

MAINE STATE LEGISLATURE

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Maine State Housing Authority

Basic Financial Statements,
Management's Discussion and Analysis
and Required Supplementary Information

For the Year Ended December 31, 2025
With Independent Auditors' Report

Baker Newman & Noyes LLC
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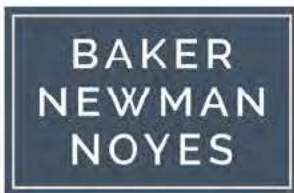
MAINE STATE HOUSING AUTHORITY

FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Maine State Housing Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Maine State Housing Authority (MaineHousing), a component unit of the State of Maine, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise MaineHousing's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of MaineHousing, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MaineHousing and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MaineHousing's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Commissioners
Maine State Housing Authority

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MaineHousing's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MaineHousing's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of MaineHousing's Proportionate Share of the Net Pension Liability (Asset) and Schedule of MaineHousing's Pension Contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Baker Newman & Noyes LLC

Portland, Maine
March 25, 2026

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

Management's discussion and analysis of the Maine State Housing Authority's (MaineHousing) financial performance provides an overview of the financial activities for the year ended December 31, 2025. It should be read in conjunction with the audited financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- MaineHousing's net position increased by \$32.7 million to \$508.5 million, reflecting an overall improvement in financial condition driven by strong mortgage lending activity and stable credit performance.
- Loan production reached a new all-time high for the second consecutive year, contributing to a \$336.8 million increase in mortgage notes receivable.
- Total outstanding bonds increased to \$2.6 billion, up \$279.6 million, driven by continued demand for MaineHousing's lending programs and elevated loan production.
- Total revenues from governmental activities declined as more programs funded with one-time federal and state resources concluded. The decrease was driven primarily by lower grant income, which fell by \$30.2 million, or 19.9%.

OVERVIEW OF MAINEHOUSING

MaineHousing, established in 1969 as a public corporation and instrumentality of the State of Maine, provides financing and program administration to support affordable housing for low and moderate income households. MaineHousing issues bonds to finance single family and multifamily mortgages and administers a range of federal and state housing and energy programs.

MaineHousing is a component unit of the State of Maine and receives appropriations and federal subawards to support housing related initiatives.

OVERVIEW OF THE FINANCIAL STATEMENTS

MaineHousing's financial statements include:

- Agency-wide financial statements, which present the financial position and activities of MaineHousing as a whole using the accrual basis of accounting.
- Fund financial statements, which provide detailed information about major proprietary and governmental funds.
- Notes to financial statements, which provide essential context and disclosures.
- Required supplementary information, which presents historical pension information.

The remainder of this overview section explains the structure and contents of each of these statements.

Agency-wide Statements

Agency-wide statements consist of the Statement of Net Position and the Statement of Activities. These statements present MaineHousing's net position and results of operations and are divided into two categories:

- *Business-type activities* – consist of mortgage financing on single family and multifamily residential properties. These activities are funded primarily through the issuance of bonds.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

- *Governmental activities* – consist of the administration of state and federal housing and energy-related programs. These activities are supported through federal grants and program agreements, as well as appropriations provided by the Maine State Legislature.

Fund Financial Statements

The fund financial statements provide more detailed information about MaineHousing's most significant funds and not MaineHousing as a whole. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. MaineHousing has two kinds of funds:

- *Proprietary funds* – present the business-type activities. The net positions of these funds represent accumulated earnings since their inception and subsidy amounts contributed from governmental funds.
- *Governmental funds* – present the governmental activities for MaineHousing's five major governmental funds. These statements focus on how cash and other financial assets flowing into the funds have been used.

AN OVERVIEW OF MAINEHOUSING'S FINANCIAL POSITION AND OPERATIONS

MaineHousing's financial position improved in 2025, supported by continued growth in mortgage lending activity, stable credit performance, and strong investment results. These positive trends were partially offset by declining governmental grant revenues as temporary programs concluded. The following pages present a summary of MaineHousing's financial position and operations for the years ended December 31, 2025 and 2024.

Statement of Net Position
(in millions of dollars)

	Business-type Activities		Governmental Activities		Total		Total Percentage Change
	2025	2024	2025	2024	2025	2024	
Cash and investments	\$727.4	\$791.9	\$122.4	\$93.2	\$849.8	\$885.1	(4.0%)
Mortgage notes receivable	2,261.7	1,939.8	115.5	100.6	2,377.2	2,040.4	16.5%
Other assets (net of internal balances)	44.3	48.4	10.4	10.3	54.7	58.7	(6.8%)
Total Assets	3,033.4	2,780.1	248.3	204.1	3,281.7	2,984.2	10.0%
Total Deferred Outflows of Resources	2.1	2.3	1.7	0.3	3.8	2.6	46.2%
Bonds and notes payable	2,571.3	2,289.1	44.4	47.7	2,615.7	2,336.8	11.9%
Other liabilities (includes internal balances)	53.2	101.6	93.8	52.4	147.0	154.0	(4.5%)
Total Liabilities	2,624.5	2,390.7	138.2	100.1	2,762.7	2,490.8	10.9%
Total Deferred Inflows of Resources	14.1	19.9	0.2	0.3	14.3	20.2	(29.2%)
Investment in capital assets	3.6	3.7	0.0	0.0	3.6	3.7	(2.7%)
Restricted	350.6	327.2	111.6	104.0	462.2	431.2	7.2%
Unrestricted	42.7	40.9	0.0	0.0	42.7	40.9	4.4%
Total Net Position	\$396.9	\$371.8	\$111.6	\$104.0	\$508.5	\$475.8	6.9%

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

Total assets increased by \$297.5 million, or 10%, to \$3.28 billion, driven primarily by growth in mortgage notes receivable. Total liabilities increased \$271.9 million, or 10.9%, to \$2.76 billion, as a result of additional bond issuances to support lending programs. Net position improved by \$32.7 million and totaled \$508.5 million at December 31, 2025.

Cash and Investments

Cash and investments decreased by \$35.3 million, primarily due to program disbursements and lower undisbursed bond proceeds. Investments are reported at fair value, with unrealized gains and losses from market fluctuations recognized in revenues. In 2025, the portfolio's fair value increased, resulting in \$6.9 million in unrealized gains, compared with \$2.5 million in unrealized losses recorded in 2024.

Mortgage Notes Receivable

Mortgage notes receivable increased by \$336.8 million or 16.5%, reflecting continued strong demand for single family and multifamily financing. Mortgage purchases and originations totaled \$524.1 million, a \$67.2 million or 14.7% increase compared with 2024. Growth was driven largely by single family activity, where loan purchases rose to \$321.2 million, an increase of \$110.2 million, or 52.2%, from the prior year.

Loan prepayments increased to \$68.3 million, a \$21.2 million or 45.1% rise from the prior year. This increase was largely attributable to declining interest rates, which prompted more borrowers to refinance single family loans outside of MaineHousing. Loan foreclosures totaled \$2.9 million in 2025 compared with \$1.1 million in 2024, remaining low relative to the overall portfolio.

Deferred Outflows of Resources

Deferred outflows consist of deferred amounts associated with debt refundings, pension expenses, and program advances, and increased by \$1.2 million. The increase is due primarily to higher balances associated with advanced program payments made to grantees with ongoing eligibility requirements.

Bonds and Notes Payable

Bonds and notes payable increased by \$278.9 million, or 11.9%, consistent with financing needs for mortgage lending. For additional details, see the Debt Administration Section of the Management's Discussion and Analysis.

Deferred Inflows of Resources

Deferred inflows consist mainly of the accumulated increase in the fair value of interest rate swap agreements and deferred pension credits, and decreased \$5.9 million or 29.2% primarily as a result of an aggregate decrease in the fair value of interest rate swaps.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

Net Position

Net Position increased by \$32.7 million, or 6.9%, as a result of program operations and financing activities. The results of operations are presented on the following table for the years ended December 31, 2025 and 2024:

Agency-wide Changes in Net Position
(in millions of dollars)

	<u>2025</u>	<u>2024</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percentage</u>
Revenues:				
Interest from mortgages and notes	\$95.3	\$78.6	\$16.7	21.2%
Income from investments	31.2	32.6	(1.4)	(4.3%)
Net increase (decrease) in fair value of investments	6.9	(2.5)	9.4	376.0%
Fee income	20.8	17.1	3.7	21.6%
Grants and subsidies	263.2	283.4	(20.2)	(7.1%)
Other	0.2	0.7	(0.5)	(71.4%)
Total revenues	<u>417.6</u>	<u>409.9</u>	<u>7.7</u>	<u>1.9%</u>
Expenses:				
Operating and other program expenses	41.7	36.4	5.3	14.6%
Interest expense	82.7	67.4	15.3	22.7%
Grants and subsidies	260.5	281.5	(21.0)	(7.5%)
Total expenses	<u>384.9</u>	<u>385.3</u>	<u>(0.4)</u>	<u>(0.1%)</u>
Increase in net position	32.7	24.6	8.1	32.9%
Net position at beginning of year	<u>475.8</u>	<u>451.2</u>	<u>24.6</u>	<u>5.5%</u>
Net position at end of year	<u><u>\$508.5</u></u>	<u><u>\$475.8</u></u>	<u><u>\$32.7</u></u>	<u><u>6.9%</u></u>

Changes in business-type and governmental activities are explained in the following Results of Operations sections.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

RESULTS OF OPERATIONS – BUSINESS-TYPE ACTIVITIES

The net position of the business-type activities increased by \$25.1 million, or 6.8%, and totaled \$396.9 million. The following table summarizes the Statement of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2025 and December 31, 2024:

Business-Type Activities
Statement of Revenues, Expenses and Changes in Net Position
(in millions of dollars)

	<u>2025</u>	<u>2024</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percentage</u>
Operating Revenues:				
Interest from mortgages and notes	\$95.1	\$78.3	\$16.8	21.5%
Income from investments	27.1	28.8	(1.7)	(5.9%)
Net increase (decrease) in fair value of investments	6.9	(2.5)	9.4	376.0%
Fee income	6.5	3.9	2.6	66.7%
Other revenue	0.1	0.6	(0.5)	(83.3%)
Total revenues	<u>135.7</u>	<u>109.1</u>	<u>26.6</u>	<u>24.4%</u>
Operating Expenses:				
Operating and other program expenses	31.2	26.2	5.0	19.1%
Interest expense	<u>81.7</u>	<u>66.4</u>	<u>15.3</u>	<u>23.0%</u>
Total expenses	<u>112.9</u>	<u>92.6</u>	<u>20.3</u>	<u>21.9%</u>
Net Operating income	22.8	16.5	6.3	38.2%
Transfers in	<u>2.3</u>	<u>2.4</u>	<u>(0.1)</u>	<u>4.2%</u>
Change in net position	<u>25.1</u>	<u>18.9</u>	<u>6.2</u>	<u>32.8%</u>
Net position at beginning of year	<u>371.8</u>	<u>352.9</u>	<u>18.9</u>	<u>5.4%</u>
Net position at end of year	<u>\$396.9</u>	<u>\$371.8</u>	<u>\$25.1</u>	<u>6.8%</u>

Operating revenues of the business-type activities are generated principally from earnings on mortgages and investments. Total revenues from business-type activities increased \$26.6 million or 24.4% in 2025 and amounted to \$135.7 million. Operating expenses of business-type activities consist primarily of interest expense on debt incurred to fund lending programs. Expenses for business-type activities totaled \$112.9 million, which is an increase of \$20.3 million or 21.9%.

The 2025 operating results and net position were significantly affected by the following:

- Interest earned from mortgages and notes increased by \$16.8 million or 21.5% due mainly to an increase in single family loan purchases and higher average outstanding mortgage receivable balances.
- Income from investments decreased by \$1.7 million or 5.9% due to a decrease in short-term rates and lower average investment yields.
- Interest rate changes during the year generated an unrealized gain of \$6.9 million, which is a \$9.4 million increase compared with the unrealized loss of \$2.5 million recorded in 2024.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

- Fee income, which is largely from multifamily loan originations and low-income housing tax credit project monitoring, increased by \$2.6 million in 2025 due to higher activity levels.
- Interest expense increased by \$15.3 million, or 23%, driven by higher outstanding bond balances. Additional bond proceeds were required to fund the elevated level of loan production in 2025.
- Operating and other program administrative expenses increased by \$5 million or 19.1%. The increase is largely due to higher single family loan origination and servicing fees, which increased by a combined amount of \$2.4 million, and a \$1.3 million increase in arbitrage liabilities. Additionally, unusual or infrequent expenses in the amount of \$0.7 were recorded in 2025 for the repayment of funds from the Emergency Rental Assistance Programs to the U.S. Department of the Treasury.

RESULTS OF OPERATIONS – GOVERNMENTAL ACTIVITIES

The governmental activities net position increased by \$7.6 million or 7.3% and totaled \$111.6 million at December 31, 2025. The following table summarizes the Statement of Revenues, Expenditures, and Changes in Fund Balances for the years ended December 31, 2025 and December 31, 2024:

Governmental Activities
Statement of Revenues, Expenditures, and Changes in Fund Balances
(in millions of dollars)

	2025	2024	Increase/ (Decrease)	
			Amount	Percentage
Revenues:				
Interest from mortgages and notes	\$0.2	\$0.3	(\$0.1)	(33.3%)
Income from investments	4.1	3.8	0.3	7.9%
Fee income	14.3	13.2	1.1	8.3%
Grant income	121.9	152.1	(30.2)	(19.9%)
Federal rent subsidy income	141.3	131.3	10.0	7.6%
Other revenue	0.1	0.1	0.0	0.0%
Total revenues	281.9	300.8	(18.9)	(6.3%)
Expenditures:				
Program administrative expenditures	10.5	10.2	0.3	2.9%
Interest expenditures	1.0	1.0	0.0	0.0%
Grant expenditures	119.6	150.3	(30.7)	(20.4%)
Federal rent subsidy expenditures	140.9	131.2	9.7	7.4%
Total expenditures	272.0	292.7	(20.7)	(7.1%)
Revenues in excess of expenditures	9.9	8.1	1.8	22.2%
Transfers out	(2.3)	(2.4)	0.1	4.2%
Change in fund balances	7.6	5.7	1.9	33.3%
Fund balances at beginning of year	104.0	98.3	5.7	5.8%
Fund balances at end of year	\$111.6	\$104.0	\$7.6	7.3%

Revenues from governmental activities are generated primarily from federal grants and rent subsidy income. Program revenues are also received from the State of Maine. Revenues from governmental activities totaled \$281.9 million in 2025, which is a decrease of \$18.9 million or 6.3%. Expenditures associated with governmental activities consist primarily of federal grants and rent subsidies payments. Total expenditures decreased \$20.7 million or 7.1% to \$272 million in 2025.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

Fees are earned for administering federal programs, which amounted to \$14.3 million in 2025. Typically, fees earned provide a revenue source adequate to recover direct and indirect costs of delivering related services.

The 2025 operating results of governmental activities were significantly affected by the following:

- Grant income decreased by \$30.2 million or 19.9% due to reduced federal and state funding. Federal grant income decreased \$20.4 million or 27.6% primarily because several COVID-19 relief programs ended. COVID-19 relief funding totaled \$6.6 million in 2025, down \$17.7 million or 72.9% from 2024. State of Maine grant income decreased by \$9.8 million or 12.5% following the full use of one-time funding for several programs and lower revenues provided to the HOME Fund, which is supported primarily by state-collected real estate transfer taxes.
- Federal rent subsidy income, which is income associated with various HUD Section 8 programs, increased \$10 million or 7.6% due to higher available funding for the Section 8 Housing Choice Voucher (HCV) and Performance Based Contract Administration (PBCA) programs. The HCV and PBCA programs income increased by \$2.5 million and \$7.6 million, respectively.
- Administrative fee income increased by \$1.1 million or 8.3% due mainly to higher fees earned from the Section 8 HCV and PBCA programs. Combined fee income from these programs increased by \$1.3 million.
- Grant expenditures decreased by \$30.7 million or 20.4% due to the reduction in available federal and state program funds, while federal rent subsidy expenditures increased \$9.7 million or 7.4% due to higher available income for the Section 8 HCV and PBCA programs.

DEBT ADMINISTRATION

Total bonds outstanding at December 31, 2025 amounted to \$2.6 billion, an increase of \$279.5 million or 12% from 2024. Bond issuances totaled \$446.3 million, while principal payments on bonds totaled \$167.7 million. A total of \$117 million of bonds were redeemed prior to maturity from reserve funds, mortgage prepayments, surplus revenues, and the proceeds of bond refundings. Scheduled principal payments on bonds totaled \$50.7 million.

Variable-rate bonds totaled \$278.3 million at December 31, 2025, representing 10.7% of the bond portfolio. Interest rate swaps are used to synthetically fix rates on a portion of this debt and twelve interest rate swap agreements have been executed with four counterparties in connection with \$201.7 million variable rate bonds.

Bonds in MaineHousing's General Mortgage Purchase Bond Resolution were rated Aa1 and AA+ by Moody's Investor Service and Standard & Poor's, respectively, in 2025.

Loan agreements may be entered into for program and capital funding purposes. At December 31, 2025, MaineHousing had \$12.3 million in outstanding notes payable in its General Administrative Fund, which is a decrease of \$0.7 million as a result of scheduled principal payments. The proceeds from this note provided capital funding for the development of an office facility for MaineHousing.

For additional information about MaineHousing's mortgage bonds and notes payables, see Notes 6, 7, 9, 14, and 17 to the financial statements.

CAPITAL ASSETS

MaineHousing's capital assets consist primarily of its administrative facility. No significant additions or disposals occurred in 2025, and capital assets did not materially affect overall financial results. Capital assets are presented in the financial statements at \$16 million, net of accumulated depreciation.

**Maine State Housing Authority
Management's Discussion and Analysis
December 31, 2025**

ECONOMIC FACTORS AND OTHER INFORMATION

The primary business activity of MaineHousing is funding the purchase of single family home mortgages, originating multifamily development loans, and administering various federal and state funded programs. Financing activities are sensitive to the level of interest rates, the spread between the rate available on MaineHousing loans and those available in the conventional mortgage markets, the availability of private activity bond volume cap, and the availability of affordable housing. The availability of tax-exempt and taxable financing on favorable terms is a key element in providing the funding necessary for MaineHousing to continue its mortgage financing activities. MaineHousing's primary revenue sources include interest earned on mortgage loans, investment income, and federal and state grants and subsidies.

Market interest rates impact both mortgage program revenues and investment income. Following the elevated rate environment of 2023 and 2024, interest rates began to stabilize and modestly decline during 2025. As a result, interest income on the existing mortgage and investment portfolios remained favorable, while yields on new loan originations and reinvested funds began to reflect the lower-rate environment. Prepayments on single family mortgages increased from the exceptionally low levels experienced in 2023 and 2024, leading to a moderate rise in bond redemptions prior to maturity.

Federal and state funded grants and subsidies are subject to annual appropriations. Pandemic-related emergency funding concluded, and federal support shifted toward ongoing housing affordability, energy assistance, and community development initiatives. MaineHousing continued to administer a range of programs designed to support low and moderate income households, including rental and homeowner assistance, energy-related aid, and homelessness prevention initiatives.

Demand for affordable housing and related services remains strong statewide and the State of Maine's budget continues to include substantial amounts for housing and energy affordability. Funding included resources to expand affordable housing production, and provide services aimed at preventing homelessness and addressing housing instability. MaineHousing is a key administrator of these programs, working with state and local partners to deliver assistance and advance statewide housing goals.

REQUESTS FOR INFORMATION

The purpose of this financial report is to provide information needed to understand MaineHousing's financial position and results of operations for the year ended December 31, 2025. Inquiries for additional information may be directed to the Director of Finance at Maine State Housing Authority, 26 Edison Drive, Augusta, Maine 04330-6046, at (207) 626-4600 or at www.mainehousing.org.

MAINE STATE HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)

	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash, principally time deposits (note 3)	\$88,499	\$8,981	\$97,480
Investments (notes 3, 9, and 11)	429,786	113,458	543,244
Accounts receivable - government	0	9,766	9,766
Mortgage notes receivable, net (note 4)	58,350	10	58,360
Other assets (note 5)	14,135	647	14,782
Internal balances (note 13)	(21,963)	21,963	0
Total Current Assets	<u>568,807</u>	<u>154,825</u>	<u>723,632</u>
Noncurrent Assets:			
Investments (notes 3, 9, and 11)	209,104	0	209,104
Mortgage notes receivable, net (note 4)	2,203,331	115,498	2,318,829
Capital assets, net	16,031	0	16,031
Other real estate owned, net	364	0	364
Derivative instrument - interest rate swaps (note 7)	13,740	0	13,740
Total Noncurrent Assets	<u>2,442,570</u>	<u>115,498</u>	<u>2,558,068</u>
Total Assets	<u>3,011,377</u>	<u>270,323</u>	<u>3,281,700</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred pension expense (note 8)	536	275	811
Deferred amount on debt refundings	1,537	0	1,537
Program advances	0	1,439	1,439
Total Deferred Outflows of Resources	<u>2,073</u>	<u>1,714</u>	<u>3,787</u>
LIABILITIES:			
Current Liabilities:			
Accrued interest payable	11,917	55	11,972
Accounts payable - government	0	3,497	3,497
Accounts payable and accrued liabilities	15,006	5,362	20,368
Unearned income	0	106,402	106,402
Bonds and notes payable (notes 6, 9, 14, and 17)	106,225	3,085	109,310
Total Current Liabilities	<u>133,148</u>	<u>118,401</u>	<u>251,549</u>
Noncurrent Liabilities:			
Excess arbitrage to be rebated (note 12)	3,207	0	3,207
Pension liability (note 8)	1,023	527	1,550
Bonds and notes payable (notes 6, 9, 14, and 17)	2,465,064	41,279	2,506,343
Total Noncurrent Liabilities	<u>2,469,294</u>	<u>41,806</u>	<u>2,511,100</u>
Total Liabilities	<u>2,602,442</u>	<u>160,207</u>	<u>2,762,649</u>
DEFERRED INFLOWS OF RESOURCES:			
Accumulated increase in fair value of hedging derivatives (note 7)	13,740	0	13,740
Deferred loan origination points	12	0	12
Deferred pension credit (note 8)	364	187	551
Total Deferred Inflows of Resources	<u>14,116</u>	<u>187</u>	<u>14,303</u>
NET POSITION:			
Net investment in capital assets	3,556	0	3,556
Restricted for bond resolutions	350,603	0	350,603
Restricted for grants and programs	0	111,643	111,643
Unrestricted	42,733	0	42,733
Total Net Position	<u>\$396,892</u>	<u>\$111,643</u>	<u>\$508,535</u>

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Investment Income	Grants and Contributions	Business-type Activities	Governmental Activities	Total
Business-type activities:							
Mortgage Purchase Fund	\$109,258	\$99,480	\$32,897	\$0	\$23,119	\$0	\$23,119
Bondholder Reserve Fund	85	88	297	0	300	0	300
General Administrative Fund	2,901	2,166	0	0	(735)	0	(735)
Total business-type activities	112,244	101,734	33,194	0	22,684	0	22,684
Governmental activities:							
HOME Fund	24,375	236	889	23,285	0	35	35
Section 8 Housing Programs	146,270	9,082	22	141,287	0	4,121	4,121
Low Income Home Energy Assistance Program	33,203	1,161	16	32,015	0	(11)	(11)
Maine Energy, Housing and Economic Recovery Program	2,034	44	658	4,317	0	2,985	2,985
Other Federal and State Programs	66,127	4,018	2,551	62,276	0	2,718	2,718
Total governmental activities	272,009	14,541	4,136	263,180	0	9,848	9,848
Total Agency-wide	\$384,253	\$116,275	\$37,330	\$263,180	22,684	9,848	32,532
General Revenues:							
Unrestricted investment income					829	0	829
Transfers					2,280	(2,280)	0
Unusual or infrequent item					(655)	0	(655)
Total general revenues, transfers and unusual or infrequent items					2,454	(2,280)	174
Change in Net Position					25,138	7,568	32,706
Net Position at beginning of year					371,754	104,075	475,829
Net Position at end of year					\$396,892	\$111,643	\$508,535

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)

	<u>Mortgage Purchase Fund</u>	<u>Bondholder Reserve Fund</u>	<u>General Administrative Fund</u>	<u>Total</u>
ASSETS:				
Current Assets:				
Cash, principally time deposits (note 3)	\$ 38,626	\$ 0	\$ 49,873	\$ 88,499
Investments (notes 3, 9, and 11)	401,953	7,404	20,429	429,786
Mortgage notes receivable, net (note 4)	57,630	571	149	58,350
Other assets (note 5)	13,948	13	174	14,135
Interfund (note 13)	0	0	5,533	5,533
Total Current Assets	<u>512,157</u>	<u>7,988</u>	<u>76,158</u>	<u>596,303</u>
Noncurrent Assets:				
Investments (notes 3, 9, and 11)	209,104	0	0	209,104
Mortgage notes receivable, net (note 4)	2,197,746	1,080	4,505	2,203,331
Capital assets, net	22	0	16,009	16,031
Other real estate owned, net	364	0	0	364
Derivative instrument - interest rate swaps (note 7)	13,740	0	0	13,740
Total Noncurrent Assets	<u>2,420,976</u>	<u>1,080</u>	<u>20,514</u>	<u>2,442,570</u>
Total Assets	<u>2,933,133</u>	<u>9,068</u>	<u>96,672</u>	<u>3,038,873</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred pension expense (note 8)	441	3	92	536
Deferred amount on debt refundings	1,537	0	0	1,537
Total Deferred Outflows of Resources	<u>1,978</u>	<u>3</u>	<u>92</u>	<u>2,073</u>
LIABILITIES:				
Current Liabilities:				
Accrued interest payable	11,917	0	0	11,917
Accounts payable and accrued liabilities	405	0	14,601	15,006
Interfund (note 13)	4,105	24	23,367	27,496
Bonds and notes payable (notes 6, 9, 14, and 17)	105,525	0	700	106,225
Total Current Liabilities	<u>121,952</u>	<u>24</u>	<u>38,668</u>	<u>160,644</u>
Noncurrent Liabilities:				
Excess arbitrage to be rebated (note 12)	3,207	0	0	3,207
Pension liability (note 8)	844	5	174	1,023
Bonds and notes payable (notes 6, 9, 14, and 17)	2,453,471	0	11,593	2,465,064
Total Noncurrent Liabilities	<u>2,457,522</u>	<u>5</u>	<u>11,767</u>	<u>2,469,294</u>
Total Liabilities	<u>2,579,474</u>	<u>29</u>	<u>50,435</u>	<u>2,629,938</u>
DEFERRED INFLOWS OF RESOURCES:				
Accumulated increase in fair value of hedging derivatives (note 7)	13,740	0	0	13,740
Deferred loan origination points	12	0	0	12
Deferred pension credit (note 8)	300	2	62	364
Total Deferred Inflows of Resources	<u>14,052</u>	<u>2</u>	<u>62</u>	<u>14,116</u>
NET POSITION:				
Net investment in capital assets	22	0	3,534	3,556
Restricted for bond resolutions	341,563	9,040	0	350,603
Unrestricted	0	0	42,733	42,733
Total Net Position	<u>\$341,585</u>	<u>\$9,040</u>	<u>\$46,267</u>	<u>\$396,892</u>

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)

	Mortgage Purchase Fund	Bondholder Reserve Fund	General Administrative Fund	Total
OPERATING REVENUES:				
Interest from mortgages and notes	\$94,792	\$88	\$240	\$95,120
Income from investments	25,977	297	0	26,274
Net increase in the fair value of investments	6,920	0	0	6,920
Fee income	4,636	0	1,837	6,473
Other revenue	52	0	89	141
	<u>132,377</u>	<u>385</u>	<u>2,166</u>	<u>134,928</u>
Total Operating Revenues				
OPERATING EXPENSES:				
Operating expenses	14,458	85	2,883	17,426
Other program administrative expenses	9,284	0	10	9,294
Mortgage servicing fees	2,296	0	8	2,304
Losses on foreclosed real estate	50	0	0	50
Loss on bond redemption (note 14)	166	0	0	166
Interest expense	81,736	0	0	81,736
Excess arbitrage (note 12)	1,268	0	0	1,268
	<u>109,258</u>	<u>85</u>	<u>2,901</u>	<u>112,244</u>
Total Operating Expenses				
Operating Income (Loss)	<u>23,119</u>	<u>300</u>	<u>(735)</u>	<u>22,684</u>
NONCAPITAL SUBSIDIES AND OTHER NONOPERATING REVENUES:				
Unrestricted income from investments	0	0	829	829
Transfers in - interfund revenues (note 13)	28	0	2,138	2,166
Transfers in - restricted for capital assets (note 13)	0	0	114	114
	<u>28</u>	<u>0</u>	<u>3,081</u>	<u>3,109</u>
Total Noncapital Subsidies and Other Nonoperating Revenues				
Income Before Unusual or Infrequent Items	<u>23,147</u>	<u>300</u>	<u>2,346</u>	<u>25,793</u>
UNUSUAL OR INFREQUENT ITEMS				
Loss from repayment of federal program funds (note 15)	<u>0</u>	<u>0</u>	<u>(655)</u>	<u>(655)</u>
Change in Net Position	23,147	300	1,691	25,138
Net Position at beginning of year	<u>318,438</u>	<u>8,740</u>	<u>44,576</u>	<u>371,754</u>
Net Position at end of year	<u>\$341,585</u>	<u>\$9,040</u>	<u>\$46,267</u>	<u>\$396,892</u>

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)

	Mortgage Purchase Fund	Bondholder Reserve Fund	General Administrative Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Interest receipts from borrowers	\$93,174	\$88	\$241	\$93,503
Principal receipts on mortgages and notes - scheduled	113,448	571	2,452	116,471
Principal receipts on mortgages and notes - prepayments	62,843	0	181	63,024
Payments for operating expenses	(14,206)	(15)	(921)	(15,142)
Payments for personnel expenses	(11,832)	(70)	(1,962)	(13,864)
Investment in mortgages and other notes	(503,247)	(88)	(434)	(503,769)
Other	3,545	(2)	(12,130)	(8,587)
Net cash provided by (used for) operating activities	<u>(256,275)</u>	<u>484</u>	<u>(12,573)</u>	<u>(268,364)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	0	0	(327)	(327)
Principal payments on capital debt	0	0	(677)	(677)
Interest payments on capital debt	0	0	(411)	(411)
Payment on subscription liabilities	0	0	(172)	(172)
Net cash used for capital and related financing activities	<u>0</u>	<u>0</u>	<u>(1,587)</u>	<u>(1,587)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Proceeds from sale of bonds	446,977	0	0	446,977
Principal payments on bonds	(164,590)	0	0	(164,590)
Interest payments on bonds	(79,280)	0	0	(79,280)
Payments (to) from other funds	(722)	3	(33,116)	(33,835)
Net cash provided by (used for) non-capital financing activities	<u>202,385</u>	<u>3</u>	<u>(33,116)</u>	<u>169,272</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from disposition of foreclosed real estate	1,773	0	10	1,783
Purchase of investments	(1,176,347)	(784)	0	(1,177,131)
Sales and maturity of investments	1,226,000	0	13,994	1,239,994
Interest received on investments	18,604	297	830	19,731
Net cash provided by (used for) investing activities	<u>70,030</u>	<u>(487)</u>	<u>14,834</u>	<u>84,377</u>
Net increase (decrease) in cash	16,140	0	(32,442)	(16,302)
Cash at beginning of year	22,486	0	82,315	104,801
Cash at end of year	<u>\$38,626</u>	<u>\$0</u>	<u>\$49,873</u>	<u>\$88,499</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating income (loss)	\$23,119	\$300	(\$735)	\$22,684
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization	527	0	1,313	1,840
Interest on bonds and notes	81,209	0	411	81,620
Losses on foreclosed real estate	50	0	0	50
Loss on bond redemption	166	0	0	166
Pension expense	79	0	16	95
Interest income on investments	(25,977)	(297)	0	(26,274)
Net increase in fair value of investments	(6,920)	0	0	(6,920)
Changes in operating assets and liabilities:				
Other assets	(1,159)	0	108	(1,051)
Pension contributions	(417)	0	(86)	(503)
Mortgage note interest receivable	(1,618)	0	1	(1,617)
Accounts payable and accrued liabilities	1,622	(2)	(15,800)	(14,180)
Investment in mortgage and other notes	(503,247)	(88)	(434)	(503,769)
Mortgage & other note principal repayments	176,291	571	2,633	179,495
Net cash provided by (used for) operating activities	<u>(\$256,275)</u>	<u>\$484</u>	<u>(\$12,573)</u>	<u>(\$268,364)</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION:				
Transfer from mortgage notes receivable to other assets and other real estate owned	\$2,898	\$0	\$0	\$2,898

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)

	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Maine Energy, Housing & Economic Recovery Fund	Other Federal and State Programs	Total
ASSETS:						
Current Assets:						
Cash, principally time deposits (note 3)	\$0	\$6,830	\$1,266	\$0	\$885	\$8,981
Investments (notes 3, 9, and 11)	10,481	0	0	13,271	89,706	113,458
Accounts receivable - government	2,379	119	2,278	0	4,990	9,766
Mortgage notes receivable, net (note 4)	10	0	0	0	0	10
Other assets	131	232	0	61	223	647
Interfund (note 13)	5,063	29	0	0	20,042	25,134
Total Current Assets	<u>18,064</u>	<u>7,210</u>	<u>3,544</u>	<u>13,332</u>	<u>115,846</u>	<u>157,996</u>
Noncurrent Assets:						
Mortgage notes receivable, net (note 4)	70,371	0	0	45,127	0	115,498
Total Noncurrent Assets	<u>70,371</u>	<u>0</u>	<u>0</u>	<u>45,127</u>	<u>0</u>	<u>115,498</u>
Total Assets	<u>88,435</u>	<u>7,210</u>	<u>3,544</u>	<u>58,459</u>	<u>115,846</u>	<u>273,494</u>
DEFERRED OUTFLOWS OF RESOURCES:						
Program advances	1,439	0	0	0	0	1,439
Total Assets and Deferred Outflows of Resources	<u>\$89,874</u>	<u>\$7,210</u>	<u>\$3,544</u>	<u>\$58,459</u>	<u>\$115,846</u>	<u>\$274,933</u>
LIABILITIES:						
Current Liabilities:						
Accrued interest payable	\$0	\$0	\$0	\$55	\$0	\$55
Accounts payable - government	0	472	349	0	2,676	3,497
Accounts payable and accrued liabilities	1,643	325	1,225	0	2,169	5,362
Unearned income	0	0	757	0	105,645	106,402
Interfund (note 13)	29	317	1,084	3	2	1,435
Bonds payable (notes 6 and 9)	0	0	0	3,085	0	3,085
Total Current Liabilities	<u>1,672</u>	<u>1,114</u>	<u>3,415</u>	<u>3,143</u>	<u>110,492</u>	<u>119,836</u>
Noncurrent Liabilities:						
Bonds payable (notes 6 and 9)	0	0	0	41,279	0	41,279
Total Non Current Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>41,279</u>	<u>0</u>	<u>41,279</u>
Total Liabilities	<u>1,672</u>	<u>1,114</u>	<u>3,415</u>	<u>44,422</u>	<u>110,492</u>	<u>161,115</u>
FUND BALANCES:						
Restricted by program requirements	88,202	6,096	129	0	5,354	99,781
Nonspendable	0	0	0	14,037	0	14,037
Total Fund Balances	<u>88,202</u>	<u>6,096</u>	<u>129</u>	<u>14,037</u>	<u>5,354</u>	<u>113,818</u>
Total Liabilities and Fund Balances	<u>\$89,874</u>	<u>\$7,210</u>	<u>\$3,544</u>	<u>\$58,459</u>	<u>\$115,846</u>	<u>\$274,933</u>

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

Total fund balances in governmental funds	\$113,818
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Pension expense deferrals reported as deferred outflows of resources in governmental activities are not financial resources and therefore are not reported in the governmental funds.	275
Pension liabilities reported in governmental activities are not due and payable in the current period and therefore are not reported in the governmental funds.	(527)
Pension credit deferrals reported as deferred inflows of resources in governmental activities are not available to pay for current period expenditures and therefore are not reported in the governmental funds.	(187)
Interfund balances related to the allocation of pension liabilities and deferrals of resources reported in governmental activities are not due and payable in the current period and therefore not reported in the governmental funds.	<u>(1,736)</u>
Net Position of governmental activities	<u>\$111,643</u>

See accompanying notes to the financial statements

MAINE STATE HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)

	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Maine Energy, Housing & Economic Recovery Fund	Other Federal and State Programs	Total
REVENUES:						
Interest from mortgages and notes	\$168	\$0	\$0	\$44	\$0	\$212
Income from investments	889	22	16	658	2,551	4,136
Fee income	0	9,068	1,161	0	4,018	14,247
Other revenue	68	14	0	0	0	82
Grant income	23,285	0	32,015	4,317	62,276	121,893
Federal rent subsidy income	0	141,287	0	0	0	141,287
Total Revenues	<u>24,410</u>	<u>150,391</u>	<u>33,192</u>	<u>5,019</u>	<u>68,845</u>	<u>281,857</u>
EXPENDITURES:						
Operating expenditures	0	5,114	1,093	0	2,733	8,940
Other program administrative expenditures	0	215	28	3	1,078	1,324
Provision for losses on loans (note 4)	185	0	0	0	0	185
Grant expenditures	24,190	2	32,076	1,066	62,301	119,635
Federal rent subsidy	0	140,911	0	0	0	140,911
Interest	0	0	0	965	0	965
Total Expenditures	<u>24,375</u>	<u>146,242</u>	<u>33,197</u>	<u>2,034</u>	<u>66,112</u>	<u>271,960</u>
Revenues in Excess of (Less Than) Expenditures	35	4,149	(5)	2,985	2,733	9,897
Transfers between funds, net (note 13)	<u>(34)</u>	<u>(2,030)</u>	<u>(4)</u>	<u>0</u>	<u>(212)</u>	<u>(2,280)</u>
Change in Fund Balances	1	2,119	(9)	2,985	2,521	7,617
Fund Balances at beginning of year	<u>88,201</u>	<u>3,977</u>	<u>138</u>	<u>11,052</u>	<u>2,833</u>	<u>106,201</u>
Fund Balances at end of year	<u>\$88,202</u>	<u>\$6,096</u>	<u>\$129</u>	<u>\$14,037</u>	<u>\$5,354</u>	<u>\$113,818</u>

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Change in Fund Balances - total governmental funds	\$7,617
Amounts reported for governmental activities in the Statement of Activities are different because:	
Expenses reported in the Statement of Activities include a pension expense, which does not effect the use of current financial resources and therefore is not reported as an expenditure in the governmental funds.	<u>(49)</u>
Change in Net Position of governmental activities	<u>\$7,568</u>

See accompanying notes to the financial statements

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

(1.) ORGANIZATION AND NATURE OF OPERATIONS

The Maine State Housing Authority (MaineHousing) is a public corporation and an instrumentality of the State of Maine established under the provisions of the *Maine Housing Authorities Act*, Title 30-A, Chapter 201, of the Maine Revised Statutes, as amended. MaineHousing is authorized to issue bonds for the purchase or origination of notes and mortgages on single-family and multi-family residential properties for the purpose of providing housing for persons and families of low income in the State of Maine. MaineHousing also administers various housing and energy-related state and federal programs and collects and disburses federal rent subsidies for low-income housing.

For financial reporting purposes, MaineHousing is considered a component unit of the State of Maine and the financial condition and results of operations of MaineHousing are included in the State's financial statements.

(2.) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

MaineHousing's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) statements and are comprised of three components: 1) agency-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The financial statements include all of the organization's activities and functions for which MaineHousing is financially accountable. Determination of financial accountability includes, among other factors, appointment of a voting majority of the component's governing body and (1) ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, MaineHousing. Based on the preceding criteria, the accompanying financial statements do not include the financial activities of any entity other than MaineHousing.

The agency-wide financial statements are comprised of a Statement of Net Position and Statement of Activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. These statements reflect all of the assets, liabilities, revenues, expenses, deferred inflows, deferred outflows, gains and losses of business-type and governmental activities. Interfund balances entirely within the proprietary funds and governmental funds are eliminated from the Statement of Net Position; remaining amounts are shown as Internal Balances.

The business-type activities, which include single-family and multi-family loan programs, are classified as proprietary funds. Proprietary funds are reported using the accrual basis of accounting and revenues are recorded when earned and expenses when incurred. The governmental activities reflect the administration of the various programs for the State of Maine and the federal government. Governmental funds are reported using the modified accrual basis and revenues are recorded when they become available and measurable and expenses when incurred. Revenues from grants and programs are generally considered "available" if eligibility and time restrictions have been satisfied and if received within three months of the balance sheet date. Grants received in advance of the period in which they can be used are reported as deferred inflows of resources.

Separate fund financial statements are provided for proprietary and governmental funds. The fund financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental entities, which provides that accounting systems be organized by funds to account for specific activities consistent with legal and operating requirements. Major individual governmental funds and all proprietary funds and fund groups are reported as separate columns in the fund financial statements. Certain insignificant indirect costs are allocated to the funds.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

Fund Structure

PROPRIETARY FUNDS

Financial activities operated similarly to private business enterprises and financed through fees and charges assessed primarily to users of loans and other lender services are presented as proprietary funds. MaineHousing's proprietary funds are as follows, all of which are considered major funds:

Mortgage Purchase Fund

This fund consists of accounts established by the General Mortgage Purchase Bond Resolution. Pursuant to the Mortgage Purchase Program, MaineHousing is authorized to purchase or originate first lien mortgages on single-family and multi-family residential properties. Proceeds from the sale of mortgage revenue bonds, the debt service requirements of the bond indebtedness, and mortgage loans made from bond proceeds are recorded in this fund.

Bondholder Reserve Fund

This fund consists of accounts established by the General Authority Bondholder Reserve Fund Resolution and is pledged to replenish any deficiency in the debt service reserve fund of the General Mortgage Purchase Bond Resolution.

General Administrative Fund

This fund consists of account balances that are not directly pledged to or restricted by a particular bond resolution or program and generates fee and interest income. Revenues not specifically pledged for the repayment of bonds or notes are recorded in this fund.

GOVERNMENTAL FUNDS

Activities financed by grant and program agreements with the federal government and appropriations and allocations from the State of Maine Legislature are presented as governmental funds. None of the governmental funds are legally required to adopt a formal budget. MaineHousing's governmental funds are as follows, all of which are considered major funds:

Home Fund

The Maine State Legislature authorized the creation of the Housing Opportunities for Maine (HOME) Program to promote and create affordable housing. The program is funded by a portion of the Real Estate Transfer Tax levied by the State of Maine and by appropriations. These funds may be used in conjunction with MaineHousing's other housing resources. Activities associated with the Shelter Operating Subsidy Program, which is funded by the State of Maine and provides funding for emergency shelters that serve Maine's homeless citizens, are also recorded in this fund.

Section 8 Housing Programs

This fund group consists of activity related to MaineHousing's administration of various Department of Housing and Urban Development (HUD) Section 8 programs. These are federal programs that provide rental subsidies to landlords to preserve low-income rental units and funding to tenants to assist with rent payments. The program funding levels are established by the federal government annually. MaineHousing receives annual fees from HUD for the administration of these programs. These programs consist of the following:

- Moderate Rehabilitation
- Section 811 Project Rental Assistance
- Housing Choice Voucher
- Performance Based Contract Administration
- Family Self-Sufficiency
- Mainstream Vouchers
- Section 8 Emergency Housing Voucher – *American Rescue Plan Act*

Maine State Housing Authority
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Low Income Home Energy Assistance Program

MaineHousing is the designated administrator of the Low Income Home Energy Assistance Program for the State of Maine. This program is federally funded through the Department of Health and Human Services. Under this program, funds are provided to low income homeowners and renters to assist with the payment of heating costs. The funding level is established annually by the federal government and MaineHousing receives annual fees for the administration of the program.

Maine Energy, Housing and Economic Recovery Fund

The purpose of the Maine Energy, Housing and Economic Recovery Fund (MEHER) is to create capital funding sources to provide affordable housing and to improve energy efficiency of residential housing in the State of Maine. The fund consists of accounts established by the MEHER General Indenture. The revenue anticipation bonds issued under the MEHER General Indenture are liabilities of the fund and the debt service for these bonds is paid by a source of revenue from the State of Maine.

Other Federal and State Programs

MaineHousing administers various other federal and state housing and energy-related programs and grants. This fund group records the activity and reflects the consolidation of these programs and grants. Program administration is governed by the appropriate federal regulations or state laws. The annual program and grant funding levels are set by the appropriate federal or state government. MaineHousing receives annual fees for the administration of most of the federal programs and grants. Federal and state programs consist of the following:

U.S. Department of Housing and Urban Development

- Emergency Solutions Grants
- HOME Investment Partnerships Program
- HOME Investment Partnerships Program – *American Rescue Plan Act*
- National Housing Trust Fund
- Lead-Based Paint Hazard Control Program
- Healthy Homes Production Grant
- Homeless Management Information System
- Continuum of Care - Planning Grant
- Community Development Block Grant – *Coronavirus Aid, Relief, and Economic Security Act* (via State of Maine)
- Older Adult Home Modification Program
- Recovery Housing Program

U.S. Department of Energy

- Weatherization Assistance Program
- Weatherization Assistance Program - Training Centers and Programs
- Weatherization Assistance Program – *Bipartisan Infrastructure Law*
- Sustainable Energy Resources for Consumers Grant

U.S. Department of Health and Human Services

- Weatherization / Central Heating Improvement Program
- Temporary Assistance for Needy Families (via State of Maine)

U.S. Department of Treasury

- Emergency Rental Assistance Program – *American Rescue Plan Act* (via State of Maine)
- Homeowner Assistance Fund – *American Rescue Plan Act* (via State of Maine)
- Expand Affordable Housing Program – *American Rescue Plan Act* (via State of Maine)
- Grants for Homeless Shelters – *American Rescue Plan Act* (via State of Maine)

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State of Maine

Well Water Treatment Program
Lead Abatement Program
State General Obligation Bonds
Emergency Housing Relief Fund
Eviction Prevention Program
Low-Barrier Homeless Shelter Program
Improve Access to Credit for Low-Income Individuals
Manufactured and Mobile Home Park Preservation and Assistance Program
Rural Affordable Rental Housing Program
Housing Stability Support Program
Housing Subsidy Program for Homeless Students
Affordable Homeownership Program

Private

Low Income Assistance Plan

Net Position

In the agency-wide and proprietary fund financial statements, net position is displayed in three components as follows:

Net investment in capital assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any notes, liabilities or other borrowings for the acquisition, construction, or improvement of those assets.

Restricted – This consists of activities that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. For business-type activities, the net position is restricted by bond resolutions for the acquisition of loans, payment of debt service and payment of operating costs. For governmental activities, the net position is restricted by state statutes or federal regulations and program agreements for specific program purposes.

Unrestricted – This consists of activities that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balances

In the governmental funds financial statements, fund balances are reported as either restricted for housing and energy related programs or nonspendable in current form due to the long term nature of certain assets. If unrestricted fund balances are available, they are generally used after assigned or restricted amounts.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and held by banks in demand deposits and savings accounts.

Investments

Money market funds, repurchase agreements and certificates of deposit that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Investments not reported at amortized cost are reported at fair value. Unrealized gains and losses due to fluctuations in market values and gains and losses realized upon sale are reported as net increases or decreases in the fair value of investments. Interest received that is required by federal programs to be spent on program activities is deferred and recorded as a payable to the federal government.

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Mortgage Notes Receivable

Mortgage notes receivable are carried at their uncollected principal balance less allowances for loan losses. The recording of interest income on problem loans ceases when collectibility within a reasonable period of time becomes doubtful. Program income received for revolving loan programs are recorded as unearned income. MaineHousing reclassifies its liability for amounts due under revolving loan programs relating to forgivable loans and loans with no payments due until sale of the collateral or maturity of the loan (usually 30 years from origination) to reduce the associated loan balances. MaineHousing believes this presentation better reflects the underlying economics of the loan.

Allowances For Losses On Loans

MaineHousing has established allowances for losses on mortgages and other notes receivable. The allowances are established through provisions for losses on loans charged to expenses. Losses are charged against the allowances when MaineHousing believes that collection of the loan principal is unlikely.

The allowances are amounts that MaineHousing believes will be adequate to absorb losses based on evaluations of collectibility and prior loss experience. The evaluation takes into consideration such factors as the nature and volume of the portfolio, extent of available mortgage insurance, collateral, delinquencies and current economic conditions that may affect the borrowers' ability to pay.

Capital Assets

Capital assets consisting of building, land, and equipment are stated at cost less accumulated depreciation and are reported in the agency-wide and proprietary funds financial statements. MaineHousing capitalizes assets with an initial cost of one thousand dollars or more. Depreciation is computed using the straight line method over the estimated useful lives of the assets, which range from three to forty years. Land and assets that are being developed are not depreciated. Intangible assets from subscription-based information technology arrangements are recorded as capital assets and amortized using the straight line method over the subscription term.

Other Real Estate Owned

Other real estate owned consists of single-family and multi-family residential properties acquired through foreclosure, or acceptance of a deed in lieu of foreclosure and are carried at the lower of cost or fair value less estimated costs to sell. Losses arising from the acquisition of other real estate owned are charged to the allowance for loan losses. Operating expenses, subsequent provisions to reduce the carrying value, and any gain or loss on disposition of the property are reflected in the Statement of Revenues, Expenses and Changes in Net Position in the year incurred or realized.

Bond Discount, Premium, Issuance Costs and Deferred Amounts on Refunding

Bond discounts and premiums are reflected as a component of bonds payable and are deferred and amortized over the lives of the bonds using a method that approximates the effective interest method. Gains and losses on debt refundings are amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter and reflected as a deferred outflow of resources. Bond issuance costs are expensed in the year issued.

Loan Origination Fees and Costs

MaineHousing pays origination costs at the time it purchases single-family mortgage loans. These and other program costs, including closing cost assistance to borrowers, paid in connection with acquiring certain single-family loans, are expensed in the year of origination.

Maine State Housing Authority
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MaineHousing may receive points in connection with the origination of certain mortgage loans, which are essentially yield adjustments on the loans. Points received for single-family loans are reflected as a deferred inflow of resources and amortized as a component of interest income using the effective interest method over the life of the mortgages. When a loan is paid off prior to maturity, all unamortized deferred points are recognized immediately as interest income. MaineHousing may charge a fee at the time that a commitment is made to originate a mortgage on a multi-family loan. These fees are recognized as income in the year the commitment is made.

Revenues, Expenses and Expenditures

Program revenues in the agency-wide Statement of Activities are reported in three categories including (1) charges for services, (2) investment income and (3) grants and contributions. Charges for services include all revenues from mortgage loans and program administration fees. Investment income consists of earnings from non-mortgage investment assets. Grants and contributions include revenues from other governments and organizations that are restricted for use in a particular program. All revenues are recorded as income when earned and the associated expenses are recorded as incurred.

The proprietary funds' primary sources of operating revenues are income from mortgage loans and other permitted investments. Operating expenses in the proprietary funds consist of costs incurred for originating and servicing loans, interest on bonds and notes, and program administration.

Revenues in the governmental funds are derived from grant and program agreements with the federal government, appropriations from the Maine State Legislature, and other organizations. MaineHousing also receives fee income for program administration. Expenditures in the governmental funds are all current operating expenditures and consist primarily of program disbursements and administration charges.

Derivatives and Hedging Instruments

MaineHousing enters into interest rate swap agreements in order to manage risks associated with interest on its variable rate bond portfolio. MaineHousing recognizes the fair value of swap agreements as either an asset or liability on its Statement of Net Position with the offsetting gains or losses as either deferred inflows or outflows of resources, if deemed an effective hedge. If swap agreements are not effective hedges, interest expense is increased or decreased by the change in the fair value. MaineHousing measures the effectiveness of its interest rate swap agreements in total whereby all the swaps are used to hedge interest expense on a portion of the total variable rate bonds equal to the notional amount of the swaps. Hedge effectiveness is determined by using the regression analysis method. MaineHousing's swap agreements constitute an effective hedge for the hedged portion of the variable rate bond portfolio at December 31, 2025.

Fair Value Methodology

Generally accepted accounting principles establishes standards for determining fair value measurements for accounting and financial reporting purposes and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements and also establishes a three-tier hierarchy that prioritizes the inputs used to measure fair value as follows:

- **Level 1 inputs** are observable, quoted prices in active markets for identical assets or liabilities;
- **Level 2 inputs** are directly or indirectly observable, but not on Level 1; and
- **Level 3 inputs** are all inputs that are unobservable.

MaineHousing's assets and liabilities carried at fair value are investments and interest rate swaps.

Maine State Housing Authority
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Defined Benefit Pension Plan

MaineHousing is a participating local district (PLD) member of the Maine Public Employees Retirement System (MainePERS) PLD Consolidated Retirement Plan and employees may participate in a defined benefit plan offered by MainePERS. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of MainePERS' PLD Consolidated Plan have been determined on the same basis as they are reported by MainePERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments at MainePERS are reported at fair value.

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 that affect the reported amounts of assets and liabilities at the date of the statements and the reported amounts of revenues, expenses and expenditures during the reporting year. Material estimates that are particularly susceptible to significant change in the near-term relate to the determination of the allowance for losses on loans, the fair value of interest rate swaps and the net pension liability for MaineHousing's participation in the MainePERS PLD Consolidated Retirement Plan. Actual results could differ from estimates.

New Accounting Standard

MaineHousing early adopted Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements* for the year ended December 31, 2025. GASB 103 replaces and supersedes portions of GASB 34 and related standards and introduces revised presentation requirements for proprietary fund financial statements, including new definitions and classifications for operating and nonoperating revenues and expenses, updated subtotal requirements, and new guidance for management's discussion and analysis.

The early adoption resulted in changes to the presentation of MaineHousing's proprietary fund Statement of Revenues, Expenses, and Changes in Net Position but did not have an effect on beginning net position or MaineHousing's accounting policies for the recognition and measurement of revenues, expenses, assets, deferred outflows of resources, liabilities, or deferred inflows of resources.

Future Accounting Standards

The following GASB Statements that have been issued are under evaluation by MaineHousing:

- GASB Statement No. 104, Disclosure of Certain Capital Assets is effective for the year ending December 31, 2026. GASB Statement No. 104 provides users of government financial statements with essential information about certain types of capital assets.
- GASB Statement No. 105, Subsequent Events, is effective for the year ending December 31, 2027. GASB State No. 105 clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

MaineHousing has not adopted these standards and is evaluating the impact they may have on its financial statements.

(3.) CASH AND INVESTMENTS

At December 31, 2025, the carrying amount of MaineHousing's bank deposits was \$97,480 and the bank balance was \$98,995. The difference between the carrying amount and the bank balance is a result of transactions in transit. Of the bank balance, \$500 was covered by federal depository insurance and \$98,495 was collateralized by pledged government securities that are held in the bank's name at the Federal Reserve Bank.

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The General Mortgage Purchase Bond Resolution permits MaineHousing to invest in direct obligations of, or obligations guaranteed by, the United States of America, certain government-sponsored enterprises and the State of Maine “permitted investments.” The resolution also permits MaineHousing to invest in certificates of deposit, repurchase agreements, money market funds and other similar banking arrangements that are collateralized by permitted investments.

MaineHousing has a formal Investment Policy that outlines its investment practices and policies. The primary purpose of the policy is to ensure safety of principal while managing liquidity to pay MaineHousing’s financial obligations. MaineHousing’s deposit policy is to have its deposits covered by insurance, collateralized or deposited in well capitalized institutions.

MaineHousing’s investment balances and stated maturities as of December 31, 2025 are presented in the following table. Actual maturities may differ due to investments being called by the issuer.

Investment Type	Investment Maturities in Years					Moody's Credit Rating
	Carrying Amount	Less than 1	1-5	6-10	More than 10	
PROPRIETARY FUNDS						
MORTGAGE PURCHASE FUND						
Repurchase Agreements	\$122,747	\$122,747	\$0	\$0	\$0	NR
Money Market Funds	1,000	1,000	0	0	0	NR
Federal Home Loan Mortgage Corporation (FHLMC)	49,846	49,846	0	0	0	P-1/Aa1
Federal Farm Credit Bank (FFCB)	75,351	0	11,686	36,812	26,853	P-1/Aa1
Federal National Mortgage Association (FNMA)	84,831	84,831	0	0	0	P-1/Aa1
Federal Home Loan Bank (FHLB)	208,434	84,599	5,341	86,480	32,014	P-1/Aa1
U.S. Treasury Securities	68,848	58,930	3,040	6,878	0	P-1/Aa1
Total - Mortgage Purchase Fund	<u>611,057</u>	<u>401,953</u>	<u>20,067</u>	<u>130,170</u>	<u>58,867</u>	
BONDHOLDER RESERVE FUND						
Repurchase Agreements	7,404	7,404	0	0	0	NR
GENERAL ADMINISTRATIVE FUND						
Repurchase Agreements	6,199	6,199	0	0	0	NR
Government Money Market Funds	11,428	11,428	0	0	0	Aaa-mf
Certificates of Deposit	2,802	2,802	0	0	0	NR
Total - General Administrative Fund	<u>20,429</u>	<u>20,429</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Total - Proprietary Funds	<u>\$638,890</u>	<u>\$429,786</u>	<u>\$20,067</u>	<u>\$130,170</u>	<u>\$58,867</u>	
GOVERNMENTAL FUNDS						
HOME FUND						
Repurchase Agreements	\$10,481	\$10,481	\$0	\$0	\$0	NR
MAINE ENERGY, HOUSING & ECONOMIC RECOVERY FUND						
Repurchase Agreements	13,271	13,271	0	0	0	NR
OTHER FEDERAL AND STATE PROGRAMS						
Repurchase Agreements	89,706	89,706	0	0	0	NR
Total - Governmental Funds	<u>\$113,458</u>	<u>\$113,458</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	

MaineHousing generally invests in repurchase agreements and money market funds for short-term investments, which are not credit rated and are continuously and fully secured by permitted investments. It is MaineHousing’s policy to require that collateral be held by MaineHousing’s trustee in MaineHousing’s name, wherever practicable.

A market approach is used to determine fair value using Level 2 inputs for investments carried at fair value. Prices and other relevant information are generated by market transactions involving identical or comparable investments.

Maine State Housing Authority
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At December 31, 2025, \$540,442 was invested in short-term repurchase agreements, money market funds, U.S. Treasury Securities, and other government sponsored enterprises with maturity dates of less than one year and interest rates up to 3.83%. Investments other than repurchase agreements, money market funds, and U.S. Treasury Securities are registered in MaineHousing's name. Investments issued by Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Bank (FFCB), Federal National Mortgage Association (FNMA), and Federal Home Loan Bank (FHLB) make up 8%, 12%, 14%, and 34% of total investments, respectively, in the Mortgage Purchase Fund.

At December 31, 2025, \$2,802 is invested in a non-negotiable certificate of deposit to fund a debt service reserve in connection with a loan agreement. The certificate has an interest rate of 3.20% and will mature in November 2026. The certificate is not credit rated and is being held by its bank trustee in MaineHousing's name.

MaineHousing originates loans that provide capital funding for the creation of affordable rental housing. Undisbursed loan proceeds for certain programs are held as investments in the General Administrative Fund with a corresponding escrow amount recorded in accounts payable and accrued liabilities. Escrow investments totaled \$11,428 at December 31, 2025.

(4.) MORTGAGE NOTES RECEIVABLE

For financial statement presentation, the allowance for losses on loans has been netted against the noncurrent portion of mortgage notes receivable. A summary of mortgage notes receivable at December 31, 2025 is as follows:

	<u>Number of Notes</u>	<u>Principal Balance</u>	<u>Percent of Portfolio</u>
PROPRIETARY FUNDS			
MORTGAGE PURCHASE FUND - SINGLE-FAMILY:			
VA guaranteed	543	\$94,081	6.7%
FHA insured	2,102	353,697	25.2%
USDA/RD guaranteed	5,032	589,742	42.0%
Privately insured	336	84,691	6.0%
Non-insured	2,723	281,679	20.1%
Total Mortgage Purchase Fund - single-family	<u>10,736</u>	<u>1,403,890</u>	<u>100.0%</u>
MORTGAGE PURCHASE FUND - MULTI-FAMILY:			
Section 8	202	227,759	26.5%
Conventional	371	600,189	69.9%
Supportive Housing	148	30,521	3.6%
Total Mortgage Purchase Fund - multi-family	<u>721</u>	<u>858,469</u>	<u>100.0%</u>
Less: Allowance for losses on loans		(6,983)	
Total Mortgage Purchase Fund	<u>11,457</u>	<u>2,255,376</u>	
BONDHOLDER RESERVE FUND - MULTI-FAMILY:			
Conventional	<u>1</u>	<u>1,651</u>	<u>100.0%</u>
GENERAL ADMINISTRATIVE FUND - SINGLE-FAMILY:			
Non-insured	43	1,313	<u>100.0%</u>
GENERAL ADMINISTRATIVE FUND - MULTI-FAMILY:			
Section 8	1	553	16.0%
Conventional	4	2,892	84.0%
Total General Administrative Fund - multi-family	<u>5</u>	<u>3,445</u>	<u>100.0%</u>
Less: Allowance for losses on loans		(104)	
Total General Administrative Fund	<u>48</u>	<u>4,654</u>	
Total Proprietary Funds	<u>11,506</u>	<u>\$2,261,681</u>	

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GOVERNMENTAL FUNDS

HOME FUND - SINGLE-FAMILY:			
Non-insured	225	\$2,689	<u>100.0%</u>
HOME FUND - MULTI-FAMILY:			
Non-insured	<u>144</u>	<u>68,466</u>	<u>100.0%</u>
Total HOME Fund		71,155	
Less: Allowance for losses on loans		<u>(774)</u>	
Total HOME Fund	<u>369</u>	<u>70,381</u>	
MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY FUND - MULTI-FAMILY			
Non-insured	<u>32</u>	<u>45,127</u>	<u>100.0%</u>
Total Governmental Funds	<u>401</u>	<u>\$115,508</u>	

A summary of the activity in the allowance for losses on loans is as follows:

	<u>PROPRIETARY FUNDS</u>		<u>GOVERNMENTAL FUNDS</u>
	Mortgage Purchase Fund Group	General Administrative Fund	HOME Fund
Balance – December 31, 2024	\$7,124	\$94	\$773
Provision	0	0	185
Loans charged off	(174)	0	(184)
Recoveries	33	10	0
Balance – December 31, 2025	<u>\$6,983</u>	<u>\$104</u>	<u>\$774</u>

(5.) SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

MaineHousing uses subscription-based information technology arrangements (SBITA) for certain information technology cloud software. One arrangement provides software for its multi-family housing programs and one arrangement is for grant management.

The term for the multi-family SBITA is for an initial three-year period at an annual fee of \$167, which increases by 3% per annum. Renewal options for two additional years at the same terms and conditions were exercised and included in the determination of the right-to-use asset and subscription liability. This SBITA arrangement also included an implementation fee and other costs of \$186.

The term for the grant management SBITA was for an initial three-year period that ended in August 2025. Renewal options were available for two additional years but were not exercised.

At December 31, 2025, MaineHousing has a net right-to-use SBITA asset, an intangible asset, of \$282 and a \$182 subscription liability, which is included in accounts payable and accrued liabilities. During 2025, \$299 of amortization expense and \$8 of interest expense on the subscription liability was recorded. Principal and interest for the subscription liability through December 31, 2026 is \$182 and \$5, respectively.

Maine State Housing Authority
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(6.) BONDS AND NOTES PAYABLE

MaineHousing issues bonds that pay interest that is subject to Alternative Minimum Tax (AMT), bonds that pay interest that is not subject to this tax (Non-AMT) and federally taxable bonds. Interest paid on AMT bonds is treated as a preference item in calculating the tax imposed on individuals and corporations under the Internal Revenue Service Code. MaineHousing's AMT, Non-AMT and federally taxable bonds are denoted for each series or sub-series in the following table.

The interest rates presented in the following table for variable rate bonds represent the rate at December 31, 2025. The Single-Family (S/F) and Multi-Family (M/F) Mortgage Bonds Payable outstanding at December 31, 2025 are as follows:

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
PROPRIETARY FUNDS							
MORTGAGE PURCHASE FUND							
2013 SERIES B BONDS (S/F)							
2013 Series B (Non-AMT)							
Serial Bonds	\$7,540	\$0	2.75%				
Term Bonds	3,890	2,000	3.00%	2026-2027	985	-	1,015
Term Bonds	38,690	16,275	3.45%	2031-2032	7,995	-	8,280
Term Bonds	28,880	24,680	3.60%	2033-2036	1,990	-	8,235
Term Bonds	<u>27,000</u>	<u>0</u>	4.00%				
	<u>106,000</u>	<u>42,955</u>					
2015 SERIES A BONDS (M/F)							
2015 Series A-2 (Non-AMT)							
Term Bonds	6,555	1,125	3.25%	2028-2029	525	-	600
2015 Series A-3 (Non-AMT)							
Serial Bonds	8,050	0	1.20%				
Term Bonds	11,220	9,135	3.50%	2031-2034	2,160	-	2,410
Term Bonds	13,505	11,000	3.63%	2036-2039	2,590	-	2,905
Term Bonds	<u>16,225</u>	<u>16,225</u>	3.75%	2040-2044	2,995	-	3,500
	<u>55,555</u>	<u>37,485</u>					
2015 SERIES B BONDS (S/F)							
2015 Series B (Non-AMT)							
Serial Bonds	9,750	0	2.60%				
Term Bonds	10,750	6,650	3.20%	2028-2030	2,150	-	2,285
Term Bonds	1,610	1,610	3.45%	2031-2034	380	-	425
Term Bonds	<u>9,890</u>	<u>0</u>	3.50%				
	<u>32,000</u>	<u>8,260</u>					
2015 SERIES C BONDS (M/F)							
2015 Series C (Federally Taxable)							
Serial Bonds	9,480	0	2.74% - 3.04%				
Term Bonds	18,000	0	3.59%				
Term Bonds	<u>12,520</u>	<u>7,800</u>	3.95%	2038-2040	2,500	-	2,700
	<u>40,000</u>	<u>7,800</u>					
2015 SERIES E BONDS (S/F)							
2015 Series E-3 (AMT)							
Term Bonds	<u>30,000</u>	<u>25,450</u>	Variable - 3.37%	2035-2038	4,625	-	7,610
	<u>30,000</u>	<u>25,450</u>					
2015 SERIES F BONDS (M/F)							
2015 Series F-2 (Non-AMT)							
Serial Bonds	2,450	500	2.85%	2026		500	
2015 Series F-3 (Non-AMT)							
Serial Bonds	15,005	0	1.10%				
Term Bonds	6,340	5,155	3.40%	2028-2030	1,650	-	1,785
Term Bonds	9,565	0	3.85%				
Term Bonds	<u>11,840</u>	<u>0</u>	3.95%				
	<u>45,200</u>	<u>5,655</u>					
2015 SERIES G BONDS (S/F)							
2015 Series G (Non-AMT)							
Serial Bonds	8,185	3,830	2.85% - 3.00%	2026-2027	1,735	-	2,095
Term Bonds	1,730	1,730	3.35%	2028-2030	535	-	615
Term Bonds	2,125	0	3.65%				
Term Bonds	12,060	7,420	3.85%	2038-2040	2,410	-	2,535
Term Bonds	<u>5,900</u>	<u>0</u>	3.50%				
	<u>30,000</u>	<u>12,980</u>					

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(IN THOUSANDS OF DOLLARS)

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2016 SERIES A BONDS (S/F)							
2016 Series A (Non-AMT)							
Serial Bonds	6,065	855	2.45%	2026	855		
Term Bonds	6,520	6,520	2.90%	2027-2030	1,545	-	1,720
Term Bonds	4,630	4,630	3.30%	2031-2035	865	-	990
Term Bonds	10,900	10,900	3.55%	2036-2040	1,960	-	2,355
Term Bonds	<u>6,885</u>	<u>0</u>	4.00%				
	<u>35,000</u>	<u>22,905</u>					
2016 SERIES B BONDS (S/F)							
2016 Series B-1 (Non-AMT)							
Serial Bonds	19,260	4,735	2.35% - 2.55%	2026-2027	2,325	-	2,410
Term Bonds	3,885	1,205	2.70%	2028		1,205	
Term Bonds	18,855	0	3.50%				
2016 Series B-2 (AMT)							
Term Bonds	<u>28,000</u>	<u>28,000</u>	Variable - 3.37%	2029-2037	2,720	-	3,420
	<u>70,000</u>	<u>33,940</u>					
2016 SERIES C BONDS (S/F)							
2016 Series C (Non-AMT)							
Serial Bonds	13,620	3,340	2.15% - 2.50%	2026-2028	1,080	-	1,155
Term Bonds	5,670	5,670	2.75%	2029-2031	1,185	-	2,285
Term Bonds	8,975	8,975	3.00%	2032-2036	1,305	-	2,510
Term Bonds	3,355	3,355	3.15%	2037-2041	625	-	720
Term Bonds	<u>8,380</u>	<u>0</u>	3.50%				
	<u>40,000</u>	<u>21,340</u>					
2016 SERIES D BONDS (M/F)							
2016 Series D (Federally Taxable)							
Serial Bonds	32,000	15,915	2.69% - 2.99%	2026-2029	3,915	-	4,000
Term Bonds	<u>8,000</u>	<u>8,000</u>	3.29%	2030-2031		4,000	
	<u>40,000</u>	<u>23,915</u>					
2016 SERIES E BONDS (S/F)							
2016 Series E (Non-AMT)							
Serial Bonds	6,250	1,565	3.05% - 3.15%	2026-2027	765	-	800
Term Bonds	3,050	0	3.63%				
Term Bonds	10,385	0	3.90%				
Term Bonds	<u>8,315</u>	<u>0</u>	4.00%				
	<u>28,000</u>	<u>1,565</u>					
2017 SERIES A BONDS (S/F)							
2017 Series A (Non-AMT)							
Serial Bonds	5,920	2,205	3.00% - 3.15%	2026-2028	705	-	765
Term Bonds	3,360	0	3.65%				
Term Bonds	6,315	0	4.00%				
Term Bonds	7,625	0	4.05%				
Term Bonds	<u>6,780</u>	<u>0</u>	4.00%				
	<u>30,000</u>	<u>2,205</u>					
2017 SERIES B BONDS (S/F)							
2017 Series B (Non-AMT)							
Serial Bonds	8,680	4,470	2.50% - 3.00%	2026-2030	795	-	1,010
Term Bonds	4,215	4,215	3.25%	2031-2032	2,090	-	2,125
Term Bonds	6,170	2,605	3.65%	2036-2037	1,280	-	1,325
Term Bonds	8,745	8,745	3.75%	2038-2044	1,115	-	1,355
Term Bonds	<u>7,190</u>	<u>0</u>	4.00%				
	<u>35,000</u>	<u>20,035</u>					
2017 SERIES D BONDS (M/F)							
2017 Series D-1 (Non-AMT)							
Serial Bonds	13,175	4,000	2.50% - 2.95%	2026-2029		1,000	
Term Bonds	14,320	14,320	3.50%	2033-2037	2,250	-	3,980
Term Bonds	5,870	5,870	3.65%	2038-2042	1,090	-	1,265
Term Bonds	<u>7,810</u>	<u>7,810</u>	3.75%	2043-2047	1,445	-	1,680
	<u>41,175</u>	<u>32,000</u>					
2017 SERIES E BONDS (S/F)							
2017 Series E (Federally Taxable)							
Term Bonds	<u>60,000</u>	<u>60,000</u>	Variable - 3.85%	2042-2052	5,000	-	10,000
	<u>60,000</u>	<u>60,000</u>					

Maine State Housing Authority
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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2017 SERIES F BONDS (S/F)							
2017 Series F (Non-AMT)							
Serial Bonds	13,180	7,285	2.40% - 3.00%	2026-2030	970	-	1,675
Term Bonds	2,055	2,055	3.15%	2031-2032	1,005	-	1,050
Term Bonds	5,920	5,920	3.50%	2033-2037	1,090	-	1,280
Term Bonds	7,000	7,000	3.65%	2038-2042	1,320	-	1,490
Term Bonds	<u>11,845</u>	<u>175</u>	3.50%	2043-2047	30	-	55
	<u>40,000</u>	<u>22,435</u>					
2017 SERIES G BONDS (S/F - M/F)							
2017 Series G-1 (Federally Taxable)							
Term Bonds	<u>55,000</u>	<u>55,000</u>	Variable - 3.90%	2045-2050	8,290	-	10,090
	<u>55,000</u>	<u>55,000</u>					
2017 SERIES H BONDS (S/F)							
2017 Series H (Non-AMT)							
Serial Bonds	18,380	11,755	2.60% - 3.05%	2026-2030	1,655	-	4,510
Term Bonds	5,420	5,420	3.25%	2031-2033	1,750	-	1,865
Term Bonds	10,625	5,495	3.55%	2036-2037	2,700	-	2,795
Term Bonds	1,485	1,485	3.70%	2038-2042	275	-	320
Term Bonds	<u>2,590</u>	<u>2,590</u>	3.75%	2043-2047	480	-	555
	<u>38,500</u>	<u>26,745</u>					
2018 SERIES A BONDS (S/F)							
2018 Series A (Non-AMT)							
Serial Bonds	13,510	5,900	2.85% - 3.25%	2026-2030	1,160	-	1,200
Term Bonds	3,680	2,465	3.50%	2032-2033	1,220	-	1,245
Term Bonds	8,630	5,240	3.75%	2036-2038	1,725	-	1,765
Term Bonds	<u>9,180</u>	<u>9,180</u>	3.90%	2039-2043	1,790	-	1,885
	<u>35,000</u>	<u>22,785</u>					
2018 SERIES B BONDS (S/F)							
2018 Series B (Non-AMT)							
Serial Bonds	10,565	3,655	2.80% - 3.10%	2026-2028	1,205	-	1,230
Term Bonds	6,005	2,445	3.50%	2032-2033	1,215	-	1,230
Term Bonds	11,270	6,850	3.75%	2036-2038	2,245	-	2,320
Term Bonds	<u>12,160</u>	<u>12,160</u>	3.85%	2039-2043	2,355	-	2,515
	<u>40,000</u>	<u>25,110</u>					
2018 SERIES C BONDS (S/F)							
2018 Series C (Non-AMT)							
Serial Bonds	14,200	6,170	2.80% - 3.25%	2026-2030	645	-	1,955
Term Bonds	4,080	0	3.55%				
Term Bonds	7,195	1,485	3.85%	2038		1,485	
Term Bonds	9,595	0	3.95%				
Term Bonds	<u>9,930</u>	<u>875</u>	4.00%	2044-2048	30	-	400
	<u>45,000</u>	<u>8,530</u>					
2018 SERIES D BONDS (S/F - M/F)							
2018 Series D-1 (Federally Taxable)							
Term Bonds	<u>40,000</u>	<u>40,000</u>	Variable - 4.25%	2043-2053	2,965	-	4,395
	<u>40,000</u>	<u>40,000</u>					
2018 SERIES F BONDS (S/F)							
2018 Series F (Non-AMT)							
Serial Bonds	7,710	0	2.65%				
Term Bonds	3,745	0	3.85%				
Term Bonds	6,450	0	4.13%				
Term Bonds	6,225	0	4.20%				
Term Bonds	<u>10,300</u>	<u>1,450</u>	4.25%	2044-2048	60	-	655
	<u>34,430</u>	<u>1,450</u>					
2019 SERIES A BONDS (S/F)							
2019 Series A (Non-AMT)							
Serial Bonds	12,670	6,870	2.55% - 3.05%	2026-2030	795	-	3,330
Term Bonds	4,305	4,305	3.45%	2031-2034	1,005	-	1,150
Term Bonds	2,605	2,130	3.80%	2036-2039	495	-	570
Term Bonds	10,880	0	4.00%				
Term Bonds	<u>9,005</u>	<u>1,330</u>	4.00%	2046-2049	195	-	505
	<u>39,465</u>	<u>14,635</u>					
2019 SERIES B BONDS (S/F)							
2019 Series B (Non-AMT)							
Serial Bonds	18,075	8,725	2.10% - 2.80%	2026-2032	695	-	2,170
Term Bonds	1,470	1,470	2.95%	2033-2034	720	-	750
Term Bonds	10,615	10,615	3.15%	2035-2039	1,745	-	2,730
Term Bonds	<u>9,840</u>	<u>9,840</u>	3.35%	2040-2044	1,795	-	2,130
	<u>40,000</u>	<u>30,650</u>					

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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2019 SERIES C BONDS (S/F)							
2019 Series C (Non-AMT)							
Serial Bonds	8,415	3,960	1.90% - 2.45%	2026-2031	100	-	1,055
Term Bonds	6,350	6,350	2.75%	2032-2034	2,040	-	2,195
Term Bonds	5,250	5,250	3.00%	2035-2039	100	-	2,275
Term Bonds	10,270	10,270	3.20%	2040-2045	1,315	-	1,920
Term Bonds	<u>8,825</u>	<u>1,785</u>	4.00%	2047-2050	330	-	500
	<u>39,110</u>	<u>27,615</u>					
2019 SERIES E BONDS (S/F)							
2019 Series E (Non-AMT)							
Serial Bonds	15,540	11,765	1.85% - 2.35%	2026-2031	755	-	3,430
Term Bonds	5,895	5,895	2.70%	2032-2034	1,935	-	1,995
Term Bonds	6,610	6,610	3.10%	2040-2044	1,230	-	1,415
Term Bonds	<u>6,400</u>	<u>1,400</u>	3.75%	2047-2049	125	-	650
	<u>34,445</u>	<u>25,670</u>					
2020 SERIES A BONDS (S/F)							
2020 Series A (Non-AMT)							
Serial Bonds	9,800	6,030	1.70% - 2.40%	2026-2032	780	-	955
Term Bonds	1,995	1,995	2.60%	2033-2034	980	-	1,015
Term Bonds	7,195	7,195	2.85%	2035-2039	1,050	-	1,750
Term Bonds	8,645	8,645	3.00%	2040-2044	1,620	-	1,840
Term Bonds	<u>6,715</u>	<u>1,770</u>	3.75%	2047-2049	250	-	1,090
	<u>34,350</u>	<u>25,635</u>					
2020 SERIES B BONDS (M/F)							
2020 Series B (Non-AMT)							
Serial Bonds	12,000	0	1.10%				
Term Bonds	7,000	7,000	2.10%	2033-2035	2,140	-	2,530
Term Bonds	14,275	14,275	2.35%	2036-2040	2,690	-	3,015
Term Bonds	7,755	7,755	2.50%	2041-2045	1,470	-	1,640
Term Bonds	<u>8,970</u>	<u>8,970</u>	2.60%	2046-2050	1,695	-	1,900
	<u>50,000</u>	<u>38,000</u>					
2020 SERIES C BONDS (S/F)							
2020 Series C (Non-AMT)							
Serial Bonds	12,765	8,750	1.75% - 2.50%	2026-2032	950	-	1,675
Term Bonds	5,315	5,315	2.70%	2033-2035	1,715	-	1,830
Term Bonds	9,640	9,640	3.00%	2036-2040	1,770	-	2,055
Term Bonds	<u>11,235</u>	<u>3,465</u>	4.00%	2044-2050	125	-	690
	<u>38,955</u>	<u>27,170</u>					
2020 SERIES D BONDS (S/F)							
2020 Series D (Non-AMT)							
Serial Bonds	10,280	8,275	1.45% - 2.20%	2026-2032	1,055	-	1,310
Term Bonds	4,390	4,390	2.30%	2033-2035	1,090	-	2,170
Term Bonds	7,580	7,580	2.55%	2036-2040	1,270	-	2,215
Term Bonds	<u>12,750</u>	<u>12,750</u>	2.80%	2041-2045	1,465	-	4,120
	<u>35,000</u>	<u>32,995</u>					
2020 SERIES E BONDS (M/F)							
2020 Series E (Federally Taxable)							
Serial Bonds	<u>40,000</u>	<u>40,000</u>	2.02% - 2.74%	2026-2033	4,600	-	5,455
	<u>40,000</u>	<u>40,000</u>					
2020 SERIES F BONDS (S/F)							
2020 Series F (Non-AMT)							
Serial Bonds	10,465	7,365	0.95% - 1.75%	2026-2032	965	-	1,135
Term Bonds	3,415	3,415	2.00%	2033-2035	1,100	-	1,175
Term Bonds	6,535	6,535	2.15%	2036-2040	1,215	-	1,395
Term Bonds	7,710	7,710	2.25%	2041-2045	1,440	-	1,655
Term Bonds	<u>11,875</u>	<u>11,875</u>	2.40%	2046-2050	1,705	-	4,705
	<u>40,000</u>	<u>36,900</u>					
2020 SERIES G BONDS (S/F)							
2020 Series G (Non-AMT)							
Serial Bonds	25,180	23,080	0.95% - 2.20%	2026-2035	1,100	-	5,315
Term Bonds	<u>10,465</u>	<u>10,465</u>	2.38%	2036-2040	1,960	-	2,215
	<u>35,645</u>	<u>33,545</u>					
2020 SERIES H BONDS (S/F - M/F)							
2020 Series H (Federally Taxable)							
Serial Bonds	27,345	27,345	1.70% - 2.57%	2026-2032	3,800	-	4,055
Term Bonds	<u>12,655</u>	<u>12,655</u>	2.67%	2033-2035	4,130	-	4,310
	<u>40,000</u>	<u>40,000</u>					

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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2021 SERIES A BONDS (M/F)							
2021 Series A (Non-AMT)							
Serial Bonds	21,000	4,000	0.60%	2026	4,000	-	-
Term Bonds	6,000	6,000	1.85%	2034-2036	1,955	-	2,040
Term Bonds	7,000	7,000	2.05%	2037-2041	1,345	-	1,455
Term Bonds	8,000	8,000	2.15%	2042-2046	1,540	-	1,660
Term Bonds	8,000	8,000	2.20%	2047-2051	1,530	-	1,665
	<u>50,000</u>	<u>33,000</u>					
2021 SERIES B BONDS (S/F)							
2021 Series B (Non-AMT)							
Serial Bonds	10,150	6,825	0.75% - 1.85%	2026-2032	900	-	1,050
Term Bonds	5,925	5,925	2.05%	2033-2036	1,425	-	1,550
Term Bonds	8,550	8,550	2.20%	2037-2041	1,600	-	1,800
Term Bonds	7,050	7,050	2.40%	2042-2046	1,325	-	1,500
Term Bonds	8,325	8,325	2.45%	2047-2051	1,550	-	1,800
	<u>40,000</u>	<u>36,675</u>					
2021 SERIES C BONDS (S/F)							
2021 Series C (Non-AMT)							
Serial Bonds	10,755	7,790	0.85% - 1.80%	2026-2033	870	-	1,080
Term Bonds	5,730	5,730	1.90%	2034-2036	1,850	-	1,965
Term Bonds	10,865	10,865	2.15%	2037-2041	2,035	-	2,310
Term Bonds	12,650	12,650	2.30%	2042-2046	2,375	-	2,700
	<u>40,000</u>	<u>37,035</u>					
2021 SERIES D BONDS (S/F)							
2021 Series D (Non-AMT)							
Serial Bonds	11,675	8,860	0.90% - 2.10%	2026-2033	995	-	1,225
Term Bonds	3,915	3,915	2.20%	2034-2036	1,270	-	1,340
Term Bonds	7,325	7,325	2.40%	2037-2041	1,380	-	1,550
Term Bonds	7,960	7,960	2.65%	2042-2046	1,505	-	1,670
Term Bonds	8,455	4,615	3.00%	2049-2051	905	-	2,600
	<u>39,330</u>	<u>32,675</u>					
2022 SERIES A BONDS (M/F)							
2022 Series A (Non-AMT)							
Serial Bonds	19,000	6,500	0.85%	2026	6,500	-	-
Term Bonds	10,180	10,180	2.40%	2037-2041	1,945	-	2,120
Term Bonds	19,570	19,570	2.60%	2042-2046	3,720	-	4,125
Term Bonds	1,250	1,250	2.65%	2047-2051	235	-	265
	<u>50,000</u>	<u>37,500</u>					
2022 SERIES B BONDS (M/F)							
2022 Series B (Federally Taxable)							
Serial Bonds	40,000	37,220	1.76% - 2.58%	2026-2032	3,765	-	6,440
Term Bonds	10,000	10,000	2.98%	2033-2036	2,395	-	2,610
	<u>50,000</u>	<u>47,220</u>					
2022 SERIES C BONDS (MF)							
2022 Series C (AMT)							
Term Bonds	69,865	69,865	Variable - 3.31%	2041-2051	1,280	-	12,230
	<u>69,865</u>	<u>69,865</u>					
2022 SERIES D BONDS (S/F)							
2022 Series D (Non-AMT)							
Serial Bonds	14,000	11,785	2.60% - 3.80%	2026-2034	810	-	2,840
Term Bonds	5,520	5,520	3.88%	2035-2037	1,750	-	1,930
Term Bonds	16,975	16,975	4.00%	2038-2042	2,070	-	6,555
Term Bonds	2,450	2,450	4.13%	2043-2047	450	-	525
Term Bonds	10,300	6,500	5.00%	2049-2052	415	-	2,525
	<u>49,245</u>	<u>43,230</u>					
2022 SERIES E BONDS (S/F)							
2022 Series E (Non-AMT)							
Serial Bonds	11,935	9,790	2.60% - 3.88%	2026-2034	880	-	1,320
Term Bonds	4,400	4,400	4.00%	2035-2037	1,395	-	1,540
Term Bonds	11,925	11,925	4.15%	2038-2042	2,145	-	2,630
Term Bonds	15,325	15,325	4.25%	2043-2047	2,775	-	3,340
Term Bonds	10,595	7,020	5.00%	2050-2052	1,175	-	3,765
	<u>54,180</u>	<u>48,460</u>					

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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2022 SERIES F BONDS (M/F)							
2022 Series F (Non-AMT)							
Serial Bonds	24,000	16,000	3.25% - 3.40%	2026-2027	8,000	-	-
Term Bonds	16,000	16,000	4.85%	2038-2042	3,010	-	3,410
Term Bonds	<u>20,000</u>	<u>20,000</u>	4.95%	2043-2047	3,765	-	4,245
	<u>60,000</u>	<u>52,000</u>					
2022 SERIES G BONDS (S/F)							
2022 Series G-1 (Non-AMT)							
Serial Bonds	7,000	6,000	3.65% - 4.10%	2026-2029	1,000	-	3,000
Term Bonds	8,000	8,000	5.15%	2038-2042	1,425	-	1,785
Term Bonds	9,000	9,000	5.30%	2043-2047	1,605	-	2,005
Term Bonds	12,000	12,000	5.40%	2048-2052	2,160	-	2,590
2022 Series G-2 (Non-AMT)							
Term Bonds	<u>24,000</u>	<u>24,000</u>	4.21%	2033-2037	4,410	-	5,205
	<u>60,000</u>	<u>59,000</u>					
2023 SERIES A BONDS (S/F)							
2023 Series A (Non-AMT)							
Serial Bonds	7,670	6,840	2.80% - 3.75%	2026-2034	455	-	1,010
Term Bonds	5,135	5,135	4.15%	2035-2038	1,175	-	1,390
Term Bonds	5,085	5,085	4.40%	2039-2043	905	-	1,130
Term Bonds	12,350	12,350	4.60%	2044-2048	2,200	-	2,755
Term Bonds	<u>9,760</u>	<u>9,760</u>	4.70%	2049-2053	1,580	-	2,850
	<u>40,000</u>	<u>39,170</u>					
2023 SERIES B BONDS (S/F)							
2023 Series B-1 (Non-AMT)							
Serial Bonds	8,020	6,710	3.60% - 4.20%	2026-2033	730	-	960
Term Bonds	5,455	5,455	4.50%	2034-2038	995	-	1,190
Term Bonds	6,830	6,830	4.75%	2039-2043	1,240	-	1,495
Term Bonds	8,655	8,655	4.95%	2044-2048	1,570	-	1,900
Term Bonds	11,040	11,040	5.05%	2049-2053	1,995	-	2,435
2023 Series B-2 (Non-AMT)							
Serial Bonds	6,740	5,790	3.20% - 3.75%	2026-2033	645	-	815
Term Bonds	4,580	4,580	4.00%	2034-2038	845	-	990
Term Bonds	5,645	5,645	4.40%	2039-2043	1,030	-	1,230
Term Bonds	7,070	7,070	4.63%	2044-2048	1,285	-	1,545
Term Bonds	<u>10,965</u>	<u>10,965</u>	4.75%	2049-2054	1,620	-	2,050
	<u>75,000</u>	<u>72,740</u>					
2023 SERIES C BONDS (M/F)							
2023 Series C (Non-AMT)							
Serial Bonds	18,790	17,670	2.90% - 3.10%	2026-2028	2,510	-	10,145
Term Bonds	4,025	4,025	4.45%	2039-2043	740	-	875
Term Bonds	14,310	14,310	4.70%	2044-2048	2,610	-	3,125
Term Bonds	<u>20,235</u>	<u>20,235</u>	4.80%	2049-2053	3,680	-	4,430
	<u>57,360</u>	<u>56,240</u>					
2023 SERIES D BONDS (S/F)							
2023 Series D (Non-AMT)							
Serial Bonds	7,875	7,875	3.20% - 4.05%	2026-2035	605	-	1,005
Term Bonds	4,945	4,945	4.15%	2036-2038	1,560	-	1,740
Term Bonds	8,150	8,150	4.50%	2039-2043	1,450	-	1,815
Term Bonds	8,125	8,125	4.65%	2044-2048	1,445	-	1,810
Term Bonds	<u>15,905</u>	<u>15,905</u>	4.70%	2049-2053	2,800	-	3,665
	<u>45,000</u>	<u>45,000</u>					
2023 SERIES E BONDS (M/F)							
2023 Series E (Non-AMT)							
Serial Bonds	40,000	30,000	3.55% - 3.75%	2026-2028	10,000	-	-
Term Bonds	5,000	5,000	4.45%	2035-2038	1,165	-	1,335
Term Bonds	15,000	15,000	4.75%	2039-2043	2,745	-	3,260
Term Bonds	15,000	15,000	4.88%	2044-2048	2,730	-	3,285
Term Bonds	<u>15,000</u>	<u>15,000</u>	4.90%	2049-2053	2,730	-	3,285
	<u>90,000</u>	<u>80,000</u>					
2024 SERIES A BONDS (S/F)							
2024 Series A (Non-AMT)							
Serial Bonds	9,380	9,380	3.40% - 3.80%	2029-2035	675	-	1,885
Term Bonds	5,135	5,135	4.00%	2036-2039	1,175	-	1,390
Term Bonds	5,630	5,630	4.45%	2040-2044	1,000	-	1,250
Term Bonds	8,095	8,095	4.65%	2045-2049	1,440	-	1,805
Term Bonds	<u>11,760</u>	<u>11,760</u>	4.75%	2050-2054	1,905	-	3,435
	<u>40,000</u>	<u>40,000</u>					

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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2024 SERIES B BONDS (M/F)							
2024 Series B (Non-AMT)							
Serial Bonds	40,000	40,000	3.45% - 3.65%	2027-2030	9,000	-	10,500
Term Bonds	5,555	5,555	4.00%	2037-2039	1,775	-	1,930
Term Bonds	8,050	8,050	4.55%	2040-2044	1,465	-	1,755
Term Bonds	11,610	11,610	4.65%	2045-2049	2,115	-	2,540
Term Bonds	14,785	14,785	4.70%	2050-2054	2,690	-	3,245
	<u>80,000</u>	<u>80,000</u>					
2024 SERIES C BONDS (S/F)							
2024 Series C (Non-AMT)							
Serial Bonds	16,825	16,035	3.45% - 4.10%	2026-2036	415	-	3,215
Term Bonds	9,515	9,515	4.15%	2037-2039	2,985	-	3,365
Term Bonds	13,920	13,920	4.55%	2040-2044	2,460	-	3,130
Term Bonds	15,850	15,850	4.75%	2045-2049	2,800	-	3,560
Term Bonds	13,890	13,890	4.85%	2050-2054	2,450	-	3,125
	<u>70,000</u>	<u>69,210</u>					
2024 SERIES D BONDS (S/F)							
2024 Series D (Non-AMT)							
Serial Bonds	12,155	11,520	3.30% - 4.00%	2026-2036	770	-	1,380
Term Bonds	9,295	9,295	4.10%	2037-2039	2,915	-	3,285
Term Bonds	9,870	9,870	4.50%	2040-2044	1,070	-	2,390
Term Bonds	8,620	8,620	4.70%	2045-2049	1,530	-	1,935
Term Bonds	20,060	20,060	4.75%	2050-2054	3,150	-	6,270
	<u>60,000</u>	<u>59,365</u>					
2024 SERIES F BONDS (M/F)							
2024 Series F (Non-AMT)							
Serial Bonds	59,760	59,760	3.30% - 3.55%	2026-2029	8,500	-	20,260
Term Bonds	3,240	3,240	4.10%	2037-2039	1,030	-	1,130
Term Bonds	6,520	6,520	4.55%	2040-2044	1,185	-	1,425
Term Bonds	11,165	11,165	4.70%	2045-2049	2,030	-	2,440
Term Bonds	14,315	14,315	4.75%	2050-2054	2,605	-	3,140
	<u>95,000</u>	<u>95,000</u>					
2024 SERIES G BONDS (S/F)							
2024 Series G (Non-AMT)							
Serial Bonds	9,435	9,435	3.30% - 3.90%	2029-2036	970	-	1,415
Term Bonds	3,670	3,670	3.95%	2037-2039	1,155	-	1,295
Term Bonds	12,630	12,630	4.35%	2040-2044	2,270	-	2,815
Term Bonds	10,025	10,025	4.55%	2045-2049	1,795	-	2,225
Term Bonds	14,240	14,240	4.60%	2050-2054	2,540	-	3,225
	<u>50,000</u>	<u>50,000</u>					
2025 SERIES A BONDS (S/F)							
2025 Series A (Non-AMT)							
Serial Bonds	12,955	12,955	3.20% - 3.95%	2029-2037	1,160	-	1,760
Term Bonds	7,685	7,685	4.10%	2038-2040	2,430	-	2,705
Term Bonds	12,670	12,670	4.50%	2041-2045	2,280	-	2,810
Term Bonds	6,570	6,570	4.65%	2046-2050	1,175	-	1,455
Term Bonds	20,120	20,120	4.70%	2051-2053	6,320	-	7,125
	<u>60,000</u>	<u>60,000</u>					
2025 SERIES B BONDS (S/F)							
2025 Series B (Non-AMT)							
Serial Bonds	14,810	14,810	3.25% - 4.60%	2027-2037	500	-	1,795
Term Bonds	5,645	5,645	4.75%	2038-2040	1,780	-	1,990
Term Bonds	11,815	11,815	5.05%	2041-2045	2,105	-	2,620
Term Bonds	15,725	15,725	5.13%	2046-2050	2,795	-	3,510
Term Bonds	11,880	11,880	5.15%	2051-2054	55	-	4,170
Term Bonds	13,730	13,690	6.25%	2054-2055	6,105	-	7,585
	<u>73,605</u>	<u>73,565</u>					
2025 SERIES C BONDS (M/F)							
2025 Series C (Non-AMT)							
Serial Bonds	62,000	62,000	2.90% - 3.25%	2027-2030	7,000	-	26,000
Term Bonds	8,790	8,790	4.85%	2038-2040	2,795	-	3,065
Term Bonds	18,660	18,660	5.10%	2041-2045	3,395	-	4,080
Term Bonds	9,960	9,960	5.15%	2046-2050	1,810	-	2,180
Term Bonds	25,590	25,590	5.25%	2051-2055	4,655	-	5,615
	<u>125,000</u>	<u>125,000</u>					

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	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2025 SERIES D BONDS (S/F)							
2025 Series D - 1 (Non-AMT)							
Serial Bonds	26,275	26,275	2.85% - 4.05%	2028-2037	1,730	-	3,115
Term Bonds	12,105	12,105	4.50%	2038-2040	3,805	-	4,265
Term Bonds	21,620	21,620	4.85%	2041-2045	1,925	-	5,345
2025 Series D -2 (Non-AMT)							
Term Bonds	3,740	3,740	4.85%	2045		3,740	
Term Bonds	33,740	33,740	4.95%	2046-2050	5,990	-	7,570
Term Bonds	<u>20,250</u>	<u>20,250</u>	6.00%	2052-2055	1,020	-	7,800
	<u>117,730</u>	<u>117,730</u>					
2025 SERIES E BONDS (M/F)							
2025 Series E (Non-AMT)							
Serial Bonds	22,000	22,000	3.00% - 3.10%	2028-2030	6,000	-	8,000
Term Bonds	10,000	10,000	4.10%	2038-2040	3,240	-	3,435
Term Bonds	12,000	12,000	4.55%	2041-2045	2,200	-	2,600
Term Bonds	8,000	8,000	4.85%	2046-2050	1,455	-	1,745
Term Bonds	<u>18,000</u>	<u>18,000</u>	4.90%	2051-2055	3,270	-	3,940
	<u>70,000</u>	<u>70,000</u>					
		2,563,040					
Less: Net Unamortized Bond Discount		<u>(4,044)</u>					
Total Mortgage Purchase Fund	<u>3,224,145</u>	<u>2,558,996</u>					
Total Proprietary Funds	<u>\$3,224,145</u>	<u>\$2,558,996</u>					
GOVERNMENTAL FUNDS							
MAINE ENERGY, HOUSING & ECONOMIC RECOVERY FUND							
2021 Series 1 (Non-AMT)							
Serial Bonds	<u>\$15,020</u>	<u>\$15,020</u>	5.00%	2034-2037	3,265	-	4,110
2021 Series 2 (Taxable)							
Serial Bonds	<u>38,930</u>	<u>26,375</u>	1.16% - 2.42%	2026-2034	295	-	3,480
		41,395					
Plus: Net Unamortized Bond Premium		<u>2,969</u>					
Total Maine Energy, Housing & Recovery Fund Group	<u>53,950</u>	<u>44,364</u>					
Total Governmental Funds	<u>\$53,950</u>	<u>\$44,364</u>					

The following table summarizes bond debt activity for the year ended December 31, 2025:

Fund	Outstanding at December 31, 2024	Issues	Retirement	Outstanding at December 31, 2025
Mortgage Purchase Fund	\$2,281,295	\$446,335	(\$164,590)	\$2,563,040
Maine Energy, Housing & Economic Recovery Fund	44,450	0	(3,055)	41,395
Total	<u>\$2,325,745</u>	<u>\$446,335</u>	<u>(\$167,645)</u>	<u>\$2,604,435</u>

Interest on bonds is payable semi-annually for the Mortgage Purchase Fund and the Maine Energy, Housing & Economic Recovery Fund. Scheduled principal payments on bonds are due November 15 for the Mortgage Purchase Fund and June 15 for the Maine Energy, Housing & Economic Recovery Fund.

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The interest calculations shown in the table below are based on the variable rate in effect at December 31, 2025 and may not be indicative of actual interest expense that will be incurred. As rates vary, variable rate bond interest payments and net swap payments will vary. The following table provides a summary of MaineHousing's bond debt service requirements and net interest rate swap payments through 2030 and in five-year increments thereafter to maturity:

Year(s)	Mortgage Purchase Fund					Maine Energy, Housing & Economic Recovery Fund	
	Fixed and Variable Unswapped		Variable Swapped		Swaps	Fixed	
	Principal	Interest	Principal	Interest	Net Interest	Principal	Interest
2026	\$105,525	\$87,297	\$0	\$7,098	(\$2,946)	\$3,085	\$1,214
2027	111,915	84,755	0	7,168	(2,297)	3,120	1,174
2028	123,880	81,579	0	7,170	(2,311)	3,165	1,126
2029	120,365	77,953	2,795	7,167	(2,232)	3,215	1,072
2030	104,925	74,348	2,905	7,074	(2,166)	3,275	1,011
2031-2035	347,864	334,995	22,526	33,824	(7,107)	17,510	3,788
2036-2040	405,061	274,515	24,774	28,397	118	8,025	406
2041-2045	420,663	194,578	17,883	26,263	0	0	0
2046-2050	341,258	113,620	112,562	15,669	0	0	0
2051-2055	279,859	36,233	18,280	799	0	0	0
Total	<u>\$2,361,315</u>	<u>\$1,359,873</u>	<u>\$201,725</u>	<u>\$140,629</u>	<u>(\$18,941)</u>	<u>\$41,395</u>	<u>\$9,791</u>

MaineHousing's bonds are a special obligation of MaineHousing and do not constitute a debt or liability of the State of Maine. The bonds are secured in accordance with bond resolutions. Security for bonds in the Mortgage Purchase Fund includes the mortgage loans made or purchased under the resolution and all monies and investments in the fund and accounts pledged under the resolution. Bonds in the Mortgage Purchase Fund may be redeemed in excess of the annual maturities in accordance with the terms of the resolution. Bonds in the Maine Energy, Housing & Economic Recovery Fund are secured by a portion of the Real Estate Transfer Tax revenues collected by the State of Maine and the bonds may be redeemed in excess of the annual maturities.

Notes Payable

At December 31, 2025, MaineHousing has a \$12,293 note payable to TD Bank, N.A. at a fixed rate of 3.20%, maturing November 1, 2033. The note, which is recorded in the General Administrative Fund, has principal and interest payments due monthly based on a 20-year amortization schedule.

The proceeds from this note were used for the acquisition and rehabilitation of an office building for MaineHousing. The note is secured by a mortgage agreement on the property and a \$2,802 non-negotiable certificate of deposit held with the lender.

The following table provides a summary of note payment requirements through 2030 and in three-year increments thereafter to maturity:

Year(s)	Principal	Interest	Total
2026	700	388	1,088
2027	724	365	1,089
2028	746	343	1,089
2029	772	317	1,089
2030	797	292	1,089
2031-2033	8,554	714	9,268
Total	<u>\$12,293</u>	<u>\$2,419</u>	<u>\$14,712</u>

Maine State Housing Authority
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Moral Obligation Debt

The reserve funds of the Mortgage Purchase Fund are secured by a non-binding obligation (moral obligation) from the State of Maine to replenish by appropriation any deficiency in such reserve funds. MaineHousing is authorized to have an aggregate amount not to exceed \$3,000,000 of outstanding bonds secured by this obligation. Of that amount, \$2,563,040 was outstanding at December 31, 2025.

Conduit Debt Obligation

MaineHousing may use its tax-exempt debt issuing authority to provide financial assistance to private sector developers for the acquisition and rehabilitation, or the construction of multi-family housing projects serving low-to-moderate income households. The debt, which is referred to as conduit debt, is collateralized by revenues generated by the properties financed and is repayable solely from payments received on the underlying mortgage loans and any specific third-party credit enhancement associated with the individual financings. MaineHousing has a total of \$24,865 outstanding at December 31, 2025. The debt does not constitute a liability or a pledge of faith and credit of MaineHousing and is not reported in the accompanying financial statements.

(7.) INTEREST RATE SWAP AGREEMENTS

MaineHousing has twelve interest rate swap agreements (swaps) with four counterparties as of December 31, 2025. The objective of the agreements is to attain a synthetic fixed interest rate on a portion of its variable rate bonds at a cost expected to be less than rates associated with fixed-rate debt. The swap agreement terms state MaineHousing is to make semi-annual fixed interest rate payments at a specified rate on a notional principal amount and in exchange receive semi-annual payments based upon either the thirty-day, ninety-day or one hundred eighty-day Secure Overnight Financing Rate (SOFR).

The swaps have an aggregate positive fair value of \$13,740 at December 31, 2025. During 2025, the fair value of the swaps decreased by \$5,891. The fair value was estimated using a zero-coupon method and Level 3 inputs. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the current yield curve correctly anticipate future spot interest rates. These payments are then discounted using spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. These amounts are adjusted for estimated unwinding costs.

The swaps have been determined to constitute an effective hedge of a portion of the variable rate bond portfolio equal to the notional amount of the swaps at December 31, 2025 by using the regression analysis method. The aggregate fair value is classified as a derivative instrument asset and a deferred inflow of resources, which represents the accumulated increase in fair value. Variable rate bonds outstanding at December 31, 2025 total \$278,315.

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The following table contains the terms, fair values, and credit ratings of the swaps as of December 31, 2025. Specific swaps are assigned to certain debt issuances for arbitrage purposes. The credit ratings were issued by Moody's Investor Services and Standard & Poor's, respectively.

Related Debt Issuance	Current Notional Amount	Effective Date of Swap	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Rating
2015 Series E-3	5,000	11/15/2019	1.40%	70% of 30 day SOFR plus .08014%	200	11/15/2029	Aa3/A+
2015 Series E-3	20,000	5/15/2021	1.46%	67% of 30 day SOFR plus .0767%	1,206	11/15/2032	A1/A+
2016 Series B-2	8,000	5/15/2017	1.61%	70% of 30 day SOFR plus .08014%	440	11/15/2031 ¹	Aa1/AA-
2016 Series B-2	20,000	11/15/2017	1.66%	70% of 30 day SOFR plus .08014%	1,060	11/15/2031 ¹	Aa1/AA-
2017 Series E	25,000	11/15/2021	1.69%	100% of 30 day SOFR plus .11448%	3,182	11/15/2032	Aa3/A+
2017 Series G-1	25,000	11/15/2019	1.90%	100% of 30 day SOFR plus .11448%	422	11/15/2026	A1/A+
2017 Series G-1	30,000	11/15/2020	0.88%	100% of 90 day SOFR plus .26161%	7,873	11/15/2035	A1/A+
2022 Series C	18,725	2/1/2006	3.59%	65% of 30 day SOFR plus .27441%	(1,304)	11/15/2037	Aa2/AA-
2022 Series C	10,000	11/15/2019	1.87%	75% of 30 day SOFR plus 0.54086%	131	11/15/2026	Aa3/A+
2022 Series C	12,500	11/15/2018	2.57%	70% of 30 day SOFR plus 0.53014%	120	11/15/2028	Aa3/A+
2022 Series C	12,500	11/15/2018	2.59%	70% of 30 day SOFR plus 0.53014%	458	11/15/2033	Aa3/A+
2022 Series C	15,000	8/1/2023	2.70%	72% of 180 day SOFR	(48)	11/15/2033	Aa3/A+
Totals	<u>\$201,725</u>				<u>\$13,740</u>		

1. MaineHousing has the option of termination, with no Termination Payment on November 15, 2026 and on each May 15 and November 15 thereafter.

Credit Risk – The swaps contain varying collateral agreements with the counterparties in order to mitigate the potential for credit risk. The requirements of the collateral agreements were met as of December 31, 2025. MaineHousing is not exposed to credit risk for the swaps that have negative fair values. At December 31, 2025, there are ten swaps that have positive fair values totaling \$15,092. This amount represents MaineHousing's credit exposure to the related counterparties and the maximum loss that would be recognized at the reporting date if the counterparty failed to perform as contracted. Fair value is only a factor upon termination.

Basis Risk – MaineHousing is exposed to basis risk to the extent that the interest payments on its variable rate bonds do not match the variable rate payments received on the related swap agreements. The variable rate payments provided by the counterparties are based on SOFR and MaineHousing's variable rate bonds are expected to track with the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA). MaineHousing's variable rate bonds are adjusted weekly. The SOFR rates are adjusted on a monthly basis, except for 2017 Series G-1, which is adjusted on a quarterly basis and 2022-C, which is adjusted on a semi-annual basis. If the variable rate bonds trade at a value significantly different than their historical relationship to SOFR, the net cost to MaineHousing could increase or decrease. As of December 31, 2025, the thirty-day, ninety-day and one hundred eighty-day SOFR rates were 3.79%, 4.01% and 4.20%, respectively, and the SIFMA rate was 2.36%.

Termination Risk – In addition to the optional terminations embedded in some of MaineHousing's swap agreements, agreements may be terminated in whole or in part prior to the respective maturities of the bonds under certain circumstances (including certain events of default with respect to MaineHousing or the swap providers). Following certain terminations of the swap agreements, either MaineHousing or the swap providers, as applicable, may owe a termination payment equal to the fair value of the swap to the other, depending upon market conditions and the events that caused such swap agreements to terminate. Under certain circumstances, this termination payment could be substantial. Such termination payment by MaineHousing would be payable on a basis subordinate to the payments on the bonds.

Rollover Risk – MaineHousing is exposed to rollover risk on swaps that mature or may be terminated prior to the maturity of the associated debt.

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(8.) RETIREMENT BENEFITS

MaineHousing has defined contribution and defined benefit pension plans that cover substantially all employees. Employees have the option to participate in either plan.

Defined Contribution Plan

The defined contribution plan consists of a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and a separate plan created under the provisions of the Internal Revenue Code Section 401(a).

Benefit terms, including contribution requirements, for the defined contribution plan are established by management. For each participant in the plan, MaineHousing contributes 3.00% of annual salary to the 401(a) plan. Additionally, if a participant makes voluntary contributions to the 457 plan, MaineHousing matches the contributions up to 7.50% of annual salary. The employer match contribution is made to the 401(a) plan.

For the year ended December 31, 2025, employee contributions totaled \$1,086 and MaineHousing contributed and recognized expense of \$883. Employees are immediately vested in their own contributions, MaineHousing contributions, and the earnings on those contributions.

Defined Benefit Plan

Plan Description: MaineHousing is a participating local district (PLD) member of the Maine Public Employees Retirement System's (MainePERS) PLD Consolidated Retirement Plan and employees may elect to participate in this multiple-employer cost sharing defined benefit plan. An advisory group established by Maine statute reviews the terms of the plan and periodically makes recommendations to the Legislature to amend them.

Benefits Provided: Retirement benefits are based on participants' average final compensation and service credit earned as of retirement. Vesting occurs upon the earning of five years of service credit. The normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years (20 years for participants in the plan prior to July 1, 2014) of service credit is reduced by a statutorily prescribed factor for each year of age that a participant is below her/his normal retirement age at retirement.

Post-retirement cost-of-living adjustments (COLA) become available to participants after 24 months of retirement. The post-retirement COLA is capped at 2.5% annually. The plan also provides disability and death benefits, which are established by contract under applicable statutory provisions.

Upon termination, accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and rights. The annual rate of interest credited to participants' accounts is set by MainePERS Board of Trustees and is currently 4.58%.

Contributions: Retirement benefits are funded by contributions from participants and employers and by earnings from MainePERS investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Participant and employer normal cost contributions are each a percentage of applicable participant compensation. Participant contribution rates are defined by law or by the MainePERS Board of Trustees. Employers' contributions are determined by actuarial valuations. As of December 31, 2025, the established MainePERS employer contribution rate is 10.2% and employee contribution rates are 7.80% for participants with a normal retirement age of 60 and 7.05% for participants with a normal retirement age of 65. MaineHousing pays on behalf of its employees 0.30% of the MainePERS employee contribution rate. If a participant retires and is subsequently re-employed in a position covered by the plan, the employer contribution rate is 5%. Total employer contributions were \$597 for the year ended December 31, 2025.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

Actuarial Methods and Assumptions

The collective total pension liability was determined by an actuarial valuation as of June 30, 2025, using the following methods and assumptions, applied to all periods included in the measurement:

Actuarial Cost Method – The Entry Age Normal cost method is used to determine costs. Under this cost method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each member. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his/her expected future salary. The normal cost for each member is the product of the member's pay and normal cost rate. The normal cost for the group is the sum of the normal costs for all members. Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method – The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization – The net pension liability is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

Actuarial Assumptions: The actuarial valuation as of June 30, 2025, and June 30, 2024 used the following actuarial assumptions:

Investment Rate of Return – 6.50% per annum, compounded annually.

Inflation Rate – 2.75%.

Annual Salary Increases, Including Inflation – 2.75% to 11.48%.

Cost of Living Benefit Increases – 1.91%.

Mortality Rates – 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table for males and females, projected generationally using RPEC_2020 model.

The actuarial assumptions used in the June 30, 2025, and June 30, 2024, valuations were based on the results of an actuarial experience study covering the period June 30, 2016, through June 30, 2020. The demographic and economic assumptions used are based on an experience study covering the period from July 1, 2015, through June 30, 2020 along with advice of the MainePERS investment consultants.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equities	30.0%	5.6%
US Government	10.0%	2.2%
Private Equity	12.5%	7.2%
Real Estate	10.0%	5.8%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.1%
Traditional Credit	5.0%	2.7%
Alternative Credit	10.0%	6.4%
Risk Diversifiers	7.5%	4.8%

Discount Rate: The discount rate used to measure the collective total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that participant contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of MaineHousing's proportionate share of the net pension liability to changes in the discount rate: The following represents MaineHousing's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what MaineHousing's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

1% Decrease <u>@ 5.50%</u> \$4,542	Current Discount Rate <u>@ 6.50%</u> \$1,550	1% Increase <u>@ 7.50%</u> (\$913)
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Net Pension Liability: At December 31, 2025, MaineHousing has a liability of \$1,550 for its proportionate share of the total collective net pension liability. The net pension liability was measured as of June 30, 2025 and the total collective pension liability used to calculate the proportionate share of the net pension liability was determined by an actuarial valuation as of that date. MaineHousing's proportion of the net pension liability was based on MaineHousing's employer contributions received by MainePERS during the measurement period July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all participating entities. MaineHousing's proportion was 0.468946% at December 31, 2025. The proportion was 0.559555% at December 31, 2024.

Changes in net pension liability are recognized in pension expense for the year ended December 31, 2025 with the following exceptions:

Differences Between Expected and Actual Experience – The difference between expected and actual experience with regard to economic or demographic factors is recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was four years for 2025 and three years for 2024.

Maine State Housing Authority
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(IN THOUSANDS OF DOLLARS)

Differences Between Projected and Actual Investment Earnings – Differences between projected and actual investment earnings are recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Assumptions – Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The actuarial assumptions for the June 30, 2025 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions – Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The first year is recognized as pension expense and the remaining years are shown either as deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2025, MaineHousing recognized pension expense of \$144 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$499	\$0
Employer contributions subsequent to the measurement date	312	0
Net difference between projected and actual earnings on pension plan investments	0	284
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	267
Total	<u>\$811</u>	<u>\$551</u>

Amounts reported as deferred outflows of resources related to pensions for MaineHousing's contributions subsequent to the measurement date will be recognized as an addition to the Net Pension Liability for the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (benefit) through December 31, 2029 as follows:

Year Ended	Pension Expense (Benefit)
December 31:	Amount
2026	\$312
2027	(\$121)
2028	(\$133)
2029	(\$110)

Payables to the Pension Plan: At December 31, 2025, MaineHousing's total payable to MainePERS for unremitted contributions is \$14.

Pension plan fiduciary net position: Detailed information about the plan's fiduciary net position is available in the separately issued MainePERS' Comprehensive Annual Financial Report at www.mainePers.org.

Maine State Housing Authority
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(9.) AVAILABLE BONDS PROCEEDS

MORTGAGE PURCHASE FUND

The following bond proceed amounts are invested in the various bond proceed sub-accounts of the Bond Proceeds Fund of the Mortgage Purchase Fund and are available for the purchase of mortgages:

2023 Series E (M/F)	\$4,576
2024 Series A (S/F)	13,532
2024 Series B (M/F)	8,365
2024 Series C (S/F)	3,854
2024 Series F (M/F)	71,036
2025 Series C (M/F)	103,125
2025 Series D1, D2 (S/F)	4,146
2025 Series E (M/F)	64,349
	<u>\$272,983</u>

MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY FUND

Bond proceeds in the amount of \$8,945 from the 2021 Series 2 are invested in accordance with the Maine Energy, Housing and Recovery General Indenture and are available for programs.

(10.) COMMITMENTS

MORTGAGE COMMITMENTS

Mortgage commitments are agreements to loan money provided there is no violation of any term or condition established in the agreement. Generally, once exercised, loans made under the terms of such commitments are secured by a lien on the related property and other collateral as MaineHousing deems necessary. At December 31, 2025, MaineHousing had outstanding commitments to originate multi-family mortgage loans of approximately \$369,585. For its single-family loan program, MaineHousing enters into purchase agreements with lenders to purchase mortgage loans. At December 31, 2025, single-family loans being processed by lenders for MaineHousing totaled approximately \$71,800.

(11.) RESERVE FUNDS

MORTGAGE PURCHASE FUND – HOUSING RESERVE FUND

On or before December 1 of each year, MaineHousing is required to value the Housing Reserve Fund and verify to the Governor of the State of Maine that the sum of money in the fund equals or exceeds the Housing Reserve Fund Minimum Requirement. The Housing Reserve Fund Minimum Requirement equals the amount of principal and interest maturing and coming due in the next succeeding calendar year on bonds outstanding. The Housing Reserve Fund Minimum Requirement as of December 31, 2025 was \$219,993. When issuing bonds, MaineHousing must also meet the Housing Reserve Fund Maximum Requirement. The Housing Reserve Fund Maximum Requirement equals the maximum debt service required in any subsequent calendar year. The Housing Reserve Fund Maximum Requirement as of December 31, 2025 was \$235,815.

In calculating the Housing Reserve Minimum and the Housing Reserve Maximum requirements, MaineHousing assumes a 12% rate for variable rate bonds, which is the maximum interest rate under the terms of the bonds. Swap payments and receipts are not included in the calculation. At December 31, 2025, valuation of the investments in the Housing Reserve Fund, computed at the lower of par or cost in accordance with the General Mortgage Purchase Program Bond Resolution, was \$248,084.

MAINE ENERGY, HOUSING & ECONOMIC RECOVERY FUND – RESERVE FUND

MaineHousing is not required to maintain a Reserve Fund for outstanding bonds.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

Between July 1 and July 15 of each year, MaineHousing must certify to the Treasurer of the State the amount necessary and sufficient to meet MaineHousing's debt service obligation. As of December 31, 2025, the maximum debt service amount was \$4,299.

(12.) EXCESS ARBITRAGE TO BE REBATED

Tax-exempt bonds issued by MaineHousing are subject to Internal Revenue Service regulations that limit the amount of income that can be earned with non-mortgage investments to an amount not greater than the amount that would have been earned had the funds been invested at the yield on the bonds. Excess earnings must be rebated every five years. At December 31, 2025, the estimated value of future arbitrage liabilities in the Mortgage Purchase Fund Group was \$3,207.

(13.) FUND TRANSFERS AND INTERFUND BALANCES

MaineHousing records transfers between funds for various purposes including program subsidies, fees and capital asset transfers. Transfers for the year ended December 31, 2025 consisted of the following.

	Mortgage Purchase Fund	General Administrative Fund	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Other Federal and State Programs
Capital Assets	\$0	\$114	\$0	\$0	(\$40)	(\$74)
Program Subsidies	0	(36)	(34)	0	36	34
Program Administrative Fees	28	2,174	0	(2,030)	0	(172)
	<u>\$28</u>	<u>\$2,252</u>	<u>(\$34)</u>	<u>(\$2,030)</u>	<u>(\$4)</u>	<u>(\$212)</u>

MaineHousing reports interfund balances among its funds. These balances generally consist of amounts for various revenues or expenses due to a fund but received or paid to another and funds for loan closings. These amounts are generally paid or received within the subsequent year.

Interfund accounts receivable (payable) balances at December 31, 2025 consisted of the following:

	Mortgage Purchase Fund	Bondholder Reserve Fund	General Administrative Fund	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	Maine Energy, Housing & Economic Recovery Program	Other Federal and State Programs
Receivable due from:								
Mortgage Purchase Fund	\$0	\$0	\$4,105	\$0	\$0	\$0	\$0	\$0
General Administrative Fund	0	0	0	5,061	0	0	0	18,306
Section 8 Housing Programs	0	0	317	0	0	0	0	0
Low Income Home Energy Assistance Program	0	0	1,084	0	0	0	0	0
Collectively, all other funds	0	0	27	2	29	0	0	0
	<u>0</u>	<u>0</u>	<u>5,533</u>	<u>5,063</u>	<u>29</u>	<u>0</u>	<u>0</u>	<u>18,306</u>
Payables	(4,105)	(24)	(23,367)	(29)	(317)	(1,084)	(3)	(2)
	<u>(\$4,105)</u>	<u>(\$24)</u>	<u>(\$17,834)</u>	<u>\$5,034</u>	<u>(\$288)</u>	<u>(\$1,084)</u>	<u>(\$3)</u>	<u>\$18,304</u>

The receivable amounts of the General Administrative Fund consist primarily of operating expenses owed from the Mortgage Purchase Fund, Section 8 Housing Programs, and Low Income Home Energy Assistance Program. The General Administrative Fund payable amounts consist primarily of program funds received and due to the HOME Fund and Other Federal and State Programs.

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

(14.) REDEMPTION OF BONDS

For the year ended December 31, 2025, MaineHousing redeemed prior to maturity \$116,970 of its Mortgage Purchase Fund bonds from recoveries of principal and surplus and the proceeds of refunded bonds. Losses of \$166 were attributed to the recognition of related bond discount. The following is a summary of bonds redeemed:

	<u>Interest Rate</u>	<u>Original Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2013 Series B Term Bonds	3.60%	11/15/2036	\$320	100%
2013 Series B Term Bonds	3.60%	11/15/2036	2,600	100%
2015 Series E-3 Term Bonds	Variable	11/15/2038	2,050	100%
2015 Series E-3 Term Bonds	2.94%	11/15/2038	2,500	100%
2015 Series F-2 Serial Bonds	2.65%	11/15/2025	500	100%
2016 Series D Serial Bonds	2.54%	11/15/2025	8,185	100%
2016 Series E Serial Bonds	2.90%	11/15/2025	745	100%
2016 Series E Term Bonds	4.00%	11/15/2046	695	100%
2017 Series A Serial Bonds	2.80%	11/15/2025	685	100%
2017 Series A Term Bonds	4.00%	11/15/2047	270	100%
2017 Series B Term Bonds	4.00%	11/15/2047	460	100%
2017 Series F Term Bonds	3.50%	11/15/2047	1,270	100%
2018 Series A Serial Bonds	2.75%	11/15/2025	1,155	100%
2018 Series B Serial Bonds	2.75%	11/15/2025	1,200	100%
2018 Series C Term Bonds	4.00%	11/15/2048	1,290	100%
2018 Series F Term Bonds	4.25%	11/15/2048	1,235	100%
2019 Series A Term Bonds	4.00%	11/15/2049	1,170	100%
2019 Series C Term Bonds	4.00%	11/15/2050	1,220	100%
2019 Series E Term Bonds	3.75%	11/15/2049	925	100%
2020 Series A Term Bonds	3.75%	11/15/2049	955	100%
2020 Series C Term Bonds	4.00%	11/15/2050	1,515	100%
2021 Series D Term Bonds	3.00%	11/15/2051	1,415	100%
2022 Series D Term Bonds	5.00%	11/15/2052	825	100%
2022 Series D Term Bonds	5.00%	11/15/2052	825	100%
2022 Series E Term Bonds	5.00%	11/15/2052	885	100%
2022 Series E Term Bonds	5.00%	11/15/2052	915	100%
2022 Series F Serial Bonds	3.10%	11/15/2025	8,000	100%
2022 Series G-1 Serial Bonds	3.45%	11/15/2025	1,000	100%
2023 Series B-1 Serial Bonds	3.50%	11/15/2025	710	100%
2023 Series B-2 Serial Bonds	3.15%	11/15/2025	620	100%
2023 Series E Serial Bonds	3.50%	11/15/2025	10,000	100%
2024 Series C Serial Bonds	3.40%	11/15/2025	790	100%
2024 Series E Term Bonds	3.25%	11/15/2054	60,000	100%
2025 Series B Term Bonds	6.25%	11/15/2055	40	100%
			<u>\$116,970</u>	

Maine State Housing Authority
Notes to Financial Statements – December 31, 2025
(IN THOUSANDS OF DOLLARS)

(15.) UNUSUAL OR INFREQUENT ITEM

MaineHousing administered the federal Emergency Rental Assistance Programs (ERA1 and ERA2) on behalf of the State of Maine. These programs were funded through the *Consolidated Appropriations Act of 2021* and the *American Rescue Plan Act of 2021*.

In 2025, the U.S. Department of the Treasury determined that certain program payments totaling \$620 were improperly made and therefore ineligible under federal program requirements. MaineHousing subsequently entered into a repayment agreement with the U.S. Department of the Treasury to return the ineligible amounts. The agreement totals \$655, inclusive of interest, and is payable in eight quarterly installments over a twenty-four-month period. The first installment was remitted in September 2025 and related costs are reported separately from normal operating expenses.

Management does not expect similar events to occur in the foreseeable future.

(16.) CONTINGENCIES

MaineHousing is subject to various legal proceedings and claims that arise in the normal course of its business. MaineHousing also receives funding from federal government agencies. These funds are to be used for designated purposes only and are subject to financial and compliance audits and the resolution of identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time. In the opinion of management, the ultimate resolution of these actions will not materially affect the accompanying financial statements.

(17.) SUBSEQUENT EVENTS

Subsequent to December 31, 2025, MaineHousing issued bonds. The following is a summary of subsequent event transactions.

On February 26, 2026, MaineHousing issued, at par, \$112,250 of bonds in the General Mortgage Purchase Bond Resolution as follows:

	Interest Rate	Maturity	Amount	Issued Price
2026 Series A Serial Bonds	2.70%-3.85%	2028-2038	\$23,285	100%
2026 Series A Term Bonds	4.15%	2041	9,515	100%
2026 Series A Term Bonds	4.65%	2046	19,850	100%
2026 Series A Term Bonds	4.80%	2051	37,710	100%
2026 Series A Term Bonds	6.00%	2056	21,890	113%
			\$112,250	

**MAINE STATE HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF SELECTED PENSION INFORMATION - UNAUDITED
PRESENTED FOR YEARS INFORMATION IS AVAILABLE
FOR THE YEAR ENDED DECEMBER 31, 2025
(IN THOUSANDS OF DOLLARS)**

**Schedule of MaineHousing's Proportionate Share of Net Pension Liability (Asset)
Last Ten Fiscal Years
As of Measurement Date of June 30:**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's Proportion of the Net Pension Liability (Asset)	0.468946%	0.559555%	0.604935%	0.669532%	0.674986%	0.709590%	0.746717%	0.834117%	0.906494%	0.922203%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$1,550	\$2,240	\$1,931	\$1,780	(\$217)	\$2,819	\$2,282	\$2,823	\$3,712	\$4,899
Employer's Covered-Employee Payroll	\$5,910	\$5,319	\$5,649	\$5,516	\$4,972	\$4,567	\$4,544	\$4,658	\$4,892	\$4,810
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	26.2%	42.1%	34.2%	32.3%	(4.4%)	61.7%	50.2%	60.6%	75.9%	101.9%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	93.0%	91.1%	92.3%	93.3%	100.9%	88.3%	90.6%	91.1%	86.4%	81.6%

**Schedule of MaineHousing's Pension Contributions
Last Ten Fiscal Years
As of Measurement Date of June 30:**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$597	\$541	\$577	\$552	\$504	\$480	\$477	\$490	\$513	\$505
Contributions in Relation to Contractually Required Contribution	\$597	\$541	\$577	\$552	\$504	\$480	\$477	\$490	\$513	\$505
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employer's Covered Employee Payroll	\$5,910	\$5,319	\$5,649	\$5,516	\$4,972	\$4,567	\$4,544	\$4,658	\$4,892	\$4,810
Contributions as a Percentage of Covered Employee Payroll	10.1%	10.2%	10.2%	10.0%	10.1%	10.5%	10.5%	10.5%	10.5%	10.5%

Notes to Required Supplementary Information

Changes of Benefit Terms:

There were no changes of benefit terms for the measurement period ended June 30, 2025.

Changes of Assumptions:

There were no changes of assumptions for the measurement period ended June 30, 2025.