BOOK-ENTRY ONLY

In the opinion of Bond Counsel, assuming compliance with certain covenants in the Bond Resolutions intended to assure compliance with the applicable provisions of the Internal Revenue Code of 1986, as amended, and subject to the exceptions under "Tax Exemption and Related Considerations" herein, interest on the 2010 Series A Bonds is excludable from gross income for federal income tax purposes under existing laws, regulations, rulings and judicial decisions. Interest on the 2010 Series A Bonds is a tax preference item directly subject to the alternative minimum tax on individuals and corporations. A discussion of the requirements for, the extent of and exceptions to such exclusion is contained under "Tax Exemption and Related Considerations" herein. In the opinion of Bond Counsel, the 2010 Series A Bonds, their transfer, the interest payable thereon and any income derived therefrom, including any profit realized in their sale or exchange, are exempt from taxation of every kind and nature whatsoever by the State of Maryland or by any of its political subdivisions, municipal corporations or public units of any kind under existing law, except that no opinion is expressed as to such exemption from Maryland estate or inheritance taxes.

DHCD
Maryland Department of Housing
and Community Development

$28,465,000
COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Residential Revenue Bonds
2010 Series A (AMT)

Dated: Date of Delivery **Due: As shown on inside cover**

The 2010 Series A Bonds (the "2010 Series A Bonds") are being offered pursuant to this Official Statement (this "Official Statement"). The 2010 Series A Bonds are issuable, only as fully registered bonds and initially will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2010 Series A Bonds.

Purchases of the 2010 Series A Bonds will be in book-entry form only, in principal amounts of $5,000, or any integral multiple thereof. Interest on the 2010 Series A Bonds is payable semiannually on March 1 and September 1 of each year, commencing on September 1, 2010, by the Trustee to DTC. DTC is to remit such payments to participating financial organizations for subsequent disbursement to beneficial owners of the 2010 Series A Bonds.

The 2010 Series A Bonds are subject to redemption prior to maturity at par, plus interest accrued to the date of redemption, at the times and under the conditions set forth herein.

Additional information is contained under the caption "THE 2010 SERIES A BONDS". Manufacturers and Traders Trust Company, a New York banking corporation with trust powers and having a corporate trust office in Baltimore, Maryland, is the Trustee.

The 2010 Series A Bonds are special obligations of the Community Development Administration (the "Administration"), an agency in the Division of Development Finance of the Maryland Department of Housing and Community Development (the "Department"), payable solely from the revenues and assets of the Administration pledged therefor under the Bond Resolution. The Administration has no taxing power. The 2010 Series A Bonds do not constitute a debt of the State of Maryland, any political subdivision thereof, the Administration or the Department, or a pledge of the faith, credit or taxing power of the State, any such political subdivision, the Administration or the Department.

The 2010 Series A Bonds are offered for delivery when, as and if issued, subject to the opinion of Ballard Spahr LLP, Washington, D.C., Bond Counsel, as to the validity of the 2010 Series A Bonds and the excludability from gross income of interest thereon for federal income tax purposes. Certain legal matters will be passed upon for the Administration by an Assistant Attorney General of the State of Maryland and Counsel to the Department. Certain legal matters will be passed upon for the Underwriters by their counsel, Miles & Stockbridge P.C. It is expected that the 2010 Series A Bonds will be available for delivery through the facilities of DTC in New York, New York on or about June 9, 2010.

RBC Capital Markets

J.P. Morgan **BofA Merrill Lynch**
Goldman, Sachs & Co. **Loop Capital Markets, L.L.C.** **Morgan Stanley**

This cover page contains certain information for quick reference only. It is not a summary of this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed decision.

May 26, 2010

MATURITY SCHEDULE

$28,465,000 2010 Series A Bonds

$28,465,000 Serial Bonds

Due Date (March 1)	Amount	Interest Rate	Price
2018	$6,675,000	3.950%	100%
2019	6,955,000	4.125	100
2020	7,255,000	4.300	100
2021	7,580,000	4.450	100

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2010 Series A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the Administration and by other sources which are believed to be reliable. The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesman or other person has been authorized by the Administration or by the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information and expressions of opinion herein speak only as of the date hereof and are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Administration since the date hereof.

The order and placement of information in this Official Statement, including the appendices, are not an indication of relevance, materiality or relative importance, and this Official Statement, including the appendices, must be read in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or section in this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE 2010 SERIES A BONDS OR OF ANY OTHER BONDS OF THE ADMINISTRATION AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

of the
COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Relating to

$28,465,000
Residential Revenue Bonds
2010 Series A (AMT)

INTRODUCTION

The purpose of this Official Statement (this "Official Statement"), which includes the cover page, the inside cover page (including the maturity schedule) and the Appendices, is to set forth information in connection with the sale by the Community Development Administration (the "Administration"), an agency in the Division of Development Finance of the Department of Housing and Community Development (the "Department"), a principal department of the government of the State of Maryland (the "State"), of its Residential Revenue Bonds, 2010 Series A (AMT) (the "2010 Series A Bonds").

This Official Statement speaks only as of its date, and the information contained herein is subject to change. The information contained under this caption is qualified by reference to the entire Official Statement. This introduction is only a brief description of the Official Statement and potential investors should review the entire Official Statement, as well as the documents summarized or described herein, in order to make an informed investment decision. All terms not otherwise defined herein shall have the meanings set forth in Appendix C – "DEFINITIONS" or in the Bond Resolutions (as hereinafter defined).

Authorization

The Administration is authorized to issue the 2010 Series A Bonds pursuant to Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the "Act"), and a Residential Revenue Bond Resolution providing for the issuance of Residential Revenue Bonds adopted by the Administration as of August 1, 1997 and amended and restated as of July 15, 2005 (the "Bond Resolution"), for the benefit of Manufacturers and Traders Trust Company, as trustee (the "Trustee"). The 2010 Series A Bonds will be issued pursuant to a Series Resolution Providing for the Issuance and Sale of Residential Revenue Bonds, 2010 Series A that will be adopted by the Administration prior to the issuance of the 2010 Series A Bonds (the "2010 Series A Resolution"). The Bond Resolution and the 2010 Series A Resolution are collectively called the "Bond Resolutions".

Bonds Issued Under Bond Resolution

As of January 1, 2010, the Administration had issued 99 prior Series of Bonds under the Bond Resolution. As of January 1, 2010, $2,240,585,000 in aggregate principal amount comprising 62 Series of Bonds were outstanding under the Bond Resolution. All prior Series of Bonds are collectively referred to herein as the "Prior Bonds". The Bond Resolution provides for the issuance of Additional Bonds, which will be on a parity with the Prior Bonds and the 2010 Series A Bonds, and will be equally and ratably secured under the Bond Resolution. See "SECURITY FOR THE BONDS – Additional Bonds" herein. The Prior Bonds and the 2010 Series A Bonds, together with any Additional Bonds issued under the Bond Resolution and secured on a parity basis, are referred to collectively as the "Bonds". The Bond Resolution also allows the issuance of Subordinate Bonds which will not be on a parity with the Bonds. To date, the Administration has not issued Subordinate Bonds under the Bond Resolution. The Administration may, from time to time, enter into Qualified Hedges which may be secured on a parity basis with the Bonds. See "SECURITY FOR THE BONDS–Interest Rate Swaps" and Appendix D – "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION".

The Bonds are special obligations of the Administration, payable solely from the revenues and assets of the Administration pledged therefor under the Bond Resolution. The Administration has no taxing power. The Bonds do not constitute a debt of the State, any political subdivision thereof, the Administration or the Department, or a pledge of the faith, credit or taxing power of the State, any such political subdivision, the Administration or the Department.

Purpose of Bond Resolution

The Administration adopted the Bond Resolution pursuant to the Act primarily to finance single family housing loans under the Residential Revenue Bond Program (the "Program"), but has 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. In addition to whole single family housing loans, other types of loans and other kinds of housing that may be financed by the Administration under the Bond Resolution include portions of or participations in single family housing loans made, purchased or otherwise financed by the Administration, home improvement loans, housing rehabilitation loans, as well as loans to finance or refinance developments authorized by the Act, including, without limitation, multi-family housing projects, group housing facilities and shared living facilities. To date, the Administration has applied proceeds of Bonds only to finance single family housing loans and participations in single family housing loans and to fund reserves related thereto. See "SECURITY FOR THE BONDS" and Appendix D – "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION".

The 1980 General Certificate

Between 1980 and the adoption of the Bond Resolution on August 1, 1997, the Administration issued bonds for its single family program under a general certificate providing for the issuance of single family program bonds ("Single Family Program Bonds"), which general certificate was adopted by the Administration as of May 1, 1980, as supplemented (the "1980 General Certificate"). As of January 1, 2010, \$82,000,000 in aggregate principal amount of bonds were outstanding under the 1980 General Certificate. Bonds issued under the Bond Resolution are not secured by or payable from the assets of the 1980 General Certificate.

The Administration expects to use the proceeds of the 2010 Series A Bonds to optionally redeem the 1999 Third Series Single Family Program Bonds (the "1999 Third Bonds") and, following such redemption, apply available monies on deposit under the 1980 General Certificate to the special redemption of all remaining Single Family Program Bonds outstanding. The proposed retirement of all of the outstanding Single Family Program Bonds will allow the Administration to discharge the pledge of revenues and other moneys and securities pledged under the 1980 General Certificate, thereby permitting the remaining funds and mortgage loans held under the 1980 General Certificate to be released from the lien thereof. The Administration expects to transfer the remaining released funds and mortgage loans not attributable to the 2010 Series A Bonds to the Collateral Reserve Fund under the Bond Resolution to be held thereunder as security for all of the outstanding Bonds. See "SECURITY FOR THE BONDS – Collateral Reserve Fund."

New Issue Bond Program

On January 12, 2010, the Administration issued \$154,290,000 of Single Family Housing Revenue Bonds (the "NIBP Bonds") pursuant to the Single Family Housing Revenue Bond Resolution providing for the issuance of Single Family Housing Revenue Bonds, as supplemented by the Series Resolution Providing for the Issuance and Sale of Single Family Housing Revenue Bonds 2009 Series A (together, the "NIBP Bond Resolution") each adopted by the Administration as of December 1, 2009. The NIBP Bonds were placed pursuant to the New Issue Bond Program of the Housing Finance Agency Initiative announced October 19, 2009 (the "NIBP") by the United States Department of the Treasury (the "Treasury"). Under the NIBP, the Administration exchanged the NIBP Bonds for securities issued by the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association (together, the "GSEs") that were then purchased by the Treasury from the Administration. As a result, an amount equal to $154,290,000 (the "NIBP Proceeds") is currently credited to an escrow fund held pursuant to the NIBP (the "NIBP Escrow Fund"). In order to release the NIBP Proceeds from the NIBP Escrow Fund the Administration is required to reissue a corresponding portion of NIBP Bonds as tax-exempt bonds and cause the issuance of additional series of bonds ("Market Bonds") under the NIBP Resolution in an amount equal to not less than two-thirds of the corresponding re-issued NIBP Bonds. NIBP Proceeds not released from the NIBP Escrow Fund by December 31, 2010 (or such other date agreed to by the Treasury) will be used to redeem a corresponding portion NIBP Bonds not re-issued as tax-exempt bonds. Until the NIBP Proceeds are fully expended (or used for redemption purposes), the Administration expects to finance mortgage loans with the NIBP Proceeds, together with the proceeds of the Market Bonds, under the NIBP Resolution. Thereafter, the Administration expects, but is not required, to continue to finance new loans for its single family program primarily under the Bond Resolution.

NIBP Bonds issued under the NIBP 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 Resolution.

Use of Proceeds of the Bonds

The Bond Resolution authorizes the Administration to issue Bonds to provide funds to finance or refinance any loan, project, facility, undertaking or purpose that the Administration is authorized to undertake, finance or provide financing for pursuant to the Act ("Program Assets"), including, but not limited to, mortgage loans, or portions of or participations in mortgage loans ("Mortgage Loans"), to finance or refinance the purchase of owner-occupied single family residences by persons or families of limited incomes, to refund Bonds or other obligations (including bonds issued by the Administration under resolutions other than the Bond Resolution), to fund reserves, to pay Costs of Issuance or to achieve any other of the Administration's purposes. In addition to Mortgage Loans, the Bond Resolution permits financing of various types of Loans, including, without limitation, loans to finance various types of housing developments within the State, which include single family residences, multi-family residential rental facilities, and group living facilities (collectively, the "Developments") which promote sound community development and provide housing for occupancy, in substantial part, by persons or families of limited incomes. The Loans also must meet the requirements set forth in the Bond Resolution. Program Assets may include, without limitation, whole loans (with or without Credit Enhancement), including Mortgage Loans, and mortgage-backed securities.

The funds made available from the issuance of the 2010 Series A Bonds will be used to refund the 1999 Third Bonds as a result of which the 2010 Series A Transferred Mortgage Loans (defined below) will be transferred to the Bond Resolution and attributed to the 2010 Series A Bonds and the 2010 Series A Released Funds (defined below) will be transferred to the Bond Resolution and made available to make or purchase Mortgage Loans and provide for a deposit to the Reserve Fund. See "THE 2010 SERIES A BONDS — Application of the 2010 Series A Bonds Proceeds" and Appendix D — SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION".

The Administration will use certain 2010 Series A Released Funds to purchase Mortgage Loans or participations in Mortgage Loans. All or a portion of a participation purchased with 2010 Series A Released Funds may bear interest at 0% and may be solely in the principal of the Mortgage Loans and not in the interest; and 2010 Series A Released Funds may also be used to purchase participations in Mortgage Loans financed in part by other future series of Bonds. The 2010 Series A Bonds will be secured as to both principal and interest by the pledge and lien of the Bond Resolution described herein under "SECURITY FOR THE BONDS".

The 2010 Series A Resolution contain Series Program Determinations for the 2010 Series A Bonds, which limit the Loans financed to Mortgage Loans on Single Family Residences and require all such Mortgage Loans to be insured by FHA or guaranteed by the United States Department of Veteran Affairs ("VA"), the United States Department of Agriculture, Rural Development (the "USDA/RD") Guaranteed Rural Housing Loan Program, private mortgage insurance acceptable to the Administration or mortgage insurance provided by the Maryland Housing Fund ("MHF"). In addition, Loans with a loan-to-value ratio of 80% or less may be uninsured if certain requirements of the Administration are met. See Appendix B – "THE PROGRAM," and Appendix G – "MORTGAGE INSURANCE AND GUARANTEE PROGRAMS".

The Bond Resolution does not require that Loans be secured by Credit Enhancement. In addition, the Bond Resolution permits the Administration to require Loans to be secured by Credit Enhancement other than FHA mortgage insurance, private mortgage insurance, MHF mortgage insurance, or VA or USDA/RD guarantees. Such Credit Enhancement may include a variety of forms and may be provided by a variety of Credit Enhancers. See the definitions of Credit Enhancement and Credit Enhancer in Appendix C – "DEFINITIONS" and Appendix D – "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION".

Brief descriptions of the 2010 Series A Bonds and the security for the Bonds are included in this Official Statement. Descriptions of the Department and the Administration, the Program, the definitions of certain terms and the summary of certain provisions of the Bond Resolutions are included as Appendices A, B, C and D, respectively. Appendices E and F contain certain information regarding the outstanding indebtedness of the Administration and its redemption requirements for the Bonds from Prepayments of Loans as required by the Code, respectively. A summary of the FHA Mortgage Insurance Program, the VA Home Loan Guaranty Program, the USDA/RD Mortgage Guarantee Program, the private mortgage insurance acceptable to the Administration and the MHF Insurance Program is included as Appendix G. The financial statements of the Program, investments held in the Residential Revenue Bond Funds, information concerning Mortgage Loans financed under the Program, information concerning the prepayment speeds of Mortgage Loans under the Program and the proposed forms of the opinions of Bond Counsel are included as Appendices H, J, K, L, M and N, respectively. The financial statements of the Maryland Housing Fund are included in Appendix I. **The Appendices to this Official Statement constitute a part of this Official Statement and contain information which any potential investor should read in order to make an informed investment decision.**

Information concerning the 2010 Series A Bonds, the Administration and the Program and descriptions of certain provisions of the Act, the 2010 Series A Bonds and the Bond Resolutions are included in this Official Statement. All summaries herein of any statute, agreement or document are qualified in their entirety by reference to such statute, agreement or document, and all summaries of the 2010 Series A Bonds are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto contained in the Bond Resolutions. Copies of the Bond Resolutions and the Act are available for inspection at the offices of the Administration at 100 Community Place, Crownsville, Maryland 21032-2023. Requests to inspect copies of the Bond Resolutions and the Act should be directed to Investor Relations at (410) 514-7326 or by e-mail at cda_bonds@dhcd.state.md.us.

THE 2010 SERIES A BONDS

General Description

The 2010 Series A Bonds are dated the date of delivery thereof. The 2010 Series A Bonds will bear interest from the date of delivery until their maturity or earlier redemption at the applicable rates set forth on the inside cover hereof. Interest on the 2010 Series A Bonds will be payable semiannually on March 1, and September 1 (each an "Interest Payment Date"), commencing September 1, 2010. If any such dates are not business days, then such payments will be made on the next business day. Interest on the 2010 Series A Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. 2010 Series A Bonds subsequently issued in exchange for or upon the registration or transfer of 2010 Series A Bonds will be dated the date of authentication thereof and will bear interest from the Interest Payment Date next preceding the date of the authentication thereof, unless the date of such authentication is after a Record Date and on or prior to the next succeeding Interest Payment Date, in which case they will bear interest from such Interest Payment Date; provided, however, that if interest on the 2010 Series A Bonds is in default, the 2010 Series A Bonds issued in place of 2010 Series A Bonds surrendered for transfer or exchange will bear interest from the date to which interest has been paid in full on the 2010 Series A Bonds, or made available for payment in full on Outstanding Bonds. The 2010 Series A Bonds will be issuable only as fully registered bonds and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2010 Series A Bonds. Purchases of the 2010 Series A Bonds will be in book-entry form only, in minimum principal amounts of $5,000 or any integral multiple thereof. The 2010 Series A Bonds mature on the dates and in the amounts set forth on the inside cover page of this Official Statement subject to earlier redemption as hereinafter described.

Application of the 2010 Series A Bonds Proceeds

The Administration will deposit, from the proceeds of the sale of the 2010 Series A Bonds, $28,465,000 into a Redemption Account established pursuant to the 2010 Series A Resolution to be applied to the optional redemption of the 1999 Third Bonds within 90 days of delivery of the 2010 Series A Bonds. As a result of the redemption of the 1999 Third Bonds, the Administration will transfer to the Bond Resolution and attribute to the 2010 Series A Bonds (a) $21,243,596 of mortgage loans held under the 1980 General Certificate (the "2010 Series A Transferred Mortgage Loans") (approximately $3,186,508 of which will be allocable to the 2010 Series A Bonds for Ten-Year Rule purposes, see ""*Ten Year Rule*" *Requirements"* below), (b) $7,221,404 of monies on deposit under the 1980 General Certificate (the "2010 Series A Released Funds") of which $6,662,404 will be deposited into the 2010 Series A Program Account of the Program Fund and made available to make or purchase Mortgage Loans and $559,000 will be deposited into the Reserve Fund under the Bond Resolution.

The costs of issuance, including underwriter's compensation, relating to the 2010 Series A Bonds will be funded by the Administration from available moneys not included in the proceeds of the 2010 Series A Bonds.

Redemption Provisions The 2010 Series A Bonds are subject to redemption prior to maturity as follows:

Optional Redemption.

The 2010 Series A Bonds are subject to redemption at the option of the Administration, in whole or in part at any time, on or after March 1, 2020 at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest thereon to but not including the date of redemption.

Special Redemption. The 2010 Series A Bonds are subject to special redemption, at the option of the Administration, in whole or in part, at any time and at a price equal to the principal amount thereof, plus accrued interest thereon, from:

(1) Recovery Payments from any Series of Bonds, except as otherwise provided herein under the heading ""*Ten Year Rule*" *Requirements*"; and

(2) excess Revenues from any Series of Bonds, including, without limitation, amounts resulting from any reduction in the Reserve Fund from any Series of Bonds.

As a result of the special redemption provisions, the Administration can make no assurance that a particular Offered Bond will not be redeemed prior to its maturity. The Administration cannot accurately predict the volume of Recovery Payments, including Prepayments, or other moneys which will be available for the special redemption of Bonds in the future. See "Risks of Redemption as a

Result of Nonorigination" and "Risks of Redemption as a Result of Prepayment and Other Excess Revenues" below.

Cross-Call Practices. Unless otherwise (i) provided in a Series Resolution, (ii) required or restricted by the 1986 Code, or (iii) directed by the Administration, excess Revenues and Prepayments of Mortgage Loans financed with proceeds of any Series of Bonds, to the extent transferred to the Redemption Fund, may be applied to the redemption of Bonds of any Series. The Administration generally expects to apply excess Revenues or Prepayments to the redemption of the Series having the highest effective bond yield; provided, however, that the Administration reserves the right to redeem Bonds, including the 2010 Series A Bonds, that do not have the highest effective bond yield.

As a result, the 2010 Series A Bonds may be redeemed from excess Revenues and Prepayments of Mortgage Loans financed with the proceeds of other Series of Bonds.

"*Ten Year Rule*" *Requirements*. The 1986 Code requires that prepayments of mortgages financed with an issue of qualified mortgage bonds must be used to redeem bonds of that issue by the close of the next semiannual period, if the prepayments are received more than ten years after the issuance of the bonds or any prior refunded issue (the "Ten Year Rule"). Appendix F hereto is a table showing the percentage of mortgage prepayments received in any particular period that must, under the Ten Year Rule, be used for redemption of bonds of the issue that financed the mortgages, including the 2010 Series A Bonds. The table is based on an allocation of bond proceeds between any "new money" (nonrefunding) portion, which will not be subject to the Ten Year Rule until ten years after the date of issuance, and any portion used, directly or indirectly, to refund one or more prior issues, each of which has its own ten year period which applies to the refunding issue. The Ten Year Rule applies generally to all issues of tax-exempt qualified mortgage bonds issued after December 31, 1988.

Risks of Redemption as a Result of Prepayments and Other Excess Revenues. All Mortgage Loans permit partial or complete prepayment without penalty. Mortgage Loans also may be terminated prior to their respective final maturities as a result of events such as default, sale (including potentially a sale of all or part of the Mortgage Loan portfolio), condemnation or casualty loss. A number of factors, including general economic conditions, homeowner mobility and mortgage market interest rates, will affect the rate of actual prepayments for a particular portfolio of mortgage loans. Therefore, it is difficult to predict prepayments for the Administration's portfolio from available data about other pools of mortgage loans. For information concerning the prepayment speeds of Mortgage Loans under the Program, see Appendix M – "RESIDENTIAL REVENUE BOND PROGRAM PREPAYMENT SPEED OF MORTGAGE LOAN PORTFOLIO BY BOND ISSUANCE".

It is not possible to predict the amount of excess Revenues that may be generated under the Bond Resolution. Any excess Revenues or Prepayments of Mortgage Loans received under the Bond Resolution and not applied to make or purchase new Mortgage Loans, shall be applied in accordance with the provisions of the Bond Resolutions and federal tax laws, which provisions may permit or require the special redemption of Bonds from such excess Revenues or Prepayments.

General Provisions. If fewer than all of the 2010 Series A Bonds of like maturity are to be redeemed and are no longer held in book-entry form, the Administration will determine the particular 2010 Series A Bonds or portions thereof to be called for redemption. The Trustee will mail notice of the redemption to the registered owners of any 2010 Series A Bonds or portions thereof to be redeemed not less than 15 days (or, in the case of 2010 Series A Bonds then registered under DTC's book-entry-only system of registration, 30 days) nor more than 90 days before any date upon which 2010 Series A Bonds may be redeemed at their last addresses appearing upon the registration books. Such notice by mail is sufficient and published notice of the call for redemption need not be given. The notice of redemption may be conditional. If conditional, the notice will set forth the conditions precedent to such redemption and if such conditions have not been met prior to the redemption date, such notice will be of no force and effect. Notice otherwise having been provided, the 2010

Series A Bonds designated in the notice will become due and payable at the applicable redemption price, plus interest accrued to the redemption date. On and after the redemption date, such 2010 Series A Bonds will cease to bear interest and such 2010 Series A Bonds will no longer be considered as outstanding under the Bond Resolution.

DTC and Book-Entry

At the time of delivery of the 2010 Series A Bonds, DTC will act as securities depository for the 2010 Series A Bonds. The ownership of one fully registered Offered Bond for each maturity of each series, in the aggregate principal amount of such maturity and series, initially will be registered in the name of Cede & Co., as nominee for DTC, or such other name as may be requested by an authorized representative of DTC, and deposited with DTC or its designated custodian. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has S&P's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of 2010 Series A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2010 Series A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2010 Series A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2010 Series A Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2010 Series A Bonds, except in the event that use of the book-entry system for the 2010 Series A Bonds is discontinued.

To facilitate subsequent transfers, all 2010 Series A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2010 Series A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2010 Series A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2010 Series A Bonds are credited, which may or may not be the Beneficial Owners. The Direct or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

The Trustee will make payments of principal of, redemption premium, if any, and interest on the 2010 Series A Bonds to Cede & Co., or such other DTC nominee as may be requested by an authorized representative of DTC. DTC's current practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Administration or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium (if any) and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Administration or the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners entitled thereto is the responsibility of Direct and Indirect Participants. DTC, the Trustee and the Administration are not responsible for and make no representations concerning the manner of, or any charges that may be associated with, payments by Direct Participants or Indirect Participants to Beneficial Owners.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2010 Series A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

DTC, Cede & Co. or such other DTC nominee will not consent or vote with respect to the 2010 Series A Bonds, unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an omnibus proxy to the Administration as soon as possible after the record date for any consent or vote. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2010 Series A Bonds are credited on the record date (identified in a listing attached to the omnibus proxy).

Neither the Administration nor the Trustee will have any responsibility or obligation to the Direct Participants or the Beneficial Owners with respect to (A) the accuracy of any records maintained by DTC or any Participant; (B) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and premium, if any, and interest on the 2010 Series A Bonds; (C) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Bond Resolutions to be given to Bondholders; or (D) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

The Administration and the Trustee cannot give any assurances that DTC will distribute payments of principal of, redemption premium, if any, and interest on the 2010 Series A Bonds paid to DTC or its nominee, as the registered owner, or any redemption or other notices, to the Direct Participants or that they will do so on a timely basis, that Direct Participants or Indirect Participants will distribute to Beneficial Owners any payments or notices received by them or do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.

So long as Cede & Co. is the registered owner of the 2010 Series A Bonds, as nominee of DTC, references in this Official Statement to the owners of the 2010 Series A Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners and Cede & Co. will be treated as the only Bondholder of 2010 Series A Bonds for all purposes under the Bond Resolutions.

The Administration may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to 2010 Series A Bonds without the consent of Beneficial Owners or Bondholders.

DTC may discontinue providing its services as a depository with respect to the 2010 Series A Bonds at any time by giving reasonable notice to the Administration or Trustee. Under such circumstances, in the event that a successor depository is not obtained bond certificates will be printed and delivered. The Administration may decide to discontinue use of the system of book entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

Information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Administration believes to be reliable, but the Administration takes no responsibility for the accuracy thereof.

Definitive Bonds

DTC (or a successor securities depository) may discontinue providing its service with respect to the 2010 Series A Bonds at any time by giving notice to the Administration and discharging its responsibilities with respect thereto under applicable law. In addition, the Administration, in its sole discretion and without the consent of any other person, may elect not to use or may terminate the services of DTC (or a successor securities depository). Under such circumstances, 2010 Series A Bonds in definitive form will be delivered as provided in the Bond Resolutions and registered in accordance with the instructions of the purchasers, and the following requirements of the Bond Resolutions will apply. Interest on the 2010 Series A Bonds will be payable by check or draft mailed by the Trustee to the registered owner thereof or, upon the request of a registered owner of 2010 Series A Bonds having a principal amount of $1,000,000 or more, by wire transfer from the Trustee to the registered owner thereof. The principal of and redemption premium, if any, are payable at the corporate trust office of the Trustee upon presentation of the 2010 Series A Bonds on or after the date of maturity or redemption. Each exchange or transfer of the 2010 Series A Bonds may require the payment by the owner of any tax, fee or other charge imposed by law and a reasonable transfer fee of the Trustee.

SECURITY FOR THE BONDS

Provisions of Bond Resolution

Pursuant to the Bond Resolution, the security for the Bonds is a pledge of and lien on:

(1) proceeds of the sale of Bonds (other than proceeds deposited in trust for the retirement of Outstanding Bonds);
(2) the Administration's right, title and interest in and to all Program Assets financed from such proceeds;
(3) Revenues;
(4) all money, investments and other assets held in the funds and accounts established by or pursuant to the Bond Resolution and the earnings thereon, except for any money, investments, assets or income held in the Rebate Fund or in any fund or account created by a Series Resolution or a Supplemental Resolution which provides that such fund or account shall not be subject to the lien of the Bond Resolution; and
(5) any and all other property of every description and nature from time to time hereafter by delivery or by writing of any kind conveyed, pledged, assigned or transferred to the Trustee as and for additional security under the Bond Resolution by the Administration or by anyone on its behalf or with its written consent.

The pledge and security interest are subject to (i) the power of the Administration to direct the withdrawal of amounts from such funds and accounts free and clear of such pledge and security interest upon the conditions provided in the Bond Resolution subject to the filing of a Cash Flow Certificate, (ii) other specific limitations set forth in the Bond Resolution and (iii) with respect to one or more Series of Bonds, the power of the Administration to grant a lien on the same property and rights (or any portion thereof) on a parity with or subordinate to the lien granted to the Trustee for the benefit of the owners of the Bonds (provided, however, any funds, assets or other property pledged to or for the benefit of the Credit Enhancer or Credit Facility Provider shall be available to the Credit Enhancer or Credit Facility Provider only after it has made payment under the Credit Enhancement or Credit Facility, as appropriate) and to exclude all moneys deposited into any fund or account with respect thereto from the pledge to the Trustee securing payment of the Bonds or to limit such pledge. Moneys necessary to pay arbitrage rebate, if any, to the United States are administered outside of, and are not subject to the lien of, the Bond Resolution. For a description of the provisions of the Bond Resolution for releasing of moneys or other assets from the lien of the Bond Resolution, see "SECURITY FOR THE BONDS – Cash Flow Statements and Certificates".

The pledge made and security interests granted by the Bond Resolution and the covenants and agreements therein set forth are for the equal benefit, protection and security of holders of all Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any Bond over any other except as expressly provided or permitted herein. Subordinate Bonds need not be of equal rank with other Bonds and shall be entitled to the preferences and priorities provided in the Series Resolution authorizing the issuance of Subordinate Bonds. See "SECURITY FOR THE BONDS". The Administration may, from time to time, enter into Qualified Hedges which may be secured on a parity basis with the Bonds. See "SECURITY FOR THE BONDS - Interest Rate Swaps" and Appendix D - "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION".

The Bonds are special obligations of the Administration payable solely from the revenues and assets of the Administration pledged therefor under the Bond Resolution. The Administration has no taxing power. The Bonds do not constitute a debt of the State, any political subdivision thereof, the Administration or the Department, or a pledge of the faith, credit or taxing power of the State, any such political subdivision, the Administration or the Department.

Program Assets

Loans. Mortgage Loans financed by the Administration with 2010 Series A Released Funds and the 2010 Series A Transferred Mortgage Loans will be pledged as Program Assets under the Bond Resolution. The Trustee will retain all right, title and interest in each such Mortgage Loan and Transferred Mortgage Loan for the equal and ratable security of the Bonds.

Each of the 2010 Series A Transferred Mortgage Loans and each of the Loans financed with the proceeds of Prior Bonds issued under the Bond Resolution have been Mortgage Loans. Loans have been and may be insured by FHA or private mortgage insurance, acceptable to the Administration, the MHF, or guaranteed by VA or USDA/RD. The Administration is currently not financing Loans that are insured by private mortgage insurance, but may do so in the future. Loans with a loan-to-value ratio of 80% or less may be uninsured if certain requirements of the Administration are met. See Appendix G – "MORTGAGE INSURANCE AND GUARANTEE PROGRAMS – The MHF Insurance Program". The Bond Resolution does not require that a Loan financed in the future be secured by Credit Enhancement. Credit Enhancement of all or a portion of a Loan, if any, will be provided in accordance with the applicable provisions set forth in the Series Resolution authorizing a particular Series of Bonds. Credit Enhancement of Loans includes (but is not limited to) any credit enhancement, insurance, guaranty, risk-sharing arrangement or any other form of credit support for a Loan (or any portion thereof) as provided in any Series Resolution or Supplemental Resolution.

Each of the 2010 Series A Transferred Mortgage Loans, each of the Mortgage Loans financed with the proceeds of the Prior Bonds and each of the Mortgage Loans expected to be financed with 2010 Series A

Released Funds will be secured by a first lien mortgage. However, the Bond Resolution does not require that a Loan financed in the future be secured by a Mortgage constituting a mortgage lien on a Development, or that the lien of any Mortgage be a first lien. Any of the Loan requirements may be varied pursuant to Credit Enhancement of such Loan or, if the Loan is not Credit Enhanced, as required or permitted by the Administration.

Pursuant to the Bond Resolution, the Administration may, in its discretion: (i) sell any Loan not in default, (ii) release any Loan from the lien of the Bond Resolution, or (iii) materially modify, amend or alter any security for, or any terms or provisions, of any Loan or Mortgage. Before selling or otherwise transferring a Loan not in default (other than transfer of a Program Asset to a provider of Credit Enhancement or a Credit Facility provided that payment is made under the terms of the Credit Enhancement or Credit Facility), the Administration is required to file with the Trustee a Cash Flow Certificate taking such sale, release, cancellation, modification, amendment or alteration into account. The Administration may materially modify, amend, alter, release or cancel any terms or provisions of any Credit Enhancement.

Generally, the ability of the Administration to pay debt service on the Bonds depends upon the receipt of sufficient Revenues, principally comprising principal and interest payments on Loans, and earnings on investment of moneys in funds and accounts under the Bond Resolution. The Reserve Fund has been established to provide for the payment of debt service on the Bonds if Revenues for that purpose are at any time insufficient. If, however, Borrowers fail to satisfy their respective Loan obligations, and the proceeds of Credit Enhancement, if any, are insufficient, sufficient moneys may not be available to pay principal of and interest on the Bonds. The failure of a Borrower to make timely payment on its Loan or the occurrence of an event of default with respect to a Program Asset does not constitute a default with respect to any other Program Asset. Similarly, the occurrence of an Event of Default under the Bond Resolution does not, of itself, constitute an event of default with respect to any Program Asset. Under such circumstances, neither the Administration nor the Trustee has the right to accelerate payment of any Program Asset not in default.

Developments. In addition to financing Loans, Bonds may be issued under the Bond Resolution to provide funds for the making, purchasing or otherwise financing or refinancing of Developments, including any project, facility, undertaking or purpose that the Administration is authorized to undertake, finance or provide financing for pursuant to the Act as now or hereafter in effect, including, without limitation, Single Family Residences, multi-family housing, group housing, shared living facilities, home improvements, housing rehabilitation and any undertaking or project, or portion thereof, which is defined as a "community development project," a "public purpose project," an "energy conservation project," a "home improvement project," an "infrastructure project" or a "special housing facility" by the Act.

Reserve Fund

The Reserve Requirement, as of any date of calculation, is the aggregate of the amounts specified as the Reserve Requirement for each Series of Bonds in the applicable Series Resolution. During fiscal year 1997, the Administration adopted the provisions of GASB 31, which require that the financial statements of the Administration reflect investments at fair value. Accordingly, the balance of the Reserve Fund reported at December 31, 2009, includes investments at fair value. As of December 31, 2009, the available balance in the Reserve Fund was $51,068,854, of which $29,771,768 was cash equivalents. The fair value of investments was $21,297,086, of which $20,369,913 was the book value of investments and $927,173 was the increase in fair value of investments. See Appendix J – "INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS" herein. The amount currently on deposit in the Reserve Fund is at least equal to the aggregate Reserve Requirement established in the Series Resolutions which is 2% of the sum of: (i) the aggregate lendable proceeds on deposit in the Program Fund relating to the 2010 Series A Bonds and all Prior Bonds, and (ii) the aggregate principal amount of the Mortgage Loans then outstanding made or purchased from amounts described in clause (i) above.

If moneys in the Revenue Fund are insufficient to provide for the payment when due of any Principal Installment, interest on the Bonds or any Sinking Fund Installment with respect to the Bonds, the Trustee shall withdraw from the Reserve Fund and pay into the Revenue Fund the amount of such deficiency. If any such withdrawal results in the balance in the Reserve Fund falling below the amount of the Reserve Requirement, any such deficiency shall be replenished from amounts available in the Revenue Fund following payment of Principal Installments, Sinking Fund Installments, redemption premium (if any) and interest on the Bonds. The failure of the Administration to maintain the Reserve Requirement will not, in and of itself, constitute an Event of Default under the Bond Resolution.

The Trustee may, at the direction of an Authorized Officer, withdraw any amount in the Reserve Fund in excess of the Reserve Requirement, and any amount anticipated to be withdrawn in connection with the purchase or redemption of Bonds, and credit such amount to the Revenue Fund. The Reserve Fund and the Reserve Requirement may be funded with moneys or Cash Equivalents, in accordance with the requirements of the Bond Resolution and any Supplemental Resolution, or as determined to be deposited therein by the Administration. If, pursuant to a Supplemental Resolution, amounts obtained under a Credit Facility or Credit Enhancement are to be used to pay the Principal Installments of and interest on Bonds, then amounts in the Reserve Fund that would otherwise have been used for such purposes may be applied to reimburse the Credit Facility Provider or Credit Enhancer for the amounts so obtained, all in accordance with such Supplemental Resolution.

Collateral Reserve Fund

The Administration has established a Collateral Reserve Fund under the Bond Resolution to provide additional pledged collateral as it deems appropriate. The Bond Resolution does not require the funding of the Collateral Reserve Fund, except as determined by the Administration. Any moneys, Cash Equivalents (e.g., letters of credit, insurance policies, sureties, guaranties or other security arrangements), Program Assets, Non-Conforming Loans (i.e., Loans which do not comply with the mortgage eligibility requirements of the Code) or other assets on deposit in the Collateral Reserve Fund are pledged as security for the Bonds, but may be transferred to any other Fund or Account or withdrawn, free and clear of the lien of the Bond Resolution, by the Administration upon receipt by the Trustee of an Administrative Request and, with respect to amounts deposited pursuant to prior Series Resolutions, a Cash Flow Certificate.

Moneys, Cash Equivalents, Program Assets, Non-Conforming Loans and other assets may be deposited into the Collateral Reserve Fund in accordance with the requirements of a Series Resolution or a Supplemental Resolution. Such Series Resolution or Supplemental Resolution may establish terms, conditions and provisions relating to the funding of the Collateral Reserve Fund, disbursement of moneys or Cash Equivalents and the sale, disposition or release of Non-Conforming Loans from the Collateral Reserve Fund as well as the maintenance of such assets required to be held in such fund with respect to either a Series of Bonds or generally. As of December 31, 2009 (and not including the Warehouse Fund described below), the Collateral Reserve Fund held Loans with an outstanding principal balance of $47,636,334 and Investment Obligations in the amount of $71,354,286. See Appendix J – "INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS" herein.

In addition, the Administration established an account called the Warehouse Loan Fund, established under the Collateral Reserve Fund of the Bond Resolution, for purchasing loans. Program Funds from a new issuance may be used to purchase loans from the Warehouse Loan Fund and return proceeds to the Warehouse Loan Fund. The Administration may apply certain amounts deposited into the Program Fund from proceeds of the 2010 Series A Bonds to purchase Mortgage Loans from the Warehouse Loan Fund. For information on the status of the Warehouse Loan Fund, see Appendix B – "THE PROGRAM – Existing Portfolio and Available Funds Under the Bond Resolution – Status of Available Funds" and Appendix J – "INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS" herein.

Cash Flow Statements and Certificates

The Administration is required to file with the Trustee a current Cash Flow Statement whenever any Series of Bonds is issued, unless such filing is not required by a Rating Agency, provided that the Administration shall file with the Trustee a current Cash Flow Statement at least annually.

A Cash Flow Statement shall consist of a certification and calculation made by or for the Administration and signed by an Authorized Officer giving effect to the action proposed to be taken and demonstrating that:

(i) Revenues;

(ii) interest and other income estimated by the Administration to be derived from the investment or deposit of money available for payment of the Parity Obligations in any fund or account created by or pursuant to the Bond Resolution (which estimate shall be based upon the investments or deposits in any fund or account at the rate of return thereon or, in the case of future investments or investments or deposits expected to be made at the time of such certificate, at an assumed rate or reinvestment rate reasonably determined by the Administration);

(iii) any fees charged by the Administration and any other available revenues; and

(iv) any other moneys or funds pledged to the payment of the Parity Obligations,

will be sufficient, in the judgment of an Authorized Officer of the Administration, to pay the principal of and interest on all Outstanding Bonds and other Parity Obligations described in the calculation in the current and in each succeeding Bond Year. A Cash Flow Statement shall include all Outstanding Bonds and other Parity Obligations, together with one or more Series of Bonds to be issued by the Administration, all as may be required by the Bond Resolution, and may exclude any or all Subordinate Contract Obligations. To the extent specified in a Supplemental Resolution, a fund or account established in said Supplemental Resolution shall not be taken into account when preparing a Cash Flow Statement.

In addition, the Cash Flow Statement shall demonstrate that: (1) the amount of moneys and Investment Obligations held in any Fund or Account pledged to the payment of the Bonds (valued at their cost to the Administration, as adjusted by amortization of the discount or premium paid upon purchase of such obligations ratably to their respective maturities), together with accrued but unpaid interest thereon, (2) the outstanding principal balance of Loans, together with accrued but unpaid interest thereon, and (3) any other assets, valued at their realizable value, pledged for the payment of the Bonds and other Parity Obligations, will equal or exceed the aggregate principal amount of and accrued but unpaid interest on Outstanding Bonds and other Parity Obligations; provided that in the event a Series Resolution specifies that, for purposes of the requirements of this paragraph, the Loans financed by such Series of Bonds shall be valued at other than their outstanding principal balance, then, with respect to such Loans, such other value shall be used in the calculations required by this paragraph.

The Administration is required to file with the Trustee a current Cash Flow Certificate:

(i) upon purchase or redemption of Bonds of a Series in a manner other than (A) as contemplated in the most recent Cash Flow Statement filed by the Administration with the Trustee, or (B) on a basis whereby the Bonds of each maturity of such Series are purchased or redeemed in the proportion that the amount Outstanding of such maturity bears to the total amount of all Outstanding Bonds of such Series, with respect to purchases or redemptions to be made from Recovery Payments or excess Revenues;

(ii) prior to withdrawing moneys from the Revenue Fund for payment to the Administration free and clear of the pledge and lien of the Bond Resolution, in an amount in excess of the amounts determined to be available for such purpose in the most recent Cash Flow Statement filed with the Trustee;

(iii) prior to selling or otherwise transferring any Loan not in default, except with respect to the sale or release of Non-Conforming Loans and Loans secured by a Credit Facility or a Credit Enhancement that continues in effect after such release provided that payment is made under the Credit Enhancement or Credit Facility.

A Cash Flow Certificate shall consist of a statement of an Authorized Officer of the Administration to the effect of one of the following: (1) the proposed action is consistent with the assumptions set forth in the most recent Cash Flow Statement; or (2) after giving effect to the proposed action, in the current and each succeeding Bond Year in which Bonds are scheduled to be Outstanding, the amounts described in clauses (i) through (iv) in the description of the Cash Flow Statement above will be sufficient, in the judgment of an Authorized Officer of the Administration, to pay the principal of and interest on all Outstanding Bonds described in the calculation, except that to the extent specified in a Supplemental Resolution, a fund or account established in said Supplemental Resolution shall not be taken into account in connection with such Cash Flow Certificate; or (3) the proposed action will not in and of itself materially adversely affect the amounts described in clauses (i) through (iv) in the description of the Cash Flow Statement above, except with respect to such funds or accounts that may be specified in such Supplemental Resolution to not be taken into account in connection with such Cash Flow Certificate. The Administration, at its option, may file a Cash Flow Statement in lieu of a Cash Flow Certificate in any instance when it is required to file a Cash Flow Certificate.

Cash Flow Statements and Cash Flow Certificates shall be based upon the Administration's reasonable expectations, and shall be based upon assumptions consistent with those used in the most recent Cash Flow Statement or such other assumptions as shall not adversely affect any of the Rating Agencies' ratings on the Bonds. Such assumptions and information are subject to change which may materially affect the conclusions expressed in the statement or certificate. Accordingly, Bondholders should be aware that the existence of a Cash Flow Statement or Cash Flow Certificate does not assure that the conclusions expressed therein will accurately reflect future revenues or events.

Investment of Funds

Pending application to the purposes of each fund or account, moneys held in the various funds and accounts under the Bond Resolution will be invested in Investment Obligations. See Appendix C – "DEFINITIONS – Investment Obligations" and Appendix B – "THE PROGRAM – Existing Portfolio and Available Funds Under the Bond Resolution". As of December 31, 2009, the proceeds of Prior Bonds held in the Program Fund, the Revenue Fund, the Reserve Fund and the Collateral Reserve Fund were invested in the Investment Obligations set forth in Appendix J – "INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS".

In general, it is the Administration's policy to invest funds held in the Revenue Fund, the Reserve Fund, the Program Fund and the Collateral Reserve Fund in U.S. Treasury securities, collateralized investment contracts, accounts with financial institutions, and securities of other institutions created by the U.S. Government. In addition, the Administration expects to use all funds currently held in the Program Fund and the Collateral Reserve Fund to finance Mortgage Loans.

The Trustee may purchase Investment Obligations that do not meet the ratings requirements described in the definition of Investment Obligations, so long as the purchase of such Investment Obligations does not, as of the date of such purchase, in and of itself, result in a reduction or withdrawal of the then existing rating assigned to the Bonds (other than Subordinate Bonds) by any Rating Agency then rating the Bonds. If the rating of any Investment Obligation purchased by the Trustee changes adversely subsequent to the date of purchase, the Trustee is not required to sell such Investment Obligations. If a Rating Agency were to downgrade or withdraw the rating on any Investment Obligations previously purchased by the Trustee, the rating on the Bonds could be negatively affected. See "RATINGS" herein.

Credit Facilities

Under the Bond Resolution, payment of the principal or redemption or purchase price of and interest on each Series of Bonds issued thereunder may be, but is not required to be, secured by a Credit Facility. In connection with obtaining any such credit or liquidity facility, the Administration may under the Bond Resolution pledge to the provider thereof its interests in the Loans and the accounts created under the Bond Resolution and applicable Series Resolution relating to such Loans. To date, Bonds issued under the Bond Resolution have not been secured by a Credit Facility.

A Credit Facility may be: (i) an unconditional and irrevocable letter of credit in a form and drawn on a bank or banks acceptable to the Administration, so long as the providing of such letter of credit does not, as of the date it is provided, in and of itself, result in a reduction or withdrawal of the then existing rating assigned to the Bonds (other than Subordinate Bonds) by any of the Rating Agencies,(ii) cash, (iii) a certified or bank check, (iv) Investment Obligations, or (v) any other credit facility similar to the above in purpose and effect, including, but not limited to, a guaranty, standby loan or purchase commitment, insurance policy, surety bond or financial security bond or any combination thereof, which, in any case secures all or a portion of one or more Series of Bonds.

Credit Enhancement

Forms of credit enhancement may include mortgage insurance provided through the FHA mortgage insurance programs, private mortgage insurance, the VA and the USDA/RD guarantee programs, private mortgage insurance policies and the Maryland Housing Fund ("MHF") mortgage insurance program. The Administration is currently not financing Loans that are insured by private mortgage insurance, but may do so in the future. Other forms of credit enhancement also may include letters of credit, insurance policies, sureties, guarantees or any other security arrangement upon which the Administration or the Trustee may draw to provide credit support for Program Assets under the Bond Resolutions. All Loans with a loan-to-value ratio exceeding 80% and expected to be financed with the proceeds of the 2010 Series A Bonds will be secured by Credit Enhancement in the form of FHA mortgage insurance, private mortgage insurance, a VA or USDA/RD guarantee, or MHF insurance. Any secondary financing in connection with a Loan not covered by Credit Enhancement described in the preceding sentence 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. In the future, Loans may be, but are not required to be, secured by Credit Enhancement. See "SECURITY FOR THE BONDS".

Liquidity Facilities

The Administration has outstanding eleven (11) series of variable rate Bonds in an aggregate principal amount of $384,215,000 as of January 1, 2010. Each such Series of variable rate Bonds currently bears interest at a variable rate of interest determined weekly and are subject to tender at the option of the holders of such Bonds and to mandatory tender in accordance with the terms of the Bond Resolutions. Such Bonds may be converted to a different interest rate setting mode, following a mandatory tender of such Bonds as provided in the Bond Resolutions. The Administration has obtained a Liquidity Facility to provide funds for the purchase of Bonds of such series that have been tendered for purchase and not remarketed subject to the terms contained in the Liquidity Facility. The Administration has covenanted in each Series Resolution with respect to each such series of Bonds to maintain a Liquidity Facility with respect to each such series of variable rate Bonds prior to the date, if any, when all such variable rate Bonds of such series are converted to another interest rate mode not requiring a Liquidity Facility under the Series Resolution.

The series of variable rate Bonds currently outstanding and information relating to Liquidity Facilities currently in place with respect to such Bonds are as follows:

Bond Issue	Date of Initial Issuance	Outstanding Principal (as of January 1, 2010)	Liquidity Facility Provider	Liquidity Facility Expiration Date
2003 Series C	11/9/2003	$20,000,000	State Street[1]	11/16/2011
2004 Series C	5/13/2004	20,000,000	State Street[1]	11/16/2011
2004 Series F	8/12/2004	20,000,000	State Street[1]	11/16/2011
2004 Series I	11/10/2004	20,000,000	State Street[1]	11/16/2011
2005 Series C	3/30/2005	20,000,000	State Street[1]	11/16/2011
2006 Series G	5/24/2006	40,000,000	State Street[1]	5/24/2011
2006 Series J	7/13/2006	60,000,000	State Street[1]	5/24/2011
2007 Series F	6/20/2007	46,485,000	KBC[2]	6/19/2012
2007 Series J	8/9/2007	58,680,000	KBC[2]	8/8/2012
2007 Series M	12/12/2007	29,050,000	KBC[2]	12/11/2012
2008 Series D	9/4/2008	50,000,000	KBC[2]	9/3/2010

(1) State Street Bank and Trust Company

(2) KBC Bank N.V., acting through its New York Branch

General Bond Reserve Fund

As an additional source of funds for the payment of principal of and interest on the bonds and notes issued or to be issued by the Administration, including the 2010 Series A Bonds, the Administration has established the General Bond Reserve Fund (the "General Bond Reserve Fund") pursuant to an Indenture of Trust by and between the Administration and Manufacturers and Traders Trust Company, Baltimore, Maryland, as successor trustee, originally adopted as of June 29, 1984, and amended and restated as of November 18, 2003 between the Administration and Manufacturers and Traders Trust Company as trustee. Amounts on deposit in the General Bond Reserve Fund, to the extent available, may be used to pay the principal of and interest on bonds and notes of the Administration in the event that revenues and assets specifically pledged to such bonds and notes are not sufficient for the payment of principal of and interest on such notes or bonds. In addition, the Administration uses moneys in the General Bond Reserve Fund to cover costs of operation of the Administration. The Administration may withdraw funds within the General Bond Reserve Fund, or may pledge such funds to specific obligations, at any time for any purposes under the Act.

Balances. During fiscal year 1997, the Administration adopted the provisions of GASB 31, an accounting standard adopted by the Government Accounting Standards Board. GASB 31 requires the financial statements of the Administration to reflect investments at fair value. Accordingly, the balance of the General Bond Reserve Fund as reported at December 31, 2009, includes investments at fair market value. As of December 31, 2009, the available balance in the General Bond Reserve Fund was $34,383,814, of which $7,378,042 was cash equivalents. The fair value of investments was $27,005,772, of which $27,012,972 was the book value of investments and $7,200 was the decrease in fair value of the investments.

On May 19, 1997, the Director of the Administration adopted a determination, approved by the Secretary, stating the Administration's intent to use funds from the General Bond Reserve Fund to compensate for any deficiency in funds available to meet the Administration's obligations to the holders of its Multi-Family Housing Revenue Bonds (Insured Mortgage Loans) if MHF becomes unable to or otherwise fails to pay a claim due to the Administration (the "Determination"). The Determination states that it is the policy of the Administration to maintain a total amount of cash, Investment Obligations and loans under the Administration's special housing opportunities program for financing Group Homes (the "Available Balance") in the General Bond Reserve Fund, as of July 1 of each year, of not less than $20,000,000.

The Determination also provides that the Administration shall provide Moody's with written notice (i) if, as of July 1 of any year, the Available Balance in the General Bond Reserve Fund falls below $20,000,000, such notice to be given no later than July 30 for unaudited amounts, and no later than September 30, for audited amounts; and (ii) of any event pursuant to which the Administration places or causes to be placed any lien or restriction upon all of any part of the funds held in the General Bond Reserve Fund (other than liens established in connection with the payment of principal of or interest on any of the Administration's bonds from the General Bond Reserve Fund).

Special Restrictions. As of December 31, 2009, the Administration has restricted the following amounts in the General Bond Reserve Fund for the following purposes:

(1) approximately $626,000 in order to provide a reserve fund for mortgage insurance for single family program mortgage loans, and
(2) $704,739 as required for participation in the HUD Risk-Sharing Program.

Unless a default has occurred with respect to payment of any principal (or, if applicable, any redemption premium) of the Bonds or other bonds issued by the Administration, the Administration may, subject to any limitations set forth in the preceding paragraph, withdraw amounts in the General Bond Reserve Fund or may pledge amounts in the General Bond Reserve Fund to specific obligations at any time for any purposes under the Act. Upon the occurrence of an event of default with respect to any bonds secured by the General Bond Reserve Fund, the trustee for the defaulted bonds may file a claim against the General Bond Reserve Fund in an amount equal to the amount in default, and upon filing such a claim will have a lien on the General Bond Reserve Fund in the amount of such claim. In the event of multiple defaults, claims against the General Bond Reserve Fund are given priority based upon time of receipt by the General Bond Reserve Fund trustee. There can be no assurance that moneys will be available in the General Bond Reserve Fund for the payment of principal of or interest on the Bonds. The Trustee is also the trustee for the General Bond Reserve Fund.

The Administration reserves the right to exclude the General Bond Reserve Fund as a potential source of security for Additional Bonds issued under the Bond Resolution.

Additional Bonds

General. The Administration, from time to time, may issue Additional Bonds that are on a parity with and shall be entitled to the same benefits and security under the Bond Resolution as all other Bonds previously issued under the Bond Resolution, including the 2010 Series A Bonds and except Subordinate Bonds (described below). A series of Additional Bonds shall be authorized and issued under and secured by the Bond Resolution pursuant to the authorization contained in a resolution of the Administration relating to such series of Additional Bonds (a "Series Resolution"). A series of Additional Bonds may be issued to finance or refinance Program Assets, including, but not limited to, Mortgage Loans, to refund Bonds or other obligations (including bonds issued by the Administration under resolutions other than the Bond Resolution), to fund reserves, to pay Costs of Issuance or to achieve any other of the Administration's purposes. Each Series Resolution authorizing the issuance of such series of Additional Bonds shall set forth the details of such Additional Bonds as well as any determinations by the Administration relating to Program Assets to be financed with the proceeds of such Additional Bonds. See Appendix D – "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION – Issuance of the Bonds" herein.

Before a series of Additional Bonds shall be authenticated and delivered by the Trustee, the Administration shall cause to be on file with the Trustee, among certain items specified in the Bond Resolution, (i) an opinion of Bond Counsel concerning the security for such Bonds and the due adoption and valid and binding nature of the Bond Resolution and the Series Resolution, and (ii) a Cash Flow Statement, accompanied by a Certificate of the Administration to the effect that the Administration has been advised by each rating agency then maintaining a rating on the Bonds that the existing rating of Bonds then outstanding (other than Subordinate Bonds and any Series of Bonds which has a rating based on a credit facility) will not be reduced as a result of the issuance of the series of Additional Bonds (published rating criteria by such rating agency constituting evidence of such advice). See "SECURITY FOR THE BONDS – Cash Flow Statements and Certificates" herein.

Subordinated Bonds. The Administration, from time to time, may issue Additional Bonds to be secured by the Bond Resolution and a Series Resolution relating to such series of Additional Bonds, on a subordinated basis ("Subordinated Bonds"), subject to the conditions provided in the Bond Resolution and the related Series Resolution. A series of Subordinated Bonds may be payable from Revenues derived from the Bond Resolution, but only after payment of all other amounts payable from Revenues with respect to Bonds which are not Subordinated Bonds having a higher priority to payment from such Revenues. To date, the Administration has not issued Subordinate Bonds under the Bond Resolution. See Appendix D – "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION – Authorization of Subordinate Bonds; Conditions Precedent to Delivery" herein.

Taxable Bonds. The Administration has issued seven Series of taxable bonds originally in an aggregate principal amount of $310,000,000. Taxable bonds issued under the Resolution are equally and ratably secured on a parity basis with the Bonds. Taxable bond proceeds may be used to: (a) make or purchase Mortgage Loans, (b) purchase certain Loans meeting the eligibility requirements for the Administration's tax-exempt loans except for the first-time homebuyer requirement in a non-targeted area, (c) purchase Loans that refinance loans with an adjustable rate or an increased payment, or loans otherwise not affordable to borrowers ("Refinance Loans"), where the borrower meets income limit requirements for the tax-exempt program and where the appraised value of the property does not exceed the purchase limits for the tax-exempt program, and (d) purchase certain other Loans that the Administration wishes to finance.

The 2007 Series J Bonds, 2007 Series M Bonds and 2007 Series F Bonds, each of which were originally issued as taxable bonds, have been re-offered and remarketed as tax-exempt bonds.

Interest Rate Swaps

The Administration has entered into four master swap agreements, one with JPMorgan Chase Bank, N.A. ("JPM") (the "JPM Master Swap Agreement"), one with UBS AG ("UBS AG") (the "UBS AG Master Swap Agreement"), one with Merrill Lynch Derivative Products AG ("MLDP") (the "MLDP Master Swap Agreement") and one with Bank of New York Mellon ("BNYM") (the "BNYM Master Swap Agreement" and together with the JPM Master Swap Agreement, the UBS AG Master Swap Agreement and the MLDP Master Swap Agreement, the "Master Swap Agreements"). Under the Master Swap Agreements, the Administration has entered into the interest rate swaps described below in order to attain a synthetic fixed rate with respect to the variable rate Bonds associated with such interest rate swaps. The summary below sets forth the major terms of these interest rate swap transactions as of December 31, 2009.

Interest Rate Swaps (In Thousands)							
Swap Provider	**Series of Bonds**	**Initial Notional Amount**	**Outstanding Notional Amount**	**Effective Date**	**Fixed Rate Paid by Administration**	**Variable Rate Received by Administration**(1)	**Termination Date**
JPM	2004 Series I	$20,000	$20,000	09/01/05	3.8525%	64% of LIBOR plus .29%	09/01/35(2)(7)
UBS AG	2006 Series G	$40,000	$40,000	05/24/06	4.4030%	64% of LIBOR plus .29%	09/01/40(3)
JPM	2006 Series J	$40,000	$40,000	07/13/06	4.4030%	64% of LIBOR plus .29%	09/01/40(3)(7)
JPM	2006 Series J	$20,000	$20,000	07/13/06	4.4550%	64% of LIBOR plus .29%	09/01/40(3)(7)
MLDP	2007 Series F	$46,485	$46,485	10/27/09	4.4300%	64% of LIBOR plus .22%	03/01/26(4)(6)(9)(12)
MLDP	2007 Series J	$58,680	$58,680	09/01/09	4.8350%	64% of LIBOR plus .22%	09/01/25(4)(6)(9)(10)
BNYM	2007 Series M	$26,990	$26,990	10/08/09	4.3350%	64% of LIBOR plus .22%	09/01/43(5)(6)(11)
MLDP	2008 Series D	$50,000	$50,000	09/04/08	3.6880%	64% of LIBOR plus .31%	09/01/38(8)(9)

(1) "LIBOR" means the 1 month London Interbank Offered Rate.
(2) The Administration has the option to terminate this interest rate swap transaction in whole or in part without any Termination Payment on September 1, 2014 and on each March 1 and September 1 thereafter. If the option is exercised in part, the applicable Notional Amounts shall be reduced pro rata.
(3) The Administration 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. If the option is exercised in part, the applicable Notional Amounts shall be reduced pro rata.
(4) The Administration 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. If the option is exercised in part, the applicable Notional Amounts shall be reduced pro rata.
(5) The Administration 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 thereafter until September 1, 2017. The Administration has exercised its option to partially terminate the notional amount of this interest rate swap in the amount of $2,060,000 effective September 1, 2009. The Administration 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; if the option is exercised in part, the Notional Amount shall be reduced pro rata.
(6) The outstanding notional amount reflects the amount that has been amortized as of September 1, 2009.
(7) On May 14, 2009, these swap agreements were assigned to JPMorgan Chase Bank, N.A. by Bear Stearns Financial Products Inc. All terms and conditions of the contracts remain in force.
(8) The Administration 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. If the option is exercised in part, the applicable Notional Amount shall be reduced pro rata.
(9) On January 1, 2009, Bank of America Corporation acquired Merrill Lynch & Co., Inc. Notwithstanding this acquisition, MLDP remains in existence and continues as a swap provider on this swap agreement.
(10) On September 24, 2009, 2007 Series J Bonds, with an outstanding balance of $58,680,000, were remarketed and the related swap agreement was amended effective September 1, 2009.
(11) On October 8, 2009, 2007 Series M Bonds, with an outstanding balance of $29,050,000 , were remarketed and the related swap agreement with an outstanding Notional Amount of $26,990,000 was amended effective October 8, 2009 (refer to note 5). The Bank of New York Mellon replaced UBS AG as counterparty to the agreement.
(12) On October 27, 2009, 2007 Series F Bonds, with an outstanding balance of $46,485,000 were remarketed and the related swap agreement was amended effective October 27, 2009.

Scheduled payments made to the Administration by the Swap Providers under the Master Swap Agreements shall constitute Hedge Receipts under the Resolution and are pledged as security for the Bonds. The requirement to make scheduled payments to the Swap Providers by the Administration under the Master Swap Agreements is entitled to the lien created by the pledge under the Resolution and is therefore on a parity with the Bonds. The Administration's rights and obligations under the Master Swap Agreements do not alter the Administration's obligation to pay the principal of, premium, if any, and interest on the Bonds.

Under certain circumstances (including certain events of default with respect to the Administration or a Swap Provider), an interest rate swap pursuant to the Master Swap Agreements may be terminated in whole or in part prior to the maturity of the Bonds in connection with which the interest rate swap was entered into. Following any termination of an interest rate swap, either the Administration or a Swap Provider may owe a Termination Payment to the other party, depending upon market conditions. Under certain conditions, the Administration could owe a Termination Payment to a Swap Provider, which could be substantial. Such Termination Payment would be payable on a basis subordinate to the payment of principal of and interest on the Bonds, other than any Subordinate Bonds (the Administration, to date, has not issued Subordinate Bonds). The Administration has agreed with each Swap Provider that, for so long as the Administration owes a Termination Payment to such Swap Provider, it will not direct the Trustee to deposit "Excess Revenues" into the Redemption Account of the Redemption Fund for the purpose of redeeming Bonds. "Excess Revenues" for this purpose means Revenues in excess of amounts needed, or reasonably anticipated to be needed as shown in the Administration's most recent Cash Flow Statement, (1) to make payments of interest and principal, at maturity or mandatory redemption due on the Bonds, to pay expenses in connection with any Credit Facility relating to the Bonds or as specified by the Administration and to fund the Reserve Fund in an amount sufficient to cause the amount on deposit in the Reserve Fund to equal the Reserve Requirement; (2) to be applied to the redemption of Bonds or to make or finance mortgage loans or participations in mortgage loans that do not bear interest in order to maintain the tax-exempt status of the Bonds; and (3) to be applied to the redemption of Bonds pursuant to specific undertakings to Owners of Bonds of a Series in a Series Resolution. Notwithstanding the foregoing, the Administration is not required to apply Revenues to such a Termination Payment if such payment would prevent the Administration from filing an acceptable Cash Flow Statement with the Trustee pursuant to the Resolution.

The Master Swap Agreements each contain specific collateral requirements that are in effect with respect to the Administration and the respective Swap Provider. The swaps each require a specific collateral level based on the respective credit rating of each Swap Provider and the Administration, and the value of such swap. Generally, the value threshold levels decline as the credit ratings of each party decline.

TAX EXEMPTION AND RELATED CONSIDERATIONS

Federal Law

The proceeds from the 2010 Series A Bonds will be used to finance Loans on Single Family Residences. The federal tax laws provide that interest on bonds issued for this purpose will be excluded from gross income for federal income tax purposes provided the bonds meet requirements set forth in various sections of the Internal Revenue Code of 1986, as amended (the "1986 Code"), principally Section 143 concerning qualified mortgage bonds. References herein to Section 143 and other provisions of the 1986 Code incorporate counterpart provisions of the Internal Revenue Code of 1954, as amended (the "1954 Code"), principally Section 103A of the 1954 Code, to the extent applicable to the 2010 Series A Bonds. Under Section 143, a qualified mortgage bond is a bond which is issued as part of an issue the proceeds of which are used to finance owner-occupied residences meeting certain requirements relating to loan eligibility, Targeted Areas, arbitrage and other matters.

The loan eligibility requirements of Section 143 applicable to the 2010 Series A Bonds are that (1) the residence on which the Mortgage Loan is made is a single family residence which is located in the State and can reasonably be expected to become the principal residence of the Borrower within a reasonable time after the Mortgage Loan is made; (2) except in certain limited circumstances, no part of the proceeds is to be used to acquire or replace any existing mortgage; (3) the acquisition cost (excluding usual and reasonable settlement or financing costs) of a property may not exceed a set percentage of the average area purchase price for residences in the area where the residence is located, which percentage depends on certain factors enumerated in Section 143; (4) with certain exceptions, the Borrower shall not have had a present ownership interest in his principal residence during the preceding three years; (5) with certain exceptions, the family income of the Borrower shall not exceed 115%, for families of three or more individuals, or 100%, for families of less than three individuals, of median gross income for the area in which the residence is located or the State, whichever is greater; and (6) the loan shall not be assumable unless the requirements of (1), (3), (4) and (5) above are met at the time of the assumption. An issue is treated as meeting the loan eligibility requirements of Section 143 if (1) the issuer in good faith attempted to meet all of the requirements before the loans were executed; (2) 95% or more of the proceeds of the issue used to finance loans was devoted to residences which met all such requirements at the time the loans were executed; and (3) any failure to comply with the loan eligibility requirements is corrected within a reasonable period after such failure is first discovered.

The 1986 Code imposes additional requirements to maintain the exclusion from gross income for federal income tax purposes of interest on the 2010 Series A Bonds. These requirements impose limits on the yield that the Administration may realize from Mortgage Loans, require arbitrage from investment income to be rebated to the Internal Revenue Service, limit the period during which Mortgage Loans may be originated, limit the size of reserve funds and the amount of proceeds that may be spent on costs of issuance, and require prepayments of the Mortgage Loans to be used for bond redemptions in certain circumstances. The Administration intends to make or purchase the Mortgage Loans financed with the proceeds of the 2010 Series A Bonds and any other Series of Bonds which may be designated by the Administration at interest rates that comply with such requirements. Pursuant to the 2010 Series Resolution, the Administration will covenant, in substance, to take, or refrain from taking, action, as necessary to comply with such requirements, unless in the opinion of Bond Counsel, it is not necessary to comply with such requirements in order to assure the exclusion from gross income for federal income tax purposes of interest on the 2010 Series A Bonds.

The terms and conditions of the Program documents have been designed to meet the requirements of the 1986 Code. The Administration will covenant in the 2010 Series Resolution to meet these requirements and to take all steps necessary to comply with these requirements, including, but not limited to, initiating and pursuing foreclosure proceedings with respect to ineligible Mortgage Loans if repurchase obligations are either unavailable or prove to be unenforceable for any reason, so long as any 2010 Series A Bonds issued to finance such Mortgage Loans are outstanding. See Appendix B – "THE PROGRAM – Eligible Mortgage Loans". Noncompliance with the requirements in the Program documents and the 2010 Series Resolution would cause interest on the 2010 Series A Bonds to become includable in the gross income of the holders thereof retroactively to the date of issue and adversely affect the price of the 2010 Series A Bonds in the secondary market.

Assuming continuous compliance with certain covenants in the Bond Resolutions intended to assure compliance with the applicable provisions of the 1986 Code and with the procedures established by the Administration, in the opinion of Ballard Spahr LLP, Washington, D.C., Bond Counsel, interest on the 2010 Series A Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the 2010 Series A Bonds. Interest on the 2010 Series A is a tax preference item for purposes of the alternative minimum tax imposed on individuals and corporations under the 1986 Code. Bond Counsel expresses no opinion regarding other federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the 2010 Series A Bonds. Interest on the 2010 Series A Bonds held by foreign corporations may be subject to the branch profits tax imposed by the 1986 Code.

Ownership of the 2010 Series A Bonds may result in other federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of social security or railroad retirement benefits, certain S corporations and taxpayers who may be deemed to have incurred or continued debt to purchase or carry the 2010 Series A Bonds. Bond Counsel expresses no opinion as to these matters.

Payments of interest on tax-exempt obligations, including the 2010 Series A Bonds, are generally subject to IRS information reporting by the payor and "backup withholding" if the recipient has not furnished the payor with a completed Form W-9, certifying the recipient's tax identification number or basis for exemption. "Backup withholding" means that the payor will withhold tax from the interest payments at the backup withholding rate, currently 28%.

If an owner purchasing a 2010 Series A Bond through a brokerage account has executed a Form W-9 in connection with the account, as generally can be expected, there should be no backup withholding on the 2010 Series A Bond interest. In any event, backup withholding does not affect the excludability of the interest on the 2010 Series A Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

The above summary of possible indirect tax consequences may not be exhaustive. All purchasers of the 2010 Series A Bonds should consult their tax advisors regarding the possible federal income tax consequences of ownership of the 2010 Series A Bonds.

The opinions referred to herein as to the treatment of interest on the 2010 Series A Bonds for federal income tax purposes are based upon laws, regulations, rulings and decisions in effect as of the date hereof. There can be no assurance that legislation will not be introduced or enacted after the issuance and delivery of the 2010 Series A Bonds so as to affect adversely the exclusion from gross income for federal income tax purposes applicable to the 2010 Series A Bonds. Under such circumstances, the Administration has no obligation to redeem or to increase the rate of interest paid on the 2010 Series A Bonds. Each purchaser of the 2010 Series A Bonds should consult his or her own tax advisor regarding any pending or proposed federal tax legislation.

State and Local Tax Exemption

In the opinion of Bond Counsel, the 2010 Series A Bonds, their transfer, the interest payable thereon and any income derived therefrom, including any profit realized from their sale or exchange, are exempt from taxation of every kind and nature whatsoever by the State, or by its political subdivisions, municipal corporations or public units of any kind under existing law, except that no opinion is expressed as to such exemption from Maryland estate or inheritance taxes. Interest on the 2010 Series A Bonds may be subject to state or local income taxes in jurisdictions other than the State under applicable state or local tax laws. All purchasers of the 2010 Series A Bonds should consult their tax advisors regarding the tax status of the 2010 Series A Bonds in a particular state or local jurisdiction other than the State.

2008 Housing Act

The Housing and Economic Recovery Act of 2008 (the "2008 Housing Act") amended various provisions of the 1986 Code pertaining to housing bonds. The 2008 Housing Act is generally effective for bonds issued after July 30, 2008, the "date of enactment."

The 2008 Housing Act temporarily authorizes the refinancings of qualified subprime loans with qualified mortgage bonds issued by December 31, 2010. This provision applies to qualified mortgage bonds issued pursuant to either (A) the regular annually allocated volume cap ("General Volume Cap") and carryforward or (B) a new volume cap under the 2008 Housing Act ("2008 Housing Act Volume Cap"). The 2008 Housing Act defines the term "qualified subprime loan" to mean an adjustable rate single-family residential mortgage loan made in the original financing for the residence after December 31, 2001 and before January 1, 2008, provided that the bond issuer determines that the loan would be reasonably likely to cause financial hardship to the borrower if not refinanced. For this purpose, issuers may base determinations of likely financial hardship to borrowers on reasonable estimates made in good faith.

For a qualified subprime loan refinancing to be funded from qualified mortgage bonds that have received an allocation of General Volume Cap (as opposed to 2008 Housing Act Volume Cap), an issuer may make proceeds available for use for qualified subprime loan refinancings during the permitted 12-month origination period for such loans, and then either redeem bonds from unused proceeds or make such proceeds available for regular qualified mortgage loans for the balance of the permitted 42-month origination period under the general rules. Qualified mortgage bonds that receive an allocation of 2008 Housing Act Volume Cap must apply all unused proceeds to the redemption of bonds at the close of the 12-month period.

FINANCIAL STATEMENTS FOR THE PROGRAM

The financial statements for the years ended June 30, 2009 and June 30, 2008 of the Community Development Administration Residential Revenue Bonds (the "Fund") have been audited by Reznick Group, P.C. as described in the Independent Auditor's Report of Reznick Group, P.C. accompanying the financial statements in Appendix H to this Official Statement. As indicated in the report of the auditors, such financial statements have been prepared in conformity with accounting principles generally accepted in the United States and audited in accordance with auditing standards generally accepted in the United States. Unaudited financial statements for the Residential Revenue Bonds of the Administration for the six-month period ending December 31, 2009 are also included in Appendix H to the Official Statement.

Under the terms of the Bond Resolution, the Administration may withdraw moneys and assets from the Bond Resolution at any time subject to certain limitations. See "SECURITY FOR THE BONDS–Cash Flow Statements and Certificates" herein.

LITIGATION

There is no pending litigation of any nature restraining or enjoining or seeking to restrain or enjoin the issuance, sale or delivery of the 2010 Series A Bonds or in any way contesting or affecting the validity of the 2010 Series A Bonds, the Bond Resolutions or other proceedings of the Secretary taken with respect to the authorization, issuance or sale of the 2010 Series A Bonds, the Bonds, the Program, the pledge or application of any moneys under the Bond Resolutions, or the existence or powers of the Administration.

LEGAL MATTERS

The authorization, issuance and delivery of the 2010 Series A Bonds are subject to receipt of the opinion of Ballard Spahr LLP, Washington, D.C., Bond Counsel, which will be in substantially the form set forth in Appendix N. Certain legal matters pertaining to the Administration will be passed upon by an Assistant Attorney General of the State and Counsel to the Department. Certain legal matters will be passed upon for the Underwriters by their counsel, Miles & Stockbridge, P.C.

LEGALITY FOR INVESTMENT

Under the Act, the 2010 Series A Bonds are securities in which all public officers and public units of the State and its political subdivisions and all State banks, trust companies, savings and loan associations, investment companies, and others carrying on a banking business, all insurance companies, insurance associations, and others carrying on an insurance business, all State personal representatives, guardians, trustees, and other fiduciaries and all other persons, may legally and properly invest funds, including capital in their control or belonging to them. The 2010 Series A Bonds are securities which may properly and legally be deposited with and received by any State or municipal officer or any unit or political subdivision of the State for any purpose for which the deposit of bonds or other obligations of the State is authorized by law.

UNDERWRITING

The 2010 Series A Bonds are being purchased by RBC Capital Markets Corporation, J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman, Sachs & Co., Loop Capital Markets, L.L.C. and Morgan Stanley & Co. Incorporated (collectively, the "Underwriters") on a negotiated basis. The Underwriters have jointly and severally agreed to purchase all but not less than all of the 2010 Series A Bonds from the Administration at the prices set forth on the inside cover page hereof. The Underwriters will receive compensation in the form of an underwriting fee aggregating $257,619.28 with respect to the 2010 Series A Bonds.

J.P. Morgan Securities Inc. ("JPMSI"), one of the Underwriters of the 2010 Series A Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of UBS Financial Services Inc. ("UBSFS") and Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement (if applicable to this transaction), each of UBSFS and CS& Co. will purchase 2010 Series A Bonds from JPMSI at the original issue price less a negotiated portion of the selling concession applicable to any 2010 Series A Bonds that such firm sells.

Morgan Stanley, parent company of Morgan Stanley & Co. Incorporated, an underwriter of the 2010 Series A Bonds, has entered into a retail brokerage joint venture with Citigroup Inc. As part of the joint venture, Morgan Stanley & Co. Incorporated will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Morgan Stanley & Co. Incorporated will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

The obligation of the Underwriters to purchase the 2010 Series A Bonds will be subject to certain terms and conditions, including the approval of certain legal matters by counsel and certain other conditions. The initial public offering prices of the 2010 Series A Bonds may be changed, from time to time, by the Underwriters. The Underwriters may offer and sell the 2010 Series A Bonds to certain dealers (including dealers depositing 2010 Series A Bonds into investment trusts) and certain dealer banks and banks acting as agents at prices lower than the public offering prices stated on the inside cover page hereof.

RATINGS

Fitch Ratings ("Fitch") has assigned the rating of "AA" and Moody's Investors Service ("Moody's") has assigned the rating of "Aa2" for the 2010 Series A Bonds. Moody's "Aa2" rating for the 2010 Series A Bonds is contingent upon the transfer to the Bond Resolution of the remaining mortgage loans and funds held under the 1980 General Certificate after the discharge of the lien thereof. See "INTRODUCTION – The 1980 General Certificate". Each rating reflects only the view of Fitch and Moody's, respectively, and an explanation of such rating may be obtained from the issuing rating agency. There is no assurance that such ratings will be maintained for any given period of time or that they will not be lowered or withdrawn entirely by the issuing rating agency, if, in its judgment, circumstances so warrant. A downward change in or withdrawal of a rating may have an adverse effect on the market price of the 2010 Series A Bonds. The Administration has no obligation or duty to provide Owners of the 2010 Series A Bonds with notice of any change in or withdrawal of a rating.

SECONDARY MARKET DISCLOSURE

The Administration has agreed, in accordance with the provisions of Rule 15c2-12 (the "Rule"), adopted by the Securities and Exchange Commission (the "Commission") under the Securities and Exchange Act of 1934, to provide to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format, within 120 days of the end of each fiscal year (which ends June 30), the following annual financial information and operating data:

(1) a copy of the annual financial statements of the Residential Revenue Bond Program financed with the Bonds prepared in accordance with generally accepted accounting principles and audited by a certified public accountant; and

(2) information regarding the status of the portfolio of Program Assets expected to be financed, and which are financed, with the proceeds of Bonds and the status of all Funds and Accounts held as security for the Bonds, which information shall be in a form generally provided by the Administration with respect to its existing single family program including:

   (a) information concerning the existing Program Assets portfolio securing the Bonds;

   (b) information concerning the status of available funds to finance Program Assets;

   (c) information concerning any additional collateral or credit enhancements securing Program Assets or the Bonds;

   (d) information concerning delinquencies and foreclosures of Program Assets; and

   (e) information concerning Program Asset prepayments and Bond redemptions.

The Administration has reserved the right to modify from time to time the specific types of information provided and the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Administration; provided that the Administration has agreed that any such modification will be done in a manner consistent with the Rule. The Administration may, at its option, satisfy this obligation by providing an official statement for one or more Series of Bonds or by specific reference, in accordance with the Rule, to one or more official statements provided previously.

The Administration has agreed to provide, in a timely manner, to the MSRB in an electronic format notice of the occurrence of any of the following events with respect to the 2010 Series A Bonds, if material:

i. principal and interest payment delinquencies,

ii. non-payment related defaults,

iii. unscheduled draws on debt service reserves reflecting financial difficulties,

iv. unscheduled draws on credit enhancements, if any, reflecting financial difficulties,

v. substitution of credit or liquidity providers, if any, or their failure to perform,

vi. adverse tax opinions or events affecting the tax-exempt status of the 2010 Series A Bonds,

vii. modifications to rights of Bondholders,

viii. bond calls,

ix. defeasances,

x. release, substitution, or sale of property securing repayment of the 2010 Series A Bonds, or

xi. rating changes.

In a timely manner, the Administration will give to the MSRB in an electronic format notice of any failure by the Administration to provide any information described in the first two paragraphs under this heading on or before the dates specified therein.

The Administration has reserved the right to terminate its obligation to provide financial information and notices of material events, as described above, if and when the Administration no longer remains an obligated person with respect to the 2010 Series A Bonds within the meaning of the Rule.

The Administration has agreed that its undertaking pursuant to the Rule described herein is intended to be for the benefit of the holders of the 2010 Series A Bonds, and will be enforceable by any holder of 2010 Series A Bonds. Such holders' and beneficial owners' rights to enforce the provisions of this undertaking are limited to a right to obtain specific performance of the Administration's obligations with respect thereto. Any failure by the Administration to comply with the provisions of its undertaking will not be an event of default with respect to the Bonds, under the Bond Resolution or under the applicable Series Resolution.

The provisions of the undertaking with respect to the Rule described above may be amended, without the consent of the holders of the 2010 Series A Bonds, to the extent required or permitted by any amendment to the Rule becoming effective after the date hereof.

MISCELLANEOUS

Summaries and Descriptions in Official Statement

The summaries and explanation of, or references to, the Act, the program documents, the Bonds, the Bond Resolutions and the 2010 Series A Bonds included in this Official Statement do not purport to be comprehensive or definitive; such summaries, references and descriptions are qualified in their entirety by reference to each such document, copies of which are on file at the offices of the Administration. The descriptions of the FHA insurance program, the VA mortgage guaranty program, the USDA/RD mortgage guarantee program, private mortgage insurance, and the MHF insurance program do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the applicable statutes and regulations; and the description of private mortgage insurance does not purport to be comprehensive or definitive and is qualified by reference to applicable insurance policies and other such applicable information.

Financial Advisor

Caine Mitter & Associates Incorporated has served as financial advisor ("Financial Advisor") to the Administration in connection with the sale of the 2010 Series A Bonds.

Selection and Compensation of Professionals

The Administration selects its independent auditor through a competitive process in accordance with State procurement law. Compensation of the auditor is not contingent on the sale of the 2010 Series A Bonds. The Financial Advisor is selected by the Administration through a competitive process in accordance with State procurement law. Compensation of the Financial Advisor is not contingent on the sale of the 2010 Series A Bonds. Bond Counsel was selected by the Office of the Attorney General of the State through a process of review of responses to a request for proposals. Compensation of Bond Counsel is not contingent on the sale of the 2010 Series A Bonds. The Underwriters are selected by the Administration periodically through a process of solicitation of proposals. Compensation of the Underwriters and their counsel is contingent on the sale of the related series of the 2010 Series A Bonds.

This Official Statement is not to be construed as a contract or agreement between the Administration and the owners of any of the 2010 Series A Bonds.

The execution and delivery of this Official Statement and the incorporation of the Appendices hereto by the Administration have been duly authorized by the Secretary of Housing and Community Development.

COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

By: /s/ Frank B. Coakley
Frank B. Coakley, Director

May 26, 2010

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APPENDIX A

THE DEPARTMENT AND ADMINISTRATION

General Information

The Administration was created in 1970 as a division of the Department of Economic and Community Development to meet the shortage of adequate, safe and sanitary housing in the State, particularly for persons or families of limited incomes. Chapter 311 of the Acts of Maryland 1987, effective July 1, 1987, abolished the Department of Economic and Community Development, created the Department and assigned the Administration as an agency in the Division of Development Finance of the Department.

The Secretary of Housing and Community Development (the "Secretary") is the head of the Department and is appointed by the Governor with the advice and consent of the Senate. The Department consists of five divisions: the Division of Development Finance, the Division of Credit Assurance, the Division of Finance and Administration, the Division of Neighborhood Revitalization and the Division of Information Technology. A chart showing the organization of the Department, its divisions, and the Administration and the Maryland Housing Fund appears on page A-6 hereof.

The Division of Development Finance is the lending and bond issuing division of the Department, originating loans under the Department's various lending programs and providing underwriting services for loans to the Department and its other divisions and governmental units. In addition, the Administration, which is a governmental unit within the Division, performs initial compliance review and approval of Mortgage Loans submitted by Mortgage Lenders.

The Secretary, with the approval of the Governor, appoints the Director of the Administration. The Director of the Administration, with the approval of the Secretary, appoints the Deputy Directors of the Administration and the other senior staff members of the Administration. The Act established a Housing Finance Review Committee (the "Review Committee") which has the responsibility to review and to give recommendations to the Secretary regarding loans or categories of loans and the investment and project financing policies of the Administration. The Review Committee consists of seven members appointed by the Governor, including three members of the public, three members of the Department and one member of the Executive Branch not employed by the Department. When urgent action is required, the Secretary may approve a specific loan request without receiving the recommendation of the Review Committee.

The Division of Credit Assurance, the insuring division of the Department, provides certain asset management, monitoring and workout related services to the Department and its divisions and governmental units, including the Administration. The Maryland Housing Fund ("MHF") is a governmental unit of the Department assigned to the Division of Credit Assurance.

The Division of Finance and Administration provides budget, accounting, auditing and administrative services to the Department. In addition, the Administration has a finance office which handles finance and accounting for lending and bond activities and insurance activities. The Administration's finance office reports directly to the Director of the Administration. MHF's finance function is a part of the Division of Finance and Administration.

The Division of Information Technology develops and maintains information systems and trains Departmental staff in the use of computer resources.

The Department has a Revenue Bond Advisory Board (the "Board") that provides independent advice and expertise to the Department with respect to issuance of revenue bonds, including the Bonds. The Board consists of seven members appointed by the Secretary, including the Deputy Secretary (who chairs the Board), one other representative of the Department, two representatives from other executive branch agencies of State government (one from an agency which issues revenue bonds), one representative from the State Treasurer's Office, and two members of the public. The Board reviews and makes recommendations to the Secretary with respect to each issuance of bonds. The Secretary has the final authority to approve each issuance after receipt of the Board's recommendation. When urgent action is required, the Secretary may approve an issuance of bonds without action by the Board or may vary the terms of the Board's recommendation. In addition, the Board advises the Department on procedures for issuing bonds and on selection and performance of financial advisors and underwriters.

The Administration pays all costs and expenses of operating its programs from earnings received from its programs financed by bond indentures of the Administration in excess of the amounts required to pay principal of and interest on its bonds and notes.

The office of the Administration is located at 100 Community Place, Crownsville, Maryland 21032. Inquiries for documents or concerning this Official Statement should be directed to CDA Bonds - Investor Relations at (410) 514-7326 or by e-mail at cda_bonds@mdhousing.org.

Principal Executive Officers

Certain principal executive officers of the Department and the Administration are briefly described below.

Raymond A. Skinner was appointed by the Governor as Secretary of the Department effective February 12, 2007. From January, 2003 until his current appointment as Secretary, Mr. Skinner was President of The Skinner Group, LLC, a consulting firm providing services in housing policy analysis, community revitalization, and economic development. Mr. Skinner previously served as Secretary of the Department between December, 1998 and January, 2003, and as Deputy Secretary from January, 1995 until his earlier appointment as Secretary. From January, 1991, until his appointment as Deputy Secretary, Mr. Skinner served as the Director of the Department of Housing and Community Development of Prince George's County, Maryland, and as Executive Secretary to the Board of Commissioners of the Housing Authority of Prince George's County. Previously, he was the Executive Director of the District of Columbia Office of Business and Economic Development. In all, Mr. Skinner has over 30 years of experience in housing and community development, having held positions with the Department of Housing and Urban Development, the City of Philadelphia, Pennsylvania, and the City of Baltimore, Maryland. He holds a Bachelor of Science Degree from the Pennsylvania State University and a Master of City Planning degree from the University of Pennsylvania.

Clarence J. Snuggs was appointed by the Secretary with the approval of the Governor effective March 26, 2007 as Deputy Secretary of the Department. Since 2003, Mr. Snuggs served as Director of Enterprise Community Partners' Baltimore office. In that capacity he had overall responsibility for operating the office and its programs, which focused on affordable housing production, capacity building for local community leaders and community-based organizations, public education system reforms and other community development initiatives. Between 1998 and 2003, Mr. Snuggs was Deputy Executive Director and Corporate Treasurer for the congressionally chartered Neighborhood Reinvestment Corporation in Washington, D.C. Prior to Neighborhood Reinvestment, Mr. Snuggs served as Vice President for Community Lending at Maryland National Bank and Signet Bank. Mr. Snuggs has been active in affordable housing and community development for nearly 20 years through his leadership and involvement in a host of regional and local community and civic organizations. He holds a Bachelor of Arts degree from Winston-Salem State University and an MBA degree from Howard University.

Stephen D. Silver was appointed on August 26, 2009 as Chief Financial Officer of the Department. From September, 2007 to his recent appointment, Mr. Silver served as Vice President of Finance for a private Baltimore real estate development firm. From November, 1983 to September, 2007, Mr. Silver served in various financial capacities at the Department, including Chief Financial Officer of the Department, the Administration and the Maryland Housing Fund; Director of the Department's Division of Finance and Administration; Director of Accounting for the Division of Finance and Administration, and Director of Finance for the MHF. Prior to joining the Department, Mr. Silver worked briefly with a public accounting firm in Baltimore, Maryland. Mr. Silver is a Certified Public Accountant, was granted a B.S. degree in accounting from Towson University in 1980 and received his M.B.A. degree from the University of Baltimore in 1991.

Frank B. Coakley was appointed by the Secretary with the approval of the Governor effective March 26, 2007 as Assistant Secretary of the Department responsible for the Administration and as Director of the Administration. He also previously served as Assistant Secretary and Director of the Administration between 1995 and 2000. Before his recent appointment, Mr. Coakley was Senior Vice President/Branch Administration for Harbor Bank of Maryland. Prior to joining Harbor Bank, Mr. Coakley was the Director of Fannie Mae's Baltimore Partnership office. From 1989 until joining the Administration in 1995, Mr. Coakley served as Executive Vice President of the Baltimore Community Development Financing Corporation. Previously, he served as a manager and Vice President of Maryland National Bank. Mr. Coakley is a graduate of Morgan State University and served as a Loaned Executive to Morgan State University as a Senior Advisor assisting the Community Development office on housing and housing related projects.

Roy A. Westlund was appointed Deputy Director, Bond Finance, for the Administration, effective as of January 1, 1996. For the previous seven years, he served as the Administration's Director of Finance. Mr. Westlund has been active in the field of housing finance since 1980, including serving as Manager of Financial Operations for the Wisconsin Housing and Economic Development Authority. Mr. Westlund is a Certified Public Accountant and holds a B.B.A. degree from the University of Wisconsin, Madison.

William F. Ariano, Jr. was appointed by the Secretary with the approval of the Governor effective July 5, 2007 as Deputy Director of the Administration. He previously served as Vice-President of Residential and Consumer Lending and CRA Officer at Chesapeake Bank of Maryland. He served in that capacity at several Baltimore community banks and his responsibilities included secondary marketing, underwriting, and the management of staff for origination, closing, sales and post closing of various first lien mortgage products. Prior to his employment in the private sector, he directed a quasi-public agency for the City of Baltimore which developed, constructed and managed rental and for-sale housing for families with low to moderate incomes, and directed a community based development corporation. Mr. Ariano holds a Bachelor of Science from Mount Saint Mary's University and an MBA degree from Loyola University (Baltimore).

Senior Staff of the Administration

Senior staff members of the Administration are as follows:

Name	Position
Tonna Phelps	Director, Single Family Housing
Patricia R. Sylvester	Director, Multi-Family Housing
Brian Synowiec	Director, Finance

As of April 14, 2010 the staff of the Administration consists of approximately 129 positions and an additional 16 vacancies, including professional and technical staff members with responsibilities in the fields of finance, mortgage loan underwriting, architectural review, construction inspection, rental services and administration. Of the entire staff, 40 are currently involved in Single Family Housing Programs in a professional or technical capacity. Certain information relating to the senior staff who have primary responsibilities for Finance and for Single Family Housing is briefly described below.

Tonna Phelps was appointed Director of Single Family Housing, effective August 11, 2003, having served as Acting Director since January 2003. Ms. Phelps has been with the Administration since 1977. For the ten years preceding her appointment as Acting Director, she was the Administrator for Development Assistance Programs under the Administration's Multifamily Programs, managing federal HOME funds, the Maryland Affordable Housing Trust, and other federal and State programs. She has also served as Administrator for Mortgage Purchase under Single Family Housing. In addition, Ms. Phelps currently represents the Administration on various interagency committees throughout State government. Ms. Phelps holds a B.S. in Business Administration from the University of Baltimore.

Patricia Ryan Sylvester, Director, Multi-Family Housing has been with the Department since October 1997. She served as Deputy Director of Multifamily Housing - Housing Development Programs from September 1999 until her appointment as Director of Single Family Housing in August 2002. She returned to Multifamily Housing as Director in January 2003. Prior to joining the Department she worked as an attorney with the Maryland General Assembly and served as an administrative law judge. Ms. Sylvester holds a J.D. from the University of Maryland Law School and a B.A. from Johns Hopkins University.

Brian A. Synowiec was appointed Director of CDA Finance, effective April 7, 2009, having served as Acting Director since November 2008. Mr. Synowiec served as Deputy Director, CDA Finance since 2006 and prior to that as a financial analyst with the Department. Prior to joining the Department, Mr. Synowiec worked in various financial management and investment banking capacities. Mr. Synowiec holds a B.S. in Business Administration from Salisbury University. Mr. Synowiec has been with the Administration since August, 2004.

Other Housing Programs of the Department

In addition to the Residential Revenue Program which is financed with the proceeds of Bonds (see Appendix B – "THE PROGRAM"), and the single family program financed with proceeds of bonds issued under the 1980 General Certificate, the staff of the Administration also is responsible for a broad range of other housing programs operated by the Department. Proceeds of Bonds and other funds held under the Bond Resolution are not used to support the Department's other programs. Revenues generated by such other programs are not subject to the lien of the Bond Resolution or available to secure the payment of principal of or interest on the Bonds. However, the executive officers of the Department and the Administration and certain senior staff members who are responsible for the Program also are responsible for the Department's other programs; therefore, under certain circumstances these other programs may compete with the Program for administrative and policy priority.

Single Family Housing. Single Family Housing includes the Department's Homeownership Programs and Special Loan Programs. The Administration's Single Family Housing staff operates the Department's Homeownership Programs that are funded with State appropriations. These state-funded programs, which may or may not be funded at varying levels from year to year, currently provide low-interest mortgages to low- to moderate-income home buyers. In addition, the Department may have funding available from time to time for a Downpayment and Settlement Expense Loan Program for loans to eligible borrowers who are also receiving loans under the Program. Finally, Single Family Housing also administers a federally-funded weatherization assistance program and the federally-funded HOME Program, as well as providing administrative management for the Maryland Affordable Housing Trust.

The Special Loan Programs, which are funded with State appropriations, provide rehabilitation loans for general rehabilitation, installation of indoor plumbing, abatement of asbestos and radon gas, reduction of lead paint, and creation of accessory shared and sheltered housing for low and moderate income households. Federal HOME funds may also be used to finance rehabilitation loans for low income homeowners. These programs also provide loans to nonprofit organizations and individuals to purchase or construct group homes for low-income persons with special needs; group homes are funded with state appropriations, and are also funded from bonds issued under the Administration's Housing Revenue Bonds resolution.

The Administration is currently considering selling Mortgage Loans directly to Fannie Mae and Ginnie Mae.

Multi-Family Housing. Multi-Family Housing includes the Department's Housing Production Programs and Rental Service Programs. The Department's Housing Production Programs encompass a number of finance programs which support the production, rehabilitation and preservation of affordable rental housing, including the following:

The Administration's multi-family housing revenue bond program provides financing for development of rental developments whose owners are required to set aside certain percentages of available units for families of low or moderate income.

The Rental Housing Fund consists of rental housing finance programs funded with State appropriations and federal HOME funds which provide low-interest mortgages with flexible repayment terms, interest rate write-downs and operating subsidies to increase the supply of new rental housing and to maintain and rehabilitate existing rental housing for low income elderly and family tenants.

The Partnership Rental Housing Program provides funding from general obligation bonds and potentially other state appropriations to local governments, housing authorities, and partnerships in which these entities are involved, to assist in financing the construction or rehabilitation of low income housing. The public entities provide the land and participate in the ownership and management of the properties. The properties are intended to remain low income housing in perpetuity, and the State moneys are required to be repaid only if the low income requirements are not enforced.

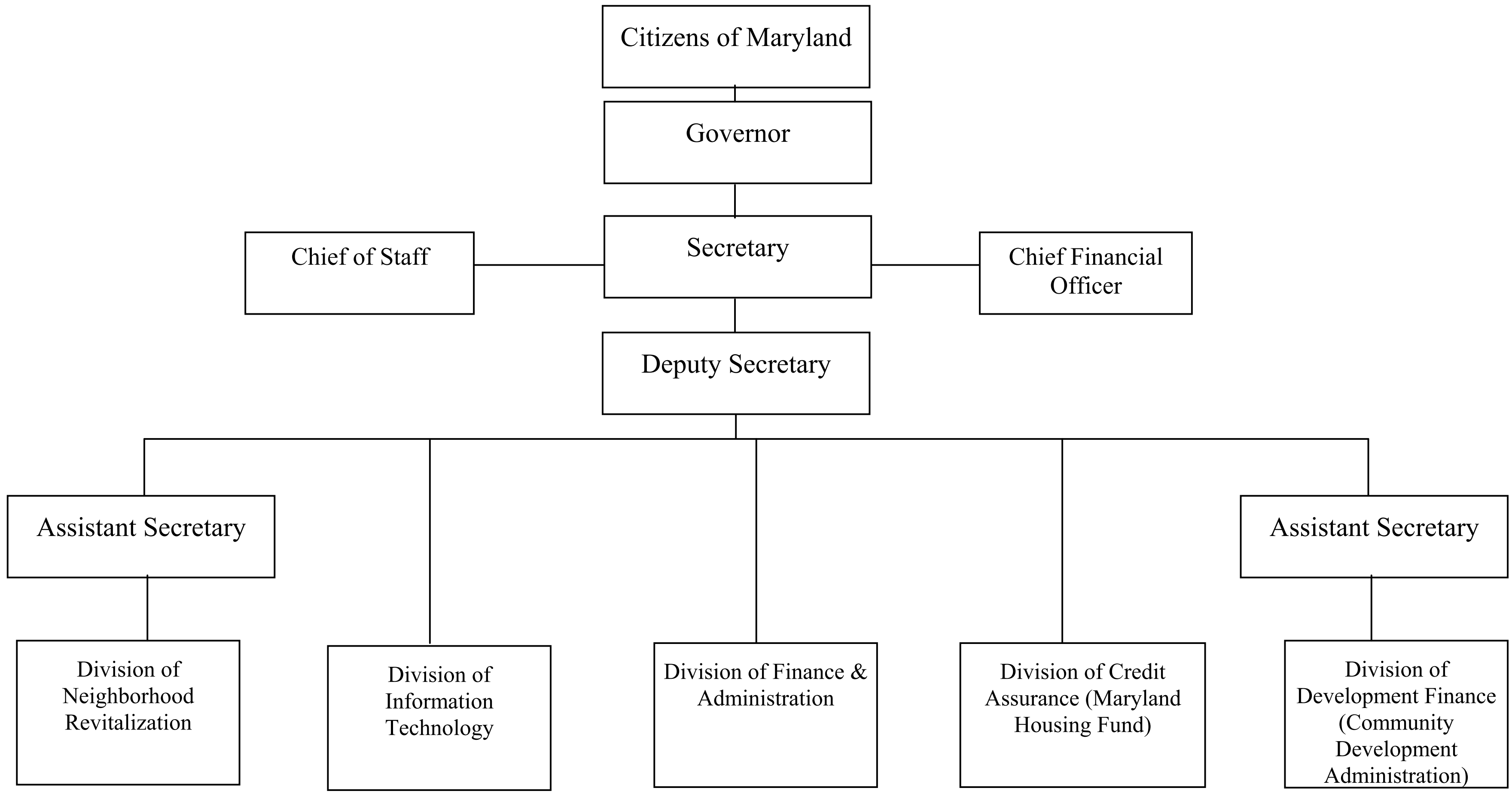
The Department's Rental Service Programs include the Rental Assistance Programs and the Project-Based Section 8 Contract Administration. Under the Rental Assistance Programs, the Administration administers the rental subsidies provided under Section 8 of the United States Housing Act of 1937, as amended, in 29 subdivisions of the State. The housing subsidy staff also administers a Rental Allowance Program, which is funded with State appropriations. This program is administered through local governments and provides fixed monthly rental assistance payments for up to twelve months, subject to extension by the Secretary, to lower-income households that cannot be served by federal or other state programs and are either homeless or have critical and emergency housing needs.

In addition, the Department was selected by HUD as the Contract Administrator for Project-Based Section 8 Housing Assistance Payment ("HAP") Contracts for the State of Maryland. As Contract Administrator, the Department makes payments to each property owner with the terms of the HAP Contracts and HUD regulations and requirements.

Infrastructure Financing Programs

The Infrastructure Financing Program was created to provide an additional, accessible and uncomplicated mechanism to finance the essential physical elements that constitute the basis of the public service system operated and maintained by local governments. More information on the Administration's outstanding infrastructure bonds can be found in Appendix E. These infrastructure loans and the assets and revenues held under these bond and series resolutions are not subject to the lien of the Bond Resolution and are not available to pay principal of or interest on the Bonds.

Department of Housing and Community Development Organizational Chart



This chart omits subdivisions below the divisional level except for the Maryland Housing Fund and the Community Development Administration. It also omits certain boards and commissions associated with the Department.

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 Administration expects, but is not required, to issue bonds for its single family program in the foreseeable future primarily under the Bond Resolution instead of the 1980 General Certificate. The Administration also expects, however, to finance loans under the 1980 General Certificate from time to time in connection with refunding or economic measures. The description of the Residential Revenue Bond Program contained in this Appendix B does not describe the mortgage portfolio financed under the 1980 General Certificate, except for a description of the "Status of Funds under the 1980 General Certificate" below.

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 December 31, 2009, the Mortgage Loan portfolio of the Administration under the Bond Resolution consisted of 13,021 Mortgage Loans with an aggregate principal amount outstanding of $2,048,995,286.

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 past, the Administration financed Mortgage Loans with proceeds of bonds issued under the 1980 General Certificate and Bonds issued under the Bond Resolution. Each such Mortgage Loan bears interest at a rate determined by the Administration, with as little as 0% of such interest allocable to participation interests purchased with proceeds of bonds issued under the 1980 General Certificate and up to 100% of such interest allocable to participation interests purchased with proceeds of Bonds issued under the Bond Resolution. As described below in "Certain Information Relating to Mortgage Loans", portions of several series of Bonds under the Bond Resolution each have been blended with 0% funds from one or more series of bonds which were issued under the 1980 General Certificate. The Administration expects to redeem all of the outstanding bonds under the 1980 Certificate with proceeds of the 2010 Series A Bonds and other funds held under the 1980 General Certificate.

The following table sets forth, as of December 31, 2009, information on the number of whole loans and participation loans in the Mortgage Loan portfolio under the Bond Resolution:

Whole Loans and Participation Loans
as of December 31, 2009 (1)

	Current Number of Mortgage Loans	Original Principal Amount	Outstanding Principal Balance 12/31/09
Loans financed entirely under the Bond Resolution	12,583	$2,099,355,343	$2,021,329,031
Participation loans financed under both the Bond Resolution and the 1980 General Certificate(2)	438	34,564,917	27,666,255
TOTAL	13,021	$2,133,920,260	$2,048,995,286

(1) Individual amounts may not add up to the total amount because of rounding.
(2) A participation loan is financed in part by the Bond Resolution and in part by the 1980 General Certificate. The principal amounts reported here are the sum of the principal portion of all participation loans financed by the Bond Resolution. In reporting the number of loans, each participation loan counts as a loan under the Bond Resolution and also under the 1980 General Certificate.

The Administration may also finance Mortgage Loans with the proceeds of two or more series of bonds under the Bond Resolution, where the funds from one or more of the series of bonds earns interest at the rate of 0%. See "Certain Information Relating to Mortgage Loans" below.

Status of Available Proceeds.

Residential Revenue Bond Program
Status of Available Proceeds (in thousands)(1)
as of April 7, 2010

Source of Funds	Date of Issuance	Original Proceeds Available for Mortgage Loans	Loans Purchased(2)	Amount Available for Commitments and Reservations	Reservations and Commitments Against Available Funds(3)
2009 A	9/24/2009	$39,216	$29,200	$10,016	$10,016
2009 B	10/8/2009	44,118	26,774	17,344	12,490
2009 C	10/27/2009	15,672	0	15,672	0
Total All Series		$99,006	$55,974	$43,032	$22,506
Warehouse Loan Fund(4)	N/A	$45,000	$17,444	$27,556	$0

(1) Individual amounts may not add up to the total amount because of rounding.
(2) In the context of this chart Amount of Loans Purchased includes loan origination fees paid to the Originating Lenders and de minimus amounts of remaining proceeds transferred or to be transferred to corresponding revenue accounts.
(3) The Administration expects that a certain percentage of applicants receiving reservations will not proceed to funding. Therefore, the Administration may accept reservations in an amount exceeding the funds available. To the extent necessary because of over-reservations or for other reasons, loans may be purchased into other series in a manner consistent with federal law.
(4) The Warehouse Loan Fund is funded from excess revenues and is intended to provide an interim funding source for loans purchased in between the bond issuance dates.

The chart above sets forth the Status of Available Proceeds as of April 7, 2010. Funds have been reserved as of that date for loans at interest rates ranging from 4.875% to 6.000%. For information on interest rates for purchased loans, see Appendix K. As a result of economic refundings and management of bond proceeds, the Administration has been able to generate funds for the purchase of Mortgage Loans, or portions thereof, which bear an interest rate of 0%. In addition, the Administration has issued several series of variable rate bonds. Through the issuance of variable rate Bonds and the availability of 0% funds, the Administration has increased flexibility in setting lending rates for the general program. On April 15, 2010, the interest rates for general program loans were as follows:

Program	3 Point	2 Point	1 Point	0 Point
30 Year Amortization	4.875%	5.000%	5.125%	5.250%

Additional updates on interest rates may be found at www.dhcd.state.md.us. Interest rates for new loans are subject to change, depending upon available funds and market conditions.

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 December 31, 2009.

Program	Original Number of Loans	Original Principal Amount	Number of Outstanding Loans	Outstanding Principal Balance
30 Year Amortization	18,349	$2,227,323,361	9,296	$1,232,554,425
40 Year Amortization[(1)]	689	145,574,562	658	136,476,427
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization[(1)]	184	41,335,376	167	37,555,526
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization[(1)]	2,580	565,041,451	2,347	512,177,122
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization[(1)]	598	142,204,219	553	130,231,787
	22,400	$3,121,478,969	13,021	$2,048,995,286

(1) The Administration is currently not offering this product, but may in its discretion offer such product in the future.

Use of Funds from the Sale of 2010 Series A Bonds. The Administration expects to apply a portion of the 2010 Series A Released Funds to finance Mortgage Loans. Origination fees (including discount points) for the Mortgage Loans range from zero points to three points; in addition, a grant of 2% or 3% may be available. The Administration anticipates that all Mortgage Loans will 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, moneys held in various funds and accounts under the Bond Resolution will be invested in Investment Obligations.

All Mortgage Loans allocable to the 2010 Series A Bonds have been, or are expected to be purchased primarily from Mortgage Lenders to finance the acquisition of existing, newly constructed or substantially rehabilitated Single Family Residences located throughout the State, including Targeted Areas. For reasons discussed in "'Smart Growth' Requirements" below, all newly constructed homes financed by Mortgage Loans will be located in priority funding areas.

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 countries, 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.

A portion of the funds relating to the Bonds may be made available (1) for Mortgage Loans pursuant to special initiatives or to commitments for eligible community development projects of Single Family Residences or (2) for Mortgage Loans made by the Administration. See "Homeownership Initiatives and Developer Reservations" and "Mortgage Loans Made by the Administration" below.

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 $287,257 for homes in Non-Targeted areas of Wicomico County to $779,334 for homes in Targeted Areas of the Washington, D.C. metropolitan statistical area. In addition, FHA maximum mortgage amounts vary from county to county; range from $271,050 for Allegany, Caroline and Dorchester Counties, to $729,750 for the Washington, D.C. metropolitan statistical area, which includes Calvert, Charles, Frederick, Montgomery and Prince Georges. 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 $85,500 for a one- or two-person household in certain non-Targeted Areas of the State to $143,780 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—Application of Proceeds of Offered Bonds"

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 meet 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 (except as discussed in "TAX EXEMPTION AND RELATED CONSIDERATIONS – 2008 Housing Act");

(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 (except as discussed in "TAX EXEMPTION AND RELATED CONSIDERATIONS – 2008 Housing Act"); 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.

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 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 will be reduced to bear interest at an annual rate of 6% for the period of military service until January 1, 2011 and for one year thereafter. The act also provides that foreclosure on such debt will not be permitted. 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.

Remedies for Noncompliance. 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 noncompliance. 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 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.

After reservation and the initial eligibility screening of the Mortgage Loan, the Mortgage Lender has 60 days from reservation for an existing residence, or 120 days for new construction, to submit the Mortgage Loan to the Administration. Upon receipt of a post-closing compliance submission for a Mortgage Loan, the Administration conducts a review of the Mortgage Loan for eligibility under the criteria summarized above. If a Mortgage Loan is not eligible for reasons which, in the Administration's judgment, can be corrected, it is the practice of the Administration to afford the Mortgage Lender with an opportunity to cure the deficiency. The Administration may not purchase the Mortgage Loan, however, if the deficiency is not cured and the purchase file approved within 120 days of the reservation date for an existing home or 180 days if new construction.

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.

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, and the requirements of the credit enhancer.

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.

Status of Funds Under the 1980 General Certificate

As of December 31, 2009, no original issuance funds were available for purchasing loans under the 1980 General Certificate.

Loans held under the 1980 General Certificate are pledged to the repayment of bonds ("Single Family Program Bonds") issued under the 1980 General Certificate and do not secure payment of the Bonds.

The Administration expects to use the proceeds of the 2010 Series A Bonds to optionally redeem certain Single Family Program Bonds issued under the 1980 General Certificate and, following such redemption, apply available monies on deposit under the 1980 General Certificate to the special redemption of all remaining Single Family Program Bonds Outstanding. As a result of the retirement of all of the Outstanding Single Family Program Bonds and the discharge of the pledge of revenues and other moneys and securities pledged under the 1980 General Certificate, the Administration expects to transfer the released funds and mortgage loans from the 1980 General Certificate to the Bond Resolution to be held thereunder as security for all of the outstanding Bonds.

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 2010 Series A 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

Master Servicer Agreement. All Mortgage Loans are serviced by Bogman, Inc., the master servicer (the “Master Servicer”).

The agreement with the Master Servicer (the “Master Servicer Agreement”) requires the Master Servicer to perform all duties and acts incident to the servicing of Mortgage Loans covered thereby that a reasonable, prudent mortgagee would perform with respect to mortgage loans owned by it. The Master Servicer is responsible for the collection of all payments from Borrowers and must render an accounting monthly to the Administration of all sums collected and disbursed under the Master Servicer Agreement. The Master Servicer is required to remit to the Trustee all Mortgage Repayments, Prepayments and curtailments it receives with respect to Mortgage Loans serviced under the Master Servicer Agreement. In addition, the Master Servicer Agreement requires the Master Servicer to have in effect (and maintain during the term of the related Master 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 Master Servicer.

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

The Master Servicer is required to comply with detailed requirements set forth in the Department’s servicing manual.

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

With respect to the Mortgage Loans, Asset Management:

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

(a) monthly Mortgage Loan delinquency reports;

(b) annual audited financial statements; and

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

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

(3) directs and evaluates Master 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 a private sector realty company which provides REO management and disposition services for properties in the REO portfolio. Asset Management staff monitors these services.

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 Administration is not participating in the Making Home Affordable Program and is not modifying the Administration's Mortgage Loans through the Home Affordable Modification Program. No assurance can be given whether the Administration will commence the modification of the Administration's Mortgage Loans pursuant to such guidelines.

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 2010 Series A 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.

Repurchase of Mortgage Loans

From January, 1998 through December 31, 2009, forty-four Mortgage Loans had been repurchased by the Mortgage Lender or servicer as required by the Administration. Five repurchase demands remain outstanding as of December 31, 2009.

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 December 31, 2009, is set forth in Appendix K.

The following table sets forth as of December 31, 2009, the number, outstanding principal balance and percentage of the total outstanding balance of the Mortgage Loans (including participations in Mortgage Loans) which have been financed in each of the political subdivisions of the State:

County	Current Number of Mortgage Loans	Current Outstanding Principal(1)	Percent of Current Total Outstanding Principal(1)
Allegany County	251	$ 20,191,851	0.99%
Anne Arundel County	657	136,516,250	6.66%
Baltimore City	4,168	518,107,331	25.29%
Baltimore County	2,520	374,340,873	18.27%
Calvert County	99	23,385,530	1.14%
Caroline County	85	11,794,974	0.58%
Carroll County	174	38,280,337	1.87%
Cecil County	116	18,053,900	0.88%
Charles County	272	68,402,385	3.34%
Dorchester County	84	12,356,474	0.60%
Frederick County	383	80,767,942	3.94%
Garrett County	10	1,291,883	0.06%
Harford County	829	135,193,175	6.60%
Howard County	217	44,923,527	2.19%
Kent County	25	4,163,580	0.20%
Montgomery County	296	63,645,418	3.11%
Prince George’s County	1,405	295,713,399	14.43%
Queen Anne’s County	39	8,592,930	0.42%
Saint Mary’s County	86	17,398,115	0.85%
Somerset County	101	11,894,562	0.58%
Talbot County	39	6,607,946	0.32%
Washington County	623	83,987,397	4.10%
Wicomico County	484	65,363,057	3.19%
Worcester County	58	8,022,450	0.39%
	13,021	$2,048,995,286	100.00%

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

As of December 31, 2009, 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	Current Outstanding Principal[1]	Percent of Current Total Outstanding Principal[1]
FHA	**6,374**	**$ 720,309,320**	**35.15%**
VA	**280**	**47,984,485**	**2.34%**
RHS	**274**	**38,291,960**	**1.87%**
All Privately Insured(2)	**5,445**	**1,113,579,419**	**54.35%**
Mortgage Guaranty Insurance Corporation	2,600	550,109,206	49.40%
Republic Mortgage Insurance Company	895	182,623,003	16.40%
United Guaranty Residential Insurance Company	1,271	242,458,715	21.77%
PMI Mortgage Insurance Company	276	53,566,590	4.81%
Genworth Financial	193	42,220,470	3.79%
Triad Guaranty Insurance Corporation	70	13,524,181	1.21%
Radian Guaranty, Incorporated	140	29,077,254	2.61%
MHF	**446**	**98,508,570**	**4.81%**
Uninsured (original loan to value ratio of more than 80%)	**12**	**2,493,695**	**0.12%**
Uninsured (original loan to value ratio of less than 80%)	**190**	**27,827,837**	**1.36%**
	13,021	**$2,048,995,286**	**100.00%**

(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.

Based on reports to the Administration from the Master Servicer and based on reports to the National Delinquency Survey prepared by the Economic and Research Department of the Mortgage Bankers Association of America, the following tables set forth information about delinquencies and foreclosures of mortgage loans, reported by certain mortgage servicers.

	National Delinquency Survey (defined as a percentage)			Residential Revenue Bond Program[(1)(2)]	
	U.S.A. All Types 12/31/2009	Maryland All Types 12/31/2009	Maryland FHA[(3)] 12/31/2009	Program 12/31/2009	Program 3/31/2010
30 days delinquent..........................	3.63%	3.73%	6.58%	8.57%	6.33%
60 days delinquent..........................	1.73%	1.79%	2.92%	3.10%	1.94%
90 days+ delinquent	5.09%	5.36%	5.89%	6.42%	5.36%
In foreclosure	4.58%	3.86%	3.12%	1.46%	1.90%
Placed in foreclosure during last three months...	1.20%	0.99%	1.15%	0.99%	1.47%

	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)]
12/31/2005....................................	3.00%	1.79%	8.06%	5.81%
12/31/2006....................................	3.20%	1.96%	6.64%	4.56%
12/31/2007....................................	4.89%	3.68%	6.62%	3.86%
12/31/2008....................................	8.08%	7.28%	9.04%	6.92%
12/31/2009....................................	11.40%	11.01%	11.93%	10.98%

(1) The delinquency statistics in the tables above include both whole loans financed entirely from the Bond Resolution and participation loans financed from both the Bond Resolution and the 1980 General Certificate. For information on outstanding loans, see table entitled "Whole Loans and Participation Loans as of December 31, 2009" in "Existing Portfolio and Available Funds Under the Bond Resolution - Participations in Mortgage Loans".

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

(3) Includes all types of FHA mortgage loans.

APPENDIX C

DEFINITIONS

"Acquired Development" means a Development constructed, owned, operated or administered by reason of the Administration's obtaining title, possession or effective control thereof when the Mortgage with respect thereto is in default under its terms.

"Acquired Development Expense Requirement" means such amount of money as may, from time to time, by resolution of the Administration, with the approval of the Secretary of Housing and Community Development, be determined to be necessary for the payment or as a reserve for the payment of any costs and expenses incurred in connection with the operation or ownership of an Acquired Development.

"Acquired Development Expenses" means any and all costs and expenses incurred in connection with the operation or ownership of an Acquired Development as the Administration determines from time to time to be necessary and appropriate in carrying out the rights and duties of the Administration under the Bond Resolution with respect to an Acquired Development.

"Act" means Sections 4-101 to 4-255, inclusive, of the Housing and Community Development Article of the Annotated Code of Maryland, as amended from time to time, including, without limitation, future amendments or successor laws thereto.

"Additional Bonds" means bonds issued under the Bond Resolution after the Bonds issued in connection with this Official Statement.

"Administration" means the Community Development Administration, an agency in the Division of Development Finance of the Department of Housing and Community Development, a principal department of the government of the State of Maryland, and any successor entity thereto.

"Administration Request" means a written request or direction of the Administration signed by an Authorized Officer.

"Amortized Value" means the purchase price of securities, excluding accrued interest, plus an amortization of any discount or less an amortization of any premium on the purchase price.

"Authorized Officer" means the Secretary of Housing and Community Development, the Deputy Secretary of Housing and Community Development, the Director of the Administration, a Deputy Director of the Administration, any Director of any program or division of the Administration or any other person duly authorized by the Secretary of Housing and Community Development to perform such act or discharge such duty.

"Bond" or "Bonds" means any Bond or Bonds issued pursuant to the Bond Resolution.

"Bond Resolution" means the Residential Revenue Bond Resolution, originally adopted by the Administration as of August 1, 1997 and amended and restated as of July 15, 2005.

"Bond Year" means the year which begins on March 2 of any year during which Bonds are outstanding and ends on March 1 of the next succeeding year.

"Borrower" means the obligor under a Loan, which may include the Administration.

"Cash Equivalent" means a letter of credit, insurance policy, surety, guarantee or other security arrangement upon which the Administration or Trustee may make a draw to provide funds as needed for any other Fund or Account or to provide Credit Enhancement or for any other purpose.

"Cash Flow Certificate" means the calculation made by or for the Administration pursuant to Section 608I of the Bond Resolution.

"Cash Flow Statement" means the calculation made by or for the Administration pursuant to Section 608(c) of the Bond Resolution.

"Certificate" means a signed document either attesting to or acknowledging the circumstances, representations or other matters stated in it or setting forth matters to be determined pursuant to the Bond Resolution or a Series Resolution.

"Code" or "1986 Code" means applicable provisions of the Internal Revenue Code of 1986, as amended, and the applicable regulations under it, or predecessor or successor provisions, as applicable.

"Collateral Reserve Fund" means the fund so designated which is established by Section 401 of the Bond Resolution.

"Costs of Issuance" means items of expense payable or reimbursable directly or indirectly by the Administration and related to the authorization, sale, issuance and remarketing of the Bonds.

"Credit Enhancement" means any credit enhancement, insurance, guaranty, Cash Equivalent, risk-sharing arrangement or any other form of credit support for one or more Program Assets (or any portion or portions thereof) as provided in any Series Resolution or Supplemental Resolution.

"*Credit Enhancer*" means the issuer or provider of any Credit Enhancement.

"Credit Facility" means any credit facility which secures all or a portion of one or more Series of Bonds including, but not limited to, a guaranty, standby loan or purchase commitment, insurance policy, surety bond or financial security bond or any combination thereof, which, in any case secures all or a portion of one or more Series of Bonds, a Parity Obligation, a Subordinate Bond or a Subordinate Contract Obligation.

"Credit Facility Provider" means the issuer of or obligor under a Credit Facility.

"Development" means any project, facility, undertaking or purpose which the Administration is authorized to undertake, finance or provide financing for pursuant to the Act as now or hereafter in effect, including, without limitation, a Single Family Residence, multi-family housing, group housing, shared living facilities, home improvements, housing rehabilitation and any undertaking or project, or portion thereof, which is defined as a "community development project", a "public purpose project", an "energy conservation project", a "home improvement project", an "infrastructure project" or a "special housing facility" by the Act.

"Escrow Payment" means any payment made to obtain or maintain mortgage insurance and fire and other hazard insurance, including payments for any federal, state, local or private program intended to assist in providing Loans, and any payments required to be made with respect to Mortgages for taxes or other governmental charges or other similar charges to a Borrower customarily required to be escrowed, and payments or charges constituting construction or operating contingency, performance or completion or replacement reserves required pursuant to the applicable Loan.

"Expenses" means any money required by the Administration to pay the fees or expenses of the Trustee and any expenses which the Administration lawfully may pay relating to the Program including, without limitation, administrative and operating expenses of the Administration, servicing fees, Credit

Enhancement, Credit Facilities, or the redemption of Bonds, or rebates of arbitrage as required by the Code, except as limited with respect to any Series of Bonds by the applicable Series Resolution.

"FHA" means the Federal Housing Administration of HUD.

"Fiscal Year" means the twelve calendar months commencing on July 1 in any calendar year and ending on June 30 in the following calendar year or such other period of twelve calendar months as determined by the Administration.

"Fund" or "Account" means a Fund or Account created by or pursuant to the Bond Resolution or a Series Resolution.

"Government Obligations" means direct general obligations of, or obligations the payment of the principal and interest of which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book-entry form on the books of the Department of Treasury of the United States of America.

"Hedge Receipt" means, if and to the extent designated as such pursuant to the Series Resolution or Supplemental Resolution authorizing the related Qualified Hedge, the amount required to be paid to the Administration under a Qualified Hedge.

"HUD" means the United States Department of Housing and Urban Development.

"Insurance Proceeds" means payments received with respect to the Program Assets under any insurance policy, guarantee or fidelity bond, including amounts available under any Credit Enhancement, less any expenses incurred in realizing such payments and less any reimbursements of advances due the insurer or provider of such guarantee or bond.

"Investment Obligations" means any of the following investments which at the same time are legal investments for moneys of the Administration which are then proposed to be invested therein:

(1) Government Obligations;

(2) Bonds, debentures, notes or other evidences of indebtedness issued by any federal agency, instrumentality or public corporation the obligations of which represent or are guaranteed by the full faith and credit of the United States of America, including (without limitation): the Rural Housing Service, General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, and U.S. Department of Housing and Urban Development;

(3) Bonds, notes or other evidences of indebtedness having a rating at least comparable to a Rating Agency's existing rating on the Bonds (other than Subordinate Bonds) or the comparable rating of any other nationally recognized rating agency issued by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or any similar entity;

(4) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks (or the domestic agency or branch of foreign commercial banks) which have a rating in a long-term rating category at least comparable to the long-term rating on the Bonds (other than Subordinated Bonds) or on their short term accounts or securities on the date of purchase not less than F-1/P1 or the comparable rating of a Rating Agency or of any other nationally recognized rating agency and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(5) Interest bearing time or demand deposits, certificates of deposit or other similar banking arrangements with banks (which may include the Trustee) which are members of the Federal Deposit Insurance Corporation, provided that, to the extent such deposits exceed available federal deposit insurance, such deposits are fully collateralized and secured by obligations described in clauses (1) and (2) above which have a market value (exclusive of accrued interest) at least equal to such deposits so secured, including interest;

(6) Commercial paper which is rated at the time of purchase in a long-term rating category at least comparable to the long-term rating on the Bonds (other than Subordinate Bonds) and a rating on their short-term accounts or deposits not less than F-1/P1 or the comparable rating of a Rating Agency or of any other nationally recognized rating agency and which matures not more than 270 days after the date of purchase;

(7) Investments in a money market fund having a rating not less than F-1/P1 or the comparable rating of a Rating Agency or any other nationally recognized rating agency, which may be established by a Ratings Certificate;

(8) Pre-Refunded Municipal Obligations having a rating at least comparable to a Rating Agency's highest possible rating category or the comparable rating of any other nationally recognized rating agency;

(9) Investment agreements with any financial institution or other entity either (i) with debt rated at least comparable to a Rating Agency's existing rating on the Bonds (other than Subordinate Bonds) or the comparable rating of any other nationally recognized rating agency or (ii) if an investment agreement maintains only a short-term rating, a rating not less than F-1/P1 or the comparable rating of a Rating Agency or of any other nationally recognized rating agency, which may be established by a Ratings Certificate;

(10) Contracts for the purchase and sale of obligations described in clauses (1) through (8) of this definition, provided that: (i) if the parties with which such contracts are made are not members of the Federal Reserve System or if such parties (including members of the Federal Reserve System) are not required to set aside and otherwise identify obligations described in clauses (1) through (8) above to such contracts as security or reserve therefore, such obligations are to be delivered to and held by a fiduciary during the term of such contracts, (ii) such obligations are to be continuously maintained at a market value at least equal to 100% of the face value of each such contract, and (iii) the provider of such contract will not adversely affect the rating on the Bonds then in effect;

(11) Investments in any mutual fund the portfolio of which is limited to Investment Obligations, including any proprietary mutual fund of the Trustee for which the Trustee or an affiliate is investment advisor or provides other services to such mutual fund and receives reasonable compensation for such services (and if such mutual fund consists solely of Government Obligations, then such fund will constitute "Government Obligations" for the purposes of the Bond Resolution); and

(12) Any investments authorized in a Series Resolution authorizing the issuance of Bonds or a Supplemental Resolution.

For purposes of this definition, "institution" means an individual, partnership, corporation, trust or unincorporated organization, or a government or agency, instrumentality, program, account, fund, political subdivision or corporation of a government. Any reference in this definition to the highest rating of short-term obligations is without regard to any refinement or gradation such as "+" or "-".

The Trustee may purchase Investment Obligations that do not meet the requirements set forth in this definition, so long as the purchase of such Investment Obligations does not, as of the date of such investment, in and of itself, result in a reduction or withdrawal of the then existing rating assigned to the Bonds (other than

Subordinate Bonds) by any Rating Agency. If the rating of any Investment Obligation purchased by the Trustee changes adversely subsequent to the date of purchase, the Trustee is not required to sell such Investment Obligation.

The definition of Investment Obligation may be amended and additional obligations or investments included pursuant to a Supplemental Resolution or a Series Resolution, provided such amendments will not in and of themselves cause a reduction in the rating of the Bonds as in effect immediately before such amendment which may be established by a Ratings Certificate.

"Liquidation Proceeds" means the net amounts (other than Insurance Proceeds) received in connection with the liquidation of a defaulted Program Asset, whether through foreclosure, trustee's sale, repurchase by a mortgage lender, or otherwise, less any costs and expenses incurred in realizing those amounts.

"Loan" means: (1) a loan, made or purchased or otherwise financed by the Administration; (2) a portion of, or participation in, a loan made or purchased or otherwise financed by the Administration; or (3) a mortgage-backed security, security or certificate in connection with a loan exchanged for or otherwise evidencing ownership of an interest in a loan purchased or otherwise financed by the Administration, which may (but is not required to) be subject to Credit Enhancement. A Loan may or may not relate to a Single Family Residence and may or may not be secured by a Mortgage, to the extent permitted by the Act.

"Mortgage" means a mortgage, deed of trust or other instrument securing a Program Asset.

"Mortgage Lender" means a bank, trust company, savings institution, savings and loan association, national bank association, mortgage banker or other financial institution that is approved by the Administration as an originator and that maintains an office in the State and engages in making or originating "residential mortgage loans," as defined in the Act; any insurance company that is authorized to transact business in the State; the Maryland Home Financing Program established pursuant to Sections 4-801 through 4-816 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended and supplemented from time to time; and any other program, instrumentality, fund, account, corporation or agency of the State from which the Administration may be authorized under the Act to purchase "residential mortgage loans," as defined in the Act.

"Mortgage Loan" means a Loan relating to a Single Family Residence secured by a Mortgage, including a portion of or a participation in such Loan.

"Non-Conforming Loan" means a Loan which does not comply with the mortgage eligibility requirements of the Code.

"Outstanding" means, with respect to any Bonds as of any date, all Bonds authenticated and delivered by the Trustee under the Bond Resolution to that date, except:

1. any Bond (or portion thereof) deemed to be paid in accordance with the Bond Resolution;

2. any Bond canceled by, or delivered for cancellation to, the Trustee because of payment at maturity or redemption or purchase prior to maturity; and

3. any Bond in lieu of or in substitution for which another Bond has been authenticated and delivered pursuant to the Bond Resolution, unless proof satisfactory to the Trustee is presented that any Bond for which such Bond has been authenticated and delivered is held by a bona fide purchaser, as that term is defined in Article Eight of the Uniform Commercial Code of the State, as amended, in which case both the Bond so substituted and replaced and the Bond or Bonds authenticated and delivered in lieu of, or in substitution for, it shall be deemed outstanding.

"Parity Bonds" means Bonds which have a first priority pledge of, lien on, and security interest in, the trust estate established by the granting clauses of the Bond Resolution.

"Parity Hedge Obligation" has the meaning provided in the Bond Resolution.

"Parity Obligations" means Parity Bonds and Parity Hedge Obligations.

"Parties" or "Party" means any person(s), other than the Administration, that is/are party(ies) to a Parity Obligation other than Bonds or to a Subordinated Contract Obligation.

"Pledged Property" means Revenues and all other money and property pledged to the payment of the Bonds as set forth in the Bond Resolution.

"Prepayment" means any money received from a payment of principal on a Loan in excess of the scheduled payments of principal then due.

"Pre-Refunded Municipal Obligations" means any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (A) which are rated, based on the escrow, in the highest rating category of any nationally recognized rating agency; or (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate.

"Program" means the Administration's program of making or purchasing or otherwise financing Qualified Program Assets pursuant to the provisions of the Bond Resolution.

"Program Asset" means a Loan or a Development.

"Purchase Commitment" means a written commitment by the Administration, signed by an authorized Officer and accepted by the developer, as amended or supplemented from time to time, to purchase from a Mortgage Lender one or more Loans.

"Qualified Hedge" means, to the extent from time to time permitted by law, any financial arrangement (i) which is entered into by the Administration with an entity that is a Qualified Hedge Provider at the time the arrangement is entered into; (ii) which is a cap, floor or collar; forward rate; future rate; swap; asset, index, price or market-linked transaction or agreement; other interest rate exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof,; or any option with respect thereto; or any similar arrangement; and (iii) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Hedge.

"Qualified Hedge Provider" means a provider of a Qualified Hedge as determined in a Certificate of the Administration.

"Qualified Program Asset" means a Program Asset satisfying the conditions set forth in the Bond Resolution.

"Rating" means at any date the then existing rating of Bonds (other than Subordinate Bonds and other than any Series of Bonds which has a rating based on a Credit Facility) by a Rating Agency.

"Rating Agency" means any nationally recognized rating agency maintaining a rating of any Bonds (other than Subordinate Bonds), pursuant to a request for a rating by the Administration.

"Rating Certificate" means, in connection with certain actions to be taken by the Administration, a Certificate of an Authorized Officer filed with the Trustee that the Administration has been advised by each Rating Agency that the Rating of that Rating Agency will not be reduced as a result of the Administration taking that action. Published rating criteria by a Rating Agency shall also constitute advice of that Rating Agency.

"Record Date" means the fifteenth business day next preceding an Interest Payment Date.

"Recovery Payment" means any payment by a mortgagor or any other recovery of principal on a Loan not applied to scheduled installment of principal and interest on the Loan (including any deficiency in the payment of any scheduled installments of principal and interest then due and payable or interest paid in connection with a Prepayment of a Loan). A Recovery Payment includes, without limitation, (i) Prepayments, (ii) the portion of any Insurance Proceeds (to the extent not applied to the repair or restoration of any mortgaged premises), (iii) Liquidation Proceeds, and (iv) amounts from the sale, transfer or other disposition of a Program Asset, or net recovery from Credit Enhancement to the extent not included in Insurance Proceeds, in each case representing such principal amounts.

"Refunding Bonds" means any bonds issued by the Administration to refund one or more Series of Bonds or any portion thereof. Bonds issued for the purpose of refunding bonds, notes or other obligations, whether issued by the Administration or any other person, under any authorizing or issuing document, resolution, certificate or indenture other than the Bond Resolution are not Refunding Bonds under the Bond Resolution.

"Reserve Fund" means the Fund of that name established pursuant to Section 401 of the Bond Resolution.

"Reserve Requirement" means, as of any particular date of calculation, an amount equal to the sum of all amounts established as Series Reserve Requirements in the Series Resolutions for all Series of Bonds Outstanding authorizing the issuance of such Outstanding Bonds. The Trustee may rely upon a Certificate from an Authorized Officer of the Administration which states the Reserve Requirement as of the date of the Certificate.

"Revenue Fund" means the Fund of that name established pursuant to Section 401 of the Bond Resolution.

"Revenues" means all payments, proceeds, rents, charges and other cash income derived by or for the account of the Administration from or related to the Program, including, without limitation, the payments of principal of and interest on Loans (whether paid by or on behalf of the Borrower), including the payments of principal of and interest on Loans subject to Credit Enhancement, and investment income from all funds and accounts described in Section 401 of the Bond Resolution subject to the lien of the Bond Resolution, Hedge Receipts and Termination Receipts, including Recovery Payments or Acquired Development Receipts, and not including any fees received by the Administration for its own account pursuant to annual contribution contracts between the Administration and HUD, if any, with respect to Project Assets financed by Loans, or financing, commitment or similar fees or charges of the Administration at or prior to the time of making, purchasing or otherwise financing a Program Asset. Any arbitrage rebate payable to the United States are not Revenues and are not subject to the lien of the Bond Resolution.

"Serial Bonds" means Bonds which are not Term Bonds.

"Series" means one of the Series of Bonds issued under the Bond Resolution pursuant to a Series Resolution.

"Series Program Determinations" means determinations by the Administration relating to Program Assets and certain other matters required to be set forth in connection with a Series of Bonds under the Program (or provision to be determined at certain specified times in the future), as provided in a Series Resolution. Series Program Determinations shall be consistent with the Bond Resolution. They may include, without limitation, (i) the security which may be provided for each Program Asset; (ii) the principal and interest payment provisions of Loans; (iii) the maximum term to maturity of Loans; (iv) the nature of the residences to which the Loans relate and limitations on who may be a mortgagor; (v) required credit standards and other terms of primary mortgage insurance or other credit support, if any, and the levels of coverage and applicable loan to value ratios, if appropriate; (vi) Credit Enhancement, if any; (vii) the application of a Credit Facility, if any; (viii) the manner and extent of funding, and provisions designating the use of, the Collateral Reserve Fund, if any, or any modification of the Collateral Reserve Funds; (ix) provisions for limiting or restricting use of Recovery Payments; and (x) limitations on Expenses.

"Series Reserve Requirement" means an amount established by a Series Resolution as a component of the Reserve Requirement while Bonds of the Series are Outstanding.

"Series Resolution" means a resolution of the Administration authorizing the issuance of a Series of Bonds and includes any determination with regard to that Series made by an Authorized Officer pursuant to the authority delegated by the Series Resolution, and executed prior to issuance of those Bonds. Series Resolution includes any resolution of the Administration amending a Series Resolution as provided in the Bond Resolution or the related Series Resolution.

"Single Family Residence" means a residential dwelling of one or more units located within the State, occupied or to be occupied within a reasonable period of time as a principal residence of the Borrower, including, without limitation, manufactured housing or mobile homes permanently affixed to the property, condominiums, and cooperative housing to the extent permitted by the Act.

"Sinking Fund Requirement" means, as of any particular date of calculation, with respect to the Term Bonds of any Series and maturity, the amount of money required to be applied on any applicable date to the redemption prior to maturity or the purchase of those Bonds. Sinking Fund Requirements may be established as fixed dollar amounts or by formula.

"State" means the State of Maryland.

"Subordinate Bond Accounts" means the Accounts of that name in the Revenue Fund established pursuant to Section 401 of the Bond Resolution.

"Subordinate Bonds" means bonds authorized under this Resolution and issued pursuant to the Bond Resolution.

"Subordinate Contract Obligation" means (a) Subordinate Bonds, (b) any payment obligation of the Administration (other than a payment obligation constituting a Parity Obligation) arising under any Qualified Hedge, or portion of a Qualified Hedge, which has been designated as constituting a "Subordinated Contract Obligation" pursuant to the Series Resolution or Supplemental Resolution authorizing such Qualified Hedge, and (c) any other contract, agreement or other obligation authorized by a Series Resolution or Supplemental Resolution and designated as constituting a "Subordinate Contract Obligation" in such authorizing Series Resolution or Supplemental Resolution. Each Subordinate Contract Obligation shall be payable from Revenues subject and subordinate to the payments to be made with respect to the Parity Obligations, and shall be secured by a lien on and pledge of Revenues junior and inferior to the lien on and pledge of the Revenues pursuant to the Bond Resolution created for the payment of the Parity Obligations, all as set forth in the Bond Resolution.

"Subordinate Contract Obligation Accounts" means the Accounts of that name in the Revenue Fund established pursuant to the Bond Resolution.

"Supplemental Resolution" means any resolution of the Administration supplementing or amending the Bond Resolution.

"Term Bonds" means the Bonds of a Series with respect to which Sinking Fund Requirements have been established.

"Termination Receipt" means an amount required to be paid to the Administration under a Qualified Hedge by the Qualified Hedge Provider as a result of the termination of such a Qualified Hedge.

"Trustee" means any institution named in the Series Resolution related to the initial Series of Bonds and designated to act as trustee with respect to the Bonds and its successors and any consolidation or merger to which it or its successors may be a party.

"USDA/RD" means the United States Department of Agriculture, Rural Development Guaranteed Rural Housing Program.

"VA" means the United States Department of Veterans Affairs.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following is a brief summary of certain provisions of the Bond Resolution and such summary is qualified in its entirety by reference to the Bond Resolution.

Purposes for Which Bonds May be Issued

The Bond Resolution provides that Bonds may be issued to provide funds for one or more of the following purposes:

(a) for the making, purchasing or otherwise financing Program Assets;

(b) for the refinancing of Program Assets (including, without limitation, Program Assets in default);

(c) for the refunding of any or all Outstanding Bonds or any other bonds, notes or other obligations, whether or not the Administration is the issuer thereof, including any or all interest and redemption premiums thereon;

(d) for the funding of reserves;

(e) for the funding of costs of issuance, redemption premiums relating to Bonds and Administration expenses; or

(f) achieving any other of the Administration's purposes, as described in the Act, as now or hereafter in effect. **[§101]**

Contract with Trustee and Bondholders

As provided in the Act and as covenanted in the Bond Resolution, in consideration of (i) the acceptance by the Trustee of the trusts created, (ii) the purchase and acceptance of Bonds of any Series issued thereunder by any who shall from time to time be holders thereof and (iii) the entering into of other Parity Obligations or Subordinate Contract Obligations:

(a) The provisions of the Bond Resolution and applicable Series Resolutions are contracts of the Administration with the Trustee, the Parties and the holders of the Bonds.

(b) The Administration covenants that it will cause to be paid to and deposited with the Trustee all proceeds of Bonds, all payments of Loans, and all income and receipts therefrom. **[§103]**

Issuance of the Bonds

Each Series of Bonds shall be authorized and issued under and secured by the Bond Resolution pursuant to the authorization contained in a Series Resolution. The Bonds of each Series shall be designated as provided by the Series Resolution. The Bonds shall be in such subseries (if any), shall be in such denominations, shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law payable beginning on such date, shall be stated to mature on such dates, shall be made redeemable at such times and prices (subject to the provisions of the Bond Resolution), shall have such interest payment dates, shall be numbered and the Term Bonds of such Series shall have such Sinking Fund

Requirements, all as may be provided by the Series Resolution for such Bonds. Except as may otherwise be provided in the Series Resolution for Subordinate Bonds, and except as to any differences in the maturities or the interest payment dates or the rate or rates of interest or the provisions for redemption, such Bonds shall be on a parity with and shall be entitled to the same benefits and security under the Bond Resolution as all other Parity Obligations under the Bond Resolution.

Each Series Resolution authorizing the issuance of a Series of Bonds shall include a determination by the Director of the Administration that the issuance of such Series of Bonds is necessary to achieve one or more purposes of the Administration, and may specify and determine such other details as may be required.

Before the Bonds of the Series shall be authenticated and delivered by the Trustee, there shall be on file with the Trustee the following: (i) a copy of the Bond Resolution and the Series Resolution duly certified by an Authorized Officer; (ii) a Bond Counsel's Opinion stating in the Opinion of such counsel that (A) the Bond Resolution and the applicable Series Resolution have been duly adopted and are valid and binding upon the Administration (subject to reasonable exceptions with respect to enforceability under bankruptcy laws, the police power of the State or other similar laws, and the availability of specific performance and other equitable remedies under State law) and (B) the Bonds being issued are valid and legally binding special limited obligations of the Administration secured in the manner and to the extent set forth in the Bond Resolution and the applicable Series Resolution and are entitled to the benefit, protection and security of the provisions, covenants and agreements contained in the Bond Resolution and the applicable Series Resolution; (iii) a Cash Flow Statement conforming to the requirements of the Bond Resolution, accompanied by a Rating Certificate with respect to Bonds other than Subordinate Bonds; and (iv) a request and authorization to the Trustee on behalf of the Administration, signed by an Authorized Officer, to authenticate and deliver the Bonds to the purchaser or purchasers identified in such request upon payment (or provision therefor) to the Trustee for the account of the Administration of the purchase price of the Bonds or, in the instance of Bonds purchased for delivery at a later date or dates, upon such later date(s) as specified in a Series Resolution. **[§209]**

Authorization of Subordinate Contract Obligations; Conditions Precedent to Delivery

The Administration may from time to time enter into Subordinate Contract Obligations to be secured by the Bond Resolution on a subordinated basis, subject to the conditions hereinafter provided.

Payment of Subordinate Contract Obligations, including the principal or redemption price of and interest on, and the purchase price of each Series of Subordinate Bonds, may be secured by the pledge of funds and accounts under certain provisions of the Bond Resolution, including Subordinate Contract Obligation Accounts, to the extent specified in the Series Resolution, subordinate, however, to the pledge securing Parity Obligations, and upon such terms and conditions set forth in the Series Resolution authorizing such Subordinate Contract Obligations. Subordinate Contract Obligations may be payable from Revenues derived under the Bond Resolution, but only after payment of all other amounts payable from Revenues with respect to Parity Obligations and with respect to any Subordinate Contract Obligations having a higher priority to payment from such Revenues.

The Series Resolution authorizing a Subordinate Contract Obligation may provide that such Subordinate Contract Obligation shall be secured solely by such proceeds or Revenues and not by any other moneys, funds or accounts held under the Bond Resolution, and that such proceeds or Revenues shall not constitute security for or a source of payment of any other Bonds or other Subordinate Contract Obligations outstanding or thereafter issued or entered into in accordance with the Bond Resolution. The Series Resolution authorizing a Subordinate Contract Obligation may establish different priorities of payment and security among different Subordinate Contract Obligations. **[§210]**

Qualified Hedges

The Administration may, to the extent from time to time permitted pursuant to law, enter into Qualified Hedges. The Administration's obligation to pay any amount under any Qualified Hedge may be secured by a pledge of, and a lien on, Revenues on a parity with the lien securing the Parity Obligations (a "Parity Hedge Obligation"), or may constitute a Subordinate Contract Obligation, as determined by the Administration in the Series Resolution authorizing the related issue of Bonds or in a Supplemental Resolution. Parity Hedge Obligations shall not include any payments of any termination (including Termination Payments) or other fees, expenses, indemnification or other similar obligations to a Party to a Qualified Hedge, which payments shall be Subordinate Contract Obligations payable from Revenues deposited into a Subordinate Contract Obligation Account in the order of priority set forth in the Bond Resolution.

Purchase of Bonds

Amounts on deposit in the Revenue Fund may be applied as applicable to the purchase of Bonds of each Series then Outstanding, whether or not such Bonds or portions thereof shall then be subject to redemption. The Trustee, upon Administration Request accompanied by a Cash Flow Certificate if required by the Bond Resolution, is required to purchase from such amounts such Bonds, whether they be Serial Bonds or Term Bonds, as specified in such Administration Request. The Trustee is required to pay the interest accrued on such Bonds or portions of Bonds to the date of settlement for the Bonds from the Revenue Fund. The Bond Resolution provides that no purchase of a Bond is to be made by the Trustee after the giving of notice of redemption as to that Bond by the Trustee. Purchased Bonds are required to be delivered to the Trustee for cancellation. **[§405]**

Funds and Accounts Established by the Bond Resolution

The Bond Resolution establishes the following funds and accounts to be held by the Trustee in trust for application in accordance with the Bond Resolution;

(i) Program Fund, which, for each Series of Bonds, will contain a Series Program Account;

(ii) Revenue Fund, which will consist of:

(a) Debt Service Account,

(b) Recovery Payment Account,

(c) Redemption Account, and

(d) Subordinate Contract Obligation Accounts;

(iii) Reserve Fund;

(iv) Collateral Reserve Fund;

(v) Acquired Development Fund; and

(vi) Rebate Fund. **[§401]**

Additional Funds and Accounts (including for the purpose of depositing amounts required to be related to mortgagors or the United States) may be created and designated in Series Resolutions.

Program Fund

Except as may be provided by a Series Resolution for Subordinate Bonds, amounts received upon the sale of a Series of Bonds are to be deposited in the Program Fund and credited to the related Series Program Account in the amount, if any, provided in the applicable Series Resolution. In addition, amounts are to be deposited in the Program Fund from the Revenue Fund as provided in the Bond Resolution and from any other source and are to be credited to the Series Program Account as specified in the Administration Request directing the transfer.

Amounts in a Series Program Account may be used to pay Costs of Issuance of the related Series of Bonds, or to reimburse the Administration for Costs of Issuance, in either case in the amount specified in or pursuant to the Series Resolution, upon a requisition stating generally the nature and amount of those Costs of Issuance signed by an Authorized Officer. Amounts in Series Program Accounts other than amounts used or to be used to pay Costs of Issuance are to be applied by the Trustee upon Administrative Request: (i) to finance the making or acquisition of Program Assets, (ii) to pay costs of Credit Enhancement with regard to Program Assets or any Credit Facility with regard to Bonds, (iii) to pay costs of completing an Acquired Development as set forth in the Bond Resolution, and (iv) as otherwise provided in the Series Resolution. **[§402]**

Revenue Fund

The Trustee is required to transfer to and deposit in the Revenue Fund all amounts transferred to it from the Program Fund as provided in the Bond Resolution or from the Reserve Fund as provided in the Bond Resolution and credit those amounts to the Accounts as specified in the Bond Resolution. Amounts received upon the sale of a Series of Bonds are to be deposited in the Revenue Fund in the amount, if any, provided in the applicable Series Resolution, for credit to the Debt Service Account to pay debt service as specified in the Series Resolution.

Recovery Payments are to be credited to the Recovery Payment Account. Except as may be limited by a Series Resolution, amounts in the Recovery Payment Account may be transferred at any time upon an Administration Request to the Redemption Account, the Debt Service Account or any Series Program Account.

At any time, upon Administration Request, the Trustee is required to apply amounts in the Revenue Fund not credited to any Account in the Fund to pay the accrued interest portion of the cost of acquiring any Loan consistent with the related Series Resolution.

Upon their receipt, the Administration is required to notify the Trustee as to any amounts which have been received for accrued interest with respect to Loans made or acquired from amounts which were expended from the Series Program Account (to the extent not so funded from a transfer from the Revenue Fund). The Trustee is required to transfer those amounts to the credit of the applicable Series Program Account.

On or prior to each payment date for the following obligations the Trustee is required to transfer all amounts in the Revenue Fund not in any Account in the Revenue Fund to the credit of Funds and Accounts in the following priority:

(1) to the Debt Service Account, an amount sufficient, together with amounts on deposit in that Account, timely to pay interest and principal, at maturity or mandatory redemption, due on such debt service payment date Parity Bonds, and any other payments due on such payment date on other Parity Obligations, and to pay any Expenses in connection with any Credit Facility related to such Parity Obligations, as set forth in the Series Resolution or a Supplemental Resolution;

(2) to the payment of Expenses specified in a Series Resolution, or such other Expenses provided in an Administration Request;

(3) to the Reserve Fund, an amount sufficient to cause the amount on deposit in that Fund, including Cash Equivalents permitted by a Series Resolution, to equal the Reserve Requirement;

(4) to the Redemption Account, an amount as specified in an Administration Request;

(5) to any Series Program Account in the Program Fund, an amount as specified in an Administration Request; or

(6) to any Subordinate Contract Obligation Accounts, an amount sufficient together with amounts on deposit in that Account, established by a Series Resolution for Subordinate Contract Obligations, timely to pay when due, any Subordinate Contract Obligation and to pay any Expenses in connection with any Credit Facility related to such Subordinate Contract Obligations, as set forth in the Series Resolution or a Supplemental Resolution or to provide any reserve with respect to Subordinate Contract Obligations.

At any time the Trustee is required to, upon Administration Request, accompanied by a Cash Flow Certificate, release amounts on deposit in the Revenue Fund to the Administration for any lawful purpose free and clear of the pledge and lien of the Bond Resolution.

At any time the Trustee is required to, upon Administration Request, apply amounts in the Revenue Fund not credited to any Account in it or the Rebate Fund to make required rebates pursuant to the Code.

At any time the Trustee is required to apply, upon an Administration Request, amounts in the Revenue Fund and not credited to any Account in it to the purchase of Bonds at the times, in the manner and for the purposes set forth in the Bond Resolution.

At any time, upon Administration Request, amounts on deposit in the Revenue Fund may be applied to pay Expenses as specified in an Administration Request. **[§403]**

Reserve Fund

The Administration is required to deposit amounts in the Reserve Fund as provided in the Series Resolutions and as provided in the Bond Resolution. The Trustee is required to transfer money held in the Reserve Fund to the Debt Service Account, pursuant to the Bond Resolution. Amounts held in the Reserve Fund as of any date in excess of the Reserve Requirement, taking into account any Cash Equivalents in the Reserve Fund, are required to, upon an Administration Request, be transferred to the Revenue Fund. A Series Resolution may provide that the Reserve Requirement or any excess balances in the Reserve Fund with respect to the applicable Series of Bonds may be funded in whole or in part through Cash Equivalents or other Program Assets. **[§408]**

Collateral Reserve Fund

Moneys, Cash Equivalents, Program Assets, Non-Conforming Loans and other assets may be deposited into the Collateral Reserve Fund in accordance with the requirements of a Series Resolution or a Supplemental Resolution, which may establish terms, conditions and provisions relating to the funding of the Collateral Reserve Fund, the making or purchase of loans or other Assets approved by the Administration, disbursement of moneys or Cash Equivalents and the sale, disposition or release of Program Assets, Non-Conforming Loans from such fund, and maintenance of moneys, Cash Equivalents, Program Assets or Non-Conforming Loans, or assets required to be held in such fund with respect to either a Series of Bonds or generally. Any moneys, Cash Equivalents, Program Assets, Non-Conforming Loans or other assets on deposit in the Collateral Reserve Fund may be transferred to any other Fund or Account or withdrawn by the Administration upon receipt by the Trustee of an Administrative Request.

The Trustee is required to transfer amounts from the Collateral Reserve Fund to the credit of the Debt Service Account as provided in the Bond Resolution. **[§409]**

Acquired Development Fund

Acquired Development Receipts are required to be held by the Trustee in the Acquired Development Fund and are required to be used solely for the payment of Acquired Development Expenses; provided that any amount specified by an Authorized Officer as not being needed to maintain the Acquired Development Expense Requirement is required to be transferred to the Revenue Fund.

Payments from the Acquired Development Fund are required to be made upon the direction of an Authorized Officer. Upon receipt of each such direction of an Authorized Officer, the Trustee is required to pay the amount stated therein to the Administration by check or draft or is required to arrange for the transfer, deposit or payment of such amounts as directed by the Authorized Officer.

The Administration is required to maintain on its books of account a separate account within the Acquired Development Fund for each Acquired Development, showing all disbursements of money withdrawn for it from the Acquired Development Fund, and is required to provide to the Trustee, at least quarterly, a report showing in reasonable detail the expenditures for each Acquired Development.

The Trustee is required to transfer amounts from the Acquired Development Fund to the credit of the Debt Service Account as provided in the Bond Resolution. **[§410]**

Sale of Program Assets; Release of Lien of Resolution

The Administration is authorized to sell, assign or otherwise dispose of a Program Asset (and to release the same from the lien of the Bond Resolution), in addition to a sale, assignment or disposition pursuant to the Bond Resolution or any applicable Supplemental Resolution, provided that, with respect to any Program Asset not in default, the Administration files with the Trustee a Cash Flow Certificate taking into account such sale, assignment or disposition pursuant to the Bond Resolution.

The Administration is authorized to release a Program Asset secured by a Credit Facility or Credit Enhancement, reserves created or held with respect to such Program Asset or the Series of Bonds (or portion of such Series) issued to make, purchase or finance such Program Asset and any other moneys to be received with respect to such Program Asset from the lien of the Bond Resolution at the direction of the Credit Facility Provider or Credit Enhancer which issued or provided any Credit Facility securing the Series of Bonds which financed the Program Asset or the Credit Enhancement securing the Program Asset, provided such Credit Facility or Credit Enhancement continues in effect. Such release may occur only after payment is made under the terms of the Credit Facility or Credit Enhancement. **[§617]**

Cash Flow Statements and Certificates

See the discussion of Cash Flow Statements and Certificates under the heading "SECURITY FOR THE BONDS – Cash Flow Statements and Certificates".

The Cash Flow Statement shall be based upon the Administration's reasonable expectations, and shall be based upon assumptions consistent with those used in the most recent Cash Flow Statement or such other assumptions as shall not adversely affect any of the Rating Agency's ratings on the Bonds. In calculating the amount of interest due on Bonds in the current and each succeeding Bond Year in which Bonds are scheduled to be Outstanding on Bonds bearing interest at a variable rate as defined in a Supplemental Resolution, the initial interest rate shall be used so long as doing so does not adversely affect any of the Rating Agency's ratings on the Bonds. **[§608]**

Redemption of Bonds

The Bonds issued under the provisions of the Bond Resolution are subject to redemption, both in whole and in part and at such times and redemption prices, as may be provided in the applicable Series Resolution. Term Bonds may be made subject to sinking fund redemption pursuant to their Sinking Fund Requirements on the dates and during the period during which such Sinking Fund Requirements are in effect, as established in the applicable Series Resolution.

The Trustee, at the direction of the Administration, is required to select the Bonds or portions of Bonds to be redeemed or purchased in accordance with the Bond Resolution and the applicable Series Resolution. Except as otherwise stated in the related Series Resolution, money is required to, upon an Administration Request to the Trustee accompanied by a Cash Flow Certificate, as may be required by the Bond Resolution, be applied by the Trustee to the purchase or the redemption of Bonds selected from among the Series (and subseries, if applicable), maturities and interest rates on the basis specified by the Administration in that Administration Request. Except as otherwise provided in a Series Resolution, the Administration Request relating to each redemption of Bonds is required to be filed with the Trustee at least fifteen (15) days prior to the date upon which notice of redemption is caused to be delivered by the Trustee to all registered owners of Bonds to be redeemed, or such lesser number of days as are acceptable to the Trustee.

Except as otherwise provided in a Series Resolution, if less than all of the Bonds of one Series (and subseries, if applicable) and one maturity bearing the same interest rate (and otherwise of like tenor) are called for redemption, the particular Bonds of such Series (and subseries if applicable) and maturity bearing the same rate of interest (and otherwise of like tenor) to be redeemed are to be selected not later than fifteen (15) days prior to the date upon which notice of redemption is caused to be delivered by the Trustee to all registered owners of Bonds to be redeemed, or such lesser number of days as are acceptable to the Trustee in such manner as directed by the Administration. If no such direction is received by the Trustee, the Trustee is required to select the Bonds to be redeemed by lot or in such other manner as it in its discretion may determine. The portion of Bonds of any Series (and subseries, if applicable) to be redeemed is required to be in the minimum principal amount or some integral multiple of such minimum principal amount established for such Bonds in the applicable Series Resolution, and in selecting Bonds for redemption, the Trustee is required to treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by such minimum principal amount.

If less than all of the Term Bonds Outstanding of any one maturity of a Series (or subseries, if applicable) are purchased for cancellation or called for redemption (other than in satisfaction of Sinking Fund Requirements), the principal amount of such Term Bonds that are so purchased or redeemed is to be credited, to the extent practicable, except as otherwise provided in an Administration Request, against all remaining Sinking Fund Requirements for the Term Bonds of such Series (and subseries, if applicable) and maturity in the proportion which the then remaining balance of each such Sinking Fund Requirement bears to the total of all Bonds of such Series (and subseries, if applicable) and maturity then Outstanding. **[§301]**

Investment of Moneys Held by the Trustee

Any and all money held by the Trustee under the Bond Resolution, except as otherwise expressly provided in the Bond Resolution, is to be held in trust, is to be applied only in accordance with provisions of the Bond Resolution and are not to be subject to any lien, charge or attachment by any creditor of the Administration.

Money deposited under the Bond Resolution is to, as nearly as is practicable, be fully and continuously invested or reinvested by the Trustee upon the direction of an Authorized Officer (promptly confirmed by delivery of an Administration Request) in Investment Obligations which are to be in such amounts and bear interest at such rates that sufficient money will be available to pay the principal and interest when due on the Bonds and the other obligations permitted under the Bond Resolution and which mature, or which are subject to redemption by the holder at the option of the holder, such that sufficient money will be available for the purposes intended.

Any Investment Obligations so purchased in any Account or Fund are to be deemed at all times to be part of such Account or Fund. Unless the Administration otherwise directs, any interest paid on the investment in any Account or Fund (except the Rebate Fund) is to be credited to the Revenue Fund and is to be treated as Revenues. Any interest paid on the investment of the Rebate Fund is required to be credited to the Rebate Fund. Any profit or loss resulting from an investment is to be credited to or charged against the applicable Account or Fund of which it is an investment. The Trustee is required to sell or present for redemption any obligations so purchased whenever it is necessary to do so in order to provide money to meet any payment or transfer from any such Account or Fund. The Trustee, when authorized by an Authorized Officer, may trade with itself in the purchase and sale of securities for such investment. Neither the Trustee nor the Administration is liable or responsible for any loss resulting from any such investment. **[§§501 and 502]**

Program Covenants; Enforcement of Mortgage Loans

The Administration covenants in the Bond Resolution that:

(i) the Administration will use and apply the proceeds of the Bonds, to the extent not required by the Bond Resolution for other Program purposes, to make or purchase or otherwise finance Qualified Program Assets or otherwise apply such proceeds in accordance with the provisions and requirements of each applicable Series Resolution;

(ii) the Administration will do all such acts and things as are necessary to receive and collect Revenues and such payments for taxes, insurance and similar items as are normally escrowed by prudent mortgage servicing institutions in the State, consistent with sound practices and principles;

(iii) the Administration will diligently enforce and take all steps, actions and proceedings reasonably necessary, in the judgment of the Administration, for the enforcement of all terms, covenants and conditions of Mortgages and Loans;

(iv) the Administration will establish income and occupancy requirements to assure compliance with the Act for the Borrower for each Single Family Residence or Development financed with the proceeds of a Loan; and

(v) the Administration will take all reasonable steps, actions and proceedings it deems appropriate or necessary for the enforcement of all terms, covenants and conditions of Loans made, purchased or financed by the Administration, including the prompt collection of Loan repayments and fees and charges and other Revenues. **[§615]**

Tax Covenants

The Administration covenants in the Bond Resolution that it will comply with the applicable tax covenants contained in any applicable Series Resolution. **[§609]**

Events of Default

Each of the following constitutes an Event of Default under the Bond Resolution:

(1) payment of interest on or the principal or redemption price of any of the Bonds is not made when due and payable; or

(2) default in the due and punctual performance of any other covenants or agreements contained in the Bonds or in the Bond Resolution or any Series Resolution and such default continues for ninety (90) days after written notice requiring the default to be remedied, has been given to the Administration by the Trustee. The Trustee may give such notice in its discretion and shall give such notice at the written request of the owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding. However, if such default can be remedied, so long as following such notice the Administration is diligently taking actions to remedy such default, such default is not an Event of Default under the Bond Resolution.

An Event of Default with respect to Subordinate Bonds is not an Event of Default on Bonds which are not Subordinate Bonds. For purposes of determining the percentages of Owners of Bonds as provided in the Bond Resolution, only Bonds other than Subordinate Bonds are to be taken into account unless the Event of Default relates only to Subordinate Bonds in which case the percentage relates only to Subordinate Bonds. In the case of an Event of Default relating only to Subordinate Bonds any acceleration or other remedy will relate only to Subordinate Bonds.

Except as expressly provided above, under no circumstances shall the Administration's failure to pay (i) Parity Hedge Obligations, (ii) Termination Payments or (iii) Subordinate Contract Obligations constitute an Event of Default under the Bond Resolution. **[§701]**

Remedies; Rights of Bondholders

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may, and upon the written direction of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds is required to proceed, subject to the provisions of the Bond Resolution, to protect and enforce its rights and the rights of the Bondowners under applicable laws or under the Bond Resolution by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Bond Resolution or in aid or execution of any power granted in the Bond Resolution or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Bond Resolution the Trustee is entitled (1) to sue for, enforce payment of and recover judgment for, in its own name as Trustee of an express trust, any and all amounts then or after any default becoming, and at any time remaining, due from the Administration for unpaid principal, premium, if any, interest or otherwise under any of the provisions of the Bond Resolution or the Bonds, with, to the extent permitted by the applicable law, interest on overdue payments of principal of and interest at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under the Bond Resolution and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondowners, and (2) to recover and enforce any judgment or decree against the Administration, but solely as provided in the Bond Resolution, the Series Resolution, and in the Bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided and to collect, in any manner provided by law, the money adjudged or decreed to be payable.

Regardless of the happening of an Event of Default, the Trustee may, and, subject to the Bond Resolution, if requested in writing by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Outstanding Parity Bonds, is required to institute and maintain such suits and proceedings as it may be advised are necessary or expedient (i) to prevent any impairment of the Pledged Property by any acts which may be unlawful or in violation of the Bond Resolution or of any Series Resolution or (ii) to preserve or protect the interest of the Bondowners, provided that such request is in accordance with law and the provisions of the Bond Resolution and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Owners of Bonds not making such request.

If a covenant is set forth in a Series Resolution, limitations on the remedies available upon an Event of Default related to such covenant may be set forth in such Series Resolution. **[§703]**

Rights of Bondholders to Direct Proceedings

Notwithstanding anything in the Bond Resolution to the contrary, the Owners of a majority in principal amount of the Parity Bonds then Outstanding shall have the right, subject to the provisions of the Bond Resolution, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee or exercising any trust or power conferred upon the Trustee, provided that such direction shall not be otherwise than in accordance with law, the provisions of the Bond Resolution and the Act and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondowners not joining in such direction. **[§707]**

Waiver of Events of Default

The Trustee, upon written direction of the Owners of not less than a majority in aggregate principal amount of the Outstanding Bonds, is required to waive any Event of Default, which in the opinion of those Owners has been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by them under the provisions of the Bond Resolution or before the completion of the enforcement of any other remedy under the Bond Resolution, but no such waiver may extend to or affect any other existing or any subsequent Event or Events of Default or impair any rights or remedies consequent to it. **[§713]**

Modification of Resolutions and Outstanding Bonds

The Bond Resolution provides procedures whereby the Administration may amend the Bond Resolution or a Series Resolution by adoption of a Supplemental Resolution. Amendments that may be made without the consent of Bondholders may be only for certain purposes and include curing any ambiguity, defect or omission in the Bond Resolution or conferring upon the Trustee additional rights, remedies, powers, authority or security that may be lawfully granted. **[§1001]**

Amendments of certain of the respective rights and obligations of the Administration and the Bondholders may be made with the written consent of the holders of greater than fifty percent (50%) in aggregate principal amount of the Outstanding Bonds; however, without the consent of all adversely affected Bondowners, no Supplemental Resolution may (a) change the terms of redemption or of the maturity of the principal of or the interest on any Bond, or (b) reduce the principal amount of any Bond or the redemption premium or the rate of interest on it, or (c) create or grant a pledge, assignment, lien or security interest of the Pledged Property, or any part of it, other than as created or permitted by the Bond Resolution without the Supplemental Resolution, or (d) create a preference or priority of any Bond or Bonds over any other Bond or Bonds, except as may be permitted by the Bond Resolution or (e) reduce the aggregate principal amount or classes of the Bonds required for consent to such Supplemental Resolution. If any such modification, supplement or amendment will by its terms, not take effect so long as any Bonds of any specified Series and maturity remain Outstanding, the consent of the Owners of those Bonds are not required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Bond Resolution. **[§1002]**

Defeasance

If the Administration shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of the Bonds then Outstanding, the principal, redemption premium, if any, and interest to become due thereon, at the times and in the manner stipulated in the Bond Resolution and in the Series Resolutions, then the covenants, agreements and other obligations of the Administration to the Registered Owners of the Bonds shall be discharged and satisfied. If the Administration pays or cause to be paid, or there is otherwise paid, to a Party to a Parity Obligation, other than Parity Bonds, or to a Subordinated Contract Obligation, other than Subordinate Bonds, at the times and in the manner stipulated in the Bond Resolution and in the Series Resolution, then the obligations of the Administration to such Parties shall be discharged and satisfied. In such event, the Trustee shall pay over or deliver to the Administration all money or securities held by it pursuant to the Bond Resolution which are no longer required for the payment or redemption of Bonds not already then surrendered for such payment or redemption or for the payment of Parity Obligations, other than Parity Bonds, and Subordinate Contract Obligations, other than Subordinate Bonds, which are no longer required for such payments. **[§1101(a)]**

Pursuant to the Bond Resolution, all Bonds will, prior to their maturity or redemption date, be deemed to have been paid pursuant to the Bond Resolution if, among other things, there is deposited with the Trustee either money in an amount which is sufficient, or Government Obligations the principal of and interest on which when due will provide money which, without reinvestment, when added to the money, if any, deposited with such Trustee at the same time, is sufficient to pay the principal of those Bonds at maturity, or on sinking fund installment dates for Term Bonds, or the principal, redemption premium, if any, and interest due and to become due on those Bonds on and prior to the redemption date or maturity date (or sinking fund installment dates for Term Bonds) of the Bonds, as the case may be. **[§1101(b)]**

Trustee

The Trustee is required to undertake the duties and obligations imposed upon it under the Bond Resolution and each of the Series Resolutions. If an Event of Default has occurred and is continuing, the Trustee is required to exercise such of the rights and powers vested in it by the Bond Resolution, and is required to use the same degree of care that a prudent person would exercise in the circumstances in the conduct of such person's own affairs. However, the Trustee is under no obligation or duty to perform any act which would involve it in expense or liability, to institute or defend any action or suit in respect of the Bond Resolution or Bonds, or to advance any of its own moneys, unless properly indemnified in accordance with the Bond Resolution. The Bond Resolution provides that the Trustee will not be liable in connection with the performance of its duties under the Bond Resolution, except for its own negligence or default. **[§§801-803]**

The Trustee may resign and thereby become discharged from the trusts, by notice in writing to be given to the Administration and mailed, first class, postage prepaid, to all Registered Owners of Bonds at their addresses as they appear on the registration books kept by the Trustee, not less than sixty (60) days before such resignation is to take effect, but such resignation will take effect immediately upon the appointment of a new Trustee, if such new Trustee is appointed before the time limited by such notice and then accepts the trusts. The Bond Resolution provides that no resignation of the Trustee is effective if an Event of Default, or any event which upon the passage of time would be an Event of Default has occurred and is continuing except upon the consent of Owners of a majority in principal amount of the Outstanding Bonds. **[§812]**

Subject to the Bond Resolution, the Trustee may be removed at any time by an instrument or concurrent instruments in writing executed by the Owners of not less than a majority in principal amount of the Outstanding Bonds and filed with the Administration. A facsimile copy of each such instrument is required to be delivered promptly by the Administration to the Trustee. The Trustee may also be removed at any time for reasonable cause by any court of competent jurisdiction upon the application of Owners of not less than ten percent (10%) in aggregate principal amount of the Outstanding Bonds. The Trustee may be removed at any time by the Administration (provided that the Administration is not in default under the Bond Resolution) in its sole discretion by written notice to the Trustee. **[§813]**

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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 January 1, 2010.

	Effective Bond Yield	Year of Issue	Final Maturity	Amount Issued	Amount Outstanding	
Residential Revenue Bonds						
1998 Series A	5.302760%	1998	9/1/2017	$ 4,640,000	$ 2,405,000	
1998 Series D	5.080895%	1998	9/1/2029	62,810,000	29,580,000	
1999 Series C	4.981370%	1999	9/1/2015	2,665,000	2,665,000	
1999 Series D	5.258230%	1999	9/1/2031	57,335,000	27,690,000	
1999 Series H	6.185333%	1999	3/1/2031	60,000,000	9,400,000	(2)
2000 Series F	4.996857%	2000	9/1/2014	15,190,000	2,200,000	
2001 Series A	4.689417%	2001	9/1/2017	18,885,000	9,820,000	
2001 Series B	5.329877%	2001	9/1/2032	50,800,000	18,440,000	
2001 Series E	4.428468%	2001	9/1/2012	13,775,000	3,025,000	
2001 Series G	4.000795%	2001	9/1/2011	10,100,000	2,810,000	(1)
2001 Series H	5.246263%	2001	9/1/2033	49,900,000	32,770,000	(1)
2003 Series A	3.642019%	2003	9/1/2015	9,550,000	5,595,000	(1)
2003 Series B	4.650537%	2003	9/1/2026	15,450,000	4,830,000	(1)
2003 Series C	(3)	2003	9/1/2035	20,000,000	20,000,000	(1)
2004 Series A	3.806300%	2004	9/1/2016	10,710,000	7,460,000	(1)
2004 Series B	4.799120%	2004	9/1/2028	19,290,000	7,100,000	(1)
2004 Series C	(3)	2004	9/1/2035	20,000,000	20,000,000	(1)
2004 Series D	4.029268%	2004	9/1/2016	12,960,000	8,785,000	(1)
2004 Series E	5.081152%	2004	3/1/2030	27,040,000	13,940,000	(1)
2004 Series F	(3)	2004	9/1/2035	20,000,000	20,000,000	(1)
2004 Series G	3.310198%	2004	9/1/2016	13,445,000	9,005,000	(1)
2004 Series H	4.621570%	2004	9/1/2029	26,555,000	13,365,000	(1)
2004 Series I	(3)	2004	9/1/2035	20,000,000	20,000,000	(1)
2005 Series A	3.655208%	2005	9/1/2016	12,640,000	9,255,000	(1)
2005 Series B	4.792302%	2005	9/1/2029	27,360,000	19,070,000	(1)
2005 Series C	(3)	2005	9/1/2035	20,000,000	20,000,000	(1)
2005 Series D	3.910070%	2005	9/1/2017	13,485,000	10,290,000	(1)
2005 Series E	4.974120%	2005	9/1/2036	46,515,000	40,195,000	(1)
2006 Series A	3.983190%	2006	9/1/2017	12,020,000	9,930,000	(1)
2006 Series B	4.984790%	2006	9/1/2037	47,980,000	42,570,000	(1)
2006 Series E	4.199900%	2006	9/1/2017	23,540,000	19,495,000	(1)
2006 Series F	5.307100%	2006	9/1/2039	56,460,000	47,955,000	(1)
2006 Series G	(3)	2006	9/1/2040	40,000,000	40,000,000	(1)
2006 Series H	4.102933%	2006	9/1/2017	17,670,000	14,645,000	(1)
2006 Series I	5.204300%	2006	3/1/2041	142,330,000	122,970,000	(1)
2006 Series J	(3)	2006	9/1/2040	60,000,000	60,000,000	(1)
2006 Series K	4.111420%	2006	9/1/2017	15,000,000	12,455,000	(1)
2006 Series L	5.062770%	2006	3/1/2041	165,000,000	153,675,000	(1)
2006 Series O	3.829481%	2006	9/1/2017	10,000,000	8,285,000	(1)
2006 Series P	4.858303%	2006	9/1/2037	85,000,000	78,840,000	(1)
2006 Series S	6.135383%	2006	9/1/2037	25,000,000	22,910,000	(5)
2007 Series A	4.951603%	2007	9/1/2047	270,000,000	255,710,000	(1)
2007 Series B	6.065560%	2007	9/1/2037	30,000,000	28,235,000	(5)
2007 Series C	3.944500%	2007	9/1/2017	45,000,000	41,415,000	(1)
2007 Series D	4.924814%	2007	3/1/2048	175,000,000	165,125,000	(1)
2007 Series E	6.031685%	2007	9/1/2042	49,375,000	47,600,000	(6)
2007 Series F	(3)	2007	9/1/2031	46,485,000	46,485,000	(7)
2007 Series G	4.245422%	2007	9/1/2017	61,605,000	51,160,000	
2007 Series H	5.150783%	2007	3/1/2048	63,395,000	62,335,000	
2007 Series I	6.523650%	2007	9/1/2043	62,800,000	61,315,000	(6)
2007 Series J	(3)	2009	9/1/2031	58,680,000	58,680,000	(8)
2007 Series K	3.761910%	2007	9/1/2017	30,000,000	26,790,000	
2007 Series M	(3)	2007	9/1/2043	29,050,000	29,050,000	(9)
2008 Series A	3.895197%	2008	9/1/2017	60,000,000	57,290,000	
2008 Series B	3.909668%	2008	9/1/2017	19,770,000	17,835,000	
2008 Series C	5.453421%	2008	9/1/2048	80,230,000	77,150,000	
2008 Series D	(3)	2008	9/1/2038	50,000,000	50,000,000	
2008 Series E	4.290850%	2008	9/1/2017	21,500,000	21,500,000	
2008 Series F	5.500088%	2008	9/1/2038	18,500,000	18,500,000	
2009 Series A	4.798085%	2009	9/1/2039	40,000,000	40,000,000	
2009 Series B	4.516954%	2009	9/1/2039	45,000,000	45,000,000	
2009 Series C	4.227838%	2009	9/1/2039	15,985,000	15,985,000	
Total Residential Revenue Bonds				$2,653,475,000	$2,240,585,000	

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 January 1, 2010.

	Effective Bond Yield	Year of Issue	Final Maturity	Amount Issued	Amount Outstanding	
Single Family Program Bonds						
1999 Second Series	4.940188%	1999	4/1/2017	$53,205,000	$14,940,000	
1999 Third Series	4.803280%	1999	4/1/2021	107,265,000	31,335,000	
2001 First Series	4.747525%	2001	4/1/2017	66,495,000	28,290,000	
2001 Second Series	4.475347%	2001	4/1/2023	21,260,000	1,025,000	
2002 First Series	4.659224%	2002	4/1/2013	4,495,000	4,060,000	(1)
2002 Second Series	5.048609%	2002	4/1/2024	49,740,000	2,350,000	(1)
Total Single Family Program Bonds				$302,460,000	$82,000,000	

	Year of Issue	Final Maturity	Amount Issued	Amount Outstanding
Housing Revenue Bonds				
Series 1996 A	1996	7/1/2023	$137,385,000	$ 19,925,000
Series 1996 B	1996	7/1/2028	2,575,000	1,485,000
Series 1997 A	1997	7/1/2039	37,135,000	33,700,000
Series 1997 B	1997	7/1/2039	7,660,000	6,965,000
Series 1997 C	1997	7/1/2039	14,075,000	12,720,000
Series 1998 A	1998	1/1/2040	11,030,000	9,960,000
Series 1999 A	1999	7/1/2041	16,345,000	15,020,000
Series 1999 B	1999	7/1/2042	15,840,000	14,310,000
Series 1999 C	1999	7/1/2040	520,000	480,000
Series 1999 D	1999	7/1/2042	14,565,000	11,380,000
Series 2000 A	2000	7/1/2042	27,445,000	25,825,000
Series 2001 A	2001	7/1/2043	29,645,000	27,850,000
Series 2001 B	2001	7/1/2043	47,630,000	43,320,000
Series 2002 A	2002	7/1/2043	9,500,000	9,000,000
Series 2002 B	2002	7/1/2045	34,435,000	31,880,000
Series 2002 C	2002	7/1/2035	6,740,000	6,270,000
Series 2002 D	2002	7/1/2035	8,280,000	7,770,000
Series 2003 A	2003	7/1/2045	24,730,000	23,785,000
Series 2003 B	2003	7/1/2045	17,660,000	16,775,000
Series 2003 C	2003	7/1/2045	10,735,000	10,360,000
Series 2003 D	2003	7/1/2045	12,080,000	11,610,000
Series 2004 A	2004	7/1/2045	11,130,000	890,000
Series 2004 B	2004	7/1/2046	20,320,000	19,460,000
Series 2004 C	2004	1/1/2047	36,515,000	35,540,000
Series 2004 D	2004	7/1/2037	3,270,000	1,600,000
Series 2005 A	2005	1/1/2047	6,385,000	6,205,000
Series 2005 B	2005	1/1/2047	19,355,000	18,830,000
Series 2005 C	2005	7/1/2047	13,985,000	12,955,000
Series 2006 A	2006	7/1/2047	10,800,000	9,795,000
Series 2006 B	2006	1/1/2039	4,800,000	3,075,000
Series 2006 C	2006	7/1/2036	2,120,000	2,005,000
Series 2006 D	2006	7/1/2048	8,000,000	4,425,000
Series 2007 A	2007	1/1/2049	22,435,000	21,685,000
Series 2007 B	2007	1/1/2038	4,875,000	4,875,000
Series 2007 C	2007	1/1/2043	2,310,000	1,520,000
Series 2008 A	2008	7/1/2038	5,845,000	5,720,000
Series 2008 B	2008	7/1/2049	17,360,000	16,820,000
Series 2008 C	2008	7/1/2048	11,380,000	11,380,000
Series 2008 D	2008	7/1/2039	5,110,000	5,110,000
Series 2009 A	2009	7/1/2041	8,755,000	8,755,000
Total Housing Revenue Bonds			$700,760,000	$531,035,000

Infrastructure Financing Bonds		Year of Issue	Final Maturity	Amount Issued	Amount Outstanding	
1995 Series A	(AMBAC Insured)	1995	6/1/2025	$3,975,000	$40,000	
1996 Series A	(MBIA Insured)	1996	6/1/2026	8,405,000	710,000	
1997 Series A	(MBIA Insured)	1997	6/1/2027	9,860,000	2,535,000	
1998 Series A	(MBIA Insured)	1998	6/1/2018	6,320,000	1,955,000	
1998 Series B	(MBIA Insured)	1998	6/1/2028	30,320,000	8,985,000	
1998 Series C	(MBIA Insured)	1998	12/1/2020	2,845,000	640,000	
1999 Series A	(MBIA Insured)	1999	6/1/2029	6,985,000	5,125,000	
2000 Series A	(MBIA Insured)	2000	6/1/2030	8,065,000	5,285,000	
2001 Series A	(MBIA Insured)	2001	6/1/2031	8,460,000	6,200,000	
2001 Series B	(MBIA Insured)	2001	6/1/2021	1,930,000	1,505,000	(4)
Total Infrastructure Financing Bonds				$87,165,000	$32,980,000	

Local Government Infrastructure Bonds		Year of Issue	Final Maturity	Amount Issued	Amount Outstanding
2002 Series A	(Ambac Insured)	2002	6/1/2032	$11,790,000	$9,305,000
2002 Series B	(Ambac Insured)	2002	6/1/2022	3,555,000	2,585,000
2003 Series A	(Ambac Insured)	2003	6/1/2023	14,560,000	10,920,000
2004 Series A	(Ambac Insured)	2004	6/1/2034	16,375,000	12,450,000
2004 Series B	(Ambac Insured)	2004	6/1/2034	4,735,000	4,210,000
2005 Series A	(Ambac Insured)	2005	6/1/2030	9,345,000	8,165,000
2006 Series A	(Ambac Insured)	2006	6/1/2026	8,940,000	7,525,000
2007 Series A	(Ambac Insured)	2007	6/1/2037	11,460,000	10,625,000
2007 Series B	(Ambac Insured)	2007	6/1/2027	24,575,000	22,540,000
Total Local Government Infrastructure Bonds				$105,335,000	$88,325,000

Multifamily Development Revenue Bonds		Year of Issue	Final Maturity	Amount Issued	Amount Outstanding	
1990 Issue B	(Middle Branch Manor)	1990	6/1/2020	$12,350,000	$8,450,000	(3)
1990 Issue C	(Harbor City Townhomes)	1990	6/1/2020	4,150,000	2,850,000	(3)
Series 1998 A	(Auburn Manor Project)	1998	10/1/2028	11,000,000	8,925,000	
Series 1999 A	(GNMA-Selborne House Project)	1999	12/20/2040	2,150,000	2,005,000	
Series 2000 A	(Waters Landing II Apartments)	2000	8/1/2033	11,000,000	10,110,000	
Series 2000 B-1	(Edgewater Village Apartments)	2000	2/1/2033	7,640,000	6,175,000	
Series 2000 B-2	(Edgewater Village Apartments)	2000	2/1/2033	3,125,000	3,125,000	
Series 2000 C	(Park Montgomery Apartments)	2000	2/1/2031	6,170,000	4,760,000	
Series 2001 C	(Parklane Apartments Project)	2001	2/15/2034	9,800,000	9,800,000	(3)
Series 2001 D	(Princess Anne Townhouses)	2001	12/15/2033	4,350,000	3,675,000	
Series 2001 E	(Princess Anne Townhouses)	2001	12/15/2033	2,875,000	2,650,000	(3)
Series 2001 F	(Waters Tower Senior Apts.)	2001	12/15/2033	7,570,000	6,340,000	
Series 2001 G	(Waters Tower Senior Apts.)	2001	12/15/2033	4,045,000	3,720,000	(3)
Series 2002 B	(Broadway Homes Project)	2002	5/1/2020	5,045,000	2,235,000	
Series 2002 C	(Orchard Mews Apartment Project)	2002	5/1/2035	5,845,000	5,310,000	
Series 2003 A	(Barrington Apartments Project)	2003	6/15/2037	40,000,000	39,905,000	(3)
Series 2005 A	(Fort Washington Manor Sr. Housing)	2005	11/15/2038	14,000,000	13,790,000	(3)
Series 2005 B	(Washington Gardens)	2005	2/1/2036	5,000,000	2,440,000	
Series 2006 A	(Barclay Greenmount Apartments)	2006	4/1/2035	4,535,000	3,755,000	
Series 2006 B	(Charles Landing South Apartments)	2006	12/1/2036	3,375,000	3,375,000	(3)
Series 2007 A	(Brunswick House Apartments)	2007	10/1/2037	3,000,000	2,000,000	
Series 2007 B	(Park View at Catonsville)	2007	12/1/2037	5,200,000	4,750,000	(3)
Series 2008 A	(Walker Mews Apartments)	2008	5/1/2048	11,700,000	11,700,000	(3)
Series 2008 B	(Shakespeare Park Apartments)	2008	5/1/2038	7,200,000	7,200,000	(3)
Series 2008 C	(The Residences at Ellicott Gardens)	2008	12/1/2040	9,105,000	9,105,000	(3)
Series 2008 D	(Crusader Arms Apartments)	2008	2/1/2041	3,885,000	3,885,000	(3)
Series 2008 E	(MonteVerde Apartments)	2008	3/1/2041	15,200,000	15,200,000	(3)
Series 2008 F	(Hopkins Village Apartments)	2008	11/1/2038	9,100,000	9,100,000	(3)
Series 2008 G	(Kirkwood House Apartments)	2008	12/1/2038	16,000,000	16,000,000	(3)
Series 2009 A	(Sharp Leadenhall Apartments)	2009	3/1/2041	16,950,000	16,950,000	(3)
Total Multi-Family Development Revenue Bonds				$261,365,000	$239,285,000	

	Year of Issue	Final Maturity	Amount Issued	Amount Outstanding	
Multifamily Development Revenue Refunding Bonds Series 1997 (Avalon Lea Apartments Project)	1997	6/15/2026	$16,835,000	$16,835,000	(3)
Total Multifamily Development Revenue Refunding Bonds			$16,835,000	$16,835,000	
Capital Fund Securitization Revenue Bonds Series 2003	2003	7/1/2021	$94,295,000	$77,935,000	
Total Capital Fund Securitization Revenue Bonds			$94,295,000	$77,935,000	
Total Amount of Other Bonds Outstanding			1,568,215,000	$1,068,395,000	
Total Amount of Residential Revenue Bonds Outstanding (10)			$2,653,475,000	$2,240,585,000	
Total Amount of All Bonds Outstanding (11)			$4,221,690,000	$3,308,980,000	

(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) The maturity date for all outstanding bonds is September 1, 2025. These bonds were not subject to special redemption prior to September 1, 2009 except as provided for in the Series Resolution.
(3) These are variable rate bonds that are repriced according to the terms in the respective Official Statement.
(4) These are taxable bonds.
(5) These are taxable pass through bonds.
(6) These are taxable bonds with redemption provisions pertaining only to these bonds. For a description of the redemption provisions refer to the Official Statement for those bonds.
(7) These bonds were remarketed October 27, 2009 from taxable to tax-exempt. The bonds were originally issued on June 20, 2007 in the amount of $50,625,000. These bonds have redemption provisions pertaining only to these bonds. For a description of the redemption provisions refer to the Official Statement for those bonds.
(8) These bonds were remarketed September 24, 2009 from taxable to tax-exempt. The bonds were originally issued on August 9, 2007 in the amount of $62,200,000. These bonds have redemption provisions pertaining only to these bonds. For a description of the redemption provisions refer to the Official Statement for those bonds.
(9) 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. These bonds have redemption provisions pertaining only to these bonds. For a description of the redemption provisions refer to the Official Statement for those bonds.
(10) See information under caption "Outstanding Residential Revenue Bonds" above.
(11) As part of the United States Department of the Treasury's New Issue Bond Program, the Administration issued Single Family Housing Revenue Bonds 2009 Series A dated December 30, 2009 in the amount of $154,290,000 and Multi-Family Mortgage Revenue Bonds Series 2009 A dated December 30, 2009 in the amount of $92,040,000, the proceeds of which were funded on January 12, 2010.

For updated information on issuances and/or redemptions after January 1, 2010, please refer to the website www.mdhousing.org, Investor Information

APPENDIX F

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
TEN YEAR RULE PERCENTAGES

Bond Series	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
1998 Series A/B	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1998 Series D	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1999 Series C/D	100.00%	100.00%	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%	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%	100.00%	100.00%
2000 Series A/B	65.08%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2000 Series F/G	65.89%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2001 Series A/B	78.17%	85.69%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2001 Series E/F	22.30%	22.31%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2001 Series G/H	39.37%	42.89%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2002 Series A	97.50%	98.42%	98.57%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2003 Series A/B/C	49.34%	53.70%	54.68%	54.69%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2004 Series A/B/C	48.61%	50.82%	52.87%	52.87%	52.87%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2004 Series D/E/F	44.09%	45.77%	49.75%	49.76%	49.76%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2004 Series G/H/I	46.23%	48.10%	49.85%	49.85%	49.85%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2004 Series J/K	90.53%	95.10%	99.99%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2005 Series A/B/C	20.61%	20.73%	20.75%	20.75%	20.75%	20.75%	100.00%	100.00%	100.00%	100.00%	100.00%
2005 Series D/E	71.73%	78.13%	81.41%	81.41%	81.41%	81.41%	100.00%	100.00%	100.00%	100.00%	100.00%
2006 Series A/B/C/D	56.38%	71.31%	72.77%	72.77%	72.96%	72.96%	72.96%	100.00%	100.00%	100.00%	100.00%
2006 Series E/F/G	16.67%	19.20%	19.20%	19.20%	19.20%	19.20%	19.20%	100.00%	100.00%	100.00%	100.00%
2006 Series H/I/J	7.38%	7.86%	7.87%	7.87%	7.87%	7.87%	7.87%	100.00%	100.00%	100.00%	100.00%
2006 Series K/L/M/N	41.53%	45.06%	48.07%	48.07%	48.13%	48.32%	58.31%	100.00%	100.00%	100.00%	100.00%
2006 Series O/P/Q/R	42.74%	51.12%	57.53%	57.60%	57.71%	57.91%	58.06%	100.00%	100.00%	100.00%	100.00%
2007 Series A	8.00%	8.14%	13.29%	13.33%	13.33%	13.33%	13.33%	13.45%	100.00%	100.00%	100.00%
2007 Series C/D	27.52%	29.86%	31.85%	31.86%	31.89%	32.02%	38.64%	66.27%	100.00%	100.00%	100.00%
2007 Series G/H	34.08%	35.37%	43.15%	43.19%	43.46%	44.56%	47.38%	58.43%	100.00%	100.00%	100.00%
2007 Series K/L	44.51%	52.33%	60.45%	60.51%	60.62%	60.95%	61.42%	100.00%	100.00%	100.00%	100.00%
2008 Series A	53.29%	58.58%	70.98%	71.08%	71.39%	72.92%	74.66%	99.91%	100.00%	100.00%	100.00%
2008 Series B/C/D	29.38%	30.18%	34.72%	34.79%	35.20%	37.21%	38.99%	44.97%	46.51%	100.00%	100.00%
2008 Series E/F	38.52%	39.36%	40.55%	40.63%	41.09%	43.02%	44.47%	51.49%	53.33%	100.00%	100.00%
2009 Series A/2007 Series J	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
2009 Series B/2007 Series M	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
2009 Series C/ 2007 Series F	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
2010 Series A(1)(2)											

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.

(1) As of the Delivery Date, 100% of each repayment of principal and prepayments received on the approximately $3,186,508 of 2010 Series A Transferred Mortgage Loans relating to the 1999 Third Bonds must be used to pay the principal portion of debt service or redeem 2010 Series A Bonds. The revenues from the other 2010 Series A Transferred Mortgage Loans allocable to the 2010 Series A Bonds under the "universal cap" regulations will not require ten-year rule redemptions of the 2010 Series A Bonds.

(2) Beginning ten years after the date of issuance of the 2010 Series A Bonds, 100% of each repayment of principal and prepayments received on any Mortgage Loans originated with the 2010 Series A Released Funds must be used to pay the principal portion of debt service or redeem 2010 Series A Bonds.

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APPENDIX G

MORTGAGE INSURANCE AND GUARANTEE PROGRAMS

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

Introduction

The Administration has prepared the following description of the FHA mortgage insurance program, the VA Home Loan Guaranty Program, the USDA/RD Mortgage Guaranty Program, and private mortgage insurance. This description is only a brief outline and does not purport to summarize or describe all of the provisions of these programs, and the Administration does not warrant or represent the accuracy or completeness of such description. For a more complete description of the terms of this program, reference is made to the provisions of the insurance and guaranty contracts embodied in the regulations of FHA, VA and USDA/RD, respectively, and of the regulations, master insurance contracts and other such applicable information for those programs and for applicable private mortgage insurance. Credit Enhancement for Mortgage Loans made or purchased by the Administration with the proceeds of the 2010 Series A Bonds is limited by the Bond Resolutions to insurance under the FHA 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 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 Loan financed in the future be secured by Credit Enhancement. Credit Enhancement of all or a portion of a 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 Loans includes (but is not limited to) any credit enhancement, insurance, guaranty, risk-sharing arrangement or any other form of credit support for a 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.

Effective April 5, 2010, FHA is collecting an upfront mortgage insurance premium of 2.25%. For loans closed on or after January 1, 2001, annual mortgage insurance premiums will be automatically canceled when the loan-to-value ratio reaches 78%, provided that the mortgagor has paid the annual mortgage insurance premiums for at least five years. (Different rules apply for loans with terms of 15 years or less.) Although the annual mortgage insurance premiums will be canceled as described, the contract of insurance will remain in force for the loan's full term. Finally, HUD has eliminated refunds of upfront mortgage insurance premiums (except for a mortgage refinanced with another FHA mortgage) for mortgages endorsed for insurance on or after December 8, 2004.

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 $56, 250, the maximum guaranty amount is $22,500; between $56,251 and $144,000, the maximum guaranty is 40% of the loan amount, with a maximum of $36,000; and $144,000 or more, the maximum guaranty is up to an amount equal to 25% of the county loan limit. 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 guarantee covers the lesser of (a) any loss equal to ninety percent (90%) of the original principal amount of the loan or (b) any loss in full up to thirty-five percent (35%) of the original principal amount of the loan plus any additional loss on the remaining sixty-five (65%) to be shared approximately eighty-five percent (85%) by USDA/RD and approximately fifteen percent (15%) by the mortgagee.

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

Private Mortgage Insurance

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

Homeowners Protection Act

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

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

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

THE MHF INSURANCE PROGRAM

The following describes the mortgage insurance programs administered by the 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 such 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 (the "Division"). MHF is authorized to insure mortgage loans, including mortgage loans for multi-family developments financed by public agencies such as the Administration ("Multi-Family loans") and to provide primary and pool insurance for single family mortgage loans ("Single Family 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.

In early 1997, the Department suspended all new insurance activity of MHF (except for pool insurance for certain Single Family loans), partly as a result of concerns expressed by Moody's Investor Services ("Moody's") during the 1996 and 1997 rating review. The Department responded to the concerns and took appropriate steps. Since that time, MHF has opened new programs.

In 2002, the Department re-opened a limited program of MHF insuring mortgage loans 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. Moody's advised the Administration that such a re-opened program, implemented in the limited manner proposed by the Administration, would not affect the Moody's rating on the Administration's Bonds.

The Administration has been designated as a participant in the federal Housing and Urban Development's ("HUD") Risk-Sharing Program (the "Risk-Sharing Program") for Multi-Family loans. Under the Risk-Sharing Program, upon payment of a claim by the Federal Housing Authority ("FHA"), the Administration would be responsible for reimbursement to FHA of up to 50% of such claim. The Administration expects that MHF would reimburse the Administration for its share of such losses. Subsequent to 1997, the Administration participated in the Risk-Sharing Program only in connection with the refinancing of loans currently insured by MHF where the Administration expected that risk-sharing will decrease the dollar amount of MHF's insurance exposure with respect to such loans. In 2004, the Department expanded its MHF insurance program to authorize MHF insurance on a case-by-case basis for new loans financed by Bonds, including loans with credit enhancement under the Risk-Sharing Program. Moody's advised the Administration that such a re-opened program, implemented in the limited manner proposed by the Administration, would not affect Moody's rating on the Administration's Bonds.

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. Due to market conditions causing unexpected 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.

In 2008, MHF opened a limited Bridge Loan Program for Multi-Family projects. This program provides short-term financing for part of the development costs for rental housing projects awarded federal low-income housing tax credits. This program works in conjunction with the FHA Risk Sharing Program. However, this program is currently inactive.

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. Once the General Reserve was established, 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.

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. There was no transfer in 2004, 2005, 2006 or 2007. In June of 2008, in response to another request from the Maryland Department of Legislative Services, $10 million was transferred from MHF's Unallocated Reserve to certain revolving funds that provide financing for homeownership and rental housing programs of the Department. In addition, legislation has been enacted requiring, beginning in fiscal year 2010, that 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, be transferred to certain revolving funds that provide financing for homeownership and rental housing programs of the Department. In fiscal year 2010, $5.7 million was transferred. The Administration has been advised by Moody's and Fitch that the transfers will not have an adverse effect on the rating of the Administration's outstanding parity debt, including the Bonds. 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

Audited financial statements of MHF for the years ended June 30, 2008, and June 30, 2009 and unaudited financial statements for the six-month period ending December 31, 2009 are included in the Appendix I – "FINANCIAL STATEMENTS OF THE MARYLAND HOUSING FUND." The financial statements for the fiscal years ended June 30, 2008 and June 30, 2009 have been audited by Reznick Group, P.C. 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 MHF's Multi-Family, Single Family Regular, Revitalization, Home and Energy and General Mortgage Insurance Programs.

Operating Income and Reserves

MHF's operating income from insurance premiums is used to pay operating expenses and also may be used to pay insurance claims.

MHF maintains six insurance reserves, which are separate from MHF's operating funds. Five of the reserves cover specific categories of insurance: the Multi-Family Reserve, the Single Family Regular Program Reserve, the Revitalization Reserve, the Home and Energy Loan 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.

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). 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.

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 ended June 30, 2009, the overall equity decreased from $97,613,672 at June 30, 2008 to $94,772,733 at June 30, 2009. The decrease of $2,840,939 is primarily due to an increase in allowances for unpaid insurance losses due to new loan activity. During the six-month period ended December 31, 2009, the overall equity decreased from $94,772,733 at June 30, 2009 to $89,053,406 at December 31, 2009. The decrease of $5,719,327 is primarily due to a transfer of $5.7 million to certain revolving funds that provide financing for homeownership and rental housing programs of the Department.

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 assets, there will be an accumulated deficit in the net assets section of the MHF Statement of Net Assets.

During the fiscal year ended June 30, 2009, the Unrestricted Accumulated Deficit increased from $5,717,921 to a deficit of $12,154,628. This was due to a $6,436,707 net loss of income from operating activities (income net of interest earned on investments held by the State Treasurer). During the six-month period ended December 31, 2009, the Unrestricted Accumulated Deficit increased from $12,154,628 to a deficit of $13,210,881. This was due to a $1,056,253 net loss of income from operating activities (income net of interest earned on investments held by the State Treasurer).

Discussion of Changes in Net Assets

During the fiscal year ended June 30, 2009, MHF reported a Change in Net Assets of ($2,840,939). The change is the net of investment earnings and an increase in the allowance for insurance losses based on new Single Family loan activity. Investment earnings for the fiscal year ended June 30, 2009 in the amount of $3,595,768 flowed directly to the Unallocated Reserves.

During the six-month period ended December 31, 2009, MHF reported a Change in Net Assets of $10,970. The change is the net of investment earnings and a decrease in the allowance for insurance losses. Investment earnings for the fiscal year ended December 31, 2009 in the amount of $1,067,223 flowed directly to the Unallocated Reserves.

As described below in "Single Family Information – Certain Additional Expected Single Family Claims" and "Multi-Family Information – Certain Additional Expected Multi-Family Claims," the Administration has notified MHF of defaults under insured mortgages that were 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 activity in MHF's operating cash account as of June 30, 2009.

	Single Family	Multi-Family	Total
Premiums Collected [(1)]	$260,826	$387,690	$648,516
Operating Expenses Paid [(2)]	(524,141)	(754,253)	(1,278,394)
Premiums Net of Operating Expenses	(263,315)	(366,563)	(629,878)
Claims [(3)]	(248,203)	(2,089)	(250,292)
Recoveries [(4)]	127,002	144,326	271,328
Net Claim Activity	(121,201)	142,237	21,036
Other [(5)]	21,260	(18,353)	2,907
Net Cash from Operating Activities	($363,256)	($242,679)	($605,935)

(1) Premiums collected as stated in the Statements of Cash Flows.
(2) Operating expenses include salaries and benefits, general and administrative and intradepartmental expenses.
(3) 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) Includes changes in other assets and liabilities such as mortgage receivables, notes payables and escrows.

During the fiscal year ended June 30, 2009, the net cash activity in MHF's operating cash was $1,453,450 for Single Family and ($742,809) for Multi-Family. The change in Single Family is due to an increase in premiums for new business and the change in Multi-Family is due to operating expenses exceeding premiums collected. During the six-month period ended December 31, 2009, the net cash activity in MHF's operating cash was ($363,256) for Single Family and ($242,679) for Multi-Family. The change in Single Family is due to a decrease in premiums collected and the change in Multi-Family is due to an increase in net claim activities.

Liquidity

MHF's primary uses of funds are to pay its operating expenses (direct and indirect) and to satisfy Multi-Family 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 generally 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 the proceeds from the sale of assets acquired through the payment of claims, MHF's primary revenue sources result from mortgage insurance premiums paid by the 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 Multi-Family 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 workout 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 turn around 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

For loans made before 2005, MHF operates its Single Family insurance in accordance with an insurance agreement dated as of May 14, 1980, with the Administration (the "Single Family Insurance Agreement"). For loans financed after June 20, 2005 under the Administration's Residential Revenue Bond Resolution (the "Resolution"), MHF operates its Single Family insurance in accordance with an insurance agreement dated as of June 20, 2005 with the Administration (the "2005 Single Family Insurance Agreement"). Claims under the Single Family Insurance Agreement and the 2005 Single Family Insurance Agreement may be paid from the Single Family Program Reserve.

MHF operates its Multi-Family 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 Multi-Family insurance to assets in the Multi-Family Reserve (as may be reduced as described below) to exceed 10 to 1, and that no new insurance payable from the Multi-Family 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 Multi-Family Reserve).

Under the 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 the ratio of the aggregate dollar amount of the Single Family pool insurance to assets in the Single Family Reserve (as may be reduced as described above) to exceed 7 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, either ratio would be exceeded.

Under the 2005 Single Family Insurance Agreement, 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 as specified in the Single Family Insurance Agreement, and no new insurance payable from the Single Family Reserve shall be issued or committed to if upon such issuance or commitment and subsequent issuance either ratio would be exceeded. There is no pool insurance coverage for loans insured under the 2005 Single Family Insurance Agreement.

Selected Information about the Single Family Regular Reserve Ratios

	06/30/08	06/30/09	12/31/09
Single Family Regular Program Reserve [1][2]	$33,773,875	$33,773,875	$33,773,875
Amount Available for Calculation of "Ratio of Insurance to Available Reserve"[3]	33,873,875	33,773,875	33,773,875
Primary Insurance coverage in force [4]			
Insurance Agreement prior to 2005	23,590,846	20,358,763	19,043,626
Insurance Agreement post 2005	4,568,582	30,823,566	30,538,604
Pool Insurance coverage in force [5]	20,500,000	20,500,000	20,500,000
Ratio of Mortgage Loans to the Regular Reserve[6]	1.44 to 1	2.12 to 1	2.08 to 1

(1) The Single Family Regular Program Reserve does not include amounts, if any, which have been restricted for possible additional insurance coverage in the Unallocated Reserve. As of December 31, 2009, 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. At 6/30/08, the Secretary determined that $1.5 million of interest earned during fiscal year 2008 on the Single Family Reserves be allocated from the Unallocated Reserve to the Single Family Reserve.

(3) In order to determine the leverage ratios, if the Unrestricted Accumulated Deficit exceeds the Unallocated Reserve, the Single Family Reserve or the Multi-Family Reserve may be reduced in a manner determined by MHF to be appropriate.

(4) The primary insurance coverage is 25% of the allowable claim for loans insured prior to 2005 under the Single Family Insurance Agreement ($76,174,503 at 12/31/2009). The primary insurance coverage is 35% of the allowable claim for loans insured under the 2005 Single Family Insurance Agreement ($87,253,153 at 12/31/2009).

(5) This coverage represents the 10% stop-loss on pool insurance for loans financed under the Single Family Regular Program Bond General Certificate (prior to 1997). Wisconsin Mortgage Assurance Corporation, formerly Mortgage Guaranty Insurance Corporation ("MGIC"), is providing reinsurance for $43,025,000 of the mortgage loans financed by one series of the Administration's Bonds; notwithstanding the reinsurance provided by MGIC, the MHF pool insurance coverage in force also includes coverage for mortgage loans financed by the series. As of June 30, 2007, the amount of pool insurance coverage was recalculated to take into account the amount of loans financed by series of bonds that are no longer outstanding and have not been refunded.

(6) The ratio in the table is computed based on the maximum amount of risk rather than the aggregate amount of mortgage loans insured, where the maximum amount of risk is calculated by taking (i) the aggregate amount of pool insurance coverage required for the Administration; and then adding to that product (ii) the maximum amount of risk on loans insured under the Single Family Regular Program (see 4 above), and then dividing the sum of those two amounts by (iii) the amount of the Single Family Regular Program Reserve.

Selected Information about the Multi-Family Reserve Ratio

	06/30/08	06/30/09	12/31/09
Total Multi-Family 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	42,555,081
Insurance Outstanding			
Multi-Family mortgage insurance in force	113,716,404	99,205,786	95,610,961
Ratio of Insurance to Available Reserve	2.54 to 1	2.22 to 1	2.25 to 1

(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 December 31, 2009, MHF had committed no additional mortgages.

(2) In order to determine the leverage ratios, if the Unrestricted Accumulated Deficit exceeds the Unallocated Reserve, the Single Family Reserve or the Multi-Family Reserve may be reduced in a manner determined by MHF to be appropriate.

The total amount of the Multi-Family Reserve is available to pay Multi-Family insurance claims. In addition, to the extent available, MHF could elect to pay all or part of any Multi-Family 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, Home and Energy Loan 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 $1,570,806 as of December 31, 2009. 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. Although these amounts are not payable from the Multi-Family Reserve, they are potentially payable from other resources of MHF, including operating cash, the Unallocated Reserve and the Single Family Regular 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 servicer 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 a private sector real estate broker 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, the Revitalization Reserve, and the Home and Energy Loan Reserve. This data includes net claim activity for properties sold during fiscal years ending June 30, 2008, June 30, 2009 and the six-month period ended December 31, 2009. The data for all of these reporting periods are subject to adjustment due to additional expenses paid and proceeds received after December 31, 2009.

Single Family Claims Experience

	06/30/08	06/30/09	12/31/09
Recoveries on Sales of Properties Acquired Through Claims During the Fiscal Year	$ -	$ 70,985	$ 82,278
Claims Paid on Acquired Properties Sold During the Fiscal Year			
Principal	-	(88,643)	(100,665)
Interest	-	(4,096)	(6,868)
Expenses and Carrying Costs	-	(11,406)	(5,420)
Total Claims Paid	-	(104,145)	(112,953)
Net Gain(Loss) on Acquired Properties Sold During the Fiscal Year	$ -	$ (33,160)	$ (30,675)

Single Family Insurance Agreement and the 2005 Single Family Insurance Agreement

The Single Family Insurance Agreement and the 2005 Single Family Insurance Agreement provide 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 certain leverage ratios. See "MANAGEMENT'S PRESENTATION OF THE MHF PROGRAM –Discussion of Leverage Ratios."

(3) MHF will 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.

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.

Primary Insurance. Historically, under the Single Family Insurance Agreement, MHF issued Primary Insurance that covered up to 25% of the total claim depending upon initial loan-to-value ratio. Under the 2005 Single Family Insurance Agreement, MHF issues Primary Insurance that covers the top 35% of the total claim. MHF Regulations provide that mortgage insurance may be terminated if: (1) the lender requests cancellation; (2) a claim is satisfied; (3) the mortgage is paid off; (4) a renewal premium is not paid by the mortgagee after its receipt of final notice from the MHF; or (5) the mortgage terms are modified without MHF approval.

Pool Insurance. MHF issued a pool insurance policy endorsement to the Administration at the time of delivery of each series of Single Family Program Bonds issued under the Administration's Single Family Program Bond General Certificate (prior to 1997). The endorsement covered the total amount of lendable proceeds generated with respect to the series. MHF reserved funds in its Single Family Regular Reserve (in accordance with the applicable leverage ratio). For each applicable series of bonds, MHF computed a stop loss equal to 10% of the re-calculated amount of proceeds of the series of bonds. The obligation of MHF to pay losses is subject to a loss limit aggregating the total stop loss amounts for the policy. As of June 30, 2007, the amount of pool insurance coverage was recalculated to take into account the amount of loans financed by series of bonds that are no longer outstanding and have not been refunded.

No pool insurance is required for loans financed under the Residential Revenue Bond Resolution.

Payment of Claims. MHF pays all claims under the Primary Insurance Program in cash. MHF may select one of four options in settling Primary Insurance claims:

(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 only primary mortgage insurance for the loan and 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 (a) if MHF is both the primary and the pool insurer, MHF pays the full amount of the claim, or (b) if MHF is the primary insurer only, MHF pays the amount of the claim up to the percentage specified in the primary 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 as follows: (a) if MHF is both the primary and the pool insurer, the full amount of the claim less net proceeds of sale, or (b) if MHF is the primary insurer only, 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 presently 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 until 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.

MHF pays all claims under the Pool Insurance Program in cash. MHF determines the loss payable on a claim as described above, and may specify alternate methods of settlement which are consistent with full recovery under the primary mortgage insurance, if any, with respect to a mortgage loan. Under any method, the coverage results in payment of the full loss as computed above, subject, however, to the aggregate loss limits specified in the Pool Insurance Policy.

Multi-Family Information

Multi-Family Insurance in Force and Available Reserves

The following table sets forth information about outstanding insurance on mortgage loans under MHF's Multi-Family program as of December 31, 2009. The amounts shown are net of debt service claim payments. The amounts shown do not include insurance on mortgage loans insured by MHF and reinsured by FHLMC. See "The FHLMC Reinsurance Agreement" below. The reinsured mortgage loans had an aggregate principal balance at December 31, 2009, of $9,065,412.

In addition to the loans listed below, as of December 31, 2009, 14 Single Family loans financed with the proceeds of Housing Revenue Bonds of the Administration, with outstanding principal balances in the aggregate amount of $240,222, are insured under the Multi-Family Reserves.

Outstanding Multi-Family Insurance as of December 31, 2009

LOAN CATEGORY	Loans with Outstanding Insurance	Original Insured Principal Amount	Outstanding Insured Principal Amount
Housing Revenue Bonds of the Administration [(1)]			
Multi-Family Projects	20	$52,051,405	$29,304,578
Multi-Family Bridge Loan	1	1,230,000	1,230,000
Other	55	9,752,660	8,967,754
Multi-Family Housing Revenue Bonds (Insured Mortgage Loans) of the Administration [(2)]			
Multi-Family Projects	19	67,487,053	36,019,222
Other	75	8,022,656	5,805,666
General Bond Reserve Fund (Insured Mortgage Loans of the Administration) [(3)]	17	2,777,830	2,752,753
HELP Program [(4)]	1	507,000	27,772
Housing Opportunities Commission of Montgomery County [(5)]	4	17,043,000	9,166,104
Other Financial Institutions [(6)]	2	8,599,079	2,337,112
TOTAL	194	$167,470,683	$95,610,961

(1) Loans financed with proceeds of the Administration's Housing Revenue Bonds. The Loans provided permanent financing or construction and permanent financing for developments located in 8 counties and the City of Baltimore. These Developments (not including SHOP) contain 2,092 units of which 1,054 units in 8 Developments are assisted under the Section 8 Program. The 55 projects in the "Other" category represent 178 units for SHOP Loans that do not exceed 75% of the maximum acquisition cost set by the MMP.

(2) Loans financed with proceeds of the Administration's Multi-Family Housing Revenue Bonds (Insured Mortgage Loans). The Loans provided permanent financing or construction and permanent financing for developments located in 7 counties and the City of Baltimore. The Developments (not including SHOP) contain 1,958 of which 359 units in 3 Developments are assisted under the Section 8 Program. The mortgage loans were initially endorsed for insurance between 1982 and December 31, 1997. The 19 Multi-Family Projects include SHOP Loans that exceed 75% of the maximum acquisition cost set by the MMP; the 75 projects in the "Other" category represent 252 units for SHOP Loans, that do not exceed 75% of the maximum acquisition cost set by the MMP.

(3) Loans financed with General Bond Reserve Funds for SHOP Loans; the 17 projects represent units for SHOP Loans that do not exceed 75% of the maximum acquisition cost set by the MMP.

(4) Loan financed with proceeds of the Administration's Home and Energy Loan Bond. The mortgage loan provided energy conservation and rehabilitation financing for the development located in the City of Baltimore. The development contains 304 units. The mortgage loan was initially endorsed for insurance in 1987.

(5) 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 427 units. The mortgage loans were initially endorsed for insurance between 1980 and 1996.

(6) Insurance issued to a private financial institution to insure 2 mortgage loans providing financing for two developments containing 501 units. One mortgage loan was initially endorsed for insurance in 1994 in the amount of $4,000,000, and one mortgage loan was initially endorsed for insurance in 1993 in the amount of $4,599,079.

Charts detailing the Multi-Family 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 Multi-Family Housing Revenue Bonds (Insured Mortgage Loans).

Certain Additional Expected Multi-Family Claims

MHF Regulations provide that after a 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 Multi-Family Operations

Portfolio Risk Rating. Since June 1997, the Department has developed and implemented a rating system for the MHF-insured Multi-Family portfolio. The Division 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 Division 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 no factors indicate the 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 Multi-Family Projects as of December 31, 2009

	Current Principal Balances	Percentage of Total Principal	Number of Loans	Number of Projects
"A" Loans:	$79,684,021	83.34%	36	33
"B" Loans:	15,926,940	16.66%	12	10
Portfolio Totals:	$95,610,961	100.00%	48	43

(1) Included in the 'A' Loans, in the 'Current Principal Balance' column is $17,526,173 for 147 SHOP loans which are not reflected in the 'Number of Loans' or 'Number of Projects' columns.

Portfolio Management. The Division is evaluating each of the loans in the "B" category to develop a plan for stabilizing the loans and reducing its potential for default. Strategies may include loan modification, use of additional resources, adjustments to funding of reserves for replacement going forward, and replacement of management agents. As of December 31, 2009, there were no loans in the "C" category.

Multi-Family Claims Experience

The following chart describes claims paid by MHF on loans insured under the Multi-Family Reserve as of December 31, 2009.

In the column entitled "Claims Net of Cash Recoveries," the figures show the result as of December 31, 2009. Workouts are in progress. See the individual footnotes below for further information.

MULTI-FAMILY CLAIMS PAID BY MHF
As of December 31, 2009

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
Claims where debt is outstanding						
Renaissance Plaza[(24)]	$6,907,349	$4,680,554	$11,587,903	$4,308,265	$(7,279,638)	02/1991
Mount Pleasant[(25)]	3,506,595	601,296	4,107,891	4,027,618	(80,273)	02/1996
Villages of Laurel[(26)]	5,036,854	607,133	5,643,987	3,913,280	(1,730,707)	11/1999
Eastdale[(27)]	3,302,667	320,060	3,622,727	2,994,835	(627,892)	11/1999
Claims where REO is held						
Hollins Townhouses[(28)]	$2,445,475	$1,068,577	$3,514,052	$1,972,291	$(1,541,761)	10/1990
Lease-Purchase[(29)]	1,534,088	82,619	1,616,707	880,712	(735,995)	05/1996

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(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 proceed.

(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 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 a foreclosure auction held on July 25, 2000. The Circuit Court of Prince George's County 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 known 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 a 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 auditors' 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 (the "Loan") to Ronald H. Thomas (the "Borrower") in connection with a project called Tomall Apartments (the "Project"). 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 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) 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.

(25) 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 who 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 contingencies 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.

(26) Villages of Laurel Deed of Trust Note 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.

(27) Eastdale Deed of Trust Note 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.

(28) 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 the total amount of $3,514,052. 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 2 units remain unsold.

(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-four 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.

FHLMC Reinsurance Agreement

On December 28, 1994, MHF, the Department, the Administration, and the Federal Home Loan Mortgage Corporation ("FHLMC") entered into a Reinsurance Agreement (the "Reinsurance Agreement"). The purpose of the Reinsurance Agreement was to cede to and fully reinsure with FHLMC, MHF's mortgage insurance obligations with respect to certain loans insured by MHF. Under the Reinsurance Agreement, FHLMC has agreed to fully reinsure, without any contingent liability for MHF, 17 loans insured by MHF having an original unpaid principal balance of $70,346,036 and, as of December 31, 2009, an aggregate unpaid principal balance of $9,065,412. Nine of these loans were financed originally with the Administration's Multi-Family Housing Revenue Bonds (Insured Mortgage Loans) and acquired with proceeds of the Administration's Housing Revenue Bonds Series 1996 A Bonds, and are identified in APPENDIX D – "DESCRIPTION OF LOANS AND DEVELOPMENTS" in the Official Statement for the Administration's Housing Revenue Bonds, Series 1999 D. The remainder of these loans was financed with the proceeds of the Administration's Multi-Family Housing Revenue Bonds (Insured Mortgage Loans).

All of the units in each of the developments financed with loans reinsured by FHLMC are subject to Section 8 housing assistance payments. The contracts relating to these payments have been assigned to FHLMC as collateral security. However, FHLMC cannot exercise any remedies with respect to the housing assistance payment contracts unless and until it has paid any insurance claim with respect to a reinsured loan.

FHLMC may, under the terms of the Reinsurance Agreement, require that the Administration foreclose without assignment to FHLMC upon any reinsured loan in the event of a breach of certain warranties regarding the absence of environmental hazards.

On September 7, 2008, the Director of the Federal Housing Finance Agency ("FHFA") appointed FHFA as conservator of Freddie Mac in accordance with the Federal Housing Finance Reform Act of 2008 (the "Reform Act") and the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. On September 7, 2008, in connection with the appointment of FHFA as conservator, Freddie Mac and the U.S. Department of the Treasury ("Treasury") entered into a Senior Preferred Stock Purchase Agreement. Also, pursuant to its authority under the Reform Act, Treasury announced that it has established the Government Sponsored Enterprise Credit Facility (a lending facility to ensure credit availability to Freddie Mac, Fannie

Mae, and the Federal Home Loan Banks that will provide secured funding on an as needed basis under terms and conditions established by the Treasury Secretary to protect taxpayers) and a program under which Treasury will purchase Government Sponsored Enterprise (including Freddie Mac) mortgage-backed securities (MBS) in the open market. The announcements by FHFA and Treasury and descriptions of these programs are available at their respective websites: http://www.OFHEO.gov and http://www.Treasury.gov.

Freddie Mac registered its common stock with the U.S. Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Exchange Act"), effective July 18, 2008. As a result, Freddie Mac files annual, quarterly and current reports, proxy statements and other information with the SEC. Prior to July 18, 2008, Freddie Mac prepared an annual Information Statement (containing annual financial disclosures and audited consolidated financial statements) and Information Statement Supplements (containing periodic updates to the annual Information Statement).

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, and the Division of Finance and Administration and MHF are as follows:

Name	Position
George Eaton	Director, Division of Credit Assurance and MHF
Norman Swoboda	Deputy Director, Division of Credit Assurance
Allen W. Cartwright, Jr.	Deputy Director, MHF and Director, Single Family Operations
Susan Traylor	Director, Division of Finance and Administration
Ruth Putnam	Director, MHF Finance and State Funded Loans
Bill Beans	Director, Multi-Family Operations

George Eaton was appointed Director of the Division of Credit Assurance and the Maryland Housing Fund as of March, 1999, having been Acting Director since December 1998. He has been with the Department since October 1995. He also served as Director of Multi-Family Operations from May to December 1998. From 1996 through April 1998, he was the Director for State Funded Loans for MHF. Before joining the Department, he worked for a national property management company as a District Manager, as Assistant Director at University of Maryland teaching hospital, and as Assistant Administrator of the Johns Hopkins University Hospital. He also holds an MA in Administration and has taught at several Maryland Community Colleges.

Norman Swoboda joined the staff of the Division of Credit Assurance as Deputy Director in September 2004. Prior to joining DCA, Mr. Swoboda was a Senior Finance Executive in the Division of Business Development, within the Department of Business and Economic Development. Prior to State service, Mr. Swoboda worked as a Senior Credit Analyst and Commercial Lender with the First National Bank of Maryland.

Allen W. Cartwright, Jr. joined the staff of the Division of Credit Assurance as the Deputy Director of MHF in March 2006. Mr. Cartwright also serves as Director, Single Family Operations. 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 BS in Commerce from the McIntire School of Commerce at the University of Virginia.

Susan Traylor, Director of the Division of Finance and Administration since June, 2007. She has been with the Department since 1998, when she joined as Director of Accounting. Prior to joining State service, she was the Chief Financial Officer of Macmillan Publishing and the Official Airlines Group. Previously, she held various financial positions with the Maxwell Communications Group and Exxon Corporation. She holds a B.A. in Economics from Western Maryland College and an M.S. in Industrial Administration from Carnegie-Mellon University.

Ruth Putnam was named Deputy Director of Finance and Administration in 2008. She continues to act as the Director of MHF Finance and State Funded Loans, a position held since January 2001. She has been with the Department since 1990 serving as a Budget Analyst from 1990 through 1994, Budget Director from 1995 through 1998 and Director of Financial Planning and Review from 1999 through 2000. Prior to joining the Department, she worked as Manager of Investor Relations in a private corporation.

Bill Beans was named Director of Multi-Family Asset Management in November 2004. He has been with the Department since 1987 and has previously served as the Director of Homeownership Programs, Deputy Director of the Community Assistance Administration and Director of Single Family Asset Management. Prior to coming to the Department, Mr. Beans worked in various housing related positions for local governments in Maryland.

Additional Information

For additional information, please contact Investor Relations at (410) 514-7326 or cda_bonds@mdhousing.org.

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APPENDIX H

FINANCIAL STATEMENTS OF THE
COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS

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Reznick Group

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS

JUNE 30, 2009 AND 2008

Community Development Administration
Residential Revenue Bonds

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INDEPENDENT AUDITORS' REPORT

Office of the Secretary
Department of Housing and Community Development

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 years ended June 30, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the Fund's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Community Development Administration Residential Revenue Bonds 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, 2009 and 2008, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Community Development Administration Residential Revenue Bonds of the Department of Housing and Community Development of the State of Maryland as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Reznick Group

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Disclosures of Change in Fair Value of Investments are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in our audits of the basic financial statements and, accordingly, we express no opinion on it.

Reznick Group, P.C.

Baltimore, Maryland
September 24, 2009

Community Development Administration
Residential Revenue Bonds

STATEMENTS OF NET ASSETS
(in thousands)

June 30, 2009 and 2008

	2009	2008
RESTRICTED ASSETS		
Restricted current assets		
Cash and cash equivalents on deposit with trustee	$ 302,216	$ 309,188
Investments	-	112,748
Single family mortgage loans	24,534	20,153
Accrued interest and other receivables	16,855	13,060
Claims receivable on foreclosed and other loans, net of allowance	26,740	6,113
Real estate owned, net of allowance	2,131	804
Due from other Funds	-	250
Total restricted current assets	372,476	462,316
Restricted long-term assets		
Investments, net of current portion	26,083	25,515
Single family mortgage loans, net of current portion and allowance	2,055,400	1,862,438
Deferred bond issuance costs	14,578	14,054
Total restricted long-term assets	2,096,061	1,902,007
Total restricted assets	$ 2,468,537	$ 2,364,323
LIABILITIES AND NET ASSETS		
Current liabilities		
Accrued interest payable	$ 36,425	$ 34,082
Accounts payable	172	201
Rebate liability	64	-
Bonds payable and short-term debt	75,270	85,040
Due to other Funds	74	-
Total current liabilities	112,005	119,323
Long-term liabilities		
Rebate liability, net of current portion	2,800	4,041
Bonds payable, net of current portion	2,161,480	2,102,640
Total long-term liabilities	2,164,280	2,106,681
Total liabilities	2,276,285	2,226,004
COMMITMENTS AND CONTINGENCIES	-	-
NET ASSETS		
Restricted	192,252	138,319
Total liabilities and net assets	$ 2,468,537	$ 2,364,323

See notes to financial statements

Community Development Administration
Residential Revenue Bonds

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
(in thousands)

Years ended June 30, 2009 and 2008

	2009	2008
Operating revenue		
Interest on mortgage loans	$ 121,548	$ 97,834
Interest income on investments, net of rebate	5,674	25,685
Increase in fair value of investments, net of rebate	73	738
Fee income	429	405
Gain on foreclosure claims	11	44
Gain on early retirement of debt	1,974	1,192
Other operating revenue	125	28
	129,834	125,926
Operating expenses		
Interest expense on bonds and short-term debt	109,418	104,370
Professional fees and other operating expenses	2,198	1,742
Provision for loan losses	7,844	3,333
Origination expenses	2,330	1,224
Real estate owned expenses	116	21
Loss on real estate owned, net	50	-
Amortization of bond issuance costs	522	861
	122,478	111,551
Operating income	7,356	14,375
Transfers of funds, net, as permitted by the various bond indentures	46,577	2,747
Changes in net assets	53,933	17,122
Net assets - restricted at beginning of year	138,319	121,197
Net assets - restricted at end of year	$ 192,252	$ 138,319

See notes to financial statements

Community Development Administration
Residential Revenue Bonds

STATEMENTS OF CASH FLOWS
(in thousands)

Years ended June 30, 2009 and 2008

	2009	2008
Cash flows from operating activities		
Principal and interest received on mortgage loans	$ 204,873	$ 173,596
Mortgage insurance claims received	10,665	4,752
Foreclosure expenses paid	(450)	(189)
Loan fees received	406	1,385
Loan fees disbursed	(5,939)	(12,682)
Purchase of mortgage loans	(322,129)	(584,633)
Professional fees and other operating expenses	(2,227)	(1,728)
Other income received	125	28
Other reimbursements	21	-
Net cash used in operating activities	(114,655)	(419,471)
Cash flows from investing activities		
Proceeds from maturities or sales of investments	137,113	437,417
Purchases of investments	(24,957)	(191,083)
Arbitrage rebate refunded	27	-
Interest received on investments	6,000	34,308
Net cash provided by investing activities	118,183	280,642
Cash flows from noncapital financing activities		
Proceeds from sale of bonds	190,000	400,000
Payments on bond principal	(138,070)	(396,580)
Bond issuance costs	(1,557)	(2,723)
Interest on bonds and short-term debt	(107,450)	(98,578)
Transfers among Funds	46,577	2,747
Net cash used in noncapital financing activities	(10,500)	(95,134)
NET DECREASE IN CASH AND CASH EQUIVALENTS ON DEPOSIT WITH TRUSTEE	(6,972)	(233,963)
Cash and cash equivalents on deposit with trustee at beginning of year	309,188	543,151
Cash and cash equivalents on deposit with trustee at end of year	$ 302,216	$ 309,188

(continued)

Community Development Administration
Residential Revenue Bonds

STATEMENTS OF CASH FLOWS - CONTINUED
(in thousands)

Years ended June 30, 2009 and 2008

	2009	2008
Reconciliation of operating income to net cash from operating activities		
Operating income	$ 7,356	$ 14,375
Adjustments to reconcile operating income to net cash used in operating activities		
(Increase) decrease in assets		
Mortgage loans	(198,683)	(494,442)
Accrued interest and other receivables	(3,795)	6,676
Claims receivable on foreclosed and other loans	(22,923)	(4,884)
Real estate owned	(1,903)	(804)
Due from other Funds	250	(250)
Increase (decrease) in liabilities		
Accrued interest payable	2,343	6,192
Accounts payable	(29)	14
Rebate liability	(1,177)	540
Due to other Funds	74	(195)
Amortizations		
Deferred income and expense on loans	1,901	819
Investment discounts and premiums	70	(2,323)
Bond original issue discounts and premiums	(375)	(400)
Deferred bond issuance costs	522	861
Loan fees and expenses deferred	(5,533)	(11,276)
Provision for loan losses	7,844	3,333
Increase in fair value of investments	(46)	(785)
Arbitrage rebate refunded	(27)	-
Gain on early retirement of debt	(1,974)	(1,192)
Interest received on investments	(6,000)	(34,308)
Interest on bonds and short-term debt	107,450	98,578
Net cash used in operating activities	$ (114,655)	$ (419,471)

See 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).

Generally Accepted Accounting Principles

CDA reports its financial activities by applying Standards of Governmental Accounting and Financial Reporting as promulgated by the Governmental Accounting Standards Board (GASB). CDA has adopted GASB Statement No. 20 *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. Consequently, CDA applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and ARBS of the Committee on Accounting Procedure issued on or prior to November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CDA has adopted GASB Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis*. Under GASB Statement No. 34, net assets should be reported as restricted when constraints placed on net asset 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 net assets of the Fund are restricted as to their use as all net assets are pledged to bondholders.

The Annual Financial Report may include a Management's Discussion and Analysis. 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 required 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.

Recent Accounting Pronouncements

In June of 2008, GASB published Statement No. 53 *Accounting and Financial Reporting for Derivative Instruments*, which supersedes GASB Technical Bulletin No. 2003-1 *Disclosure Requirements for Derivatives Not Reported at Fair Value on the Statement of Net Assets.* This Statement addresses recognition and measurement of derivative instruments and disclosure of information about derivative instruments. The disclosures of GASB Technical Bulletin No. 2003-1 have been incorporated in Statement No. 53, which will become effective for financial statements for periods beginning after June 15, 2009. The Statement will require that all CDA interest rate exchange agreements (swaps) are reported at fair value in the Statement of Net Assets and that all swaps are tested 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 in the Statement of Net Assets. The changes in fair value of the swaps that are determined not to be effective hedges will be reported in the Statement of Revenue, Expenses and Changes in Net Assets. For the years ended June 30, 2009 and 2008, CDA swaps are reported in accordance with GASB Technical Bulletin No. 2003-1 and are more fully described in Note 9.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents on Deposit with Trustee

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, 2009, cash equivalents are invested in a money market mutual fund and U.S. Government Agencies. As of June 30, 2008, the Fund's cash equivalents were invested in money market mutual funds. 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 Loans

Mortgage loans are carried at their unpaid principal balances, net of unamortized loan fees and expenses. Loan fees and expenses are deferred and amortized over the life of the related loans using the effective interest method. Any mortgage loan in foreclosure with a pending insurance claim is recorded as claims receivables. See Notes 4 and 14 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. See Note 5 for additional information.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Claims Receivable on Foreclosed and Other Loans

Claims receivable on foreclosed and other loans include insured loans that are in foreclosure or other loans with pending insurance claims. 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 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 Assets.

Allowance for Loan Losses

Substantially all of the 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. As of June 30, 2009 and 2008, CDA has established an allowance for loan losses on the uninsured portions of 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 or have been recorded as real estate owned. Management believes the allowance established is adequate based on prior experience and evaluations from DHCD's asset management group and a current assessment of probability and risk of loss due to default or deteriorating economic conditions. See Notes 4 and 14 for additional information.

Deferred Bond Issuance Costs

Costs incurred in issuing bonds are capitalized and amortized using the effective interest method for each respective bond issue. When bonds are redeemed early with mortgage prepayments, a proportionate share of the remaining unamortized costs is recognized as a loss on the Statements of Revenue, Expenses and Changes in Net Assets. If unamortized original issue premiums exceed unamortized deferred issuance costs and original issue discounts, CDA records a gain.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Due from (to) Other Funds

Due from (to) other Funds records the pending transfers of cash between Funds which is primarily a result of receipts due to one Fund, but received by another, as more fully described in Note 13.

Bonds Payable

Bonds payable are carried at their unpaid principal balances, net of original issue discounts or premiums. See Notes 6, 7, 8, 9, 10 and 12 for more information.

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 11.

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, 2009 and 2008, all mortgage loan yields were in compliance with the Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest on Mortgage Loans

Interest on mortgage loans is calculated using the effective interest method.

Fee Income

CDA receives single family commitment fees at loan origination. These fees are deferred and amortized over the life of the loan.

Origination Expenses

CDA pays originators of its single family loans an origination fee and a servicer release fee. On some single family loans CDA provides the borrowers with grants toward loan down payment and closing costs. These CDA expenses are deferred and amortized over the life of the loan.

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 and the costs of employees' retirement benefits are included in the salaries and related costs charged to CDA's General Bond Reserve Fund. See Note 15 for additional information.

Revenue and Expenses

CDA distinguishes operating revenue and expenses from nonoperating items in conformity with GASB Statement No. 34. Operating revenue and expenses are identified as those activities that are directly related to financing affordable housing in the State of Maryland. All of the Fund's activities are considered to be operating.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Reclassifications

Certain 2008 amounts have been reclassified to conform to 2009 financial statement presentation.

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Bond proceeds and revenues from mortgages 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 or originating mortgage loans, funding reserves, paying bond debt service or redeeming outstanding bonds and notes, 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.

(in thousands)

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

The following assets, reported at fair value and held by the Fund as of June 30, 2009 and 2008, are evaluated in accordance with GASB Statement No. 40 for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Assets	2009	2008
Cash and Cash Equivalents:		
Federated Treasury Obligations Fund	$ 289,212	$ 135,796
The Reserve U.S. Government Fund	-	173,392
Obligations of U.S. Government Agencies	13,004	-
Investments:		
Obligations of U.S. Government Agencies	8,096	120,618
Repurchase and Investment Agreements	17,987	17,645
Total	$ 328,299	$ 447,451

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.

(in thousands)

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

As of June 30, 2009, the amortized cost, fair value and maturities for these assets were as follows:

Asset	Amortized Cost	Fair Value	Maturities (in years) Less than 1	1 - 5	6 - 10	11 - 15	More than 15
Federated Treasury Obligations Fund	$ 289,212	$ 289,212	$ 289,212	$ -	$ -	$ -	$ -
Obligations of U.S. Government Agencies	20,080	21,100	13,004	-	-	2,236	5,860
Repurchase agreements/ Investment agreements	17,987	17,987	-	-	-	-	17,987
Total	$ 327,279	$ 328,299	$ 302,216	$ -	$ -	$ 2,236	$ 23,847

As of June 30, 2008, the amortized cost, fair value and maturities for these assets were as follows:

Asset	Amortized Cost	Fair Value	Maturities (in years) Less than 1	1 - 5	6 - 10	11 - 15	More than 15
Federated Treasury Obligations Fund	$ 135,796	$ 135,796	$ 135,796	$ -	$ -	$ -	$ -
The Reserve U.S. Government Fund	173,392	173,392	173,392	-	-	-	-
Obligations of U.S. Government Agencies	119,644	120,618	112,748	-	-	2,200	5,670
Repurchase agreements/ Investment agreements	17,645	17,645	-	-	-	-	17,645
Total	$ 446,477	$ 447,451	$ 421,936	$ -	$ -	$ 2,200	$ 23,315

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

The Federated Treasury Obligations Fund invests primarily in repurchase agreements collateralized by Treasury securities and U.S. Treasuries. It is operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended. It can reasonably be expected to have a fair value that will be unaffected by interest rate changes because the interest rates are variable and the principal can be recovered on demand. As noted above, as of June 30, 2009 and 2008, 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, 2009, all counterparty ratings were at least equal to the ratings on the Fund's bonds. As of June 30, 2008, all counterparty ratings were at least equal to the ratings on the Fund's bonds except for one counterparty whose credit rating of Aa3 had not affected the Aa2 rating on the bonds. The ratings on Residential Revenue Bonds as of June 30, 2009 and 2008 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 GASB Statement No. 40.

(in thousands)

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

As of June 30, 2009, 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 Treasury Obligations Fund	$ 289,212	88.09%	Aaa		Moody's
Obligations of U.S. Government Agencies:					
Federal Home Loan Banks	13,004	3.96%		Aaa	Moody's
Other government agencies	8,096	2.47%		Aaa	Moody's
Collateralized repurchase agreements and investment agreements:				Underlying securities credit rating	
WestLB rated Aa1 by Moody's*	17,987	5.48%		Aaa	Moody's
Total	$ 328,299	100.00%			

* WestLB AG is formerly known as "Westdeutsche Landesbank Gironzentrale." This investment agreement was entered into prior to July 19, 2001 and is therefore governed by guarantor liability in accordance with the agreement reached between the German Federal Government and the European Commission (Letter of Understanding I). The current rating of Aa1 by Moody's for this investment agreement is based on such guarantor liability. As of July 19, 2005, all contracts entered into with West LB AG between July 19, 2001 and July 18, 2005 which mature after December 31, 2015, and contracts entered into after July 18, 2005 are not covered by the guarantor liability, and therefore carry WestLB's current Moody's rating of A2.

(in thousands)

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

As of June 30, 2008, 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 Treasury Obligations Fund	$ 135,796	30.35%	Aaa		Moody's
The Reserve U.S. Government Fund	173,392	38.75%	Aaa		Moody's
Obligations of U.S. Government Agencies:					
Federal Home Loan Banks	112,748	25.20%		Aaa	Moody's
Other government agencies	7,870	1.76%		Aaa	Moody's
Collateralized repurchase agreements and investment agreements:				Underlying securities credit rating	
Counterparty rated Aa1 by Moody's	16,171	3.61%		Aaa	Moody's
Counterparty rated Aa3 by Moody's	1,474	0.33%		Aaa	Moody's
Total	$ 447,451	100.00%			

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.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank or counterparty failure, CDA will not be able to recover its deposits or the value of its collateral securities that are in the possession of an outside party. As of June 30, 2009 and 2008, the Fund's investments were not subject to custodial credit risk under GASB Statement No. 40. 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.

(in thousands)

NOTE 4 - MORTGAGE LOANS

All mortgage loans of the Fund are secured by first liens on the related property. Substantially all the mortgage loans are credit enhanced through the FHA mortgage insurance programs, the Veterans Administration, USDA/RD guarantee programs, the Maryland Housing Fund (MHF) or by private mortgage insurers. As of June 30, 2009 and 2008, interest rates on such loans ranged from 4.0% to 7.75%. Remaining loan terms ranged from approximately 18 to 40 years and 19 to 40 years, respectively.

For the year ended June 30, 2009, the balances and changes in the allowance for loan losses on the uninsured portions of single family loans with private mortgage insurance, including loans in foreclosure, other loans with pending insurance claims or loans that have been recorded as real estate owned, were as follows:

	Balance at June 30, 2008	Increase in provision for loan losses	Balance at June 30, 2009
Allowance for loan losses -			
Mortgage loans	$ 4,597	$ 4,972	$ 9,569
Claims receivable	-	2,296	2,296
Real estate owned	-	576	576
Total	$ 4,597	$ 7,844	$ 12,441

For the year ended June 30, 2008, the balances and changes in the allowance for loan losses on the uninsured portions of single family loans with private mortgage insurance, were as follows:

	Balance at June 30, 2007	Increase in provision for loan losses	Balance at June 30, 2008
Allowance for loan losses -			
Mortgage loans	$ 1,264	$ 3,333	$ 4,597

(in thousands)

NOTE 5 - ACCRUED INTEREST AND OTHER RECEIVABLES

Accrued interest and other receivables as of June 30, 2009 and 2008 were as follows:

	2009	2008
Accrued mortgage loan interest	$ 16,356	$ 11,128
Accrued investment interest	499	1,905
Miscellaneous billings	-	27
	$ 16,855	$ 13,060

NOTE 6 - SHORT-TERM DEBT

CDA issues short-term debt to preserve volume cap when prepayments and payments from mortgages exceed the demand for new mortgages. Proceeds of the short-term debt are used to refund and to pay at maturity prior series of bonds. At the time of the refunding, prepayments and repayments of mortgage loans financed by these prior bonds are transferred to accounts in the short-term series. CDA expects to make these funds available to purchase mortgage loans upon the maturity or earlier redemption of the short-term bonds with proceeds of additional long-term bonds. By issuing the short-term debt, CDA more closely matches the rates on the short-term debt with the rates on short-term investments. When there is sufficient mortgage demand, CDA issues long-term refunding bonds to redeem the short-term debt and the prepayments and repayments are used to fund new mortgages.

For the year ended June 30, 2009, CDA did not issue any additional short-term debt. The balance of $30,000, as of June 30, 2008, in Residential Revenue Bonds 2007 Series L matured December 15, 2008.

(in thousands)

NOTE 6 - SHORT-TERM DEBT (Continued)

Short-term debt activity for the year ended June 30, 2008 was as follows:

	Balance at June 30, 2007	Bond Activity Issued	Bond Activity Matured/ redeemed	Balance at June 30, 2008
Residential Revenue Bonds				
2006 Series M	$ 76,795	$ -	$ 76,795	$ -
2006 Series N	103,205	-	103,205	-
2006 Series Q	95,120	-	95,120	-
2006 Series R	24,880	-	24,880	-
2007 Series L	-	30,000	-	30,000
Total	$ 300,000	$ 30,000	$ 300,000	$ 30,000

The outstanding short-term debt of $30,000 plus the principal payments due within one year of $55,040 equal the current portion of bonds payable and short-term debt of $85,040 on the Statements of Net Assets at June 30, 2008.

NOTE 7 - 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. The prescribed optional redemption premiums range from 0% to 1.0% of the principal amount.

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.

2003 Series C; 2004 Series C, F and I; 2005 Series C; 2006 Series G and J; 2007 Series F, J and M; and 2008 Series D

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%, except for 2007 Series F, J and M which have a maximum interest rate of 15%.

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

2006 Series S and 2007 Series B, E, F, I, J and M

(in thousands)

NOTE 7 - BONDS PAYABLE (Continued)

The following is a summary of the bond activity for the year ended June 30, 2009, and the debt outstanding and bonds payable as of June 30, 2009:

					Bond Activity					
	Issue dated	Range of interest rates	Range of maturities	Debt Outstanding at June 30, 2008	New bonds issued	Scheduled maturity payments	Bonds redeemed	Debt Outstanding at June 30, 2009	Discounts/ premiums and other deferred costs	Bonds payable at June 30, 2009
Residential Revenue Bonds										
1998 Series A	01/01/98	4.70% - 5.05%	2010 - 2017	$ 4,640	$ -	$ -	$ (1,070)	$ 3,570	$ -	$ 3,570
1998 Series B	01/01/98	4.85% - 5.30%	2008 - 2023	14,845	-	(1,610)	(13,235)	-	-	-
1998 Series D	12/01/98	4.45% - 5.25%	2008 - 2029	33,190	-	(1,440)	(1,175)	30,575	-	30,575
1999 Series C	05/01/99	4.70% - 4.95%	2011 - 2015	2,665	-	-	-	2,665	-	2,665
1999 Series D	05/01/99	4.55% - 5.40%	2008 - 2031	30,420	-	(1,100)	(310)	29,010	(7)	29,003
1999 Series H	12/01/99	6.15%	2025	9,640	-	-	(220)	9,420	-	9,420
2000 Series F	08/01/00	4.65% - 5.00%	2008 - 2012	6,190	-	(1,355)	(915)	3,920	-	3,920
2001 Series A	03/01/01	4.15% - 5.00%	2008 - 2017	11,685	-	(915)	-	10,770	-	10,770
2001 Series B	03/01/01	4.65% - 5.45%	2011 - 2032	25,785	-	-	(6,605)	19,180	-	19,180
2001 Series E	06/01/01	4.20% - 4.65%	2008 - 2012	7,795	-	(1,460)	(1,240)	5,095	-	5,095
2001 Series G	08/15/01	3.85% - 4.20%	2008 - 2011	4,795	-	(970)	-	3,825	-	3,825
2001 Series H	08/15/01	4.40% - 5.35%	2011 - 2033	34,060	-	-	(1,215)	32,845	-	32,845
2003 Series A	11/01/03	2.55% - 4.05%	2008 - 2015	7,225	-	(805)	-	6,420	-	6,420
2003 Series B	11/01/03	4.75% - 5.00%	2019 - 2026	6,365	-	-	(1,125)	5,240	236	5,476
2003 Series C	12/09/03	Variable rate	2035	20,000	-	-	-	20,000	-	20,000
2004 Series A	05/13/04	2.55% - 4.20%	2008 - 2016	9,300	-	(910)	-	8,390	-	8,390
2004 Series B	05/13/04	5.00%	2023 - 2028	9,485	-	-	(2,080)	7,405	242	7,647
2004 Series C	05/13/04	Variable rate	2035	20,000	-	-	-	20,000	-	20,000
2004 Series D	08/12/04	3.00% - 4.40%	2008 - 2016	10,925	-	(1,055)	-	9,870	-	9,870
2004 Series E	08/12/04	5.15% - 5.25%	2023 - 2030	16,770	-	-	(2,385)	14,385	296	14,681
2004 Series F	08/12/04	Variable rate	2035	20,000	-	-	-	20,000	-	20,000
2004 Series G	11/10/04	2.25% - 3.65%	2008 - 2016	11,270	-	(1,120)	-	10,150	-	10,150
2004 Series H	11/10/04	4.55% - 5.00%	2023 - 2029	16,080	-	-	(2,525)	13,555	414	13,969
2004 Series I	11/10/04	Variable rate	2035	20,000	-	-	-	20,000	-	20,000
2005 Series A	03/30/05	2.80% - 3.90%	2008 - 2016	11,540	-	(1,125)	-	10,415	-	10,415
2005 Series B	03/30/05	4.55% - 5.25%	2023 - 2029	21,925	-	-	(1,940)	19,985	492	20,477
2005 Series C	03/30/05	Variable rate	2035	20,000	-	-	-	20,000	-	20,000
2005 Series D	11/10/05	3.05% - 4.05%	2008 - 2017	12,455	-	(1,065)	-	11,390	-	11,390
2005 Series E	11/10/05	4.75% - 5.50%	2025 - 2036	41,625	-	-	(1,060)	40,565	684	41,249
2006 Series A	02/23/06	3.30% - 4.10%	2008 - 2017	12,020	-	(1,025)	-	10,995	-	10,995
2006 Series B	02/23/06	4.75% - 5.50%	2025 - 2037	44,965	-	-	(2,165)	42,800	634	43,434
2006 Series E	05/24/06	3.55% - 4.35%	2008 - 2017	23,540	-	(1,985)	-	21,555	-	21,555
2006 Series F	05/24/06	4.80% - 6.00%	2021 - 2039	52,635	-	-	(3,515)	49,120	1,949	51,069
2006 Series G	05/24/06	Variable rate	2040	40,000	-	-	-	40,000	-	40,000
2006 Series H	07/13/06	3.60% - 4.15%	2008 - 2017	17,670	-	(1,485)	-	16,185	-	16,185
2006 Series I	07/13/06	3.75% - 6.00%	2008 - 2041	135,845	-	(1,480)	(6,400)	127,965	3,526	131,491
2006 Series J	07/13/06	Variable rate	2040	60,000	-	-	-	60,000	-	60,000
2006 Series K	09/14/06	3.55% - 4.15%	2008 - 2017	15,000	-	(1,250)	-	13,750	-	13,750

(continued)

(in thousands)

NOTE 7 - BONDS PAYABLE (Continued)

	Issue dated	Range of interest rates	Range of maturities	Debt Outstanding at June 30, 2008	Bond Activity: New bonds issued	Bond Activity: Scheduled maturity payments	Bond Activity: Bonds redeemed	Debt Outstanding at June 30, 2009	Discounts/ premiums and other deferred costs	Bonds payable at June 30, 2009
Residential Revenue Bonds (continued)										
2006 Series L	09/14/06	3.80% - 5.75%	2008 - 2041	$ 161,665	$ -	$ (1,325)	$ (3,085)	$ 157,255	$ 2,588	$ 159,843
2006 Series O	12/13/06	3.40% - 3.85%	2008 - 2017	10,000	-	(840)	-	9,160	-	9,160
2006 Series P	12/13/06	3.75% - 5.75%	2008 - 2037	83,715	-	(1,395)	(1,685)	80,635	1,590	82,225
2006 Series S	12/13/06	6.07%	2037	24,470	-	-	(1,060)	23,410	-	23,410
2007 Series A	03/28/07	3.70% - 5.75%	2008 - 2047	269,460	-	(1,690)	(5,485)	262,285	9,105	271,390
2007 Series B	03/28/07	6.00%	2037	29,515	-	-	(685)	28,830	-	28,830
2007 Series C	06/20/07	3.60% - 3.95%	2009 - 2017	45,000	-	-	-	45,000	-	45,000
2007 Series D	06/20/07	3.80% - 5.50%	2008 - 2048	174,345	-	(2,170)	(3,990)	168,185	3,271	171,456
2007 Series E	06/20/07	4.88% - 6.11%	2008 - 2042	49,065	-	(895)	-	48,170	-	48,170
2007 Series F	06/20/07	Variable rate	2031	50,330	-	-	(2,090)	48,240	-	48,240
2007 Series G	08/09/07	3.60% - 4.30%	2008 - 2017	61,605	-	(5,125)	-	56,480	-	56,480
2007 Series H	08/09/07	3.85% - 5.20%	2008 - 2048	63,395	-	(290)	(590)	62,515	-	62,515
2007 Series I	08/09/07	5.23% - 6.56%	2008 - 2043	62,800	-	(870)	-	61,930	-	61,930
2007 Series J	08/09/07	Variable rate	2031	62,085	-	-	(1,670)	60,415	-	60,415
2007 Series K	12/12/07	3.25% - 3.85%	2009 - 2017	30,000	-	-	(205)	29,795	-	29,795
2007 Series L	12/12/07	3.37%	12/15/2008	30,000	-	(30,000)	-	-	-	-
2007 Series M	12/12/07	Variable rate	2043	30,000	-	-	(450)	29,550	-	29,550
2008 Series A	06/19/08	2.20% - 4.00%	2009 - 2017	60,000	-	-	(470)	59,530	-	59,530
2008 Series B	09/04/08	1.95% - 4.20%	2009 - 2017	-	19,770	-	-	19,770	-	19,770
2008 Series C	09/04/08	4.45% - 5.65%	2019 - 2048	-	80,230	-	(670)	79,560	-	79,560
2008 Series D	09/04/08	Variable rate	2038	-	50,000	-	-	50,000	-	50,000
2008 Series E	12/17/08	2.95% - 4.55%	2010 - 2017	-	21,500	-	-	21,500	-	21,500
2008 Series F	12/17/08	4.75% - 5.90%	2018 - 2038	-	18,500	-	-	18,500	-	18,500
Total				$ 2,159,800	$ 190,000	$ (66,755)	$ (71,315)	$ 2,211,730	$ 25,020	$ 2,236,750

(in thousands)

NOTE 7 - BONDS PAYABLE (Continued)

The following is a summary of the bond activity for the year ended June 30, 2008, and the debt outstanding and bonds payable as of June 30, 2008:

	Issue dated	Range of interest rates	Range of maturities	Debt Outstanding at June 30, 2007	Bond Activity: New bonds issued	Bond Activity: Scheduled maturity payments	Bond Activity: Bonds redeemed	Debt Outstanding at June 30, 2008	Discounts/ premiums and other deferred costs	Bonds payable at June 30, 2008
Residential Revenue Bonds										
1998 Series A	01/01/98	4.70% - 5.05%	2010 - 2017	$ 4,640	$ -	$ -	$ -	$ 4,640	$ -	$ 4,640
1998 Series B	01/01/98	4.55% - 5.35%	2007 - 2030	32,750	-	(1,535)	(16,370)	14,845	6	14,851
1998 Series D	12/01/98	4.35% - 5.25%	2007 - 2029	35,005	-	(1,385)	(430)	33,190	-	33,190
1999 Series C	05/01/99	4.70% - 4.95%	2011 - 2015	2,665	-	-	-	2,665	-	2,665
1999 Series D	05/01/99	4.45% - 5.40%	2007 - 2031	32,135	-	(1,050)	(665)	30,420	(8)	30,412
1999 Series E	08/01/99	4.90% - 5.45%	2007 - 2013	11,370	-	(1,465)	(9,905)	-	-	-
1999 Series H	12/01/99	6.15%	2025	9,855	-	-	(215)	9,640	-	9,640
2000 Series A	03/01/00	5.15%	2007	290	-	(290)	-	-	-	-
2000 Series F	08/01/00	4.60% - 5.00%	2007 - 2012	8,285	-	(1,285)	(810)	6,190	-	6,190
2001 Series A	03/01/01	4.05% - 5.00%	2007 - 2017	12,565	-	(880)	-	11,685	-	11,685
2001 Series B	03/01/01	4.65% - 5.45%	2011 - 2032	27,910	-	-	(2,125)	25,785	-	25,785
2001 Series E	06/01/01	4.05% - 4.65%	2007 - 2012	9,415	-	(1,405)	(215)	7,795	-	7,795
2001 Series F	06/01/01	5.30% - 5.50%	2016 - 2022	8,775	-	-	(8,775)	-	-	-
2001 Series G	08/15/01	3.65% - 4.20%	2007 - 2011	5,735	-	(940)	-	4,795	-	4,795
2001 Series H	08/15/01	4.40% - 5.35%	2011 - 2033	34,945	-	-	(885)	34,060	-	34,060
2002 Series A	02/01/02	4.05% - 5.45%	2007 - 2033	6,105	-	(135)	(5,970)	-	-	-
2003 Series A	11/01/03	2.15% - 4.05%	2007 - 2015	8,015	-	(790)	-	7,225	-	7,225
2003 Series B	11/01/03	4.75% - 5.00%	2019 - 2026	8,420	-	-	(2,055)	6,365	307	6,672
2003 Series C	12/09/03	Variable rate	2035	20,000	-	-	-	20,000	-	20,000
2004 Series A	05/13/04	2.10% - 4.20%	2007 - 2016	10,185	-	(885)	-	9,300	-	9,300
2004 Series B	05/13/04	5.00%	2023 - 2028	11,550	-	-	(2,065)	9,485	346	9,831
2004 Series C	05/13/04	Variable rate	2035	20,000	-	-	-	20,000	-	20,000
2004 Series D	08/12/04	2.65% - 4.40%	2007 - 2016	11,955	-	(1,030)	-	10,925	-	10,925
2004 Series E	08/12/04	5.15% - 5.25%	2023 - 2030	19,010	-	-	(2,240)	16,770	400	17,170
2004 Series F	08/12/04	Variable rate	2035	20,000	-	-	-	20,000	-	20,000
2004 Series G	11/10/04	1.95% - 3.65%	2007 - 2016	12,365	-	(1,095)	-	11,270	-	11,270
2004 Series H	11/10/04	4.55% - 5.00%	2023 - 2029	19,465	-	-	(3,385)	16,080	570	16,650
2004 Series I	11/10/04	Variable rate	2035	20,000	-	-	-	20,000	-	20,000
2005 Series A	03/30/05	2.60% - 3.90%	2007 - 2016	12,640	-	(1,100)	-	11,540	-	11,540
2005 Series B	03/30/05	4.55% - 5.25%	2023 - 2029	24,630	-	-	(2,705)	21,925	612	22,537
2005 Series C	03/30/05	Variable rate	2035	20,000	-	-	-	20,000	-	20,000
2005 Series D	11/10/05	2.95% - 4.05%	2007 - 2017	13,485	-	(1,030)	-	12,455	-	12,455
2005 Series E	11/10/05	4.75% - 5.50%	2025 - 2036	44,275	-	-	(2,650)	41,625	764	42,389
2006 Series A	02/23/06	3.30% - 4.10%	2008 - 2017	12,020	-	-	-	12,020	-	12,020
2006 Series B	02/23/06	4.75% - 5.50%	2025 - 2037	47,365	-	-	(2,400)	44,965	772	45,737
2006 Series E	05/24/06	3.55% - 4.35%	2008 - 2017	23,540	-	-	-	23,540	-	23,540
2006 Series F	05/24/06	4.80% - 6.00%	2021 - 2039	56,090	-	-	(3,455)	52,635	2,244	54,879

(continued)

(in thousands)

NOTE 7 - BONDS PAYABLE (Continued)

	Issue dated	Range of interest rates	Range of maturities	Debt Outstanding at June 30, 2007	Bond Activity: New bonds issued	Bond Activity: Scheduled maturity payments	Bond Activity: Bonds redeemed	Debt Outstanding at June 30, 2008	Discounts/ premiums and other deferred costs	Bonds payable at June 30, 2008
Residential Revenue Bonds (continued)										
2006 Series G	05/24/06	Variable rate	2040	$ 40,000	$ -	$ -	$ -	$ 40,000	$ -	$ 40,000
2006 Series H	07/13/06	3.60% - 4.15%	2008 - 2017	17,670	-	-	-	17,670	-	17,670
2006 Series I	07/13/06	3.75% - 6.00%	2008 - 2041	141,580	-	-	(5,735)	135,845	4,058	139,903
2006 Series J	07/13/06	Variable rate	2040	60,000	-	-	-	60,000	-	60,000
2006 Series K	09/14/06	3.55% - 4.15%	2008 - 2017	15,000	-	-	-	15,000	-	15,000
2006 Series L	09/14/06	3.80% - 5.75%	2008 - 2041	164,675	-	-	(3,010)	161,665	2,823	164,488
2006 Series M	09/14/06	3.67%	9/12/2007	76,795	-	(76,795)	-	-	-	-
2006 Series N	09/14/06	3.72%	9/12/2007	103,205	-	(103,205)	-	-	-	-
2006 Series O	12/13/06	3.40% - 3.85%	2008 - 2017	10,000	-	-	-	10,000	-	10,000
2006 Series P	12/13/06	3.75% - 5.75%	2008 - 2037	85,000	-	-	(1,285)	83,715	1,740	85,455
2006 Series Q	12/13/06	3.59%	12/14/2007	95,120	-	(95,120)	-	-	-	-
2006 Series R	12/13/06	3.64%	12/14/2007	24,880	-	(24,880)	-	-	-	-
2006 Series S	12/13/06	6.07%	2037	25,000	-	-	(530)	24,470	-	24,470
2007 Series A	03/28/07	3.70% - 5.75%	2008 - 2047	270,000	-	-	(540)	269,460	9,684	279,144
2007 Series B	03/28/07	6.00%	2037	30,000	-	-	(485)	29,515	-	29,515
2007 Series C	06/20/07	3.60% - 3.95%	2009 - 2017	45,000	-	-	-	45,000	-	45,000
2007 Series D	06/20/07	3.80% - 5.50%	2008 - 2048	175,000	-	-	(655)	174,345	3,562	177,907
2007 Series E	06/20/07	4.88% - 6.11%	2008 - 2042	49,375	-	(310)	-	49,065	-	49,065
2007 Series F	06/20/07	Variable rate	2031	50,625	-	-	(295)	50,330	-	50,330
2007 Series G	08/09/07	3.60% - 4.30%	2008 - 2017	-	61,605	-	-	61,605	-	61,605
2007 Series H	08/09/07	3.85% - 5.20%	2008 - 2048	-	63,395	-	-	63,395	-	63,395
2007 Series I	08/09/07	5.23% - 6.56%	2008 - 2043	-	62,800	-	-	62,800	-	62,800
2007 Series J	08/09/07	Variable rate	2031	-	62,200	-	(115)	62,085	-	62,085
2007 Series K	12/12/07	3.25% - 3.85%	2009 - 2017	-	30,000	-	-	30,000	-	30,000
2007 Series L	12/12/07	3.37%	12/15/2008	-	30,000	-	-	30,000	-	30,000
2007 Series M	12/12/07	Variable rate	2043	-	30,000	-	-	30,000	-	30,000
2008 Series A	06/19/08	2.20% - 4.00%	2009 - 2017	-	60,000	-	-	60,000	-	60,000
Total				$ 2,156,380	$ 400,000	$ (316,610)	$ (79,970)	$ 2,159,800	$ 27,880	$ 2,187,680

(in thousands)

NOTE 8 - DEBT SERVICE REQUIREMENTS

As of June 30, 2009, the required principal payments for short-term debt and bonds (including mandatory sinking fund payments and special and optional redemptions that occurred subsequent to June 30, 2009, and excluding the effect of unamortized discounts/premiums and other deferred costs as shown in Note 7) and interest payments for each of the next five years and in 5-year increments thereafter, were as follows:

Years ended June 30,	Interest	Principal
2010	$ 93,451	$ 75,270
2011	90,257	49,435
2012	88,299	54,600
2013	86,170	55,595
2014	83,870	60,970
2015 - 2019	378,248	335,820
2020 - 2024	313,003	261,250
2025 - 2029	251,858	253,735
2030 - 2034	182,806	387,130
2035 - 2039	101,745	448,600
2040 - 2044	36,287	202,925
2045 - 2049	3,102	26,400
Totals	$ 1,709,096	$ 2,211,730

The interest calculations on outstanding variable rate bonds in the amount of $388,205 are based on the variable rates in effect on June 30, 2009, 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 9 for additional information on interest rate exchange agreements (swaps) associated with the variable rate debt in the Fund.

(in thousands)

NOTE 8 - DEBT SERVICE REQUIREMENTS (Continued)

As of June 30, 2008, the required principal payments for short-term debt and bonds (including mandatory sinking fund payments and special and option redemptions that occurred subsequent to June 30, 2008 and excluding the effect of unamortized discounts/premiums and other deferred costs as shown in Note 7) and interest payments for each of the next five years and in 5-year increments thereafter, were as follows:

Years ended June 30,	Interest	Principal
2009	$ 94,590	$ 85,040
2010	91,860	44,575
2011	90,099	47,955
2012	88,158	52,535
2013	86,064	52,715
2014 - 2018	394,253	319,265
2019 - 2023	331,684	236,910
2024 - 2028	271,932	242,935
2029 - 2033	204,284	380,015
2034 - 2038	119,586	444,545
2039 - 2043	42,919	182,590
2044 - 2048	3,841	70,720
Totals	$ 1,819,270	$ 2,159,800

The interest calculations on outstanding variable rate bonds in the amount of $342,415 are based on the variable rates in effect on June 30, 2008, 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 9 for additional information on interest rate exchange agreements (swaps) associated with the variable rate debt in the Fund.

(in thousands)

NOTE 9 - INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (Continued)

As of June 30, 2009, 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
JPMorgan Chase Bank, N.A. (JPM)	2004 Series I	$20,000	$20,000	9/1/2005	3.8525%	64% of LIBOR plus 0.29%	($840)	9/1/2035 (2)(7)
UBS AG	2006 Series G	$40,000	$40,000	5/24/2006	4.403%	64% of LIBOR plus 0.29%	($4,100)	9/1/2040 (3)
JPMorgan Chase Bank, N.A. (JPM)	2006 Series J	$40,000	$40,000	7/13/2006	4.403%	64% of LIBOR plus 0.29%	($1,980)	9/1/2040 (3)(7)
JPMorgan Chase Bank, N.A. (JPM)	2006 Series J	$20,000	$20,000	7/13/2006	4.455%	64% of LIBOR plus 0.29%	($4,105)	9/1/2040 (3)(7)
Merrill Lynch Derivative Products AG (MLDP)	2007 Series F	$50,625	$48,240	6/20/2007	5.2425%	LIBOR	($5,035)	3/1/2026 (4)(6)(9)
Merrill Lynch Derivative Products AG (MLDP)	2007 Series J	$62,200	$60,415	8/9/2007	5.7020%	LIBOR	($7,980)	9/1/2025 (4)(6)(9)
UBS AG	2007 Series M	$30,000	$29,550	12/12/2007	5.2150%	LIBOR	($2,290)	9/1/2043 (5)(6)
Merrill Lynch Derivative Products AG (MLDP)	2008 Series D	$50,000	$50,000	9/4/2008	3.6880%	64% of LIBOR plus 0.31%	($3,125)	9/1/2038 (8)(9)

Notes to Table (on page 33)

NOTE 9 - INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (Continued)

Notes to Table (from page 32):

(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 September 1, 2014 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) 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.

(4) 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.

(5) 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. 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.

(6) The outstanding notional amount reflects the amount that has been amortized as of March 1, 2009.

(7) 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.

(8) 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 Termination Dates). If the option is exercised in part, the applicable notional amounts shall be reduced pro rata.

(9) 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.

(in thousands)

NOTE 9 - INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (Continued)

As of June 30, 2008, 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
Bear Stearns Financial Products (BSFP)	2004 Series I	$20,000	$20,000	9/1/2005	3.8525%	64% of LIBOR plus 0.29%	$25	9/1/2035(2)(7)
UBS AG	2006 Series G	$40,000	$40,000	5/24/2006	4.403%	64% of LIBOR plus 0.29%	($2,365)	9/1/2040(3)
Bear Stearns Financial Products (BSFP)	2006 Series J	$40,000	$40,000	7/13/2006	4.403%	64% of LIBOR plus 0.29%	($2,235)	9/1/2040(3)(7)
Bear Stearns Financial Products (BSFP)	2006 Series J	$20,000	$20,000	7/13/2006	4.455%	64% of LIBOR plus 0.29%	($1,205)	9/1/2040(3)(7)
Merrill Lynch Derivative Products AG (MLDP)	2007 Series F	$50,625	$50,330	6/20/2007	5.2425%	LIBOR	($1,530)	3/1/2026(4)(6)
Merrill Lynch Derivative Products AG (MLDP)	2007 Series J	$62,200	$62,085	8/9/2007	5.7020%	LIBOR	($3,385)	9/1/2025(4)(6)
UBS AG	2007 Series M	$30,000	$30,000	12/12/2007	5.2150%	LIBOR	($460)	9/1/2043(5)

Notes to Table (continued on page 35):

(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 September 1, 2014 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.

NOTE 9 - INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (Continued)

Notes to Table (continued from page 34):

(3) 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.

(4) 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.

(5) CDA has the option to terminate this interest rate swap transaction without any termination payment up to the Maximum Optional Early Termination Amounts on September 1, 2008 and on each March 1 and September 1 thereafter. 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.

(6) The outstanding notional amount reflects the amount that amortized as of March 1, 2008.

(7) On May 30, 2008, JP Morgan & Co. acquired The Bear Stearns Companies Inc. Notwithstanding this acquisition, Bear Stearns Financial Products remains in existence and continues as a swap provider on this swap agreement.

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.

(in thousands)

NOTE 9 - INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (Continued)

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, 2009 and 2008. As of June 30, 2009, CDA was not exposed to credit risk under the swap agreements with JPM, UBS AG or MLDP 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. As of June 30, 2008, CDA was not exposed to credit risk under the swap agreements with BSFP, UBS AG and MLDP 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, 2009 are summarized below:

Swap Counterparty	**Outstanding Notional Amount**	**Current Credit Rating**	**Collateral Posting Credit Rating Threshold**	**Fair Value**
JPMorgan Chase Bank, N.A. (JPM)	$80,000	Aa3 from Moody's A+ from Standard and Poor's	A1 or below from Moody's or A+ or below from Standard and Poor's	($6,925)
UBS AG	$69,550	Aa2 from Moody's A+ from Standard and Poor's A+ from Fitch	A1 or below from Moody's or A+ or below from Standard and Poor's or Fitch	($6,390)
Merrill Lynch Derivative Products AG (MLDP)	$158,655	Aaa from Moody's(1) AAA from Standard and Poor's AAA from Fitch	A1 or below from Moody's or A+ or below from Standard and Poor's or Fitch	($16,140)

(1) As of July 16, 2009, the rating for MLDP was changed to Aa1.

NOTE 9 - 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, 2008 are summarized below:

Swap Counterparty	Outstanding Notional Amount	Current Credit Rating	Collateral Posting Credit Rating Threshold	Fair Value
Bear Stearns Financial Products (BSFP)	$80,000	Aaa from Moody's AAA from Standard and Poor's	A1 or below from Moody's or A+ or below from Standard and Poor's	($3,415)
UBS AG	$70,000	Aa1 from Moody's AA- from Standard and Poor's AA- from Fitch	A1 or below from Moody's or A+ or below from Standard and Poor's or Fitch	($2,825)
Merrill Lynch Derivative Products AG (MLDP)	$112,415	Aaa from Moody's AAA from Standard and Poor's AAA from Fitch	A1 or below from Moody's or A+ or below from Standard and Poor's or Fitch	($4,915)

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.

NOTE 9 - INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (Continued)

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.

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.

(in thousands)

NOTE 9 - INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (Continued)

Swap Payments and Associated Debt

As of June 30, 2009, 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, 2009, 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
2010	$ 3,990	$ 4,890	$ 13,053	$ 21,933
2011	110	4,214	12,642	16,966
2012	-	4,223	12,037	16,260
2013	-	4,204	11,479	15,683
2014	-	4,213	10,969	15,182
2015 - 2019	5,300	21,053	47,360	73,713
2020 - 2024	9,150	20,882	35,731	65,763
2025 - 2029	15,100	20,636	29,783	65,519
2030 - 2034	150,745	13,108	23,251	187,104
2035 - 2039	76,230	4,901	11,558	92,689
2040 - 2044	47,580	3,541	2,253	53,374
Totals	$ 308,205	$ 105,865	$ 210,116	$ 624,186

(in thousands)

NOTE 9 - INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (Continued)

As of June 30, 2008, 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, 2008, 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
2009	$ 1,445	$ 6,198	$ 6,836	$ 14,479
2010	-	5,697	6,909	12,606
2011	-	5,697	6,613	12,310
2012	-	5,710	6,255	11,965
2013	-	5,684	5,947	11,631
2014 - 2018	-	28,486	25,477	53,963
2019 - 2023	-	28,486	18,997	47,483
2024 - 2028	2,825	28,477	15,485	46,787
2029 - 2033	139,570	23,021	12,523	175,114
2034 - 2038	60,735	9,097	6,710	76,542
2039 - 2043	27,965	4,644	1,134	33,743
2044 - 2048	29,875	390	-	30,265
Totals	$ 262,415	$ 151,587	$ 112,886	$ 526,888

NOTE 10 - 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. CDA writes off any unamortized deferred issuance costs or original issue discounts, net of unamortized original issue premiums, as a loss in the accompanying Statements of Revenue, Expenses and Changes in Net Assets. If unamortized original issue premiums exceed unamortized deferred issuance costs and original issue discounts, CDA records a gain.

(in thousands)

NOTE 11 - REBATE LIABILITY

In accordance with the Internal Revenue Service Code (the Code), the Fund has recorded 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 Assets 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 Assets is adjusted by the change in the estimated rebate liability due to change in fair value of investments.

Rebate liability activity for the years ended June 30, 2009 and 2008 was as follows:

	2009	2008
Beginning rebate liability	$ 4,041	$ 3,501
Change in estimated liability due to excess investment earnings	(1,150)	466
Change in estimated liability due to change in fair value of investments	(27)	47
Plus - refund due	-	27
Ending rebate liability	$ 2,864	$ 4,041

Total rebate liability is allocated as follows:

	2009	2008
Estimated liability due to excess investment earnings	$ 2,844	$ 3,994
Estimated liability due to change in fair value of investments	20	47
Ending rebate liability	$ 2,864	$ 4,041

(in thousands)

NOTE 12 - LONG-TERM OBLIGATIONS

Changes in long-term obligations for the years ended June 30, 2009 and 2008 were as follows:

	2009	2008
Rebate liability		
Beginning balance	$ 4,041	$ 3,501
Additions	-	540
Reductions	(1,177)	-
Ending balance	2,864	4,041
Less due within one year	(64)	-
Total long-term rebate liability	2,800	4,041
Bonds payable		
Beginning balance	2,187,680	2,186,486
Additions	190,000	400,000
Reductions	(138,070)	(396,580)
Change in deferred amounts for issuance discounts/premiums	(2,860)	(2,226)
Ending balance	2,236,750	2,187,680
Less due within one year	(75,270)	(85,040)
Total long-term bonds payable	2,161,480	2,102,640
Total long-term liabilities	$ 2,164,280	$ 2,106,681

(in thousands)

NOTE 13 - INTERFUND ACTIVITY

In accordance with the Resolution, net assets in Residential Revenue Bonds are 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, 2009 and 2008, the Fund transferred the following amounts, as permitted, among Funds:

	2009	2008
Excess revenue transferred from Single Family Program Bonds	$ 21,000	$ -
Cost of issuance on bonds and other expenses transferred from Single Family Program Bonds	1,577	2,747
Excess revenue transferred from Multi-Family Housing Revenue Bonds	12,000	-
Excess revenue transferred from Housing Revenue Bonds	12,000	-
	$ 46,577	$ 2,747

As of June 30, 2009 and 2008, due (to) from other Funds consisted of the following:

	2009	2008
Mortgage loan receipts for participation loans due to Single Family Program Bonds	$ (74)	$ (132)
Mortgage loan purchase funds due from Single Family Program Bonds	-	382
	$ (74)	$ 250

NOTE 14 - MORTGAGE INSURANCE

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

About 38% of all loans in the Fund are insured by agencies of the U.S. Government in an amount substantially equal to the unpaid principal amount of the loan. Approximately 60% of total loans are insured by private mortgage insurers or MHF at 35% of the loan amount. In the opinion of management, these coverage levels are sufficient so that no pool insurance or reserves are required. An allowance for loan losses has been established for loans insured by private mortgage insurers. Premiums are paid by single family mortgagors or CDA.

NOTE 15 - 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 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.

NOTE 16 - COMMITMENTS

As of June 30, 2009, CDA had approximately $38,235 in reservations for single family mortgages at interest rates ranging from 5.375% to 6.75%. CDA plans to purchase these loans with proceeds from the Fund.

(in thousands)

NOTE 17 - SUBSEQUENT EVENTS

CDA has evaluated subsequent events through September 24, 2009 which is the date of this report.

Subsequent to the year ended June 30, 2009, the following bond activity took place:

On September 1, 2009, CDA redeemed the following bonds:

1998 Series A	$1,165
1998 Series D	$245
1999 Series D	$175
1999 Series H	$20
2000 Series F	$295
2001 Series B	$740
2001 Series E	$540
2001 Series H	$75
2003 Series B	$410
2004 Series B	$305
2004 Series E	$445
2004 Series H	$190
2005 Series B	$915
2005 Series E	$370
2006 Series B	$230
2006 Series F	$1,165
2006 Series I	$3,460
2006 Series L	$2,205
2006 Series P	$350
2006 Series S	$500
2007 Series A	$5,040
2007 Series B	$595
2007 Series D	$3,060
2007 Series F	$1,755
2007 Series H	$180
2007 Series J	$1,735

(in thousands)

NOTE 17 - SUBSEQUENT EVENTS (Continued)

On September 1, 2009, CDA redeemed the following bonds (continued):

2007 Series K	$125
2007 Series M	$500
2008 Series A	$1,240
2008 Series C	$2,410

On September 24, 2009, CDA issued the following bonds:

2009 Series A	$40,000

On September 24, 2009, CDA remarketed Residential Revenue Bonds 2007 Series J from taxable to tax-exempt. In addition, CDA entered into a new interest rate exchange agreement (swap) for a notional amount of $58,680, effective September 1, 2009, for the Residential Revenue Bonds 2007 Series J. This agreement, a synthetic fixed rate contract, replaces the existing swap agreement on the bonds and will hedge the $58,680 in variable rate debt in Residential Revenue Bonds 2007 Series J.

Also, subsequent to the year ended June 30, 2009, the following activity took place:

On August 18, 2009, all outstanding bonds in Multi-Family Housing Revenue Bonds (Insured Mortgage Loans) (MFHRB) were defeased. As a result, CDA transferred all outstanding mortgage loans and $7,570 in cash and investments in MFHRB to Residential Revenue Bonds.

Community Development Administration
Residential Revenue Bonds

SUPPLEMENTAL DISCLOSURES OF CHANGE
IN FAIR VALUE OF INVESTMENTS
(in thousands)
(unaudited)

June 30, 2009 and 2008

During fiscal year 1997, CDA adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 31. This statement requires the financial statements of CDA to reflect investments at fair value, and the increase or decrease in fair value is included in the Statements of Revenue, Expenses and Changes in Net Assets.

For investments (obligations of U.S. Government Agencies) held by the Fund as of June 30, 2009, 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

Reconciliation to the Statements of Revenue, Expenses and Changes in Net Assets for the year ended June 30, 2009:

Increase in fair value of investments held at June 30, 2009	$ 46
Adjustment due to rebate liability (see Note 11)	27
Increase in fair value of investments, net of rebate, as reported on the Statements of Revenue, Expenses and Changes in Net Assets for the year ended June 30, 2009	$ 73

Community Development Administration
Residential Revenue Bonds

SUPPLEMENTAL DISCLOSURES OF CHANGE
IN FAIR VALUE OF INVESTMENTS - CONTINUED
(in thousands)
(unaudited)

June 30, 2009 and 2008

Reconciliation to the Statements of Revenue, Expenses and Changes in Net Assets for the year ended June 30, 2008:

Increase in fair value of investments held at June 30, 2008	$	785
Adjustment due to rebate liability (see Note 11)		(47)
Increase in fair value of investments, net of rebate, as reported on the Statements of Revenue, Expenses and Changes in Net Assets for the year ended June 30, 2008	$	738

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COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS

Unaudited Interim Financial Statements
For the six month period ended
December 31, 2009

Community Development Administration
Residential Revenue Bonds

Balance Sheets
(in thousands)

As of December 31, 2009 and June 30, 2009

	12/31/2009 (Unaudited)	6/30/2009 (Audited)
Restricted assets		
Restricted current assets		
Cash and cash equivalents on deposit with trustee	$ 227,028	$ 302,216
Investments	117,035	-
Single family mortgage loans	22,516	24,534
Multi-family mortgage loans	1,748	-
Accrued interest and other receivables	19,150	16,855
Claims receivable on foreclosed and other loans, net of allowance	54,907	26,740
Real estate owned, net of allowance	2,441	2,131
Total restricted current assets	444,825	372,476
Restricted long-term assets		
Investments, net of current portion	26,381	26,083
Single family mortgage loans, net of current portion and allowance	2,034,778	2,055,400
Multi-family mortgage loans, net of current portion	42,092	-
Deferred bond issuance costs	15,739	14,578
Deferred outflow on interest rate swap agreements	24,605	-
Total restricted long-term assets	2,143,595	2,096,061
Total restricted assets	$ 2,588,420	$ 2,468,537
Liabilities and net assets		
Current liabilities		
Accrued interest payable	$ 34,138	$ 36,425
Accounts payable	369	172
Rebate liability	641	64
Bonds payable	101,995	75,270
Deposits by borrowers	1,857	-
Due to other Funds	94	74
Total current liabilities	139,094	112,005
Long-term liabilities		
Rebate liability, net of current portion	2,177	2,800
Bonds payable, net of current portion	2,162,173	2,161,480
Deposits by borrowers, net of current portion	2,839	-
Interest rate swap agreements	24,605	-
Total long-term liabilities	2,191,794	2,164,280
Total liabilities	2,330,888	2,276,285
Net assets		
Restricted	257,532	192,252
Total net assets	257,532	192,252
Total liabilities and net assets	$ 2,588,420	$ 2,468,537

See accompanying notes.

Community Development Administration
Residential Revenue Bonds

Statements of Revenue, Expenses and Changes in Net Assets
(in thousands)

For the six months ended December 31, 2009 and December 31, 2008

	12/31/2009 (Unaudited)	12/31/2008 (Unaudited)
Operating revenue		
Interest on mortgage loans	$ 62,617	$ 59,090
Interest income on investments, net of rebate	1,047	3,697
Increase in fair value of investments, net of rebate	1,548	993
Increase on interest rate swap agreement termination (Note 6)	15,305	-
Fee income	372	184
Gain on early retirement of debt	1,065	378
Other operating revenue	163	20
	82,117	64,362
Operating expenses		
Interest expense on bonds and short-term debt	52,120	54,210
Professional fees and other operating expenses	1,344	1,027
Provision for loan losses	5,345	3,308
Origination expenses	1,458	761
Real estate owned expenses	305	11
Loss (gain) on foreclosure claims	100	(12)
Loss (gain) on real estate owned, net	375	(14)
Amortization of bond issuance costs	253	283
	61,300	59,574
Operating income	20,817	4,788
Transfers of funds, net, as permitted by the various bond indentures	59,768	1,504
Changes in net assets	80,585	6,292
Net assets - restricted, as previously reported	192,252	138,319
Adjustment for application of GASB 53, See Note 2	(15,305)	-
Net assets - restricted, as restated	176,947	138,319
Net assets - restricted at end of period	$ 257,532	$ 144,611

See accompanying notes.

Community Development Administration
Residential Revenue Bonds

Statements of Cash Flows
(in thousands)

For the six months ended December 31, 2009 and December 31, 2008

	12/31/2009 (Unaudited)	12/31/2008 (Unaudited)
Cash flows from operating activities		
Principal and interest received on mortgage loans	$ 110,523	$ 89,097
Escrow funds received on multi-family loans	6,503	-
Escrow funds paid on multi-family loans	(1,807)	-
Mortgage insurance claims, sales proceeds and other related receipts	13,039	4,754
Foreclosure expenses paid	(2,381)	(240)
Loan fees received	157	313
Loan fees disbursed	(757)	(5,278)
Purchase of mortgage loans	(66,232)	(278,707)
Transfer of multi-family loans, net of deferred loan fees	(50,425)	-
Professional fees and other operating expenses	(1,192)	(958)
Other operating revenue	163	20
Other reimbursements	40	31
Net cash from operating activities	7,631	(190,968)
Cash flows from investing activities		
Proceeds from maturities or sales of investments	12,520	136,737
Purchases of investments	(123,088)	(22,364)
Transfer of investments	(5,563)	-
Interest received on investments	882	4,818
Net cash from investing activities	(115,249)	119,191
Cash flows from noncapital financing activities		
Proceeds from sale of bonds	100,985	190,000
Payments on bond principal	(72,130)	(83,335)
Bond issuance costs	(1,612)	(1,504)
Interest on bonds and short-term debt	(54,581)	(53,502)
Transfers among Funds	59,768	1,504
Net cash from noncapital financing activities	32,430	53,163
Net decrease in cash and cash equivalents on deposit with trustee	(75,188)	(18,614)
Cash and cash equivalents on deposit with trustee at beginning of period	302,216	309,188
Cash and cash equivalents on deposit with trustee at end of period	$ 227,028	$ 290,574

(continued)

Community Development Administration
Residential Revenue Bonds

Statements of Cash Flows - continued
(in thousands)

For the six months ended December 31, 2009 and December 31, 2008

	12/31/2009 (Unaudited)	12/31/2008 (Unaudited)
Reconciliation of operating income to net cash from operating activities		
Operating income	$ 20,817	$ 4,788
Adjustments to reconcile operating income to net cash from operating activities		
(Increase) decrease in assets		
Mortgage loans	(25,012)	(238,808)
Accrued interest and other receivables	(2,295)	(1,320)
Claims receivable on foreclosed and other loans	(30,522)	(1,759)
Real estate owned	(407)	(1,600)
Due from other Funds	-	250
(Decrease) increase in liabilities		
Accrued interest payable	(2,287)	905
Accounts payable	197	79
Rebate liability	(46)	391
Deposits by borrowers	4,696	-
Due to other Funds	20	105
Amortizations		
Deferred income and expense on loans	1,086	577
Investment discounts and premiums	351	73
Bond original issue discounts and premiums	(174)	(197)
Deferred bond issuance costs	253	283
Loan fees and expenses deferred	(167)	(4,965)
Provision for loan losses	5,345	3,308
Increase in fair value of investments	(1,553)	(1,384)
Increase on interest rate swap agreement termination (Note 6)	(15,305)	-
Gain on early retirement of debt	(1,065)	(378)
Interest received on investments	(882)	(4,818)
Interest on bonds and short-term debt	54,581	53,502
Net cash from operating activities	$ 7,631	$ (190,968)

See accompanying notes.

Community Development Administration
Residential Revenue Bonds

Notes to Unaudited Interim Financial Statements
(in thousands)

December 31, 2009

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 December 31, 2009 and the results of its operations for the six months ended December 31, 2009 and December 31, 2008. 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 December 31, 2009 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, 2009 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. Financial Statement Presentation and Governmental Accounting Standards Board (GASB) Statement No. 53 *Accounting and Financial Reporting for Derivative Instruments* :

In June 2008, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 53 *Accounting and Financial Reporting for Derivative Instruments* (GASB 53). GASB 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. GASB 53 requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts (SGICs) that are fully benefit-responsive, at fair value. Under GASB 53, derivative instruments 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 are considered to be hedging derivative instruments. Hedging derivative instruments should be reported on the statement of net assets and the changes in fair value of hedging derivative instruments should be reported as either deferred inflows or deferred outflows in the statement of net assets.

GASB 53 is effective for financial statements issued for fiscal years beginning after June 15, 2009. CDA adopted the provisions of GASB 53 effective as of July 1, 2009 and will apply the principle retrospectively, which is the application of a different accounting principle to one or more previously issued financial statements at the beginning of the current period, as if that principle had always been used. The adoption of GASB 53 resulted in the restatement of beginning net assets for the period ended December 31, 2009 to recognize the changes in fair value of CDA's interest rate swap agreements as deferrals. As a result of this restatement, beginning net assets as of July 1, 2009 were decreased by $15,305.

The December 31, 2008 unaudited financial statements, included for comparative analysis, do not reflect GASB 53 implementation.

Note 6 covers interest rate swap agreements in more detail.

3. Investments:

In accordance with GASB 31, CDA reflects investments at fair value. As of December 31, 2009, the fair value of the investments was $143,416 of which $140,843 was the cost of these investments and $2,573 was the cumulative increase in fair value. The increase in fair value of investments, net of rebate, for the six months ended December 31, 2009 was $1,548 comprised of an increase in the investment fair value of $1,553 offset by $5 of increased estimated rebate liability.

4. Mortgage Loans:

During the six months ended December 31, 2009, CDA purchased single family loans in the amount of $66,232.

5. Bonds Payable:

On September 1, 2009, CDA redeemed, prior to maturity, $30,440 of Residential Revenue Bonds and realized a gain of $1,065.

On September 24, 2009, CDA issued $40,000 of Residential Revenue Bonds 2009 Series A bonds with interest rates ranging from .65% to 5.05% and maturity dates from September 1, 2010 to September 1, 2039.

Also, on September 24, 2009, CDA remarketed 2007 Series J variable rate bonds in the amount of $58,680 from taxable to tax-exempt. The bonds mature on September 1, 2031.

On October 8, 2009, CDA issued $45,000 of Residential Revenue Bonds 2009 Series B bonds with interest rates ranging from .65% to 4.75% and maturity dates from September 1, 2010 to September 1, 2039.

Also, on October 8, 2009, CDA remarketed 2007 Series M variable rate bonds in the amount of $29,050 from taxable to tax-exempt. The bonds mature on September 1, 2043.

On October 27, 2009, CDA issued $15,985 of Residential Revenue Bonds 2009 Series C bonds with interest rates ranging from .45% to 4.55% and maturity dates from September 1, 2010 to September 1, 2039.

Also, on October 27, 2009, CDA remarketed 2007 Series F variable rate bonds in the amount of $46,485 from taxable to tax-exempt. The bonds mature on September 1, 2031.

6. 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.

The terms, including the fair values of the outstanding swaps as of December 31, 2009, are provided in the table on the next page. 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 uses valuation methods and assumptions in accordance with GASB Statement No. 53.

(See next page for table)

Notes to Unaudited Interim Financial Statements - continued

(in thousands)

December 31, 2009

6. Interest Rate Swap Agreements continued:

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
JPMorgan Chase Bank, N.A. (JPM)	2004 Series I	$20,000	$20,000	9/1/2005	3.8525%	64% of LIBOR plus .29%	($425)	9/1/2035 (2)(7)
UBS AG	2006 Series G	$40,000	$40,000	5/24/2006	4.4030%	64% of LIBOR plus .29%	($3,515)	9/1/2040 (3)
JPMorgan Chase Bank, N.A. (JPM)	2006 Series J	$40,000	$40,000	7/13/2006	4.4030%	64% of LIBOR plus .29%	($3,035)	9/1/2040 (3)(7)
JPMorgan Chase Bank, N.A. (JPM)	2006 Series J	$20,000	$20,000	7/13/2006	4.4550%	64% of LIBOR plus .29%	($1,625)	9/1/2040 (3)(7)
Merrill Lynch Derivative Products AG (MLDP)	2007 Series F	$46,485 (amended)	$46,485	10/27/2009 (amended)	4.4300% (amended)	64% of LIBOR plus .22% (amended)	($4,605)	3/1/2026 (4)(6)(9)(12)
Merrill Lynch Derivative Products AG (MLDP)	2007 Series J	$58,680 (amended)	$58,680	9/1/2009 (amended)	4.8350% (amended)	64% of LIBOR plus .22% (amended)	($7,160)	9/1/2025 (4)(6)(9)(10)
The Bank of New York Mellon (BNY Mellon)	2007 Series M	$26,990 (amended)	$26,990	10/8/2009 (amended)	4.3350% (amended)	64% of LIBOR plus .22% (amended)	($1,995)	9/1/2043 (5)(6)(11)(13)
Merrill Lynch Derivative Products AG (MLDP)	2008 Series D	$50,000	$50,000	9/4/2008	3.6880%	64% of LIBOR plus .31%	($2,245)	9/1/2038 (8)(9)

Refer to next page for description of notes.

6. Interest Rate Swap Agreements continued:

Notes to 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 September 1, 2014 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) 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.

(4) 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.

(5) 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. 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.

(6) The outstanding notional amount reflects the amount that has been amortized as of September 1, 2009.

(7) 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.

(8) 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.

(9) 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.

(10) 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.

(11) 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 5). The Bank of New York Mellon replaced UBS AG as counterparty to the agreement.

(12) 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.

(13) Subsequent to December 31, 2009, CDA exercised its option to partially terminate the notional amount of this interest rate swap in the amount of $1,515 effective March 1, 2010.

(in thousands)

6. Interest Rate Swap Agreements continued:

The table below summarizes the total fair values for CDA's interest rate swap agreements at June 30, 2009 and December 31, 2009, and the changes in fair values for the period ending December 31, 2009.

	Total Fair Value at June 30, 2009	Total Fair Value at December 31, 2009	Change in Fair Value for Period
Interest Rate Swap Agreements:			
Cash Flow Hedges	$ (14,150)	$ (24,605)	$ (10,455)
Investment Derivatives	(15,305)	-	15,305
Total	$ (29,455)	$ (24,605)	$ 4,850

In accordance with GASB 53, the fair value balances of derivative instruments (interest rate swap agreements) outstanding at December 31, 2009, classified by type, and the changes in fair value of such derivative instruments as presented on the financial statements for the period ending December 31, 2009, are as follows:

	Change in Fair Value		Fair Value at December 31, 2009		Outstanding Notional Amounts
	Classification	Amount	Classification	Amount	
Cash Flow Hedges:					
Pay fixed interest rate swaps	Deferred Outflow	$ (10,455)	Debt	$ (24,605)	$ 302,155
Investment Derivatives:					
Pay fixed interest rate swaps	Investment Revenue	$ 15,305	Investment	$ -	$ -

At June 30, 2009, CDA determined that 2007 Series F, J and M interest rate swaps did not meet the criteria for effectiveness. Therefore, the swap fair values in the amount of $15,305 were classified as investment revenue.

As of December 31, 2009, CDA had terminated the original swap agreements for the 2007 Series F, J and M swaps. The new agreements were restructured based on the remarketing of the underlying bonds from taxable to tax-exempt. As of December 31, 2009, 2007 Series F, J and M swaps do meet 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.

(in thousands)

6. Interest Rate Swap Agreements continued:

CDA was not exposed to credit risk to any of the counterparties since the total fair value for each counterparty was negative as of December 31, 2009.

The credit ratings for the swap counterparties, as of December 31, 2009, are:

Swap Counterparty	Moody's Investors Service	Standard and Poor's	Fitch Ratings
JPMorgan Chase Bank, N.A.	Aa1	AA-	AA-
UBS AG	Aa3	A+	A+
Merrill Lynch Derivative Products AG	Aa3	AAA	AAA
The Bank of New York Mellon	Aaa	AA	AA-

For further description of risks and other information related to swaps, refer to the June 30, 2009 audited financial statements.

7. Subsequent events:

On January 4, 2010 and March 1, 2010, CDA redeemed, prior to maturity, $38,980 and $6,025, respectively, of Residential Revenue Bonds.

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APPENDIX I

FINANCIAL STATEMENTS OF THE MARYLAND HOUSING FUND

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Reznick Group

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

MARYLAND HOUSING FUND

JUNE 30, 2009 AND 2008

Maryland Housing Fund

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INDEPENDENT AUDITORS' REPORT

Office of the Secretary
Department of Housing and Community Development

We have audited the accompanying financial statements of the Maryland Housing Fund (MHF) of the Department of Housing and Community Development (DHCD) of the State of Maryland as of and for the years ended June 30, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of MHF's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Maryland Housing 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 June 30, 2009 and 2008, and the changes in its net assets and its cash flows, for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Maryland Housing Fund of the Department of Housing and Community Development of the State of Maryland as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Reznick Group, P.C.

Baltimore, Maryland
September 30, 2009

Maryland Housing Fund

STATEMENTS OF NET ASSETS

June 30, 2009 and 2008

	2009	2008
ASSETS		
Current assets		
Unrestricted current assets		
Deposit with State Treasurer		
Operating account	$ 4,148,175	$ 3,437,534
Loans and interest receivable, net of allowance for loans and related losses	124,288	127,297
Acquired property	90,325	110,882
Other	17,619	5,808
Total unrestricted current assets	4,380,407	3,681,521
Restricted current assets		
Deposit with State Treasurer		
Reserve accounts	106,927,361	103,331,593
Total restricted current assets	106,927,361	103,331,593
Total current assets	111,307,768	107,013,114
Non-current assets		
Investment held for borrower	1,109,713	1,205,632
Loans and interest receivable, net of allowance for loans and related losses and current portion	388,387	413,242
Total non-current assets	1,498,100	1,618,874
Total assets	$ 112,805,868	$ 108,631,988

(continued)

Maryland Housing Fund

STATEMENTS OF NET ASSETS - CONTINUED

June 30, 2009 and 2008

	2009	2008
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 93,181	$ 193,971
Accrued compensated absences	71,498	67,774
Accrued workers' compensation	465	465
Mortgage escrow accounts	439,709	405,351
Unearned premiums	2,930,791	1,296,955
Allowance for unpaid insurance losses	593,407	152,723
Total current liabilities	4,129,051	2,117,239
Non-current liabilities		
Accrued compensated absences, net of current portion	106,358	113,343
Accrued workers' compensation, net of current portion	2,535	2,535
Investment held for borrower	1,109,713	1,205,632
Allowance for unpaid insurance losses, net of current portion	12,685,478	7,579,567
Total non-current liabilities	13,904,084	8,901,077
Total liabilities	18,033,135	11,018,316
Net assets		
Restricted net assets		
Multi-Family Reserve	44,698,739	44,698,739
Regular Single Family Reserve	33,773,875	33,773,875
Revitalization (Pilot) Reserve	2,224,450	2,224,450
Home and Energy Loan Reserve	500,000	500,000
General Reserve	10,000,000	-
Unallocated Reserve		
Committed	-	10,000,000
Uncommitted	15,730,297	12,134,529
Total restricted net assets	106,927,361	103,331,593
Unrestricted accumulated deficit	(12,154,628)	(5,717,921)
Total net assets	94,772,733	97,613,672
Total liabilities and net assets	$ 112,805,868	$ 108,631,988

See notes to financial statements

Maryland Housing Fund

STATEMENTS OF REVENUES AND EXPENSES

Years ended June 30, 2009 and 2008

	2009	2008
Operating revenues		
Net premiums	$ 1,858,680	$ 1,533,796
Interest income on loans	537,878	541,016
Other income	47,296	41,686
Total operating revenues	2,443,854	2,116,498
Operating expenses		
General and administrative	2,818,558	2,812,748
Acquired property expenses	28,495	22,376
Net losses/(gains) on sales of acquired property	5,934	(60,044)
Provision for insurance and loan losses	6,027,574	1,984,121
Total operating expenses	8,880,561	4,759,201
Operating loss	(6,436,707)	(2,642,703)
Non-operating revenues		
Restricted interest income on reserves	3,595,768	5,471,347
Total non-operating revenues	3,595,768	5,471,347
Change in net assets	$ (2,840,939)	$ 2,828,644

See notes to financial statements

Maryland Housing Fund

STATEMENTS OF CHANGES IN NET ASSETS

Years ended June 30, 2009 and 2008

	Restricted Net Assets							
	Multi-Family Reserve	Regular Single Family Reserve	Revitalization (Pilot) Reserve	Home and Energy Loan Reserve	General Reserve	Unallocated Reserve	Unrestricted Accumulated Deficit	Total
Balance at June 30, 2007	$ 44,698,739	$ 32,273,875	$ 2,224,450	$ 500,000	$ -	$ 28,163,182	$ (3,075,218)	$ 104,785,028
Interest income allocated at the discretion of DHCD Secretary	-	1,500,000	-	-	-	3,971,347	(5,471,347)	-
Transfers out	-	-	-	-	10,000,000	(20,000,000)	-	(10,000,000)
Change in net assets	-	-	-	-	-	-	2,828,644	2,828,644
Balance at June 30, 2008	44,698,739	33,773,875	2,224,450	500,000	10,000,000	12,134,529	(5,717,921)	97,613,672
Interest income allocated at the discretion of DHCD Secretary	-	-	-	-	-	3,595,768	(3,595,768)	-
Change in net assets	-	-	-	-	-	-	(2,840,939)	(2,840,939)
Balance at June 30, 2009	$ 44,698,739	$ 33,773,875	$ 2,224,450	$ 500,000	$ 10,000,000	$ 15,730,297	$ (12,154,628)	$ 94,772,733

See notes to financial statements

Maryland Housing Fund

STATEMENTS OF CASH FLOWS

Years ended June 30, 2009 and 2008

	2009	2008
Cash flows from operating activities		
Receipts from premiums	$ 3,497,320	$ 2,064,023
Premiums refunded	(129,568)	(101,963)
Receipts from loans	157,762	147,750
Receipts from mortgage escrows	142,405	142,982
Payments for mortgage escrows	(108,047)	(106,687)
Receipts from miscellaneous fees	46,548	45,255
Payments for general and administrative expenses	(2,797,404)	(2,795,458)
Sale proceeds from acquired property	82,709	115,201
Payments for acquired property	(181,084)	(133,662)
Net cash provided by (used in) operating activities	710,641	(622,559)
Cash flows from investing activities		
Receipts from interest earned on reserves	3,595,768	5,471,347
Transfer out	-	(10,000,000)
Net cash provided by (used in) investing activities	3,595,768	(4,528,653)
Net increase (decrease) in cash	4,306,409	(5,151,212)
Deposit with State Treasurer, balance - beginning of year	106,769,127	111,920,339
Deposit with State Treasurer, balance - end of year	$ 111,075,536	$ 106,769,127

(continued)

Maryland Housing Fund

STATEMENTS OF CASH FLOWS - CONTINUED

Years ended June 30, 2009 and 2008

	2009	2008
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating loss	$ (6,436,707)	$ (2,642,703)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Decrease in loans and interest receivable	27,864	32,361
Decrease (increase) in acquired property	20,557	(53,672)
Decrease (increase) in investments and other assets	84,108	(149,761)
(Decrease) increase in accounts payable and other accrued liabilities	(165,612)	215,887
Increase in allowance for unpaid insurance losses	5,546,595	1,558,500
Increase in unearned premiums	1,633,836	416,829
Net cash provided by (used in) operating activities	$ 710,641	$ (622,559)

See 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 and pool 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 six restricted insurance reserves, which are separate from MHF's operating funds. Five of the reserves cover specific categories of insurance; the Multi-Family Reserve, the Single Family Regular Program Reserve, the Revitalization (PILOT) Reserve, the Home and Energy Loan 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, 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 CDA's bondholders.

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, and except for claims arising from the Single Family Regular and Revitalization insurance issued before August 20, 1975, which claims are payable from all MHF insurance reserves).

NOTE 1 - PROGRAM DESCRIPTION (CONTINUED)

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.

A. The Multi-Family Reserve supports several programs. All existing Multi-Family insurance, other than the program from private lenders, is 100% insurance of projects financed by revenue bonds. These programs include:

- Regular Multi-Family Program insures permanent mortgages funded by CDA, the Housing Opportunities Commission of Montgomery County, and SunTrust Mortgage, Inc. These loans were originated prior to 2005.

- 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. Under the program, upon payment of a claim by FHA, CDA would be responsible for reimbursement to FHA of up to 50% of the claim. MHF would reimburse CDA for its share of such losses.

- Bridge Loan Program insures short term construction loans made for part of the development costs of rental housing projects that are awarded federal low income housing tax credits.

- 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.

- 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 is not insuring any new loans under this program; MHF continues to manage the existing portfolio.

NOTE 1 - PROGRAM DESCRIPTION (CONTINUED)

B. 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 2005. These mortgages may have 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 is limited to 10% of lendable proceeds for the aggregate of revenue bond issues (stop-loss). In addition, the Wisconsin Mortgage Assurance Corporation, formerly the Mortgage Guaranty Insurance Corporation, has provided reinsurance for a portion of mortgage loans financed by one series of CDA's bonds. Notwithstanding the reinsurance provided by the Wisconsin Mortgage Assurance Corporation, the pool insurance coverage in force also includes coverage for mortgages financed by this series.

- 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. These mortgages originated since 2005.

C. 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.

NOTE 1 - PROGRAM DESCRIPTION (CONTINUED)

- Healthy Neighborhood Program allocates up to $1 million of the Reserve to provide 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. These mortgages originated since 2005.

D. Home and Energy Loan Program (HELP) Reserve insures mortgages made prior to 2005 for the purpose of rehabilitation and energy conservation in owner occupied housing financed by CDA's Home and Energy Loan Program and are liable for up to 100% of the loan amounts.

E. General Reserve insures single family mortgages originated since 2008 and provides credit enhancement to CDA and private mortgage lenders as an incentive to refinance or restructure loans for Maryland borrowers who are in trouble with an existing loan.

F. Unallocated Reserve may be allocated and transferred by the Secretary into each of the reserves, restricted by the Secretary as a reserve for the payment of a claim as part of a work-out, applied by MHF as payment of a claim or retained in the Unallocated Reserve pending allocation, transfer or restriction. Investment earnings on each of the six Reserves are credited to the Unallocated Reserve. Legislation enacted in fiscal year 2008 requires MHF to transfer from the Unallocated Reserve, any funds in excess of $10 million annually to the State Funded Housing Loan programs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 are 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. 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). MHF adopted GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting." Consequently, MHF applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions and Accounting Research Bulletins (ARBS) of the Committee on Accounting Procedure issued on or prior to November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

C. 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.

D. 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, 2009, acquired property consisted of $90,325 of Single Family property and $-0- of Multi-Family property. As of June 30, 2008, acquired property consisted of $110,882 of Single Family property and $-0- of Multi-Family property.

E. 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Restricted Net Assets

Under GASB Statement No. 34, net assets should be reported as restricted when constraints placed on net asset 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.

G. Revenues and Expenses

MHF distinguishes operating revenues and expenses from non-operating items. 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. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. The interest earned on reserve accounts is restricted revenue.

H. Premium Income Recognition

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

I. 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. Any adjustment is included on invoices and recorded in the period in which the adjustment is identified.

J. Reclassifications

Certain items from prior year financial statements have been reclassified to conform to the current year presentation.

NOTE 3 - CASH AND INVESTMENTS

A. 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. Additional information can be obtained from the State of Maryland Comprehensive Annual Financial Report.

B. 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.

C. 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.

D. 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

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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.

E. 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, 2009 and 2008 is evaluated in accordance with GASB 40 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.

	2009	2008
Investment held for borrower (Obligations of U.S. Government Agencies)	$ 1,109,713	$ 1,205,632

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, 2009 and 2008:

	2009	2008
Multi-Family	$ 10,163,249	$ 10,267,007
Single Family	47,955	56,177
Interest receivable on loans	7,434,300	6,942,203
	17,645,504	17,265,387
Allowance for possible losses on Multi-Family loans	(9,700,439)	(9,784,678)
Allowance for possible losses on interest receivable	(7,432,390)	(6,940,170)
Total allowance for possible losses	(17,132,829)	(16,724,848)
Loans and interest receivable, net of allowance for loans and related losses	$ 512,675	$ 540,539
Current portion, net of allowance	$ 124,288	$ 127,297
Non-current portion, net of allowance	388,387	413,242
Loans and interest receivable, net of allowance for loans and related losses	$ 512,675	$ 540,539

Changes in the allowance for possible losses on loans and interest receivable were as follows for the years ended June 30, 2009 and 2008:

	2009	2008
Balance, beginning of year	$ 16,724,848	$ 16,299,227
Provision charged to operations	407,981	425,621
Balance, end of year	$ 17,132,829	$ 16,724,848

NOTE 5 - UNEARNED PREMIUMS

The unearned premiums for the unexpired terms of all policies in force or written as of June 30, 2009 and 2008, and the changes for the years then ended were as follows:

	2009			
	Unearned premiums at beginning of year	Premiums written	Premiums earned	Unearned premiums at end of year
Multi-Family Programs				
Construction and Permanent Mortgages	$ 434,717	$ 604,738	$ 633,131	$ 406,324
SHOP Loans	70,526	92,228	114,934	47,820
Multi-Family HELP	120	466	508	78
Total Multi-Family Programs	505,363	697,432	748,573	454,222
Single Family Programs				
Single Family Regular				
Primary	521,987	2,361,453	782,709	2,100,731
Pool	117,826	241,604	252,538	106,892
Revitalization (Pilot)	2,592	5,366	5,473	2,485
Single Family HELP	10	-	10	-
Community Development Administration under Multi-Family Reserve	491	1,069	1,158	402
General	148,686	185,592	68,219	266,059
Total Single Family Programs	791,592	2,795,084	1,110,107	2,476,569
Total for the year ended June 30, 2009	$ 1,296,955	$ 3,492,516	$ 1,858,680	$ 2,930,791

NOTE 5 - UNEARNED PREMIUMS (CONTINUED)

	2008			
	Unearned premiums at beginning of year	Premiums written	Premiums earned	Unearned premiums at end of year
Multi-Family Programs				
Construction and Permanent Mortgages	$ 377,737	$ 730,464	$ 673,484	$ 434,717
SHOP Loans	75,970	145,212	150,656	70,526
Multi-Family HELP	155	719	754	120
Total Multi-Family Programs	453,862	876,395	824,894	505,363
Single Family Programs				
Single Family Regular				
Primary	285,263	639,760	403,036	521,987
Pool	137,141	273,231	292,546	117,826
Revitalization (Pilot)	3,184	5,578	6,170	2,592
Single Family HELP	96	42	128	10
Community Development Administration under Multi-Family Reserve	580	1,204	1,293	491
General	-	154,415	5,729	148,686
Total Single Family Programs	426,264	1,074,230	708,902	791,592
Total for the year ended June 30, 2008	$ 880,126	$ 1,950,625	$ 1,533,796	$ 1,296,955

NOTE 6 - NON-CURRENT OBLIGATIONS

Changes in non-current obligations for the years ended June 30, 2009 and 2008 were as follows:

	2009				
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Compensated absences	$ 181,117	$ -	$ (3,261)	$ 177,856	$ 106,358
Workers' compensation	3,000	-	-	3,000	465
Investment held for borrower	1,205,632	-	(95,919)	1,109,713	-
Allowance for unpaid insurance losses	7,732,290	5,546,595	-	13,278,885	593,407
Total for the year ended June 30, 2009	$9,122,039	$5,546,595	$ (99,180)	$14,569,454	$ 700,230

	2008				
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Compensated absences	$ 166,221	$ 14,896	$ -	$ 181,117	$ 67,774
Workers' compensation	5,000	-	(2,000)	3,000	465
Investment held for borrower	1,045,479	160,153	-	1,205,632	-
Allowance for unpaid insurance losses	6,173,790	1,558,500	-	7,732,290	152,723
Total for the year ended June 30, 2008	$7,390,490	$1,733,549	$ (2,000)	$ 9,122,039	$ 220,962

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. Financial Accounting Standards Board Statement No. 60 specifically excludes mortgage guaranty insurance from its guidance relating to the reserves for losses.

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, 2009, MHF has 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.

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, 2009 was appropriately established on an aggregate basis and was adequate to cover the ultimate net cost of settling reported and unreported claims.

NOTE 7 - ALLOWANCE FOR UNPAID INSURANCE LOSSES (CONTINUED)

Changes in allowance for unpaid insurance losses were as follows:

	Multi-Family	Single Family	Total
Balance at June 30, 2007	$ 4,183,294	$ 1,990,496	$ 6,173,790
Increase in provision	1,106,701	451,799	1,558,500
Balance at June 30, 2008	5,289,995	2,442,295	7,732,290
Increase in provision	879,180	4,740,413	5,619,593
Charge-offs	-	(72,998)	(72,998)
Balance at June 30, 2009	$ 6,169,175	$ 7,109,710	$ 13,278,885

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Multi-Family Mortgages

MHF insured mortgage loans as of June 30, 2009, net of partial claim payments, were as follows:

	Number	Current Balances
CDA Construction and Permanent Mortgages	44	$ 70,253,376
Loans financed by the Housing Opportunities Commission of Montgomery County	4	9,371,658
Loans financed by SunTrust Mortgage, Inc.	2	2,674,076
CDA SHOP Loans	140	16,905,735
CDA Multi-Family HELP Program	1	54,941
CDA Single Family Loans under Multi-Family Reserves	16	289,442
	207	$ 99,549,228

As of June 30, 2009, MHF had committed to insure $1,452,093 on two CDA Construction mortgages. The loan funds for the mortgages have yet to be drawn.

NOTE 8 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2009, were as follows:

	Insured Mortgages			
	Original Commitments		Current Balances	
	Number	Amount	Amount	Contingent Liability
Primary insurance coverage				
Single Family Regular				
25% insured	2,318	$ 123,570,210	$ 81,435,051	$ 20,358,763
35% insured	405	89,294,749	88,067,331	30,823,566
Revitalization (Pilot) Program				
100% insured	57	1,906,031	1,231,776	1,231,776
2.5% insured	75	17,900,363	17,567,368	439,184
General				
35% insured	48	12,703,746	12,617,379	4,416,083
Total	2,903	$ 245,375,099	$ 200,918,905	$ 57,269,372
Single Family Regular Pool insurance coverage	3,515	$ 191,116,007	$ 122,239,929	$ 20,500,000

As of June 30, 2009, MHF had committed primary insurance coverage on 14 Revitalization (Pilot) Program mortgages in the amount of $2,619,760, with a liability of 2.5%.

NOTE 8 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

For pool insurance, as of June 30, 2009, MHF was contingently liable as insurer for an amount not to exceed $20,500,000. Coverage is limited to 10% of lendable proceeds for the aggregate of revenue bond issues (stop-loss). The amount significantly decreased in fiscal year 2007 based on an analysis CDA did on current lendable proceeds. For a portion of the insured loan portfolio, FHA has the primary only insurance coverage and MHF has only the pool insurance coverage. In addition, the Wisconsin Mortgage Assurance Corporation, formerly the Mortgage Guaranty Insurance Corporation, has provided reinsurance for a portion of mortgage loans financed by one series of CDA's bonds.

NOTE 9 - PENSION AND OTHER POST-RETIREMENT BENEFITS

Eligible employees of the State are covered under the retirement plans of the State Retirement and Pension System of Maryland (System) and are also entitled to certain healthcare benefits upon retirement. MHF's only liability 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 System is considered part of the State's financial reporting entity, and is not considered a part of MHF's reporting entity. The System prepares a separate Comprehensive Annual Financial Report which can be obtained from the State Retirement and Pension System of Maryland at 120 East Baltimore Street, Baltimore, Maryland 21202.

NOTE 10 - SUBSEQUENT EVENTS

MHF has evaluated subsequent events through September 30, 2009 which is the date of this report.

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MARYLAND HOUSING FUND

INTERIM FINANCIAL STATEMENTS

As of December 31, 2009

(UNAUDITED)

Maryland Housing Fund

STATEMENTS OF NET ASSETS

December 31, 2009 and June 30, 2009

(UNAUDITED)

	12/31/2009	6/30/2009
ASSETS		
Current assets		
Unrestricted current assets		
Deposit with State Treasurer		
Operating account	$ 3,542,240	$ 4,148,175
Investments	107,937	-
Loans and interest receivable, net of allowance for loans and related losses	34,145	124,288
Acquired property	91,168	90,325
Other	12,786	17,619
Total unrestricted current assets	3,788,276	4,380,407
Restricted current assets		
Deposit with State Treasurer		
Reserve accounts	102,156,351	106,927,361
Total restricted current assets	102,156,351	106,927,361
Total current assets	105,944,627	111,307,768
Non-current assets		
Investment held for borrower	1,069,883	1,109,713
Loans and interest receivable, net of allowance for loans and related losses and current portion	462,172	388,387
Total non-current assets	1,532,055	1,498,100
Total assets	$ 107,476,682	$112,805,868

(continued)

Maryland Housing Fund

STATEMENTS OF NET ASSETS - CONTINUED

December 31, 2009 and June 30, 2009

(UNAUDITED)

	12/31/2009	6/30/2009
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 341,660	$ 93,181
Accrued compensated absences	71,498	71,498
Accrued workers' compensation	465	465
Mortgage escrow accounts	411,552	439,709
Unearned premiums	2,699,342	2,930,791
Allowance for unpaid insurance losses	1,570,807	593,407
Total current liabilities	5,095,324	4,129,051
Non-current liabilities		
Accrued compensated absences, net of current portion	106,358	106,358
Accrued workers' compensation, net of current portion	2,535	2,535
Investment held for borrower	1,069,883	1,109,713
Allowance for unpaid insurance losses, net of current portion	12,149,176	12,685,478
Total non-current liabilities	13,327,952	13,904,084
Total liabilities	18,423,276	18,033,135
Net assets		
Restricted net assets		
Multi-Family Reserve	44,698,739	44,698,739
Regular Single Family Reserve	33,773,875	33,773,875
Revitalization (Pilot) Reserve	2,224,450	2,224,450
Home and Energy Loan Reserve	500,000	500,000
General Reserve	10,000,000	10,000,000
Unallocated Reserve	11,067,223	15,730,297
Total restricted net assets	102,264,287	106,927,361
Unrestricted accumulated deficit	(13,210,881)	(12,154,628)
Total net assets	89,053,406	94,772,733
Total liabilities and net assets	$ 107,476,682	$ 112,805,868

See notes to financial statements

Maryland Housing Fund

STATEMENTS OF REVENUES AND EXPENSES

As of December 31, 2009 and December 31, 2008

(UNAUDITED)

	12/31/2009	12/31/2008
Operating revenues		
Net premiums	$ 912,302	$ 948,065
Interest income on loans	268,545	269,596
Other income	31,582	22,426
Total operating revenues	1,212,429	1,240,087
Operating expenses		
General and administrative	1,399,994	1,400,000
Acquired property expenses	275,226	18,288
Net gain on sales of acquired property	(64,060)	-
Provision for insurance and loan losses	657,522	7,442,335
Total operating expenses	2,268,682	8,860,623
Operating loss	(1,056,253)	(7,620,536)
Non-operating revenues		
Restricted interest income on reserves	1,067,223	2,122,395
Total non-operating revenues	1,067,223	2,122,395
Change in net assets	$ 10,970	$ (5,498,141)

See notes to financial statements

Maryland Housing Fund

STATEMENTS OF CHANGES IN NET ASSETS

For the years dated December,31,2009 and June,30,2008 and 2009

(Unaudited)

	Restricted Net Assets							
	Multi-Family Reserve	Regular Single Family Reserve	Revitalization (Pilot) Reserve	Home and Energy Loan Reserve	General Reserve	Unallocated Reserve	Unrestricted Accumulated Deficit	Total
Balance at June 30, 2008	$ 44,698,739	$ 33,773,875	$ 2,224,450	$ 500,000	$ 10,000,000	$ 12,134,529	$ (5,717,921)	$ 97,613,672
Interest income allocated at the discretion of DHCD Secretary	-	-	-	-	-	3,595,768	(3,595,768)	-
Change in net assets	-	-	-	-	-	-	(2,840,939)	(2,840,939)
Balance at June 30, 2009	44,698,739	33,773,875	2,224,450	500,000	10,000,000	15,730,297	(12,154,628)	94,772,733
Interest income allocated at the discretion of DHCD Secretary	-	-	-	-	-	1,067,223	(1,067,223)	-
Transfers out						(5,730,297)		(5,730,297)
Change in net assets	-	-	-	-	-		10,970	10,970
Balance at December 31, 2009	$ 44,698,739	$ 33,773,875	$ 2,224,450	$ 500,000	$ 10,000,000	$ 11,067,223	$ (13,210,881)	$ 89,053,406

See notes to financial statements

Maryland Housing Fund

STATEMENTS OF CASH FLOWS

As of December 31, 2009 and December 31, 2008

(UNAUDITED)

	12/31/2009	12/31/2008
Cash flows from operating activities		
Receipts from premiums	$ 704,789	$ 2,806,418
Premiums refunded	(56,273)	(27,519)
Receipts from loans	68,479	68,479
Receipts from mortgage escrows	80,297	71,202
Payments for mortgage escrows	(108,455)	(108,047)
Receipts from miscellaneous fees	31,065	21,630
Payments for general and administrative expenses	(1,278,394)	(1,143,479)
Sale proceeds from acquired property	202,849	-
Payments for acquired property	(250,292)	(19,158)
Net cash (used in) provided by operating activities	(605,935)	1,669,526
Cash flows from investing activities		
Receipts from interest earned on reserves	959,287	1,794,242
Transfer out	(5,730,297)	-
Net cash provided by investing activities	(4,771,010)	1,794,242
Net increase in cash	(5,376,945)	3,463,768
Deposit with State Treasurer, balance - beginning of year	111,075,536	106,769,127
Deposit with State Treasurer, balance - end of period	$ 105,698,591	$ 110,232,895

Reconciliation of operating loss to net cash provided by (used in) operating activities		
Operating loss	$ (1,056,253)	$ (7,620,536)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Decrease in loans and interest receivable	16,358	15,307
Increase in acquired property	(843)	-
Decrease (increase) in investments and other assets	44,663	(41,614)
Increase in accounts payable and other accrued liabilities	180,491	257,525
Increase in allowance for unpaid insurance losses	441,098	7,225,910
Decrease (increase) in unearned premiums	(231,449)	1,832,934
Net cash (used in) provided by operating activities	$ (605,935)	$ 1,669,526

See notes to financial statements

Maryland Housing Fund

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and June 30, 2009

(Unaudited)

1. GENERAL DISCLOSURE

In the opinion of management, the accompanying financial statements of the Maryland Housing Fund present fairly the financial position at December 31, 2009 and the results of its operations for the six months ended December 31, 2009. These statements are unaudited, and certain information and footnote disclosures normally included in the audited annual financial statements have been omitted.

2. 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 periods ended December 31, 2009 and June 30, 2009:

	12/31/2009	6/30/2009
Multi-Family	$ 10,111,074	$ 10,163,249
Single Family	43,562	47,955
Interest receivable on loans	7,690,935	7,434,300
	17,845,571	17,645,504
Allowance for possible losses on Multi-Family loans	(9,658,319)	(9,700,439)
Allowance for possible losses on interest receivable	(7,690,935)	(7,432,390)
Total allowance for possible losses	(17,349,254)	(17,132,829)
Loans and interest receivable, net of allowance for loans and related losses	$ 496,317	$ 512,675
Current portion, net of allowance	$ 34,145	$ 124,288
Non-current portion, net of allowance	462,172	388,387
Loans and interest receivable, net of allowance for loans and related losses	$ 496,317	$ 512,675

Changes in the allowance for possible losses on loans and interest receivable were as follows for the periods ended December 31, 2009 and June 30, 2009:

	12/31/2009	6/30/2009
Balance, beginning of period	$ 17,132,829	$ 16,724,848
Provision charged to operations	216,425	407,981
Balance, end of period	$ 17,349,254	$ 17,132,829

Maryland Housing Fund

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009 and June 30, 2009

(Unaudited)

3. ALLOWANCE FOR UNPAID INSURANCE AND RELATED LOSSES

Changes in allowance for unpaid insurance losses were as follows:

	Multi-Family	Single Family	Total
Balance at June 30, 2008	$ 5,289,995	$ 2,442,295	$ 7,732,290
Increase in provision	879,180	4,740,413	5,619,593
Charge-offs	-	(72,998)	(72,998)
Balance at June 30, 2009	6,169,175	7,109,710	13,278,885
(Decrease) increase in provision	(64,245)	505,343	441,098
Balance at December 31, 2009	$ 6,104,930	$ 7,615,053	$ 13,719,983

APPENDIX J

INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS
As of December 31, 2009

Principal Balance		Guaranteed Investment Contract Provider and Other investments	Rate of Earnings	Maturity	
		Program Fund			***Program Fund Series***
$8,812,772		Money Market Funds	Varies	On demand	Other series
$6,999,977		Federal Home Loan Banks	Discount Note	1/7/2010	Other series
$1,000,900	(1)	Federal Home Loan Banks	Discount Note	3/19/2010	Other series
$2,002,399	(1)	Federal Home Loan Banks	Discount Note	4/19/2010	Other series
$999,500	(1)	Federal Home Loan Banks	Discount Note	5/21/2010	Other series
$801,063		Money Market Funds	Varies	On demand	2006 Series K and L
$8,999,100	(1)	Federal Home Loan Banks	Discount Note	3/19/2010	2006 Series K and L
$621,153		Money Market Funds	Varies	On demand	2007 Series A
$4,998,500	(1)	Federal Home Loan Banks	Discount Note	4/19/2010	2007 Series A
$200,278		Money Market Funds	Varies	On demand	2007 Series K
$1,999,798	(1)	Federal Home Loan Mortgage Corp.	Discount Note	7/23/2010	2007 Series K
$397,405		Money Market Funds	Varies	On demand	2008 Series A
$8,001,997	(1)	Federal Home Loan Banks	Discount Note	5/21/2010	2008 Series A
$5,000,497	(1)	Federal Home Loan Mortgage Corp.	Discount Note	6/21/2010	2008 Series A
$1,377,721		Money Market Funds	Varies	On demand	2008 Series B, C and D
$7,001,096	(1)	Federal Home Loan Mortgage Corp.	Discount Note	6/21/2010	2008 Series C
$4,565,403		Money Market Funds	Varies	On demand	2009 Series A
$5,999,980		Federal Home Loan Banks	Discount Note	1/7/2010	2009 Series A
$30,675,275		Money Market Funds	Varies	On demand	2009 Series B
$5,673,017		Money Market Funds	Varies	On demand	2009 Series C
$10,000,000	(1)	Federal Home Loan Banks	Discount Note	2/19/2010	2009 Series C
		Revenue (Float) Fund			
$47,118,816		Money Market Funds	Varies	On demand	
$5,658,840		Westdeutsche Landesbank Gironzentrale, New York Branch	5.96%	9/1/2029	
		Reserve Fund			
$29,771,768		Money Market Funds	Varies	On demand	
$4,999,490	(1)	Federal Home Loan Mortgage Corp.	Discount Note	8/20/2010	

Principal Balance		Guaranteed Investment Contract Provider and Other investments	Rate of Earnings	Maturity
$5,879,869	(1)	Federal Home Loan Mortgage Corp.	6.875%	9/15/2010
$2,250,235	(1)	Federal Farm Credit Bonds	5.25%	8/13/2019
$1,231,569		Westdeutsche Landesbank Gironzentrale, New York Branch	5.22%	9/1/2029
$3,398,100	(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
$2,361,352	(1)	Federal Home Loan Mortgage Corp.	6.25%	7/15/2032
		Collateral Reserve Fund *(2)(3)*		
$19,921,299		Money Market Funds	Varies	On demand
$11,998,800	(1)	Federal National Mortgage Association	Discount Note	3/3/2010
$11,683,632	(1)	Federal Home Loan Banks	5.25%	6/11/2010
$11,788,446	(1)	Federal Home Loan Mortgage Corp.	5.125%	8/23/2010
$168,369	(1)	U.S. Treasury Bonds	9.25%	2/15/2016
$360,226	(1)	U.S. Treasury Bonds	7.25%	5/15/2016
$1,459,345	(1)	U.S. Treasury Bonds	7.50%	11/15/2016
$555,524	(1)	U.S. Treasury Bonds	8.75%	5/15/2017
$774,258	(1)	U.S. Treasury Bonds	8.875%	8/15/2017
$119,319	(1)	U.S. Treasury Bonds	9.125%	5/15/2018
$525,227	(1)	U.S. Treasury Bonds	8.875%	2/15/2019
$651,317	(1)	U.S. Treasury Bonds	8.50%	2/15/2020
$1,365,924	(1)	U.S. Treasury Bonds	7.625%	11/15/2022
$1,232,600	(1)	U.S. Treasury Bonds	6.25%	8/15/2023
$8,750,000		Westdeutsche Landesbank Gironzentrale, New York Branch	5.96%	9/1/2029
		Warehouse Loan Fund *(4)*		
$19,795,264		Money Market Funds	Varies	On demand
$10,022,998	(1)	Federal National Mortgage Association	Discount Note	3/3/2010
$4,999,495	(1)	Federal Home Loan Mortgage Corp.	Discount Note	7/23/2010
		Special Redemption Fund		
$38,982,509		Money Market Funds	Varies	On demand

Principal Balance	Guaranteed Investment Contract Provider and Other investments	Rate of Earnings	Maturity
	Other Funds		
$618,716	Money Market Funds	Varies	On demand

(1) In keeping with the provisions of GASB 31, these investments are reported at fair value. The total book value at December 31, 2009 for the investments referenced was $124,025,493 and the increase in fair value of these investments was $2,572,820.

(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) On August 18, 2009, all outstanding bonds in the Multi-Family Housing Revenue Bond program were defeased and all remaining investments (U.S. Treasury Bonds) were transferred to Residential Revenue Bonds - Additional Collateral Funds Account under the Collateral Reserve Fund.

(4) 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.

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APPENDIX K

RESIDENTIAL REVENUE BOND PROGRAM LOAN PORTFOLIO BY BOND SERIES AND INTEREST RATE
as of December 31, 2009 (1) (2)

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Original Number of Loans	Original Amount of All Loans $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
Collateral Reserve Fund			**106**	**8,764,712**	**57**	**3,447,457**
	4.000%	(3)	106	8,764,712	57	3,447,457
1997 Series A			**198**	**16,992,005**	**47**	**2,920,264**
	4.000%		41	3,633,437	17	1,022,326
	6.000%		2	173,590	1	58,974
	6.400%		154	13,140,565	28	1,799,941
	7.500%		1	44,413	1	39,024
1997 Series B			**999**	**81,171,892**	**243**	**14,538,427**
	4.000%		210	17,674,896	99	6,158,162
	5.500%	(4), (4.1)	48	3,436,397	14	744,665
	6.400%		732	59,127,375	128	7,491,185
	6.900%		9	933,224	2	144,415
1998 Series A			**61**	**4,552,300**	**23**	**1,298,396**
	5.000%		49	3,602,864	20	1,151,899
	6.100%		12	949,436	3	146,497
1998 Series B			**899**	**74,306,563**	**205**	**12,286,990**
	5.500%	(4), (4.2)	201	16,692,492	60	3,773,552
	6.100%		665	54,369,384	141	8,192,802
	6.250%		9	1,033,541	2	179,509
	6.500%		3	297,847	0	0
	6.750%		21	1,913,299	2	141,127
1998 Series D			**708**	**61,727,224**	**181**	**12,087,521**
	4.000%	(4), (4.3)	33	1,909,980	15	656,674
	5.500%	(4), (4.4)	647	56,978,406	162	11,088,834
	5.500%		11	982,596	0	0
	6.375%		17	1,856,242	4	342,014
1999 Series C			**25**	**2,584,548**	**10**	**953,747**
	5.000%		20	1,982,759	8	762,928
	6.125%		1	124,287	0	0
	6.900%		4	477,502	2	190,820
1999 Series D			**592**	**56,333,589**	**112**	**7,905,954**
	6.000%		150	13,996,588	32	2,147,524
	6.125%		353	33,902,866	64	4,509,444
	6.500%		89	8,434,135	16	1,248,985
1999 Series E			**597**	**22,351,652**	**187**	**3,347,922**
	4.750%	(5), (5.8)	85	394,307	50	211,214
	4.950%	(5), (5.7)	37	989,443	21	466,442
	5.750%	(5), (5.1)	287	3,771,241	91	1,007,907
	4.950%		3	290,716	1	117,025
	6.000%		1	161,100	0	0
	6.125%		5	565,650	1	101,613
	6.750%		73	6,559,151	7	421,539
	7.000%		106	9,620,044	16	1,022,183
1999 Series F			**596**	**56,193,694**	**76**	**5,285,006**
	6.125%		1	80,600	0	0
	6.500%		265	24,041,780	40	2,785,699

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Original Number of Loans	Original Amount of All Loans $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
	6.750%		69	6,780,630	10	689,058
	6.900%		2	234,547	0	0
	7.000%		214	20,439,573	22	1,611,271
	7.250%		9	924,241	1	53,311
	7.500%		36	3,692,323	3	145,666
1999 Series H			**614**	**58,868,174**	**78**	**5,644,417**
	6.000%		158	16,020,135	42	3,184,094
	6.250%		1	64,450	0	0
	7.000%		254	23,728,090	25	1,669,600
	7.250%		142	13,335,578	9	644,804
	7.500%		59	5,719,921	2	145,919
2000 Series A			**83**	**7,818,452**	**9**	**602,560**
	6.900%		75	7,002,330	8	525,556
	7.000%		1	64,648	0	0
	7.500%		7	751,474	1	77,003
2000 Series B			**744**	**68,248,330**	**160**	**9,834,976**
	5.000%	(5), (5.3)	71	1,265,057	37	575,743
	5.000%		25	2,528,717	10	846,384
	5.050%	(5), (5.6)	17	375,455	9	153,384
	5.750%		98	11,039,408	29	2,565,203
	5.875%		123	11,767,170	40	3,336,703
	6.900%		157	15,753,125	12	742,889
	7.250%		253	25,519,399	23	1,614,669
2000 Series C			**63**	**5,975,178**	**5**	**398,594**
	7.125%		1	39,979	0	0
	7.250%		62	5,935,199	5	398,594
2000 Series D			**729**	**72,613,685**	**114**	**8,606,263**
	4.750%		3	291,990	0	0
	5.000%	(5), (5.3)	71	5,750,253	37	2,617,012
	5.750%		26	2,821,884	7	546,925
	5.875%		36	3,765,184	7	650,323
	6.000%		13	1,460,445	2	135,095
	6.250%		14	1,479,231	1	138,606
	6.900%		8	874,569	0	0
	7.000%		7	643,123	0	0
	7.125%		335	34,038,611	42	3,205,304
	7.250%		199	19,866,106	18	1,312,998
	7.500%		17	1,622,289	0	0
2000 Series F			**162**	**14,922,531**	**22**	**1,657,432**
	6.000%		1	147,300	0	0
	6.750%		143	13,074,753	19	1,431,296
	7.000%		12	1,167,793	0	0
	7.125%		6	532,685	3	226,136
2000 Series G			**880**	**63,725,157**	**245**	**12,049,236**
	5.000%	(4), (4.5)	347	27,059,330	91	5,832,793
	5.000%	(5), (5.4)	189	3,755,747	89	1,512,088
	5.500%		2	129,312	1	48,813
	5.875%		88	8,037,054	28	2,208,499
	6.900%		1	87,500	0	0
	6.750%		23	2,681,774	3	280,517
	7.000%		96	9,293,184	17	1,215,281
	7.125%		45	4,333,000	7	476,887
	7.250%		42	3,960,526	5	260,180
	7.500%		47	4,387,730	4	214,179
2000 Series H			**618**	**53,429,090**	**121**	**6,337,493**
	4.750%	(5), (5.8)	85	1,636,729	50	876,730
	5.500%		28	2,353,445	14	1,080,760
	5.875%		29	3,461,107	6	620,465

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Original Number of Loans	Original Amount of All Loans $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
	6.000%		27	2,552,760	8	644,209
	6.125%		1	148,100	0	0
	6.250%		17	1,979,952	1	128,639
	6.375%		94	8,970,879	16	1,201,040
	6.500%		2	181,700	1	76,491
	6.600%		3	273,077	0	0
	6.750%		21	2,103,350	4	319,110
	7.000%		82	7,663,564	13	892,365
	7.125%		2	182,379	0	0
	7.250%		49	5,175,460	2	106,230
	7.500%		178	16,746,588	6	391,455
2001 Series A			**443**	**15,488,359**	**233**	**6,749,022**
	4.000%	(5), (5.2)	392	14,406,838	207	6,284,746
	4.750%	(5), (5.5)	51	1,081,521	26	464,277
2001 Series B			**464**	**38,677,739**	**187**	**12,663,918**
	4.750%	(5), (5.8)	85	5,491,320	50	2,941,480
	5.875%	(4), (4.6)	117	10,873,159	31	2,322,439
	5.000%	(5), (5.4)	189	15,022,989	89	6,048,350
	5.875%		14	1,448,897	6	511,239
	6.125%		59	5,841,374	11	840,409
2001 Series E			**141**	**13,490,845**	**46**	**3,679,998**
	5.500%		18	1,544,567	4	294,659
	5.750%		44	4,470,263	12	993,179
	5.875%		79	7,476,015	30	2,392,160
2001 Series F			**751**	**64,962,862**	**243**	**16,442,321**
	4.000%	(4), (4.8)	104	5,671,011	56	2,587,796
	4.950%	(5), (5.7)	37	3,049,101	21	1,437,402
	5.050%	(5), (5.6)	17	1,256,956	9	513,502
	5.750%	(5), (5.1)	287	24,782,543	91	6,623,414
	5.250%		2	201,888	1	66,764
	5.750%		2	185,850	0	0
	5.875%		39	4,184,509	13	1,137,411
	6.000%	(4), (4.7)	58	5,690,025	9	659,502
	6.125%		2	201,633	0	0
	6.250%		136	13,362,933	33	2,597,584
	6.375%		42	3,830,881	5	384,738
	6.000%		2	197,476	1	56,897
	6.500%		1	94,242	1	79,114
	6.750%		4	409,076	2	208,272
	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	89,925
2001 Series G			**101**	**9,909,563**	**33**	**2,772,796**
	5.000%		13	1,430,799	4	396,309
	5.750%		17	1,795,404	5	380,053
	5.875%		71	6,683,360	24	1,996,435
2001 Series H			**664**	**38,792,365**	**365**	**16,523,996**
	4.000%	(5), (5.2)	392	20,955,436	207	9,141,463
	4.750%	(5), (5.5)	51	3,424,816	26	1,470,210
	5.000%		27	2,782,283	16	1,459,020
	5.250%		6	683,303	2	121,051
	5.500%		56	4,330,052	26	1,831,136
	5.500%	(5), (5.9)	85	1,593,518	73	1,263,144
	5.750%		41	4,426,872	13	1,042,291
	5.875%		6	596,085	2	195,682
2002 Series A			**154**	**7,795,314**	**112**	**4,503,184**
	4.950%		23	2,443,293	11	979,605
	5.000%		4	398,607	2	159,898

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Original Number of Loans	Original Amount of All Loans $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
	5.050%		7	739,784	3	277,529
	5.500%		4	315,855	1	59,350
	5.750%		2	209,609	1	112,713
	5.875%		1	78,746	1	77,560
	6.000%	(5), (5.10)	113	3,609,420	93	2,836,528
2003 Series A			**79**	**9,224,370**	**41**	**4,313,880**
	4.000%		3	173,550	3	152,694
	4.950%		74	8,751,820	38	4,161,186
	5.050%		1	170,600	0	0
	5.750%		1	128,400	0	0
2003 Series B			**142**	**15,582,439**	**83**	**7,730,365**
	4.000%		14	767,050	13	619,581
	4.950%		122	14,177,671	68	6,983,477
	5.000%		2	156,400	1	63,394
	5.050%		3	409,918	0	0
	5.500%		1	71,400	1	63,913
2003 Series C			**167**	**19,315,068**	**95**	**9,712,723**
	4.000%		2	109,600	2	96,370
	4.950%		161	18,775,840	92	9,552,556
	5.050%		3	284,628	1	63,797
	5.250%		1	145,000	0	0
2004 Series A			**90**	**10,360,109**	**53**	**5,615,309**
	4.000%		1	54,800	0	0
	4.950%		89	10,305,309	53	5,615,309
2004 Series B			**183**	**19,346,007**	**112**	**10,291,114**
	4.000%		13	748,950	9	458,415
	4.750%		29	2,279,721	23	1,460,096
	4.950%		140	16,177,065	79	8,247,022
	5.050%		1	140,271	1	125,581
2004 Series C			**172**	**19,335,622**	**89**	**9,059,175**
	4.950%		172	19,335,622	89	9,059,175
2004 Series D			**108**	**12,549,774**	**66**	**6,676,584**
	4.875%		24	2,515,629	16	1,482,492
	4.950%		83	9,977,645	50	5,194,092
	5.000%		1	56,500	0	0
2004 Series E			**233**	**26,846,480**	**145**	**15,099,334**
	4.750%		20	1,582,179	13	925,720
	4.875%		21	2,051,624	13	1,204,161
	4.950%		156	18,716,672	99	10,798,396
	5.250%		35	4,391,866	19	2,069,154
	5.500%		1	104,139	1	101,903
2004 Series F			**158**	**19,324,293**	**99**	**11,020,158**
	4.875%		12	1,215,300	10	934,634
	4.950%		59	6,876,147	37	3,865,182
	5.125%		19	2,626,708	11	1,608,884
	5.250%		19	2,666,673	11	1,286,293
	5.500%		49	5,939,465	30	3,325,165
2004 Series G			**113**	**12,996,789**	**60**	**6,079,260**
	5.000%		7	473,413	6	358,148
	5.500%		106	12,523,376	54	5,721,112
2004 Series H			**219**	**26,715,004**	**134**	**15,078,485**
	4.875%		62	6,900,204	45	4,712,119
	4.950%		34	4,406,672	18	2,223,879
	5.000%		1	77,100	1	70,773
	5.125%		13	1,586,951	8	961,833

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Original Number of Loans	Original Amount of All Loans $ [(2)]	Number of Outstanding Loans	Outstanding Principal Balance $ [(2)]
	5.250%		17	2,429,990	6	738,483
	5.500%		70	8,495,723	44	4,867,352
	5.625%		22	2,818,364	12	1,504,047
2004 Series I			**159**	**19,277,983**	**91**	**9,879,300**
	5.125%		15	1,760,213	12	1,170,222
	5.500%		144	17,517,770	79	8,709,078
2005 Series A			**113**	**12,313,633**	**76**	**7,211,314**
	4.875%		73	7,239,216	52	4,563,214
	4.950%		2	264,864	1	102,693
	5.125%		2	315,300	0	0
	5.250%		6	755,648	3	266,523
	5.500%		1	248,035	0	0
	5.625%		29	3,490,570	20	2,278,884
2005 Series B			**240**	**27,446,136**	**168**	**17,641,473**
	4.875%		45	4,876,412	35	3,516,862
	5.000%		29	2,154,101	26	1,760,744
	5.250%		4	465,972	4	431,873
	5.500%		51	5,948,622	32	3,657,334
	5.625%		111	14,001,029	71	8,274,660
2005 Series C			**162**	**19,403,566**	**123**	**13,999,242**
	4.875%		35	4,705,721	26	3,303,018
	5.000%		31	2,482,096	25	1,831,140
	5.250%		9	1,318,226	7	992,080
	5.500%		30	3,798,298	21	2,697,493
	5.625%		57	7,099,225	44	5,175,511
2005 Series D			**85**	**12,859,954**	**65**	**9,024,889**
	4.875%		16	1,688,555	14	1,369,423
	5.000%		14	1,082,256	12	837,013
	5.250%		5	643,049	4	426,705
	5.625%		9	1,118,504	7	767,992
	5.875%		27	5,743,059	18	3,800,940
	5.950%		14	2,584,531	10	1,822,816
2005 Series E			**315**	**43,519,211**	**270**	**35,196,727**
	4.875%		93	11,478,520	82	9,400,215
	5.000%		6	809,399	6	770,265
	5.250%		10	1,436,811	9	1,270,180
	5.500%		101	14,110,261	85	11,343,943
	5.500%	(5), (5.9)	85	11,531,901	73	9,141,065
	5.625%		5	758,386	2	404,972
	5.875%		15	3,393,933	13	2,866,087
2006 Series A			**73**	**11,607,921**	**62**	**9,349,611**
	4.875%		31	4,539,939	29	4,094,507
	5.000%		1	95,380	1	88,829
	5.250%		3	311,363	2	216,813
	5.500%		29	4,777,178	24	3,728,303
	5.875%		9	1,884,061	6	1,221,158
2006 Series B			**279**	**47,295,765**	**239**	**38,382,296**
	4.875%		99	15,693,099	94	14,202,251
	5.000%		2	397,114	2	380,364
	5.250%		12	2,296,906	11	2,030,260
	5.500%		133	21,842,494	106	16,505,639
	5.625%		1	97,500	1	94,860
	5.875%		31	6,750,357	24	4,955,860
	6.000%		1	218,295	1	213,062
2006 Series E			**121**	**22,807,005**	**106**	**19,940,824**
	4.875%		40	7,394,737	33	6,177,601
	5.25%		17	3,581,720	17	3,487,615

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Original Number of Loans	Original Amount of All Loans $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
	5.50%		48	8,701,963	42	7,625,559
	5.75%		8	1,783,396	7	1,569,610
	5.88%		8	1,345,189	7	1,080,438
2006 Series F			**310**	**57,464,822**	**273**	**48,756,304**
	4.875%		112	19,524,451	94	15,990,862
	4.950%		20	3,481,781	19	3,200,355
	5.000%		3	692,550	3	671,140
	5.250%		31	6,329,094	26	5,315,746
	5.375%		1	254,900	1	248,105
	5.500%		94	17,703,212	86	15,307,063
	5.625%		3	584,273	2	212,659
	5.750%		27	4,588,477	25	4,078,414
	5.875%		10	2,271,150	9	2,029,664
	6.000%		6	1,392,284	5	1,092,459
	6.375%		3	642,650	3	609,837
2006 Series G			**195**	**38,789,329**	**172**	**33,428,600**
	4.875%		24	4,026,353	20	3,420,311
	4.950%		26	4,544,864	25	4,139,263
	5.075%		1	127,500	1	124,321
	5.250%		17	3,066,442	15	2,537,047
	5.375%		1	239,000	1	233,470
	5.500%		44	8,908,671	36	7,183,619
	5.625%		3	711,900	3	703,213
	5.750%		37	8,485,120	36	7,893,940
	5.875%		2	603,000	2	602,230
	6.000%		24	4,857,829	20	3,934,957
	6.125%		2	331,000	2	326,557
	6.250%		3	472,650	3	465,869
	6.375%		5	896,000	2	362,151
	6.500%		2	536,000	2	528,051
	6.625%		2	346,000	2	345,469
	6.750%		1	337,000	1	328,938
	7.000%		1	300,000	1	299,194
2006 Series H			**113**	**16,917,935**	**93**	**13,295,263**
	6.000%	(5), (5.10)	113	16,917,935	93	13,295,263
2006 Series I			**849**	**142,911,431**	**740**	**120,979,790**
	4.950%		1	196,476	1	194,865
	4.875%		52	10,111,460	47	9,039,028
	4.950%		47	8,730,918	45	8,044,623
	5.000%		2	421,053	2	408,525
	5.075%		1	93,000	1	90,260
	5.250%		39	6,826,240	35	5,788,960
	5.375%		16	3,096,756	13	2,385,226
	5.500%		148	26,649,861	134	23,095,954
	5.625%		28	6,295,185	26	5,697,172
	5.750%		102	19,024,465	93	16,653,480
	5.875%		33	7,539,675	27	6,016,644
	6.000%		82	15,850,793	66	12,203,843
	6.000%	(5), (5.10)	113	2,076,304	93	1,631,701
	6.125%		29	7,007,450	25	5,961,506
	6.250%		130	23,617,762	112	19,531,901
	6.375%		9	1,793,763	7	1,415,742
	6.500%		4	851,000	2	496,617
	6.625%		11	2,203,270	9	1,801,734
	6.750%		2	526,000	2	522,008
2006 Series J			**300**	**58,250,788**	**264**	**49,691,286**
	4.875%		6	808,113	5	645,009
	4.950%		8	1,658,181	6	1,267,905
	5.250%		1	268,450	1	262,933
	5.375%		4	778,075	4	741,924
	5.500%		5	1,180,400	4	951,821

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Original Number of Loans	Original Amount of All Loans $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
	5.625%		57	9,633,855	54	8,843,840
	5.750%		7	1,439,192	6	1,178,189
	5.875%		39	7,161,201	38	6,752,552
	6.000%		14	2,317,434	13	2,100,951
	6.125%		39	7,978,734	29	5,882,155
	6.250%		11	2,759,240	4	934,071
	6.375%		70	13,749,955	62	11,993,953
	6.500%		6	1,341,170	6	1,300,848
	6.625%		3	422,931	3	414,954
	6.750%		7	1,754,500	6	1,446,975
	7.125%		2	558,939	2	549,576
	7.500%		16	3,315,418	16	3,298,698
	7.750%		2	446,000	2	445,931
	7.625%		3	679,000	3	679,000
2006 Series K			**22**	**4,832,161**	**21**	**4,520,563**
	5.625%		4	732,320	4	712,216
	5.750%		9	1,847,367	9	1,820,255
	6.125%		2	462,825	1	205,700
	6.375%		5	1,300,649	5	1,297,914
	6.625%		1	266,000	1	265,892
	7.125%		1	223,000	1	218,586
2006 Series L			**830**	**163,506,275**	**754**	**145,331,376**
	4.875%		2	233,111	2	221,350
	4.950%		14	2,672,136	12	2,283,174
	5.000%		11	1,072,794	11	1,012,661
	5.075%		1	197,500	1	194,020
	5.250%		70	12,886,053	66	11,905,997
	5.375%		9	2,124,925	9	2,092,630
	5.500%		169	31,225,328	157	28,102,100
	5.625%		22	5,017,636	20	4,344,842
	5.750%		151	30,566,646	134	26,742,455
	5.875%		8	1,842,094	8	1,808,980
	6.000%		94	19,062,754	91	18,141,461
	6.125%		21	4,445,810	19	4,051,263
	6.250%		197	38,151,991	175	33,078,264
	6.375%		18	4,349,952	18	4,304,779
	6.500%		11	2,448,466	7	1,549,778
	6.625%		24	5,473,533	17	3,928,583
	6.750%		8	1,735,546	7	1,569,038
2006 Series O			**49**	**9,707,644**	**47**	**9,121,796**
	5.250%		6	1,090,530	4	648,696
	5.375%		1	113,700	1	110,830
	5.500%		12	2,549,192	12	2,519,657
	5.750%		12	2,130,840	12	2,094,716
	6.000%		7	1,544,282	7	1,513,038
	6.250%		5	949,650	5	935,457
	6.500%		2	310,400	2	304,086
	6.625%		2	685,150	2	666,016
	6.750%		2	333,900	2	329,300
2006 Series P			**554**	**84,666,902**	**505**	**75,606,002**
	4.950%		4	491,324	4	483,083
	5.000%		6	551,854	6	521,974
	5.250%		49	8,678,384	43	7,481,018
	5.375%		4	824,400	4	805,834
	5.500%		104	20,278,967	97	18,281,829
	5.625%		5	1,081,611	4	817,763
	5.750%		73	15,635,164	67	14,151,372
	5.875%		7	1,423,768	7	1,405,454
	6.000%		108	21,827,068	103	20,225,679
	6.125%		8	1,445,545	5	1,004,535
	6.250%		3	611,800	3	603,400
	6.250%	(5), (5.11)	147	3,366,396	132	2,938,428

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Original Number of Loans	Original Amount of All Loans $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
	6.375%		11	2,566,628	9	2,074,275
	6.500%		14	3,341,083	13	3,004,422
	6.625%		8	1,865,110	6	1,434,073
	6.750%		3	677,800	2	372,864
2006 Series S			**147**	**24,465,406**	**132**	**21,355,137**
	6.250%	(5), (5.11)	147	24,465,406	132	21,355,137
2007 Series A			**1,427**	**268,524,348**	**1,313**	**243,335,768**
	4.950%		1	210,491	0	
	5.000%		5	596,685	5	563,012
	5.250%		33	6,399,246	31	5,860,704
	5.375%		3	631,900	3	627,814
	5.500%		264	51,135,869	246	47,097,323
	5.625%		18	2,804,574	17	2,567,432
	5.750%		243	53,856,895	221	48,754,805
	5.875%		21	4,327,312	19	3,716,846
	6.000%		237	49,476,748	221	45,461,074
	6.125%		22	4,220,849	21	4,046,033
	6.250%		148	30,699,603	135	27,819,874
	6.250%	(5), (5.12)	166	3,475,600	154	3,166,188
	6.375%		65	14,121,211	58	12,471,625
	6.500%		83	18,906,030	73	16,180,835
	6.625%		45	10,575,155	41	9,395,703
	6.750%		60	13,834,015	55	12,383,169
	6.875%		4	780,744	4	770,539
	7.000%		6	1,732,021	6	1,719,436
	7.125%		2	489,900	2	483,877
	7.250%		1	249,500	1	249,480
2007 Series B			**166**	**29,434,166**	**154**	**26,813,814**
	6.250%	(5), (5.12)	166	29,434,166	154	26,813,814
2007 Series C			**719**	**43,558,065**	**674**	**39,786,616**
	5.500%		21	2,846,368	21	2,780,763
	5.750%		21	4,090,406	19	3,794,293
	5.875%		3	502,160	3	489,971
	6.000%	(5), (5.17)	53	495,363	52	481,846
	6.000%		13	3,185,341	11	2,541,868
	6.125%	(5), (5.22)	49	2,186,557	47	2,055,415
	6.250%		11	2,474,034	11	2,464,317
	6.250%	(5), (5.21)	147	4,951,091	141	4,677,066
	6.375%		16	3,613,115	15	3,280,567
	6.500%		22	4,491,579	21	4,078,169
	6.500%	(5), (5.18)	103	3,151,385	98	2,941,032
	6.625%		12	2,635,249	10	2,158,462
	6.750%		9	1,882,186	7	1,488,776
	6.750%	(5), (5.20)	90	1,790,590	85	1,643,872
	6.875%		3	687,334	3	685,174
	7.000%		4	1,195,383	4	1,187,844
	7.000%	(5), (5.19)	88	1,470,143	75	1,228,532
	7.125%		1	234,740	1	234,740
	7.250%		1	213,000	1	202,039
	7.250%	(5), (5.16)	52	1,462,041	49	1,371,871
2007 Series D			**1,180**	**171,409,954**	**1,097**	**156,008,995**
	5.500%	(5), (5.14)	163	4,174,757	154	3,854,500
	5.625%		13	2,239,883	11	1,592,931
	5.750%		50	9,268,369	49	9,032,498
	5.875%		2	308,999	2	300,239
	6.000%		104	18,744,635	100	17,315,415
	6.125%		12	2,971,354	11	2,645,626
	6.250%		70	14,022,667	68	13,397,855
	6.250%	(5), (5.13)	200	3,651,140	186	3,330,146
	6.375%		47	9,988,384	40	8,386,475
	6.500%		111	22,220,138	101	19,920,353

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Original Number of Loans	Original Amount of All Loans $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
	6.625%		47	11,275,581	45	10,791,331
	6.750%		124	26,165,637	109	22,588,694
	6.875%		36	8,010,313	33	7,110,351
	6.875%	(5), (5.15)	34	782,894	32	723,347
	7.000%		86	18,757,373	81	17,615,665
	7.125%		30	7,240,612	26	6,374,604
	7.250%		45	10,236,818	43	9,682,761
	7.375%		1	255,000	1	255,000
	7.625%		4	869,400	4	865,725
	7.750%		1	226,000	1	225,479
2007 Series E			**319**	**47,977,342**	**297**	**43,810,795**
	5.625%		6	1,329,942	6	1,305,414
	5.750%		8	1,611,893	8	1,588,990
	6.125%		9	2,022,144	8	1,735,304
	6.250%	(5), (5.13)	200	23,606,706	186	21,531,297
	6.625%		10	2,089,101	8	1,502,674
	6.875%	(5), (5.15)	34	7,117,227	32	6,575,889
	7.250%	(5), (5.16)	52	10,200,329	49	9,571,228
2007 Series F			**465**	**50,393,137**	**439**	**47,009,865**
	6.500%	(5), (5.14)	163	22,914,354	154	21,156,533
	5.500%	(5), (5.13)	200	9,621,985	186	8,776,057
	6.000%	(5), (5.17)	53	8,916,461	52	8,673,146
	6.125%	(5), (5.22)	49	8,940,338	47	8,404,128
2007 Series G			**295**	**58,957,023**	**276**	**54,819,300**
	5.750%		10	1,639,424	10	1,588,648
	5.875%		3	555,934	3	545,315
	6.000%		25	3,787,825	22	3,216,743
	6.125%		1	174,900	1	171,037
	6.250%		35	6,628,516	35	6,575,505
	6.375%		2	333,900	2	323,559
	6.500%		33	6,529,214	30	5,964,953
	6.625%		6	1,495,698	6	1,469,867
	6.750%		42	8,873,216	40	8,484,401
	6.875%		19	4,353,102	16	3,612,992
	7.000%		45	8,889,245	42	8,370,220
	7.125%		25	5,590,389	21	4,643,536
	7.250%		46	9,544,660	45	9,291,660
	7.625%		3	561,000	3	560,866
2007 Series H			**416**	**60,893,787**	**391**	**55,703,495**
	5.500%		11	1,833,541	11	1,788,271
	5.750%		13	2,416,354	12	2,230,286
	5.875%	(5), (5.23)	143	6,257,948	139	5,925,875
	5.875%		5	668,521	5	659,184
	6.000%		19	2,984,572	18	2,768,959
	6.125%		10	2,223,072	10	2,205,474
	6.250%		44	8,742,574	39	7,442,944
	6.375%		2	472,698	2	468,669
	6.500%		25	5,225,915	23	4,730,439
	6.625%		9	1,799,703	6	1,179,931
	6.750%		40	7,517,445	38	7,123,735
	6.875%		17	3,754,520	17	3,680,789
	7.000%		51	10,578,037	47	9,643,683
	7.125%		6	1,436,495	4	1,110,101
	7.250%		19	4,587,392	18	4,350,783
	7.500%		1	252,500	1	252,500
	7.750%		1	142,500	1	141,872
2007 Series I			**317**	**61,300,580**	**297**	**56,274,713**
	5.625%		11	1,749,717	11	1,710,877
	5.750%		41	7,819,504	41	7,669,749
	5.875%		30	6,277,392	30	6,160,057
	6.000%		6	1,166,659	6	1,152,227

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Original Number of Loans	Original Amount of All Loans $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
	6.125%		25	6,128,968	24	5,736,303
	6.250%		1	61,931	1	61,205
	6.375%		8	1,914,810	7	1,634,941
	6.500%	(5), (5.18)	103	18,537,582	98	17,300,206
	6.625%		3	452,926	3	445,858
	6.750%		1	228,000	1	227,999
	7.000%	(5), (5.19)	88	16,963,091	75	14,175,291
2007 Series J			**395**	**60,890,081**	**379**	**57,116,413**
	5.500%		3	419,183	3	408,729
	6.375%		6	1,418,450	6	1,404,302
	6.625%		3	692,834	3	691,107
	6.750%		3	662,394	2	427,699
	6.750%	(5), (5.20)	90	13,813,132	85	12,681,314
	6.250%	(5), (5.21)	147	22,851,219	141	21,586,487
	5.875%	(5), (5.23)	143	21,032,868	139	19,916,775
2007 Series K			**304**	**26,948,323**	**289**	**24,831,236**
	5.500%		6	969,173	6	946,986
	5.625%		17	2,613,845	16	2,270,242
	5.750%		9	1,711,090	9	1,685,645
	5.875%	(5), (5.24)	179	5,568,953	171	5,162,212
	5.875%		7	1,077,370	7	1,067,071
	6.000%		33	4,871,290	33	4,824,845
	6.125%		13	2,596,787	13	2,574,781
	6.250%		8	1,375,039	7	1,179,261
	6.375%		7	1,518,049	7	1,496,562
	6.500%		2	568,103	2	565,295
	6.625%		13	2,194,456	10	1,666,275
	6.750%		9	1,769,801	7	1,278,656
	7.000%		1	114,367	1	113,404
2007 Series M			180	29,359,952	172	27,223,520
	5.500%		1	121,642.00	1	120,697.09
	5.875%	(5), (5.24)	179	29,238,310	171	27,102,823
2008 Series A			**253**	**46,137,376**	**229**	**41,183,074**
	5.500%		4	598,287	4	586,888
	5.625%		1	137,740	1	135,337
	5.750%		3	802,692	3	789,132
	5.875%		50	9,186,172	47	8,702,335
	6.000%		6	893,788	6	879,722
	6.125%		26	4,739,102	21	3,731,153
	6.250%		114	19,182,458	104	17,128,974
	6.375%		12	2,609,492	11	2,335,686
	6.500%		13	2,624,889	13	2,603,709
	6.625%		1	325,700	1	320,261
	6.750%		8	1,902,275	7	1,676,383
	7.000%		12	2,418,530	8	1,583,447
	7.250%		2	445,185	2	441,696
	7.500%		1	271,066	1	268,350
2008 Series B			**101**	**19,088,644**	**95**	**17,249,605**
	5.375%		2	256,695	2	253,790
	5.500%		12	2,076,892	12	2,034,894
	5.750%		15	2,829,320	14	2,542,087
	6.000%		6	981,867	6	970,867
	6.125%		18	3,652,498	17	3,322,423
	6.250%		33	6,060,562	31	5,451,802
	6.375%		12	2,567,374	10	2,015,258
	6.875%		3	663,436	3	658,483
2008 Series C			**413**	**77,360,548**	**378**	**68,843,759**
	5.500%		8	903,576	8	883,941
	5.625%		7	1,206,885	7	1,186,853
	5.750%		6	1,474,310	6	1,448,848

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Original Number of Loans	Original Amount of All Loans $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
	5.875%		168	30,785,091	161	28,525,811
	6.000%		8	1,166,422	8	1,150,191
	6.125%		21	4,106,054	20	3,897,668
	6.250%		123	23,325,889	111	20,768,483
	6.375%		11	2,463,088	10	2,168,967
	6.500%		17	4,276,577	16	4,045,660
	6.625%		14	2,624,415	11	1,877,156
	6.750%		20	3,300,012	17	2,509,969
	7.000%		10	1,728,229	3	380,212
2008 Series D			**228**	**40,133,201**	**210**	**36,048,469**
	5.750%		7	1,452,845	7	1,440,681
	5.875%		25	4,245,349	24	3,979,325
	6.000%		21	3,434,122	21	3,390,336
	6.125%		10	1,939,537	9	1,702,110
	6.250%		98	17,577,789	89	15,488,407
	6.375%		13	1,988,638	13	1,960,608
	6.500%		15	3,056,348	15	3,035,836
	6.625%		4	767,773	3	562,355
	6.750%		22	3,464,364	20	3,027,991
	6.875%		1	185,000	1	184,018
	7.000%		7	1,159,881	4	590,342
	7.250%		2	393,786	1	223,015
	7.500%		2	295,048	2	292,328
	7.750%		1	172,721	1	171,117
2008 Series E			**134**	**20,767,633**	**129**	**19,727,009**
	5.375%		14	2,253,077	14	2,236,658
	5.500%		4	716,639	4	712,460
	5.625%		12	1,714,572	12	1,698,614
	5.750%		15	2,369,159	15	2,352,309
	5.875%		15	2,433,863	15	2,407,491
	6.000%		24	3,036,571	23	2,835,816
	6.125%		1	142,348	1	140,787
	6.250%		4	682,288	4	673,197
	6.375%		8	1,348,233	8	1,329,323
	6.500%		3	659,397	3	654,242
	6.625%		4	801,465	4	791,649
	6.750%		19	2,715,115	18	2,517,945
	7.000%		6	1,010,073	6	1,000,913
	7.500%		5	884,833	2	375,604
2008 Series F			**110**	**18,038,489**	**110**	**17,932,004**
	5.375%		17	2,912,486	17	2,891,158
	5.500%		12	1,866,417	12	1,855,185
	5.625%		12	2,694,011	12	2,677,992
	5.750%		62	9,625,152	62	9,572,384
	5.875%		2	432,018	2	429,311
	6.000%		5	508,405	5	505,974
2009 Series A			**177**	**28,378,223**	**176**	**28,052,749**
	5.375%		22	3,537,510	22	3,519,160
	5.500%		12	1,869,620	12	1,862,338
	5.625%		27	4,116,464	27	4,102,556
	5.750%		78	12,369,399	78	12,330,025
	5.875%		11	1,958,825	11	1,953,100
	6.000%		23	3,907,942	23	3,899,257
	6.500%		3	535,028	2	303,094
	6.750%		1	83,435	1	83,218
2009 Series B			**93**	**13,328,099**	**93**	**13,313,845**
	5.375%		5	669,056	5	668,452
	5.625%		22	2,645,843	22	2,642,012
	5.750%		10	1,599,877	10	1,598,751
	5.875%		12	2,120,721	12	2,118,854
	6.000%		44	6,292,602	44	6,285,776

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Original Number of Loans	Original Amount of All Loans $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
Lifeline			**75**	**19,264,352**	**71**	**17,984,172**
	6.250%	(6)	4	993,505	4	985,718
	6.500%	(6)	60	15,682,574	56	14,430,334
	6.625%	(6)	1	250,000	1	245,687
	6.750%	(6)	2	556,141	2	551,762
	7.000%	(6)	6	1,321,813	6	1,314,050
	7.250%	(6)	1	237,352	1	234,685
	7.375%	(6)	1	222,967	1	221,936
Total All Series (2)			**22,400**	**$3,121,478,969**	**13,021**	**$2,048,995,286**

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 (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.

(4) See Page K-13 for more detail

(5) See Page K-14, K-15 and K-16 for more detail

(6) These loans are currently held in the Warehouse Loan Fund and may be purchased into a taxable series of bonds. (See Residential Revenue Bond Program -- Status of Available Proceeds, footnote 4, for a description of the Warehouse Loan Fund.)

(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 1999 First Series Bonds issued under the General Certificate and loaned at 0.00%. Mortgages securing the 1980 General Certificate which were purchased with proceeds from these blended series of 1980 General Certificate and Residential Revenue Bonds will be transferred from the 1980 General Certificate to solely secure Bonds issued under the Residential Revenue Bond Resolution following the application of the proceeds of the 2010 Series A Bonds and other monies on deposit under the 1980 General Certificate to the retirement of all of the outstanding Single Family Program Bonds and the discharge of the lien under the 1980 General Certificate. *(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	1997 Series B	6.40%	5.50%	48	$3,436,397	14	$757,958
	1980 General Certificate	1999 First Series	0.00%			562,319		124,030
(4.2)	Residential Revenue Bond	1998 Series B	6.10%	5.50%	201	16,692,492	61	3,909,415
	1980 General Certificate	1999 First Series	0.00%			1,821,006		426,483
(4.3)	Residential Revenue Bond	1998 Series D	5.96%	4.00%	33	1,909,980	15	667,705
	1980 General Certificate	1999 First Series	0.00%			935,890		327,175
(4.4)	Residential Revenue Bond	1998 Series D	5.96%	5.50%	647	56,978,406	175	12,244,242
	1980 General Certificate	1999 First Series	0.00%			4,765,453		1,024,061
(4.5)	Residential Revenue Bond	2000 Series G	6.75%,7.5%	5.00%	347	27,059,330	95	6,221,772
	1980 General Certificate	1999 First Series	0.00%			11,858,237		2,681,916
(4.6)	Residential Revenue Bond	2001 Series B	6.625%	5.875%	117	10,873,159	32	2,431,162
	1980 General Certificate	1999 First Series	0.00%			1,388,069		310,362
(4.7)	Residential Revenue Bond	2001 Series F	6.625%	6.00%	58	5,690,025	11	897,274
	1980 General Certificate	1999 First Series	0.00%			592,714		93,466
(4.8)	Residential Revenue Bond	2001 Series F	6.625%	4.00%	104	5,671,011	58	2,735,309
	1980 General Certificate	1999 First Series	0.00%			3,721,595		1,795,043

(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 Series F	6.625%	5.75%	287	$24,782,543	93	$6,857,217
	Residential Revenue Bond	1999 Series E	0.00%			3,771,241		1,043,485
(5.2)	Residential Revenue Bond	2001 Series H	6.750%	4.00%	392	20,955,436	217	9,812,228
	Residential Revenue Bond	2001 Series A	0.00%			14,406,838		6,745,895
(5.3)	Residential Revenue Bond	2000 Series D	6.100%	5.00%	71	5,750,253	40	2,827,684
	Residential Revenue Bond	2000 Series B	0.00%			1,265,057		622,091
(5.4)	Residential Revenue Bond	2001 Series B	6.250%	5.00%	189	15,022,989	97	6,742,980
	Residential Revenue Bond	2000 Series G	0.00%			3,755,747		1,685,745
(5.5)	Residential Revenue Bond	2001 Series H	6.250%	4.75%	51	3,424,816	28	1,627,190
	Residential Revenue Bond	2001 Series A	0.00%			1,081,521		513,849
(5.6)	Residential Revenue Bond	2001 Series F	6.560%	5.05%	17	1,256,956	9	519,651
	Residential Revenue Bond	2000 Series B	0.00%			375,455		155,220
(5.7)	Residential Revenue Bond	2001 Series F	6.560%	4.95%	37	3,049,101	22	1,525,270
	Residential Revenue Bond	1999 Series E	0.00%			989,443		494,955
(5.8)	Residential Revenue Bond	2001 Series B	6.500%	4.75%	85	5,491,320	55	3,248,261
	Residential Revenue Bond	2000 Series H	0.00%			1,636,729		968,169
	Residential Revenue Bond	1999 Series E	0.00%			394,307		233,243

(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
(5.9)	Residential Revenue Bond	2005 Series E	6.260%	5.50%	85	11,531,901	75	9,510,144
	Residential Revenue Bond	2001 Series H	0.00%			1,593,518		1,314,144
(5.10)	Residential Revenue Bond	2006 Series H	7.110%	6.00%	113	16,917,935	100	14,475,421
	Residential Revenue Bond	2006 Series I	7.110%			2,076,304		1,776,539
	Residential Revenue Bond	2002 Series A	0.00%			3,609,420		3,088,313
(5.11)	Residential Revenue Bond	2006 Series P	0.000%	6.25%	147	3,366,396	138	3,076,012
	Residential Revenue Bond	2006 Series S	7.11%			24,465,406		22,355,031
(5.12)	Residential Revenue Bond	2007 Series A	0.000%	6.25%	166	3,475,600	159	3,264,501
	Residential Revenue Bond	2007 Series B	6.988%			29,434,166		27,646,404
(5.13)	Residential Revenue Bond	2007 Series D	0.000%	6.25%	200	3,651,140	191	3,437,967
	Residential Revenue Bond	2007 Series E	0.00%			23,606,706		22,228,422
	Residential Revenue Bond	2007 Series F	6.97%			9,621,985		9,060,202
(5.14)	Residential Revenue Bond	2007 Series D	0.000%	5.50%	163	4,174,757	158	3,972,931
	Residential Revenue Bond	2007 Series F	6.97%			22,914,354		21,806,571
(5.15)	Residential Revenue Bond	2007 Series D	0.000%	6.88%	34	782,894	34	727,003
	Residential Revenue Bond	2007 Series E	7.623%			7,117,227		6,609,127
(5.16)	Residential Revenue Bond	2007 Series C	0.000%	7.25%	52	1,462,041	52	1,373,041
	Residential Revenue Bond	2007 Series E	7.62%			10,200,329		9,579,394

(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
(5.17)	Residential Revenue Bond	2007 Series C	0.000%	6.00%	53	495,363	53	483,997
	Residential Revenue Bond	2007 Series F	7.62%			8,916,461		8,711,870
(5.18)	Residential Revenue Bond	2007 Series C	0.000%	6.50%	103	18,537,582	103	17,569,268
	Residential Revenue Bond	2007 Series I	7.62%			3,151,385		2,986,772
(5.19)	Residential Revenue Bond	2007 Series C	0.000%	7.00%	88	16,963,091	88	15,799,390
	Residential Revenue Bond	2007 Series I	7.62%			1,470,143		1,369,288
(5.20)	Residential Revenue Bond	2007 Series C	0.000%	6.75%	90	13,813,132	90	13,218,282
	Residential Revenue Bond	2007 Series J	7.62%			1,790,590		1,713,479
(5.21)	Residential Revenue Bond	2007 Series C	0.000%	6.25%	147	22,851,219	147	22,582,786
	Residential Revenue Bond	2007 Series J	7.62%			4,951,091		4,892,931
(5.22)	Residential Revenue Bond	2007 Series C	0.000%	6.13%	49	8,940,338	49	8,636,512
	Residential Revenue Bond	2007 Series F	7.62%			2,186,557		2,112,250
(5.23)	Residential Revenue Bond	2007 Series H	0.000%	5.88%	143	21,032,868	143	20,195,186
	Residential Revenue Bond	2007 Series J	7.62%			6,257,948		6,008,711
(5.24)	Residential Revenue Bond	2007 Series M	0.000%	5.88%	179	29,238,310	179	27,760,098
	Residential Revenue Bond	2007 Series K	6.99%			5,568,953		5,287,402

APPENDIX L

RESIDENTIAL REVENUE BOND PROGRAM LOAN PORTFOLIO
BY BOND SERIES AND LOAN TYPE
as of December 31, 2009

Sources of Funds	Original Number of Loans	Original Principal Amount $ [2]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
Collateral Reserve [3]	**106**	**8,764,712**	**57**	**3,447,457**
30 Year Amortization	106	8,764,712	57	3,447,457
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
1997 Series A	**198**	**16,992,005**	**47**	**2,920,264**
30 Year Amortization	198	16,992,005	47	2,920,264
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
1997 Series B [1]	**999**	**81,171,892**	**243**	**14,538,427**
30 Year Amortization	999	81,171,892	243	14,538,427
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
1998 Series A	**61**	**4,552,300**	**23**	**1,298,396**
30 Year Amortization	61	4,552,300	23	1,298,396

Sources of Funds	Original Number of Loans	Original Principal Amount $ [2]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
1998 Series B [1]	**899**	**74,306,563**	**205**	**12,286,990**
30 Year Amortization	899	74,306,563	205	12,286,990
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
1998 Series D [1]	**708**	**61,727,224**	**181**	**12,087,521**
30 Year Amortization	708	61,727,224	181	12,087,521
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
1999 Series C	**25**	**2,584,548**	**10**	**953,747**
30 Year Amortization	25	2,584,548	10	953,747
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
1999 Series D	**592**	**56,333,589**	**112**	**7,905,954**
30 Year Amortization	592	56,333,589	112	7,905,954
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
1999 Series E (1)	**597**	**22,351,652**	**187**	**3,347,922**
30 Year Amortization	597	22,351,652	187	3,347,922
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
1999 Series F	**596**	**56,193,694**	**76**	**5,285,006**
30 Year Amortization	596	56,193,694	76	5,285,006
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
1999 Series H	**614**	**58,868,174**	**78**	**5,644,417**
30 Year Amortization	614	58,868,174	78	5,644,417
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0

Sources of Funds	Original Number of Loans	Original Principal Amount $ [(2)]	Number of Outstanding Loans	Outstanding Principal Balance $ [(2)]
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2000 Series A	**83**	**7,818,452**	**9**	**602,560**
30 Year Amortization	83	7,818,452	9	602,560
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2000 Series B [(1)]	**744**	**68,248,330**	**160**	**9,834,976**
30 Year Amortization	744	68,248,330	160	9,834,976
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2000 Series C	**63**	**5,975,178**	**5**	**398,594**
30 Year Amortization	63	5,975,178	5	398,594
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2000 Series D [(1)]	**729**	**72,613,685**	**114**	**8,606,263**
30 Year Amortization	729	72,613,685	114	8,606,263
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0

Sources of Funds	Original Number of Loans	Original Principal Amount $ [2]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2000 Series F	**162**	**14,922,531**	**22**	**1,657,432**
30 Year Amortization	162	14,922,531	22	1,657,432
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2000 Series G [1]	**880**	**63,725,157**	**245**	**12,049,236**
30 Year Amortization	880	63,725,157	245	12,049,236
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2000 Series H	**618**	**53,429,090**	**121**	**6,337,493**
30 Year Amortization	618	53,429,090	121	6,337,493
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2001 Series A [1]	**443**	**15,488,359**	**233**	**6,749,022**
30 Year Amortization	443	15,488,359	233	6,749,022
40 Year Amortization	0	0	0	0

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2001 Series B (1)	**464**	**38,677,739**	**187**	**12,663,918**
30 Year Amortization	464	38,677,739	187	12,663,918
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2001 Series E	**141**	**13,490,845**	**46**	**3,679,998**
30 Year Amortization	141	13,490,845	46	3,679,998
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2001 Series F (1)	**751**	**64,962,862**	**243**	**16,442,321**
30 Year Amortization	751	64,962,862	243	16,442,321
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2001 Series G	**101**	**9,909,563**	**33**	**2,772,796**

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
30 Year Amortization	101	9,909,563	33	2,772,796
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2001 Series H (1)	**664**	**38,792,365**	**365**	**16,523,996**
30 Year Amortization	660	38,688,287	361	16,420,039
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	4	104,078	4	103,958
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2002 Series A (1)	**154**	**7,795,314**	**112**	**4,503,184**
30 Year Amortization	106	6,062,084	71	3,052,019
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	2	78,245	2	78,085
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	39	1,389,286	33	1,163,820
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	7	265,699	6	209,261
2003 Series A	**79**	**9,224,370**	**41**	**4,313,880**
30 Year Amortization	79	9,224,370	41	4,313,880
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
2003 Series B	**142**	**15,582,439**	**83**	**7,730,365**
30 Year Amortization	142	15,582,439	83	7,730,365
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2003 Series C	**167**	**19,315,068**	**95**	**9,712,723**
30 Year Amortization	167	19,315,068	95	9,712,723
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2004 Series A	**90**	**10,360,109**	**53**	**5,615,309**
30 Year Amortization	90	10,360,109	53	5,615,309
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2004 Series B	**183**	**19,346,007**	**112**	**10,291,114**
30 Year Amortization	183	19,346,007	112	10,291,114
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2004 Series C	**172**	**19,335,622**	**89**	**9,059,175**
30 Year Amortization	172	19,335,622	89	9,059,175
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2004 Series D	**108**	**12,549,774**	**66**	**6,676,584**
30 Year Amortization	108	12,549,774	66	6,676,584
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2004 Series E	**233**	**26,846,480**	**145**	**15,099,334**
30 Year Amortization	233	26,846,480	145	15,099,334
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2004 Series F	**158**	**19,324,293**	**99**	**11,020,158**
30 Year Amortization	158	19,324,293	99	11,020,158
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2004 Series G	**113**	**12,996,789**	**60**	**6,079,260**
30 Year Amortization	113	12,996,789	60	6,079,260
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2004 Series H	**219**	**26,715,004**	**134**	**15,078,485**
30 Year Amortization	219	26,715,004	134	15,078,485
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2004 Series I	**159**	**19,277,983**	**91**	**9,879,300**
30 Year Amortization	159	19,277,983	91	9,879,300
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2005 Series A	**113**	**12,313,633**	**76**	**7,211,314**
30 Year Amortization	113	12,313,633	76	7,211,314
40 Year Amortization	0	0	0	0

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2005 Series B	**240**	**27,446,136**	**168**	**17,641,473**
30 Year Amortization	239	27,301,986	167	17,497,323
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	1	144,150	1	144,150
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2005 Series C	**162**	**19,403,566**	**123**	**13,999,242**
30 Year Amortization	153	17,699,366	115	12,540,665
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	9	1,704,200	8	1,458,577
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2005 Series D	**85**	**12,859,954**	**65**	**9,024,889**
30 Year Amortization	62	7,987,588	49	5,510,971
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	23	4,872,366	16	3,513,919
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2005 Series E (1)	**315**	**43,519,211**	**270**	**35,196,727**

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
30 Year Amortization	263	34,010,543	222	26,285,351
40 Year Amortization	3	725,877	3	704,055
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	49	8,782,791	45	8,207,321
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2006 Series A	**73**	**11,607,921**	**62**	**9,349,611**
30 Year Amortization	55	7,982,051	46	6,141,062
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	18	3,625,870	16	3,208,549
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization		0	0	0
2006 Series B	**279**	**47,295,765**	**239**	**38,382,296**
30 Year Amortization	204	32,580,368	176	26,349,904
40 Year Amortization	3	625,545	3	606,745
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	72	14,089,852	60	11,425,647
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2006 Series E	**121**	**22,807,005**	**106**	**19,940,824**
30 Year Amortization	73	12,449,955	60	10,042,647
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	48	10,357,050	46	9,898,176
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
2006 Series F	**310**	**57,464,822**	**273**	**48,756,304**
30 Year Amortization	208	35,734,145	184	29,949,132
40 Year Amortization	8	1,878,123	6	1,209,264
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	1	186,000	1	185,927
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	93	19,666,554	82	17,411,981
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2006 Series G	**195**	**38,789,329**	**172**	**33,428,600**
30 Year Amortization	117	21,124,098	104	18,033,577
40 Year Amortization	6	1,472,512	5	1,227,084
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	70	15,648,965	61	13,624,992
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	2	543,754	2	542,947
2006 Series H (1)	**113**	**16,917,935**	**93**	**13,295,263**
30 Year Amortization	65	8,794,007	52	6,493,417
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	2	366,745	2	365,996
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	39	6,511,807	33	5,455,010
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	7	1,245,376	6	980,839
2006 Series I (1)	**849**	**142,911,431**	**740**	**120,979,790**
30 Year Amortization	529	81,906,827	460	68,022,287
40 Year Amortization	25	5,097,266	24	4,688,383
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	3	370,010	2	44,918
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	277	53,664,286	240	46,390,116

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	15	1,873,043	14	1,834,086
2006 Series J	**300**	**58,250,788**	**264**	**49,691,286**
30 Year Amortization	166	28,843,945	148	24,674,131
40 Year Amortization	19	3,873,357	18	3,433,181
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	1	239,900	1	239,585
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	103	22,603,694	87	18,977,558
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	11	2,689,892	10	2,366,830
2006 Series K	**22**	**4,832,161**	**21**	**4,520,563**
30 Year Amortization	10	1,930,030	10	1,884,180
40 Year Amortization	2	309,880	2	306,814
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	8	2,160,826	8	2,155,269
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	2	431,425	1	174,300
2006 Series L	**830**	**163,506,275**	**754**	**145,331,376**
30 Year Amortization	394	66,181,880	355	56,803,972
40 Year Amortization	30	6,183,813	27	5,373,943
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	18	4,176,236	17	4,012,831
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	349	77,701,469	318	70,476,014
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	39	9,262,877	37	8,664,617
2006 Series O	**49**	**9,707,644**	**47**	**9,121,796**
30 Year Amortization	20	3,324,174	20	3,193,070
40 Year Amortization	1	113,700	1	110,830
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	2	404,900	2	404,678

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	24	5,246,273	22	4,798,486
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	2	618,597	2	614,732
2006 Series P (1)	**554**	**84,666,902**	**505**	**75,606,002**
30 Year Amortization	240	28,562,824	221	25,153,568
40 Year Amortization	25	4,931,957	20	3,980,565
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	13	2,230,882	13	2,218,128
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	233	40,293,567	213	36,722,829
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	43	8,647,671	38	7,530,912
2006 Series S (1)	**147**	**24,465,406**	**132**	**21,355,137**
30 Year Amortization	77	11,629,406	68	9,644,840
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	3	469,370	3	468,520
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	59	10,940,533	54	10,012,615
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	8	1,426,098	7	1,229,162
2007 Series A (1)	**1,427**	**268,524,348**	**1,313**	**243,335,768**
30 Year Amortization	495	75,338,923	451	65,969,045
40 Year Amortization	85	16,594,794	81	15,404,812
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	69	14,118,147	63	12,621,802
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	604	123,789,714	557	113,922,105
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	174	38,682,770	161	35,418,005
2007 Series B (1)	**166**	**29,434,166**	**154**	**26,813,814**
30 Year Amortization	86	13,822,476	80	12,398,536
40 Year Amortization	0	0	0	0

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	9	1,645,563	9	1,628,660
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	57	11,234,588	52	10,233,710
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	14	2,731,539	13	2,552,908
2007 Series C (1)	**719**	**43,558,065**	**674**	**39,786,616**
30 Year Amortization	364	17,991,830	338	15,840,723
40 Year Amortization	110	5,567,323	106	5,390,938
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	14	2,144,917	12	1,931,726
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	143	12,295,079	137	11,309,889
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	88	5,558,916	81	5,313,340
2007 Series D (1)	**1,180**	**171,409,954**	**1,097**	**156,008,995**
30 Year Amortization	612	71,166,311	565	62,906,782
40 Year Amortization	91	17,989,708	87	17,001,248
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	43	7,597,196	41	7,300,656
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	312	51,057,135	293	47,592,796
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	122	23,599,605	111	21,207,512
2007 Series E (1)	**319**	**47,977,342**	**297**	**43,810,795**
30 Year Amortization	179	24,538,404.00	165	21,823,386.98
40 Year Amortization	27	5,038,895.47	26	4,752,660.02
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	10	1,257,462.46	9	1,084,714.54
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	75	11,992,329.94	73	11,685,842.59
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	28	5,150,249.74	24	4,464,190.62

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
2007 Series F (1)	**465**	**50,393,137**	**439**	**47,009,865**
30 Year Amortization	281	25,784,470	265	23,862,298
40 Year Amortization	23	4,336,168	23	4,288,937
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	12	1,307,084	11	1,235,250
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	111	13,496,240	105	12,467,680
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	38	5,469,175	35	5,155,699
2007 Series G	**295**	**58,957,023**	**276**	**54,819,300**
30 Year Amortization	112	20,220,650	101	17,852,030
40 Year Amortization	37	6,515,461	35	6,051,273
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	14	2,870,173	11	2,368,361
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	81	16,974,649	79	16,415,571
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	51	12,376,090	50	12,132,066
2007 Series H (1)	**416**	**60,893,787**	**391**	**55,703,495**
30 Year Amortization	305	37,618,993	288	34,317,394
40 Year Amortization	35	6,966,120	35	6,886,969
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	5	948,782	3	513,452
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	47	10,498,406	42	9,398,599
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	24	4,861,486	23	4,587,081
2007 Series I (1)	**317**	**61,300,580**	**297**	**56,274,713**
30 Year Amortization	183	34,234,376	170	30,906,102
40 Year Amortization	62	12,075,448	59	11,265,453
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	1	70,859	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	36	7,016,015	36	7,001,356

Sources of Funds	Original Number of Loans	Original Principal Amount $ [2]	Number of Outstanding Loans	Outstanding Principal Balance $ [2]
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	35	7,903,882	32	7,101,802
2007 Series J [1]	**395**	**60,890,081**	**379**	**57,116,413**
30 Year Amortization	297	43,647,796	285	40,717,225
40 Year Amortization	34	5,562,430	33	5,297,114
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	3	627,905	3	627,252
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	34	5,994,418	33	5,815,327
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	27	5,057,532	25	4,659,494
2007 Series K [1]	**304**	**26,948,323**	**289**	**24,831,236**
30 Year Amortization	281	22,316,254	266	20,234,094
40 Year Amortization	21	4,132,069	21	4,098,320
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	2	500,000	2	498,821
2007 Series M [1]	**180**	**29,359,952**	**172**	**27,223,520**
30 Year Amortization	177	28,793,369	169	26,662,390
40 Year Amortization	3	566,583	3	561,130
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2008 Series A	**253**	**46,137,376**	**229**	**41,183,074**
30 Year Amortization	226	40,088,797	202	35,188,073
40 Year Amortization	24	5,387,614	24	5,334,728
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	3	660,965	3	660,273
2008 Series B	**101**	**19,088,644**	**95**	**17,249,605**
30 Year Amortization	81	14,989,140	75	13,212,885
40 Year Amortization	19	3,850,093	19	3,787,309
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	1	249,411	1	249,411
2008 Series C	**413**	**77,360,548**	**378**	**68,843,759**
30 Year Amortization	373	68,165,747	339	59,921,796
40 Year Amortization	37	8,568,683	36	8,296,114
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	1	189,150	1	189,150
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	2	436,968	2	436,699
2008 Series D	**228**	**40,133,201**	**210**	**36,048,469**
30 Year Amortization	210	36,339,181	192	32,276,055
40 Year Amortization	17	3,527,310	17	3,505,703
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	1	266,710	1	266,710
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2008 Series E	**134**	**20,767,633**	**129**	**19,727,009**
30 Year Amortization	127	19,330,371	122	18,298,064
40 Year Amortization	7	1,437,262	7	1,428,945

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2008 Series F	**110**	**18,038,489**	**110**	**17,932,004**
30 Year Amortization	110	18,038,489	110	17,932,004
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2009 Series A	**177**	**28,378,223**	**176**	**28,052,749**
30 Year Amortization	177	28,378,223	176	28,052,749
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
2009 Series B	**93**	**13,328,099**	**93**	**13,313,845**
30 Year Amortization	93	13,328,099	93	13,313,845
40 Year Amortization	0	0	0	0
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	0	0	0	0
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	0	0	0	0
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	0	0	0	0
Refinance Loans (4)	**75**	**19,264,352**	**71**	**17,984,172**

Sources of Funds	Original Number of Loans	Original Principal Amount $ (2)	Number of Outstanding Loans	Outstanding Principal Balance $ (2)
30 Year Amortization	20	4,102,184	19	3,899,080
40 Year Amortization	45	12,246,571	43	11,483,911
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	1	225,000	1	224,983
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	3	729,400	3	729,400
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	6	1,961,197	5	1,646,798
Total All Series (2)	**22,400**	**$3,121,478,969**	**13,021**	**$2,048,995,286**

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 Portfolio 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) These loans were funded under the Collateral Reserve Fund in connection with the issuance of the 1997 Series A Bonds and the 1997 Series B Bonds.

(4) These loans are currently held in the Warehouse Loan Fund and may be purchased into a taxable series of bonds. (See Residential Revenue Bond Program -- Status of Available Proceeds, footnote 4, for a description of the Warehouse Loan Fund.)

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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 "PSA Prepayment Model" or "PSA") represents an assumed monthly rate of prepayment of the then outstanding principal balance of a pool of new mortgage loans. PSA 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%) PSA 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 PSA 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 PSA 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 PSA 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 2010 SERIES BONDS – Redemption Provisions – Cross-Call Practices" in the Official Statement. For additional information please refer to the website, www.dhcd.state.md.us and click CDA Bonds – Investor Information. In the section labeled EMMA/NRMSIR 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 EMMA and 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 PSA(1)

Bond Series	1997 A & B	1998 A & B	1998 D	1999 C & D	1999 E & F	1999 H	2000 A & B	2000 C & D	2000 F & G	2000 H	2001 A & B
Original WAC (2)	**5.85%**	**5.94%**	**5.48%**	**6.12%**	**6.72%**	**6.83%**	**6.59%**	**6.86%**	**6.10%**	**6.78%**	**5.02%**
6-month period ending (3)											
Jun-98	0%										
Dec-98	33%										
Jun-99	38%	18%	0%								
Dec-99	14%	16%	0%	0%							
Jun-00	22%	49%	14%	10%	18%						
Dec-00	42%	19%	17%	20%	26%	37%	0%				
Jun-01	69%	62%	42%	82%	35%	32%	0%	0%	26%	185%	
Dec-01	94%	100%	22%	50%	165%	266%	150%	260%	89%	338%	0%
Jun-02	135%	93%	70%	50%	116%	191%	158%	192%	54%	277%	48%
Dec-02	171%	192%	95%	126%	441%	535%	390%	548%	380%	379%	18%
Jun-03	312%	256%	239%	341%	703%	666%	509%	663%	443%	675%	101%
Dec-03	516%	436%	368%	719%	909%	806%	615%	759%	540%	783%	183%
Jun-04	422%	444%	335%	425%	658%	593%	508%	601%	430%	623%	235%
Dec-04	403%	472%	470%	503%	755%	638%	572%	682%	455%	715%	289%
Jun-05	514%	446%	543%	419%	593%	608%	550%	564%	472%	775%	273%
Dec-05	489%	577%	558%	542%	891%	907%	618%	643%	544%	627%	431%
Jun-06	376%	432%	341%	568%	660%	501%	752%	516%	337%	398%	244%
Dec-06	392%	344%	287%	377%	447%	395%	492%	510%	349%	501%	309%
Jun-07	201%	329%	284%	325%	340%	207%	350%	393%	318%	451%	205%
Dec-07	189%	186%	193%	310%	371%	550%	195%	235%	261%	239%	173%
Jun-08	189%	136%	135%	268%	235%	458%	108%	194%	309%	124%	240%
Dec-08	68%	72%	230%	203%	301%	314%	190%	118%	215%	160%	88%
Jun-09	112%	261%	158%	206%	230%	435%	333%	109%	149%	148%	158%
Dec-09	116%	181%	236%	165%	268%	634%	83%	240%	131%	182%	232%
3-month period ending (4)											
Dec-09	112%	172%	258%	0%	181%	470%	123%	295%	134%	77%	203%
WAC at 12/31/2009 6)	5.38%	5.85%	5.44%	6.07%	6.47%	6.48%	6.06%	6.33%	5.73%	6.10%	4.81%

Note:

(1) The above table expresses the prepayment speed of mortgage loans of CDA's Residential Revenue Bonds assuming all mortgage loans were originated in the month when the greatest number of mortgage loans were originated. Prepayment speeds are expressed as percentages of the PSA standard prepayment model. The table only includes bond issues in which more than 90% of lendable proceeds have been used to originate mortgage loans.

(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 average prepayment rates over each 6-month period.

(4) Prepayment rates as listed are average prepayment rates over the indicated 3-month period.

(5) These bond issues have unused proceeds. To the extent these funds are used to buy mortgage loans the historic prepayment speeds may change.

(6) Weighted Average Coupon Rate (WAC) as stated is calculated based on the outstanding principal balance of mortgage loans as of December 31, 2009.

AVERAGE PREPAYMENT SPEEDS AS PERCENTAGE OF PSA(1)

Bond Series	2001 E & F	2001 G & H	2002 A	2003 A, B & C	2004 A, B & C	2004 D, E & F	2004 G, H & I	2005 A, B & C	2005 D & E	2006 A & B	2006 E, F & G
Original WAC [2]	**5.74%**	**4.82%**	**5.06%**	**4.93%**	**4.93%**	**5.04%**	**5.36%**	**5.32%**	**5.41%**	**5.33%**	**5.37%**
6-month period ending [3]											
Jun-98											
Dec-98											
Jun-99											
Dec-99											
Jun-00											
Dec-00											
Jun-01											
Dec-01											
Jun-02	18%										
Dec-02	35%	0%									
Jun-03	199%	153%									
Dec-03	397%	200%	0%								
Jun-04	346%	381%	0%	0%	0%						
Dec-04	562%	243%	590%	304%	148%	0%					
Jun-05	456%	251%	118%	314%	299%	375%	204%	293%			
Dec-05	531%	452%	448%	426%	301%	400%	484%	107%	0%		
Jun-06	409%	198%	391%	153%	359%	221%	262%	271%	127%	0%	
Dec-06	340%	232%	291%	351%	292%	314%	293%	293%	148%	354%	51%
Jun-07	350%	291%	445%	278%	220%	208%	318%	218%	138%	101%	57%
Dec-07	182%	171%	474%	110%	158%	172%	274%	209%	157%	165%	144%
Jun-08	141%	179%	240%	173%	120%	111%	154%	93%	51%	70%	48%
Dec-08	155%	165%	242%	104%	134%	119%	141%	65%	42%	107%	55%
Jun-09	222%	80%	317%	136%	179%	129%	147%	142%	49%	57%	116%
Dec-09	137%	164%	376%	101%	118%	81%	177%	86%	58%	138%	89%
3-month period ending [4]											
Dec-09	229%	172%	228%	47%	154%	102%	175%	83%	49%	64%	136%
WAC at 12/31/2009 [6]	5.57%	4.74%	5.66%	4.91%	4.92%	5.03%	5.33%	5.31%	5.40%	5.29%	5.38%

Note:

(1) The above table expresses the prepayment speed of mortgage loans of CDA's Residential Revenue Bonds assuming all mortgage loans were originated in the month when the greatest number of mortgage loans were originated. Prepayment speeds are expressed as percentages of the PSA standard prepayment model. The table only includes bond issues in which more than 90% of lendable proceeds have been used to originate mortgage loans..

(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 average prepayment rates over each 6-month period.

(4) Prepayment rates as listed are average prepayment rates over the indicated 3-month period.

(5) These bond issues have unused proceeds. To the extent these funds are used to buy mortgage loans the historic prepayment speeds may change.

(6) Weighted Average Coupon Rate (WAC) as stated is calculated based on the outstanding principal balance of Mortgage loans as of December 31, 2009.

AVERAGE PREPAYMENT SPEEDS AS PERCENTAGE OF PSA(1)

Bond Series	2006 H, I & J	2006 K & L	2006 O, & P	2006 S	2007 A	2007 C & D	2007 E & F
Original WAC (2)	**5.23%**	**5.86%**	**5.72%**	**6.25%**	**5.99%**	**6.56%**	**6.36%**
6-month period ending (3)							
Jun-98							
Dec-98							
Jun-99							
Dec-99							
Jun-00							
Dec-00							
Jun-01							
Dec-01							
Jun-02							
Dec-02							
Jun-03							
Dec-03							
Jun-04							
Dec-04							
Jun-05							
Dec-05							
Jun-06							
Dec-06	24%						
Jun-07	60%	75%	32%				
Dec-07	133%	76%	80%	51%	10%	0%	67%
Jun-08	90%	72%	68%	249%	31%	6%	53%
Dec-08	56%	26%	34%	28%	31%	16%	25%
Jun-09	141%	89%	40%	121%	112%	30%	136%
Dec-09	144%	131%	150%	149%	129%	32%	61%
3-month period ending (4)							
Dec-09	182%	163%	179%	193%	153%	33%	54%
WAC at 12/31/2009 6)	5.84%	5.86%	5.80%	6.25%	5.99%	6.49%	6.34%

Note: (1) The above table expresses the prepayment speed of mortgage loans of CDA's Residential Revenue Bonds assuming all mortgage loans were originated in the month when the greatest number of mortgage loans were originated. Prepayment speeds are expressed as percentages of the PSA standard prepayment model. The table only includes bond issues in which more than 90% of lendable proceeds have been used to originate mortgage loans.

(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 average prepayment rates over each 6-month period

(4 Prepayment rates as listed are average prepayment rates over the indicated 3-month period.

(5) These bond issues have unused proceeds. To the extent these funds are used to buy mortgage loans the historic prepayment speeds may change.

(6) Weighted Average Coupon Rate (WAC) as stated is calculated based on the outstanding principal balance of mortgage loans as of December 31, 2009.

AVERAGE PREPAYMENT SPEEDS AS PERCENTAGE OF PSA (1)

Bond Series	2007 G & H	2007 I & J	2007 K & L	2007 M	2008 A	2008 B,C,D	2008 E&F
Original WAC (2)	**6.75%**	**6.32%**	**6.04%**	**5.88%**	**6.24%**	**6.16%**	**6.44%**
6-month period ending (3)							
Jun-98							
Dec-98							
Jun-99							
Dec-99							
Jun-00							
Dec-00							
Jun-01							
Dec-01							
Jun-02							
Dec-02							
Jun-03							
Dec-03							
Jun-04							
Dec-04							
Jun-05							
Dec-05							
Jun-06							
Dec-06							
Jun-07							
Dec-07	0%						
Jun-08	45%	0%	0%				
Dec-08	48%	26%	0%	0%	0%	0%	
Jun-09	100%	167%	67%	302%	216%	298%	121%
Dec-09	127%	141%	139%	91%	192%	168%	65%
3-month period ending (4)							
Dec-09	160%	145%	231%	81%	175%	164%	65%
WAC at 12/31/2009 6)	6.63%	6.31%	6.04%	5.87%	6.23%	6.15%	6.09%

Note: (1) The above table expresses the prepayment speed of mortgage loans of CDA's Residential Revenue Bonds assuming all mortgage loans were originated in the month when the greatest number of mortgage loans were originated. Prepayment speeds are expressed as percentages of the PSA standard prepayment model. The table only includes bond issues in which more than 90% of lendable proceeds have been used to originate mortgage loans.

(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 average prepayment rates over each 6-month period.

(4) Prepayment rates as listed are average prepayment rates over the indicated 3-month period.

(5) These bond issues have unused proceeds. To the extent these funds are used to buy mortgage loans the historic prepayment speeds may change.

(6) Weighted Average Coupon Rate (WAC) as stated is calculated based on the outstanding principal balance of mortgage loans as of December 31, 2009.

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APPENDIX N

PROPOSED FORM OF OPINION OF BOND COUNSEL
FOR 2010 SERIES A BONDS

[Letterhead of Ballard Spahr LLP, Washington, D.C.]

[CLOSING DATE]

Community Development Administration
Department of Housing and Community Development
State of Maryland
100 Community Place
Crownsville, Maryland 21032

$28,465,000
Community Development Administration
Maryland Department of Housing and Community Development
Residential Revenue Bonds
2010 Series A (AMT)

Ladies and Gentlemen:

We have acted as Bond Counsel to the Community Development Administration (the "Administration"), an agency in the Division of Development Finance of the Department of Housing and Community Development (the "Department"), a principal department of the government of the State of Maryland (the "State"), in connection with its issuance and sale of $28,465,000 aggregate principal amount of its Residential Revenue Bonds 2010 Series A (AMT) (the "2010 Series A Bonds"). With the proceeds of the 2010 Series A Bonds the Administration will optionally redeem a portion of the Administration's single family program bonds (the "Single Family Program Bonds") issued under a general certificate (the "General Certificate") adopted by the Administration as of May 1, 1980. As a result of the foregoing, certain mortgage loans held under the 1980 General Certificate will be transferred to the Bond Resolution and certain cash and investments on deposit under the 1980 General Certificate will be transferred and deposited into the Reserve Fund under the Bond Resolution and into the 2010 Series A Program Account of the Program Fund and made available to make or purchase mortgage loans ("Mortgage Loans") to finance the acquisition of single family residences located in the State.

The 2010 Series A Bonds are being issued under and pursuant to (1) Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the "Act"), (2) the Residential Revenue Bond Resolution (the "Bond Resolution"), originally adopted by the Administration as of August 1, 1997 and amended and restated as of July 15, 2005, and accepted by Manufacturers and Traders Trust Company, Baltimore, Maryland, as trustee (the "Trustee"), and (3) the Series Resolution Providing for the Issuance and Sale of $28,465,000 Principal Amount of Residential Revenue Bonds 2010 Series A (AMT), adopted as of June 1, 2010 (the "Series Resolution"), pursuant to which the 2010 Series A Bonds are authorized to be issued. The Bond Resolution and the Series Resolution are referred to collectively as the Resolutions. Capitalized terms used herein and not defined herein have the respective meanings given to them in the Resolutions.

The 2010 Series A Bonds mature, bear interest and are subject to redemption as provided therein and in the Resolutions. The 2010 Series A Bonds are issuable as fully registered bonds without coupons in the denominations of $5,000 each or any integral multiple thereof. Principal of, premium, if any, and interest on the 2010 Series A Bonds will be paid as provided in the Resolutions by the Trustee to the persons in whose names the 2010 Series A Bonds are registered on the registration books of the Administration maintained by the Trustee.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met on a continuing basis subsequent to the delivery of the 2010 Series A Bonds for interest on the 2010 Series A Bonds to be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the 2010 Series A Bonds to be subject to inclusion in gross income retroactively to the date of issuance of the 2010 Series A Bonds. We have examined the Resolutions and other relevant single-family housing program documents of the Administration which, in our opinion, establish procedures under which, if followed, such requirements would be met. The Administration has covenanted in the Resolutions to comply with all of the applicable requirements of the Code.

In connection with the issuance of the 2010 Series A Bonds, we have examined and considered the Act, the Resolutions, the Code, a specimen of the 2010 Series A Bonds and such other opinions, documents, certificates, letters and matters of law as we have deemed necessary to render the opinions set forth below.

Based upon the foregoing we are of the opinion that:

1. The Administration was duly created and validly exists under the provisions of the Act as an agency in the Division of Development Finance of the Department with full power to issue the 2010 Series A Bonds for the purposes of financing the Mortgage Loans.

2. The Resolutions have been duly adopted and executed by the Administration, are valid and binding upon the Administration, are in full force and effect and are enforceable in accordance with their terms. The 2010 Series A Bonds are entitled to the benefit and security of the Resolutions for the payment thereof in accordance with the terms of the Resolutions.

3. The 2010 Series A Bonds have been duly authorized, executed and issued in accordance with the Constitution and the laws of the State, including the Act, now in force and represent valid and binding special obligations of the Administration, enforceable in accordance with their terms and the terms of the Resolutions, subject to any applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights and the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State, the application of equitable principles where equitable remedies are sought and limitation on enforcement of judgments against public bodies. The 2010 Series A Bonds are payable from the revenues and assets of the Administration pledged therefor pursuant to the Resolutions.

4. The form of the specimen 2010 Series A Bonds is consistent with the form of the 2010 Series A Bonds provided in the authorizing Series Resolution.

5. The 2010 Series A Bonds, their transfer, the interest payable thereon and any income derived therefrom, including any profit realized in their sale or exchange, are exempt from taxation of every kind and nature whatsoever by the State or by its political subdivisions, municipal corporations or public units of any kind under existing law, except that no opinion is expressed as to such exemption from Maryland estate or inheritance taxes.

6. Assuming continuing compliance by the Administration with its covenants in the Resolutions to comply with the Code, interest on the 2010 Series A Bonds is excludable from the gross income of the holders thereof for federal income tax purposes. The interest on the 2010 Series A Bonds is a tax preference item for purposes of the alternative minimum tax imposed on individuals and corporations under the 1986

Code. Bond Counsel expresses no opinion regarding other federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the 2010 Series A Bonds.

Ownership of tax-exempt obligations, including the 2010 Series A Bonds, may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of social security or railroad retirement benefits, certain S corporations and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. We offer no opinion as to such collateral tax consequences. Prospective purchasers of the 2010 Series A Bonds should consult their own tax advisor as to such consequences.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We call to your attention that the 2010 Series A Bonds are special obligations of the Administration and will be payable solely from the revenues and assets of the Administration pledged for the payment thereof under the Resolutions, including the Mortgage Loans pledged thereunder, and the rights thereunder to any income, revenues, issues, profits and insurance proceeds and other sums of money payable thereunder. The Administration has no taxing power. The 2010 Series A Bonds do not constitute a debt of the State, any political subdivision thereof, the Administration or the Department, or a pledge of the faith, credit or taxing power of the State, any such political subdivision, the Administration or the Department.

We express no opinion herein with respect to the accuracy or completeness of the Official Statement prepared in respect of the 2010 Series A Bonds or as to any other matter not set forth herein.

Very truly yours,

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COMMUNITY DEVELOPMENT ADMINISTRATION • MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Residential Revenue Bonds 2010 Series A (AMT)

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