Massachusetts Housing Investment Corporation

1995 Annual Report

Mission Statement

The mission of the Massachusetts Housing Investment Corporation (MHIC) can be summarized as follows:

To finance quality affordable housing throughout the Commonwealth; to supplement the financing available from banks for affordable housing; to aggregate and coordinate the effective use of public and private resources necessary to finance affordable housing.

The net result of this mission should be that *more* and *better* affordable housing projects are financed, and that they are done so in a more *efficient* manner. As an institution established by private banks in collaboration with community leaders, MHIC's mission depends on a partnership among banks, housing sponsors, and public agencies.

In undertaking this mission, MHIC is founded on four core values:

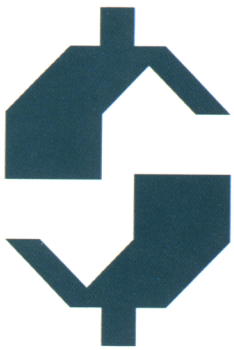
1. MHIC should attract private capital to finance affordable housing on an ongoing basis as a self-sustaining venture.

2. MHIC should focus on geographic areas, sponsors, and projects which would not otherwise be able to receive financing.

3. MHIC should support the sponsors of affordable housing in their efforts to build and maintain stable, healthy communities.

4. MHIC should improve and add value to the system of financing affordable housing, and not merely be one more player.

About the cover:
The cover is an aerial photograph with the Alexander Magnolia Cooperative in the foreground. This 38-unit cooperative was developed by the Dorchester Bay Economic Development Corporation, and was financed by a $4,516,500 equity investment and $1,000,000 construction loan from MHIC. (The cover photo and all aerial photographs in this report are © Geoscapes.)



Massachusetts
Housing
Investment
Corporation

1995 Annual Report

70 Federal Street
Boston, Massachusetts 02110
(617) 338-6886

Participating Banks and Corporations

Shawmut Bank

State Street Bank and Trust

Bank of Boston

Fleet Bank of Massachusetts

Boston Safe Deposit & Trust

BayBank

Freddie Mac

Fannie Mae

PNC Bank, New England

USTrust

Citizens Bank

Wainwright Bank & Trust

Federal Deposit Insurance Corporation

Boston Bank of Commerce

Boston Private Bank & Trust

Springfield Institution for Savings

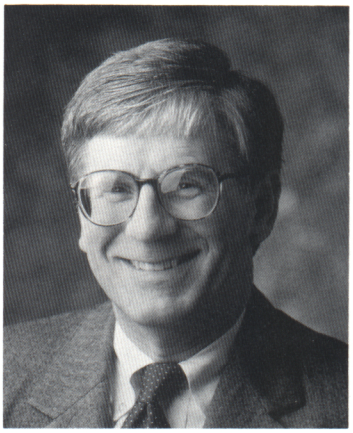
Stoneham Savings Bank

Atlantic Bank and Trust

From the Chairman and the President

October 1995

This year the Massachusetts Housing Investment Corporation (MHIC) celebrates its fifth anniversary. For five years, MHIC has pursued its mission to expand financing for affordable housing.



David Spina, Chairman

The results are compelling: *Investing in affordable housing can be good business.* MHIC has $180 million loaned or invested in 66 projects. Our participating banks and corporations have received competitive rates of returns on their loans and investments. Most importantly, MHIC has supported the development of 2,689 units of affordable housing, and has contributed to rebuilding communities throughout Massachusetts.

Tangible evidence of the results can be seen on the cover of this *Annual Report* and in the photographs throughout. MHIC is financing not just housing, but the rebuilding of communities.

When MHIC was established in 1990, the real estate market was going through a major upheaval, the banking industry was experiencing a cyclically high level of credit losses, and federal and state housing programs were being sharply curtailed. At the time, MHIC established several ambitious goals for itself. Five years later, MHIC has met or exceeded those goals.

Joe Flatley, President and CEO

Several key principles have guided MHIC over the last five years: providing financing where others cannot, never sacrificing fundamental credit quality, adding value to and improving the financing system, and – perhaps most importantly – building high quality affordable housing.

These are not easy times for those looking to finance affordable housing. Congress is considering proposals to eliminate, after 1997, the Low Income Housing Tax Credit, virtually the only remaining federal housing program. Bank consolidation and emerging capital markets will reshape the financial landscape in years to come. With shrinking resources, pressure will increase to reduce costs and simplify the financing system.

With the leadership and support of our member banks and participating corporations, MHIC has built a solid foundation upon which to confront these challenges. We remain confident that housing sponsors will continue to present us with opportunities that we will find a way to finance. We look forward to working will all of our many partners in this exciting endeavor.

Sincerely,

DAVID A. SPINA
Chairman

JOSEPH L. FLATLEY
President and CEO

Massachusetts
Housing
Investment
Corporation

1995 Annual Report

This has been a particularly significant year for the Massachusetts Housing Investment Corporation, as it marks the Corporation's fifth anniversary. Looking back on five years has enabled MHIC and others involved in the development of affordable housing to evaluate the organization's achievements in light of changes over time and to ask the important question: "how can we build on our experience to do an even better job in the future?"

Created in 1990 in response to the affordable housing crisis, MHIC has had to adapt to many changes in the economy, the banking environment, and in other areas which affect the creation of affordable housing. MHIC has met these challenges by continually improving its original programs, developing new initiatives and, in general, by finding new, creative ways to forge alliances and to marshal the public and private resources necessary to finance and build affordable housing.

Stony Brook Gardens Cooperative (above and opposite), Boston, developed by Urban Edge Development Corporation

MHIC's efforts have resulted in the creation of 2,689 units of affordable housing, with approximately $180 million committed to 66 projects throughout Massachusetts.

Over the past year, MHIC continued to refine and promote the OneSource Loan Program, a joint effort with the Massachusetts Housing Partnership Fund (MHP), designed to enable borrowers to obtain construction and permanent financing through a single source. This program is one among many of MHIC's efforts aimed at simplifying and improving the lending process. MHIC introduced this year a new Loan Guarantee Program as an alternate means to secure (with a forward rate commitment) long-term fixed-rate financing for affordable rental housing.

Huntington House SRO, Boston (expecting to break ground later in 1995)

In 1995 MHIC organized its second equity fund, the *Massachusetts Housing Equity Fund 1995 Limited Partnership*, which it closed in August, having initially raised $31,820,000. With a pipeline of more than $50 million in potential investments, MHIC will continue to market that fund to new investors for the remainder of the year.

MHIC has been working hard to increase minority participation in all stages and at every level of the financing and development process of its projects. This year MHIC adopted a formal Minority Participation Program which provides specific guidelines and policies to ensure progress in this important area.

In a recent report of the Massachusetts Community and Banking Council, MHIC was praised for having achieved or exceeded its original goals. MHIC has successfully combined public and private resources in innovative ways to face the affordable housing crisis head on. Investors are enjoying good returns, and neighborhoods which were suffering from disinvestment are benefiting from development and preservation of affordable housing.

MHIC realizes that, notwithstanding its record of achievements, the organization will necessarily be facing many serious challenges over the next few years. Emerging capital markets, a steady but unevenly rebounding real estate market, threatened federal subsidies, and an uncertain outlook for future allocations of Low-Income Housing Tax Credits, are among the issues that MHIC will be facing.

In planning ahead, MHIC has established seven strategic goals to be pursued over the next several years. These include:

- *Increase affordable housing investment. Investments should reach $250 million by 1997.*
- *Develop broader corporate involvement and increase net yield to project sponsors through implementation of the 1995 MHEF.*
- *Give priority consideration to projects with significant minority participation or that have a significant impact on minority neighborhoods.*
- *Implement the OneSource program to provide permanent financing for affordable rental housing.*
- *Focus on the rehabilitation of existing housing stock. Over the next few years, about 65 percent of MHIC's loans and investments are likely to involve the rehabilitation of existing structures.*
- *Develop prototype financing packages that eliminate that need to "climb Mount Everest" with each new project.*

- ❑ *Strengthen MHIC structures and systems so that it will continue to attract and retain financial resources.*

As MHIC progresses through its sixth year of operation, it will continue to strengthen the relationships it has developed with others who share its goals and vision. Having already built a reputation as a specialized private lender capable of dealing with the barriers that often block the creation of affordable housing, MHIC is confident it can and should play an important leadership role in the coming years.

"MHIC represents an excellent opportunity for banks to be part of an effort that is successfully meeting community needs in a financially responsible manner."

Cathy Minehan
President
Federal Reserve Bank of Boston

"We in the community certainly have not been shy in presenting challenges to MHIC. To their credit, the MHIC staff has shown creativity in devising solutions that work for them and work for us."

Mossik Hacobian
Executive Director
Urban Edge Housing Corporation

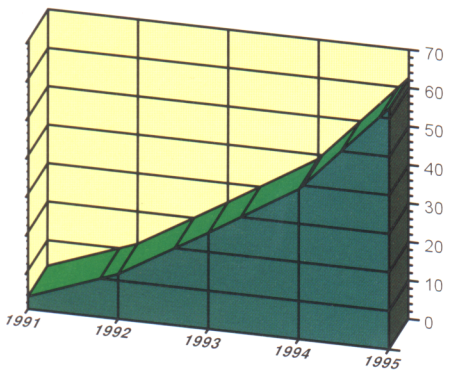
Loan Program

Over the past five years, MHIC has made considerable progress in its on-going efforts to improve and simplify the process of lending money to developers of affordable housing through its Loan Program. These efforts have resulted in total loans from MHIC of over $67 million for the creation of 2,114 units of rehabilitated and new housing throughout Massachusetts. As a revolving loan pool funded by member banks, the Loan Program has financed 48 affordable housing projects since its creation in 1990, with loans averaging approximately $1.3 million. The majority of these projects have been in neighborhoods which have been suffering from disinvestment.

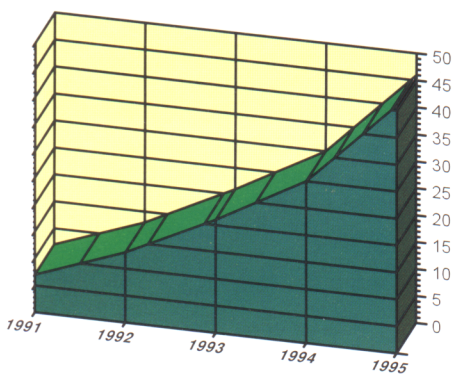
Prang Estates (above and opposite), Roxbury, developed by Cruz Development Corporation

In response to continually changing economic conditions, borrowing needs, building trends, and other challenges, MHIC has had to be especially creative in the underwriting process. Because its mission is to make loans which would not typically be acceptable to banks, but without compromising on fundamental credit standards, MHIC must thoughtfully and creatively underwrite the loans it originates. This process usually involves extensive negotiations with public and private entities: borrowers, government agencies, municipalities, sources of equity, contractors, community sponsors, and consultants. To meet these challenges, MHIC has built a team of experienced professionals with the skills required to pull together the various pieces of the projects it chooses to underwrite.

Over the past year, progress has continued on two new initiatives, the OneSource Loan Program and the Loan Guarantee Program. Under the OneSource Program, a combined effort with the Massachusetts Housing Partnership Fund, MHIC originates both construction and permanent loans and sells the permanent loan back to MHP when the project is completed. This program was designed as part of MHIC's on-going effort to vastly simplify the financing, and to reduce transaction costs and the time required to close loans.



Cumulative loan volume ($ millions)



Cumulative loan projects

The Loan Guarantee Program grew out of the need for alternate ways to provide permanent loan products. Both Fannie Mae (FNMA) and MHP have developed ways to provide construction and permanent funds and lock-in an interest rate during the construction period. However, neither FNMA nor MHP are able to take the construction period risk. To get around this problem, MHIC created a loan guarantee program by which MHIC will manage the construction loan process, and will guarantee FNMA and MHP against risk during the construction period by providing an escrow account equal to the loan amount at risk.

Since its founding in 1990, MHIC has continually updated its loan program guidelines, including its credit guidelines. In 1994, MHIC installed a new risk-rating system, making it easier to apply and recognize credit factors unique to affordable housing loans.

One of the Loan Department's goals over the past year was not only to increase the number of loans, but to increase the aggregate of loans outstanding over time. During the past year, the Loan Department made considerable progress toward that goal: it increased the aggregate loan amount outstanding to over $10 million, with the total amount of loan commitments outstanding at year-end of almost $25 million.

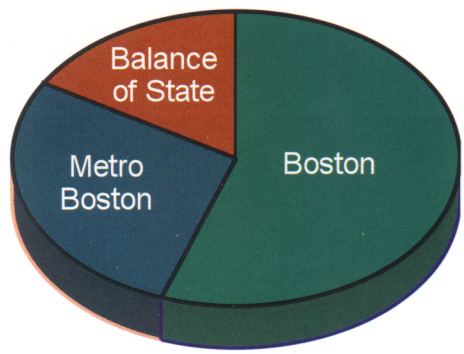
During the past year MHIC has put in place new policies to strongly encourage developers to employ minorities throughout the entire construction process and to include minority-owned businesses on the development team. Specific goals relating to minority participation must be agreed upon between MHIC and the developer prior to commencement of a project. These goals have been established to encourage greater efforts on behalf of borrowers to plan ahead and increase the level of minority participation in affordable housing projects generally.

Other significant results for the year are as follows:

- A total of $21.6 million in loans were committed in 1995 for development of 17 projects and 708 units of affordable housing. The loans were committed in 13 different neighborhoods across the state.
- Loans totaling $11.5 million were closed for development of 10 projects and 363 units of affordable housing.
- The total amount of loans outstanding at the end of the year together with committed but unadvanced funds was $24.6 million.
- Since the inception of MHIC, a total of $43.6 million in loans has been closed for 35 projects and 1,224 units of affordable housing.

Investments in the Loan Program by the MHIC member banks are listed below:

Bank of Boston	$15,000,000
Fleet Bank	$10,500,000
Shawmut Bank	$10,000,000
BayBank	$6,000,000
State Street Bank	$4,600,000
Massachusetts Company	$1,500,000
Wainwright Bank	$1,000,000
FDIC (Workingmen's Coop Bank)	$1,000,000
USTrust	$1,000,000
Citizens Bank	$500,000
Boston Private Bank	$300,000
Bank of Commerce	$250,000
Springfield Institution for Savings	$250,000
Atlantic Bank	$250,000
Stoneham Savings Bank	$250,000
TOTAL	$52,400,000



Geographic distribution of MHIC loans, 1994-95

MHIC's Loan Department continues to search for new, creative ways of doing business to improve housing for families, individuals, homeless citizens, and others who suffer from inadequate housing. Building on five years of experience and achievements, MHIC will continue to work with both non-profit and for-profit developers to diversify its loans to areas which in the past have been underserved in regard to quality affordable housing. Part of this effort will entail making sure that an increased number of developers and apartment owners are familiar with MHIC's programs and the availability of MHIC to be a partner in the creation of quality housing for Massachusetts citizens.

"Investing in minority neighborhoods will only be successful in the longer term if a good share of those funds helps finance minority businesses and provides income to minority households. We applaud MHIC's support for minority participation in the projects it finances."

Ken Guscott
President
Minority Developers Association

1993

Equity Program

In 1995, MHIC completed the investment activity of its first Low Income Housing Tax Credit fund, *Massachusetts Housing Equity Fund 1993-94 Limited Partnership*, and organized its second fund, *Massachusetts Housing Equity Fund 1995 Limited Partnership*.

Since MHIC was established in 1990, participating banks and other corporate investors have made equity investments in 34 properties, totaling approximately $98 million, for an average equity investment of $2.9 million.

The Massachusetts Housing Equity Fund (MHEF) was formed in 1994 by MHIC in response to recognition that MHIC's Equity Initiative of 1990-1993, while successful in bringing significant bank investment to eligible tax credit properties, was also a cumbersome method of providing such financing. With each investor doing its own underwriting and deciding individually whether or not to invest in a given project, the process was more complex and time consuming than it needed to be. The pooled fund model was developed to streamline the financing process, to lower the costs of equity investment and produce higher yields to the projects, to provide pooled reserves to protect investors, and to expand the base of corporate investors.

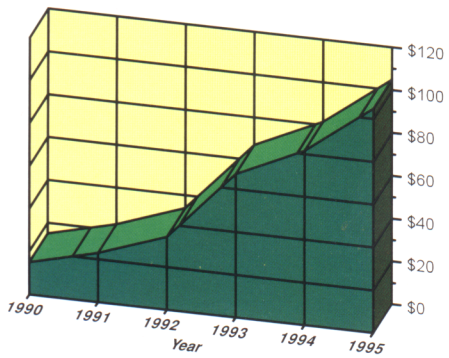
Alexander Magnolia Cooperative (above and opposite), Boston, developed by Dorchester Bay Economic Development Corporation

MHEF's initial fund proved successful in achieving these goals. Project sponsors can deal with one equity source, and MHEF provides significantly more equity than alternative equity sources. After fees and syndication costs are taken out, MHEF on average paid 65¢ on the tax credit dollar for the 1994 Fund properties. By way of comparison, projects financed through other equity sources during 1994 averaged about 53¢ per tax credit dollar. MHEF net raises, therefore, are more than 20% higher than alternative sources of equity. The additional equity provided by MHEF serves to further strengthen the equity investment.

At the same time, the fund has maintained high underwriting standards. The result: development of quality housing grounded on solid financial structures.

The *1994 Equity Fund* closed four investments in 1994 and seven in 1995, with a total gross equity investment of $32,927,112, creating long-term affordability in the following eleven projects:

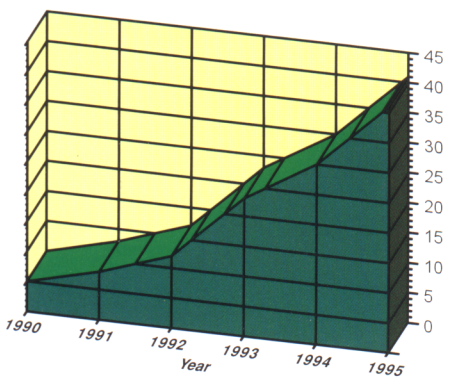
	Units	Gross Equity
Depot Crossing, Wareham	32 units	$1,391,790
Lawrence YMCA, Lawrence	74 units	$2,150,057
Stafford Heights, Boston	41 units	$6,889,078
Fairfield Properties, Boston	30 units	$2,220,275
Kenwyn Apartments, Springfield	27 units	$1,599,553
Cambridge Community Properties	59 units	$2,855,471
Nueva Vida Apartments, Holyoke	24 units	$2,096,312
South Canal Apartments, Holyoke	127 units	$4,782,157
Burbank Street Apartments, Boston	35 units	$3,185,446
Bancroft Apartments, Boston	45 units	$2,875,052
Symphony Housing, Springfield	24 units	$2,881,921
Total	518 units	$32,927,112



Cumulative equity investment ($ millions)

The vast majority of this investment went to rehabilitation of existing properties – a reflection in part of the priorities of the Commonwealth's tax credit allocating authority, the Executive Office of Communities and Development (EOCD). The breakdown is summarized as follows:

Rehabilitation of distressed, but occupied units	49%
Gut rehabilitation of existing unoccupied units	30%
New construction	21%



Cumulative equity projects

The 1995 Equity Fund had its initial closing in August, with $31,820,000 raised. All of the investors to date in the 1995 Fund also participated in the 1993-94 Fund. The initial investors in the 1995 Fund, and the amounts they have committed, are:

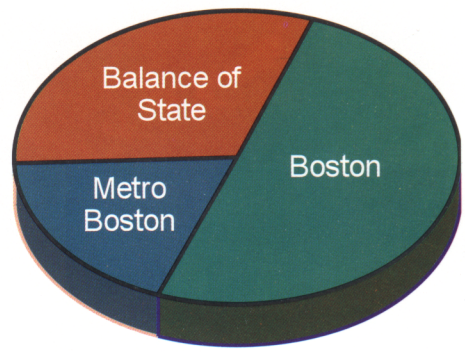
State Street Bank	$5,680,000
Bank of Boston	$5,680,000
Shawmut Bank	$4,260,000
Fleet Bank	$2,840,000
Boston Safe Deposit	$2,000,000
BayBank	$1,420,000
PNC Bank, New England	$1,420,000
Freddie Mac	$5,680,000
Fannie Mae	$2,840,000
Total Invested (as of 9/30/95)	$31,820,000

With a pipeline of more than $50,000,000 in potential investments, MHIC will continue to market the 1995 Fund to new investors throughout the remainder of the year.

Because MHIC is the equity source of choice among developers, MHIC has established selection criteria to prioritize among potential investments. The criteria reflect MHIC's underlying mission and include consideration of: whether the project is located in a targeted investment area; community impact and involvement; strength of the development team; minority participation on the development team; housing affordability; population served; cost-effective use of the tax credit; minority or non-profit developer; and whether the investment will add balance and diversity to the MHEF portfolio.

Massachusetts's largest banks and the large national housing investors, the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac), have consistently demonstrated their support for the mission of MHIC: to maximize equity investment in properties that provide the greatest amount of affordability, serve impacted neighborhoods and special needs populations, and to create partnerships with for-profit and non-profit developers that advance the same mission.

In the coming year, MHIC will concentrate on broadening its base of investors to include the state's smaller banks and the non-banking corporate world. As current corporate investors already know, investing in MHIC's equity funds is not only important for the resulting benefits to communities, it is good business as well. MHIC can point to a growing portfolio which demonstrates the economic benefits of tax credit investment, and the safety and soundness of making such investments through MHIC's pooled structure.



Geographic distribution of MHIC equity investment, 1994-95

"MHIC's track record demonstrates that investing in affordable housing can be good business. Community bankers, in particular, should take advantage of the skills and resources at MHIC."

Richard Driscoll
President
Massachusetts Bankers Association

Projects

Since MHIC was founded in 1990, a total of $180 million has been committed under the Loan and Equity Programs to 66 projects. These figures represent the creation of 2,689 units of affordable housing for residents throughout Massachusetts.

Stafford Heights Cooperative (above and opposite), Boston

Of the projects MHIC has financed to date, 43 have been completed and are occupied; seven are under construction; and 15 projects are currently scheduled for closing. Through MHIC, 24 projects have received funding from both the loan and equity programs, 24 projects have received construction financing only, and 18 projects have received equity funding only.

MHIC's Loan and Investment Committees evaluate proposals using continually updated guidelines and policies to carefully underwrite project financing. MHIC makes every effort to ensure all projects will successfully serve the housing needs of the Commonwealth's residents and provide a good return to investors.

Over the last year, MHIC financed and approved the following projects for investment:

Admiral's Hill Assisted Living: New construction of a 69-unit assisted living facility for the elderly in Chelsea. The sponsor is the Chelsea Jewish Nursing Home Foundation, Inc. Total loan amount: $2,858,030. Equity investment: $3,681,425. Scheduled to close October 1995.

Arch Project, Boston

Arch Project: Rehabilitation of 75 rental units in five buildings in Roxbury. Sixty-two units received project-based Section 8 subsidies, and house the homeless. Twenty-four of the units service individuals with AIDS. The project sponsor is Simsbury Associates. Total loan amount: $1,930,000. Completed and occupied.

Bancroft Apartments: Moderate rehabilitation of 45 existing low-income units in five buildings in the Egleston Square section of Roxbury. The sponsor is the Urban Edge Development Corporation. Total loan

amount: $1,390,679. Equity investment: $1,979,322. Closed and in construction.

Cambridge Community Properties (under construction)

Bow Street Apartments: Acquisition and rehabilitation of 18 units in a historic property in Somerville. The sponsor is the Somerville Community Corporation. Total construction loan amount: $1,355,769. Equity investment: $1,411,644. Scheduled to close December 1995.

Building 104: Rehabilitation of Charlestown Navy Yard building into 46 units of affordable elderly housing, developed by the Bricklayers Union. Total equity investment: $5,330,000. Completed and occupied.

Burbank Street Apartments: 35-unit rehabilitation project in Boston's Fenway neighborhood, sponsored by the Fenway Community Development Corporation. Equity investment of $2,237,403 and $2,146,201 in construction financing. Closed and in construction.

Cambridge Community Properties: Rehabilitation of 59 units of rental housing, sponsored by Homeowner's Rehab, Inc. in Cambridge. Equity financing of $1,914,976 and construction financing of $3,150,000. Closed and in construction.

Fairfield Properties, Boston

Cherry Hill: New construction of 32 duplex, triplex and single family homeownership units located in North Amherst. Sixteen units are for low income buyers and six for moderate income buyers. The developer is the Cherry Hill Development Corporation. Loan amount: $2,801,405. Completed and occupied.

Commerce Apartments: Rehabilitation of 60 units in seven buildings in the Grove Hall section of Roxbury. The project sponsor is Thomas Welch and Associates. Total loan commitment: $3,690,000. Scheduled to close December 1995.

Danube Associates: Rehabilitation of 65 units in four buildings located in Jamaica Plain, Roxbury and Dorchester. The project sponsor is Edwin Abrams of the Abrams Management Corporation. Total loan commitment: $2,350,000. Scheduled to close October 1995.

Fairfield Properties: Rehabilitation of five 6-unit buildings in Mattapan, Dorchester and Roxbury. The project sponsor is Frederick Fairfield, Jr. Total equity investment: $1,470,771. Completed and occupied.

Florida Street, Boston (under construction)

Florida Street: Rehabilitation and reconfiguration of four row-house buildings in Dorchester to be sold to at least two moderate income first-time homebuyers. The project sponsor is Michael Stella. Loan amount: $290,000. Closed and in construction.

Gardner, Crawford, Thane: The rehabilitation of three buildings totaling 64 units of mixed income housing. The developers are Lorenzo Pitts and John Loscocco. Equity financing of $1,167,000 and

construction financing of $850,000 have been approved. Closing is projected for November 1995.

Grinnell Congregate: Rehabilitation of historic property in New Bedford into 17 units of congregate elderly housing, developed by WHALE and Inter-Faith Church Council, both local non-profits. Total equity investment: $920,000. Completed and occupied.

Kenwyn Apartments, Springfield (under construction)

Huntington House: Acquisition and rehabilitation of the Huntington Avenue YMCA in Boston. The project will consist of 88 units of which 66 units will be SRO units and 22 will be "Families in Transition" units. The project is sponsored by the Greater Boston YMCA. Total loan commitment: $2,719,000. Equity amount: $ 4,961,256. Scheduled to close November 1995.

I&R Group Homes II: Rehabilitation of a twelve-unit SRO project on three sites in Danvers, Peabody, and Georgetown, being developed by Michael Interbartolo, Jr. and Joseph Ricupero. The units will be leased to the Department of Mental Retardation. Loan amount: $610,000. Completed and occupied.

I&R Group Homes III: An SRO project consisting of the rehabilitation of eight units located in West Peabody and North Andover. The project sponsors are Michael Interbartolo, Jr. and Joseph Ricupero. Loan amount: $410,500. Closed and in construction.

Kendall SRO, Chicopee

Infill Phase 2: Acquisition and construction completion of three abandoned, unfinished "shell" buildings to provide 13 units of low and very low-income housing. The project is sponsored by Nuestra Comunidad Development Corporation. Loan amount: $775,000. Equity investment: $1,154,816. Scheduled to close November 1995.

JT Housing: Rehabilitation of four 3-family homes in the Dorchester area of Boston. All 12 units were sold to low-income first-time homebuyers. The project was sponsored by JT Housing Advocates. Construction loan amount: $405,000. Completed and occupied.

Kendall SRO: Rehabilitation of former Kendall Hotel in Chicopee into 44-unit affordable SRO, developed by Hampden Hampshire Housing Partnership (HHHP), formerly Housing Allowance Project, Inc. Equity investment: $781,500. Completed and occupied.

Kenwyn Apartments: 27-unit historic rehabilitation project in Springfield, sponsored by Hampden Hampshire Housing Partnership (HHHP). Equity financing of $1,062,259 and $940,000 in construction financing. Closed and in construction.

Lawrence YMCA SRO

Lawrence YMCA: Rehabilitation of 74 existing SRO units in the Lawrence YMCA, sponsored by the Merrimack Valley YMCA. The project provides housing for low-income homeless men with rental

assistance provided by project-based Section 8 subsidies and support services from numerous local service providers. Equity investment: $1,438,909. Loan amount: $1,660,000. Completed and occupied.

Memorial Parish House: A 23-unit project located in Springfield. The project sponsor is Springfield Housing Associates, a subsidiary of the Springfield Housing Authority. Equity investment: $1,756,903. Scheduled to close December 1995.

Merriam Village II: New construction of a 30-unit rental development in Weston, phase two of a 62-unit development for low and moderate income elderly residents. The developer is Weston Community Housing, Inc., a local non-profit organization. Loan amount: $2,691,204. Completed and occupied.

New Port Antonio Apartments: Consists of the rehabilitation of 227 units on nine scattered sites in Roxbury, sponsored by Long Bay Management Company. Total loan commitment: $4,200,982. Equity amount: $6,471,715. Scheduled to close in December 1995.

Nueva Vida Apartments: Substantial rehabilitation of three vacant buildings in South Holyoke into 24 units of family housing. The project's sponsor is Nueva Esperanza, Inc. Equity investment: $1,398,288. Loan amount: $900,000. Closed and in construction.

South Canal Apartments, Holyoke (under construction)

Oak Terrace: New construction of 88-unit mixed-income rental housing in the Chinatown section of Boston. The developer is the Asian Community Development Corporation. Total loan amount: $8,000,000; MHIC purchased a 37% participation from the Massachusetts Housing Finance Agency. Equity investment: $6,400,000. Completed and occupied.

Sargent-Prince SRO: Acquisition and restoration of a vacant, historic property in Dudley Square in Roxbury, sponsored by Nuestra Comunidad Development Corporation. This project will provide 29 SRO units and commercial space. Total loan commitment: $1,033,783. Equity investment: $1,582,026. Scheduled to close in November 1995.

South Canal Apartments: Acquisition and renovation of an existing 127-unit family development in South Holyoke. Co-sponsors of the project are Nueva Esperanza, Inc. (NEI) and Hampden Hampshire Housing Partnership (HHHP). Equity investment: $3,196,659. Loan amount: $1,215,000. Closed and in construction.

Stafford Heights: Construction of 17 buildings containing 42 units of affordable cooperative housing, and one building serving as a community center in Roxbury. Sponsor is Nuestra Comunidad Development Corporation. Equity Investment: $4,506,189. Loan amount: $3,100,000. Completed and occupied.

Symphony Apartments: Substantial renovation of four buildings which are currently vacant and in seriously deteriorated condition in Springfield. Ed Brice and Richard Anderson are the developers. Total loan commitment: $1,067,834. Equity investment: $1,929,203. Closed in escrow and in construction.

Symphony Apartments, Springfield (under construction)

T&A Realty Trust: Six-family building to be rehabilitated and rented to tenants holding Section 8 certificates in Lynn. Thomas Bubier and Andrew Perkins are the developers. Total loan commitment: $150,000. Scheduled to close November 1995.

Tapley School: Adaptive reuse and rehabilitation of a 19th century historic school building in Springfield into 30 units of affordable rental housing. The developer is Geoffrey Sager. Loan amount: $1,557,850. Equity investment: $3,003,700. Completed and occupied.

Taylor Market/National Street: Acquisition and rehabilitation of 10 residential units and three commercial units in two buildings in South Boston. South Boston Community Housing, Inc. is the project sponsor. Total loan commitment: $375,000. Scheduled to close January 1996.

Union Rand SRO: The refinancing and rehabilitation of two historic brick buildings in North Adams. This project will provide 41 SRO units for rental to low-income individuals. The sponsors are Charles and Dorothy Ransford. Total loan commitment: $400,000. Scheduled to close November 1995.

Union Rand SRO, North Adams (expecting to close in November 1995)

Winter Gardens: New construction of 24 single-family homes on nine acres of land in Weston, to be structured as a condominium development. The sponsors are Sotir Papalilo and Mark O'Hagan. Total loan commitment: $2,186,667. Scheduled to close October 1995.

The table on the following page summarizes all of the project loans and investments approved through MHIC's financing programs. (NOTE: All financing amounts are in $1,000's).

Project	*Units*	*Loan*	*Equity*	*Status*
41 Berkeley Street, Lawrence	38	$287		Completed, Occupied
123 Crawford Street SRO, Boston	17	$441		Completed, Occupied
1734 Washington St., Boston	31		$1,098	Completed, Occupied
326 Shawmut Ave. SRO, Boston	11	$302		Completed, Occupied
604 Massachusetts Avenue, Boston	5	$380		Completed, Occupied
800 Main Street, Worcester	5	$175		Completed, Occupied
Admiral's Hill Assisted Living, Chelsea	69	$2,858	$3,681	Approved, Not Yet Closed
Alexander Magnolia Coop, Boston	38	$1,000	$4,517	Completed, Occupied
Arch Project, Roxbury	75	$1,930		Completed, Occupied
Bancroft Apartments, Jamaica Plain	45	$1,391	$1,979	Closed, In Construction
Beaver Apts., Worcester	26		$675	Completed, Occupied
Bow Street Apartments, Somerville	18	$1,356	$1,422	Approved, Not Yet Closed
Brooks School, Boston	56		$2,730	Completed, Occupied
Building 104, Boston	46		$5,330	Completed, Occupied
Burbank Street Apartments, Boston	31	$2,146	$2,237	Closed, In Construction
Cambridge Community Properties	48	$3,150	$1,915	Closed, In Construction
Cherry Hill, Amherst	32	$2,801		Completed, Occupied
Commerce Apartments, Roxbury	60	$3,690		Approved, Not Yet Closed
Cortes Street, Boston	48		$1,300	Completed, Occupied
Daly House SRO, Roxbury	19	$450		Completed, Occupied
Danube Associates, JP, Roxbury,	65	$2,350		Approved, Not Yet Closed
Depot Crossing, Wareham	32		$903	Completed, Occupied
Dorchester Bay Homes, Boston	12	$730		Completed, Occupied
Fairfield Properties, Boston	30		$1,471	Completed, Occupied
Father. Walter Martin Homes, Boston	34	$1,600	$4,133	Completed, Occupied
Florida Street, Dorchester	7	$290		Closed, In Construction
Gardner, Crawford, Thane, Roxbury	64	$850	$1,168	Approved, Not Yet Closed
Grinnell Mansion, New Bedford	17		$920	Completed, Occupied
Huntington House, Boston	88	$2,719	$4,961	Approved, Not Yet Closed
Hyde Square Co-op, Boston	41	$1,200	$3,430	Completed, Occupied
I&R Group Homes II, Peabody et al	12	$610		Completed, Occupied
I&R Group Homes III, N. Andover	8	$411		Completed, Occupied
Infill 2, Boston	13	$775	$1,155	Approved, Not Yet Closed
Jacob's Place, Dorchester	30	$952		Completed, Occupied
JT Housing, Dorchester	12	$405		Completed, Occupied
The Kendall SRO, Chicopee	44		$781	Completed, Occupied
Kenwyn Apartments, Springfield	27	$940	$1,062	Closed, In Construction
Langham Court, Boston	84		$4,275	Completed, Occupied
Lawrence YMCA SRO, Lawrence	74	$1,660	$1,439	Completed, Occupied
Lopes Buildable Lots, Boston	4	$298		Completed, Occupied
Lucerne Gardens, Boston	45		$3,490	Completed, Occupied
Memorial Parish House, Springfield	23		$1,805	Approved, Not Yet Closed
Merriam Village II, Weston	32	$2,691		Completed, Occupied
New Port Antonio Apts., Roxbury	227	$4,201	$6,472	Approved, Not Yet Closed
North Hill Homes, Westborough	23	$1,700		Completed, Occupied
Nueva Vida Apartments, Holyoke	24	$ 900	$1,398	Closed, In Construction
Oak Terrace, Boston	88	$2,984	$6,400	Completed, Occupied
Parkview SRO, Boston	63	$1,195	$1,451	Completed, Occupied
Parmelee Court, Boston	74		$2,800	Completed, Occupied
Pomeroy Lane, Amherst	25		$1,436	Completed, Occupied
Prang Estates, Roxbury	33	$1,199	$2,365	Completed, Occupied
Ridgewood Village, Chicopee	50	$1,177		Completed, Occupied
Roxbury Corners, Boston	54		$3,575	Completed, Occupied
Sargent Prince, Roxbury	29	$1,034	$1,582	Approved, Not Yet Closed
South Canal Apartments, Holyoke	127	$1,215	$3,197	Closed, In Construction
South City, Holyoke	66		$3,125	Completed, Occupied
Stafford Heights, Roxbury	42	$3,100	$4,506	Completed, Occupied
Stony Brook Gardens, Boston	50	$1,900	$4,942	Completed, Occupied
Symphony Apartments, Springfield	24	$1,068	$1,929	Closed in Escrow
T&A Realty Trust, Lynn	6	$150		Approved, Not Yet Closed
Tapley School, Springfield	30	$1,558	$3,003	Completed, Occupied
Taylor Mkt./National St., S. Boston	10	$375		Approved, Not Yet Closed
Union Rand SRO, N. Adams	41	$400		Approved, Not Yet Closed
VBC, Boston	30		$3,360	Completed, Occupied
Waterford Place, Boston	40		$2,000	Completed, Occupied
Winter Gardens, Weston	24	$2,187		Approved, Not Yet Closed
Total Closed and Approved	2,689	$67,180	$112,386	

The eighteen member banks and participating corporations, along with other investors, have collectively committed $190 million to finance affordable housing developments. (Note: This amount includes about $10 million in bridge loan interest and other investment expenses; the net investment in projects is $179,566,000.) The current status of these commitments is outlined in the following table.

Banks and Investors	*Loan Program*		*Equity Program*		*Overall Total*	
	Capitalized	*Approved/ Closed*	*Committed*	*Approved/ Closed*	*Total Commitment*	*Approved/ Closed*
Shawmut Bank	10,000	12,821	18,853	16,466	28,953	29,286
State Street Bank	4,600	5,898	21,431	19,083	26,031	24,981
Bank of Boston	15,000	19,231	10,712	9,038	25,712	28,269
Fleet Bank	10,500	13,462	14,997	13,324	25,497	26,786
Boston Safe Deposit	0	0	19,864	19,049	19,864	19,049
BayBank	6,000	7,692	13,577	11,426	19,577	19,116
Freddie Mac	0	0	10,680	9,006	10,680	9,006
Fannie Mae	0	0	7,841	6,995	7,841	6,995
PNC Bank, New England	1,500	1,923	2,139	1,734	3,639	3,657
USTrust	1,000	1,282	1,438	1,402	2,438	2,685
Citizens Bank	500	641	1,699	1,663	2,199	2,304
Wainwright Bank	1,000	1,282	0	0	1,000	1,282
FDIC (Workingmen's)	1,000	1,282	0	0	1,000	1,282
Bank of Commerce	250	321	179	179	429	499
Boston Private Bank	300	385	0	0	300	385
Springfield Inst. for Svgs.	250	321	0	0	250	321
Stoneham Savings Bank	250	321	0	0	250	321
Atlantic Bank	250	321	0	0	250	321
Other Banks	0	0	1,098	1,098	1,098	1,098
NYNEX	0	0	3,390	3,390	3,390	3,390
Houghton Mifflin	0	0	3,133	3,133	3,133	3,133
Prudential Insurance	0	0	2,993	2,993	2,993	2,993
Philip Morris	0	0	1,500	1,500	1,500	1,500
Gillette	0	0	910	910	910	910
John Hancock Insurance	0	0	800	800	800	800
Total	**52,400**	**67,180**	**137,332**	**123,186**	**189,732**	**190,366**

Note: All figures are in $1,000's.

1995

Finances of the Corporation

The Corporation is designed to be self-supporting, covering its expenses with revenue from its two main programs. The Corporation completed its fifth year of operation with a surplus of income over expenses. It is worth noting that, in each of its five years of operation, MHIC had adequate revenue to fully cover its expenses. The attached consolidated financial statements provide additional detail of the Corporation's finances.

In February 1993, the Corporation secured approval from the Internal Revenue Service (IRS) of its status as a 501(c)(3) charitable non-profit corporation.

Under the Loan Program, MHIC earns an interest rate spread of 1% to 1.5%. To support the finances of the Corporation, participating banks accept a lower return of interest on invested loan balances.

The Corporation has allocated $175,000 for a reserve against potential future loan losses. A Credit Review Committee comprised of members of the Board reviewed the Corporation's portfolio of loans, affirmed the risk rating of each loan, and concluded that there is no need to establish any reserves for specific credits. MHIC has not experienced any loan losses during its five years of operation.

Under the Equity Program, in June 1993, MHIC established a wholly-owned subsidiary, Massachusetts Housing Equity Fund, Inc. (MHEF), which acts as general partner of limited partnerships structured for investment in low-income housing projects in Massachusetts. MHIC has capitalized MHEF in the amount of $939,100. MHIC charges the investment partnerships for underwriting, administrative, asset management, and other services. These fees are collected as necessary to cover MHIC expenses. MHIC charges the low-income housing projects for construction monitoring services. In addition, MHIC receives investor servicing fees that relate to contractual agreements prior to the establishment of MHEF.

Sargent Prince Apartments (above and opposite), Roxbury (expecting to close later in 1995)

ERNST & YOUNG LLP

■ 200 Clarendon Street
Boston
Massachusetts 02116-5072

■ Phone: 617 266 2000
Fax: 617 266 5843

Report of Independent Auditors

Board of Directors
The Massachusetts Housing Investment Corporation

We have audited the accompanying consolidated balance sheets of the Massachusetts Housing Investment Corporation (the Corporation) as of June 30, 1995 and 1994, and the related consolidated statements of revenues and expenditures, and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Massachusetts Housing Investment Corporation at June 30, 1995 and 1994, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Ernst + Young LLP

August 18, 1995

Massachusetts Housing Investment Corporation

Consolidated Balance Sheets

	June 30	
	1995	*1994*
Assets		
Cash	**$ 173,252**	$ 199,874
Loan fund:		
Project loans, net of allowance for loan losses of $175,000 in 1995 and $150,000 in 1994	**4,641,715**	4,030,542
Money market deposits at member banks	**47,583,285**	48,069,458
Total loan fund	**52,225,000**	52,100,000
Notes receivable	**881,837**	1,629,171
Amounts receivable and other assets	**777,379**	198,686
Furniture, equipment and leasehold improvements, net of accumulated depreciation and amortization of $212,695 in 1995 and $129,951 in 1994	**224,237**	184,614
Total Assets	**$54,281,705**	$54,312,345
Liabilities and Net Assets		
Liabilities:		
Notes payable to member banks	**$52,400,000**	$52,250,000
Unearned fees	**1,481,452**	1,696,032
Accrued interest and other liabilities	**305,195**	316,590
Total Liabilities	**54,186,647**	54,262,622
Net Assets	**95,058**	49,723
Total Liabilities And Net Assets	**$54,281,705**	$54,312,345

See accompanying notes to consolidated financial statements.

Massachusetts Housing Investment Corporation

Consolidated Statements of Revenues and Expenditures

	— Year ended June 30 —	
	1995	1994
Revenue		
Interest revenue:		
Interest on bank deposits	**$ 1,188,415**	$ 984,207
Interest on project loans	**562,229**	198,199
Total interest revenue	**1,750,644**	1,182,406
Interest expense on notes payable to member banks	**1,143,426**	612,466
Net interest revenue before provision for loan losses	**607,218**	569,940
Provision for loan losses	**(25,000)**	(25,000)
Net interest revenue after provision for loan losses	**582,218**	544,940
Equity program revenue:		
Fees related to MHEF LP's	**1,397,292**	671,609
Equity program fees	**55,554**	225,393
Total Revenue	**2,035,064**	1,441,942
Expenditures		
Salaries and employee benefits	**1,082,299**	818,730
Professional services	**379,376**	257,130
Occupancy, equipment and furniture	**264,064**	173,105
Other expenses	**263,990**	184,672
Total Expenditures	**1,989,729**	1,433,637
Excess of Revenue over Expenditures	**45,335**	8,305
Net Assets at Beginning of Year	**49,723**	41,418
Net Assets at End of Year	**$95,058**	$49,723

See accompanying notes to consolidated financial statements.

Massachusetts Housing Investment Corporation

Consolidated Statements of Cash Flows

	— Year ended June 30 —	
	1995	1994
Operating Activities		
Excess of revenue over expenditures	**$45,335**	$8,305
Adjustments to reconcile excess of revenue over expenditures to net cash provided (used) by operating activities:		
Provision for loan losses	**25,000**	25,000
Depreciation and amortization expense	**82,744**	41,385
Increase in amounts receivable	**(578,693)**	(137,623)
Decrease in unearned fees	**(214,580)**	(12,768)
Increase (decrease) in accrued interest and other liabilities	**(11,395)**	161,295
Total adjustments	**(696,924)**	77,289
Net cash provided (used) by operating activities	**(651,589)**	85,594
Investing Activities		
Increase in project loans, net	**(636,173)**	(1,007,999)
Decrease in money market deposits at member banks	**486,173**	1,007,999
Payments received on notes receivable	**747,334**	79,629
Purchases of furniture, equipment and leasehold improvements	**(122,367)**	(166,347)
Net cash (provided) used by investing activities	**474,967**	(86,718)
Financing Activities		
Proceeds from note payable to member bank	**150,000**	0
Net cash provided by financing activities	**150,000**	0
Net decrease in cash	**(26,622)**	(1,124)
Cash at beginning of year	**199,874**	200,998
Cash at end of year	**$ 173,252**	$ 199,874
Supplemental Disclosures of Cash Flow Information:		
Non-cash investing activity:		
Unearned fee recorded in exchange for notes receivable	**$ 0**	$ 1,708,800
Cash paid during the year for interest on notes payable to member banks	**$ 1,099,863**	$ 616,173

See accompanying notes to consolidated financial statements.

Massachusetts Housing Investment Corporation
Notes to Consolidated Financial Statements

1. Background and Accounting Policies:

Purpose: On July 1, 1990, the Massachusetts Housing Investment Corporation (MHIC) was formally established as a Massachusetts-chartered, Chapter 180, not-for-profit corporation. MHIC's mission is to pool the resources of Massachusetts banks and other corporations to improve and expand the financing of affordable housing throughout the state. To date, MHIC has established a loan pool which provides loans for affordable housing on a statewide basis to not-for-profit as well as for-profit developers. In June 1993, MHIC established a wholly-owned subsidiary, Massachusetts Housing Equity Fund, Inc. (MHEF), which is the general partner in several limited partnerships structured for investment in low-income housing projects in Massachusetts. Prior to January 1994, MHIC managed a program that provided assistance to member banks in underwriting low income housing tax credit investments.

Principles of Consolidation: The consolidated financial statements include the accounts of MHIC and its wholly-owned subsidiary, MHEF. All significant inter-company transactions and balances have been eliminated in consolidation.

MHEF: MHIC has capitalized MHEF in the amount of $939,100. MHEF, as general partner of the MHEF 1993-94 Limited Partnership (MHEF 1993-94 LP), has a 1% interest in the fund profits, losses, and distributions. MHEF accounts for its investment in MHEF 1993-94 LP using the equity method of accounting. Under the equity method, the investment is carried at cost and adjusted for MHEF's share of income, losses, additional investments and cash distributions from MHEF 1993-94 LP. At June 30, 1995, MHEF 1993-94 LP has total assets and partnership deficit of approximately $15,350,000 and $691,000 respectively.

As of June 30, 1995, MHEF had initiated but not completed the closing of its second equity fund offering, Massachusetts Housing Equity Fund 1995 Limited Partnership (MHEF 1995 LP). MHEF will be the general partner of MHEF 1995 LP and have a 1% interest in the fund profits, losses, and distributions. MHEF 1995 LP is expected to close in August 1995.

Accrual Basis: The consolidated financial statements of MHIC have been prepared on an accrual basis.

Reclassifications: Certain amounts in the 1994 financial statements have been reclassified to conform to the 1995 presentation.

Project Loans and Allowance for Possible Project Loan Losses: Loans are stated at the amount of unpaid principal, net of unearned discount, deferred loan fees and the allowance for loan losses. Interest on project loans is recognized as income by applying the interest rates to the principal amount outstanding. An allowance for project loan losses is maintained based upon the evaluation of the risks associated with the outstanding loans. Any losses or recoveries subsequently realized are charged or credited to the allowance.

Furniture, Equipment and Leasehold Improvements: Furniture, equipment and leasehold improvements are stated at cost, less accumulated depreciation and amortization. Depreciation is computed by the straight-line method using rates based on estimated useful lives.

Revenue Recognition: MHEF acts as general partner and holds a 1% interest in MHEF 1993-94 LP. MHIC has agreed to provide underwriting, administrative, asset management, and other services to the limited partnership. Asset management and servicing fees are recognized as the services are performed over the life of the limited partnership (estimated to be approximately 15 years). Fees for syndicating and organizing the fund are recognized when syndication of the fund is substantially complete. During 1995 and 1994, MHIC recognized fees of approximately $1,397,000 and $672,000 for services provided and costs incurred in connection with the formation and operations of MHEF 1993-94 and MHEF 1995 LP.

Income Tax Status: MHIC has been granted tax-exempt status as a 501(c)(3) corporation under federal tax law. MHEF is a for-profit corporation and therefore is taxable for federal and state income tax purposes.

Massachusetts Housing Investment Corporation
Notes to Consolidated Financial Statements (continued)

2. Notes Payable to Member Banks: MHIC funds their loan pool through unsecured notes issued to member banks pursuant to a Master Membership Agreement. Under this agreement, all note proceeds not lent are required to be deposited in money market deposit accounts at the respective lending institutions. The notes accrue interest at 1% less than the annual interest rate earned on the interest-bearing accounts. All lent proceeds bear interest at prime rate less 1%. These notes are renewable annually. If they are not renewed, they require no principal amortization for five years and then amortize over a five-year period at an amount equal to the stated amount of the note less the member's pro rata share of unfunded losses. At June 30, 1995, outstanding borrowings under these agreements totaled $52,400,000.

3. Note Receivable from MHEF LP: The notes receivable from MHEF 1993-94 LP represent the present value (using an effective interest rate of approximately 8%) of future cash payments that will be received by MHIC for asset management and other services it will provide over the life of MHEF 1993-94 Limited Partnership, as specified in the partnership agreement. At June 30, 1995 and 1994, unearned equity fees are $1,268,721 and $1,626,709, respectively.

4. Project Loans: MHIC provides loans for the development of affordable housing throughout Massachusetts.

Project loan activity is as follows:	*1995*	*1994*
Beginning balance	$ 4,180,542	$ 3,172,543
Loan disbursements	13,861,223	8,352,914
Loan repayments	(13,225,050)	(7,344,915)
Project loans outstanding	4,816,715	4,180,542
Allowance for loan losses	(175,000)	(150,000)
Project loans, net	**$4,641,715**	**$4,030,542**

Project loans earn a variable rate of interest pursuant to MHIC's established loan policy and are secured by the underlying projects. In certain instances, the primary repayment of these loans will be received from the equity syndication payments provided to the project by the MHEF LP tax credit equity investment program. At June 30, 1995, MHIC had no delinquent or non-performing project loans and there have been no charge-offs recorded to date.

5. Commitments: At June 30, 1995, MHIC had unfunded commitments to originate loans of $17,800,294. These commitments have been established pursuant to MHIC's loan policy.

6. Leases: MHIC leases its facilities and certain furniture and equipment under operating leases which expire over the next forty months and require various minimum rental payments. Future minimum payments, by year and in aggregate, under these noncancelable operating leases consist of the following at June 30, 1995:

1996	$299,517
1997	286,291
1998	59,366
1999	1,350
TOTAL	**$646,524**

MHIC incurred rent expense associated with office space and equipment of approximately $175,200 and $127,700 in 1995 and 1994, respectively.

7. Employee Benefit Plan: As a tax-exempt 501(c)(3) corporation, MHIC established a noncontributory, defined contribution plan under Section 401(a) of the Internal Revenue Code covering all full-time employees. The only source of contributions under the Plan is the annual employer contribution. MHIC contributed and charged to expense approximately $49,000 in 1995 and $39,000 in 1994.

MHIC Staff

Ellen P. Connolly
Finance Officer

Andrea R. Daskalakis
Senior Equity Investment Officer

Lisette R. Dorsey
Executive Assistant

Christoph K. Gabler
Senior Asset Management Officer

Lisa A. Gillis
Loan Administration Specialist

Joseph P. Henefield
Director of Equity Investment

Marianne M. Horan
Manager of Administration

KaiJuana Johnson
Administrative Assistant

Deborah R. Lack
Equity Administration Specialist

Michael A. Martinez
Asset Management Officer

Carolyn Anderson Navarro
Loan Officer

Isabel B. Newman
Senior Lender

Jeanne M. Pinado
Senior Equity Investment Officer

William A. Thompson
Director of Finance and Administration

Raymond H. Weaving
Director of Lending

Tracy E. Welch
Office Services Coordinator

MHIC Board of Directors

Guilliaem Aertsen
Vice-Chairman
Bank of Boston

Paul Calhoun
Boston Safe Deposit & Trust Co.

Daniel Cruz, Jr.
Minority Developers Association

B. John Dill
Springfield Institution for Savings

Joan L. Gulley
PNC Bank, New England

David A. Spina
Chairman
State Street Bank and Trust

Ronald A. Homer
Boston Bank of Commerce

Susan Winston Leff
Shawmut Bank

Walter E. Mercer
Fleet Bank of Massachusetts

Thomas J. O'Malley
City of Boston

Steven D. Pierce
Massachusetts Housing Finance Agency

Peter B. Sargent
BayBank

Evelyn Friedman Vargas
Nuestra Comunidad

Kenneth D. Wade
Neighborhood Reinvestment Corporation

Over the past year, Marvin Siflinger, Royal Dunham, and Charles Grigsby resigned from the MHIC Board.

Massachusetts Housing Investment Corporation

70 Federal Street

Boston, Massachusetts 02110

Telephone: 617-338-6886 Fax: 617-338-8916 E-mail: Info@mhic.com