

Massachusetts
Housing
Investment
Corporation

1991 Annual Report

Member Banks

First National Bank of Boston

Shawmut Bank

State Street Bank and Trust

Boston Safe Deposit and Trust

BayBanks

The Massachusetts Company

Wainwright Bank & Trust

Workingmen's Cooperative Bank

Boston Bank of Commerce

Newworld Bank

Sterling Bank

Springfield Institution for Savings

Atlantic Bank & Trust

Stoneham Savings Bank

Boston Private Bank & Trust

Letter from the Chairman

October 1991

During our first year of operation, MHIC made good progress toward fulfilling our mission of improving and expanding the financing of affordable housing in Massachusetts. We assembled a professional staff and are fully operational. Under the capable leadership of Joe Flatley, we moved forward with our five-year program to provide \$100 million in loans for affordable housing and \$100 million in tax credit equity investments. MHIC's progress is due in large measure to the active participation of numerous bankers and community participants on our Board and Loan and Equity Committees.

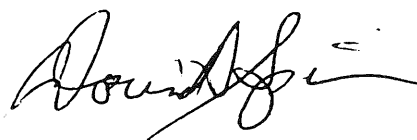
Massachusetts banks placed over \$35 million with us for the loan program, and committed over \$40 million for the equity program. We have approved 21 projects, representing \$12 million in loans and \$29 million in equity investments. Twelve loan projects have been approved, projects representing \$5 million are under active review, and another \$20 million of loans are in the pipeline for consideration. Seven equity projects have closed, three are committed, ten are under active review, and thirteen are in the pipeline. Later in this *Annual Report* you will read about some of these projects. The descriptions should give you an idea of the kinds of projects we are supporting and the variety of community needs that are being met.

At the same time, we have felt some of the same frustration that members of the community and project sponsors have experienced over the last year. Economic conditions in Massachusetts have put limitations on the public resources available for affordable housing, and we have worked hard to try to ensure the continuing availability of those resources.

The system for financing affordable housing projects continues to be fragmented. The many separate sources of funds make the financing process confusing and time-consuming. We are working to combine our resources with other funding sources to simplify the system and make it more efficient. We're also looking at ways to streamline the process to reduce the time it takes to get projects funded.

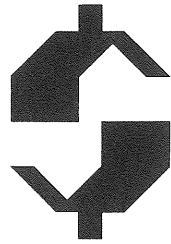
As we go forward, one of our main goals is to expand the number of banks participating in MHIC programs. In addition, we will continue to try to streamline the process for securing funding and seek ways to improve project sponsor's access to permanent financing. We look forward to the challenges ahead as we work together to meet the community's needs for affordable housing.

Sincerely,

A handwritten signature in black ink, appearing to read "David Spina". The signature is fluid and cursive, with a long horizontal stroke at the end.

DAVID A. SPINA

Chairman



Massachusetts
**Housing
Investment
Corporation**

1991 Annual Report

Communities throughout Massachusetts face an ongoing challenge in meeting the need for affordable housing. While housing prices and rents have declined somewhat over the last few years, the Massachusetts housing market remains one of the most expensive in the country.

At the same time, many communities are working to stem problems of disinvestment to ensure strong, healthy neighborhoods.

Banks and the banking industry are working with community leaders to address these needs. Banks are working to fulfill their responsibilities under the Community Reinvestment Act (CRA), in response to identified credit needs in their communities.

Banks in Massachusetts have identified a number of ways to respond to the need for affordable housing. Some banks have developed special lending products for first-time home buyers. Some banks have formed local bank consortiums to address their communities' affordable housing needs.

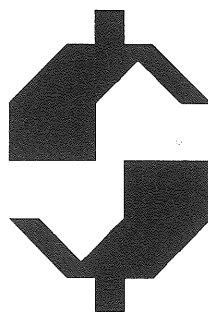
One important vehicle for meeting these needs is the Massachusetts Housing Investment Corporation. The Corporation was formed through the work of the Massachusetts Bankers Association.

Through the Massachusetts Housing Investment Corporation, efforts to finance affordable housing are enhanced in a number of ways:

MHIC provides a ready
vehicle to respond to
needs in the
communities various
banks serve.

Banks and the banking industry are working with community leaders to address these housing needs.

- ❑ MHIC provides a ready vehicle to respond to needs in the communities various banks serve.
- ❑ By pooling resources, the risk to any one bank on any one project is minimized, thereby facilitating bank participation.
- ❑ As a specialized lender, MHIC is able to respond to the specific challenges sponsors of affordable housing confront.
- ❑ Targeted resources are more effective in making sound loans to create or preserve affordable housing.
- ❑ MHIC has established working relationships with the various agencies involved in the financing of affordable housing.
- ❑ The Corporation has established a disciplined, predictable approach to affordable housing lending.
- ❑ Through a more structured, standardized approach, equity investments can more effectively support affordable housing efforts.



Organization

The need for improvement and expansion of bank financing for affordable housing was one of many needs discussed by community groups in the summer and fall of 1989. In January 1990, the Massachusetts Bankers Association and community participants reported agreement on a five-year community investment program. Among the initiatives included in that five-year program were the creation of a \$100 million loan fund for affordable housing and a \$100 million program for tax credit equity investing. These programs were to be managed by a Corporation specifically created for that purpose. The new Corporation would become a specialized lender for affordable housing. By pooling resources, risks to any one bank would be minimized.

The Massachusetts Housing Investment Corporation (MHIC) was formally established on July 1, 1990 as a Massachusetts chartered, Chapter 180, not-for-profit corporation. The Corporation has filed with the IRS for status as a 501(c)(3) corporation under federal tax law.

The mission of the Corporation is to pool the resources of Massachusetts banks to improve and expand the financing of affordable housing throughout the State.

The Corporation has a Board of Directors of 15 people, with 10 coming from banks and 5 from the community. The Board has appointed a Loan Committee which meets twice monthly to review and recommend loans to the Board. In addition, the Board has appointed an Equity Committee which reviews all projects seeking tax credit equity investments from participating banks.

The Corporation is supported through participation by member banks.

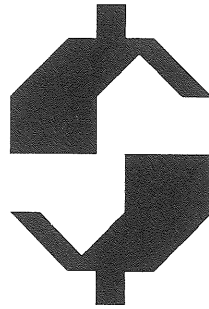
The mission is to pool the resources of Massachusetts banks to improve and expand the financing of affordable housing.

The Corporation is supported through participation by member banks, and is able to fully cover its overhead costs from program revenue. Moreover, the Corporation is building reserves over time to cover potential loan losses.

The Corporation has a full-time staff of 5 people. Joseph Flatley serves as the President of the Corporation. The staff moved into its permanent offices at 100 Franklin Street in Boston in December 1990.

At the end of its first year of operation, MHIC was able to fully cover its start-up costs and to repay its initial operating loan.

With these organizational accomplishments now in place, the Corporation's programs are fully operational.



Loan Pool

The loan pool provides construction loans for affordable housing on a statewide basis to non-profit as well as for-profit developers. Participating banks fund the pool and share the risks and rewards in proportion to their financial participation. Credit approval is centralized in a Loan Committee, composed of individuals designated by the member banks.

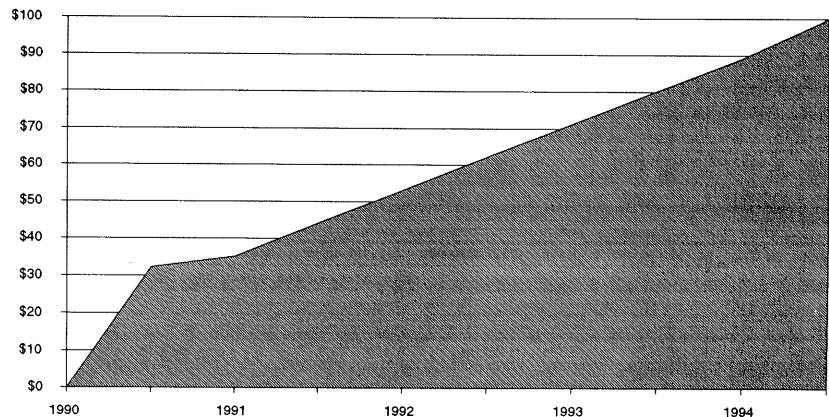
The loans support affordable housing needs through construction lending to create or preserve housing developments. Loans are typically under \$5 million. MHIC does not replace financing available from banks; rather, MHIC is able to supplement what financing is already available by focusing the real estate lending skills of the banks and by diversifying loan risks in a pool.

To date, 12 projects
have received loan
commitments totalling
over \$12 million.

☐ In its first year, MHIC has raised from participating banks over 35% of the five-year \$100 million target:

✓ Bank of Boston:	\$15,000,000
✓ Shawmut Bank:	\$10,000,000
✓ State Street Bank:	\$4,600,000
✓ The Massachusetts Company:	\$1,500,000
✓ Wainwright Bank & Trust:	\$1,000,000
✓ Workingmen's Coop Bank:	\$1,000,000
✓ Newworld Bank:	\$500,000
✓ Sterling Bank:	\$500,000
✓ Springfield Institution for Savings:	\$250,000
✓ Atlantic Bank & Trust:	\$250,000
✓ Bank of Commerce:	\$250,000
✓ Stoneham Savings Bank:	\$250,000
✓ Boston Private Bank:	<u>\$150,000</u>
<i>Total</i>	<i>\$35,250,000</i>

Bank Participation (\$ Millions)



In its first year, MHIC has raised from participating banks over 35% of the five-year \$100 million target.

- ❑ The Corporation has formulated a *Loan Policy* and *Credit Guidelines* to govern all lending decisions. MHIC's loan servicing system is being managed by the Bank of Boston.
- ❑ To date, 12 projects have received loan commitments totalling over \$12 million, representing 355 units of affordable housing. 3 project loans have closed. Projects receiving loan commitments to date have included both homeownership and rental projects from throughout the State:
 - ✓ *Ridgewood Village* is a 50-unit homeownership project on a site which was formerly part of Westover Air Force base in Chicopee. The project sponsors approached MHIC seeking a 50% commitment in order to secure the remaining 50% from Chicopee Savings Bank. All of the units are affordably priced between \$65,000 and \$80,000. This project represents the second phase of a 200 unit housing development. The loan amount is \$2,355,000. The loan closed in June 1991 and the project will be completed in the Summer of 1992.
 - ✓ *604 Massachusetts Avenue* involves a 5-unit brick building to be renovated into five condominium units. Three of the units will be affordable, with prices from \$84,000 to \$93,000. The loan amount is \$380,000. The project began construction in September 1991.
 - ✓ *Dorchester Bay Buildable Lots* is a 12-unit homeownership project on six vacant lots in the City of Boston, being developed by the Dorchester Bay Economic Development Corporation. The units will be built as duplexes, with each home affordably priced at approximately \$75,000. The loan amount is \$730,000. Construction on the project will get underway during October 1991.

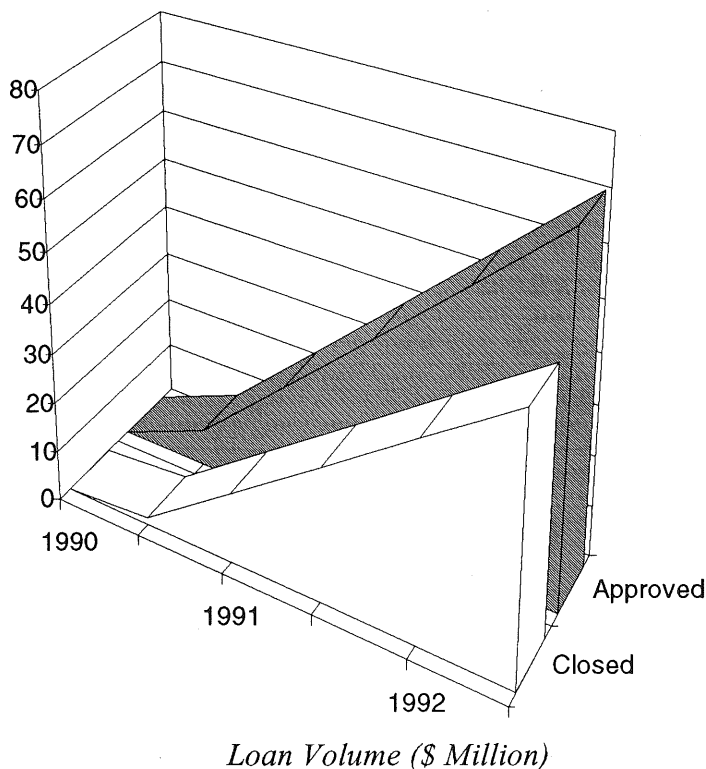
- ✓ *Stony Brook Gardens* is a 50-unit cooperative project being developed in the Jamaica Plain neighborhood of Boston by Urban Edge Housing Corporation in conjunction with the Metropolitan Boston Housing Partnership. The housing will be made available to low and moderate income families, with ultimate ownership through a limited equity cooperative. The loan amount is \$1,900,000. The sponsor expects to begin construction in November 1991.
- ✓ *Jacob's Place* is a 30-unit affordable homeownership project near the Codman Square section of Boston. Boston Neighborhood Housing Services is developing these three-bedroom homes in fifteen duplex structures, to be built in three phases, with units selling for \$75,000 to \$88,900. MHIC will be a 50% participant with Boston Five Cents Savings Bank. The total loan amount is \$1,904,000. The sponsor plans to begin construction in November 1991.
- ✓ *Rollstone Ledge Cooperative* is a 24-unit limited equity cooperative to be constructed in Fitchburg. The project sponsor, the Community Development Corporation of Fitchburg, will make the units affordable to low and moderate income families. The loan amount is \$650,000, with MHIC a 69% participant with the Fitchburg Savings Bank. The project will begin construction in November 1991.
- ✓ *Parkview SRO* involves the rehabilitation of a 63-unit single-room-occupancy (SRO) building in the Fenway neighborhood of Boston. Caritas Communities, the developer, will rent 55 of the units at below-market rents affordable to individuals with incomes below 60% of the area median. The loan amount is \$1,195,000. The sponsor hopes to begin construction during the fall of 1991.
- ✓ *Humboldt Avenue Apartments* involves the rehabilitation of a 20-unit rental property in the Roxbury neighborhood of Boston. All of the units will be affordable to low and moderate income families. The loan amount is \$350,000. The developer plans to begin construction during November 1991.
- ✓ *Prang Estates* is a 33-unit low income rental housing complex in Roxbury. The loan amount is \$1,500,000. The developer expects to begin construction in the first quarter of 1992.
- ✓ The *Haley House SRO* project involves the rehabilitation of two lodging houses in the South End and Roxbury neighborhoods of Boston. The project will include 24

Credit approval is
centralized in a Loan
Committee.

MHIC intends to maintain consistently high standards of credit quality.

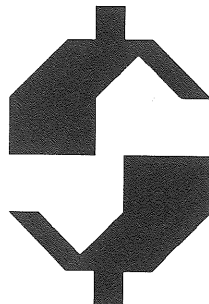
units, all of which will be available to low-income individuals, financed through a \$488,000 construction loan from MHIC. The loan is expected to close during the fourth quarter of 1991.

- ✓ *Daly House* is an SRO being developed by Nuestra Comunidad in Boston. It involves the rehabilitation of an existing day care center into 19 SRO units, some of which will be set aside for clients of the Department of Mental Health, and some for individuals with AIDS. The loan is expected to close during the fourth quarter of 1991.
- Of the twelve projects approved to date, three involve minority for-profit developers and seven involve non-profit community-based organizations.
- The pipeline of proposed loans currently has an additional 14 projects, totalling \$27 million and 760 units of affordable housing.



During the coming year, MHIC plans to achieve the following:

- *Bank Participation:* Increase the level of bank participation by \$18,000,000 over the coming year. (See Chart on page 6.) On that basis, MHIC will achieve its \$100 million goal in four years (by the end of 1994).
- *Loan Quality:* MHIC intends to maintain consistently high standards of credit quality to minimize losses. MHIC plans to maintain loans rated substandard to no more than 3% of the overall portfolio, according to the *Credit Guidelines* adopted by the Corporation.
- *Loan Volume:* MHIC plans to approve 25 projects, totalling \$32,000,000, over the coming year. MHIC plans to close loans on 20 projects, totalling \$25,000,000, over the coming year.



Tax Credit Equity Investing

In the last several years, tax credit equity investments have become an increasingly important source of funds for affordable housing developments. At the same time, these financings are complex and require a high degree of tax, legal and real estate capacity.

MHIC staff analyzes tax credit equity investments, reviews them with the Equity Committee, and recommends them to the banks and other potential investors participating in the MHIC Equity Program. MHIC has developed standard pricing and investment parameters, as well as standard documents to be used in equity investments, to reduce review time and costs, and to maximize the net equity available for project purposes.

Implementation of the Equity Program is well underway:

- ❑ Over 40% of the five-year \$100 million target has been committed by participating banks. These commitments include the following:

✓ State Street Bank	\$10,000,000
✓ Shawmut Bank	\$10,000,000
✓ BayBanks	\$10,000,000
✓ Boston Safe Deposit & Trust	\$10,000,000
✓ Springfield Institution for Savings	<u>\$500,000</u>
<i>Total</i>	<i>\$40,500,000</i>

- ❑ Participating banks are investing over \$18 million in ten projects, leveraging another \$10 million from other investors. Seven of these ten projects have closed. These projects include the following:

- ✓ *Langham Court* is a 55-unit project in the South End of Boston, developed by the Four Corners Development Corporation. The total equity investment was \$4,275,000. The project is now completed and occupied.

Tax credit equity
investments have be-
come an increasingly
important source of
funds.

- ✓ *Veterans Benefit Clearinghouse* is a 30 unit single-room-occupancy (SRO) project in Boston. The total equity investment was \$3,360,000. The project is now completed and occupied.
- ✓ *Brooke School* is a 56-unit rental project developed by Quincy Geneva Housing Development Corporation in Boston. The total equity investment was \$2,730,000. The project is now completed and occupied.
- ✓ *Roxbury Corners* is a 48-unit rental project developed by the United South End Settlement in conjunction with Lower Roxbury Development Corporation. The total equity investment was \$3,575,000. The project is now completed and occupied.
- ✓ *1734 Washington Street* involves the rehabilitation of a building in the South End of Boston into 31 single-room-occupancy units. The project was developed by the Paul Sullivan Trust, an affiliate of the Pine Street Inn. The total equity investment was \$1,097,500. The project is now completed and occupied.
- ✓ *Waterford Place* is a 40-unit rental project in the Chinatown neighborhood of Boston, developed by the Chinese Consolidated Benevolent Association. The total equity investment was \$2,000,000. The project is now completed and occupied.
- ✓ *Parmelee Court* is a 74-unit rental project in Boston. The total equity investment will be \$2,800,000. The project is now completed and occupied.
- ✓ *South City Apartments* is a 66-unit project in Holyoke, being developed by Nueva Esperanza and the Housing Allowance Project, two local non-profits. The total equity investment will be \$3,125,000. The project is scheduled to begin construction during the Fall of 1991.
- ✓ *Stony Brook Gardens* is a 50-unit limited equity cooperative, being developed by Urban Edge Housing Corporation in conjunction with the Metropolitan Boston Housing Partnership. The total equity investment will be \$4,942,000. The project is expected to begin construction in November 1991.

Participating banks
have invested over
\$18 million in ten
projects.

✓ *Cortes Street SRO* involves the rehabilitation of three buildings in the South Bay neighborhood of Boston into 48 single-room-occupancy units. The project is being developed by Boston Aging Concerns/Young and Old United (BAC/YOU), a non-profit organization with substantial experience managing SRO housing. The total equity investment will be \$1,300,000. The project is expected to begin construction in November 1991.

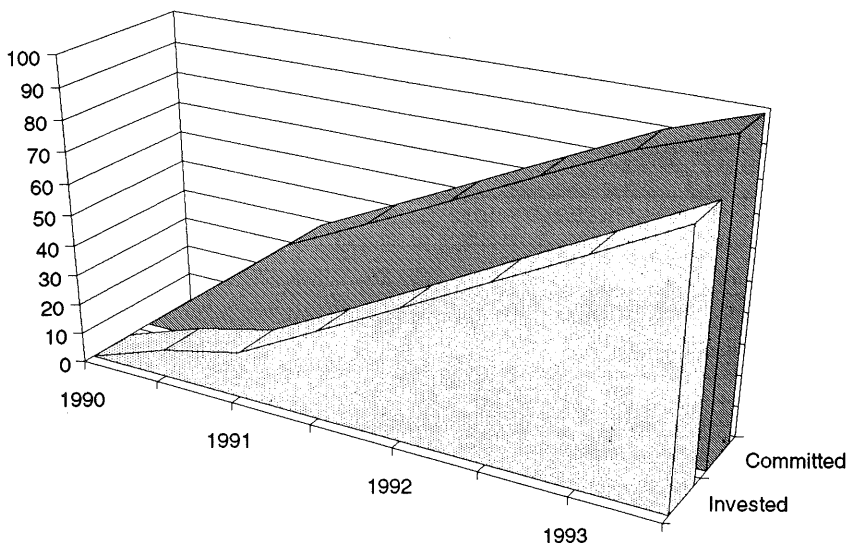
- ❑ The Board recently identified 10 priority projects totalling \$23 million to pursue for possible investment by participating banks over the coming months.
- ❑ The staff and Equity Committee are reviewing a pipeline involving another 22 projects totalling \$60 million in potential equity investments.

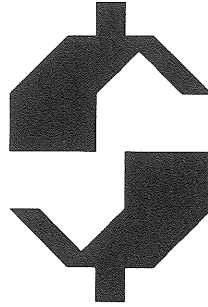
MHIC plans to
increase bank equity
commitments by \$25
million by 1992.

During the coming year, MHIC plans to achieve the following:

- ❑ *Bank Commitments:* MHIC plans to increase the level of bank commitments to MHIC's Equity Program by \$25 million over the coming year.
- ❑ *Equity Investment:* MHIC intends to coordinate the investment of \$28,000,000 in qualifying equity projects over the coming year.

Equity Program Participation





Long-Term Financing

Since the bank loan pool is intended to revolve to provide continuing availability of funds for affordable housing, project sponsors will need to obtain long-term financing for their project to be feasible. For homeownership projects, this has not been particularly difficult, as many lenders currently provide first-time homebuyer mortgages. For rental projects, permanent financing has become more of a challenge.

There are a number of potential sources of permanent financing for rental housing projects. These include:

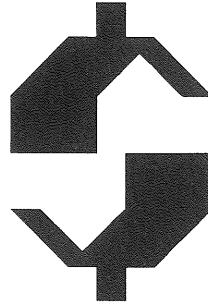
- The Massachusetts Housing Finance Agency (MHFA);
- The Massachusetts Government Land Bank;
- The Massachusetts Housing Partnership Fund;
- Banks participating in the programs of the Federal Home Loan Bank;
- Public and private pension funds;
- Insurance companies through a pool being managed by the Community Development Finance Corporation (CDFC);
- Traditional secondary markets, such as Fannie Mae and Freddie Mac; and
- Various social investors, including the Local Initiatives Managed Assets Corporation (LIMAC), and locally-based targeted economic investment programs.

Several of these are *new* financing options which MHIC is helping to foster. In several cases, MHIC is developing working arrangements with these lenders to be able to coordinate underwriting and project financing.

For rental projects,
putting the pieces
together has become a
real challenge.

The goal is to create
one-stop shopping.

To the extent possible, it is MHIC's intent to package permanent financing with construction loans made from MHIC's loan fund. The goal is to create one-stop shopping for affordable housing financing. MHIC has established a task force to pursue these financing options.



Finances of the Corporation

To support the finances of the Corporation, participating banks accept a lower return of interest on invested loan balances. The initial spread is set at 1%. Accordingly, when a bank loans funds into the loan pool, MHIC invests that money temporarily in the same bank at the governing money market rate (say 6%) and MHIC pays that participating bank 1% less than that rate (in this example, 5%). MHIC retains the 1% spread for expenses and to build reserves. Once funds are loaned out to a project, the participating bank earns prime minus 1% and the project is charged a minimum rate of prime plus 0.5%, earning a 1.5% spread for the Corporation.

In addition, MHIC charges participating banks for analyzing and standardizing tax credit equity investments, based on a percentage of their level of investment, and fees are collected from investment proceeds to cover MHIC expenses.

The Corporation completed its first year of operation with a small surplus of income over expenses. The attached financial statements provide additional detail on the Corporation's finances.

The Corporation
completed its first year
of operation with a
small surplus.


REPORT OF INDEPENDENT AUDITORS

Board of Directors
The Massachusetts Housing Investment Corporation

We have audited the accompanying balance sheet of the Massachusetts Housing Investment Corporation as of June 30, 1991, and the related statements of revenues and expenditures and cash flows for the period from inception (July 1, 1990) through June 30, 1991. 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 audit.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Massachusetts Housing Investment Corporation at June 30, 1991, and the results of its operations and its cash flows for the period from inception (July 1, 1990) through June 30, 1991, in conformity with generally accepted accounting principles.



October 4, 1991

BALANCE SHEET

MASSACHUSETTS HOUSING INVESTMENT CORPORATION

June 30, 1991

ASSETS

Cash	\$ 218,420
Loan fund: money market deposits at member banks	35,000,000
Amounts receivable	100,421
Furniture, equipment and leasehold improvements, net of accumulated depreciation and amortization of \$12,601	<u>73,227</u>
TOTAL ASSETS	<u>\$35,392,068</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Notes payable to member banks	\$35,000,000
Unearned equity program fees	224,292
Accrued interest and other liabilities	<u>153,122</u>
TOTAL LIABILITIES	<u>35,377,414</u>

NET ASSETS 14,654

TOTAL LIABILITIES AND NET ASSETS \$35,392,068

See notes to financial statements.

STATEMENT OF REVENUES AND EXPENDITURES

MASSACHUSETTS HOUSING INVESTMENT CORPORATION

Inception (July 1, 1991) through June 30, 1991

Revenue:

Interest revenue	\$1,007,939
Interest expense on notes payable to member banks	<u>788,597</u>
Net interest revenue	219,342
Equity program fees	<u>101,455</u>
TOTAL REVENUE	<u>320,797</u>

Expenditures:

Salaries and employee benefits	170,318
Professional services	52,640
Other expenses	<u>83,185</u>
TOTAL EXPENDITURES	<u>306,143</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>14,654</u>

NET ASSETS AT END OF YEAR \$ 14,654

See notes to financial statements.

STATEMENT OF CASH FLOWS

MASSACHUSETTS HOUSING INVESTMENT CORPORATION

Year Ended June 30, 1991

OPERATING ACTIVITIES

Excess of revenue over expenditures	\$ 14,654
Adjustments to reconcile excess of revenue over expenditures to net cash provided by (used for) operating activities:	
Depreciation and amortization expense	12,601
Increase in amounts receivable	(100,421)
Increase in accrued interest and other liabilities	153,122
Increase in unearned equity program fees	<u>224,292</u>
Total adjustments	<u>289,594</u>
Cash provided by operating activities	304,248

INVESTING ACTIVITIES

Increase in money market deposits at member banks	(35,000,000)
Purchases of furniture, equipment and leasehold improvements	<u>(85,828)</u>
Cash used for investing activities	(35,085,828)

FINANCING ACTIVITIES

Proceeds from notes payable to member banks	35,000,000
Proceeds from initial borrowing	50,000
Repayment of initial borrowing	<u>(50,000)</u>
Cash provided by financing activities	<u>35,000,000</u>

NET INCREASE IN CASH 218,420

CASH AT END OF YEAR \$ 218,420

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:	
Interest on notes payable to member banks	<u>\$ 651,171</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

MASSACHUSETTS HOUSING INVESTMENT CORPORATION

NOTE A--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 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 and provides assistance to member banks in underwriting low-income housing tax credit equity investments.

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

Unearned Equity Program Fees: MHIC receives fees in advance from members participating in the tax credit equity investment program. These fees are amortized into income on a straight-line basis over a three-year period, the period during which they are anticipated to be earned.

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.

Income Tax Status: As a Massachusetts chartered, Chapter 180, not-for-profit corporation, MHIC has filed a request with the Internal Revenue Service for and expects to receive tax exempt status as a 501(c)(3) corporation under federal tax law. Accordingly, there is no tax provision recorded in the accompanying financial statements.

NOTE B--NOTES PAYABLE TO MEMBER BANKS

MHIC funds their loan pool through unsecured notes received from 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 and 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, 1991, outstanding borrowings under these agreements totaled \$35,000,000.

NOTE C--COMMITMENTS

At June 30, 1991, MHIC had loan commitments of \$1,332,000.

Board of Directors

David A. Spina, *Chairman*

State Street Bank and Trust

Guilliaem Aertsen, *Vice-Chairman*

Bank of Boston

Lisa Chapnick

City of Boston

B. John Dill

Springfield Institution for Savings

Susan Winston Leff

Shawmut Bank

Sylvia Watts McKinney

Minority Developers Association

Carl E. Querino

Workingmen's Cooperative Bank

Marvin Siflinger

Massachusetts Housing Finance Agency

Warren Smith

Boston Bank of Commerce

John E. Taylor

The Somerville Community Corporation

Ken Wade

Neighborhood Reinvestment Corporation

John C. Warren

Sterling Bank

Staff

Joseph L. Flatley, *President*

Joseph P. Henefield, *Director of Equity Investments*

Armond C. McCoy, *Senior Loan Officer*

Carolyn S. Navarro, *Loan Coordinator*

Marianne M. Horan, *Office Manager*

Massachusetts Housing Investment Corporation
100 Franklin Street
Boston, Massachusetts 02110