2012, that was established by the Federal Home Loan Bank of Pittsburgh, and is automatically extended each year until July 26, 2017. This date corresponds with the termination date of the standby purchase agreement.

<u>Mortgage-Backed Securities and Certificates</u>

All mortgage-backed securities and certificates held by CDA are guaranteed by the Government National Mortgage Association (GNMA) or the Federal National Mortgage Association (Fannie Mae).

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) lender, as the issuer of the guaranteed security to CDA. GNMA guarantees timely payment of principal and interest on Guaranteed Securities.

Fannie Mae mortgage-backed certificates are "guaranteed mortgage pass-through certificates" which supplement amounts received by a trust created under a trust agreement as required permitting timely payments of principal and interest on the certificates to CDA. The certificates and payments of principal and interest on the certificates 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.

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. For all Fannie Mae certificates, CDA receives the total principal and interest from the trust on the 25th of each month. 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. All Fannie Mae certificates have a guaranty fee of 47.5 basis points and a servicing fee of 25 basis points. CDA also participates from time to time in the Fannie Mae buy-up or buy-down of the guaranty fee created in the pooling process in order to maximize pooling of certificates for efficiency and effectiveness.

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

In January 2012, CDA expanded the sources of financing for its mortgage-backed securities program through the ongoing sale of forward contracts of GNMA mortgage-backed securities and Fannie Mae certificates. 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 mortgage-backed securities and Fannie Mae certificates 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, 2017, CDA entered into TBA Mortgage-Backed Security Contracts with a notional amount of $104,111 outstanding. At June 30, 2016, the notional amount outstanding was $80,913. The increase/decrease in the fair value of GNMA mortgage-backed securities and Fannie Mae certificates that are part of the TBA program is classified as operating revenue on the Statements of Revenue, Expenses and Changes in Net Position.

<u>Custodial Credit Risk</u>

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, 2017 and 2016, 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.

<u>Fair Value Measurements</u>

CDA 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 Fund has the following recurring fair value measurements as of June 30, 2017 and 2016:

- U.S. Government Agencies of $9,171 and $24,528, respectively, are valued using quoted market prices (Level 1).
- GNMA and FNMA mortgage-backed securities of $195,446 and $136,600, respectively, are valued using the matrix pricing technique (Level 2).
- Pay-fixed, receive-variable interest rate swap agreements of $1,917 and $6,908, respectively, are valued using the matrix pricing technique (Level 2).

(in thousands)

NOTE 4 MORTGAGE LOANS

Substantially all of the Fund's single family mortgage loans are secured by first liens on the related property. Approximately 97% of all single family mortgage loans are credit enhanced through the Federal Housing Administration (FHA) mortgage insurance programs, the Veterans Administration and USDA/RD guarantee programs, Maryland Housing Fund (MHF) or by private mortgage insurance policies. As of June 30, 2017 and 2016, interest rates on such loans ranged from 0.0% to 10.25% and 0.0% to 10.4%, respectively, with remaining loan terms ranging approximately from less than 1 year to 40 years and less than 1 year to 37 years, respectively.

All of the Fund's multi-family mortgage loans are credit-enhanced through FHA or MHF. As of June 30, 2017 and 2016, interest rates on such loans ranged from 5.25% to 8.50% with remaining loan terms ranging from approximately 3 years to 15 years and 4 years to 17 years, respectively.

For the years ended June 30, 2017 and 2016, the single family mortgage loan and claims receivable balances, net of the allowances for loan losses on the uninsured portions of single family loans with private mortgage insurance, including loans in foreclosure and other loans with pending insurance claims, were as follows:

	2017	2016
Single Familiy Mortgage Loans	$ 1,006,873	$ 1,135,916
Allowance for Loan Losses	(9,560)	(10,960)
Single Family Mortgage Loans, Net of Allowance	$ 997,313	$ 1,124,956
Claims Receivable on Foreclosed and Other Loans	$ 42,370	$ 56,357
Allowance for Loan Losses	(2,207)	(6,146)
Claims Receivable on Foreclosed and Other Loans, Net of Allowance	$ 40,163	$ 50,211

(in thousands)

NOTE 5 ACCRUED INTEREST AND OTHER RECEIVABLES

Accrued interest and other receivables as of June 30, 2017 and 2016 were as follows:

	2017	2016
Accrued Mortgage Loan Interest	$ 10,446	$ 12,429
Accrued Mortgage-Backed Securities Interest	484	309
Accrued Investment Interest	396	425
Funds Due from Mortgage Insurers for Loan Modifications	234	229
Reimbursement Due for State-Funded Loans	1,202	2,571
Reimbursement Due for Pre-foreclosure Costs Incurred on Mortgage Loans	4,309	2,864
Miscellaneous Billings	106	117
Total	$ 17,177	$ 18,944

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; 2007 Series M; 2008 Series D; 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; and 2017 Series A.

(in thousands)

NOTE 6 BONDS PAYABLE (CONTINUED)

The following is a summary of the bond activity for the year ended June 30, 2017, and the debt outstanding and bonds payable as of June 30, 2017:

				Debt	Bond Activity			Debt	Bond	Bonds
	Issue Dated	Range of Interest Rates	Range of Maturities	Outstanding at June 30, 2016	New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed	Outstanding at June 30, 2017	Premium/ Discount Deferred	Payable at June 30, 2017
Residential Revenue Bonds										
2006 Series E	05/24/06	4.25% - 4.35%	2016 - 2017	$ 3,210	$ -	$ (430)	$ (1,270)	$ 1,510	$ -	$ 1,510
2006 Series G	05/24/06	Variable Rate	9/1/2040	40,000	-	-	(1,235)	38,765	-	38,765
2006 Series H	07/13/06	4.10% - 4.15%	2016 - 2017	4,120	-	(2,015)	(2,105)	-	-	-
2006 Series I	07/13/06	4.50% - 4.875%	2016 - 2026	50,440	-	(1,785)	(17,585)	31,070	-	31,070
2006 Series J	07/13/06	Variable Rate	9/1/2040	60,000	-	-	-	60,000	-	60,000
2006 Series K	09/14/06	4.10% - 4.15%	2016 - 2017	2,405	-	(610)	(1,795)	-	-	-
2006 Series L	09/14/06	4.60% - 4.95%	2017 - 2038	102,245	-	-	(102,245)	-	-	-
2006 Series O	12/13/06	3.80% - 3.85%	2016 - 2017	2,320	-	(1,135)	(1,185)	-	-	-
2006 Series P	12/13/06	4.25% - 4.70%	2016 - 2037	45,860	-	(1,115)	(44,745)	-	-	-
2006 Series S	12/13/06	6.07%	9/1/2037	13,020	-	-	(13,020)	-	-	-
2007 Series A	03/28/07	4.25% - 5.75%	2016 - 2047	149,650	-	(4,460)	(145,190)	-	-	-
2007 Series B	03/28/07	6.00%	9/1/2037	15,080	-	-	(15,080)	-	-	-
2007 Series C	06/20/07	3.90% - 3.95%	2016 - 2017	6,200	-	(450)	(5,750)	-	-	-
2007 Series D	06/20/07	4.65% - 4.95%	2022 - 2048	114,585	-	-	(114,585)	-	-	-
2007 Series E	06/20/07	5.98% - 6.11%	2040 - 2042	33,915	-	-	(33,915)	-	-	-
2007 Series F	06/20/07	Variable Rate	9/1/2031	21,205	-	-	(21,205)	-	-	-
2007 Series G	08/09/07	4.30%	9/1/2017	7,375	-	-	(7,375)	-	-	-
2007 Series H	08/09/07	4.95% - 5.10%	2022 - 2037	43,680	-	-	(43,680)	-	-	-
2007 Series I	08/09/07	6.50% - 6.56%	2043	36,405	-	-	(36,405)	-	-	-
2007 Series J	08/09/07	Variable Rate	9/1/2031	28,100	-	-	(28,100)	-	-	-
2007 Series K	12/12/07	3.75% - 3.85%	2016 - 2017	2,940	-	(2,420)	(520)	-	-	-
2007 Series M	12/12/07	Variable Rate	9/1/2043	29,050	-	-	-	29,050	-	29,050
2008 Series A	06/19/08	3.875% - 4.00%	2016 - 2017	13,020	-	(7,965)	(3,645)	1,410	-	1,410
2008 Series D	09/04/08	Variable Rate	9/1/2038	49,890	-	-	(4,675)	45,215	-	45,215
2008 Series E	12/17/08	4.375% - 4.55%	2016 - 2017	3,420	-	(1,815)	(1,605)	-	-	-
2009 Series A	09/24/09	3.30% - 5.05%	2017 - 2039	34,380	-	-	-	34,380	-	34,380
2009 Series B	10/08/09	2.80% - 4.75%	2016 - 2039	38,745	-	(310)	-	38,435	-	38,435
2009 Series C	10/27/09	2.70% - 4.55%	2016 - 2039	13,715	-	(65)	-	13,650	-	13,650
2010 Series A	06/09/10	3.95% - 4.45%	2018 - 2021	22,450	-	-	(1,305)	21,145	-	21,145
2011 Series A	05/05/11	2.625% - 5.375%	2016 - 2041	48,585	-	(1,890)	(4,105)	42,590	346	42,936
2011 Series B	05/05/11	3.25%	3/1/2036	20,000	-	-	-	20,000	(78)	19,922
2012 Series A	08/23/12	1.570% - 4.00%	2016 - 2025	25,105	-	(3,210)	(3,625)	18,270	206	18,476
2012 Series B	08/23/12	Variable Rate	9/1/2033	45,000	-	-	-	45,000	-	45,000
2014 Series A	02/20/14	0.55% - 4.30%	2016 - 2032	55,745	-	(2,860)	-	52,885	-	52,885
2014 Series B	02/20/14	3.25%	9/1/2044	26,910	-	-	(3,590)	23,320	749	24,069
2014 Series C	09/25/14	0.40% - 4.00%	2016 - 2044	44,875	-	(875)	(1,475)	42,525	926	43,451
2014 Series D	09/25/14	0.60% - 4.00%	2016 - 2036	21,660	-	(915)	(1,895)	18,850	1,031	19,881
2014 Series E	09/25/14	1.125% - 4.478%	2016 - 2040	47,925	-	(1,565)	(5,605)	40,755	-	40,755
2014 Series F	09/25/14	Variable Rate	9/1/2044	24,555	-	-	-	24,555	-	24,555
2015 Series A	12/03/15	0.45% - 3.95%	2016 - 2045	24,100	-	(560)	(895)	22,645	423	23,068
2015 Series B	12/03/15	1.20% - 4.515%	2016 - 2041	66,670	-	(1,765)	(3,975)	60,930	-	60,930
2016 Series A	08/31/16	0.784% - 3.797%	2017 - 2047	-	325,800	(3,025)	(11,045)	311,730	2,846	314,576
2017 Series A	04/27/17	1.00% - 4.416%	2017 - 2048	-	263,060	-	-	263,060	-	263,060
Total				$ 1,438,555	$ 588,860	$ (41,240)	$ (684,430)	$ 1,301,745	$ 6,449	$ 1,308,194

(in thousands)

NOTE 6 BONDS PAYABLE (CONTINUED)

The following is a summary of the bond activity for the year ended June 30, 2016, and the debt outstanding and bonds payable as of June 30, 2016:

	Issue Dated	Range of Interest Rates	Range of Maturities	Debt Outstanding at June 30, 2015	Bond Activity: New Bonds Issued	Bond Activity: Scheduled Maturity Payments	Bond Activity: Bonds Redeemed	Debt Outstanding at June 30, 2016	Bond Premium/ Discount Deferred	Bonds Payable at June 30, 2016
Residential Revenue Bonds										
2006 Series A	02/23/06	4.00% - 4.10%	2015 - 2017	$ 4,065	$ -	$ (1,305)	$ (2,760)	$ -	$ -	$ -
2006 Series B	02/23/06	4.75% - 4.90%	2025 - 2037	30,430	-	-	(30,430)	-	-	-
2006 Series E	05/24/06	4.20% - 4.35%	2015 - 2017	8,020	-	(2,570)	(2,240)	3,210	-	3,210
2006 Series G	05/24/06	Variable Rate	9/1/2040	40,000	-	-	-	40,000	-	40,000
2006 Series H	07/13/06	4.05% - 4.15%	2015 - 2017	6,055	-	(1,935)	-	4,120	-	4,120
2006 Series I	07/13/06	4.45% - 4.90%	2015 - 2029	68,555	-	(1,930)	(16,185)	50,440	-	50,440
2006 Series J	07/13/06	Variable Rate	9/1/2040	60,000	-	-	-	60,000	-	60,000
2006 Series K	09/14/06	4.05% - 4.15%	2015 - 2017	5,165	-	(1,650)	(1,110)	2,405	-	2,405
2006 Series L	09/14/06	4.50% - 4.95%	2015 - 2038	107,610	-	(1,740)	(3,625)	102,245	-	102,245
2006 Series O	12/13/06	3.75% - 3.85%	2015 - 2017	3,410	-	(1,090)	-	2,320	-	2,320
2006 Series P	12/13/06	4.20% - 4.70%	2015 - 2037	49,545	-	(1,830)	(1,855)	45,860	-	45,860
2006 Series S	12/13/06	6.07%	9/1/2037	14,420	-	-	(1,400)	13,020	-	13,020
2007 Series A	03/28/07	4.25% - 5.75%	2016 - 2047	164,065	-	-	(14,415)	149,650	1,156	150,806
2007 Series B	03/28/07	6.00%	9/1/2037	17,470	-	-	(2,390)	15,080	-	15,080
2007 Series C	06/20/07	3.85% - 3.95%	2015 - 2017	16,785	-	-	(10,585)	6,200	-	6,200
2007 Series D	06/20/07	4.65% - 5.50%	2022 - 2048	117,265	-	-	(2,680)	114,585	26	114,611
2007 Series E	06/20/07	5.30% - 6.11%	2015 - 2042	37,760	-	(505)	(3,340)	33,915	-	33,915
2007 Series F	06/20/07	Variable Rate	9/1/2031	25,445	-	-	(4,240)	21,205	-	21,205
2007 Series G	08/09/07	4.20% - 4.30%	2015 - 2017	21,205	-	-	(13,830)	7,375	-	7,375
2007 Series H	08/09/07	4.95% - 5.15%	2022 - 2042	55,685	-	-	(12,005)	43,680	-	43,680
2007 Series I	08/09/07	5.80% - 6.56%	2015 - 2043	44,640	-	(1,360)	(6,875)	36,405	-	36,405
2007 Series J	08/09/07	Variable Rate	9/1/2031	32,800	-	-	(4,700)	28,100	-	28,100
2007 Series K	12/12/07	3.65% - 3.85%	2015 - 2017	7,795	-	-	(4,855)	2,940	-	2,940
2007 Series M	12/12/07	Variable Rate	9/1/2043	29,050	-	-	-	29,050	-	29,050
2008 Series A	06/19/08	3.75% - 4.00%	2015 - 2017	27,475	-	-	(14,455)	13,020	-	13,020
2008 Series B	09/04/08	3.90% - 4.05%	2015 - 2016	4,645	-	(2,340)	(2,305)	-	-	-
2008 Series D	09/04/08	Variable Rate	9/1/2038	49,890	-	-	-	49,890	-	49,890
2008 Series E	12/17/08	4.125% - 4.55%	2015 - 2017	7,605	-	-	(4,185)	3,420	-	3,420
2009 Series A	09/24/09	2.80% - 5.05%	2015 - 2039	36,065	-	(830)	(855)	34,380	-	34,380
2009 Series B	10/08/09	2.50% - 4.75%	2015 - 2039	40,400	-	(970)	(685)	38,745	-	38,745
2009 Series C	10/27/09	2.35% - 4.55%	2015 - 2039	14,350	-	(345)	(290)	13,715	-	13,715
2010 Series A	06/09/10	3.95% - 4.45%	2018 - 2021	23,280	-	-	(830)	22,450	-	22,450
2011 Series A	05/05/11	2.00% - 5.375%	2015 - 2041	54,335	-	(1,105)	(4,645)	48,585	473	49,058
2011 Series B	05/05/11	3.25%	3/1/2036	20,000	-	-	-	20,000	(81)	19,919
2012 Series A	08/23/12	1.244% - 4.00%	2015 - 2025	30,390	-	(3,140)	(2,145)	25,105	302	25,407
2012 Series B	08/23/12	Variable Rate	9/1/2033	45,000	-	-	-	45,000	-	45,000
2014 Series A	02/20/14	0.40% - 4.30%	2015 - 2032	57,230	-	(1,485)	-	55,745	-	55,745
2014 Series B	02/20/14	0.50% - 3.25%	2015 - 2044	31,110	-	(1,405)	(2,795)	26,910	884	27,794
2014 Series C	09/25/14	0.15% - 4.00%	2015 - 2044	47,805	-	(1,910)	(1,020)	44,875	1,088	45,963
2014 Series D	09/25/14	0.60% - 4.00%	2016 - 2036	22,965	-	-	(1,305)	21,660	1,229	22,889
2014 Series E	09/25/14	0.70 - 4.478%	2015 - 2040	51,670	-	(1,550)	(2,195)	47,925	-	47,925
2014 Series F	09/25/14	Variable Rate	9/1/2044	25,000	-	-	(445)	24,555	-	24,555
2015 Series A	12/03/15	0.25% - 3.95%	2016 - 2045	-	24,235	(135)	-	24,100	482	24,582
2015 Series B	12/03/15	1.00% - 4.515%	2016 - 2041	-	67,190	(520)	-	66,670	-	66,670
Total				$ 1,556,455	$ 91,425	$ (31,650)	$ (177,675)	$ 1,438,555	$ 5,559	$ 1,444,114

(in thousands)

NOTE 7 DEBT SERVICE REQUIREMENTS

As of June 30, 2017, the required principal payments for bonds (including mandatory sinking fund payments and special and optional redemptions that occurred subsequent to June 30, 2017 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 5-year increments thereafter, were as follows:

Year Ended June 30,	Interest	Principal
2018	$ 38,108	$ 56,655
2019	38,412	42,945
2020	37,284	42,805
2021	35,999	36,420
2022	34,967	35,935
2023 - 2027	158,312	191,455
2028 - 2032	121,884	264,605
2033 - 2037	75,486	284,440
2038 - 2042	32,940	212,310
2043 - 2047	8,503	125,730
2048 - 2052	225	8,445
Total	$ 582,120	$ 1,301,745

The interest calculations on outstanding variable rate bonds in the amount of $242,585 are based on the variable rates in effect on June 30, 2017, 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. See Note 8 for information on interest rate exchange agreements (swaps) associated with the variable rate debt in the Fund.

As of June 30, 2016, the required principal payments for bonds (including mandatory sinking fund payments and special and optional redemptions that occurred subsequent to June 30, 2016 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 5-year increments thereafter were as follows:

Year Ended June 30,	Interest	Principal
2017	$ 50,601	$ 58,655
2018	48,666	75,115
2019	46,396	51,310
2020	44,527	50,030
2021	42,571	44,905
2022 - 2026	185,039	236,025
2027 - 2031	138,224	244,765
2032 - 2036	93,947	294,810
2037 - 2041	49,042	229,495
2042 - 2046	12,723	147,875
2047 - 2051	266	5,570
Total	$ 712,002	$ 1,438,555

(in thousands)

NOTE 7 DEBT SERVICE REQUIREMENTS (CONTINUED)

The interest calculations on outstanding variable rate bonds in the amount of $297,800 are based on the variable rates in effect on June 30, 2016, 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. See Note 8 for information on interest rate exchange agreements (swaps) associated with the variable rate debt in the Fund.

NOTE 8 INTEREST RATE EXCHANGE AGREEMENTS (SWAPS)

Objective of the Swaps

As a means to lower its borrowing costs, CDA issues variable rate bonds. In order to protect against the potential increases in interest rates, CDA has entered into pay-fixed, receive-variable interest rate swap agreements in connection with certain variable rate bond series. CDA anticipates that the net swap payments and interest payments on underlying bonds will be lower than what CDA would have paid if it had issued fixed rate debt at the time of the underlying bond issuances. All of CDA's swaps are intended to be cash flow hedges.

Terms and Fair Value

The terms, including the fair values of the outstanding swaps as of June 30, 2017 and 2016, are provided in the tables on the following pages. The counterparty credit ratings for all outstanding swaps as of June 30, 2017 and 2016 are listed under the Credit Risk section. For each of the outstanding swap agreements the variable rates are reset monthly, and it is the intent of CDA to match the maturity of the swaps with the maturity of the underlying bonds. The fair values are based on the market values and are affirmed by an independent advisor who used valuation methods and assumptions in accordance with accounting guidance issued by GASB.

As of June 30, 2017, the terms, including fair values of the outstanding swaps were:

Swap Counter-Party	Associated Bond Issue	Original Notional Amount	Outstanding Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received (1)	Fair Value	Swap Final Termination Date
The Bank of New York Mellon (BNYM)	2007 Series M	$26,990 (amended)	$8,435	10/8/2009 (amended)	4.335% (amended)	64% of LIBOR plus .22% (amended)	($144)	9/1/2043 (2)(3)(6)(7)(8)(9)
Merrill Lynch Derivative Products AG (MLDP)	2008 Series D	$50,000	$49,890	9/4/2008	3.6880%	64% of LIBOR plus .31%	($1,773)	9/1/2038 (3)(4)(5)(7)(9)

NOTE 8 INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (CONTINUED)

Notes to 2017 Table

(1) "LIBOR" means the 1 month London Interbank Offered Rate.

(2) CDA has the option to terminate a portion of this interest rate swap transaction without any termination payment up to the Maximum Optional Early Termination Amounts on each March 1 and September 1 until September 1, 2017. CDA has exercised its option to partially terminate the notional amount of this interest rate swap in the amount of $2,060 effective September 1, 2009, $1,515 effective March 1, 2010, $1,735 effective September 1, 2010, $1,700 effective March 1, 2011, $1,425 effective September 1, 2011, $1,185 effective March 1, 2012, $975 effective September 1, 2012, $790 effective March 1, 2013, $610 effective September 1, 2013, $470 effective March 1, 2014, $340 effective September 1, 2014, $235 effective March 1, 2015, $120 effective September 1, 2015 and $45 effective March 1, 2016. CDA has the option to terminate this interest rate swap transaction in whole or in part without any termination payment on September 1, 2017 and on each March 1 and September 1 thereafter (Optional Termination Dates). If the option is exercised in part, the applicable notional amounts shall be reduced pro rata.

(3) The outstanding notional amount reflects the amount that has been amortized as of March 1, 2017. On September 1, 2010, 2008 Series D had a scheduled amortization of the notional amount which corresponded to a scheduled mandatory sinking fund redemption of outstanding bonds on such date.

(4) CDA has the option to terminate this interest rate swap transaction in whole or in part without any termination payment on September 1, 2018 and on each March 1 and September 1 thereafter (Optional Par Termination Dates). If the option is exercised in part, the applicable notional amounts shall be reduced pro rata.

(5) On January 1, 2009, Bank of America Corporation acquired Merrill Lynch & Co., Inc. Notwithstanding this acquisition, Merrill Lynch Derivative Products AG remains in existence and continues as a swap provider on this swap agreement.

(6) On October 8, 2009, 2007 Series M bonds, with an outstanding balance of $29,050, were remarketed and the related swap agreement with an outstanding balance of $26,990 was amended effective October 8, 2009 (refer to note 2 above). The Bank of New York Mellon replaced UBS AG as counterparty to the agreement.

(7) On September 1, 2016, January 13, 2017 and April 28, 2017, CDA redeemed $1,615, $1,740 and $1,320, respectively, of 2008 Series D variable rate debt. This has created a mismatch between the notional amount of the swap and the 2008 Series D variable rate debt outstanding. The swap notional amounts of $1,615, $1,740 and $1,320 are being deemed terminated with respect to the 2008 Series D debt and integrated in the same amounts with an unhedged portion of 2007 Series M.

(8) Subsequent to June 30, 2017, CDA exercised its option and terminated this interest rate swap, in whole, effective September 1, 2017.

(9) Also, subsequent to June 30, 2017, CDA redeemed $960 of 2008 Series D variable rate debt on July 20, 2017. This has created a mismatch between the notional amount of the swap and the 2008 Series D variable rate debt outstanding. The swap notional amount of $960 is being deemed terminated with respect to the 2008 Series D debt and integrated in the same amount with an unhedged portion of 2007 Series M.

(in thousands)

NOTE 8 INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (CONTINUED)

As of June 30, 2016, the terms, including fair values of the outstanding swaps, were:

Swap Counter-Party	Associated Bond Issue	Original Notional Amount	Outstanding Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received (1)	Fair Value	Swap Final Termination Date
The Bank of New York Mellon (BNYM)	2006 Series G	$40,000	$40,000	5/24/2006	4.4030%	64% of LIBOR plus .29%	($757)	9/1/2040 (2)(12)(13)
JP Morgan Chase Bank, N.A. (JPM)	2006 Series J	$40,000	$10,000	7/13/2006	4.4030%	64% of LIBOR plus .29%	($189)	9/1/2040 (2)(6)(13)
Merrill Lynch Derivative Products AG (MLDP)	2007 Series F	$46,485 (amended)	$21,205	10/27/2009 (amended)	4.4300% (amended)	64% of LIBOR plus .22% (amended)	($769)	3/1/2026 (3)(5)(8)(11)
Merrill Lynch Derivative Products AG (MLDP)	2007 Series J	$58,680 (amended)	$28,100	9/1/2009 (amended)	4.8350% (amended)	64% of LIBOR plus .22% (amended)	($1,129)	9/1/2025 (3)(5)(8)(9)
The Bank of New York Mellon (BNYM)	2007 Series M	$26,990 (amended)	$9,100	10/8/2009 (amended)	4.3350% (amended)	64% of LIBOR plus .22% (amended)	($489)	9/1/2043 (4)(5)(10)
Merrill Lynch Derivative Products AG (MLDP)	2008 Series D	$50,000	$49,890	9/4/2008	3.6880%	64% of LIBOR plus .31%	($3,575)	9/1/2038 (5)(7)(8)(14)

NOTE 8 INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (CONTINUED)

Notes to 2016 Table

(1) "LIBOR" means the 1 month London Interbank Offered Rate.

(2) CDA has the option to terminate this interest rate swap transaction in whole or in part without any termination payment on March 1, 2016 and on each September 1 and March 1 thereafter (Optional Termination Dates). If the option is exercised in part, the applicable notional amounts shall be reduced pro rata.

(3) CDA has the option to terminate this interest rate swap transaction in whole or in part without any termination payment on March 1, 2017 and on each September 1 and March 1 thereafter (Optional Termination Dates). If the option is exercised in part, the applicable notional amounts shall be reduced pro rata.

(4) CDA has the option to terminate a portion of this interest rate swap transaction without any termination payment up to the Maximum Optional Early Termination Amounts on each March 1 and September 1 until September 1, 2017. CDA has exercised its option to partially terminate the notional amount of this interest rate swap in the amount of $2,060 effective September 1, 2009, $1,515 effective March 1, 2010, $1,735 effective September 1, 2010, $1,700 effective March 1, 2011, $1,425 effective September 1, 2011, $1,185 effective March 1, 2012, $975 effective September 1, 2012, $790 effective March 1, 2013, $610 effective September 1, 2013, $470 effective March 1, 2014, $340 effective September 1, 2014, $235 effective March 1, 2015, $120 effective September 1, 2015 and $45 effective March 1, 2016. CDA has the option to terminate this interest rate swap transaction in whole or in part without any termination payment on September 1, 2017 and on each March 1 and September 1 thereafter (Optional Termination Dates). If the option is exercised in part, the applicable notional amounts shall be reduced pro rata.

(5) The outstanding notional amount reflects the amount that has been amortized as of March 1, 2016. On September 1, 2010, 2008 Series D had a scheduled amortization of the notional amount which corresponded to a scheduled mandatory sinking fund redemption of outstanding bonds on such date.

(6) On May 14, 2009, all swap agreements with Bear Stearns Financial Products Inc. were assigned to JPMorgan Chase Bank, N.A. All terms and conditions of the contracts remain in force.

(7) CDA has the option to terminate this interest rate swap transaction in whole or in part without any termination payment on September 1, 2018 and on each March 1 and September 1 thereafter (Optional Par Termination Dates). If the option is exercised in part, the applicable notional amounts shall be reduced pro rata.

(8) On January 1, 2009, Bank of America Corporation acquired Merrill Lynch & Co., Inc. Notwithstanding this acquisition, Merrill Lynch Derivative Products AG remains in existence and continues as a swap provider on this swap agreement.

(9) On September 24, 2009, 2007 Series J bonds, with an outstanding balance of $58,680, were remarketed and the related swap agreement was amended effective September 1, 2009.

(10) On October 8, 2009, 2007 Series M bonds, with an outstanding balance of $29,050, were remarketed and the related swap agreement with an outstanding balance of $26,990 was amended effective October 8, 2009 (refer to note 4 above). The Bank of New York Mellon replaced UBS AG as counterparty to the agreement.

(11) On October 27, 2009, 2007 Series F bonds, with an outstanding balance of $46,485, were remarketed and the related swap agreement was amended effective October 27, 2009.

(12) The Bank of New York Mellon entered into a Novation Transaction dated April 10, 2014 whereby The Bank of New York Mellon replaced UBS AG as counterparty to the agreement. All terms and conditions of the contract remains in force.

(13) Subsequent to June 30, 2016, CDA exercised its option and terminated these interest rate swaps, in whole, effective September 1, 2016.

(14) Also, subsequent to June 30, 2016, CDA redeemed $1,615 of 2008 Series D variable rate debt on September 1, 2016. This has created a mismatch between the notional amount of the swap and the 2008 Series D variable rate debt outstanding. The swap notional amount of $1,615 is being deemed terminated with respect to the 2008 Series D debt and integrated in the same amount with an unhedged portion of 2007 Series M.

(in thousands)

NOTE 8 INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (CONTINUED)

Basis Risk

The swaps would expose CDA to basis risk should the relationship between the London Interbank Offered Rate and the Securities Industry and Financial Markets Association Rate converge. If a change occurs that results in the rates moving towards convergence, the expected cost savings may not be realized. In order to mitigate this risk, prior to the execution of the swap agreements, CDA and its independent financial advisor reviewed historical trading differentials between the Securities Industry and Financial Markets Association Rate and the London Interbank Offered Rate.

Credit Risk

Credit risk is the risk that a swap counterparty will not fulfill its obligations. The fair value of the swaps represented CDA's credit exposure to each counterparty as of June 30, 2017 and 2016. As of June 30, 2017, CDA was not exposed to credit risk under the swap agreements with MLDP or BNYM since the fair value of each counterparty's swap portfolio was negative. However, should the valuation of any of the individual swaps change, and the fair values turn positive, CDA may become exposed to credit risk in the amount of the swaps' fair values. To mitigate the potential for credit risk, the fair value of the swaps will be fully collateralized by the counterparties if a counterparty's credit quality falls below the designated credit rating thresholds. At June 30, 2016, CDA was not exposed to credit risk under the swap agreements with JPM, MLDP or BNYM since the swaps had negative fair values.

The credit rating details for each swap counterparty, including credit rating thresholds, and the total fair value amounts as of June 30, 2017 are summarized below:

Swap Counterparty	Outstanding Notional Amount	Current Credit Rating	Collateral Posting Credit Rating Threshold	Fair Value
The Bank of New York Mellon (BNYM)	$8,435	Aa1 from Moody's AA from Fitch	A1 or below from Moody's or A+ or below from Fitch	($144)
Merrill Lynch Derivative Products AG (MLDP)	$49,890	Aa3 from Moody's AA from Standard and Poor's	A1 or below from Moody's or A+ or below from Standard and Poor's or Fitch	($1,773)

NOTE 8 INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (CONTINUED)

The credit rating details for each swap counterparty, including credit rating thresholds, and the total fair value amounts as of June 30, 2016 are summarized below:

Swap Counterparty	Outstanding Notional Amount	Current Credit Rating	Collateral Posting Credit Rating Threshold	Fair Value
JP Morgan Chase Bank, N.A. (JPM)	$10,000	Aa2 from Moody's A+ from Standard and Poor's	A1 or below from Moody's or A+ or below from Standard and Poor's	($189)
Merrill Lynch Derivative Products AG (MLDP)	$99,195	Aa3 from Moody's AA- from Standard and Poor's	A1 or below from Moody's or A+ or below from Standard and Poor's or Fitch	($5,473)
The Bank of New York Mellon (BNYM)	$49,100	Aa1 from Moody's AA from Fitch	A1 or below from Moody's or A+ or below from Fitch	($1,246)

Termination Risk

Termination risk is the risk that, due to some event or exercise of a right, the swaps may terminate prior to the scheduled expiration which could result in a payment due from CDA. Furthermore, if a swap is terminated, the underlying variable rate bonds may be exposed to the rising variable interest rates.

According to the termination provisions of the swap agreements, CDA or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The counterparty can terminate the contract if the ratings on the related bonds fall below the credit rating thresholds. In addition, CDA has an option to terminate the swaps in part or in whole without any payment except for accrued interest on the respective Optional Termination Dates. Regardless of the above, CDA has a unilateral right to terminate swaps at any time upon adequate notification to the counterparty. If at the time of such termination a swap has a negative fair value, CDA would be liable to the counterparty for a payment equal to the swap's fair value along with any accrued interest.

Rollover Risk

CDA is exposed to rollover risk on the swap agreements if the agreement terminates prior to the maturity of the associated debt. CDA evaluates the range of reasonably expected repayment patterns for the financed assets to best match the swap schedule. Terminating an existing swap may enable CDA to enter a new swap or other financing mechanism that may be better tailored to the actual financed assets and repayment experience. It is the intent of CDA to match the maturity of the swaps with the maturity of the underlying bonds.

(in thousands)

NOTE 8 INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (CONTINUED)

Amortization Risk

Amortization risk is the risk that the actual redemption pattern of the bonds may differ from the swap schedule, producing a mismatch between the principal amount of the bonds outstanding and the outstanding notional amount of the swap. To address this risk, CDA has structured all swap transactions to provide for optional termination on the respective Optional Termination Dates and automatic incremental amortization of the swap notional amounts. Mortgage loan prepayments can also be directed to the variable rate series to match the outstanding notional swap amount to the outstanding amount of the underlying bonds.

Tax Risk

Tax risk is the risk that the value of tax exemption may decline through tax law changes and that variable interest rates would then rise toward taxable levels and the expected cost savings of the swaps may not be realized.

Counterparty Risk

Counterparty risk is the risk that a counterparty will fail to make required payments. In order to limit this type of risk, CDA diversifies its exposure across several counterparties.

Swap Payments and Associated Debt

As of June 30, 2017, the following table provides a summary of debt service requirements for hedged variable rate bonds and net swap payments for the next five years and in 5-year increments thereafter. The interest calculations are based on the variable rates in effect on June 30, 2017, and may not be indicative of the actual interest expense that will be incurred. As rates vary, variable rate bond interest payments and net swap payments will vary.

	Hedged Variable Rate Bonds			
Year Ending June 30,	Principal	Interest	Interest Rate Swaps, Net	Total
2018	$ 2,740	$ 516	$ 1,595	$ 4,851
2019	2,930	506	1,458	4,894
2020	1,230	487	1,373	3,090
2021	1,400	473	1,319	3,192
2022	1,590	460	1,258	3,308
2023 - 2027	8,895	2,050	5,297	16,242
2028 - 2032	9,920	1,625	3,674	15,219
2033 - 2037	12,280	1,109	1,863	15,252
2038 - 2042	4,230	623	216	5,069
2043 - 2047	13,110	176	15	13,301
Total	$ 58,325	$ 8,025	$ 18,068	$ 84,418

(in thousands)

NOTE 8 INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (CONTINUED)

As of June 30, 2016, the following table provides a summary of debt service requirements for hedged variable rate bonds and net swap payments for the next five years and in 5-year increments thereafter. The interest calculations are based on the variable rates in effect on June 30, 2016, and may not be indicative of the actual interest expense that will be incurred. As rates vary, variable rate bond interest payments and net swap payments will vary.

Year Ending June 30,	Hedged Variable Rate Bonds Principal	Hedged Variable Rate Bonds Interest	Interest Rate Swaps, Net	Total
2017	$ 7,445	$ 647	$ 5,715	$ 13,807
2018	1,935	679	5,278	7,892
2019	3,195	666	4,818	8,679
2020	1,350	656	4,437	6,443
2021	1,525	647	4,144	6,316
2022 - 2026	9,540	3,120	17,329	29,989
2027 - 2031	64,360	2,808	13,559	80,727
2032 - 2036	29,480	1,396	8,797	39,673
2037 - 2041	31,030	545	2,937	34,512
2042 - 2046	8,435	85	32	8,552
Total	$ 158,295	$ 11,249	$ 67,046	$ 236,590

Fair Values

The table below summarizes the total fair values for CDA's interest rate exchange agreements at June 30, 2016 and June 30, 2017, and the changes in fair values for the period ended June 30, 2017.

	Total Fair Value at June 30, 2016	Total Fair Value at June 30, 2017	Change in Fair Value for the Period
Interest Rate Exchange Agreements:			
Cash Flow Hedges	$ (6,908)	$ (1,917)	$ 4,991

In accordance with accounting guidance issued by GASB, the fair value balances of derivative instruments (interest rate exchange agreements) outstanding at June 30, 2017, classified by type, and the changes in fair value of such derivative instruments as presented on the financial statements for the period ended June 30, 2017, are as follows:

	Change in Fair Value Classification	Change in Fair Value Amount	Fair Value at June 30, 2017 Classification	Fair Value at June 30, 2017 Amount	Outstanding Notional Amount
Cash Flow Hedges:					
Pay Fixed Interest Rate Swaps	Deferred Outflow	$ 4,991	Debt	$ (1,917)	$ 58,325

(in thousands)

NOTE 8 INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (CONTINUED)

As of June 30, 2017, all of CDA's swaps meet the criteria for effectiveness and the swap fair values are classified as deferred outflow.

The table below summarizes the total fair values for CDA's interest rate exchange agreements at June 30, 2015 and June 30, 2016, and the changes in fair values for the period ended June 30, 2016.

	Total Fair Value at June 30, 2015	Total Fair Value at June 30, 2016	Change in Fair Value for the Period
Interest Rate Exchange Agreements:			
Cash Flow Hedges	$ (13,172)	$ (6,908)	$ 6,264

In accordance with accounting guidance issued by GASB, the fair value balances of derivative instruments (interest rate exchange agreements) outstanding at June 30, 2016, classified by type, and the changes in fair value of such derivative instruments as presented on the financial statements for the period ended June 30, 2016, are as follows:

	Change in Fair Value		Fair Value at June 30, 2016		Outstanding Notional
	Classification	Amount	Classification	Amount	Amount
Cash Flow Hedges:					
Pay Fixed Interest Rate Swaps	Deferred Outflow	$ 6,264	Debt	$ (6,908)	$ 158,295

At June 30, 2016, all of CDA's swaps met the criteria for effectiveness and the swap fair values are classified as deferred outflow.

The fair values of the interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on each future net settlement on the swaps.

NOTE 9 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.

(in thousands)

NOTE 9 BOND REFUNDINGS (CONTINUED)

For the year ended June 30, 2017, CDA issued 2016 Series A bonds on August 31, 2016 in the amount of $329,086 (amount includes a bond premium of $3,286). The 2016 Series A bonds refunded $321,619 of bonds, in full, on September 1, 2016. This includes a $329 bond premium paid on the 2007 Series A bonds. This economic refunding resulted in savings of approximately $23.7 million. The following table summarizes the bonds that were issued and refunded:

New Bonds Issued			Bonds Refunded	
Bonds Issued	Amount Issued	Amount Refunded	Bonds Refunded	Amount Refunded
2016 Series A	$ 329,086	$ 321,619	2006 Series K	$ 1,795
	(includes issue premium)		2006 Series L	$ 101,470
			2006 Series O	$ 1,185
			2006 Series P	$ 44,745
			2006 Series S	$ 12,530
			2007 Series A	$ 145,519
			2007 Series B	$ 14,375

Also for the year ended June 30, 2017, CDA issued 2017 Series A bonds on April 27, 2017 in the amount of $263,060. The 2017 Series A bonds refunded $255,060 of bonds, in full, on May 8, 2017. This economic refunding reduced CDA's exposure to variable rate debt and resulted in savings of approximately $25.6 million. The following table summarizes the bonds that were issued and refunded:

New Bonds Issued			Bonds Refunded	
Bonds Issued	Amount Issued	Amount Refunded	Bonds Refunded	Amount Refunded
2017 Series A	$ 263,060	$ 255,060	2007 Series D	$ 113,175
			2007 Series E	$ 29,710
			2007 Series F	$ 16,815
			2007 Series H	$ 41,070
			2007 Series I	$ 31,895
			2007 Series J	$ 22,395

(in thousands)

NOTE 9 BOND REFUNDINGS (CONTINUED)

For the year ended June 30, 2016, CDA issued $91,425 of 2015 Series A and B bonds on December 3, 2015. The 2015 Series B bonds refunded $33,190 of 2006 Series A and B bonds, in full, on January 4, 2016. This economic refunding resulted in savings of approximately $4.3 million. The following table summarizes the bonds that were issued and refunded:

New Bonds Issued			Bonds Refunded	
Bonds Issued	Amount Issued	Amount Refunded	Bonds Refunded	Amount Refunded
2015 Series A	$ 24,235	$ -		
2015 Series B	$ 67,190	$ 33,190	2006 Series A	$ 2,760
			2006 Series B	$ 30,430

In economic refundings, CDA defers the difference between the reacquisition price (i.e., the principal of the old debt, plus the call premium) and the net carrying amount of the old debt (i.e., the amount due at maturity, adjusted for any unamortized premium or discount related to the old debt). These deferrals would be reported as a deferred outflow or a deferred inflow of resources for the refunding of debt on the Statements of Net Position. This deferral would be amortized, using the effective interest method, over the remaining life of the old debt or the life of the new debt, whichever is shorter. During the 2017 fiscal year, CDA issued 2016 Series A and 2017 Series A refunding bonds. CDA had to defer refunding debt costs associated with the bonds being refunded. For 2016 Series A, CDA deferred $823, net, of unamortized bond premiums less bond premium paid at redemption for 2007 Series A. The $823 is being amortized over 276 months. For 2017 Series A, CDA deferred $26 of unamortized bond premium for 2007 Series D, which is being amortized over 244 months. For the 2016 fiscal year, CDA did not have to defer any refunding debt costs associated with the refunded bonds.

NOTE 10 REBATE LIABILITY

In accordance with the Internal Revenue Service Code (the Code), 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 Code. The Code 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, 2017 and 2016, CDA had no rebate liability to record for excess investment earnings in tax-exempt bond issues.

(in thousands)

NOTE 11 LONG-TERM OBLIGATIONS

Changes in long-term obligations for the years ended June 30, 2017 and 2016 were as follows:

	2017	2016
Bonds Payable:		
Beginning Balance at June 30,	$ 1,444,114	$ 1,563,163
Additions	592,146	91,913
Reductions	(725,999)	(209,325)
Change in Deferred Amounts for Issuance Discounts/Premiums	(2,067)	(1,637)
Ending Balance at June 30,	1,308,194	1,444,114
Less due Within One Year	(56,655)	(58,655)
Total Long-Term Bonds Payable	1,251,539	1,385,459
Deposits by Borrowers:		
Beginning Balance at June 30,	3,274	5,145
Additions	1,259	1,343
Reductions	(1,606)	(3,214)
Ending Balance at June 30,	2,927	3,274
Less due Within One Year	(1,543)	(1,440)
Total Long-Term Deposits by Borrowers	1,384	1,834
Interest Rate Swap Agreements:		
Beginning Balance at June 30,	6,908	13,172
Additions	-	-
Reductions	(4,991)	(6,264)
Ending Balance at June 30,	1,917	6,908
Total Long-Term Interest Rate Swap Agreements	1,917	6,908
Total Long-Term Liabilities	$ 1,254,840	$ 1,394,201

NOTE 12 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, 2017 and 2016, the Fund transferred the following amounts, as permitted, among Funds:

	2017	2016
Excess Revenue Transferred to the General Bond Reserve Fund	$ (20,000)	$ (8,500)

NOTE 13 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 a single family loan insured by an agency of the U.S. Government, the primary mortgage insurance covers an amount substantially equal to the unpaid principal amount of the loan. Almost all other loans have primary mortgage insurance in an amount that is at least 25% of the loan amount. Approximately 3% of all 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. About 42% of all loans are insured by agencies of the U.S. Government in an amount substantially equal to the unpaid principal amount of the loan. Approximately 55% of total loans are insured by private mortgage insurers or MHF. Approximately 91% of the total loans insured by private mortgage insurers or MHF are covered at 35% of the loan amount. MHF also provides 25% coverage on 4% of the loan amount. The remaining 5% of this group of loans is insured by two different private mortgage insurers who, due to financial constraints or receivership, are currently paying to CDA approximately three quarters of the 35% or 25% of the loan amount. An allowance for loan losses has been established for loans insured by private mortgage insurers. Premiums are paid by single family mortgagors.

NOTE 14 PENSION AND OTHER POST-RETIREMENT 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 post-employment 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.state.md.us.

(in thousands)

NOTE 15 SUBSEQUENT EVENTS

CDA has identified the following activity that occurred subsequent to June 30, 2017.

Subsequent to the year ended June 30, 2017, the following bond activity took place:

On July 20, 2017, CDA redeemed the following bonds.

2006 Series G	$	645
2006 Series I	$	7,160
2008 Series D	$	960
2010 Series A	$	190
2011 Series A	$	110
2014 Series B	$	1,315
2014 Series C	$	450
2014 Series D	$	580

On August 22, 2017, CDA redeemed the following bonds.

2014 Series E	$	600
2015 Series B	$	650
2016 Series A	$	3,085
2017 Series A	$	2,330

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
SUPPLEMENTAL DISCLOSURE OF CHANGES IN FAIR VALUE OF INVESTMENTS AND MORTGAGE-BACKED SECURITIES
(in thousands)
JUNE 30, 2017 AND 2016

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 (obligations of U.S. Government Agencies) held by the Fund as of June 30, 2017, 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

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
SUPPLEMENTAL DISCLOSURE OF CHANGES IN FAIR VALUE OF INVESTMENTS AND MORTGAGE-BACKED SECURITIES
(in thousands)
JUNE 30, 2017 AND 2016

For mortgage-backed securities held by the Fund as of June 30, 2017, 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

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS

Unaudited Interim Financial Statements
For the nine month period ended
March 31, 2018

Community Development Administration
Residential Revenue Bonds

Statements of Net Position
(in thousands)

As of March 31, 2018 and June 30, 2017

	3/31/2018 (Unaudited)	6/30/2017 (Audited)
Restricted assets		
Restricted current assets		
Cash and cash equivalents on deposit	$ 214,629	$ 344,255
Investments	34,916	-
Mortgage-backed securities	14,241	10,612
Single family mortgage loans	27,290	30,008
Multi-family mortgage loans	1,094	1,103
Accrued interest and other receivables	16,955	17,177
Claims receivable on foreclosed and other loans, net of allowance	28,116	40,163
Real estate owned	7,675	8,235
Total restricted current assets	344,916	451,553
Restricted long-term assets		
Investments, net of current portion	46,934	11,579
Mortgage-backed securities, net of current portion	233,581	184,834
Single family mortgage loans, net of current portion and allowance	883,187	967,305
Multi-family mortgage loans, net of current portion	11,278	12,246
Total restricted long-term assets	1,174,980	1,175,964
Total restricted assets	1,519,896	1,627,517
Deferred outflow of resources		
Deferred outflow of fair value on interest rate swap agreements	423	1,917
Total deferred outflow of resources	423	1,917
Total restricted assets and deferred outflow of resources	$ 1,520,319	$ 1,629,434

(continued)

Community Development Administration
Residential Revenue Bonds

Statements of Net Position - continued
(in thousands)

As of March 31, 2018 and June 30, 2017

	3/31/2018 (Unaudited)	6/30/2017 (Audited)
Liabilities		
Current liabilities		
Accrued interest payable	$ 3,264	$ 12,290
Accounts payable	3,247	2,647
Bonds payable	80,320	56,655
Deposits by borrowers	891	1,543
Total current liabilities	87,722	73,135
Long-term liabilities		
Bonds payable, net of current portion	1,132,214	1,251,539
Deposits by borrowers, net of current portion	1,992	1,384
Interest rate swap agreements	423	1,917
Total long-term liabilities	1,134,629	1,254,840
Total liabilities	1,222,351	1,327,975
Deferred inflow of resources		
Deferred inflow on refunding of bond debt	856	918
Total deferred inflow of resources	856	918
Net position		
Restricted	297,112	300,541
Total liabilities, deferred inflow of resources and net position	$ 1,520,319	$ 1,629,434

See accompanying notes.

Community Development Administration
Residential Revenue Bonds

Statements of Revenue, Expenses and Changes in Net Position

(in thousands)

For the nine months ended March 31, 2018 and March 31, 2017

	3/31/2018 (Unaudited)	3/31/2017 (Unaudited)
Operating revenue		
Interest on mortgage loans	$ 40,337	$ 46,659
Interest on mortgage-backed securities	4,757	3,292
Increase (decrease) in fair value of mortgage-backed securities	2	(13)
Realized gains on sale of mortgage-backed securities	12,419	13,443
Interest income on investments, net of rebate	3,028	1,298
Decrease in fair value of investments	(697)	(715)
Gain on early retirement of debt	750	432
Other operating revenue	65	11
Total operating revenue	60,661	64,407
Operating expenses		
Interest expense on bonds	30,091	37,626
Professional fees and other operating expenses	9,653	8,238
Increase in provision for loan losses	2,075	3,328
Losses and expenses on real estate owned, net	2,423	1,750
Loss on foreclosure claims and other loan losses, net	6,890	361
Bond issuance costs	-	2,525
Total operating expenses	51,132	53,828
Operating income	9,529	10,579
Nonoperating revenue		
Decrease in fair value of mortgage-backed securities	(2,958)	(4,258)
Transfers of funds as permitted by the Resolution	(10,000)	-
Change in net position	(3,429)	6,321
Net position - restricted at beginning of period	300,541	312,438
Net position - restricted at end of period	$ 297,112	$ 318,759

See accompanying notes.

Community Development Administration
Residential Revenue Bonds

Statements of Cash Flows

(in thousands)

For the nine months ended March 31, 2018 and March 31, 2017

	3/31/2018 (Unaudited)	3/31/2017 (Unaudited)
Cash flows from operating activities		
Principal and interest received on mortgage loans	$ 104,969	$ 125,227
Principal and interest received on mortgage-backed securities	14,390	12,886
Escrow funds received on multi-family loans	912	951
Escrow funds paid on multi-family loans	(956)	(1,425)
Mortgage insurance claims and other loan proceeds received	41,346	42,640
Foreclosure expenses paid	(6,318)	(2,677)
Purchase of mortgage loans	(8,112)	(9,584)
Purchase of mortgage-backed securities	(299,927)	(340,461)
Funds received from sale of mortgage-backed securities	247,194	284,722
Professional fees and other operating expenses	(9,620)	(8,050)
Other operating revenues	65	11
Other reimbursements	(1,153)	(2,435)
Net cash from operating activities	82,790	101,805
Cash flows from investing activities		
Proceeds from maturities or sales of investments	-	14,628
Purchases of investments	(70,962)	-
Interest received on investments	2,729	1,619
Net cash from investing activities	(68,233)	16,247
Cash flows from noncapital financing activities		
Proceeds from sale of bonds	-	329,086
Payments on bond principal	(94,840)	(424,699)
Bond issuance costs	(93)	(2,525)
Interest on bonds	(39,250)	(53,031)
Transfers among funds	(10,000)	-
Net cash from noncapital financing activities	(144,183)	(151,169)
Net decrease in cash and cash equivalents on deposit	(129,626)	(33,117)
Cash and cash equivalents on deposit at beginning of period	344,255	394,526
Cash and cash equivalents on deposit at end of period	$ 214,629	$ 361,409

(continued)

Community Development Administration
Residential Revenue Bonds

Statements of Cash Flows - continued
(in thousands)

For the nine months ended March 31, 2018 and March 31, 2017

	3/31/2018 (Unaudited)	3/31/2017 (Unaudited)
Reconciliation of operating income to net cash from operating activities		
Operating income	$ 9,529	$ 10,579
Adjustments to reconcile operating income to net cash from operating activities		
Amortization of investment discounts and premiums	(6)	83
Amortization of bond original issue discounts and premiums	(132)	(160)
Increase in provision for loan losses	2,075	3,328
(Increase) decrease in fair value of mortgage-backed securities	(2)	13
Decrease in fair value of investments	697	715
Gain on early retirement of debt	(750)	(432)
Bond issuance costs	93	2,525
Interest received on investments	(2,729)	(1,619)
Interest on bonds	39,250	53,031
Decrease (increase) in assets		
Mortgage loans	88,993	100,135
Mortgage-backed securities	(55,332)	(59,423)
Accrued interest and other receivables	222	(1,120)
Claims receivables on foreclosed and other loans	8,792	3,015
Real estate owned	560	6,835
(Decrease) increase in liabilities		
Accrued interest payable	(9,026)	(15,245)
Accounts payable	600	19
Deposits by borrowers	(44)	(474)
Net cash from operating activities	$ 82,790	$ 101,805

See accompanying notes.

Community Development Administration
Residential Revenue Bonds

Notes to Unaudited Interim Financial Statements
(in thousands)

March 31, 2018

1. Basis of Presentation:

In the opinion of management, the accompanying interim financial statements of the Community Development Administration (CDA) Residential Revenue Bonds present fairly the financial position at March 31, 2018 and the results of its operations for the nine months ended March 31, 2018 and March 31, 2017. These interim financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial position and results of operations. The March 31, 2018 financial statements are unaudited, and certain information and footnote disclosures normally included in the annual financial statements have been omitted. Readers of these statements should refer to the financial statements and notes thereto as of June 30, 2017 and for the year then ended, which have been included elsewhere in this disclosure. The results of operations presented in the accompanying financial statements are not necessarily representative of operations for the entire year.

2. Investments and Mortgage-backed Securities:

In accordance with GASB 31, CDA reflects investments and mortgage-backed securities at fair value.

Investments

As of March 31, 2018, the fair value of investments was $81,850 of which $80,420 was the cost of these investments and $1,430 was the cumulative increase in fair value. For the nine months ended March 31, 2018, the fair value of investments decreased $697.

Mortgage-backed Securities

As of March 31, 2018, the fair value of mortgage-backed securities was $247,822 of which $250,546 was the cost of these mortgage-backed securities and $2,724 was the cumulative decrease in fair value. For the nine months ended March 31, 2018, the fair value of mortgage-backed securities decreased $2,956. Realized gains from the sale of mortgage-backed securities for the nine months ended March 31, 2018 was $12,419.

3. Mortgage Loans:

During the nine months ended March 31, 2018, CDA purchased single family loans in the amount of $8,112 and mortgage-backed securities in the amount of $299,927.

4. Bonds Payable:

On July 20, 2017 and August 22, 2017, CDA redeemed, prior to maturity, $11,410 and $6,665, respectively, of Residential Revenue Bonds and realized gains of $138 and $136, respectively.

On December 4, 2017 and December 18, 2017, CDA redeemed, prior to maturity, $11,560 and $17,015, respectively, of Residential Revenue Bonds and realized gains of $275 and $201, respectively.

On January 12, 2018, CDA redeemed, prior to maturity, $16,285 of Residential Revenue Bonds. No gains or losses were realized or incurred.

(in thousands)

5. Interest Rate Swap Agreements:

As a means to lower its borrowing costs, CDA issues variable rate bonds. In order to protect against potential increases in interest rates, CDA has entered into pay-fixed, receive-variable interest rate swap agreements. CDA anticipates that the net swap payments and interest payments on underlying bonds will be lower than what CDA would have paid if it had issued fixed rate debt at the time of the underlying bond issuances. All of CDA's swaps are intended to be cash flow hedges.

On September 1, 2017 CDA exercised its option and terminated in whole the interest rate swap with the Bank of New York Mellon.

The terms, including the fair value of the outstanding swap as of March 31, 2018, are provided in the table below. For the outstanding swap agreement the variable rates are reset monthly, and it is the intent of CDA to match the maturity of the swaps with the maturity of the underlying bonds. The fair value is based on the market values and is affirmed by an independent advisor who uses valuation methods and assumptions in accordance with GASB Statement No. 53.

Swap Counter-party	Associated Bond Issue	Original Notional Amount	Outstanding Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received (1)	Fair Value	Swap Final Termination Date
Merrill Lynch Derivative Products AG (MLDP)	2008 Series D	$50,000	$47,890	9/4/2008	3.6880%	64% of LIBOR plus .31%	(423)*	9/1/2038 (2)(3)(4)(5)

* The Fair Value of the Swap as of March 31, 2018 is presented differently due to a change in management's estimate of the present value of the swap and expected future benefits and obligations associated with it.

Notes to Table

(1) "LIBOR" means the 1 month London Interbank Offered Rate.

(2) The outstanding notional amount reflects the amount that has been amortized as of March 31, 2018. On September 1, 2010, 2008 Series D had a scheduled amortization of the notional amount which corresponded to a scheduled mandatory sinking fund redemption of outstanding bonds on such date.

(3) CDA has the option to terminate this interest rate swap transaction in whole or in part without any termination payment on September 1, 2018 and on each March 1 and September 1 thereafter (Optional Par Termination Dates). If the option is exercised in part, the applicable notional amounts shall be reduced pro rata.

(4) On January 1, 2009, Bank of America Corporation acquired Merrill Lynch & Co., Inc. Notwithstanding this acquisition, Merrill Lynch Derivative Products AG remains in existence and continues as a swap provider on this swap agreement.

(5) On September 1, 2016, January 13, 2017, April 28, 2017 and July 20, 2017, CDA redeemed $1,615, $1,740, $1,320 and $960, respectively, of 2008 Series D variable rate debt. This has created a mismatch between the notional amount of the swap and the 2008 Series D variable rate debt outstanding. The swap notional amounts of $1,615, $1,740, $1,320 and $960 are being deemed terminated with respect to the 2008 Series D debt and integrated in the same amounts with an unhedged portion of 2007 Series M. Please note that although the swap for 2007 Series M has been terminated, 2007 Series M has outstanding debt totaling $29,050.

(in thousands)

5. Interest Rate Swap Agreements continued:

The table below summarizes the total fair values for CDA's interest rate swap agreements at June 30, 2017 and March 31, 2018, and the changes in fair values for the period ending March 31, 2018.

	Total Fair Value at June 30, 2017	Total Fair Value at March 31, 2018	Change in Fair Value for the Period
Interest Rate Swap Agreements:			
Cash Flow Hedges	$ (1,917)	(423)*	$ 1,494

In accordance with GASB 53, the fair value balance of a derivative (interest rate swap agreement) outstanding at March 31, 2018, classified by type, and the changes in fair value of such derivative instruments as presented on the financial statements for the period ending March 31, 2018, are as follows:

	Change in Fair Value		Fair Value at March 31, 2018		Outstanding Notional
	Classification	Amount	Classification	Amount	Amounts
Cash Flow Hedges:					
Pay fixed interest rate swaps	Deferred Outflow	$ 1,494	Debt	(423)*	$ 47,890

As of March 31, 2018, the outstanding interest rate swap meets the criteria for effectiveness and the swap fair value is classified as deferred outflow.

The fair values of the interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on each future net settlement on the swaps.

CDA was not exposed to credit risk to Merrill Lynch Derivative Products AG since the total fair value for this counterparty was negative as of March 31, 2018.

The credit ratings for the swap counterparty, as of March 31, 2018, were:

Swap Counterparty	Moody's Investors Service	Standard and Poor's	Fitch Ratings
Merrill Lynch Derivative Products AG	Aa3	AA	----

For further description of risks and other information related to swaps, refer to the June 30, 2017 audited financial statements.

6. Subsequent Events:

On May 24, 2018 and June 18, 2018, CDA redeemed, prior to maturity, $19,925 and $19,865, respectively, of Residential Revenue Bonds.

APPENDIX I

MARYLAND HOUSING FUND

FINANCIAL STATEMENTS

MARYLAND HOUSING FUND

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

MARYLAND HOUSING FUND
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YEARS ENDED JUNE 30, 2017 AND 2016

CliftonLarsonAllen

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial 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, 2017 and 2016, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MHF as of June 30, 2017 and 2016, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A member of Nexia International

Other Matters

Financial Statement Presentation

As discussed in Note 1, the financial statements present only 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, 2017, 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.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not 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
October 13, 2017

MARYLAND HOUSING FUND
STATEMENTS OF NET POSITION
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Unrestricted Current Assets:		
Deposit with State Treasurer:		
Operating Account	$ 1,017,818	$ 1,190,605
Loans and Interest Receivable, Net of Allowance for Loans and Related Losses	-	53,601
Acquired Property	66,580	66,580
Other	981,069	765,742
Total Unrestricted Current Assets	2,065,467	2,076,528
Restricted Current Assets:		
Deposit with State Treasurer:		
Reserve Accounts	82,030,726	82,068,311
Total Restricted Current Assets	82,030,726	82,068,311
Total Current Assets	84,096,193	84,144,839
NONCURRENT ASSETS		
Investment Held for Borrower	2,173,189	2,244,344
Loans and Interest Receivable, Net of Allowance for Loans and Related Losses and Current Portion	-	247,178
Total Noncurrent Assets	2,173,189	2,491,522
Total Assets	$ 86,269,382	$ 86,636,361

See accompanying Notes to Financial Statements

MARYLAND HOUSING FUND
STATEMENTS OF NET POSITION
JUNE 30, 2017 AND 2016
(Continued)

	2017	2016
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	$ 250,641	$ 261,031
Accrued Compensated Absences	52,101	14,647
Accrued Workers' Compensation	300	310
Investment Held for Borrower	290,334	325,231
Security Deposits Payable	2,468	-
Unearned Premiums	494,740	848,168
Unearned Fees	207,505	-
Allowance for Unpaid Insurance Losses	94,768	2,034,900
Total Current Liabilities	1,392,857	3,484,287
NONCURRENT LIABILITIES		
Accrued Compensated Absences, Net of Current Portion	23,454	91,532
Accrued Workers' Compensation, Net of Current Portion	1,700	1,690
Investment Held for Borrower, Net of Current Portion	2,173,189	2,244,344
Allowance for Unpaid Insurance Losses, Net of Current Portion	10,644,928	9,765,313
Total Noncurrent Liabilities	12,843,271	12,102,879
Total Liabilities	14,236,128	15,587,166
NET POSITION		
Restricted Net Position:		
Multi-Family Reserve	44,698,739	44,698,739
Single Family Regular Reserve	15,126,302	15,654,671
Revitalization (Pilot) Reserve	2,185,258	2,185,258
General Reserve	10,093,422	8,593,422
Unallocated Reserve	9,651,706	10,943,319
Total Restricted Net Position	81,755,427	82,075,409
Unrestricted Accumulated Deficit	(9,722,173)	(11,026,214)
Total Net Position	72,033,254	71,049,195
Total Liabilities and Net Position	$ 86,269,382	$ 86,636,361

See accompanying Notes to Financial Statements

MARYLAND HOUSING FUND
STATEMENTS OF REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
OPERATING REVENUES		
Net Premiums	$ 1,256,095	$ 1,619,328
Interest Income on Reserves	1,151,706	943,319
Interest Income on Loans	527,507	530,403
Other Income	219,605	67,685
Total Operating Revenues	3,154,913	3,160,735
OPERATING EXPENSES		
General and Administrative	906,834	1,787,938
Direct Losses on Claims	613,276	1,295,671
Provision (Benefit) for Insurance and Loan Losses	(292,575)	288,456
Total Operating Expenses	1,227,535	3,372,065
Operating Income (Loss) before Transfers	1,927,378	(211,330)
Transfer of Funds	(943,319)	(868,580)
CHANGE IN NET POSITION	984,059	(1,079,910)
Net Position - Beginning of Year	71,049,195	72,129,105
NET POSITION - END OF YEAR	$ 72,033,254	$ 71,049,195

See accompanying Notes to Financial Statements

MARYLAND HOUSING FUND
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Premiums, Net	$ 1,053,119	$ 1,215,348
Receipts from Loans	820,082	241,947
Receipts from Mortgage Escrows	(106,052)	248,724
Payments for Mortgage Escrows	71,155	(217,168)
Receipts from Security Deposits	2,468	-
Receipts from Miscellaneous Fees	362,110	67,685
Payments for General and Administrative Expenses	(2,008,365)	(1,750,373)
Sale Proceeds from Acquired Property	-	27,586
Payments for Claims	(613,276)	(1,295,671)
Receipts from Interest Earned on Reserves	1,151,706	943,319
Transfer to State Funded Programs	(943,319)	(868,580)
Net Cash Used by Operating Activities	(210,372)	(1,387,183)
NET DECREASE IN CASH	(210,372)	(1,387,183)
Deposit with State Treasurer, Balance - Beginning of Year	83,258,916	84,646,099
DEPOSIT WITH STATE TREASURER, BALANCE - END OF YEAR	$ 83,048,544	$ 83,258,916
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH USED BY OPERATING ACTIVITIES		
Change in Net Position	$ 1,927,378	$ (211,330)
Adjustments to Reconcile Change in Net Position to Net Cash Used by Operating Activities:		
Transfer to State Funded Programs	(943,319)	(868,580)
Effects of Changes in Operating Assets and Liabilities:		
Loans and Interest Receivable	344,074	(126,946)
Acquired Property	-	27,586
Investments and Other Assets	(99,897)	31,556
Due from DHCD	(193,622)	(271,045)
Accounts Payable and Other Accrued Liabilities	(41,014)	139,395
Security Deposits Payable	2,468	-
Allowance for Unpaid Insurance Losses	(1,060,517)	(101,830)
Unearned Premiums	(353,428)	(5,989)
Unearned Fees	207,505	-
Net Cash Used by Operating Activities	$ (210,372)	$ (1,387,183)

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), and to provide primary insurance for Single Family mortgage 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 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 unit within the division of Housing Credit Assurance of the Department of Housing and Community Development (DHCD).

MHF maintains five restricted insurance reserves, which are separate from MHF's operating funds. Four of the reserves cover specific categories of insurance; the Multi-Family Reserve, the Single Family Regular Program Reserve, the Revitalization (PILOT) Reserve, and the General Reserve. The investment earnings on each of the four specific reserves are credited to a fifth reserve, the Unallocated Reserve, which may be used to pay claims on all categories of claims or for any other purpose consistent with the contractual obligations with the Administration's bondholders. In 2008, Legislation was passed under Senate Bill 983 requiring MHF to transfer from the Unallocated Account to DHCD's State Funded Revolving Housing Loan Programs all amounts in excess of $10,000,000 at the end of each fiscal year. These transfers can be found in Note 8 on page 18 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 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 funded by CDA and the Housing Opportunities Commission of Montgomery County.

- Risk-Share Program insures both construction and permanent mortgages financed with CDA bonds 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 would be responsible for reimbursement to FHA of up to 50% of such claim. As a Level II participant under the FHA Risk-Sharing Program, CDA would be responsible for reimbursement to FHA of up to 25% of such claim. MHF would reimburse 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 in 1997.

- MHF Demonstration 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 issued under the Bond Resolution (the "Short Term Bonds"). 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 the Bond Resolution. 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 (i) MHF's Unallocated Reserve and (ii) any excess revenue available under the Bond Resolution. The aggregate amount of outstanding indebtedness to be insured under the MHF Demonstration Program may not exceed $10 million from the MHF Unallocated Reserve plus any excess revenue available under the Bond Resolution at any given time.

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 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 through CDA bonds with primary coverage of only 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 in the mortgage, which will require no additional outlay of cash for closing, while lowering the monthly mortgage payment. MHF no longer issues new insurance under this program.

- Reinsurance Program commenced in 2011 and consists of mortgages that CDA originated between 2005 and 2010 which had only 35% mortgage insurance. Under the program, CDA pays a monthly premium for MHF to insure 50% of any losses incurred by CDA on the uninsured 65% up to $12.5 million. The program terminates on the earliest date of either when MHF has reached $12.5 million in net losses or December 31, 2020. All claims are paid from the Single Family Regular Reserve. The program terminated in May 2014 when MHF had paid $12.5 million in net losses.

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

- Pilot Programs 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.

- 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)

General Reserve

- Small single family programs provide 35% insurance coverage on CDA single family mortgages as an incentive to refinance or restructure loans for Maryland borrowers with an existing loan, MHF continues to maintain active mortgages but no longer issues new commitments under these programs.

- 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. The first loan insured under this program originated during 2017.

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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Acquired Property

Property acquired as a result of claims settled is carried at the principal claim cost, less management's estimate of expenses and losses related to the maintenance and sale of the property, which management believes approximates fair value less costs to sell. As of June 30, 2017 and 2016, acquired property consisted of Single Family properties of $66,580.

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 and current economic conditions 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.

Premium Income Recognition

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Comprehensive Annual Financial Report.

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, 2017 and 2016 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.

	2017	2016
Investment held for Borrower (Obligations of U.S. Government Agencies)	$ 2,173,189	$ 2,244,344

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, 2017:

- Investments held for Borrower, consisting of a U.S. government treasury zero-coupon bond of $2,173,189 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. Mortgage loans, notes receivable and interest receivable were as follows for the years ended June 30:

	2017	2016
Multi-Family	$ 7,573,639	$ 7,600,499
Single Family	156,534	156,534
Other	13,950	-
Interest Receivable on Loans	10,592,208	10,112,134
	18,336,331	17,869,167
Allowance for Possible Losses on Multi-Family Loans	(7,573,639)	(7,299,720)
Allowance for Possible Losses on Single Family Loans	(156,534)	(156,534)
Allowance for Possible Losses on Other	(13,950)	-
Allowance for Possible Losses on Interest Receivable	(10,592,208)	(10,112,134)
Total Allowance for Possible Losses	(18,336,331)	(17,568,388)
Loans and Interest Receivable, Net of Allowance for Loans and Related Losses	$ -	$ 300,779
Current Portion, Net of Allowance	$ -	$ 53,601
Noncurrent Portion, Net of Allowance	-	247,178
Loans and Interest Receivable, Net of Allowance for Loans and Related Losses	$ -	$ 300,779

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

	2017	2016
Balance - Beginning of Year	$ 17,568,388	$ 17,048,831
Increase in Provision	767,943	519,557
Balance - End of Year	$ 18,336,331	$ 17,568,388

NOTE 5 UNEARNED PREMIUMS

The unearned premiums for the unexpired terms of all policies in force or written as of June 30, 2017 and 2016, and the changes for the years then ended were as follows:

	2017			
	Unearned Premiums at Beginning of Year	Premiums Written	Premiums Earned	Unearned Premiums at End of Year
Multi-Family Programs:				
Construction and Permanent Mortgages	$ 626,837	$ 704,771	$ 934,764	$ 396,844
SHOP Loans	25,351	42,237	42,445	25,143
Total Multi-Family Programs	652,188	747,008	977,209	421,987
Single Family Programs:				
Single Family Regular:				
Primary	89,606	155,568	172,425	72,749
Reinsurance	-	-	-	-
Revitalization (Pilot)	376	-	376	-
Community Development Administration Under Multi-Family Reserve	105,998	91	106,085	4
General	-	-	-	-
Total Single Family Programs	195,980	155,659	278,886	72,753
Total for the Year Ended June 30, 2016	$ 848,168	$ 902,667	$ 1,256,095	$ 494,740

	2016			
	Unearned Premiums at Beginning of Year	Premiums Written	Premiums Earned	Unearned Premiums at End of Year
Multi-Family Programs:				
Construction and Permanent Mortgages	$ 731,709	$ 1,439,724	$ 1,544,596	$ 626,837
SHOP Loans	32,230	44,018	50,897	25,351
Total Multi-Family Programs	763,939	1,483,742	1,595,493	652,188
Single Family Programs:				
Single Family Regular:				
Primary	89,606	-	-	89,606
Reinsurance	-	-	-	-
Revitalization (Pilot)	376	-	-	376
Community Development Administration Under Multi-Family Reserve	236	129,597	23,835	105,998
General	-	-	-	-
Total Single Family Programs	90,218	129,597	23,835	195,980
Total for the Year Ended June 30, 2015	$ 854,157	$ 1,613,339	$ 1,619,328	$ 848,168

NOTE 6 NONCURRENT OBLIGATIONS

Changes in noncurrent obligations for the years ended June 30, 2017 and 2016 were as follows:

	2017				
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Compensated Absences	$ 106,179	$ 49,897	$ (80,521)	$ 75,555	$ 52,101
Workers' Compensation	3,000	-	-	2,000	300
Investment Held for Borrower	2,569,575	105,295	(211,347)	2,463,523	290,334
Allowance for Unpaid Insurance Losses	11,800,213	125,088	(1,185,605)	10,739,696	94,767
Total for the Year Ended June 30, 2017	$ 14,478,967	$ 280,280	$ (1,477,473)	$ 13,280,774	$ 437,502

	2016				
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Compensated Absences	$ 123,169	$ 72,136	$ (89,126)	$ 106,179	$ 14,647
Workers' Compensation	3,000	-	-	3,000	310
Investment Held for Borrower	2,320,851	248,724	-	2,569,575	325,231
Allowance for Unpaid Insurance Losses	11,902,043	831,943	(933,773)	11,800,213	2,034,900
Total for the Year Ended June 30, 2016	$ 14,349,063	$ 1,152,803	$ (1,022,899)	$ 14,478,967	$ 2,375,088

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, 2017, MHF had no Multi-Family loans in default. As a result, MHF provides only limited loss reserves on the Multi-Family portfolio.

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.

NOTE 7 ALLOWANCE FOR UNPAID INSURANCE LOSSES (CONTINUED)

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, 2017 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 at June 30, 2015	$ 7,520,713	$ 4,381,330	$ -	$ 11,902,043
Increase (Decrease) in Provision	813,824	(915,654)	-	(101,830)
Balance at June 30, 2016	8,334,537	3,465,676	-	11,800,213
Increase (Decrease) in Provision	(996,684)	(106,333)	42,500	(1,060,517)
Balance at June 30, 2017	$ 7,337,853	$ 3,359,343	$ 42,500	$ 10,739,696

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	General Reserve	Unallocated Reserve	Unrestricted Accumulated Deficit	Total
BALANCE AT JUNE 30, 2015	$ 44,698,739	$ 16,998,460	$ 2,185,258	$ 8,593,422	$ 10,868,580	$ (11,215,354)	$ 72,129,105
Interest Income Allocated at the Discretion of DHCD Secretary	-	-	-	-	943,319	(943,319)	-
Transfers Out to State Funded Loan Program	-	-	-	-	(868,580)	-	(868,580)
Change in Net Position	-	(1,343,789)	-	-	-	1,132,459	(211,330)
BALANCE AT JUNE 30, 2016	44,698,739	15,654,671	2,185,258	8,593,422	10,943,319	(11,026,214)	71,049,195
Interest Income Allocated at the Discretion of DHCD Secretary	-	-	-	-	1,151,706	(1,151,706)	-
Transfers Out to State Funded Loan Program	-	-	-	1,500,000	(2,443,319)	-	(943,319)
Change in Net Position	-	(528,369)	-	-	-	2,455,747	1,927,378
BALANCE AT JUNE 30, 2017	$ 44,698,739	$ 15,126,302	$ 2,185,258	$ 10,093,422	$ 9,651,706	$ (9,722,173)	$ 72,033,254

NOTE 9 COMMITMENTS AND CONTINGENCIES

Multi-Family Mortgages

MHF insured mortgage loans as of June 30, 2017, net of partial claim payments, were as follows:

	Number	Balances
CDA Construction and Permanent Mortgages	71	$ 144,524,814
Loans Financed by the Housing Opportunities Commission of Montgomery County	2	2,881,479
CDA SHOP Loans	149	15,890,368
CDA Single Family Loans Under Multi-Family Reserves	1	10,540
Total	223	$ 163,307,201

As of June 30, 2017, MHF had commitments of $1,504,917 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, 2017, were as follows:

	Insured Mortgages			
	Number	Original Amount	Current Amount	Contingent Liability
Primary Insurance Coverage				
Single Family Regular				
25% Insured	1,114	$ 60,549,943	$ 23,010,048	$ 5,752,512
35% Insured	269	57,805,482	51,356,912	17,974,919
Revitalization (Pilot) Program				
100% Insured	8	252,450	128,760	128,760
2.5% Insured	313	47,575,710	41,630,732	1,040,768
General				
35% Insured	26	6,879,649	6,153,156	2,153,605
Total	1,730	$ 173,063,234	$ 122,279,608	$ 27,050,564

As of June 30, 2017, MHF had committed primary insurance coverage on 18 mortgages under the Revitalization Reserve, Healthy Neighborhood Program in the amount of $1,496,010 and is liable for 2.50%.

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.state.md.us.

MARYLAND HOUSING FUND

INTERIM FINANCIAL STATEMENTS

As of March 31, 2018

(UNAUDITED)

MARYLAND HOUSING FUND
STATEMENTS OF NET POSITION
As of March 31, 2018 and June 30, 2017
(UNAUDITED)

	3/31/2018	6/30/2017
ASSETS		
CURRENT ASSETS		
Unrestricted Current Assets:		
Deposit with State Treasurer:		
Operating Account	$ 589,599	$ 1,017,818
Loans and Interest Receivable, Net of Allowance for Loans and Related Losses	-	-
Acquired Property	66,580	66,580
Other	1,083,332	981,069
Total Unrestricted Current Assets	1,739,511	2,065,467
Restricted Current Assets:		
Deposit with State Treasurer:		
Reserve Accounts	83,029,776	82,030,726
Total Restricted Current Assets	83,029,776	82,030,726
Total Current Assets	84,769,287	84,096,193
NONCURRENT ASSETS		
Investment Held for Borrower	2,149,649	2,173,189
Loans and Interest Receivable, Net of Allowance for Loans and Related Losses and Current Portion	-	-
Total Noncurrent Assets	2,149,649	2,173,189
Total Assets	$ 86,918,936	$ 86,269,382

MARYLAND HOUSING FUND
STATEMENTS OF NET POSITION - CONTINUED
As of March 31, 2018 and June 30, 2017
(UNAUDITED)

	3/31/2018	6/30/2017
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	$ 61,586	$ 250,641
Accrued Compensated Absences	52,101	52,101
Accrued Workers' Compensation	300	300
Investment Held for Borrower	265,865	290,334
Security Deposits Payable	2,492	2,468
Unearned Premiums	486,904	494,740
Unearned Fees	274,281	207,505
Allowance for Unpaid Insurance Losses	94,768	94,768
Total Current Liabilities	1,238,297	1,392,857
NONCURRENT LIABILITIES		
Accrued Compensated Absences, Net of Current Portion	23,454	23,454
Accrued Workers' Compensation, Net of Current Portion	1,700	1,700
Investment Held for Borrower, Net of Current Portion	2,149,649	2,173,189
Allowance for Unpaid Insurance Losses, Net of Current Portion	10,644,928	10,644,928
Total Noncurrent Liabilities	12,819,731	12,843,271
Total Liabilities	14,058,028	14,236,128
NET POSITION		
Restricted Net Position:		
Multi-Family Reserve	44,698,739	44,698,739
Single Family Regular Reserve	15,028,317	15,126,302
Revitalization (Pilot) Reserve	2,185,258	2,185,258
General Reserve	10,093,422	10,093,422
Unallocated Reserve	10,537,896	9,651,706
Total Restricted Net Position	82,543,632	81,755,427
Unrestricted Accumulated Deficit	(9,682,724)	(9,722,173)
Total Net Position	72,860,908	72,033,254
Total Liabilities and Net Position	$ 86,918,936	$ 86,269,382

MARYLAND HOUSING FUND
STATEMENTS OF REVENUES AND EXPENSES
As of March 31, 2018 and June 30, 2017
(UNAUDITED)

	3/31/2018	6/30/2017
OPERATING REVENUES		
Net Premiums	$ 751,263	$ 1,256,095
Interest Income on Reserves	886,190	1,151,706
Interest Income on Loans	270,562	527,507
Other Income	54,793	219,605
Total Operating Revenues	1,962,808	3,154,913
OPERATING EXPENSES		
General and Administrative	846,609	906,834
Direct Losses on Claims	117,262	613,276
Provision (Benefit) for Insurance and Loan Losses	171,283	(292,575)
Total Operating Expenses	1,135,154	1,227,535
Operating Income (Loss) before Transfers	827,654	1,927,378
Transfer of Funds	-	(943,319)
CHANGE IN NET POSITION	827,654	984,059
Net Position - Beginning of Year	72,033,254	71,049,195
NET POSITION - END OF YEAR	$ 72,860,908	$ 72,033,254

MARYLAND HOUSING FUND
STATEMENT OF CASH FLOWS
As of March 31, 2018 and June 30, 2017
(UNAUDITED)

	3/31/2018	6/30/2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Premiums, Net	$ 707,940	$ 1,053,119
Receipts from Loans	99,279	820,082
Receipts from Mortgage Escrows	(48,009)	(106,052)
Payments for Mortgage Escrows	23,540	71,155
Receipts from Security Deposits	24	2,468
Receipts from Miscellaneous Fees	54,793	362,110
Payments for General and Administrative Expenses	(1,035,664)	(2,008,365)
Payments for Claims	(117,262)	(613,276)
Receipts from Interest Earned on Reserves	886,190	1,151,706
Transfer to State Funded Programs	-	(943,319)
Net Cash Used by Operating Activities	570,831	(210,372)
NET DECREASE IN CASH	570,831	(210,372)
Deposit with State Treasurer, Balance - Beginning of Year	83,048,544	83,258,916
DEPOSIT WITH STATE TREASURER, BALANCE - END OF YEAR	$ 83,619,375	$ 83,048,544
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH USED BY OPERATING ACTIVITIES		
Change in Net Position	$ 827,654	$ 1,927,378
Adjustments to Reconcile Change in Net Position to Net Cash Used by Operating Activities:		
Transfer to State Funded Programs	-	(943,319)
Effect of Changes in Operating Assets and Liabilities:		
Loans and Interest Receivable	190,934	344,074
Investments and Other Assets	(24,469)	(99,897)
Due from DHCD	(293,197)	(193,622)
Accounts Payable and Other Accrued Liabilities	(189,055)	(41,014)
Security Deposits Payable	24	2,468
Allowance for Unpaid Insurance Losses	-	(1,060,517)
Unearned Premiums	(7,836)	(353,428)
Unearned Fees	66,776	207,505
Net Cash Used by Operating Activities	$ 570,831	$ (210,372)

MARYLAND HOUSING FUND
CHANGES IN NET POSITION
As of March 31, 2018 and June 30, 2017
(UNAUDITED)

	Restricted Net Position						
	Multi-Family Reserve	Single Family Regular Reserve	Revitalization (Pilot) Reserve	General Reserve	Unallocated Reserve	Unrestricted Accumulated Deficit	Total
BALANCE AT JUNE 30, 2016	$ 44,698,739	$ 15,654,671	$ 2,185,258	$ 8,593,422	$ 10,943,319	$ (11,026,214)	$ 71,049,195
Interest Income Allocated at the Discretion of DHCD Secretary	-	-	-	-	1,151,706	(1,151,706)	-
Transfers Out	-	-	-	1,500,000	(2,443,319)	-	(943,319)
Change in Net Position	-	(528,369)	-	-	-	2,455,747	1,927,378
BALANCE AT JUNE 30, 2017	44,698,739	15,126,302	2,185,258	10,093,422	9,651,706	(9,722,173)	72,033,254
Interest Income Allocated at the Discretion of DHCD Secretary	-	-	-	-	886,190	(886,190)	-
Transfers Out	-	-	-	-	-	-	-
Change in Net Position	-	(97,985)	-	-	-	925,639	827,654
BALANCE AT MARCH 31, 2018	$ 44,698,739	$ 15,028,317	$ 2,185,258	$ 10,093,422	$ 10,537,896	$ (9,682,724)	$ 72,860,908

APPENDIX J

INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS

INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS
As of March 31, 2018

Principal Balance		Guaranteed Investment Contract Provider and Other Investments	Rate of Earnings	Maturity	
		Program Fund			***Program Fund Series***
$11,300,000		Money Market Funds	Varies	On demand	2006 Series H, I and J
$3,610,000		Money Market Funds	Varies	On demand	2008 Series A
$3,250,000		Money Market Funds	Varies	On demand	2008 Series C
$3,935,723		Money Market Funds	Varies	On demand	2009 Series A
$6,861,098		Money Market Funds	Varies	On demand	2009 Series B
$2,476,600		Money Market Funds	Varies	On demand	2009 Series C
$1,992,508		Money Market Funds	Varies	On demand	2011 Series B
$338,673		Money Market Funds	Varies	On demand	2015 Series B
$22,256,983		Money Market Funds	Varies	On demand	2016 Series A
$8,485,685		Money Market Funds	Varies	On demand	2017 Series A
		Revenue Fund			
$49,581,694		Money Market Funds	Varies	On demand	
$91,836,105	(1)	Government National Mortgage Association (GNMA) mortgage-backed securities	0.50% to 4.00%	4/15/2041 to 10/20/2047	
$30,422,002	(1)	Federal National Mortgage Association (FNMA) mortgage-backed securities	1.275% to 3.925%	11/1/2042 to 10/1/2047	
		Reserve Fund			
$6,263,348		Money Market Funds	Varies	On demand	
$2,234,640	(1)	Federal Farm Credit Bonds	5.25%	8/13/2019	
$1,231,569		Westdeutsche Landesbank Gironzentrale, New York Branch	5.22%	9/1/2029	
$3,818,477	(1)	Federal Home Loan Mortgage Corp.	6.75%	9/15/2029	
$1,176,471		Westdeutsche Landesbank Gironzentrale, New York Branch	5.82%	9/1/2031	
$2,771,346	(1)	Federal Home Loan Mortgage Corp.	6.25%	7/15/2032	
$35,701,560	(1)	Federal National Mortgage Association (FNMA) Notes	1.750%	11/26/2019	

INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS
As of March 31, 2018

Principal Balance		Guaranteed Investment Contract Provider and Other Investments	Rate of Earnings	Maturity
		Collateral Reserve Fund ***(2)***		
$68,027,061		Money Market Funds	Varies	On demand
$19,074,382		TD Bank, N.A. Demand Deposit Acct.	Varies	On demand
$30,567,503	(1)	Government National Mortgage Association (GNMA) mortgage-backed securities	2.50% to 4.00%	12/20/2045 to 3/20/2048
$32,879,517	(1)	Federal National Mortgage Association (FNMA) mortgage-backed securities	2.80% to 4.175%	4/1/2046 to 10/1/2047
$9,977,500	(1)	Federal Farm Credit Bonds	1.600%	11/27/2018
$24,938,242	(1)	Federal National Mortgage Association (FNMA) Notes	1.625%	11/27/2018
		Warehouse Loan Fund ***(3)***		
$4,956,877		Money Market Funds	Varies	On demand
$40,385,019	(1)	Government National Mortgage Association (GNMA) mortgage-backed securities	3.00% to 4.00%	12/20/2046 to 12/20/2047
$21,731,865	(1)	Federal National Mortgage Association (FNMA) mortgage-backed securities	2.925% to 4.050%	6/1/2046 to 3/1/2048
		Redemption Fund		
$32,714		Money Market Funds	Varies	On demand
		Other Funds		
$2,185,515		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 March 31, 2018 for the investments referenced was $80,419,080 and the cumulative increase in fair value of these investments was $1,430,725. The total book value at March 31, 2018 for GNMA and FNMA mortgage-backed securities referenced was $250,547,863 and the cumulative decrease in fair value of these GNMA and FNMA mortgage-backed securities was -$2,725,852.

(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.

(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.

Appendix K

RESIDENTIAL REVENUE BOND PROGRAM LOAN PORTFOLIO BY BOND SERIES AND INTEREST RATE as of March 31, 2018 (1) (2)

Sources of Funds(8)	Mortgage Loan Interest Rate	Footnote	Original Number of Loans(8)	Original Amount of All Loans $ (2)(8)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
1997 Series A			**198**	**$16,992,005**	**27**	**964,980**
	4.000%		41	3,633,437	10	315,192
	6.000%		2	173,590	1	3,605
	6.400%		154	13,140,565	15	605,675
	7.500%		1	44,413	1	40,509
1998 Series A			**61**	**4,552,300**	**14**	**504,272**
	5.000%		49	3,602,864	12	440,225
	6.100%		12	949,436	2	64,047
1998 Series B			**879**	**74,306,563**	**98**	**3,979,724**
	5.500%	(4), (4.2)	181	16,692,492	22	1,099,817
	6.100%		665	54,369,384	75	2,806,559
	6.250%		9	1,033,541	1	73,347
	6.500%		3	297,847	0	0
	6.750%		21	1,913,299	0	0
1999 Series E			**239**	**22,351,652**	**25**	**1,335,627**
	4.750%	(5), (5.8)	4	394,307	2	84,538
	4.950%	(5), (5.7)	9	989,443	3	236,943
	5.750%	(5), (5.1)	38	3,771,241	6	358,325
	4.950%		3	290,716	0	0
	6.000%		1	161,100	0	0
	6.125%		5	565,650	1	64,700
	6.750%		73	6,559,151	7	325,555
	7.000%		106	9,620,044	6	265,567
1999 Series F			**596**	**56,193,694**	**38**	**1,797,256**
	6.125%		1	80,600	0	0
	6.500%		265	24,041,780	24	1,233,244
	6.750%		69	6,780,630	2	104,319
	6.900%		2	234,547	0	0
	7.000%		214	20,439,573	9	377,886
	7.250%		9	924,241	0	0
	7.500%		36	3,692,323	3	81,807
1999 Series H			**614**	**58,868,174**	**44**	**2,323,196**
	6.000%		158	16,020,135	25	1,375,826
	6.250%		1	64,450	0	0
	7.000%		254	23,728,090	15	737,296
	7.250%		142	13,335,578	3	176,658
	7.500%		59	5,719,921	1	33,416
2000 Series A			**83**	**7,818,452**	**6**	**343,635**
	6.900%		75	7,002,330	5	284,926
	7.000%		1	64,648	0	0
	7.500%		7	751,474	1	58,709
2000 Series B			**673**	**68,248,330**	**59**	**3,550,541**
	5.000%	(5), (5.3)	13	1,265,057	3	168,755
	5.000%		25	2,528,717	5	320,781
	5.050%	(5), (5.6)	4	375,455	1	73,480
	5.750%		98	11,039,408	12	805,383
	5.875%		123	11,767,170	18	1,193,301
	6.900%		157	15,753,125	6	327,427
	7.250%		253	25,519,399	14	661,414

Sources of Funds[8]	Mortgage Loan Interest Rate	Footnote	Original Number of Loans[8]	Original Amount of All Loans $ [2][8]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
2000 Series D			**716**	**72,613,685**	**50**	**2,935,479**
	4.750%		3	291,990	0	0
	5.000%	(5), (5.3)	58	5,750,253	12	767,066
	5.750%		26	2,821,884	5	300,248
	5.875%		36	3,765,184	2	111,398
	6.000%		13	1,460,445	1	35,917
	6.250%		14	1,479,231	0	0
	6.900%		8	874,569	0	0
	7.000%		7	643,123	0	0
	7.125%		335	34,038,611	23	1,367,236
	7.250%		199	19,866,106	7	353,614
	7.500%		17	1,622,289	0	0
2000 Series F			**162**	**14,922,531**	**14**	**813,624**
	6.000%		1	147,300	0	0
	6.750%		143	13,074,753	12	691,679
	7.000%		12	1,167,793	0	0
	7.125%		6	532,685	2	121,946
2000 Series G			**585**	**59,969,410**	**60**	**3,253,656**
	5.000%	(4), (4.5)	241	27,059,330	22	1,292,860
	5.500%		2	129,312	1	40,838
	5.875%		88	8,037,054	14	779,491
	6.750%		1	87,500	0	0
	6.900%		23	2,681,774	2	106,242
	7.000%		96	9,293,184	8	435,193
	7.125%		45	4,333,000	5	247,632
	7.250%		42	3,960,526	5	215,221
	7.500%		47	4,387,730	3	136,178
2000 Series H			**552**	**53,429,090**	**44**	**2,556,178**
	4.750%	(5), (5.8)	19	1,636,729	6	350,911
	5.500%		28	2,353,445	13	800,582
	5.875%		29	3,461,107	3	192,170
	6.000%		27	2,552,760	3	176,922
	6.125%		1	148,100	0	0
	6.250%		17	1,979,952	0	0
	6.375%		94	8,970,879	5	268,074
	6.500%		2	181,700	1	58,380
	6.600%		3	273,077	0	0
	6.750%		21	2,103,350	2	101,014
	7.000%		82	7,663,564	6	395,929
	7.125%		2	182,379	0	0
	7.250%		49	5,175,460	1	31,860
	7.500%		178	16,746,588	4	180,336
2001 Series E			**141**	**13,490,845**	**25**	**1,491,021**
	5.500%		18	1,544,567	2	132,264
	5.750%		44	4,470,263	6	408,340
	5.875%		79	7,476,015	17	950,416

Sources of Funds[8]	Mortgage Loan Interest Rate	Footnote	Original Number of Loans[8]	Original Amount of All Loans $ [(2)(8)]	Number of Outstanding Loans	Outstanding Principal Balance $ [(2)]
2001 Series F			**653**	**64,962,862**	**108**	**6,276,443**
	4.000%	(4), (4.8)	63	5,671,011	22	1,172,782
	4.950%	(5), (5.7)	28	3,049,101	11	730,173
	5.050%	(5), (5.6)	13	1,256,956	5	245,997
	5.750%	(5), (5.1)	249	24,782,543	40	2,354,717
	5.250%		2	201,888	0	0
	5.750%		2	185,850	0	0
	5.875%		39	4,184,509	3	189,781
	6.000%	(4), (4.7)	53	5,690,025	6	344,564
	6.000%		2	201,633	0	0
	6.125%		136	13,362,933	15	900,381
	6.250%		42	3,830,881	3	188,729
	6.375%		2	197,476	1	11,826
	6.500%		1	94,242	0	0
	6.750%		4	409,076	1	68,958
	6.900%		2	180,206	0	0
	7.000%		4	351,960	0	0
	7.125%		8	917,816	0	0
	7.250%		4	394,755	1	68,535
2002 Series A			**59**	**7,795,314**	**14**	**1,383,497**
	4.950%		23	2,443,293	4	236,937.22
	5.000%		4	398,607	0	0
	5.050%		7	739,784	3	226,214.61
	5.500%		4	315,855	1	78,708.93
	5.750%		2	209,609	0	0
	5.875%		1	78,746	0	0
	6.000%	(5), (5.10)	18	3,609,420	6	841,636
2006 Series E			**121**	**22,807,005**	**60**	**9,251,077**
	4.500%		1	169,550	0	0
	4.750%		4	991,800	3	617,814
	4.875%		37	6,642,837	19	3,006,369
	5.250%		16	3,412,170	8	1,500,911
	5.375%		1	154,900	1	138,915
	5.500%		47	8,547,063	24	3,109,861
	5.625%		1	285,400	1	254,120
	5.750%		6	1,258,096	2	361,279
	5.875%		8	1,345,189	2	261,808
2006 Series F			**310**	**57,464,822**	**137**	**19,817,395**
	4.000%		1	158,900	1	141,492.00
	4.125%		1	199,000	0	0
	4.750%		6	1,361,100	5	968,472
	4.820%		1	329,900	0	0
	4.875%		104	17,805,451	44	5,869,859
	4.950%		19	3,151,881	11	1,533,108
	5.000%		8	1,686,550	1	142,347
	5.125%		3	666,000	3	593,917
	5.250%		28	5,663,094	12	2,002,332
	5.375%		5	902,800	5	764,317
	5.500%		87	16,461,812	35	5,014,756
	5.625%		6	1,118,173	3	311,601
	5.750%		24	4,128,077	12	1,447,655
	5.875%		9	2,001,150	3	660,503
	6.000%		6	1,392,284	1	248,055
	6.375%		2	438,650	1	118,980

Sources of Funds[8]	Mortgage Loan Interest Rate	Footnote	Original Number of Loans[8]	Original Amount of All Loans $ [2][8]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
2006 Series G			**195**	**38,789,329**	**82**	**12,467,009**
	4.125%		1	359,900	0	0
	4.750%		4	980,154	2	369,260
	4.825%		1	68,100	1	60,220
	4.875%		20	2,930,053	7	737,463
	4.950%		25	4,476,764	14	1,684,086
	5.075%		1	127,500	0	0
	5.250%		17	3,066,442	8	1,165,643
	5.375%		2	461,000	1	211,186
	5.500%		44	9,015,671	18	2,780,440
	5.625%		5	1,020,545	3	578,203
	5.750%		35	8,050,621	14	2,688,810
	5.875%		3	792,400	1	150,169
	6.000%		22	4,403,429	9	1,432,372
	6.125%		2	331,000	2	289,353
	6.250%		2	290,750	0	0
	6.375%		5	896,000	0	0
	6.500%		2	536,000	0	0
	6.625%		2	346,000	2	319,804
	6.750%		1	337,000	0	0
	7.000%		1	300,000	0	0
2006 Series H			**85**	**16,917,935**	**27**	**3,944,883**
	6.000%	(5), (5.10)	85	16,917,935	27	3,944,883
2006 Series I			**746**	**142,915,431**	**272**	**39,107,851**
	4.500%		5	1,048,609	1	227,400
	4.750%		6	1,707,048	3	823,902
	4.825%		2	563,000	2	509,961
	4.875%		49	8,913,074	16	2,591,373
	4.950%		45	8,167,918	25	3,011,836
	5.000%		3	747,953	2	514,707
	5.075%		1	93,000	1	78,997
	5.125%		3	742,000	0	0
	5.250%		45	8,041,590	23	3,042,427
	5.375%		15	3,100,006	6	902,047
	5.500%		146	26,329,362	59	8,149,448
	5.625%		25	5,538,162	8	1,377,071
	5.750%		106	20,298,630	41	5,736,659
	5.875%		31	6,877,850	9	1,414,444
	6.000%		81	15,848,192	24	3,306,296
	6.000%	(5), (5.10)	10	2,076,304	3	484,148
	6.125%		26	5,727,750	6	1,127,673
	6.250%		122	21,994,712	36	4,558,093
	6.375%		8	1,520,001	2	284,296
	6.500%		4	851,000	1	213,242
	6.625%		11	2,203,270	3	525,700
	6.750%		2	526,000	1	228,130

Sources of Funds[8]	Mortgage Loan Interest Rate	Footnote	Original Number of Loans[8]	Original Amount of All Loans $ [2][8]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
2006 Series J			**299**	**58,250,788**	**109**	**15,956,786**
	4.750%		1	202,500	0	0
	4.825%		1	148,131	1	131,917
	4.875%		7	1,101,235	4	541,117
	4.950%		7	1,510,050	2	344,182
	5.000%		3	645,750	0	0
	5.250%		5	1,022,575	0	0
	5.375%		8	1,809,572	4	739,438
	5.500%		53	8,889,055	21	2,286,031
	5.625%		10	1,927,104	5	788,900
	5.750%		38	7,160,288	22	3,078,785
	5.875%		13	2,056,162	7	784,671
	6.000%		37	7,568,834	11	1,727,294
	6.125%		14	3,486,340	2	356,716
	6.250%		65	12,336,334	17	2,607,029
	6.375%		8	1,939,170	1	325,691
	6.500%		4	662,831	2	310,304
	6.625%		6	1,456,500	0	0
	6.750%		2	558,939	0	0
	7.000%		1	136,000	1	283,635
	7.125%		14	2,951,418	7	1,295,205
	7.375%		2	372,000	2	355,870
	7.500%			310,000	0	0
2007 Series M			**151**	**29,359,952**	**62**	**9,050,541**
	5.500%		1	121,642	1	105,785
	5.875%	(5), (5.24)	150	29,238,310	61	8,944,756
2008 Series A			**255**	**46,546,776**	**79**	**11,921,699**
	4.875%		2	409,400	2	378,397
	5.500%		4	598,287	4	467,924
	5.625%		1	137,740	1	110,775
	5.750%		3	802,692	1	211,301
	5.875%		50	9,186,172	24	3,620,706
	6.000%		6	893,788	4	634,799
	6.125%		26	4,739,102	4	511,735
	6.250%		114	19,182,458	29	3,883,361
	6.375%		12	2,609,492	3	697,618
	6.500%		13	2,624,889	4	721,986
	6.625%		1	325,700	0	0
	6.750%		8	1,902,275	2	460,998
	7.000%		12	2,418,530	0	0
	7.250%		2	445,185	1	222,100
	7.500%		1	271,066	0	0
2008 Series B			**101**	**19,088,644**	**41**	**5,952,236**
	3.510%		1	212,755	1	157,894
	5.375%		2	256,695	2	211,206
	5.500%		12	2,076,892	9	1,181,887
	5.750%		15	2,829,320	10	1,531,523
	6.000%		6	981,867	0	0
	6.125%		18	3,652,498	8	1,137,209
	6.250%		32	5,847,807	6	806,332
	6.375%		12	2,567,374	2	298,830
	6.875%		3	663,436	3	627,354

Sources of Funds[8]	Mortgage Loan Interest Rate	Footnote	Original Number of Loans[8]	Original Amount of All Loans $ [(2)(8)]	Number of Outstanding Loans	Outstanding Principal Balance $ [(2)]
2008 Series C			**413**	**77,360,548**	**154**	**21,899,811**
	4.625%		1	136,282	1	90,204
	4.800%		1	360,000	1	260,272
	5.250%		1	202,750	0	0
	5.500%		8	903,576	6	510,930
	5.625%		7	1,206,885	4	487,949
	5.750%		7	1,663,460	1	210,614
	5.875%		167	30,582,341	70	9,767,004
	6.000%		8	1,166,422	5	500,519
	6.125%		20	3,969,772	10	1,691,675
	6.250%		122	22,965,889	33	5,061,283
	6.375%		11	2,463,088	2	433,614
	6.500%		16	4,087,427	7	1,475,263
	6.625%		14	2,624,415	3	467,539
	6.750%		20	3,300,012	9	785,502
	7.000%		10	1,728,229	2	157,443
2008 Series D			**228**	**40,133,201**	**75**	**9,803,630**
	2.000%		1	224,729	0	0
	5.750%		7	1,452,845	3	390,910
	5.875%		25	4,245,349	12	1,424,082
	6.000%		21	3,434,122	7	685,172
	6.125%		10	1,939,537	2	373,692
	6.250%		98	17,577,789	33	4,446,516
	6.375%		13	1,988,638	6	714,709
	6.500%		15	3,056,348	2	472,488
	6.625%		4	767,773	0	0
	6.750%		22	3,464,364	8	950,235
	6.875%		1	185,000	1	174,128
	7.000%		7	1,159,881	1	171,699
	7.250%		1	169,057	0	0
	7.500%		2	295,048	0	0
	7.750%		1	172,721	0	0
2009 Series A			**211**	**32,839,040**	**113**	**13,732,479**
	3.500%		1	81,753	0	0
	3.750%		2	233,054	2	217,624
	3.875%		1	236,360	1	220,699
	4.000%		7	851,595	4	331,031
	4.125%		3	422,882	2	251,740
	4.500%		1	224,169	0	0
	4.750%		7	741,150	6	531,611
	4.875%		3	356,425	3	307,699
	5.375%		27	4,505,073	19	2,531,387
	5.500%		13	1,948,476	7	754,152
	5.625%		27	4,116,464	17	2,024,067
	5.750%		79	12,371,342	37	4,579,551
	5.875%		11	1,958,825	5	694,067
	6.000%		25	4,173,009	9	1,213,969
	6.500%		3	535,028	1	74,879
	6.750%		1	83,435	0	0

Sources of Funds[8]	Mortgage Loan Interest Rate	Footnote	Original Number of Loans[8]	Original Amount of All Loans $ [2][8]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
2009 Series B			**246**	**34,306,291**	**158**	**17,751,806**
	3.875%		3	434,864	2	222,752
	4.250%		10	1,017,722	8	744,680
	4.500%		1	62,814	1	52,985
	5.000%		2	341,696	1	84,437
	5.250%		3	344,755	2	98,724
	5.375%		15	1,977,535	12	1,198,985
	5.625%		56	7,924,526	39	4,500,698
	5.750%		50	6,678,164	34	3,866,490
	5.875%		20	3,284,857	8	1,029,341
	6.000%		85	12,082,256	51	5,952,715
	6.750%		1	157,102	0	0
2009 Series C			**53**	**8,022,263**	**36**	**4,431,896**
	3.625%		1	94,388	0	0
	3.750%		2	147,420	2	130,704
	4.875%		6	995,418	5	665,823
	5.125%		10	1,956,776	5	708,090
	5.250%		27	4,012,685	20	2,548,733
	5.750%		7	815,576	4	378,546
2010 Series A			**556**	**44,592,298**	**216**	**7,622,077**
	2.000%		1	76,915	1	30,543
	4.000%		1	66,400	1	21,204
	4.250%		1	72,250	1	11,730
	4.375%		1	38,400	1	20,112
	5.500%	(4), (4.1)	7	562,319	1	45,922
	5.500%	(4), (4.2)	20	1,821,006	2	119,981
	5.500%	(4), (4.4)	50	4,765,453	6	292,704
	4.000%	(4), (4.3)	11	935,890	3	120,195
	5.000%	(4), (4.5)	106	11,858,237	9	564,904
	5.875%	(4), (4.6)	13	1,388,069	2	92,443
	6.000%	(4), (4.7)	5	592,714	1	35,892
	4.000%	(4), (4.8)	41	3,721,595	15	769,637
	4.875%		7	920,020	7	803,023
	5.000%		66	3,588,442	49	1,312,756
	5.125%		23	4,417,760	18	2,726,350
	6.000%		1	60,000	1	16,922
	7.000%		12	739,300	7	52,755
	7.750%		53	2,346,746	26	156,597
	7.875%		29	1,363,440	17	137,017
	8.000%		36	1,519,434	18	85,149
	8.750%		43	2,171,527	19	137,217
	8.875%		7	334,411	1	9,710
	9.000%		21	1,170,770	9	52,042
	9.250%		1	61,200	1	7,273
2011 Series AB			**615**	**104,156,389**	**451**	**64,119,221**
	3.375%		1	185,183	1	155,927
	3.500%		10	1,620,137	5	711,658
	3.625%		10	1,576,731	9	1,113,663
	3.750%		15	2,766,214	11	1,731,185
	3.875%		202	34,038,682	154	21,721,641
	4.000%		65	10,570,511	45	6,309,721
	4.125%		15	2,590,374	12	1,599,689
	4.250%		137	24,272,816	98	14,449,128
	4.375%		15	2,468,379	14	1,951,945
	4.500%		33	5,897,110	25	3,817,168
	4.625%		5	831,299	1	159,072
	4.750%		61	10,225,387	45	6,622,136
	4.875%		16	2,412,721	13	1,500,502
	5.250%		30	4,700,845	18	2,275,786

Sources of Funds[8]	Mortgage Loan Interest Rate	Footnote	Original Number of Loans[8]	Original Amount of All Loans $ [(2)(8)]	Number of Outstanding Loans	Outstanding Principal Balance $ [(2)]
2012 Series AB			**1,763**	**164,856,887**	**449**	**23,725,001**
	4.000%		141	12,163,694	137	6,831,853
	4.500%		20	1,662,479	20	1,065,532
	5.000%		21	2,252,921	12	772,040
	5.500%		25	1,888,342	21	1,076,951
	5.500%	(4), (4.4)	597	56,978,406	73	3,499,727
	4.000%	(4), (4.3)	22	1,909,980	6	245,295
	5.875%	(4), (4.6)	104	10,873,159	13	724,134
	4.000%		392	35,362,274	0	0
	5.000%	(5), (5.4)	189	18,778,736	46	2,692,722
	4.750%		51	4,506,337	0	0
	4.750%	(5), (5.8)	62	5,491,320	21	1,177,326
	5.500%	(5), (5.9)	10	1,593,518	5	575,384
	5.750%		9	784,767	6	309,763
	5.875%		23	2,130,490	15	896,593
	6.000%		20	1,674,044	15	693,367
	6.125%		59	5,047,704	44	2,325,945
	6.375%		2	232,380	0	0
	6.500%		14	1,305,924	13	771,287
	6.900%		2	220,412	1	67,083
2014 Series AB			**408**	**44,867,716**	**300**	**21,858,099**
	4.000%		18	988,300	17	613,332
	4.750%		11	974,513	7	344,794
	4.875%		33	3,224,240	24	1,532,441
	4.950%		289	33,146,810	205	15,635,564
	5.000%		1	71,400	1	48,830
	5.050%		1	74,400	1	46,824
	5.125%		7	940,435	7	677,809
	5.250%		24	2,784,516	20	1,524,606
	5.500%		24	2,663,102	18	1,433,899
2014 Series CD			**452**	**44,451,252**	**361**	**24,769,983**
	3.250%		5	447,414	5	396,546
	3.375%		1	17,032	1	14,977
	3.500%		5	590,482	5	530,808
	3.750%		2	307,967	2	265,849
	4.000%		72	6,053,529	61	2,623,712
	4.125%		6	554,381	13	1,197,998
	4.250%		6	539,002	6	505,540
	4.375%		8	760,100	7	591,547
	4.500%		4	410,302	4	380,851
	4.625%		8	1,037,847	8	961,827
	4.750%		7	950,208	7	882,328
	4.875%		35	4,021,239	29	2,335,983
	4.950%		12	1,617,841	12	1,180,711
	5.000%		6	396,754	3	118,809
	5.125%		15	1,642,917	11	912,927
	5.250%		4	503,250	4	326,845
	5.500%		123	13,839,712	102	8,117,063
	5.500%	(4), (4.1)	41	3,436,397	7	280,633
	5.625%		6	819,337	3	232,054
	6.400%		83	6,215,296	68	2,721,138
	6.900%		1	98,466	1	64,229
	7.250%		2	191,779	2	127,606

Sources of Funds[8]	Mortgage Loan Interest Rate	Footnote	Original Number of Loans[8]	Original Amount of All Loans $ [2][8]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
2014 Series E			**560**	**66,319,601**	**414**	**35,568,242**
	4.000%		15	1,206,650	5	191,669
	4.750%		18	1,176,804	15	594,101
	4.875%		147	15,504,107	117	8,766,266
	4.950%		85	9,104,887	66	4,872,720
	5.000%		38	3,236,042	35	2,280,568
	5.050%		1	140,271	1	97,551
	5.125%		1	245,000	1	129,538
	5.250%		11	1,287,530	10	926,961
	5.500%		83	10,633,790	59	5,952,423
	5.500%	(5), (5.9)	75	11,531,901	37	4,163,915
	5.625%		66	8,060,916	55	5,064,249
	5.875%		15	3,206,901	8	1,671,549
	5.950%		5	984,802	5	856,732
2014 Series F			**118**	**25,036,371**	**104**	**20,258,276**
	4.875%		118	25,036,371	104	20,258,276
2015 Series B			**333**	**61,835,025**	**296**	**48,697,602**
	2.000%		2	234,868	2	168,186
	4.625%		1	245,000	1	214,886
	4.750%		2	343,400	2	296,880
	4.875%		237	45,626,581	212	37,491,886
	5.000%		1	309,750	1	267,501
	5.250%		8	1,529,903	8	1,182,373
	5.375%		5	1,153,400	4	771,832
	5.500%		63	9,263,988	54	6,164,303
	5.875%		13	2,909,840	11	1,944,255
	6.000%		1	218,295	1	195,501
2016 Series A			**2,704**	**632,469,545**	**1,173**	**196,907,700**
	5.869%	(8)	1,425	384,893,571	0	0
	2.000%		1	104,500	1	95,017
	4.625%		1	225,000	1	200,502
	4.750%		1	125,200	1	240,842
	4.825%		1	274,500	46	8,484,690
	4.875%		48	9,346,403	9	1,093,205
	4.950%		9	1,321,179	5	368,052
	5.000%		7	765,388	0	0
	5.075%		1	197,500	8	1,194,439
	5.125%		7	1,219,086	71	10,406,915
	5.250%		77	13,543,697	1	250,670
	5.375%		52	11,663,184	52	10,370,042
	5.500%		232	40,924,121	213	32,071,182
	5.625%		60	12,636,848	60	11,482,572
	5.750%		203	40,445,120	185	31,855,012
	5.875%		47	10,580,778	42	8,487,420
	6.000%		171	32,105,805	148	23,907,964
	6.125%		47	9,682,106	43	7,843,216
	6.250%		218	40,976,296	204	32,179,857
	6.375%		29	6,687,782	27	5,630,970
	6.500%		33	7,182,384	27	5,195,716
	6.625%		18	4,279,008	15	3,108,808
	6.750%		14	2,831,345	12	2,017,032
	6.875%		1	138,744	1	128,333
	7.000%		1	320,000	1	295,241

Sources of Funds[8]	Mortgage Loan Interest Rate	Footnote	Original Number of Loans[8]	Original Amount of All Loans $ [(2)(8)]	Number of Outstanding Loans	Outstanding Principal Balance $ [(2)]
2017 Series A			**3,214**	**620,744,183**	**1,319**	**196,357,047**
	6.238%	(9)	1,416	311,530,152	0	0
	2.000%		1	271,524	1	258,243
	2.500%		1	237,583	1	220,566
	3.625%		2	363,600	1	153,016
	4.625%		1	163,265	1	142,975
	4.875%		73	13,103,956	63	10,638,757
	4.950%		83	9,394,978	47	3,114,664
	5.000%		24	1,903,160	23	1,336,965
	5.250%		6	909,726	2	232,802
	5.350%		1	122,194	1	119,076
	5.375%		36	6,410,921	32	4,648,086
	5.500%		159	22,619,688	121	14,597,600
	5.625%		135	17,818,455	61	7,722,895
	5.750%		132	21,425,651	103	13,127,562
	5.875%		110	19,325,973	89	12,923,114
	5.875%	(5), (5.24)	29	5,568,953	12	1,703,687
	6.000%		197	31,272,266	129	17,634,665
	6.125%		89	18,872,596	61	11,554,373
	6.250%		205	37,734,194	174	26,717,080
	6.375%		60	12,735,141	42	7,820,485
	6.500%		113	23,027,004	96	16,896,738
	6.625%		52	10,280,276	25	4,818,070
	6.750%		131	23,275,600	103	15,732,362
	6.875%		28	6,344,895	24	4,675,669
	7.000%		75	14,583,615	65	11,374,960
	7.125%		18	3,812,254	12	2,481,912
	7.250%		34	7,036,729	28	5,411,004
	7.375%		1	220,000	0	0
	7.500%		1	160,334	1	138,828
	7.625%		1	219,500	1	160,895
Collateral Reserve (A)			**106**	**8,764,712**	**36**	**1,352,930**
	4.000%	(3)	106	8,764,712	36	1,352,930

Sources of Funds[8]	Mortgage Loan Interest Rate	Footnote	Original Number of Loans[8]	Original Amount of All Loans $ [2][8]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
Collateral Reserve (C)			**4,085**	**231,718,236**	**1,488**	**32,338,002**
	0.000%		4	170,800	4	91,788
	1.000%		3	165,400	2	37,322
	2.000%		7	306,926	5	140,016
	3.000%		2	75,450	1	1,508
	3.625%		2	202,948	2	197,490
	3.875%		2	193,540	2	188,376
	4.000%		53	4,470,230	39	1,755,800
	4.125%		1	74,897	1	74,052
	4.375%		18	1,831,238	18	1,808,523
	4.500%		3	357,697	3	353,381
	4.875%		1	46,187	1	46,187
	5.000%		257	11,115,960	194	2,672,748
	5.500%		109	7,131,005	54	1,148,181
	5.750%		1	155,067	1	120,284
	5.950%		185	12,622,116	101	2,236,185
	6.000%		3	106,800	1	15,445
	6.250%		39	2,325,187	24	456,079
	6.375%		26	1,784,428	12	405,016
	6.750%		127	8,912,022	70	1,899,068
	6.850%		65	3,749,997	35	808,923
	6.875%		56	3,449,777	33	886,158
	6.900%		154	10,711,738	69	2,204,364
	7.000%		351	18,157,892	183	3,150,091
	7.125%		42	3,017,904	21	647,596
	7.250%		29	1,519,188	21	302,496
	7.350%		61	4,305,570	34	891,893
	7.375%		1	360,000	1	338,164
	7.500%		136	7,713,021	72	1,855,719
	7.750%		253	15,227,117	149	3,474,801
	7.875%		144	6,717,646	44	405,508
	7.950%		51	2,573,589	1	8,580
	7.992%	(7)	1120	65,767,060	72	945,979
	8.000%		73	4,684,076	56	1,373,755
	8.250%		71	3,098,307	23	80,356
	8.400%		18	816,212	1	11,050
	8.500%		79	4,011,759	23	225,381
	8.750%		26	1,434,685	15	187,850
	8.875%		101	5,710,445	61	712,103
	8.900%		28	1,438,937	9	14,555
	9.000%		16	648,830	4	28,560
	9.250%		62	3,154,473	23	84,503
	9.400%		7	393,300	0	0
	9.500%		50	2,034,040	2	37,155
	9.625%		24	799,800	0	0
	10.250%		13	501,500	1	15,015
	10.375%		27	1,084,750	0	0
	10.400%		68	2,418,475	0	0
	10.500%		10	316,500	0	0
	11.000%		51	1,822,150	0	0
	11.200%		33	1,278,000	0	0
	11.500%		16	540,100	0	0
	13.900%		6	213,500	0	0

Sources of Funds[8]	Mortgage Loan Interest Rate	Footnote	Original Number of Loans[8]	Original Amount of All Loans $ [2][8]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
CDA Assurance			**7**	**995,915**	**5**	**648,804**
	1.000%		1	144,337	1	128,446
	3.750%		1	158,800	0	0
	4.000%		4	566,074	3	408,438
	4.125%		1	126,704	1	111,919
CDA REFI[6]			**24**	**4,634,465**	**24**	**4,614,173**
	4.875%		24	4,634,465	24	4,614,173
Refinance Loans			**75**	**19,264,352**	**24**	**5,430,278**
	4.875%		2	564,644	1	208,663
	6.250%		4	993,505	1	239,158
	6.500%		59	15,309,130	19	4,267,178
	6.625%		1	250,000	0	0
	6.750%		2	556,141	1	244,702
	7.000%		5	1,130,613	1	263,423
	7.250%		1	237,352	1	207,154
	7.375%		1	222,967	0	0
Total All Series [2]			**24,645**	**$3,296,023,880**	**8,690**	**912,865,663**

Notes:

(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-13 for more detail.

(5) See Page K-14 for more detail.

(6) These loans are currently held in the warehouse loan fund and will be purchased into a taxable series of bonds.

(7) These loans are melded loans from various rates of interest with a weighted average of 7.992%, which were transferred to the Residential Revenue Bond Program from the former Single Family Program Bonds.

(8) These are paid-off loans as part of the series-to-series transfer from bond series 2006 K,L,O,P and 2007 A & B to Bond Series 2016 A. Interest rate is the weighted average of the transferred loans.

(9) These are paid-off loans as part of the series-to-series transfer from bond series 2007 C,D,E,F,G,I, and J to Bond Series 2017 A. Interest rate is the weighted average of transferred loans.

(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 below table for detail)*

Footnote #	Indenture	Blended Series	Interest Rate by Series	Interest Rate to Borrower	Original Number of Loans	Original Amount of All Loans	Number of Current Loans	Outstanding Principal Amount
(4.1)	Residential Revenue Bond	2010A	6.40%	5.50%	48	$ 562,319	8	$ 45,922
	Residential Revenue Bond	2014CD	0.00%			3,436,397		280,633
(4.2)	Residential Revenue Bond	2010A	6.10%	5.50%	201	1,821,006	24	119,981
	Residential Revenue Bond	1998B	0.00%			16,692,492		1,099,817
(4.3)	Residential Revenue Bond	2010A	5.96%	4.00%	33	935,890	9	120,195
	Residential Revenue Bond	2012AB	0.00%			1,909,980		245,295
(4.4)	Residential Revenue Bond	2010A	5.96%	5.50%	647	4,765,453	79	292,704
	Residential Revenue Bond	2012AB	0.00%			56,978,406		3,499,727
(4.5)	Residential Revenue Bond	2010A	6.75%,7.5%	5.00%	347	11,858,237	31	564,904
	Residential Revenue Bond	2000G	0.00%			27,059,330		1,292,860
(4.6)	Residential Revenue Bond	2010A	6.625%	5.875%	117	1,388,069	15	92,443
	Residential Revenue Bond	2012AB	0.00%			10,873,159		724,134
(4.7)	Residential Revenue Bond	2010A	6.625%	6.00%	58	592,714	7	35,892
	Residential Revenue Bond	2001F	0.00%			5,690,025		344,564
(4.8)	Residential Revenue Bond	2010A	6.625%	4.00%	104	3,721,595	37	769,637
	Residential Revenue Bond	2001F	0.00%			5,671,011		1,172,782

(5) The mortgage rate paid by the borrower is derived from a blend of proceeds from different series of Residential Revenue Bonds. (See the below table for detail) 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	Original Number of Loans	Original Amount of All Loans	Number of Current Loans	Outstanding Principal Amount
(5.1)	Residential Revenue Bond	2001 F	6.625%	5.75%	287	$ 24,782,543	46	$ 2,354,717
	Residential Revenue Bond	1999 E	0.00%			3,771,241		358,325
(5.3)	Residential Revenue Bond	2000 D	6.100%	5.00%	71	5,750,253	15	767,066
	Residential Revenue Bond	2000 B	0.00%			1,265,057		168,755
(5.4)	Residential Revenue Bond	2012 AB	6.250%	5.00%	189	15,022,989	46	2,154,178
	Residential Revenue Bond	2012 AB	0.00%			3,755,747		538,544
(5.6)	Residential Revenue Bond	2001 F	6.560%	5.05%	17	1,256,956	6	245,997
	Residential Revenue Bond	2000 B	0.00%			375,455		73,480
(5.7)	Residential Revenue Bond	2001 F	6.560%	4.95%	37	3,049,101	14	730,173
	Residential Revenue Bond	1999 E	0.00%			989,443		236,943
(5.8)	Residential Revenue Bond	2012 AB	6.500%	4.75%	85	5,491,320	29	1,177,326
	Residential Revenue Bond	2000 H	0.00%			1,636,729		350,911
	Residential Revenue Bond	1999 E	0.00%			394,307		84,538
(5.9)	Residential Revenue Bond	2014 E	6.260%	5.50%	85	11,531,901	42	4,163,915
	Residential Revenue Bond	2012 AB	0.00%			1,593,518		575,384
(5.10)	Residential Revenue Bond	2006 H	0.000%	6.00%	113	16,917,935	35	3,944,883
	Residential Revenue Bond	2006 I	7.110%			2,076,304		484,148
	Residential Revenue Bond	2002 A	0.00%			3,609,420		841,636
(5.24)	Residential Revenue Bond	2007 M	0.000%	5.875%	179	29,238,310	73	8,944,756
	Residential Revenue Bond	2007 K	6.99%			5,568,953		1,703,687

Appendix L
RESIDENTIAL REVENUE BOND PROGRAM LOAN PORTFOLIO BY BOND SERIES AND LOAN TYPE
March 31, 2018

Sources of Funds[5]		Original Number of Loans[6]	Original Principal Amount $ [2][6]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
1997 Series A		**198**	**$16,992,005**	**27**	**$964,980**
	30 Year Amortization	198	16,992,005	27	964,980
1998 Series A		**61**	**4,552,300**	**14**	**504,272**
	30 Year Amortization	61	4,552,300	14	504,272
1998 Series B [1]		**879**	**74,306,563**	**98**	**3,979,724**
	30 Year Amortization	879	74,306,563	98	3,979,724
1999 Series E		**239**	**22,351,652**	**25**	**1,335,627**
	30 Year Amortization	239	22,351,652	25	1,335,627
1999 Series F		**596**	**56,193,694**	**38**	**1,797,256**
	30 Year Amortization	596	56,193,694	38	1,797,256
1999 Series H		**614**	**58,868,174**	**44**	**2,323,196**
	30 Year Amortization	614	58,868,174	44	2,323,196
2000 Series A		**83**	**7,818,452**	**6**	**343,635**
	30 Year Amortization	83	7,818,452	6	343,635
2000 Series B [1]		**673**	**68,248,330**	**59**	**3,550,541**
	30 Year Amortization	673	68,248,330	59	3,550,541
2000 Series D [1]		**716**	**72,613,685**	**50**	**2,935,479**
	30 Year Amortization	716	72,613,685	50	2,935,479
2000 Series F		**162**	**14,922,531**	**14**	**813,624**
	30 Year Amortization	162	14,922,531	14	813,624
2000 Series G [1]		**585**	**59,969,410**	**60**	**3,253,656**
	30 Year Amortization	585	59,969,410	60	3,253,656
2000 Series H		**552**	**53,429,090**	**44**	**2,556,178**
	30 Year Amortization	552	53,429,090	44	2,556,178
2001 Series E		**141**	**13,490,845**	**25**	**1,491,021**
	30 Year Amortization	141	13,490,845	25	1,491,021
2001 Series F [1]		**653**	**64,962,862**	**108**	**6,276,443**
	30 Year Amortization	653	64,962,862	108	6,276,443

Sources of Funds[5]	Original Number of Loans[6]	Original Principal Amount $ [(2)(6)]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
2002 Series A [1]	**59**	**7,795,314**	**14**	**1,383,497**
30 Year Amortization	51	6,062,084	14	1,383,497
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	1	78,245	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	6	1,389,286	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	1	265,699	0	0
2006 Series E	**121**	**22,807,005**	**60**	**9,251,077**
30 Year Amortization	73	12,449,955	36	4,786,977
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	48	10,357,050	24	4,464,100
2006 Series F	**310**	**57,464,822**	**137**	**19,817,395**
30 Year Amortization	208	35,734,145	91	11,241,843
40 Year Amortization	8	1,878,123	3	459,824
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	1	186,000	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	93	19,666,554	43	8,115,728
2006 Series G	**195**	**38,789,329**	**82**	**12,467,009**
30 Year Amortization	117	21,124,098	54	7,093,116
40 Year Amortization	6	1,472,512	1	211,186
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	70	15,648,965	27	5,162,707
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	2	543,754	0	0
2006 Series H [1]	**85**	**16,917,935**	**27**	**3,944,883**
30 Year Amortization	50	8,794,007	27	3,944,883
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	1	366,745	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	29	6,511,807	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	5	1,245,376	0	0
2006 Series I [1]	**746**	**142,915,431**	**272**	**39,107,851**
30 Year Amortization	469	81,910,826	178	22,245,313
40 Year Amortization	25	5,097,266	9	1,381,663
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	1	370,010	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	242	53,664,286	82	14,714,092
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	9	1,873,043	3	766,783

Sources of Funds[5]	Original Number of Loans[6]	Original Principal Amount $ [(2)(6)]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
2006 Series J	**299**	**58,250,788**	**109**	**15,956,786**
30 Year Amortization	165	28,843,945	64	8,008,588
40 Year Amortization	19	3,873,357	8	1,362,161
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	1	239,900	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	103	22,603,694	32	5,556,999
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	11	2,689,892	5	1,029,038
2007 Series M [1]	**151**	**29,359,952**	**62**	**9,050,541**
30 Year Amortization	148	28,793,369	59	8,644,060
40 Year Amortization	3	566,583	3	406,481
2008 Series A	**255**	**46,546,776**	**79**	**11,921,699**
30 Year Amortization	228	40,498,197	69	9,749,691
40 Year Amortization	24	5,387,614	9	1,877,887
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	3	660,965	1	294,121
2008 Series B	**101**	**19,088,644**	**41**	**5,952,236**
30 Year Amortization	81	14,989,140	31	4,216,978
40 Year Amortization	19	3,850,093	9	1,491,661
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	1	249,411	1	243,597
2008 Series C	**413**	**77,360,548**	**154**	**21,899,811**
30 Year Amortization	373	68,165,747	137	18,511,157
40 Year Amortization	37	8,568,683	16	3,198,754
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	1	189,150	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	2	436,968	1	189,900
2008 Series D	**228**	**40,133,201**	**75**	**9,803,630**
30 Year Amortization	210	36,339,181	69	8,509,199
40 Year Amortization	17	3,527,310	5	1,042,872
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	1	266,710	1	251,559
2009 Series A	**211**	**32,839,040**	**113**	**13,732,479**
30 Year Amortization	211	32,839,040	113	13,732,479
2009 Series B	**246**	**34,306,291**	**158**	**17,751,806**
30 Year Amortization	246	34,306,291	158	17,751,806
2009 Series C	**53**	**8,022,263**	**36**	**4,431,896**
30 Year Amortization	53	8,022,263	36	4,431,896
2010 Series A	**556**	**44,592,298**	**216**	**7,622,077**
30 Year Amortization	556	44,592,298	216	7,622,077
2011 Series AB	**615**	**104,156,389**	**451**	**64,119,221**
30 Year Amortization	615	104,156,389	451	64,119,221

Sources of Funds[5]	Original Number of Loans[6]	Original Principal Amount $ [2][6]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
2012 Series AB	**1,763**	**164,856,887**	**449**	**23,725,001**
30 Year Amortization	1,763	164,856,887	449	23,725,001
2014 Series AB	**408**	**44,867,716**	**300**	**21,858,099**
30 Year Amortization	408	44,867,716	300	21,858,099
2014 Series CD	**452**	**44,451,252**	**361**	**24,769,983**
30 Year Amortization	452	44,451,252	361	24,769,983
2014 Series E	**560**	**66,319,601**	**414**	**35,568,242**
30 Year Amortization	560	66,319,601	414	35,568,242
2014 Series F	**118**	**25,036,371**	**104**	**20,258,276**
30 Year Amortization	118	25,036,371	104	20,258,276
2015 Series B	**333**	**61,835,025**	**296**	**48,697,602**
30 Year Amortization	287	52,701,097	254	41,443,602
40 Year Amortization	2	528,045	2	463,002
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	44	8,605,883	40	6,790,998
2016 Series A	**2,704**	**632,469,545**	**1,173**	**196,907,700**
30 Year Amortization	1,950	466,213,217	420	64,860,598
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	37	8,227,952	30	5,902,658
40 Year Amortization	71	13,568,246	139	11,189,786
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	541	117,128,243	480	92,600,978
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	105	27,331,887	104	22,353,680
2017 Series A	**3,214**	**620,744,183**	**1,319**	**196,357,047**
30 Year Amortization	2,699	511,568,609	847	98,697,566
40 Year Amortization	158	32,274,516	129	30,695,444
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	19	4,166,992	13	2,547,088
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	231	47,784,438	235	43,851,522
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	107	24,949,628	95	20,565,428
Collateral Reserve (A) [3]	**106**	**8,764,712**	**36**	**1,352,930**
30 Year Amortization	106	8,764,712	36	1,352,930
Collateral Reserve (C) [3]	**4,085**	**231,718,236**	**1,488**	**32,338,002**
30 Year Amortization	4,084	231,358,236	1,487	31,999,838
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	1	360,000	1	338,164
CDA Assurance	**7**	**995,915**	**5**	**648,804**
30 Year Amortization	7	995,915	5	648,804

Sources of Funds[5]	Original Number of Loans[6]	Original Principal Amount $ [2][6]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
CDA REFI[4]	**24**	**4,634,465**	**24**	**4,614,173**
30 Year Amortization	24	4,634,465	24	4,614,173
Refinance Loans	**75**	**19,264,352**	**24**	**5,430,278**
30 Year Amortization	20	4,102,184	6	748,282
40 Year Amortization	45	12,246,571	17	4,320,236
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	1	225,000	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	3	729,400	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	6	1,961,197	1	361,761
Total All Series [2]	**24,645**	**$3,296,023,880**	**8,690**	**$912,865,663**

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 Footnote (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.

(4) These loans are currently held in the warehouse loan fund and will be purchased into a taxable series of bonds.

(5) Former bond series whose mortgage balances were zero as of December 31, 2017 were deleted from this chart. All bond series that have a zero mortgage balance as of the end of the previous quarter will be deleted going forward.

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 April 6, 2017, and relates to the Administration's Residential Revenue Bonds, 2017 Series A). 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	1999 E & F	1999 H	2000 A & B	2000 C & D	2000 F & G	2000 H	2001 E & F	2002 A	2006 E, F & G	2006 H, I & J	2007 M	2008 A
Original WAC [(2)]	**5.85%**	**5.94%**	**6.72%**	**6.83%**	**6.59%**	**6.86%**	**6.10%**	**6.78%**	**5.74%**	**5.06%**	**5.37%**	**5.23%**	**5.88%**	**6.24%**
6-month period ending [(3)] Dec-17	296%	113%	5%	57%	236%	7%	23%	303%	63%	534%	188%	241%	173%	195%
WAC at 12/31/2017[(4)]	5.66%	5.85%	6.41%	6.43%	6.16%	6.36%	6.13%	6.04%	5.47%	5.64%	5.31%	5.60%	4.03%	4.96%

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 December 31, 2017.

AVERAGE PREPAYMENT SPEEDS AS PERCENTAGE OF SIFMA (1)

Bond Series	2008 B,C,D	2009 A	2009 B	2009 C	2010 A&B	2011 A&B	2012 A&B	2014 A&B	2014 C&D	2014 E	2014 F	2015 B	2016 A	2017A
Original WAC (2)	**6.16%**	**5.73%**	**5.79%**	**5.22%**	**5.52%**	**4.19%**	**5.87%**	**4.97%**	**5.18%**	**5.25%**	**4.88%**	**5.03%**	**5.85%**	**6.18%**
6-month period ending (3) Dec-17	262%	236%	98%	20%	130%	164%	311%	144%	73%	122%	142%	122%	184%	243%
WAC at 12/31/2017(4)	5.78%	5.14%	5.36%	3.90%	5.24%	4.18%	5.04%	4.00%	4.16%	5.21%	4.88%	5.00%	5.80%	6.12%

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 December 31, 2017.