

# MAINE STATE LEGISLATURE

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**BAKER NEWMAN NOYES**

**Maine State Housing Authority**

Basic Financial Statements and  
Management's Discussion and Analysis

Year Ended December 31, 2010

MAINE STATE HOUSING AUTHORITY

FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

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# BAKER NEWMAN NOYES

## INDEPENDENT AUDITORS' REPORT

The Board of Commissioners  
Maine State Housing Authority

We have audited the accompanying financial statements of the business-type activities, the governmental activities, each major fund, and the aggregate remaining fund information of the Maine State Housing Authority (MaineHousing), a component unit of the State of Maine, as of and for the year ended December 31, 2010, which collectively comprise MaineHousing's basic financial statements as listed in the table of contents. These financial statements are the responsibility of MaineHousing's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the governmental activities, each major fund, and the aggregate remaining fund information of MaineHousing, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Portland, Maine  
March 29, 2011

*Baker Newman & Noyes*  
Limited Liability Company

# MAINE STATE HOUSING AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2010

This discussion and analysis provides an overview of the Maine State Housing Authority's (MaineHousing) financial activities for the year ended December 31, 2010 and should be read in conjunction with the audited financial statements and accompanying notes.

### FINANCIAL HIGHLIGHTS

- As a result of program operations and financing activities net assets increased 0.4% to \$318.5 million.
- Profitability was again negatively impacted in 2010 by volatile financial and mortgage loan markets and depressed short-term interest rates.
- Short-term interest rates continued to be near historically low levels throughout 2010 resulting in a 46.3% reduction in investment earnings.
- Total federal program revenues increased by \$18.6 million or 10.3% to \$199.8 million due principally to federal funding from the American Recovery and Reinvestment Act (ARRA).

### OVERVIEW OF MAINEHOUSING

MaineHousing was created in 1969 by an Act of the Maine Legislature and is a public corporation and government instrumentality of the State of Maine. MaineHousing was established to assist in the financing, development, and rehabilitation of housing in Maine for persons and families of low and moderate income. In this capacity, MaineHousing is authorized to issue bonds for the purchase or origination of notes and mortgages on single-family and multi-family residential properties.

MaineHousing also acts as an agent for the State of Maine in administering various Federal housing and energy related programs. These programs are funded through various grants and program agreements with the Federal government's departments of Housing and Urban Development, Energy, and Health and Human Services, as well as capital and operating subsidies from MaineHousing's own funds.

MaineHousing is a component unit of the State of Maine and receives certain appropriations from the State legislature, all of which are used in connection with specified housing related programs.

### OVERVIEW OF THE FINANCIAL STATEMENTS

MaineHousing's financial statements consist of two parts – management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include agency-wide financial statements, fund financial statements, and notes to the financial statements.

- Agency-wide financial statements provide information about MaineHousing's overall financial position and results of operations. These statements consist of the Statement of Net Assets and the Statement of Activities.
- The fund financial statements of MaineHousing include its major proprietary funds, which operate similarly to business activities and of MaineHousing's governmental funds, for which activities are funded from Federal grants and State appropriations.
- The basic financial statements also include a "Notes to Financial Statements" section that provides additional information that is essential to a full understanding of the data provided in the agency-wide and fund financial statements.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of these statements.

## Agency-wide Statements

Agency-wide statements report information about MaineHousing as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Assets includes all of MaineHousing's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two agency-wide statements report MaineHousing's net assets and how they changed. Net assets – the difference between MaineHousing's assets and liabilities – is one way to measure MaineHousing's financial position. Agency-wide financial statements are divided into two categories:

- *Business-type activities* – MaineHousing's business-type activities consist of providing mortgage financing on single-family and multi-family residential properties. These activities are funded primarily through the issuance of bonds.
- *Governmental activities* – MaineHousing administers various State and Federal housing and energy related programs. These activities are financed by grant and program agreements with the Federal government and appropriations from the 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* – MaineHousing's business-type activities are in its proprietary funds and they are accounted for in a manner similar to businesses operating in the private sector. Funding has primarily arisen through the issuance of bonds, the proceeds of which are mainly used to make various types of loans to finance low and moderate-income housing. The net assets of these funds represent accumulated earnings since their inception and interest rate subsidy amounts contributed from governmental funds, and are generally restricted for program purposes.
- *Governmental funds* – MaineHousing has six governmental funds. MaineHousing is the administrator of these funds; the revenues of which are appropriated to MaineHousing for making housing and energy related grants and loans. These fund statements focus on how cash and other financial assets flowing into the funds have been used. A substantial portion of the funds' net assets is comprised of invested funds reserved for grants or making mortgage loans.

## AN OVERVIEW OF MAINEHOUSING'S FINANCIAL POSITION AND OPERATIONS

MaineHousing's overall financial position and operations are summarized below for the years ended December 31, 2010 and 2009 based on the information included in the financial statements.

	Agency-wide Net Assets (in millions of dollars)						Total Percentage Change
	Business-type Activities		Governmental Activities		Total		
	2010	2009	2010	2009	2010	2009	
Cash and investments	\$397.4	\$518.2	\$69.2	\$27.1	\$466.6	\$545.3	(14.4%)
Mortgage and other notes receivable	1,308.8	1,282.6	70.4	57.6	1,379.2	1,340.2	2.9%
Other assets	46.2	18.7	11.6	15.8	57.8	34.5	67.5%
<b>Total Assets</b>	<b>1,752.4</b>	<b>1,819.5</b>	<b>151.2</b>	<b>100.5</b>	<b>1,903.6</b>	<b>1,920.0</b>	<b>(0.9%)</b>
Deferred income	15.3	15.5	13.5	8.0	28.8	23.5	22.6%
Mortgage and other bonds payable	1,423.7	1,509.7	50.2	0.0	1,473.9	1,509.7	(2.4%)
Other liabilities	32.4	15.1	50.0	54.5	82.4	69.6	18.4%
<b>Total Liabilities</b>	<b>1,471.4</b>	<b>1,540.3</b>	<b>113.7</b>	<b>62.5</b>	<b>1,585.1</b>	<b>1,602.8</b>	<b>(1.1%)</b>
Restricted net assets	264.5	262.7	37.5	38.0	302.0	300.7	0.4%
Unrestricted net assets	16.5	16.5	0.0	0.0	16.5	16.5	0.0%
<b>Total Net Assets</b>	<b>\$281.0</b>	<b>\$279.2</b>	<b>\$37.5</b>	<b>\$38.0</b>	<b>\$318.5</b>	<b>\$317.2</b>	<b>0.4%</b>

MaineHousing's total assets at December 31, 2010 were \$1.90 billion, a decrease of \$16.4 million or 0.9% from December 31, 2009. The change in assets consisted primarily of a \$78.8 million decrease in cash and investments and a \$39.0 million increase in mortgage receivables. Other assets increased \$23.3 million primarily as a result of the adoption of provisions of GASB Statement No. 53 and the recognition of a deferred outflow of resources asset. MaineHousing's total liabilities at December 31, 2010 were \$1.59 billion, a decrease of \$17.7 million or 1.1% from December 31, 2009. The decrease in liabilities is due principally to the retirement of \$205.6 million of bonds, which contributed to a \$35.8 million net decrease in bonds payable. Deferred income increased primarily as a result of higher unearned federal grant income balances at December 31, 2010. Other liabilities increased \$12.8 million due primarily to the recognition of a liability associated with interest rate swap derivative instruments in accordance with the implementation of a new accounting pronouncement.

### *Cash and Investments*

Total cash and investments decreased by \$78.7 million or 14.4% at December 31, 2010 compared to December 31, 2009. To manage the exposure associated with depressed short term rates on non-mortgage investments and interest expense, certain investments were used to retire outstanding debt in 2010. MaineHousing's investment portfolio is comprised of securities of the U.S. Government, certain Federal agencies, the State of Maine, or repurchase agreements that are secured by such securities.

MaineHousing's investments are carried at fair value and unrealized gains and losses due to fluctuations in market values are recognized in revenues. In 2010, MaineHousing recognized \$0.1 million of unrealized gains compared with \$3.6 million of unrealized losses in 2009.

### *Mortgage and Other Notes Receivable*

Total mortgages and other notes receivable, net, increased \$39 million in 2010. MaineHousing's total mortgage loan purchases and originations of \$128.6 million in 2010 were lower by \$1.3 million compared with 2009. The decrease was due primarily to lower single-family mortgage purchases. The receipt of scheduled mortgage loan repayments of \$29.1 million increased from the previous year's level of \$28.1 million. Mortgage loan prepayments increased during 2010 to a total of \$54.5 million, an increase of \$0.2 million.

MaineHousing's combined allowance for losses of \$10.8 million at December 31, 2010 remained nearly unchanged from 2009 at 0.8% of loans outstanding.

### *Bonds Payable*

During the year, MaineHousing completed the issuance of bonds aggregating to \$168.2 million. In 2009, MaineHousing completed the issuance of \$250.7 million in bonds. Debt retirements totaled \$205.6 million in 2010 and \$187.1 million in 2009. MaineHousing issues bonds or notes as capital is needed for program purposes and as opportunities for economic refunding occur. For additional details, see the Debt Activity section of the Management's Discussion and Analysis.

### *Net Assets*

MaineHousing's net assets increased 0.4% during 2010 and continued to be unfavorably impacted by the historically low-interest rate environment that existed throughout 2010.

The net assets of MaineHousing's business activities increased by \$1.8 million, while the net assets of MaineHousing's governmental activities decreased by \$0.5 million. MaineHousing's business activities are in the proprietary funds and are dissimilar from the activities in the governmental funds. The results of operations for both MaineHousing's proprietary and governmental funds are presented below for the years ended December 31, 2010 and 2009:

#### Agency-wide Changes in Net Assets (in millions of dollars)

	2010	2009	Increase/(Decrease)	
			Amount	Percentage
Interest from mortgages and notes	\$70.1	\$68.6	\$1.5	2.2%
Income from investments	6.0	7.3	(1.3)	(17.8%)
Grants and subsidies	197.4	177.6	19.8	11.1%
Other	11.3	10.5	0.8	7.6%
Total revenues	284.8	264.0	20.8	7.9%
Operating expenses	21.7	19.8	1.9	9.6%
Provision for losses on loans and foreclosed real estate	1.4	1.1	0.3	27.3%
Interest expense	61.2	66.6	(5.4)	(8.1%)
Grants and subsidies	199.2	181.3	17.9	9.9%
Total expenses	283.5	268.8	14.7	5.5%
Increase (Decrease) in net assets	<u>\$1.3</u>	<u>(\$4.8)</u>	<u>\$6.1</u>	127.1%

The details of the changes are explained in the propriety and governmental Results of Operations sections.

# MAINE STATE HOUSING AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2010

### RESULTS OF OPERATIONS

#### *Proprietary Funds Results*

Net assets of MaineHousing's proprietary funds increased by \$1.8 million to \$281 million at December 31, 2010. The following table summarizes the Statement of Revenues, Expenses and Changes in Net Assets of MaineHousing's proprietary funds for the years ended December 31, 2010 and December 31, 2009:

Proprietary Funds		Statement of Revenues, Expenses and Changes in Net Assets		<i>(in millions of dollars)</i>	
				Increase / (Decrease)	
		2010	2009	Amount	Percentage
<b>Operating revenues:</b>					
Interest from mortgages and notes	\$70.1	\$68.6	\$1.5	2.2%	
Income from investments	5.8	10.8	(5.0)	(46.3%)	
Net increase (decrease) in the fair value of investments	0.1	(3.6)	3.7	102.8%	
Fee income	1.0	0.5	0.5	100.0%	
Other revenue	0.8	0.9	(0.1)	(11.1%)	
Total revenues	77.8	77.2	0.6	0.8%	
<b>Operating expenses:</b>					
Salaries and related benefits	6.7	6.9	(0.2)	(2.9%)	
Other program and operating expenses	4.5	4.4	0.1	2.3%	
Mortgage servicing fees	2.1	2.0	0.1	5.0%	
Provision for losses on loans	1.0	1.0	0.0	0.0%	
Losses on foreclosed real estate	0.4	0.1	0.3	300.0%	
Interest expense	60.9	66.6	(5.7)	(8.6%)	
Loss on bond redemption	1.3	0.5	0.8	160.0%	
Excess arbitrage	(0.9)	(1.0)	0.1	(10.0%)	
Total expenses	76.0	80.5	(4.5)	(5.6%)	
Operating income (loss)	1.8	(3.3)	5.1	(154.5%)	
Transfers in	0.0	0.0	0.0	100.0%	
Change in net assets	1.8	(3.3)	5.1	(154.5%)	
Net assets at beginning of year	279.2	282.5	(3.3)	(1.2%)	
Net assets at end of year	\$281.0	\$279.2	\$1.8	0.6%	

Operating revenues of MaineHousing's business-type activities are generated principally from interest earned on mortgages and investments. In 2010, MaineHousing's revenues for its business-type activities increased \$0.6 million and totaled \$77.8 million. Of this total, \$76.0 million or 97.7% is from interest earned from mortgages and other notes and investments. Operating expenses of MaineHousing's business-type activities consist primarily of interest expense on debt incurred to fund its various lending programs. The total expenses for business-type activities totaled \$76.0 million, of which \$60.9 million or 80.1% was interest expense.

## MAINE STATE HOUSING AUTHORITY

### MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2010

Change in net assets for the year ended December 31, 2010 was \$1.8 million compared to \$(3.3) million for the year ended December 31, 2009, an increase of \$5.1 million. Factors contributing to these results included:

- Interest earned on mortgages and notes increased by \$1.5 million or 2.2% due to higher loan amounts outstanding and higher average yields.
- Income from investments decreased by \$5.0 million or 46.3% due to lower investment balances and low short-term earnings rates.
- Market fluctuations generated an unrealized gain of \$0.1 million in 2010. This represents an increase of \$3.7 million compared with the unrealized loss of \$3.6 million that was recognized in 2009. The unrealized gain was due to a mix of interest-sensitive investments held at 2010 compared to 2009.
- Interest expense decreased by \$5.7 million or 8.6% as a result of lower average rates on debt issues and lower average debt balances outstanding during the year.

#### Governmental Fund Results

Fund balances of MaineHousing's governmental funds decreased \$0.5 million or 1.3% to \$37.6 million at December 31, 2010. The following table summarizes the Statement of Revenues, Expenses and Changes in Fund Balances of MaineHousing's governmental funds for the years ended December 31, 2010 and December 31, 2009:

Governmental Funds  
Statement of Revenues, Expenses and Changes in Fund Balances  
(in millions of dollars)

	2010	2009	Increase/(Decrease)	
			Amount	Percentage
<b>Operating revenues:</b>				
Income from investments	\$0.1	\$0.1	\$0.0	0.0%
Fee income	9.5	9.1	0.4	4.4%
Grant income	102.2	90.1	12.1	13.4%
Income from the State	5.1	2.4	2.7	112.5%
Federal rent subsidy income	90.1	85.1	5.0	5.9%
Total revenues	207.0	186.8	20.2	10.8%
<b>Operating expenses:</b>				
Administrative expenses	8.0	7.0	1.0	14.3%
Interest expense	0.3	0.0	0.3	100.0%
Grant expense	110.7	94.6	16.1	17.0%
Federal rent subsidy expense	88.5	86.7	1.8	2.1%
Total expenses	207.5	188.3	19.2	10.2%
Operating loss	(0.5)	(1.5)	1.0	(66.7%)
Transfers in (out)	0.0	0.0	0.0	0.0%
Change in fund balances	(0.5)	(1.5)	1.0	(66.7%)
Fund balances at beginning of year	38.1	39.6	(1.5)	(3.8%)
Fund balances at end of year	<u>\$37.6</u>	<u>\$38.1</u>	<u>(\$0.5)</u>	<u>(1.3%)</u>

## MAINE STATE HOUSING AUTHORITY

### MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2010

Operating revenues of MaineHousing's governmental activities are generated primarily from State and Federal grants and Federal rent subsidy income. In 2010, MaineHousing's revenues for its governmental activities increased by \$20.2 million or 10.8% to \$207 million. Operating expenses of MaineHousing's governmental activities consist primarily of grant and Federal rent subsidy expenses. Total operating expenses increased \$19.2 million or 10.2% to \$207.5 million for 2010.

MaineHousing earns fees for administering various federal programs. Typically fees earned provide MaineHousing with a revenue source adequate to recover direct and indirect costs of delivering related services. In 2010, fee income for administering federal programs amounted to \$9.5 million.

The 2010 financial results of MaineHousing's governmental funds were significantly affected by the following:

- Total grant income increased by \$12.1 million or 13.4% due primarily to an increase in federal grants received from The American Recovery & Reinvestment Act. This Act was enacted by the United States Congress in 2009 and contains federal spending provisions for housing and energy related programs.
- Total grant expense increased by \$16.1 million or 17% due to higher available grant income.
- Total Federal rent subsidy income increased by \$5.0 million or 5.9% due to an increase in receipts from the Department of Housing and Urban Development for the Section 8 Housing Assistance Payments Programs. Total Federal rent subsidy expense increased as a result of higher available program receipts.
- Income from the State, which consists of Real Estate Transfer Tax deposits to the HOME Fund, increased by \$2.7 million.

### DEBT ACTIVITY

MaineHousing is authorized to issue housing revenue bonds to purchase or originate mortgages or notes on single-family and multi-family residential properties. In 2010, the State Legislature authorized MaineHousing to establish a Maine Energy, Housing and Recovery Program and to issue governmental bonds to create capital funding sources dedicated to providing affordable housing and improving the energy efficiency of residential housing.

MaineHousing had \$1.47 billion in bonds outstanding at December 31, 2010 – a decrease of \$35.8 million or 2.4% from last year. MaineHousing's debt issuances for 2010 totaled \$168.2 million. Principal payments on bonds totaled \$205.6 million in 2010. MaineHousing redeemed \$204.0 million of its outstanding bonds in 2010 from reserve funds, mortgage prepayments, and surplus revenues. Of the total amount redeemed, \$33.4 million were bonds that were scheduled for maturity in 2010. Scheduled principal payments on bonds totaled \$1.6 million in 2010.

MaineHousing issues some variable rate demand obligations and enters into interest rate swaps agreements to provide synthetically fixed interest rates on certain bonds. At December 31, 2010, the total amount of variable rate debt outstanding was \$289.5 million and represented 19.7% of the \$1.47 billion total debt portfolio. Different interest rate swap agreements have been executed in connection with \$236 million of these bonds to, in effect, convert them to synthetic fixed rate bonds.

In 2010, bonds in MaineHousing's General Mortgage Purchase Bond Resolution were rated Aa1 and AA+ by Moody's Investor Service and Standard & Poor's, respectively. For additional information about MaineHousing's mortgage bonds and notes payables, see Notes 5, 6, 8, 9, 13, and 14 to the financial statements.

**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010**  
*(IN THOUSANDS OF DOLLARS)*

	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets:			
Cash, principally time deposits (note 3)	\$133	\$1,686	\$1,819
Investments (notes 3, 8, and 10)	261,996	67,536	329,532
Accounts receivable - Federal	0	5,490	5,490
Accrued interest and other assets	18,304	4,536	22,840
Mortgage notes receivable, net (note 4)	29,148	103	29,251
Other notes receivable, net (note 4)	3	0	3
Total Current Assets	<u>309,584</u>	<u>79,351</u>	<u>388,935</u>
Noncurrent Assets:			
Investments (notes 3, 8, and 10)	135,276	0	135,276
Mortgage notes receivable, net (note 4)	1,279,682	69,461	1,349,143
Other notes receivable, net (note 4)	10	763	773
Land, equipment and improvements, net	1,224	1,393	2,617
Other real estate owned	2,420	0	2,420
Unamortized debt issuance expense	4,486	214	4,700
Accumulated decrease in fair value of hedging derivatives (note 6)	19,739	0	19,739
Total Noncurrent Assets	<u>1,442,837</u>	<u>71,831</u>	<u>1,514,668</u>
Total Assets	<u>\$1,752,421</u>	<u>\$151,182</u>	<u>\$1,903,603</u>
<b>LIABILITIES AND NET ASSETS:</b>			
Current Liabilities:			
Accrued interest payable	\$7,229	\$71	\$7,300
Accounts payable - Federal	0	105	105
Accounts payable and accrued liabilities	3,926	47,067	50,993
Deferred income	404	13,538	13,942
Interfund (note 12)	(2,703)	2,703	0
Mortgage and other bonds payable, current (notes 5, 11 and 13)	16,195	0	16,195
Total Current Liabilities	<u>25,051</u>	<u>63,484</u>	<u>88,535</u>
Noncurrent Liabilities:			
Excess arbitrage to be rebated (note 11)	4,184	0	4,184
Deferred income	14,933	0	14,933
Derivative instrument - interest rate swaps (note 6)	19,739	0	19,739
Mortgage and other bonds payable, net (notes 5, 11 and 13)	1,407,518	50,163	1,457,681
Total Noncurrent Liabilities	<u>1,446,374</u>	<u>50,163</u>	<u>1,496,537</u>
Total Liabilities	<u>1,471,425</u>	<u>113,647</u>	<u>1,585,072</u>
Net Assets:			
Restricted Net Assets	264,506	37,535	302,041
Unrestricted Net Assets	16,490	0	16,490
Total Net Assets	<u>280,996</u>	<u>37,535</u>	<u>318,531</u>
Total Liabilities and Net Assets	<u>\$1,752,421</u>	<u>\$151,182</u>	<u>\$1,903,603</u>

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
*(IN THOUSANDS OF DOLLARS)*

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
			Charges for Services	Program Investment Income	Operating Grants and Contributions	Business-type Activities	Governmental Activities	Total
Business-type activities:								
Mortgage Purchase Bond Program	\$66,193	\$7,248	\$70,592	\$5,652	\$0	\$2,803	\$0	\$2,803
Housing Finance Bond Program	1,125	554	512	166	0	(1,001)	0	(1,001)
Bondholder Reserve Fund	0	43	27	11	0	(5)	0	(5)
General Administrative Fund	13,389	(12,580)	851	0	0	42	0	42
Total business-type activities	80,707	(4,735)	71,982	5,829	0	1,839	0	1,839
Governmental activities:								
HOME Fund	7,951	0	36	10	5,460	0	(2,445)	(2,445)
Section 8 Housing Programs	90,634	1,816	5,254	11	90,144	0	2,959	2,959
Low Income Housing Energy Assistance Program	42,215	779	1,418	4	41,696	0	124	124
American Recovery & Reinvestment Fund	42,698	748	796	0	42,650	0	0	0
Maine Energy, Housing, Economic Recovery Program	398	0	0	23	0	0	(375)	(375)
Other Federal and State Programs	18,946	1,392	2,050	8	17,509	0	(771)	(771)
Total governmental activities	202,842	4,735	9,554	56	197,459	0	(508)	(508)
Total Maine Housing	\$283,549	\$0	\$81,536	\$5,885	\$197,459	1,839	(508)	1,331
General Revenues:								
Unrestricted investment income						10	0	10
Transfers						(1)	1	0
Total general revenues and transfers						9	1	10
Change in net assets						1,848	(507)	1,341
Net assets at beginning of year						279,148	38,042	317,190
Net assets at end of year						\$280,996	\$37,535	\$318,531

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY**  
**BALANCE SHEET**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2010**  
*(IN THOUSANDS OF DOLLARS)*

	Mortgage Purchase Fund Group	Housing Finance Revenue Fund Group	Bondholder Reserve Fund	General Administrative Fund	Total
<b>ASSETS:</b>					
Current Assets:					
Cash, principally time deposits (note 3)	\$ 2	\$ 57	\$ 4	\$ 70	\$ 133
Investments (notes 3, 8, and 10)	233,759	6,400	7,328	14,509	261,996
Accrued interest and other assets	18,181	47	10	66	18,304
Mortgage notes receivable, net (note 4)	27,972	922	0	254	29,148
Other notes receivable, net (note 4)	0	3	0	0	3
Total Current Assets	<u>279,914</u>	<u>7,429</u>	<u>7,342</u>	<u>14,899</u>	<u>309,584</u>
Noncurrent Assets:					
Investments (notes 3, 8, and 10)	135,276	0	0	0	135,276
Mortgage notes receivable, net (note 4)	1,269,799	3,228	428	6,227	1,279,682
Other notes receivable, net (note 4)	0	10	0	0	10
Land, equipment and improvements, net	22	0	0	1,202	1,224
Other real estate owned	2,293	0	0	127	2,420
Unamortized debt issuance expense	4,452	34	0	0	4,486
Accumulated decrease in fair value of hedging derivatives (note 6)	19,739	0	0	0	19,739
Total Noncurrent Assets	<u>1,431,581</u>	<u>3,272</u>	<u>428</u>	<u>7,556</u>	<u>1,442,837</u>
Total Assets	<u>\$1,711,495</u>	<u>\$10,701</u>	<u>\$7,770</u>	<u>\$22,455</u>	<u>\$1,752,421</u>
<b>LIABILITIES AND NET ASSETS:</b>					
Current Liabilities:					
Accrued interest payable	\$7,156	\$73	\$0	\$0	\$7,229
Accounts payable and accrued liabilities	0	0	7	3,919	3,926
Deferred income	253	151	0	0	404
Interfund (note 12)	1,854	(6,302)	(301)	2,046	(2,703)
Mortgage bonds payable, current (notes 5, 11 and 13)	16,195	0	0	0	16,195
Total Current Liabilities	<u>25,458</u>	<u>(6,078)</u>	<u>(294)</u>	<u>5,965</u>	<u>25,051</u>
Noncurrent Liabilities:					
Excess arbitrage to be rebated (note 11)	4,184	0	0	0	4,184
Deferred income	14,403	530	0	0	14,933
Derivative instrument - interest rate swaps (note 6)	19,739	0	0	0	19,739
Mortgage bonds payable, net (notes 5, 11 and 13)	1,399,705	7,813	0	0	1,407,518
Total Noncurrent Liabilities	<u>1,438,031</u>	<u>8,343</u>	<u>0</u>	<u>0</u>	<u>1,446,374</u>
Total Liabilities	<u>1,463,489</u>	<u>2,265</u>	<u>(294)</u>	<u>5,965</u>	<u>1,471,425</u>
Net Assets:					
Restricted Net Assets	248,006	8,436	8,064	0	264,506
Unrestricted Net Assets	0	0	0	16,490	16,490
Total Net Assets	<u>248,006</u>	<u>8,436</u>	<u>8,064</u>	<u>16,490</u>	<u>280,996</u>
Total Liabilities and Net Assets	<u>\$1,711,495</u>	<u>\$10,701</u>	<u>\$7,770</u>	<u>\$22,455</u>	<u>\$1,752,421</u>

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
*(IN THOUSANDS OF DOLLARS)*

	Mortgage Purchase Fund Group	Housing Finance Revenue Fund Group	Bondholder Reserve Fund	General Administrative Fund	Total
<b>OPERATING REVENUES:</b>					
Interest from mortgages and notes	\$69,548	\$512	\$27	\$55	\$70,142
Income from investments	5,592	146	11	10	5,759
Net increase in the fair value of investments	60	20	0	0	80
Fee income	611	0	0	353	964
Other revenue	433	0	0	443	876
<b>Total Revenues</b>	<b>76,244</b>	<b>678</b>	<b>38</b>	<b>861</b>	<b>77,821</b>
<b>OPERATING EXPENSES:</b>					
Salaries and related benefits	0	0	0	10,381	10,381
Other program and operating expenses	2,455	66	0	3,004	5,525
Mortgage servicing fees	1,919	162	0	4	2,085
Provision for losses on loans (note 4)	1,000	(15)	0	0	985
Loss on foreclosed real estate	400	0	0	0	400
Interest expense	60,071	857	0	0	60,928
Loss on bond redemption (note 13)	1,206	55	0	0	1,261
Excess arbitrage	(858)	0	0	0	(858)
Allocated operating costs	7,248	554	43	(12,580)	(4,735)
<b>Total Expenses</b>	<b>73,441</b>	<b>1,679</b>	<b>43</b>	<b>809</b>	<b>75,972</b>
Operating Income(Loss)	2,803	(1,001)	(5)	52	1,849
Transfers between funds, net (note 12)	0	0	0	(1)	(1)
Change in net assets	2,803	(1,001)	(5)	51	1,848
Net assets at beginning of year	245,203	9,437	8,069	16,439	279,148
Net assets at end of year	<u>\$248,006</u>	<u>\$8,436</u>	<u>\$8,064</u>	<u>\$16,490</u>	<u>\$280,996</u>

*See accompanying notes to the financial statements*

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
*(IN THOUSANDS OF DOLLARS)*

	Mortgage Purchase Fund Group	Housing Finance Revenue Fund Group	Bondholder Reserve Fund	General Administrative Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Interest receipts from borrowers	\$69,206	\$469	\$27	\$47	\$69,749
Principal receipts on mortgages and notes - scheduled	27,972	1,057	0	117	29,146
Principal receipts on mortgages and notes - prepayments	53,384	571	499	53	54,507
Payments for operating expenses	(11,622)	(782)	(43)	(3,004)	(15,451)
Payments received for operating expenses	0	0	0	12,580	12,580
Payments to employees	0	0	0	(10,381)	(10,381)
Investment in mortgages and other notes	(122,198)	(128)	(27)	(6,237)	(128,590)
Other	(4,931)	14	87	(1,442)	(6,272)
Net cash provided by (used for) operating activities	<u>11,811</u>	<u>1,201</u>	<u>543</u>	<u>(8,267)</u>	<u>5,288</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Payment of bond issuance costs	(827)	0	0	0	(827)
Proceeds from sale of bonds and notes	117,609	0	0	0	117,609
Principal payments on bonds	(196,935)	(8,640)	0	0	(205,575)
Interest payments on bonds	(59,219)	(917)	0	0	(60,136)
Payments (to) from other funds	969	(186)	(402)	7,557	7,938
Net cash provided by (used for) non-capital financing activities	<u>(138,403)</u>	<u>(9,743)</u>	<u>(402)</u>	<u>7,557</u>	<u>(140,991)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Proceeds from disposition of foreclosed real estate	8,575	128	0	0	8,703
Purchase of investments	(1,393,500)	0	(151)	0	(1,393,651)
Sales and maturity of investments	1,504,833	8,092	0	701	1,513,626
Interest received on investments	6,490	265	11	10	6,776
Net cash provided by (used for) investing activities	<u>126,398</u>	<u>8,485</u>	<u>(140)</u>	<u>711</u>	<u>135,454</u>
Net increase (decrease) in cash	(194)	(57)	1	1	(249)
Cash at beginning of year	196	114	3	69	382
Cash at end of year	<u>\$2</u>	<u>\$57</u>	<u>\$4</u>	<u>\$70</u>	<u>\$133</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$2,803	(\$1,001)	(\$5)	\$52	\$1,849
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation and amortization	1,538	18	0	587	2,143
Interest on bonds	58,533	839	0	0	59,372
Provision for losses on loans	1,000	(15)	0	0	985
Losses on foreclosed real estate	400	0	0	0	400
Loss on bond redemption	1,206	55	0	0	1,261
Interest income on investments	(5,592)	(146)	(11)	(10)	(5,759)
Net increase in fair value of investments	(60)	(20)	0	0	(80)
Changes in operating assets and liabilities:					
Other assets	(5,699)	14	86	(259)	(5,858)
Mortgage note interest receivable	(342)	17	0	(9)	(334)
Accounts payable and accrued liabilities	(1,023)	0	1	(2,561)	(3,583)
Deferred income and other liabilities	(111)	(60)	0	0	(171)
Investment in mortgage and other notes	(122,198)	(128)	(27)	(6,237)	(128,590)
Mortgage & other note principal repayments	81,356	1,628	499	170	83,653
Net cash provided by (used for) operating activities	<u>\$11,811</u>	<u>\$1,201</u>	<u>\$543</u>	<u>(\$8,267)</u>	<u>\$5,288</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION:</b>					
Real estate acquired through foreclosure	\$11,176	\$215	\$0	\$0	\$11,391

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2010**  
*(IN THOUSANDS OF DOLLARS)*

	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	American Recovery & Reinvestment Fund	Maine Energy, Housing & Economic Recovery Fund	Other Federal and State Programs	Total
<b>ASSETS:</b>							
Current Assets:							
Cash, principally time deposits (note 3)	\$ 0	\$ 75	\$ 664	\$ 0	\$ 0	\$ 947	\$ 1,686
Investments (notes 3, 8 and 10)	3,809	5,745	0	0	49,558	8,424	67,536
Accounts receivable - Federal	0	653	488	583	0	3,766	5,490
Accrued interest and other assets	1,114	129	389	0	315	2,589	4,536
Mortgage notes receivable, net (note 4)	30	0	0	0	0	73	103
Total Current Assets	<u>4,953</u>	<u>6,602</u>	<u>1,541</u>	<u>583</u>	<u>49,873</u>	<u>15,799</u>	<u>79,351</u>
Noncurrent Assets:							
Mortgage notes receivable, net (note 4)	20,279	178	0	8,120	0	40,884	69,461
Other notes receivable, net (note 4)	0	0	0	0	0	763	763
Land, equipment and improvements, net	0	122	553	0	0	718	1,393
Unamortized debt issuance expense	0	0	0	0	214	0	214
Total Noncurrent Assets	<u>20,279</u>	<u>300</u>	<u>553</u>	<u>8,120</u>	<u>214</u>	<u>42,365</u>	<u>71,831</u>
Total Assets	<u>\$25,232</u>	<u>\$6,902</u>	<u>\$2,094</u>	<u>\$8,703</u>	<u>\$50,087</u>	<u>\$58,164</u>	<u>\$151,182</u>
<b>LIABILITIES AND FUND BALANCES:</b>							
Current Liabilities:							
Accrued interest payable	\$0	\$0	\$0	\$0	\$71	\$0	\$71
Accounts payable - Federal	0	79	0	0	0	26	105
Accounts payable and accrued liabilities	0	67	227	555	0	46,218	47,067
Deferred income	374	0	748	8,120	0	4,296	13,538
Interfund (note 12)	492	(1,819)	466	28	228	3,308	2,703
Total Current Liabilities	<u>866</u>	<u>(1,673)</u>	<u>1,441</u>	<u>8,703</u>	<u>299</u>	<u>53,848</u>	<u>63,484</u>
Noncurrent Liabilities:							
Bonds payable, net (notes 5 and 11)	0	0	0	0	50,163	0	50,163
Total Non Current Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>50,163</u>	<u>0</u>	<u>50,163</u>
Total Liabilities	<u>866</u>	<u>(1,673)</u>	<u>1,441</u>	<u>8,703</u>	<u>50,462</u>	<u>53,848</u>	<u>113,647</u>
Fund Balances:							
Nonspendable	0	122	553	0	0	718	1,393
Restricted by program requirements	24,366	8,453	100	0	(375)	3,598	36,142
Total Fund Balances	<u>24,366</u>	<u>8,575</u>	<u>653</u>	<u>0</u>	<u>(375)</u>	<u>4,316</u>	<u>37,535</u>
Total Liabilities and Fund Balances	<u>\$25,232</u>	<u>\$6,902</u>	<u>\$2,094</u>	<u>\$8,703</u>	<u>\$50,087</u>	<u>\$58,164</u>	<u>\$151,182</u>

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
*(IN THOUSANDS OF DOLLARS)*

	HOME Fund	Section 8 Housing Programs	Low Income Home Energy Assistance Program	American Recovery & Reinvestment Fund	Maine Energy, Housing & Economic Recovery Fund	Other Federal and State Programs	Total
<b>OPERATING REVENUES:</b>							
Interest from mortgages and notes	\$36	\$0	\$0	\$0	\$0	\$0	\$36
Income from investments	10	11	4	0	23	8	56
Fee income	0	5,254	1,418	796	0	2,050	9,518
Grant income	378	0	41,696	42,650	0	17,509	102,233
Income from State	5,082	0	0	0	0	0	5,082
Federal rent subsidy income	0	90,144	0	0	0	0	90,144
Total Revenues	<u>5,506</u>	<u>95,409</u>	<u>43,118</u>	<u>43,446</u>	<u>23</u>	<u>19,567</u>	<u>207,069</u>
<b>OPERATING EXPENSES:</b>							
Program administrative expenses	0	2,109	519	48	62	568	3,306
Grant expense	7,951	0	41,696	42,650	0	18,378	110,675
Federal rent subsidy expense	0	88,525	0	0	0	0	88,525
Interest expense	0	0	0	0	336	0	336
Allocated operating costs	0	1,816	779	748	0	1,392	4,735
Total Expenses	<u>7,951</u>	<u>92,450</u>	<u>42,994</u>	<u>43,446</u>	<u>398</u>	<u>20,338</u>	<u>207,577</u>
Operating income(loss)	(2,445)	2,959	124	0	(375)	(771)	(508)
Transfers between funds, net (note 12)	(275)	0	0	0	0	276	1
Change in fund balances	(2,720)	2,959	124	0	(375)	(495)	(507)
Fund balances at beginning of year	27,086	5,616	529	0	0	4,811	38,042
Fund balances at end of year	<u>\$24,366</u>	<u>\$8,575</u>	<u>\$653</u>	<u>\$0</u>	<u>(\$375)</u>	<u>\$4,316</u>	<u>\$37,535</u>

See accompanying notes to the financial statements

**MAINE STATE HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS – DECEMBER 31, 2010**  
*(IN THOUSANDS OF DOLLARS)*

**(1) ORGANIZATION AND NATURE OF OPERATIONS**

Maine State Housing Authority (MaineHousing) was created by the Maine Housing Authorities Act, Title 30-A, Chapter 201, of the Maine Revised Statutes, as amended, as a public body corporate and politic and an instrumentality of the State of Maine.

MaineHousing is authorized to issue bonds for the purchase or origination of notes and mortgages on single-family and multi-family residential units for the purpose of providing housing for persons and families of low income in the State of Maine.

In addition, MaineHousing presently acts as agent for the State of Maine in administering federal weatherization, energy conservation, fuel assistance and homeless grant 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. As such, the financial condition and results of operations of MaineHousing are included in the State's financial statements.

**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

MaineHousing's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. The significant accounting policies of MaineHousing are described below:

**Basis of Accounting**

Business-type activities of MaineHousing 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. Governmental activities of MaineHousing are classified as governmental funds. Governmental funds are reported using the modified accrual basis and revenues are recorded when they become available and measurable and expenses when incurred.

Separate fund financial statements are provided for governmental and proprietary funds. Major individual governmental funds and all proprietary funds and fund groups are reported as separate columns in the fund financial statements.

The Statement of Net Assets and the Statement of Activities display information about MaineHousing as a whole. These statements are prepared using the accrual basis of accounting. There were no material differences in the governmental funds between the accrual basis of accounting used in the Statement of Net Assets and Statement of Activities and the modified accrual method used in the governmental fund statements.

As permitted by Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, MaineHousing has elected not to comply with the Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989.

**Fund Structure**

The following business-type activities of MaineHousing are classified as proprietary funds:

**MORTGAGE PURCHASE FUND GROUP**

This fund group consists of the funds and 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.

**HOUSING FINANCE REVENUE FUND GROUP**

This fund group consists of the funds and accounts established by the General Housing Finance Revenue Bond Resolution. Pursuant to the Housing Finance Revenue Program, MaineHousing is authorized to purchase mortgages or notes in connection with single-family and multi-family residential properties.

**BONDHOLDER RESERVE FUND**

This fund, which has been established by the General Authority Bondholder Reserve Fund Resolution, is pledged to replenish any deficiency in the debt service reserve fund of the General Mortgage Purchase Bond and General Housing Finance Revenue Bond resolutions.

**GENERAL ADMINISTRATIVE FUND**

This fund consists of account balances that are not directly pledged to or restricted by a particular bond resolution or program. The receipt of revenues not specifically pledged for the repayment of bonds or notes and the payment of expenses for the administration and operation of MaineHousing are recorded in this fund.

The following governmental activities of MaineHousing are classified as governmental funds:

**HOME FUND**

The State Legislature authorized the creation of the Housing Opportunities for Maine ("HOME") Program to promote and create affordable housing. The program has been 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. MaineHousing also administers in this fund the Shelter Operating Subsidy Program, which is funded by or in conjunction with the State of Maine.

### **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 which provide rental subsidies to landlords to preserve low-income rental units and also provide 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
- New Construction
- Housing Choice Voucher
- Portability
- Performance Based Contract Administration
- Veterans Affairs Supportive Housing

### **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 this program.

### **AMERICAN RECOVERY AND REINVESTMENT ACT FUND**

In 2009, the American Recovery and Reinvestment Act (ARRA) was enacted by the United States Congress. This Act contains federal spending provisions for housing and energy related programs. MaineHousing is the designated administrator for certain ARRA programs for the State of Maine. This fund records the activity and reflects the consolidation of these programs. Program administration is governed by applicable federal regulations. For certain programs, MaineHousing receives administration fees. These programs consist of the following:

#### **U.S. Department of Housing and Urban Development**

- Homeless Prevention and Rapid Re-Housing Program
- Tax Credit Assistance Program

#### **U.S. Department of Energy**

- Weatherization Program
- Weatherization Assistance Program Training Centers and Programs

#### **U.S. Department of Treasury**

- Section 1602 Tax Credit Exchange Program

### **MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY FUND**

Established in 2010, 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 group consists of the funds and accounts established by the MEHER General Indenture. The revenue anticipation bonds issued under the MEHER General Indenture are liabilities of the fund. The deficit in this fund is expected to be eliminated through revenues earned in 2011.

### **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 program administration for most of the federal programs and grants. Federal and state programs consist of the following:

#### **U.S. Department of Housing and Urban Development**

- Emergency Shelter Grant Program
- HOMES Investment Partnership Program
- Lead Based Paint Hazard Control Program
- Homeless Management Information Strategies
- McKinney Act -- Financing Adjustment Factor (FAF)
- Housing Counseling Program

#### **U.S. Department of Energy**

- Weatherization Program

#### **U.S. Department of Health and Human Services**

- Weatherization / Central Heating Improvement Program
- Residential Energy Assistance Challenge Program

#### **State of Maine**

- Natural Disaster Housing Assistance Fund
- Mental Health Facilities Program
- Land Acquisition Program
- Low Income Assistance Plan
- Maine Affordable Housing General Obligation Bonds
- Appliance Replacement Program
- Consumer Residential Opportunities Program
- Maine Reentry Emergency Transitional Housing Program
- Quantification of Carbon Savings-Efficiency Maine Trust

#### **Private**

- Robert Wood Johnson Foundation
- The Ford Foundation

**Restriction of Net Assets and Fund Balances**

Net assets and fund balances are restricted by bond resolutions, state statutes, or various federal regulations and program agreements. Financial activities and resulting account balances which are not so restricted are generally recorded in the General Administrative Fund. The bond program assets are restricted for the acquisition of loans, payment of debt service, and payment of operating costs within each respective fund. Fund balances of the governmental funds are either in nonspendable form or restricted for the funding of housing and energy related programs.

**Depreciation**

Capital assets of MaineHousing consist of land, equipment and leasehold improvements. Capital assets are defined by MaineHousing as assets with an initial individual cost of one thousand dollars or more and are depreciated on the straight line method over the respective estimated useful lives of the assets.

**Discount, Premium and Bond Issuance Costs**

Bond discount, bond premium and debt issuance expense are amortized over the lives of the bonds using a method that approximates the effective interest method. Also, gains and losses on debt refundings are deferred and 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.

**Investments**

Investments are carried at fair value based on quoted market prices. 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 recorded as an increase in accounts payable – Federal.

**Mortgage Notes Receivable**

Mortgages are carried at their original par less principal collections and are reflected on the balance sheet net of the allowance for losses on loans. The recording of interest income on problem loans ceases when collectibility within a reasonable period of time becomes doubtful.

**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 operations. 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.

Funds received, including interest, for revolving loan programs are recorded as a liability in "accounts payable and accrued liabilities" on the balance sheet. Losses on loans in these programs are recognized by charging the amounts held under the revolving loan program liability accounts when the loans are forgiven or charged off.

**Loan Origination Fees and Costs**

MaineHousing pays origination costs and may receive a fee at the time it purchases single-family mortgage loans. Other program costs, including closing cost assistance to borrowers, may also be paid in connection with acquiring certain single-family loans. The fees received less the costs paid are deferred and recognized against 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 fees and costs are recognized immediately as a component of interest income.

MaineHousing may charge a fee at the time that a commitment is made to originate a mortgage on a multi-family mortgage loan. These fees are recognized as interest income over the life of the mortgage on an accelerated basis approximating the interest method. The deferred fees are included in deferred income on the balance sheets.

**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. Other real estate owned is 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 Assets in the year incurred or realized.

**Grants**

Unrestricted grants are recorded as revenues when received. Restricted grants are recorded as revenues upon compliance with the restrictions. Amounts due from the federal government are accrued when due. Unearned grant income is included in deferred income.

**Statement of Cash Flows**

MaineHousing considers cash to include cash on hand and held by banks in demand deposit and savings accounts.

**Implementation of New Accounting Pronouncements**

Effective January 1, 2010, MaineHousing adopted the provisions of GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", whereby the interest rate swap agreements are recorded at fair value on the Statement of Net Assets and Balance Sheet. If the swap agreements are effective hedges, an offsetting deferred swap inflow or outflow of resources is recorded on the Statement of Net Assets and Balance Sheet. If the swap agreements are not effective hedges, the interest expense is increased or decreased by the change in the fair value of the swap agreements. Swap effectiveness is determined using the synthetic instrument method. Since the swap agreements are all effective hedges, there was no cumulative accounting effect upon adoption.

Effective for the year ended December 31, 2010, MaineHousing adopted the provisions of GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definition". This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered nonspendable versus those that are spendable. Within the classification of spendable fund balance, GASB 54 provides for additional classifications as restricted, committed, assigned and unassigned based on the constraints that control how specific amounts can be spent. MaineHousing's governmental funds are comprised of nonspendable amounts that cannot be spent or converted to cash due to their nature and amounts that are restricted by federal regulations and grant agreements or state legislation. Nonspendable fund balances are recorded as restricted on the Statement of Net Assets.

In June 2010, GASB Statement No. 59, "Financial Instruments Omnibus" was issued. This Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. Management has determined that GASB 59 has no effect on its financial statements.

### (3.) CASH AND INVESTMENTS

At December 31, 2010, the carrying amount of MaineHousing's deposits was \$1,819 and the bank balance was \$2,799. The difference between the carrying amount and the bank balance represents outstanding checks. Of the bank balance, \$291 was covered by federal depository insurance and \$2,508 was collateralized by repurchase agreements for which the securities are held by the bank's trustee in MaineHousing's name.

The Mortgage Purchase Program and Housing Finance Revenue Program bond resolutions permit 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). These resolutions also permit MaineHousing to invest in certificates of deposit and repurchase agreements.

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, 2010 are presented in the following table. Actual maturities may differ due to investments being called by the issuer.

Investment	Carrying Amount	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
<b>PROPRIETARY FUNDS</b>					
<b>MORTGAGE PURCHASE FUND GROUP</b>					
Repurchase Agreements	\$135,470	\$135,470	\$0	\$0	\$0
U.S. Government-sponsored enterprise obligations(rated AAA/Aaa)	160,274	24,998	0	70,326	64,950
U.S. Treasuries	73,291	73,291	0	0	0
<b>Total - Mortgage Purchase Fund Group</b>	<b>369,035</b>	<b>233,759</b>	<b>0</b>	<b>70,326</b>	<b>64,950</b>
<b>HOUSING FINANCE REVENUE FUND GROUP</b>					
Repurchase Agreements	6,400	6,400	0	0	0
<b>BONDHOLDERS RESERVE FUND</b>					
Repurchase Agreements	7,328	7,328	0	0	0
<b>GENERAL ADMINISTRATIVE FUND</b>					
Repurchase Agreements	14,509	14,509	0	0	0
<b>Total - Proprietary Funds</b>	<b>\$397,272</b>	<b>\$261,996</b>	<b>\$0</b>	<b>\$70,326</b>	<b>\$64,950</b>
<b>GOVERNMENTAL FUNDS</b>					
<b>HOME FUND</b>					
Repurchase Agreements	\$3,809	\$3,809	\$0	\$0	0
<b>SECTION 8 HOUSING PROGRAM</b>					
Repurchase Agreements	5,745	5,745	0	0	0
<b>MAINE ENERGY, HOUSING &amp; ECONOMIC RECOVERY FUND</b>					
Repurchase Agreements	49,558	49,558	0	0	0
<b>OTHER FEDERAL AND STATE PROGRAMS</b>					
Repurchase Agreements	8,424	8,424	0	0	0
<b>Total - Governmental Funds</b>	<b>\$67,536</b>	<b>\$67,536</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Repurchase agreements 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 or its bank's trustee in MaineHousing's name. MaineHousing generally invests in repurchase agreements for short-term investments. On December 31, 2010, approximately \$231 million was invested in short-term repurchase agreements having maturity dates of less than one year, at rates ranging from 0.04% to 0.24%. Investments other than repurchase agreements are registered in MaineHousing's name. Investments issued by FHLMC, FNMA, FFCB, and FHLB make up 10%, 8%, 8%, and 18% of total investments, respectively, in the Mortgage Purchase Fund Group.

**(4.) MORTGAGE AND OTHER NOTES RECEIVABLE:**

For financial statement presentation the allowance for losses on loans has been netted against the non-current portion of mortgage notes receivable and other notes receivable; however, where there is no non-current portion for other notes receivable, the allowance is netted against the current amount.

A summary of mortgage notes receivable at December 31, 2010 is as follows:

	Number of Notes	Principal Balance	Percent of Portfolio
<b>PROPRIETARY FUNDS</b>			
<b>MORTGAGE PURCHASE FUND GROUP - SINGLE-FAMILY:</b>			
VA guaranteed	720	\$58,309	6.1%
FHA insured	2,885	264,287	27.6%
RD guaranteed	3,656	336,154	35.2%
Privately insured	1,981	165,153	17.3%
Non-insured	2,873	132,012	13.8%
Total Mortgage Purchase Fund Group - single-family	<u>12,115</u>	<u>955,915</u>	<u>100.0%</u>
<b>MORTGAGE PURCHASE FUND GROUP - MULTI-FAMILY:</b>			
Federally assisted:			
Section 8	182	113,796	32.4%
Section 236	2	51	0.0%
Conventional	196	201,702	57.4%
Supportive Housing	252	35,753	10.2%
Total Mortgage Purchase Fund Group - multi-family	<u>632</u>	<u>351,302</u>	<u>100.0%</u>
Less: Allowance for losses on loans		(9,446)	
Total Mortgage Purchase Fund Group	<u>12,747</u>	<u>1,297,771</u>	
<b>HOUSING FINANCE REVENUE FUND GROUP - HOME IMPROVEMENT LOANS:</b>			
Non-insured	1,040	4,690	100.0%
Less: Allowance for losses on loans		(540)	
Total Housing Finance Revenue Fund	<u>1,040</u>	<u>4,150</u>	
<b>BONDHOLDER RESERVE FUND - MULTI-FAMILY:</b>			
Non-insured	2	428	100.0%
<b>GENERAL ADMINISTRATIVE FUND - SINGLE-FAMILY:</b>			
VA guaranteed	2	12	0.2%
Non-insured	167	5,965	90.6%
Privately insured	36	604	9.2%
	<u>205</u>	<u>6,581</u>	<u>100.0%</u>
Less: Allowance for losses on loans		(100)	
Total General Administrative Fund	<u>205</u>	<u>6,481</u>	
Total Proprietary Funds mortgage notes receivable	<u>13,994</u>	<u>\$1,308,830</u>	
<b>GOVERNMENTAL FUNDS</b>			
<b>HOME FUND - SINGLE - FAMILY:</b>			
Non-insured	261	2,750	13.1%
<b>HOME FUND - MULTI - FAMILY:</b>			
Non-insured	64	18,238	86.9%
Less: Allowance for losses on loans		(679)	
Total HOME Fund	<u>325</u>	<u>20,309</u>	<u>100.0%</u>
<b>SECTION 8 HOUSING PROGRAMS - MULTI-FAMILY:</b>			
Non-insured	5	178	100.0%
<b>AMERICAN RECOVERY AND REINVESTMENT FUND MULTI-FAMILY</b>			
Non-insured	3	8,120	100%
<b>OTHER FEDERAL AND STATE PROGRAMS</b>			
<b>HOME IMPROVEMENT</b>			
Non-insured	177	40,957	100%
Total Governmental Funds mortgage notes receivable	<u>510</u>	<u>\$69,564</u>	

A summary of other notes receivable at December 31, 2010, is as follows:

	Number of Notes	Principal Balance	Percent of Portfolio
<b>PROPRIETARY FUNDS</b>			
<b>HOUSING FINANCE REVENUE FUND GROUP:</b>			
Non-insured	2	\$13	100.0%
Less: Allowance for losses on loans		0	
Total Housing Finance Revenue Fund Group	<u>2</u>	<u>13</u>	
Total Proprietary Funds other notes receivable	<u>2</u>	<u>\$13</u>	
<b>GOVERNMENTAL FUNDS</b>			
<b>OTHER FEDERAL AND STATE PROGRAMS:</b>			
Non-insured	2	\$38	4.8%
Non-insured - revolving notes	14	752	95.2%
	<u>16</u>	<u>790</u>	<u>100.0%</u>
Less: Allowance for losses on loans		(27)	
Total Other Federal and State Programs	<u>16</u>	<u>763</u>	
Total Governmental Funds other notes receivable	<u>16</u>	<u>\$763</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	Housing Finance Revenue Fund Group	General Administrative Fund	HOME Fund	Other Federal and State Programs
Balance -- December 31, 2009	\$9,380	\$680	\$0	\$688	\$27
Provision	1,000	(15)	0	0	0
Transfer	0	(100)	100	0	0
Loans charged off	(1,158)	(36)	0	(9)	0
Recoveries	<u>224</u>	<u>11</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance -- December 31, 2010	<u>\$9,446</u>	<u>\$540</u>	<u>\$100</u>	<u>\$679</u>	<u>\$27</u>

During 2010, the Authority transferred \$6,110 of loans from the Housing Finance Reserve Fund Group to the General Administrative Fund and also transferred \$100 of allowance for losses on loans.

**(5) MORTGAGE BONDS PAYABLE**

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

The Single-Family (S/F), Multi-Family (M/F), and Home Improvement (HI) Mortgage Bonds Payable outstanding at December 31, 2010 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		
<b>PROPRIETARY FUNDS</b>							
<b>MORTGAGE PURCHASE FUND GROUP</b>							
1997 SERIES F BONDS (M/F):							
1997 Series F-1 (Non-AMT)							
Term Bonds	\$8,580	\$8,255	5.50%	2018-2029	510	-	890
1997 Series F-2 (AMT)							
Term Bonds	3,825	0	5.50%				
	<u>12,405</u>	<u>8,255</u>					
1998 SERIES A BONDS (S/F):							
1998 Series A-1 (Non-AMT)							
Serial Bonds	7,970	0	4.85%				
Term Bonds	6,835	0	5.15%				
1998 Series A-2 (AMT)							
Term Bonds	6,540	0	5.30%				
Term Bonds	7,000	0	4.70%				
Term Bonds	5,470	0	5.35%				
Term Bonds	11,085	9,765	5.33%	2027-2032	790	-	2,080
Term Bonds	100	0	5.40%				
	<u>45,000</u>	<u>9,765</u>					
1998 SERIES C BONDS (S/F):							
1998 Series C-1 (Non-AMT)							
Term Bonds	9,000	0	5.15%				
1998 Series C-2 (AMT)							
Serial Bonds	6,000	0	4.90%				
Term Bonds	8,600	0	4.75%				
Term Bonds	605	0	5.38%				
Term Bonds	13,220	8,345	5.25%	2021-2029	775	-	1,115
Term Bonds	12,575	0	5.38%				
	<u>50,000</u>	<u>8,345</u>					
1998 SERIES F BONDS (S/F):							
1998 Series F-1 (Non-AMT)							
Term Bonds	8,000	0	5.13%				
1998 Series F-2 (AMT)							
Serial Bonds	1,790	0	4.50%				
Term Bonds	5,425	0	4.65%				
Term Bonds	10,000	9,200	5.25%	2021-2027	1115	-	1,530
Term Bonds	195	0	5.35%				
Term Bonds	15,090	5,570	5.35%	2021-2029	370	-	2,150
	<u>40,500</u>	<u>14,770</u>					
1999 SERIES A BONDS (M/F):							
1999 Series A-1 (Non-AMT)							
Term Bonds	3,525	3,375	5.05%	2012-2018	200	-	590
Term Bonds	3,730	2,340	5.13%	2019-2023	365	-	535
1999 Series A-2 (AMT)							
Serial Bonds	2,595	295	4.70%	2012		295	
Term Bonds	5,105	5,105	5.25%	2026-2032	615	-	845
	<u>14,955</u>	<u>11,115</u>					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
1999 SERIES B BONDS (S/F):							
1999 Series B-1 (Non-AMT)							
Term Bonds	7,000	0	5.00%				
1999 Series B-2 (AMT)							
Serial Bonds	14,430	0	4.80%				
Term Bonds	11,610	0	5.25%				
Term Bonds	16,960	0	4.70%				
Term Bonds	<u>30,000</u>	<u>9,460</u>	5.30%	2021-2025	1,445	-	2,160
	<u>80,000</u>	<u>9,460</u>					
2001 SERIES A BONDS (M/F):							
2001 Series A (Non-AMT)							
Serial Bonds	17,325	4,035	4.65%-4.85%	2012-2014	1,285	-	1,405
Term Bonds	19,815	16,745	5.35%	2017-2021	1,315	-	4,155
Term Bonds	<u>3,335</u>	<u>0</u>	5.45%				
	<u>40,475</u>	<u>20,780</u>					
2001 SERIES B BONDS (S/F):							
2001 Series B (AMT)							
Serial Bonds	4,130	0	4.75%				
Term Bonds	9,350	0	5.40%				
Term Bonds	3,660	0	4.60%				
Term Bonds	4,045	3,230	5.50%	2026-2031	125	-	690
Term Bonds	<u>8,815</u>	<u>3,180</u>	5.50%	2026-2029	240	-	1,035
	<u>30,000</u>	<u>6,410</u>					
2001 SERIES C BONDS (S/F):							
2001 Series C (AMT)							
Serial Bonds	4,715	0	4.90%-5.00%				
Term Bonds	5,580	0	5.45%				
Term Bonds	6,425	0	5.45%				
Term Bonds	<u>13,280</u>	<u>2,420</u>	5.55%	2026-2027	1,205	-	1,215
	<u>30,000</u>	<u>2,420</u>					
2001 SERIES E BONDS (S/F):							
2001 Series E-1 (Non-AMT)							
Serial Bonds	23,500	0	4.25%-4.38%				
Term Bonds	6,500	0	4.95%				
2001 Series E-2 (AMT)							
Term Bonds	18,365	520	4.25%	2016		520	
2001 Series E-3 (AMT)							
Term Bonds	16,635	0	5.25%				
Term Bonds	<u>25,000</u>	<u>0</u>	5.38%				
	<u>90,000</u>	<u>520</u>					
2001 SERIES F BONDS (M/F):							
2001 Series F-1 (Non-AMT)							
Term Bonds	2,255	0	5.25%				
Term Bonds	4,280	4,280	5.38%	2022-2032	295	-	500
2001 Series F-2 (AMT)							
Serial Bonds	3,830	0	3.75%				
Term Bonds	<u>3,235</u>	<u>0</u>	5.50%				
	<u>13,600</u>	<u>4,280</u>					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2001 SERIES G BONDS (M/F):							
2001 Series G (AMT)							
Term Bonds	3,130	0	5.40%				
Term Bonds	5,305	3,995	5.50%	2025-2031	480	-	670
	<u>8,435</u>	<u>3,995</u>					
2002 SERIES A BONDS (S/F):							
2002 Series A-1 (Non-AMT)							
Term Bonds	2,355	0	4.95%				
2002 Series A-2 (AMT)							
Serial Bonds	6,190	1,415	4.75%-4.85%	2012-2013	705	-	710
Term Bonds	2,460	2,460	5.30%	2017-2021	435	-	540
Term Bonds	5,815	5,815	5.30%	2017-2022	750	-	1,580
Term Bonds	4,900	125	4.55%	2023		125	
Term Bonds	8,280	5,690	5.40%	2027-2031	470	-	1,410
	<u>30,000</u>	<u>15,505</u>					
2002 SERIES B BONDS (M/F):							
2002 Series B (Non-AMT)							
Serial Bonds	7,245	3,035	4.50%-4.85%	2012-2015	710	-	815
Term Bonds	7,250	7,095	5.30%	2016-2023	755	-	1,030
	<u>14,495</u>	<u>10,130</u>					
2002 SERIES C BONDS (M/F):							
2002 Series C (Non-AMT)							
Serial Bonds	10,165	4,415	4.55%-4.85%	2012-2015	1,030	-	1,180
Term Bonds	12,020	8,495	5.30%	2016-2021	1,245	-	1,580
	<u>22,185</u>	<u>12,910</u>					
2002 SERIES D BONDS (S/F):							
2002 Series D (AMT)							
Serial Bonds	6,255	805	4.45%	2012		805	
Term Bonds	15,725	8,955	5.25%	2019-2022	2,145	-	2,335
Term Bonds	18,020	9,385	5.40%	2025-2030	685	-	1,930
	<u>40,000</u>	<u>19,145</u>					
2002 SERIES F BONDS (S/F):							
2002 Series F-1 (Non-AMT)							
Serial Bonds	10,430	4,775	3.90%-4.00%	2011-2012	2,060	-	2,715
Term Bonds	5,790	5,790	4.63%	2013-2017	1,125	-	1,185
2002 Series F-2 (AMT)							
Serial Bonds	13,480	1,305	4.25%	2012		1,305	
Term Bonds	17,000	1,715	3.75%	2016		1,715	
Term Bonds	10,000	10,000	5.05%	2013-2021	720	-	1,610
Term Bonds	12,580	6,795	5.15%	2013-2019	775	-	1,430
Term Bonds	5,000	5,000	5.10%	2013-2023	15	-	3,020
Term Bonds	10,720	0	5.25%				
	<u>85,000</u>	<u>35,380</u>					
2002 SERIES G BONDS (S/F):							
2002 Series G-1 (Non-AMT)							
Serial Bonds	2,000	2,000	3.80%-4.25%	2012-2015	215	-	620
2002 Series G-2 (AMT)							
Serial Bonds	4,150	330	4.00%	2012		330	
Term Bonds	8,100	4,375	5.15%	2016-2020	100	-	1,150
Term Bonds	1,815	0	4.00%				
Term Bonds	790	335	5.25%	2025-2028	30	-	105
Term Bonds	5,145	2,435	5.25%	2025-2029	190	-	605
	<u>22,000</u>	<u>9,475</u>					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
<b>2003 SERIES A BONDS (M/F):</b>							
<b>2003 Series A-1 (Non-AMT)</b>							
Serial Bonds	1,155	260	3.80%-3.90%	2012-2013	125	-	135
Term Bonds	1,735	1,735	4.85%	2014-2023	135	-	215
Term Bonds	2,785	2,670	4.95%	2024-2033	215	-	325
<b>2003 Series A-2 (AMT)</b>							
Serial Bonds	7,795	550	4.10%-4.20%	2012-2013	270	-	280
Term Bonds	1,755	1,755	4.90%	2014-2022	160	-	235
Term Bonds	1,975	1,975	4.90%	2014-2023	135	-	450
Term Bonds	3,000	3,000	5.00%	2024-2032	270	-	400
Term Bonds	3,100	3,100	5.00%	2024-2033	210	-	760
	<u>23,300</u>	<u>15,045</u>					
<b>2003 SERIES B BONDS (S/F):</b>							
<b>2003 Series B-1 (Non-AMT)</b>							
Serial Bonds	1,885	1,885	3.90%-4.05%	2013-2014	925	-	960
Term Bonds	4,965	4,965	4.85%	2021-2025	910	-	1,085
<b>2003 Series B-2 (AMT)</b>							
Serial Bonds	3,310	755	4.15%	2012		755	
Term Bonds	7,000	860	3.65%	2015-2016		860	
Term Bonds	245	245	5.00%	2026		245	
Term Bonds	7,965	6,325	5.05%	2026-2030	975	-	1,420
	<u>25,370</u>	<u>15,035</u>					
<b>2003 SERIES C BONDS (S/F):</b>							
<b>2003 Series C-1 (Non-AMT)</b>							
Serial Bonds	8,350	1,660	4.63%-4.70%	2015-2016	810	-	850
<b>2003 Series C-2 (AMT)</b>							
Term Bonds	4,420	610	4.00%	2020-2023		305	
Term Bonds	5,415	2,890	5.45%	2025-2032	215	-	845
	<u>18,185</u>	<u>5,160</u>					
<b>2003 SERIES D BONDS (S/F):</b>							
<b>2003 Series D-1 (Non-AMT)</b>							
Serial Bonds	21,490	12,745	3.70%-4.50%	2011-2017	1,610	-	2,055
<b>2003 Series D-2 (AMT)</b>							
Term Bonds	4,000	4,000	4.90%	2018-2022	735	-	865
Term Bonds	5,240	5,240	4.90%	2018-2023	650	-	1,695
Term Bonds	9,100	2,055	5.00%	2025		2,055	
Term Bonds	10,170	5,555	5.00%	2028-2030	595	-	2,515
	<u>50,000</u>	<u>29,595</u>					
<b>2003 SERIES F BONDS (S/F - M/F):</b>							
<b>2003 Series F (Non-AMT)</b>							
Serial Bonds	27,250	10,995	3.50%-4.00%	2011-2014	1,745	-	4,000
Term Bonds	23,205	23,205	4.80%	2019-2023	4,640	-	4,645
Term Bonds	21,970	21,970	4.80%	2019-2024	50	-	4,385
	<u>72,425</u>	<u>56,170</u>					
<b>2004 SERIES A BONDS (S/F):</b>							
<b>2004 Series A-1 (Non-AMT)</b>							
Serial Bonds	13,385	8,250	3.20%-4.00%	2011-2015	1,145	-	1,875
<b>2004 Series A-2 (AMT)</b>							
Serial Bonds	3,890	0	2.35%				
Term Bonds	13,420	3,540	5.00%	2016-2019	730	-	1,440
Term Bonds	5,605	5,605	4.75%	2019-2023	400	-	2,330
Term Bonds	5,060	5,060	4.75%	2019-2024	360	-	1,860
Term Bonds	3,240	2,180	4.80%	2025-2028	70	-	1,080
Term Bonds	2,675	0	4.80%				
	<u>47,275</u>	<u>24,635</u>					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2004 SERIES B BONDS (S/F):							
2004 Series B-1 (Non-AMT)							
Serial Bonds	10,000	3,670	3.75%-4.00%	2012-2014	1,175	-	1,270
2004 Series B-2 (AMT)							
Term Bonds	15,000	12,305	5.20%	2029-2035	25	-	2,565
2004 Series B-3 (AMT)							
Term Bonds	11,000	11,000	Variable-.35% *	2015-2027	425	-	1,505
Term Bonds	9,000	9,000	Variable-.35% *	2028-2035	730	-	1,620
Term Bonds	<u>5,000</u>	<u>5,000</u>	Variable-.35% *	2036-2038	1,480	-	1,860
	<u>50,000</u>	<u>40,975</u>					
2004 SERIES C BONDS (S/F):							
2004 Series C-1 (Non-AMT)							
Serial Bonds	8,000	1,945	3.55%-3.75%	2012-2013	950	-	995
2004 Series C-2 (AMT)							
Term Bonds	5,000	5,000	4.80%	2022-2024	1,625	-	1,710
Term Bonds	15,000	14,070	5.00%	2029-2034	1,910	-	2,705
2004 Series C-3 (AMT)							
Term Bonds	<u>15,000</u>	<u>15,000</u>	Variable -.36%*	2035-2038		3,750	
	<u>43,000</u>	<u>36,015</u>					
2004 SERIES D BONDS (S/F):							
2004 Series D-1(Non-AMT)							
Serial Bonds	7,145	1,735	3.65%-3.80%	2012-2013	845	-	890
Term Bonds	1,855	1,855	4.00%	2014-2015	900	-	955
2004 Series D-2 (AMT)							
Term Bonds	6,000	6,000	4.70%	2022-2024	1,955	-	2,050
Term Bonds	10,000	9,605	4.90%	2029-2034	1,420	-	1,800
2004 Series D-3 (AMT)							
Term Bonds	<u>15,000</u>	<u>15,000</u>	Variable -.35%*	2035-2039		3,000	
	<u>40,000</u>	<u>34,195</u>					
2005 SERIES A BONDS (M/F):							
2005 Series A-1 (Non-AMT)							
Serial Bonds	5,785	3,045	3.85%-4.40%	2012-2017	480	-	530
Term Bonds	5,425	5,100	4.90%	2028-2032	920	-	1,160
2005 Series A-2 (AMT)							
Term Bonds	<u>9,715</u>	<u>8,740</u>	4.95%	2018-2027	25	-	1,120
	<u>20,925</u>	<u>16,885</u>					
2005 SERIES B BONDS (M/F):							
2005 Series B (Federally Taxable)							
Term Bonds	<u>15,000</u>	<u>15,000</u>	Variable-.47% *	2016-2020	2,840	-	3,115
2005 SERIES C BONDS (M/F):							
2005 Series C (AMT)							
Term Bonds	<u>11,125</u>	<u>11,125</u>	Variable-.36%*	2036-2039	2,780	-	2,785
2005 SERIES D BONDS (S/F):							
2005 Series D-1 (Non-AMT)							
Serial Bonds	3,000	1,445	3.55%-3.90%	2012-2015	340	-	380
2005 Series D-2 (AMT)							
Term Bonds	15,000	14,895	4.80%	2026-2036	1,075	-	1,520
2005 Series D-3 (AMT)							
Term Bonds	<u>20,000</u>	<u>20,000</u>	Variable-.35%*	2028-2038	1,485	-	2,190
	<u>38,000</u>	<u>36,340</u>					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2005 SERIES E BONDS (S/F):							
2005 Series E-1 (Non-AMT)							
Serial Bonds	6,330	3,455	3.90%-4.25%	2012-2016	640	-	745
2005 Series E-2 (AMT)							
Term Bonds	9,765	9,765	4.90%	2017-2026	780	-	1,200
Term Bonds	6,965	6,965	4.95%	2027-2031	1,260	-	1,530
Term Bonds	6,940	6,685	5.10%	2032-2035	1,610	-	1,775
	<u>30,000</u>	<u>26,870</u>					
2005 SERIES G BONDS (M/F):							
2005 Series G (AMT)							
Term Bonds	<u>22,300</u>	<u>21,855</u>	Variable-.35%*	2011-2037	140	-	4,385
2006 SERIES A BONDS (S/F):							
2006 Series A-1 (Non-AMT)							
Serial Bonds	6,680	3,995	3.60%-4.05%	2012-2017	600	-	735
2006 Series A-2 (AMT)							
Term Bonds	16,000	16,000	4.65%	2018-2025	1,680	-	2,360
Term Bonds	<u>7,320</u>	<u>7,015</u>	4.85%	2026-2036	515	-	800
	<u>30,000</u>	<u>27,010</u>					
2006 SERIES B BONDS (S/F):							
2006 Series B (AMT)							
Term Bonds	<u>5,000</u>	<u>5,000</u>	Variable-.36%*	2026-2036	350	-	580
2006 SERIES D BONDS (S/F):							
2006 Series D-1 (Non-AMT)							
Serial Bonds	6,970	3,390	3.80%-4.05%	2012-2015	800	-	900
2006 Series D-2 (AMT)							
Term Bonds	7,170	7,170	4.75%	2018-2021	1,665	-	1,925
Term Bonds	10,915	10,915	4.85%	2022-2026	1,985	-	2,395
Term Bonds	7,075	6,855	4.95%	2027-2031	1,280	-	1,485
Term Bonds	12,870	12,870	4.90%	2032-2036	2,130	-	3,690
2006 Series D-3 (AMT)							
Term Bonds	<u>5,000</u>	<u>5,000</u>	Variable-.35%*	2027-2035	455	-	670
	<u>50,000</u>	<u>46,200</u>					
2006 SERIES E BONDS (S/F):							
2006 Series E-1 (Non-AMT)							
Serial Bonds	6,895	3,660	3.80%-4.00%	2012-2015	870	-	960
2006 Series E-2 (AMT)							
Term Bonds	5,535	5,535	4.75%	2019-2021	1,795	-	1,895
Term Bonds	7,365	7,365	4.80%	2022-2026	1,360	-	1,590
Term Bonds	9,040	9,040	4.90%	2027-2031	1,665	-	1,960
Term Bonds	<u>11,165</u>	<u>11,165</u>	4.95%	2032-2036	2,045	-	2,430
	<u>40,000</u>	<u>36,765</u>					
2006 SERIES G BONDS (S/F):							
2006 SERIES G (AMT)							
Serial Bonds	6,170	3,675	4.00%-4.20%	2012-2016	685	-	790
Term Bonds	15,295	15,295	4.55%	2017-2026	830	-	2,350
Term Bonds	7,250	7,250	4.63%	2027-2031	1,320	-	1,590
Term Bonds	<u>11,285</u>	<u>11,285</u>	4.70%	2032-2037	1,665	-	2,115
	<u>40,000</u>	<u>37,505</u>					
2006 SERIES I BONDS (M/F):							
2006 Series I-1 (Non-AMT)							
Term Bonds	2,500	2,500	4.40%	2022-2026		500	
2006 Series I-2 (AMT)							
Term Bonds	9,000	8,800	4.75%	2032-2036	1,600	-	1,800
2006 Series I-3 (AMT)							
Term Bonds	<u>7,500</u>	<u>0</u>	Variable-.27%*				
	<u>19,000</u>	<u>11,300</u>					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
2007 SERIES A BONDS (S/F):							
2007 Series A (AMT)							
Serial Bonds	4,840	3,955	4.30%-4.45%	2014-2017	930	-	1,050
Term Bonds	4,855	4,855	4.70%	2018-2022	875	-	1,070
Term Bonds	7,240	7,240	4.75%	2023-2027	1,305	-	1,605
Term Bonds	8,065	8,065	4.75%	2028-2032	1,450	-	1,780
	<u>25,000</u>	<u>24,115</u>					
2007 SERIES C BONDS (S/F):							
2007 Series C (AMT)							
Term Bonds	5,000	5,000	5.05%	2018-2022	860	-	1,135
Term Bonds	8,000	8,000	5.13%	2023-2027	1,100	-	1,900
Term Bonds	12,000	12,000	5.15%	2028-2032	2,200	-	2,600
	<u>25,000</u>	<u>25,000</u>					
2007 SERIES E BONDS (S/F):							
2007 Series E1 (AMT)							
Serial Bonds	2,885	0	4.15%				
Term Bonds	1,405	1,405	4.80%	2016-2017	685	-	720
Term Bonds	2,700	2,700	5.15%	2018-2020	700	-	1,200
Term Bonds	10,010	10,010	5.30%	2021-2023	1,810	-	4,300
2007 Series E2 (AMT)							
Term Bonds	8,000	8,000	Variable-.36%*	2032-2041		800	
	<u>25,000</u>	<u>22,115</u>					
2008 SERIES A BONDS (S/F):							
2008 Series A1 (Non-AMT)							
Serial Bonds	6,050	6,050	3.35%-3.65%	2013-2016	950	-	1,760
2008 Series A2 (AMT)							
Term Bonds	10,180	10,180	4.85%	2017-2022	250	-	2,225
Term Bonds	10,985	10,845	5.05%	2023-2027	1,985	-	2,305
Term Bonds	7,785	7,620	5.20%	2028-2032	255	-	1,940
	<u>35,000</u>	<u>34,695</u>					
2008 SERIES B BONDS (S/F):							
2008 Series B (AMT)							
Term Bonds	15,000	15,000	Variable-.35%*	2032-2041	1,025	-	1,785
2008 SERIES C BONDS (S/F):							
2008 Series C1 (Non-AMT)							
Serial Bonds	12,260	12,260	3.30%-4.00%	2013-2016	1,380	-	5,040
2008 Series C2 (AMT)							
Term Bonds	1,740	1,205	5.00%	2017-2019	305	-	460
	<u>14,000</u>	<u>13,465</u>					
2008 SERIES D BONDS (S/F):							
2008 Series D (AMT)							
Term Bonds	20,000	20,000	Variable-.36%*	2028-2042	905	-	1,870
2008 SERIES E BONDS (S/F - M/F):							
2008 Series E1 (Non-AMT)							
Term Bonds	9,585	9,585	Variable-.39%*	2024-2030	1,185	-	1,400
Term Bonds	30,000	30,000	Variable-.39%*	2026-2032	4,000	-	5,000
2008 Series E2 (AMT)							
Term Bonds	25,415	25,415	Variable-.42%*	2024-2030	1,415	-	4,000
Term Bonds	25,550	25,550	Variable-.42%*	2033-2037	2,135	-	6,415
	<u>90,550</u>	<u>90,550</u>					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
<b>2008 SERIES F BONDS (SF)</b>							
2008 Series F1 (Non-AMT)							
Serial Bonds	9,585	8,455	3.10%-4.30%	2011-2018	930	-	1,385
2008 Series F2 (Non-AMT)							
Term Bonds	5,580	5,580	4.95%	2019-2023	1,075	-	1,155
Term Bonds	7,100	7,100	5.15%	2024-2028	1,370	-	1,460
Term Bonds	2,735	2,650	5.30%	2029-2033	445	-	565
	<u>25,000</u>	<u>23,785</u>					
<b>2008 SERIES G BONDS (SF)</b>							
2008 Series G1 (Non-AMT)							
Serial Bonds	20,425	17,380	4.25%-5.35%	2012-2017	2,045	-	3,935
2008 Series G2 (Non-AMT)							
Serial Bonds	4,150	0	5.50%				
Term Bonds	5,200	0	6.00%				
Term Bonds	7,925	0	6.25%				
	<u>37,700</u>	<u>17,380</u>					
<b>2008 SERIES H BONDS (SF)</b>							
2008 Series H (Non-AMT)							
Term Bonds	23,000	23,000	Variable-.29% *	2029-2040	1,525	-	2,360
<b>2009 SERIES A BONDS (SF)</b>							
2009 Series A 1 (Non-AMT)							
Serial Bonds	9,595	9,595	1.85%-3.10%	2011-2014	1,875	-	3,085
2009 Series A 2 (Non-AMT)							
Serial Bonds	10,405	10,405	3.40%-4.13%	2015-2019	880	-	4,405
Term Bonds	5,000	5,000	4.90%	2020-2024	505	-	2,020
	<u>25,000</u>	<u>25,000</u>					
<b>2009 SERIES B BONDS (SF)</b>							
2009 Series B (Non-AMT)							
Serial Bonds	11,150	11,150	1.45%-3.85%	2011-2019	565	-	1,520
Term Bonds	5,365	5,365	4.65%	2020-2024	975	-	1,170
Term Bonds	13,485	13,485	5.00%	2025-2029	2,440	-	2,975
	<u>30,000</u>	<u>30,000</u>					
<b>2009 SERIES C BONDS (SF)</b>							
2009 Series C (Non-AMT)							
Serial Bonds	8,000	8,000	1.05%-3.70%	2011-2019	360	-	1,400
Term Bonds	2,885	2,885	4.50%	2020-2024	240	-	700
Term Bonds	11,795	11,795	5.00%	2025-2029	2,155	-	2,570
	<u>22,680</u>	<u>22,680</u>					
<b>2009 SERIES D BONDS (SF)</b>							
2009 Series D (Non-AMT)							
Serial Bonds	23,010	23,010	1.20%-4.10%	2011-2021	1,575	-	2,705
Term Bonds	1,560	1,560	4.38%	2022-2024	500	-	540
Term Bonds	3,430	3,430	4.70%	2025-2027	1,090	-	1,195
	<u>28,000</u>	<u>28,000</u>					
<b>2009 SERIES E BONDS (SF)</b>							
2009 Series E (Non-AMT)							
Term Bonds	42,000	41,840	3.96%	2028-2041	2,220	-	3,680
	<u>42,000</u>	<u>41,840</u>					
<b>2009 SERIES F BONDS (SF)</b>							
2009 Series F (Federally Taxable)							
Term Bonds	103,000	46,000	Variable-.01% *	2024-2041	2,550	-	2,650
	<u>103,000</u>	<u>46,000</u>					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
<b>2009 SERIES F-1 BONDS(SF)</b>							
2009 Series F-1(Non-AMT)							
Term Bonds	<u>36,000</u>	<u>35,970</u>	3.96%	2028-2041	1,960	-	3,250
	<u>36,000</u>	<u>35,970</u>					
<b>2009 SERIES F-2 BONDS(SF)</b>							
2009 Series F-2(Non-AMT)							
Term Bonds	<u>21,000</u>	<u>21,000</u>	0.91%	2027-2041	1,110	-	1,730
	<u>21,000</u>	<u>21,000</u>					
<b>2010 SERIES A BONDS(SF)</b>							
2010 Series A(Non-AMT)							
Serial Bonds	20,405	20,405	.60%-4.10%	2011-2024	750	-	1,905
Term Bonds	<u>3,595</u>	<u>3,595</u>	4.25%	2025-2027	1,140	-	1,255
	<u>24,000</u>	<u>24,000</u>					
<b>2010 SERIES B BONDS(SF)</b>							
2010 Series B-1(Non-AMT)							
Serial Bonds	8,750	8,750	1.15%-2.60%	2013-2017	500	-	3,070
2010 Series B-2(Non-AMT)							
Serial Bonds	9,495	9,495	4.10%	2022-2025	2,235	-	2,515
2010 Series B-3(Non-AMT)							
Serial Bonds	<u>33,435</u>	<u>33,435</u>	1.90%-4.60%	2012-2021	610	-	5,740
	<u>51,680</u>	<u>51,680</u>					
<b>2010 SERIES C BONDS(SF)</b>							
2010 Series C(Non-AMT)							
Serial Bonds	13,020	13,020	1.10%-4.25%	2012-2021	735	-	1,620
Term Bonds	<u>980</u>	<u>980</u>	4.75%	2022-2026	180	-	210
	<u>14,000</u>	<u>14,000</u>					
<b>2010 SERIES D BONDS(MF)</b>							
2010 Series D-1(Non-AMT)							
Serial Bonds	8,415	8,415	1.40%-4.05%	2012-2019	405	-	2,305
2010 Series D-2(Non-AMT)							
Serial Bonds	9,785	9,785	1.40%-4.20%	2012-2020	240	-	2,010
Term Bonds	8,460	8,460	5.05%	2021-2025	950	-	2,200
Term Bonds	<u>2,280</u>	<u>2,280</u>	5.55%	2029-2040	45	-	265
	<u>28,940</u>	<u>28,940</u>					
		1,429,555					
Less: Unamortized Bond Discount		<u>(13,655)</u>					
Total Mortgage Purchase Fund Group bonds payable	<u>2,121,505</u>	<u>1,415,900</u>					

**HOUSING FINANCE REVENUE FUND GROUP**

**1995 SERIES I BONDS (HI):**

1995 Series I 1 (Non-AMT)

Serial Bonds	2,235	0	5.00%				
Term Bonds	2,765	0	5.38%				

1995 Series I-2 (AMT)

Serial Bonds	2,000	0	4.80%				
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1995 Series I-4 (AMT)

Serial Bonds	1,350	0	5.10%				
Term Bonds	2,120	0	5.70%				
Term Bonds	<u>4,530</u>	<u>2,530</u>	5.75%	2019-2030	160	-	275
	<u>15,000</u>	<u>2,530</u>					

	Original Amount Issued	Amount Outstanding	Interest Rate(s)	Maturities/ Sinking Fund Installments on Bonds Outstanding	Range of Required Annual Principal Payments on Bonds		
1998 Series I (AM1)							
Serial Bonds	2,690	0	5.00%				
Term Bonds	2,435	0	5.30%				
Term Bonds	6,680	5,135	5.45%	2015-2017	1,625	-	1,795
Term Bonds	195	195	5.45%	2018		195	
	<u>12,000</u>	<u>5,330</u>					
		7,860					
Less: Unamortized Bond Discount		<u>(47)</u>					
Total Housing Finance Revenue Fund							
Group bonds payable	<u>27,000</u>	<u>7,813</u>					
Total Proprietary Funds							
bonds payable	<u>\$2,148,505</u>	<u>\$1,423,713</u>					

**GOVERNMENTAL FUNDS**

**MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY FUND**

2010 Series 1							
Serial Bonds	39,970	39,970	2.50%-5.00%	2015-2026	355	-	3,800
	<u>\$39,970</u>	<u>\$39,970</u>					
2010 Series 2(Taxable)							
Serial Bonds	9,630	9,630	1.73%-3.03%	2012-2015	1,345	-	2,820
	<u>\$9,630</u>	<u>\$9,630</u>					
		\$49,600					
Less: Unamortized Bond Premium		<u>563</u>					
Total Maine Energy, Housing & Recovery							
Fund Group bonds payable	<u>49,600</u>	<u>50,163</u>					
Total Governmental Funds							
bonds payable	<u>\$49,600</u>	<u>\$50,163</u>					

\* Represents rate at December 31, 2010

The following table summarizes the debt activity for the year ended December 31, 2010.

Fund	Outstanding at December 31, 2009	Issuance	Retirement	Outstanding at December 31, 2010
Mortgage Purchase Fund Group	\$1,507,870	\$118,620	(\$196,935)	\$1,429,555
Housing Finance Revenue Fund Group	16,500	0	(8,640)	7,860
Total Proprietary Funds	1,524,370	118,620	(205,575)	1,437,415
Maine Energy, Housing & Economic Recovery Fund	0	49,600	0	49,600
Total	<u>\$1,524,370</u>	<u>\$168,220</u>	<u>(\$205,575)</u>	<u>\$1,487,015</u>

Interest is payable semi-annually for the Mortgage Purchase Fund Group, Housing Finance Revenue Fund Group and the Maine Housing, Energy & Economic Recovery Fund. Scheduled principal payments on bonds are due November 15 for the Mortgage Purchase Fund Group, November 1 for the Housing Finance Revenue Fund Group and June 15 for the Maine Housing, Energy & Economic Recovery Fund.

The interest calculations shown in the table below are based on the variable rate in effect at December 31, 2010 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 debt service requirements and net interest rate swap payments through 2014 and in five-year increments thereafter to maturity:

Year(s)	Mortgage Purchase Fund Group					Housing Finance Revenue Fund Group		Maine Energy, Housing & Economic Recovery Fund Group	
	Fixed/Variable Unswapped		Variable Swapped		Interest Rate Swaps, Net	Fixed Unswapped		Fixed Unswapped	
	Principal	Interest	Principal	Interest		Principal	Interest	Principal	Interest
2011	16,055	48,831	140	873	7,956	0	436	0	1,608
2012	41,810	52,243	160	884	7,949	0	436	2,710	1,585
2013	42,250	49,263	155	882	7,945	0	436	2,755	1,530
2014	48,590	47,807	165	882	7,936	0	436	2,820	1,463
2015	48,305	46,104	765	882	7,673	1,625	436	2,890	1,383
2016-2020	232,990	202,575	20,295	4,224	27,752	4,030	1,039	15,795	5,557
2021-2025	259,590	141,872	17,115	3,874	17,102	960	529	18,485	2,761
2026-2030	222,040	84,542	61,810	3,151	10,358	1,245	222	4,145	87
2031-2035	179,265	35,844	62,205	2,021	3,748	0	0	0	0
2036-2040	91,390	9,462	68,535	653	441	0	0	0	0
2041-2045	11,290	435	4,635	20	0	0	0	0	0
Total	\$1,193,575	\$718,978	\$235,980	\$18,346	\$98,860	\$7,860	\$3,970	\$49,600	\$15,974

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 the various resolutions. Security for bonds in the Proprietary Funds includes the mortgage loans made or purchased under the resolutions and all monies and investments in the funds and accounts pledged under the resolutions. Bonds in the Proprietary funds may be redeemed in excess of the annual maturities in accordance with the terms of the various resolutions. 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 and the bonds may not be redeemed in excess of the annual maturities, until June 15, 2020.

*Moral Obligation Debt*

The reserve funds of the Mortgage Purchase Fund Group and Housing Finance Revenue Fund Group are secured by a non-binding obligation (moral obligation) from the State to replenish by appropriation any deficiency in such reserve funds. MaineHousing was authorized to have bonds outstanding for these programs in an aggregate amount not to exceed \$2,150,000 as of December 31, 2010. Of that amount, \$1,437,415 was outstanding at December 31, 2010.

*Other Debt*

MaineHousing had \$24,000 of conduit debt outstanding at December 31, 2010. The conduit debt relates to revenue bonds issued by MaineHousing on behalf of a developer which will be paid solely from the revenues of the project, other assets of the developer, or an irrevocable direct pay letter of credit held by the Trustee. Therefore, these bonds are not a liability of MaineHousing and are not recognized in the accompanying financial statements.

**(6.) DERIVATIVES AND HEDGING INSTRUMENTS**

MaineHousing has entered into sixteen interest rate swap agreements with two counterparties as of December 31, 2010. The objective of the agreements is to attain a synthetic fixed interest rate on the underlying 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 on a notional principal amount of bonds and in exchange receive semi-annual payments based upon either the thirty-day or ninety-day London InterBank Offered Rate (LIBOR) or the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA).

*Fair Value* – The fair value amounts represent mid-market valuations that approximate the current economic value using market averages, reference rates, and/or mathematical models. Actual trade prices may vary significantly from these estimates as a result of various factors, which may include portfolio composition, current trading intentions, prevailing credit spreads, market liquidity, hedging costs, and risk, position size, transaction and financing costs, and use of capital profit. If a swap is terminated, fair value represents the current amount required to settle the swap in the marketplace. A positive value represents money due to MaineHousing by the counterparty upon termination, while a negative value represents money payable by MaineHousing.

The fair value of swap agreements are reflected as a Derivative investment – interest rate swaps liability and an offsetting asset Accumulated decrease in fair value of hedging derivatives in the Mortgage Purchase Fund Group in the accompanying financial statements.

The following table contains the terms, fair values, and credit ratings of the outstanding agreements as of December 31, 2010. The credit ratings were issued by Moody's Investor Services and Standard & Poor's respectively.

Associated Debt Issuance	Current Notional Amount	Effective Date of Swap	Maturities/ Sinking Fund Installments	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Rating
2004 Series B-3	\$20,000	8/24/04	11/15/15- 11/15/35	3.756%	63% of 30 day LIBOR plus .20%	(\$1,709)	11/15/2023 <sup>2</sup>	Aaa/AA
2004 Series C-3	\$15,000	10/26/04	11/15/14- 11/15/39	3.439%	63% of 30 day LIBOR plus .20%	(\$1,123)	11/15/2021 <sup>2</sup>	Aa2/AA+
2004 Series D-3	\$15,000	1/18/05	11/15/16- 11/15/39	3.587%	65% of 30 day LIBOR plus .20%	(\$1,143)	11/15/2021 <sup>2</sup>	Aaa/AA
2005 Series B	\$15,000	4/26/05	11/15/16- 11/15/20	4.852%	100 % of 90 day LIBOR	(\$2,014)	11/15/2015	Aa2/AA+
2005 Series C	\$11,125	8/23/05	11/01/28- 11/01/39	3.832%	65% of 90 day LIBOR plus .10%	(\$764)	11/15/2032 <sup>3</sup>	Aa2/AA+
2005 Series D-3	\$20,000	8/2/05	11/15/16- 11/15/38	3.630%	65% of 30 day LIBOR plus .20	(\$1,363)	11/15/2036 <sup>4</sup>	Aaa/AA
2005 Series G	\$21,855	2/1/06	11/15/07- 11/15/37	3.591%	65% of 30 day LIBOR plus .20%	(\$2,706)	11/15/2037	Aaa/AA
2006 Series B	\$5,000	3/14/06	11/15/19- 11/15/36	3.670%	65% of 90 day LIBOR plus .20%	(\$585)	11/15/2019	Aa2/AA+
2006 Series D-3	\$5,000	7/11/06	11/15/16- 11/15/35	3.922%	65% of 90 day LIBOR plus .20%	(\$614)	11/15/2016	Aaa/AA
2007 Series E-2	\$8,000	9/12/07	11/15/27- 11/15/41	4.049%	65% of LIBOR plus .20%	(\$801)	11/15/2027 <sup>5</sup>	Aa2/AA+
2008 Series B	\$15,000	1/29/08	11/15/23- 11/15/41	3.710%	100% of SIFMA plus .06%	(\$929)	5/15/2023 <sup>5</sup>	Aaa/AA
2008 Series D	\$20,000	4/08/08	11/15/22- 11/15/42	3.397%	70% of 90 day LIBOR plus .20%	(\$1,022)	11/15/2022 <sup>5</sup>	Aa2/AA+
2008 Series E-1, E-2	\$17,500	12/23/03	11/15/14- 11/15/30	3.246%	67% of 30 day LIBOR	(\$1,612)	11/15/2018	Aa2/AA+
2008 Series E-1, E-2	\$17,500	12/23/03	11/15/14- 11/15/30	3.246%	67% of 30 day LIBOR	(\$1,612)	11/15/2018	Aaa/AA
2008 Series E-1	\$15,000	12/23/03	11/15/26- 11/15/32	3.831%	67% of 30 day LIBOR	(\$871)	11/15/2032 <sup>1</sup>	Aa2/AA+
2008 Series E-1	\$15,000	12/23/03	11/15/26- 11/15/32	3.831%	67% of 30 day LIBOR	(\$871)	11/15/2032 <sup>1</sup>	Aaa/AA
Totals	\$235,980					(\$19,739)		

<sup>1</sup> MaineHousing has the option of termination, with no Termination Payment on November 15, 2013 and on each May 15 and November 15 thereafter.

<sup>2</sup> MaineHousing has the option of termination, with no Termination Payment on November 15, 2014 and on each May 15 and November 15 thereafter.

<sup>3</sup> MaineHousing has the option of termination, with no Termination Payment on May 15, 2015 and on each May 15 and November 15 thereafter.

<sup>4</sup> MaineHousing has the option of termination, with no Termination Payment on November 15, 2015 and on each May 15 and November 15 thereafter.

<sup>5</sup> MaineHousing has the option of termination, with no Termination Payment on November 15, 2017 and on each May 15 and November 15 thereafter.

Credit Risk – As of December 31, 2010, MaineHousing is not exposed to credit risk because all outstanding swaps have negative fair values. A positive fair value of the swaps would represent MaineHousing's credit exposure to the two counterparties.

The swap agreements contain varying collateral agreements with the counterparties in order to mitigate the potential for credit risk. These requirements are met as of December 31, 2010.

Basis Risk – The floating rate payments provided by the counterparties are based upon either the SIFMA index or the LIBOR index. The LIBOR rate will be adjusted on a monthly basis, except for 2005 Series B which is adjusted on a quarterly basis. MaineHousing's floating rate bonds will have rates adjusted weekly. MaineHousing's bonds are expected to track with the SIFMA Index, which differs from the LIBOR index. If the floating rate tax exempt bonds, which should correspond to the SIFMA index, trade at a value significantly different than their historical relationship to LIBOR, the net cost to MaineHousing could increase or decrease. As of December 31, 2010, 67% of the thirty-day LIBOR rate was 0.17%, 63% of the thirty-day LIBOR rate plus .20% was 0.36% and 65% of the thirty-day LIBOR rate plus .20% was 0.37%. As of December 31, 2010 the ninety day LIBOR rate was .30% and 70% of the ninety-day LIBOR rate plus .20% was .41%. The SIFMA rate was 0.34% at December 31, 2010.

Termination Risk – In addition to the optional terminations embedded in some of MaineHousing’s Swap Agreements, Swap 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 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. When these swaps terminate, or in the case of the termination option, if the counterparty exercises its option, MaineHousing will not realize the synthetic rate offered by the swaps.

**(7.) EMPLOYEE BENEFITS PLANS**

MaineHousing provides its employees with an option of participating in either a defined contribution retirement plan or a defined benefit retirement 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). MaineHousing makes direct contributions on behalf of participants to the 401(a) plan. Additionally, if a participant makes contributions to the 457 plan, a portion of the contribution is matched by MaineHousing. The employer match contribution is made to the 401(a) plan. Total expense under the defined contribution plan was \$252 for the year ended December 31, 2010.

MaineHousing is also a participating local district member of the Maine Public Employees Retirement System (MainePERS) and its employees may participate in a defined benefit plan offered by MainePERS. All employees that do not participate in MaineHousing’s defined contribution plan are eligible. As such, Mainehousing’s employer contributions on behalf of its employees were \$275, \$170 and \$147 for 2010, 2009, 2008 respectively. As of December 31, 2010, MaineHousing’s plan has a surplus balance with MainePERS of approximately \$679. This surplus will reduce or eliminate future employer costs. In 2010, 2009 and 2008 MaineHousing utilized \$72, \$72 and \$139 respectively of the surplus.

**(8.) AVAILABLE BONDS PROCEEDS**

**MORTGAGE PURCHASE FUND GROUP**

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

2010 Series B (S/F)	\$8,889
2010 Series C/ 2009 F2 (S/F)	29,646
2010 Series D (M/F)	10,512
	<u>\$49,047</u>

**MAINE, ENERGY, HOUSING AND ECONOMIC RECOVERY FUND**

The following are invested in various bond proceed sub-accounts and are available at December 31, 2010:

2010 Series 1	\$39,354
2010 Series 2	9,387
	<u>\$48,741</u>

**(9.) COMMITMENTS**

**MORTGAGE COMMITMENTS**

Mortgage commitments are agreements to lend provided there is no violation of any term or condition established in the agreement. Generally, once exercised, the 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, 2010, MaineHousing had outstanding commitments in several funds to originate multi-family mortgage loans of approximately \$83,213.

MaineHousing, under its single-family program, enters into purchase agreements with lenders to purchase mortgage loans. At December 31, 2010, single-family loans being processed by lenders for MaineHousing totaled approximately \$24,964.

**LEASE COMMITMENT**

MaineHousing has committed to a lease agreement for approximately 39,000 square feet of office space. Annual rent under this lease agreement is approximately \$598 and increases at a rate of 3% per year. This lease agreement expires on December 31, 2019. For the year ended December 31, 2010, MaineHousing had rental expense of \$598.

**(10.) RESERVE FUNDS**

**MORTGAGE PURCHASE FUND GROUP – 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, 2010 was \$94,638.

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, 2010 was \$135,817.

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, 2010, 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 \$160,262.

#### HOUSING FINANCE REVENUE FUND GROUP – CAPITAL RESERVE FUND

On or before December 1 of each year, MaineHousing is required to value the Capital Reserve Fund and verify to the Governor of the State of Maine that the sum of money in the fund equals or exceeds the Capital Reserve Fund Minimum Requirement. The Capital Reserve Fund Minimum Requirement equals the amount of principal and interest maturing and coming due in the next succeeding bond year on bonds outstanding. The Capital Reserve Fund Minimum Requirement as of December 31, 2010 was \$435.

When issuing bonds MaineHousing must also meet the Capital Reserve Fund Maximum Requirement. The Capital Reserve Fund Maximum Requirement equals the maximum debt service required in any subsequent bond year. The Capital Reserve Fund Maximum Requirement as of December 31, 2010 was \$2,062.

At December 31, 2010, valuation of the investments in the Capital Reserve Fund computed at amortized value in accordance with the General Housing Finance Revenue Bond Resolution was \$3,331.

#### MAINE HOUSING, ENERGY & ECONOMIC RECOVERY FUND – CAPITAL RESERVE FUND

MaineHousing is required to maintain a Capital Reserve Fund in an amount equal to the Capital Reserve Fund Requirement established under the General Indenture. The Capital Reserve Fund Requirement equals the amount of principal and interest maturing and becoming due in the current or any succeeding bond year. The Capital Reserve Requirement as of December 31, 2010 was \$4,320. This requirement may be satisfied by the deposit of money or by the deposit of a Credit Facility or an insurance policy for the benefit of the bondholders.

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, including amounts necessary to replenish the Capital Reserve Fund to the Capital Reserve Requirement.

At December 31, 2010 valuation of the Capital Reserve Fund insurance policy in the Capital Reserve Fund was \$4,320.

#### (11) EXCESS ARBITRAGE TO BE REBATED

Bonds issued by MaineHousing are subject to a variety of Internal Revenue Service (IRS) regulations which limit the amount of income which may be earned with non-mortgage investments to an amount not greater than that amount which would have been earned had the funds been invested at the yield on the bonds as defined by the IRS. Excess earnings must be rebated every five years.

At December 31, 2010, the estimated value of future arbitrage rebates in the Mortgage Purchase Fund Group was \$4,184. There are no other arbitrage liabilities to be rebated in the other fund groups at December 31, 2010. There are arbitrage payments due in 2011 in the amount of \$234.

#### (12) FUND TRANSFERS AND INTERFUND BALANCES

During the year ended December 31, 2010, MaineHousing made operating transfers between funds. The following is a summary of transfers in (out):

	General Administrative Fund	Home Fund	Other Federal & State Programs
Program Subsidies	(\$1)	(\$275)	\$276

During the year ended December 31, 2010, MaineHousing had outstanding balances between funds. The following is a summary of outstanding payables (receivables) between funds:

	Mortgage Purchase Fund Group	Housing Finance Revenue Fund Group	Bondholder Reserve Fund	General Admin. Fund	HOME Fund	Section 8 Housing Programs	Low Income Housing Energy Assistance Program	American Recovery & Reinvestment Fund	Maine Energy, Housing & Economic Recovery Program	Other Federal And State Programs
Operating expenses	\$2,323	(\$252)	\$15	(\$21,418)	\$0	\$3,373	\$2,527	\$1,017	228	\$12,187
Funds for loan closings	51	(6,050)	(316)	\$4,666	40	0	0	0	0	1,609
Program revenues and fees	(520)	0	0	\$18,798	452	(5,192)	(2,061)	(989)	0	(10,488)
	<u>\$1,854</u>	<u>(\$6,302)</u>	<u>(\$301)</u>	<u>\$2,046</u>	<u>\$492</u>	<u>(\$1,819)</u>	<u>\$466</u>	<u>\$28</u>	<u>\$228</u>	<u>\$3,308</u>

**(13.) REDEMPTION OF BONDS**

For the year ended December 31, 2010, MaineHousing redeemed prior to maturity \$196,800 of its Mortgage Purchase Fund Group bonds from reserve funds, mortgage prepayments, surplus revenues and the proceeds of refunding bonds and \$7,220 of its Housing Finance Revenue Fund Group bonds from subsidy funds. Mortgage Purchase Fund Group losses of \$1,206 and Housing Finance Revenue Fund Group losses of \$55 were attributable to recognition of the bond discount and debt issuance expenses associated with the redeemed bonds. The following is a summary of bonds redeemed:

<b>Mortgage Purchase Fund Group</b>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
1997 Series F-1 Term Bonds	5.50%	2029	\$165	100%
1998 Series A-1 Serial Bonds	4.85%	2010	1,170	100%
1998 Series A-2 Term Bonds	5.32%	2032	465	100%
1998 Series C-2 Term Bonds	5.25%	2030	3,840	100%
1998 Series C-2 Term Bonds	5.25%	2010	680	100%
1998 Series F-2 Term Bonds	5.25%	2027	800	100%
1998 Series F-2 Term Bonds	5.35%	2032	1,550	100%
1998 Series F-2 Term Bonds	5.35%	2031	195	100%
1999 Series A-1 Term Bonds	5.05%	2018	150	100%
1999 Series A-2 Serial Bonds	4.50%	2010	390	100%
1999 Series A-2 Serial Bonds	4.60%	2011	300	100%
1999 Series B-2 Serial Bonds	4.80%	2010	2,335	100%
1999 Series B-2 Term Bonds	5.25%	2018	11,610	100%
1999 Series B-2 Term Bonds	5.30%	2032	915	100%
1999 Series C Serial Bonds	5.00%	2010	1,000	100%
1999 Series C Term Bonds	5.45%	2023	13,470	100%
1999 Series E-2 Serial Bonds	5.45%	2010	960	100%
2000 Series A Term Bonds	6.40%	2032	12,005	100%
2001 Series A Serial Bonds	4.38%	2010	1,185	100%
2001 Series A Term Bonds	5.35%	2021	270	100%
2001 Series A-1 Serial Bonds	4.50%	2011	1,225	100%
2001 Series B Serial Bonds	4.63%	2010	515	100%
2001 Series B Serial Bonds	4.75%	2011	540	100%
2001 Series B Term Bonds	4.60%	2025	195	100%
2001 Series B Term Bonds	5.40%	2021	9,350	100%
2001 Series B Term Bonds	5.50%	2031	215	100%
2001 Series B Term Bonds	5.50%	2032	365	100%
2001 Series C Serial Bonds	4.80%	2010	625	100%
2001 Series C Serial Bonds	4.90%	2011	660	100%
2001 Series C Serial Bonds	5.00%	2012	690	100%
2001 Series C Term Bonds	5.45%	2022	6,425	100%
2001 Series C Term Bonds	5.45%	2021	5,580	100%
2001 Series C Term Bonds	5.55%	2032	3,255	100%
2001 Series E-1 Serial Bonds	4.13%	2010	2,490	100%
2001 Series E-1 Serial Bonds	4.25%	2011	2,575	100%
2001 Series F-1 Serial Bonds	4.38%	2012	2,665	100%
2001 Series F-1 Term Bonds	4.95%	2017	6,085	100%
2001 Series E-2 Term Bonds	4.25%	2019	1,240	100%
2001 Series F-1 Term Bonds	5.25%	2021	2,255	100%
2001 Series F-2 Term Bonds	5.50%	2032	3,235	100%
2001 Series G Term Bonds	5.40%	2021	3,130	100%
2001 Series G Term Bonds	5.50%	2031	1,310	100%
2002 Series A-2 Serial Bonds	4.55%	2010	655	100%
2002 Series A-2 Serial Bonds	4.65%	2011	685	100%
2002 Series A-2 Term Bonds	4.55%	2026	620	100%
2002 Series B Serial Bonds	4.30%	2010	650	100%
2002 Series B Serial Bonds	4.40%	2011	675	100%
2002 Series C Serial Bonds	4.45%	2011	985	100%
2002 Series C Serial Bonds	4.30%	2010	945	100%

	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2002 Series D Serial Bonds	4.20%	2010	740	100%
2002 Series D Serial Bonds	4.35%	2011	775	100%
2002 Series D Term Bonds	5.25%	2022	6,770	100%
2002 Series D Term Bonds	5.40%	2032	2,890	100%
2002 Series F-1 Serial Bonds	3.75%	2010	2,090	100%
2002 Series F-1 Serial Bonds	3.90%	2011	215	100%
2002 Series F-2 Serial Bonds	4.05%	2010	1,105	100%
2002 Series F-2 Serial Bonds	4.15%	2011	1,175	100%
2002 Series F-2 Term Bonds	3.75%	2019	1,810	100%
2002 Series G-2 Serial Bonds	3.80%	2010	510	100%
2002 Series G-2 Serial Bonds	3.95%	2011	535	100%
2002 Series G-2 Term Bonds	4.00%	2024	145	100%
2003 Series A-1 Serial Bonds	3.35%	2010	115	100%
2003 Series A-1 Serial Bonds	3.60%	2011	125	100%
2003 Series A-2 Serial Bonds	3.70%	2010	250	100%
2003 Series A-2 Serial Bonds	3.90%	2011	260	100%
2003 Series B-2 Serial Bonds	3.75%	2010	280	100%
2003 Series B-2 Serial Bonds	4.00%	2011	275	100%
2003 Series B-2 Term Bonds	3.65%	2020	1,005	100%
2003 Series B-2 Term Bonds	5.05%	2032	40	100%
2003 Series C-1 Serial Bonds	3.80%	2010	670	100%
2003 Series C-1 Serial Bonds	4.05%	2011	700	100%
2003 Series C-2 Term Bonds	4.00%	2030	590	100%
2003 Series C-2 Term Bonds	5.45%	2032	2,190	100%
2003 Series D-1 Serial Bonds	3.35%	2010	1,555	100%
2003 Series D-2 Term Bonds	5.00%	2027	1,950	100%
2003 Series I Serial Bonds	3.25%	2010	2,000	100%
2004 Series A-1 Serial Bonds	2.95%	2010	1,590	100%
2004 Series A-1 Serial Bonds	3.20%	2011	490	100%
2004 Series A-2 Term Bonds	5.00%	2021	1,390	100%
2004 Series B-1 Serial Bonds	3.30%	2010	1,095	100%
2004 Series B-1 Serial Bonds	3.50%	2011	1,140	100%
2004 Series C-1 Serial Bonds	3.10%	2010	890	100%
2004 Series C-1 Serial Bonds	3.30%	2011	920	100%
2004 Series D-1 Serial Bonds	3.45%	2011	825	100%
2004 Series D-1 Serial Bonds	3.20%	2010	790	100%
2005 Series A-1 Serial Bonds	3.45%	2010	455	100%
2005 Series A-1 Serial Bonds	3.70%	2011	465	100%
2005 Series A-2 Term Bonds	4.95%	2027	975	100%
2005 Series D-1 Serial Bonds	3.20%	2010	320	100%
2005 Series D-1 Serial Bonds	3.40%	2011	330	100%
2005 Series E-1 Serial Bonds	3.50%	2010	595	100%
2005 Series E-1 Serial Bonds	3.70%	2011	615	100%
2006 Series A-1 Serial Bonds	3.45%	2010	555	100%
2006 Series A-1 Serial Bonds	3.50%	2011	580	100%
2006 Series D-1 Serial Bonds	3.65%	2010	740	100%
2006 Series D-1 Serial Bonds	3.70%	2011	770	100%
2006 Series E-1 Serial Bonds	3.65%	2010	820	100%
2006 Series E-1 Serial Bonds	3.75%	2011	845	100%
2006 Series G Serial Bonds	3.85%	2010	640	100%
2006 Series G Serial Bonds	3.90%	2011	655	100%
2006 Series I-2 Term Bonds	4.75%	2036	200	100%
2006 Series I-3 Term Bonds	Var-.37%	2036	385	100%
2007 Series E-1 Serial Bonds	4.15%	2011	515	100%
2008 Series A-2 Term Bonds	5.05%	2027	140	100%
2008 Series A-2 Term Bonds	5.20%	2032	75	100%
2008 Series C-2 Term Bonds	5.00%	2020	265	100%
2008 Series C-2 Term Bonds	5.00%	2032	270	100%

	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
2008 Series F-1 Serial Bonds	2.60%	2010	470	100%
2008 Series F-1 Serial Bonds	3.10%	2011	350	100%
2008 Series G-1 Serial Bonds	3.50%	2010	1,300	100%
2008 Series G-1 Serial Bonds	3.88%	2011	1,745	100%
2008 Series G-2 Term Bonds	5.50%	2018	4,150	100%
2008 Series G-2 Term Bonds	6.00%	2020	5,200	100%
2008 Series G-2 Term Bonds	6.25%	2023	7,535	100%
2008 Series J Serial Bonds	3.20%	2010	895	100%
2008 Series J Serial Bonds	3.45%	2011	900	100%
2008 Series J Term Bonds	6.10%	2023	2,500	100%
2008 Series J Term Bonds	6.50%	2028	7,165	100%
2009 Series E Term Bonds	3.96%	2041	160	100%
2009 Series F-1 Term Bonds	3.96%	2041	30	100%
			<u>\$196,800</u>	

	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
<b>Housing Finance Revenue Fund</b>				
1995 Series I-1 Term Bonds	5.38%	2012	1,460	100%
1995 Series I-4 Term Bonds	5.70%	2018	1,780	100%
1998 Series I Term Bonds	5.30%	2013	2,435	100%
1998 Series I Term Bonds	5.45%	2017	1,545	100%
			<u>\$7,220</u>	

**(14.) SUBSEQUENT EVENTS**

Subsequent to December 31, 2010, MaineHousing issued and redeemed bonds. The following is a summary of subsequent event transactions.

On February 1, 2011, MaineHousing redeemed, at par, \$9,750 of bonds in the General Mortgage Purchase Bond Resolution as follows:

	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Redemption Price</u>
1999 Series A-1 Term Bonds	5.05%	2018	3,375	100%
1999 Series A-1 Term Bonds	5.13%	2025	2,340	100%
2001 Series A Serial Bonds	4.65%	2012	1,285	100%
2001 Series A Serial Bonds	4.75%	2013	1,345	100%
2001 Series A Serial Bonds	4.85%	2014	1,405	100%
			<u>\$9,750</u>	