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U.S. Public Finance Report Card:

State Housing Finance Agencies' Single-Family Programs Strengthen On Federal Support and Higher Equity

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U.S. Public Finance Report Card:

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Housing finance agency (HFA) single-family indentures have enjoyed a calm phase during the past year and a half, mostly due to the' outlook revision on the U.S. to stable from negative on June 10, 2013, but also due to also to increasing equity and stable loan performance. A trend of more conservative bond portfolios also is supporting the overall strength of HFA single-family ratings due to the redemption or refunding of variable-rate debt, the issuance of more fixed-rate debt, and the financing of more loan assets that receive federal support through mortgage insurance or that are packaged in U.S. mortgage-backed securities (MBS).

In the past 21 months, Standard & Poor's has taken 14 positive and no negative rating actions on the 47 single-family dwelling HFA bond programs that we rate. This contrasts with one positive rating action and 16 negative rating actions during the prior 18 months. All but one of the positive rating actions were directly related to the outlook revision on the U.S. sovereign rating. Similarly, 13 of the 16 negative rating actions in the prior 18 months were due to the downgrade of the U.S. sovereign rating on Aug. 5, 2011. The positive rating action included in this report involved the California Housing and Finance Agency's home mortgage revenue bond program, which Standard & Poor's upgraded to A-/Stable from BBB/Stable on Dec. 12, 2013, where it had been since May 13, 2011.

Overview

- The outlook change on the U.S. rating has had the most influence on ratings during the past 21 months.
- HFA single-family bond ratings also reflect strengthening equity and stable, albeit high delinquency, loan performance.
- We expect ratings to continue to be strong (typically 'AA') in 2014.

The prior single-family housing HFA report card covered Sept. 29, 2010 through March 19, 2012. This report card covers March 20, 2012 through Dec. 10, 2013 and includes only the largest and most active HFA indentures that Standard & Poor's Ratings Services rates. Some HFAs have other programs, but we exclude them as the indentures included here provide a representative sample in terms of asset type and debt structure.

The U.S. Sovereign Rating Has The Greatest Effect On HFA Issues

The major influence on HFA single-family ratings during the past 21 plus months was the outlook revision to stable from negative on the U.S.. This resulted in a corresponding outlook change on HFA programs of which the loan collateral consists mainly of MBS with guarantees from the U.S. government. The outlooks on the MBS resolution ratings were changed because the guarantee of payment by Fannie Mae, Ginnie Mae, or Freddie Mac is directly or indirectly backed by the U.S..

The 13 MBS program ratings with outlooks we revised to stable from negative are:

- Arkansas Development Finance Authority, single-family mortgage revenue bonds (1995 single-family indenture);
- District of Columbia Housing Finance Agency, single-family revenue bonds (three programs);
- Florida Housing Finance Corp., homeowner mortgage revenue bonds;
- Hawaii Housing and Development Finance Corp., single-family mortgage purchase bonds;
- Iowa Finance Authority, single-family mortgage bonds;
- Missouri Housing Development Commission, single-family homeownership loan program;
- Nebraska Investment Finance Authority, single-family housing revenue bonds;
- Nevada Housing Division, mortgage purchase bonds (2009 indenture);
- New Mexico Mortgage Finance Authority, single-family mortgage revenue bonds; and
- Texas Department of Housing and Community Affairs, single-family mortgage revenue bonds and residential mortgage revenue bonds.

Whole loan programs usually rely on federal support from mortgage insurance provided through the Federal Housing Administration (FHA), the Veteran's Administration (VA), or the U.S. Department of Agriculture (USDA). Some indentures only contain loans with insurance from these providers while others have a mix of federal and private mortgage insurers. In rare cases, a program will have insurance exclusively from private mortgage insurers. As the U.S. sovereign rating is AA+/Stable/A-1+, Standard & Poor's applies a 15% reduction in claim receipts on federal mortgage insurance for 'AAA' indentures. While this is a significant adjustment, federal insurance is a stronger backstop than is private insurance, which is usually rated too low to receive any credit. The adjustment for federal insurance has not caused a change in any 'AAA' rating. The only whole loan program to have a rating adjustment was California Housing Finance Agency's home mortgage revenue bond indenture, which is now rated A-/Stable. This indenture has built reserves, increased profitability, and reduced exposure to variable-rate debt. The percentage of loans that are at least 60 days delinquent or in foreclosure declined to 8.73% in June 2013, the lowest rate in more than four years, from a high of 13.98% in 2010.

Equity Is Growing

Another key factor determining the rating on a bond program is its equity, represented by the asset-to-liability parity ratio. Of the 43 programs that we summarized in 2010, 31 have greater parity now than they did 21 months ago. Among the largest gainers in parity are the Alaska Housing Finance Corp.'s (AHFC) home mortgage revenue bond program, which has asset-to-liability parity of 133% compared with 114% in 2010, and Nebraska Investment Finance Authority's (NIFA) single-family housing revenue bond indenture, which has asset-to-liability parity of 138% compared with 116% in 2010. In many cases, HFA indentures gain equity when they become inactive, as additional debt does not dilute the proportion of assets as equity. However, in the cases of AHFC and NIFA, the fact that they have active indentures has not stopped them from building equity.

Loan Performance Remains Stable Despite High Delinquency Rates

For the indentures that rely on payment from loans that haven't been turned into securities, loan performance has remained stable. The delinquency rate of the whole loan indentures was 7.06% at the end of the second quarter of 2013, compared with 6.98% in the second quarter of 2012 (see "Housing Finance Agency Loan Delinquencies Remain High But Should Not Affect Ratings," published Nov. 18, 2013 on RatingsDirect).

The delinquency rate of HFA whole loan indentures has remained stable since 2010 after rising from around 3% in 2006. While the delinquency rate remains within a historically high band, loan performance is more than sufficient to support current ratings, and the equity that many programs are building provides reserves in the event that loan performance dramatically deteriorates.

A Stronger Economy Should Bolster HFA Indenture Ratings

Economic indicators suggest that the housing market is strengthening, which should bolster single-family indentures. Standard & Poor's projects that the national unemployment rate will improve, household formation will grow, and housing prices will increase in 2014. The baseline scenario for 2014 shows a national unemployment rate of 6.87%, which is below the current rate of 7.3% and an improvement from 8.08% in 2012. The number of households is expected to reach 123 million in 2014, up from 121 million in 2013 and just less than 120 million in 2012. The median existing home price in 2014 is projected at $201,750 in 2014, compared with $194,950 in 2013 and $175,780 in 2012. New home median prices show a similar trend. Because HFA bond programs emerged from the most recent housing bubble with only two downgrades (not including the changes caused by the downgrade of the U.S. sovereign rating), single-family indentures should continue their very strong performance as indicated by the typical rating of 'AA' or higher.

Housing Finance Agency Single-Family Programs

Housing finance agency	Indenture	Current rating	Comments	Current parity (%)	Primary analyst
Alaska Housing Finance Corp. (AHFC)	Home mortgage revenue bonds	AA+/Stable	These parity bonds are secured by AHFC's GO pledge (AA+/Stable) and first-time homebuyer mortgage loans made by the corporation. The loan portfolio as of June 30, 2013 consisted of 33% FHA-insured loans, 22% VA/USDA-guaranteed loans, 36% uninsured loans with LTV ratios of no more than 80%, and 9% conventionally insured loans. The portfolio had a 60+ day delinquency and foreclosure rate of 2.85%, one of the lowest of any indenture included in this sample. As of June 30, 2013, there were $630 million of outstanding bonds, and 96% of the bonds are variable rate, 100% of which are hedged through interest rate swaps.	133	Aulii Limtiaco

Housing Finance Agency Single-Family Programs (cont.)

	Mortgage revenue bonds	AAA/Stable	This resolution was first established in 1996, and has approximately $332 million in outstanding fixedrate bonds as of June 30, 2013. As of the same date, the loan portfolio consisted of $323 million of mortgages, 36% of which were uninsured loans with LTV ratios of no more than 80%; 30% were FHA-insured loans; 17% were USDA insured loans; 11% were conventionally insured loans; and 7% were VA-guaranteed loans. As of June 30, 2013, the portfolio delinquency rate was very low at just 2.17%.	108	Aulii Limtiaco
	General mortgage revenue bonds II	AAA/Stable	This resolution had $193 million of fixed-rate bonds outstanding as of July 2013. The loan portfolio consists of 60% uninsured loans with LTVs of no more than 80%, 15% FHA-insured loans, 6% VA-guaranteed loans, 15% conventionally insured loans, and 4% loans insured by the USDA. The portfolio of $160 million in loans had a delinquency rate of 1.32%, an extremely low rate.	106	Aulii Limtiaco
	Veterans mortgage program bonds	AAA/Stable	The veterans' mortgage program bonds are additionally secured by the GO pledge of AHFC (AA+/Stable) and the state of Alaska (AAA/Stable). As of June 30, 2013, the mortgage program portfolio consisted of 68% VA-guaranteed loans, 19% uninsured loans with LTVs of no more than 80%, 6% FHA-insured loans, 5% conventionally insured loans, and 2% loans insured by the USDA. The portfolio of $128 million in loans had a delinquency rate of 2.22%, one of the lowest rates of the indentures in this survey. There were approximately $102 million in bonds outstanding as of June 30, 2013.	107	Aulii Limtiaco
Arkansas Development Finance Authority (ADFA)	Single-family mortgage revenue bonds (1995 single family indenture) (MBS program)	AA+/Stable	As of April 19, 2013, the resolution had $231 million in outstanding bonds, 11% of which were variable rate. The bonds are secured by mortgages that are guaranteed by Ginnie Mae and Fannie Mae MBS. ADFA continues to minimize its origination expenses by using its own general fund and low interest rate loans from the Federal Home Loan Bank of Dallas to originate and warehouse its single-family loans prior to bond issuance, thereby eliminating negative arbitrage.	121	Stephanie Morgan
California Department of Veterans Affairs (CalVet)	Home purchase revenue bonds	AA/Stable	The loan portfolio consists of 7,158 contracts of purchase; 40% are uninsured with LTV ratios of no more than 80%, 34% have insurance from Radian Mortgage Insurance Inc. (B/Stable), and 26% are guaranteed through the VA. Delinquency as of June 30, 2013 was 5.97%, its lowest rate in nearly three years. The resolution has $1 billion of outstanding bonds, all issued at fixed rate.	114	Aulii Limtiaco

Housing Finance Agency Single-Family Programs (cont.)					
California Housing Finance Agency (CalHFA)	Home mortgage revenue bonds	A-/Stable	This is CalHFA's main bond indenture, consisting of $3.02 billion in bonds as of June 30, 2013. On Dec. 13, we upgraded this program to A-/Stable based on several factors, including the home mortgage revenue bonds' (HMRB) ability to perform under 'A' level cash flow assumptions. The cash flows reflect a one-time transfer of $10 million into the trust estate to cover any potential shortfalls. Fifty-seven percent of HMRB debt, or $1.7 billion, is variable rate. Of the variable-rate bonds, approximately $1.3 billion, or 76%, are hedged with interest rate swaps. The bonds are backed by 18,326 mortgages, 36% of which are conventionally insured by an unrated provider with a reinsurance guarantee from Genworth (B/Stable), 35% are unininsured with LTV ratios of no more than 80%, 28% of which have FHA insurance, and 1% of which have VA insurance. The portfolio's delinquency and foreclosure rates have shown a declining trend in the past several years from the peak of 13.98% in the first quarter of 2010. CalHFA reported a delinquency rate of 8.73% for loans under the HMRB resolution as of June 30, 2013. This is the lowest rate since the first quarter of 2009.	108	Aulii Limtiaco
Colorado Housing and Finance Authority (CHFA)	Single-family mortgage bonds	AAA/Stable, AA/Stable,A/Stable*	The agency uses a three-tranche structure, with the first two classes being rated based on different levels of collateralization and the third tranche rated according to the GO pledge of CHFA (A/Stable). Approximately $1.2 billion in bonds are secured by approximately $900 million in mortgages and $513 million in investments. CHFA uses second-mortgage loans to finance down payment assistance and closing costs. The no-interest, nonamortizing loans enable CHFA to recoup these funds upon refinancing the first mortgage. Of the first-lien mortgages, 62% are FHA-insured, 5% are guaranteed by the VA, 21% are conventionally insured, 3% are USDA-insured, and 8% are uninsured but have a maximum 80% LTV ratio. As of Aug. 1, 2013, approximately 89% of the single-family debt was variable rate, but that includes 18% of debt consisting of floating rate notes with no tender options or need of liquidity support. As of June 30, 2013, the delinquency of the loans within the resolution was 8.48%.	114 for class I and 108 for class II bonds	Lawrence Witte

Housing Finance Agency Single-Family Programs (cont.)					
Connecticut Housing Authority	Housing mortgage finance program bonds	AAA/Stable	This resolution has $3.7 billion of outstanding bonds and consists of approximately 70% single-family and 30% multifamily loans. Seventy-three percent of the single-family portfolio is FHA-insured, USDA-insured, or VA-guaranteed loans; 6% of the loans are conventionally insured, and the remaining 21% do not require mortgage insurance because their LTV ratios do not exceed 80%. The authority also has a significant loan pool in the form of MBS that benefit from a U.S. government guarantee. Single-family delinquencies for the non-MBS loans under the resolution were 11.06% as of June 30, 2013, versus 13.07% one-year prior. As of Oct. 31, 2013, approximately 22% of the bonds were variable rate, down from 27% as of Sept. 30, 2012.	123	Moraa Andima
District of Columbia Housing Finance Agency (DCHFA)	Single family revenue bonds	AA+/Stable	DCHFA has three single-family bond resolutions, all of them relatively small. The loan assets for each consist of Ginnie Mae MBS. The 1988 bond indenture has only one bond series currently remaining. The outstanding amount of bonds is $3 million with an asset-to-liability ratio of 412%. The 1996 bond indenture has $67 million in bonds outstanding and an asset-to-liability ratio of 109%. The 2009 indenture is the agency's New Issue Bond Program indenture. The resolution has $13.9 million in bonds outstanding and an asset-to-liability ratio of 103%.	412 for the 1988 indenture, 109 for the 1996 indenture and 103 for the 2009 indenture	Stephanie Morgan
Florida Housing Finance Corp. (FHFC)	Homeowner mortgage revenue bonds	AA+/Stable	FHFC currently issues all its single-family mortgage revenue bonds under this program, which had approximately $840 million in bonds outstanding as of Dec. 31, 2012. The indenture's mortgage assets were about 87.5% MBS and 12.5% whole loans. Payments from the MBS are guaranteed by Fannie Mae, Freddie Mac, or Ginnie Mae, and the whole loans are primarily FHA-insured or VA-guaranteed. As of the fourth quarter 2012, approximately 13.3% of single-family whole loans held under FHFC's homeownership indenture were either delinquent over 60 days or in foreclosure, with the overall portfolio (including government-sponsored entity-backed MBS) at 4.3%.	108	Raymond Kim
Georgia Housing and Finance Authority	Single-family mortgage bonds	AAA/Stable	As of June 3, 2013, the portfolio consisted of whole loans with an aggregate principal balance of $717.6 million outstanding. Eighty-six percent of the loans are FHA insured; 5% are USDA insured; 4% are conventionally insured; 3% are VA guaranteed; and 2% are uninsured with LTV ratios of no more than 80%. Delinquencies in excess of 60 days and foreclosures were high at 10.48% on June 30, 2013, which was the lowest rate for the indenture since the first quarter of 2009. The delinquency rate has been above 10% since the second quarter of 2008. All bonds are fixed rate.	104	Kib Park

Housing Finance Agency Single-Family Programs (cont.)					
Hawaii Housing and Development Finance Corp. (HHDFC)	Single-family mortgage purchase bonds	AA+/Stable	HHDFC issues its single-family mortgage bonds under the Hula Mae indenture, which has $89 million of bonds outstanding, as of June 30, 2013. The indenture's assets are primarily MBS, guaranteed by Fannie Mae or Ginnie Mae. All bonds are fixed rate.	130	Jose Cruz
Illinois Housing Development Authority (IHDA)	Homeowner mortgage revenue bonds (HMRB)	AA/Stable	The resolution has $473 million of outstanding bonds. As of June 30, 2013, the portfolio is composed of conventionally insured mortgages (68%), uninsured loans with up to 80% LTV ratios (26%), and USDA loans (6%). Delinquencies within the resolution were 13.14%. Loss coverage is provided by pool insurance policies covering certain mortgage pools and program equity. Approximately 10% of the debt under this resolution is variable rate.	110	Moraa Andima
Iowa Finance Authority (IFA)	Single-family mortgage bonds (MBS program)	AA+/Stable	Since 1991 IFA, has issued debt that carries its GO pledge under its single-family indenture. The 1991 indenture is the less active of two, the growing indenture being the 2009 program that Standard & Poor's does not rate. The collateral backing the bonds under the 1991 indenture is made up of Fannie Mae and Ginnie Mae MBS. The authority defeased approximately $200 million of bonds in the spring of 2012, thereby reducing the aggregate outstanding par amount of bonds to $442 million as of November 2013, $170 million (38.5%) of which is variable-rate debt. The authority historically utilized interest rate swaps and caps to hedge all of its variable-rate risk exposure.	109	Kib Park
Kentucky Housing Corp. (KHC)	Housing revenue bonds	AAA/Stable	KHC issues both single-family and multifamily debt under one parity indenture. We consider the mortgage portfolio, which as of April 2, 2012, was composed mostly of single-family loans (97%), with the remainder multifamily loans, to be low risk, as 38% of the single-family loans are FHA insured; 3% are VA guaranteed; 14% are Rural Development guaranteed; 27% are in Fannie Mae securities; and the balance consists of conventional loans. Currently, KHC has $32.6 million of conventional loans that are not secured by Fannie Mae that carry primary mortgage insurance. Approximately 10% of KHC's bonds are variable rate, the majority of which are secured by standby bond purchase agreements and approximately 85% of which are hedged with swaps. In our view, the indenture's assets are sufficient to provide self-liquidity for some variable-rate bonds, and cash flows are sufficiently overcollateralized to cover potential loan losses at the 'AAA' level. As of June 30, 2013, delinquencies of 60 days or more and foreclosures were high at 10.89%.	108	Kib Park

Housing Finance Agency Single-Family Programs (cont.)					
Maine State Housing Authority (MSHA)	Mortgage purchase program	AA+/Stable	MSHA's resolution contains 11,529 single-family and multifamily loans, with a breakdown of 70% single-family loans and 30% multifamily housing loans. Approximately 29% of the multifamily portfolio consists of projects that receive either Section 8 or Section 236 subsidies, and the remaining portfolio is unsubsidized. As of June 30, 2013, the single-family loan portfolio comprises loans that are USDA guaranteed (42%), FHA insured (25%), uninsured with LTV ratios up to 80% (16%), conventionally insured (11%), or VA guaranteed (5%). The delinquency rate of the single-family loans is high at 10.7%. The loan performance differs from that of other indentures in this survey in that the delinquency rate is increasing although it had never been above 10% until the fourth quarter of 2012. Twenty percent of the bonds are variable rate -- all having liquidity support and with 80% being VRDOs that are swapped to fixed rate.	118	Kib Park
Massachusetts Housing Finance Agency (MassHousing)	Single-family housing revenue bonds	AA/Stable	The resolution contains about 6,800 mortgage loans, including many securitized in U.S.-guaranteed MBS. On June 30, 2013, the breakout was 42% uninsured with LTV ratios of up to 80%, 34% conventionally insured through the HFA's mortgage insurance fund, 23% MBS, and 1% with either FHA or VA insurance. The resolution has $1.1 billion of bonds outstanding. A minimal amount of loans are second-lien home improvement loans. The majority of conventional insurers are rated, including the agency's self-insurance fund, which insures approximately 66% of the conventionally insured portfolio. Just 3.8% of single-family loans are delinquent, one of the lower rates in this sample. Ninety-seven percent of bonds are fixed rate.	109	Karen Fitzgerald
Michigan State Housing Development Authority (MSHDA)	Single-family mortgage revenue bonds	AA+/Stable	MSHDA currently issues all of its single-family bonds under this indenture. The bonds are secured by a GO pledge from the authority. As of Sept. 30, 2013, 40% of the loans are FHA-insured, 33% are conventionally insured, 17% are USDA insured, 9% are ninsured, and 1% are VA-guaranteed. Delinquencies on the mortgage loans represented 7.51%, of mortgages. This performance is about average compared to other HFAs but is the lowest rate that Standard & Poor's has recorded for this indenture starting in mid-2006. The resolution has $1.05 billion of bonds outstanding. About 85% of the single-family debt outstanding is variable rate, 55% of which % is hedged with a swap.	118	Mikiyon Alexander

Housing Finance Agency Single-Family Programs (cont.)					
Minnesota Housing Finance Agency (MHFA)	Residential housing finance bonds	AA+/Stable	All bonds carry MHFA's GO pledge (AA+/Stable) and Minnesota's (AAA/Stable) moral obligation pledge. As of June 30, 2013, 38% of the loans in the indenture had conventional insurance, 28% had insurance from FHA, 17% had insurance from the USDA, 14% of the loans were uninsured with LTV ratios of no more than 80%, and 1% had VA insurance. The delinquency rate on the loans was 8.69%, higher than the state's average of 3.36% for a similar portfolio of loans. The resolution has $1.35 billion of bonds outstanding. Variable-rate debt exposure is 24% of bonds, and almost all is hedged with interest rate swaps.	111	Moraa Andima
Missouri Housing Development Commission (MHDC)	Single-family homeownership Llan program (MBS program)	AA+/Stable	MHDC issues single-family debt solely under this indenture, which is secured by mortgages that are guaranteed by Ginnie Mae and Fannie Mae MBS. As of June 30, 2013, there was $440 million in debt outstanding. Bond proceeds, agency contributions, and bond premiums deposited at closing in our view help bolster the strength of the issue and cover negative arbitrage, reinvestment risk, and payment lags. All debt is fixed rate.	106	Moraa Andima
Montana Board of Housing	Single-family II program bonds (1979 indenture)	AA+/Stable	The single-family II indenture contains $140 million in bonds. As of June 30, 2013, 63% of loans were insured by the FHA, 29% had USDA insurance, and 9% were guaranteed by the VA. The delinquency rate of 3.9% is among the lowest in this sample. All bonds are fixed rate.	143	Jose Cruz
	Single-family I program bonds (1977 indenture)	AA+/Stable	The single-family I indenture contains $207 million in bonds. As of June 30, 2013, 48% of loans were insured by the FHA, 22% had USDA insurance, 14% had conventional insurance, 9% were guaranteed by the VA, and 6% were uninsured with LTV ratios up to 80%. The delinquency rate is 5.37%. All bonds are fixed rate.	112	Jose Cruz
Nebraska Investment Finance Authority (NIFA)	Single-family housing revenue bonds (MBS program)	AA+/Stable	This is NIFA's primary single-family indenture. It has very high asset-to-liability parity and collateral consisting of 98% Ginnie Mae, Fannie Mae, and Freddie Mac MBS support the rating. Although permitted by the bond documents, NIFA has not originated whole loans under the program since 1996. The resolution had $678 million of bonds outstanding as of Dec. 6, 2013. Nearly 60% of the debt is variable rate.	138	Adam Cray
Nevada Housing Division (NHD)	Mortgage purchase bonds (2009 indenture) (MBS program)	AA+/Stable	NHD opened its New Issue Bond Program (NIBP) indenture in 2009, and it is now the division's largest parity program. All debt is fixed rate, and loans are backed with 'AA+' rated MBS. Under NIBP during 2010 and 2011, the division converted all short-term escrow bonds to long-term bonds. In order to fully collateralize these bonds, NHD is now in the process of acquiring Ginnie Mae-guaranteed MBS. To date, NHD has purchased more than $138 million of MBS, leaving approximately $27 million available for the purchase of additional MBS. All bonds are fixed rate.	103	Adam Cray

Housing Finance Agency Single-Family Programs (cont.)					
New Jersey Housing & Mortgage Finance Agency	Single-family housing revenue bonds	AA/Stable	As of June 30, 2013, the program includes FHA-insured loans (55%), uninsured loans with LTV ratios of no more than 80% (21%), conventional loans (19%), VA-guaranteed loans (4%), and USDA loans (2%). The resolution has the highest delinquency rate in the survey at 16%, and the rate has been above 10% for the past 12 quarters. However, the rate dropped from 21% the previous quarter. More than 40% of the debt under this indenture is variable rate, almost all of which is hedged through interest rate swaps.	111	Karen Fitzgerald
New Mexico Mortgage Finance Authority (NMMFA)	Mortgage purchase bonds (MBS program)	AA+/Stable	All debt is fixed rate and rated 'AA+' based on the authority's origination of loans using Ginnie Mae, Fannie Mae, and Freddie Mac MBS as collateral. As of Oct. 21, 2013, the indenture contained about $850 million of bonds outstanding. All bonds are fixed rate.	102	Raymond Kim
North Carolina Housing Finance Agency	Home ownership revenue bonds (2009 NIBP indenture)	AA/Stable	NCHFA's 2009 indenture is the agency's New Issue Bond Program indenture, comprising 1,302 mortgage loans as of Feb. 1, 2013. The loan portfolio consists mostly of FHA-insured loans (72%), USDA loans (17%), VA-guaranteed loans (4%), and uninsured loans (7%) with LTV ratios of up to 80%. The resolution has about $180 million in bonds. As of June 30, 2013, the delinquency rate was low at 3.12%.	106	Stephanie Morgan
	Home ownership revenue bonds (1998 indenture)	AA/Stable	NCHFA's 1998 resolution is the more active of the agency's two single-family resolutions. As of Oct. 1, 2013, there were 11,482 loans, 42% of which had FHA insurance, 40% of which had conventional insurance, 10% had USDA insurance, 5% were uninsured with an LTV ratio of up to 80%, and 3% had VA insurance. The delinquency rate was 7.22%. As of June 30, 2013, the resolution had $862 million bonds outstanding; 10% of debt under the indenture was variable rate, all of it hedged through interest rate swaps.	126	Stephanie Morgan
Pennsylvania Housing Finance Agency (PHFA)	Single-family mortgage revenue bonds	AA+/Negative	PHFA issues all of its single-family bonds under this indenture. The bonds are secured by a GO pledge from the authority (AA-/Stable). As of June 30, 2013, the resolution comprised 44,846 mortgage loans, consisting of FHA-insured loans (54%), conventionally insured loans (16%), VA-guaranteed loans (3%), and USDA loans (8%), with the remaining balance uninsured, almost all with LTV ratios of up to 80% (19%). Approximately 55% of the conventionally insured loans are insured by the Pennsylvania Housing Insurance Fund. As of Aug. 30, 2013, the resolution had $3.48 billion in outstanding bonds; 32% of debt under the indenture is variable rate, 80% of which is hedged through interest rate swaps. The delinquency rate on June 30, 2013 was 6.75%.	102	Stephanie Morgan

Housing Finance Agency Single-Family Programs (cont.)					
Rhode Island Housing and Mortgage Finance Corp.	Homeownership opportunity bonds	AA+/Stable	As of June 30, 2013, the indenture had 8,405 mortgage loans outstanding and was the corporation's sole active single-family program. Just 15% of the mortgage loan portfolio has federal mortgage insurance through the FHA, the VA, or the USDA, while 58% had conventional insurance, and 27% was uninsured with LTV ratios of 80% or less. Rhode Island Housing reported an overall delinquency rate of 8.16% on June 30, 2013, the lowest rate since the third quarter of 2010. The resolution has $865 million of outstanding bonds. Around 90% of bonds outstanding were fixed rate while the remainder were issued at variable rate.	116	Raymond Kim
South Dakota Housing Development Authority	Homeownership mortgage bonds	AAA/Stable	As of June 30, 2013, the resolution's overall whole loan portfolio contained 12,344 loans. Ninety-two percent of the loans were fixed rate, and 95% were for detached single-family dwellings. Mortgage insurance includes 36% from the USDA, 38% from the FHA, 12% from private insurers, 8% uninsured with LTV ratios of up to 80%, and 5% from the VA. The delinquency rate was 4.16% as of June 30, 2013. Forty-three percent of the bonds under the resolution are variable rate; South Dakota provides self-liquidity coverage on $25 million of those variable-rate bonds.	123	Adam Cray
Tennessee Housing Development Agency (THDA)	Homeownership program bonds	AA+/Stable	As of May 2013, the resolution had $1.37 billion of bonds outstanding, all issued at fixed rates. Of the loans supporting the resolution at that time, 74% were FHA insured, 11% had conventional insurance, 7% were USDA insured, 6% were uninsured with LTV ratios up to 80%, and 2% had VA insurance. As of June 30, 2013, 8.83% of the loans under the resolution were delinquent by 60 or more days or were in foreclosure.	121	Adam Cray
	General residential finance program bonds	AA+/Stable	THDA adopted this new resolution in January 2013 and first issued bonds pursuant to the resolution in June 2013. As of Sept. 30, 2013, the loan portfolio supporting this whole loan indenture consisted of 2,704 mortgage loans, all of which are first-lien mortgages with 30-year terms on owner-occupied residential housing. The breakdown of loan principal outstanding by insurance type at that time was as follows: 81% were insured by the FHA; 6.42% were uninsured (with LTV ratios below 78%); 6% were privately insured; 4% were insured by the USDA, and 2% were insured by the VA. As of Sept. 30, 2013, approximately 6% of the loans held under the resolution were delinquent by 60 or more days or in foreclosure. Bond par outstanding is about $325 million.	110	Adam Cray

Housing Finance Agency Single-Family Programs (cont.)					
Texas Department of Housing & Community Affairs (TDHCA)	Single-family mortgage revenue bonds	AA+/Stable	The single-family mortgage revenue bond trust indenture was created in 1980 as a whole loan indenture. Beginning in 1994, new mortgage loans were credit enhanced by Ginnie Mae, Fannie Mae, and Freddie Mac mortgage-backed securities (MBS). As of Sept. 1, 2011, the mix of mortgage collateral under the indenture was 99% MBS and less than 1% whole loans. Roughly half of the remaining whole loans in the indenture are insured by the FHA or guaranteed by the VA. The remaining conventional loans in the indenture are fully covered by pool insurance and reserves held in the indenture, which also cover any liquidity needs from loan losses. The indenture currently covers about $641 million in bonds outstanding, approximately 41% of which are variable rate.	107	Aulii Limtiaco
	Residential mortgage revenue bonds	AA+/Stable	This indenture comprises MBS, totaling approximately $360 million, with approximately $343 million of fixed-rate bonds outstanding as of Jan. 1, 2013. The indenture previously also consisted of a small number of single-family whole loans, which are no longer included in the collateral. Virtually all the MBS are secured through Ginnie Mae. A very small portion, approximately $1.5 million, is secured through Fannie Mae.	108	Aulii Limtiaco
Utah Housing Corp. (UHC)	Single-family mortgage bonds (2000 indenture)	AAA/Stable, AA/Stable, AA-/Negative*	The three ratings represent different levels of collateral pledged to senior class I (AAA) and mezzanine class II (AA) bonds, and the agency's GO pledge on the subordinate class III (AA-) bonds. Loans are primarily FHA insured (98%); two percent are VA guaranteed. The resolution has about $500 million in bonds outstanding. Approximately 80% of debt is variable rate; however, only 23% of all debt is VRDOs. The majority of variable-rate debt is in index bonds with no remarketing risk or liquidity needs. All variable-rate debt is hedged through interest rate swaps. As of June 30, 2013, the delinquencies and foreclosures within the resolution were 11.22%, one of the highest among the indentures in this survey.	117 for class I and 112 for class II bonds	Lawrence Witte

Housing Finance Agency Single-Family Programs (cont.)					
	Single-family mortgage bonds (2007 indenture)	(AAA/Stable, AA/Stable, AA-/Negative*	Like its predecessor above, the three ratings on UHC's 2007 indenture represent different levels of collateral pledged to senior class I (AAA) and mezzanine class II (AA) bonds, and the agency's GO pledge on the subordinate class III (AA-) bonds. Loans are primarily FHA insured (98%); two percent are VA guaranteed. The indenture is very similar to the 2000 indenture with the exception of the debt profile. The resolution has $200 million in outstanding bonds. Approximately 45% of debt is variable rate, a much lower percentage than the 2000 indenture, and all of the variable-rate debt is index rate with no tender option. There is no need for liquidity on any of the debt. All of the variable-rate debt is hedged through interest rate swaps. As of June 30, 2013, the delinquencies and foreclosures within the resolution were 11.07%, one of the highest rates in this sample.	114 for class I and 108 for class II bonds	Lawrence Witte
	Single-family mortgage bonds (2009 indenture)	(AAA/Stable, AA/Stable, AA-/Negative*	Like the 2000 and 2007 indentures above, the three ratings on UHC's 2009 indenture represent different levels of collateral pledged to senior class I (AAA), mezzanine class II (AA) bonds, and the agency's GO pledge on the subordinate class III (AA-)) bonds. Loans are primarily FHA insured (99%); the remainder are VA guaranteed. The indenture is similar to the 2000 and 2007 indentures with the significant exception of the debt profile. All bonds are fixed rate. Another key difference is the performance of the loans. As of June 30, 2013, the delinquency rate within the resolution was 5.82%, about half that of the other two indentures.	122 for class I and 116 for class II bonds	Lawrence Witte
Vermont Housing Finance Agency (VHFA)	Single-family housing bonds	BB+/Stable	The agency first issued single-family bonds under this resolution in 1990 but has not actively issued since 2007. As of June 30, 2012, the agency's single-family loan portfolio consisted of $176 million in mortgage loans, with approximately $211 million in bonds outstanding. The rating reflects insufficient reserves to cover Standard & Poor's projected credit losses on the mortgage portfolio in a small state, counterparty exposure from private mortgage insurance from a provider rated speculative grade, and guaranteed investment contracts with an unrated provider. As of June 30, 2013, the overall whole loan portfolio consisted of the following composition: 55% conventionally insured loans (53%), uninsured mortgages (35%), and USDA-insured loans (12%). As of June 30, 2013, the delinquency rate on the mortgage loans was 5.7%.	105	Raymond Kim

Housing Finance Agency Single-Family Programs (cont.)					
Virginia Housing Development Authority	Commonwealth mortgage bonds	AAA/Stable	As of June 30, 2013, approximately $3.65 billion of mortgage loans were under the resolution, with the portfolio divided as follows: 41% FHA-insured, 6% VA-insured, 4% USDA-guaranteed, 1% backed by private mortgage insurers, and 40% classified as "other," which includes self-insured loans and loans with LTV ratios up to 80%. At 145%, the asset-to-liability parity of this indenture is the highest among active programs in this survey. As of June 30, 2013, the delinquency rate was at 6.59%, up slightly from 6.50% on June 30, 2012. All debt is fixed rate.	145	Moraa Andima
West Virginia Housing Development Fund	Housing finance bonds	AAA/Stable	This indenture enjoys extremely high parity and the GO pledge of West Virginia Housing Development Fund (WVHDF) (AAA/Stable). WVHDF is the only HFA with a 'AAA' ICR, and the indenture's asset-to-liability parity ratio of 144% is the second-highest among active indentures (exceeded only by Virginia Commonwealth Mortgage bonds) in this survey. The fund's mortgage loan portfolio consists of 9,718 single-family loans and 18 multifamily loans. The single family loans are conventionally insured (27%), FHA insured (26%), USDA insured (18%), or VA insured (5%). Twenty-three percent of the loans are uninsured with LTV ratios of up to 80%. Eleven of the multifamily loans receive some level of Section 8 subsidy, and four have USDA insurance. Single-family delinquency is low at 4.04% and has never exceeded 5.17% since the second quarter of 2006.	144	Kib Park
Wisconsin Housing & Economic Development Authority (WHEDA)	1987 homeownership revenue bonds	AA/Stable	As of June 30, 2013, 6,272 loans with an aggregate principal balance of $462 million, and $481 million in bonds, were outstanding under the resolution. The pool contains loans, 85% of which have conventional insurance, and 15% of which uninsured loans with LTV ratios of up to 80%. The majority of insured loans in this portfolio are insured by Mortgage Guaranty Insurance Co. (42%), which is rated 'B+', and Genworth Financial Mortgage Insurance (30%), which is rated 'BBB-'. The loans perform very well with a delinquency rate of 3.34%, one of the lowest rates in this survey.	114	Moraa Andima
	1988 homeownership revenue bonds	AA/Stable	As of June 30, 2013, 7,693 loans with an aggregate principal balance of $582million, and approximately $554 million in bonds, were outstanding under the resolution. Eighty-five percent of the loan pool has conventional insurance, and 15% is uninsured with LTV ratios of up to 80%. The majority of insured loans in this portfolio are insured by Mortgage Guaranty Insurance Co. (42%), which is rated 'B+', and Genworth Financial Mortgage Insurance (30%), which is rated 'BBB-'. The loans perform very well with a delinquency rate of 3.93%, one of the lowest rates in this survey.	118	Moraa Andima

Housing Finance Agency Single-Family Programs (cont.)					
Wyoming Community Development Authority (WCDA)	Single-family mortgage bonds (1994 indenture)	AA+/Stable	WCDA issues debt under its 1994 and 1978 indentures. The 1994 indenture is more active, with approximately 5,500 mortgage loans outstanding as of June 30, 2013. Approximately 42% of the loans carry FHA insurance; 40% have conventional insurance from speculative-grade providers; 29% are uninsured with LTV ratios of up to 80%; 13% have insurance from the USDA; and 5% have VA insurance. As of the second quarter of 2013, the delinquencies and foreclosures within the portfolio were 8.53%. The resolution has $930 million of bonds outstanding, 13% of which are variable rate. Of these, 97% are hedged with interest rate swaps.	115	Aulii Limtiaco
	Single-family mortgage bonds (1978 indenture)	AA+/Stable	The 1978 single-family mortgage portfolio consists of 678 loans. Loans have insurance from FHA (45%), speculative-grade conventional providers (19%), the USDA (19%), the VA (6%), or are uninsured with LTV ratios of up to 80% (2%). The delinquency rate of loans is 4.18% and has remained below 6% since the second quarter of 2009. As of June 30, 2013, this indenture had approximately $87 million in bonds outstanding	145	Aulii Limtiaco

*Multiple ratings represent different classes of bonds within the same indenture, which is a characteristic of some western U.S. HFA indentures. Comparisons of delinquency between HFA indentures and state averages are based on a weighted average of loan type that reflects that of the indentures. For example, the state averages for Alaska are different because they are based on loan types that match those of each indenture. FHA—Federal Housing Administration. GO—General obligation. LTV—loan to value. MBS—Mortgage-backed securities. USDA—U.S. Department of Agriculture. VA—Veterans' Administration. VRDO—Variable rate demand obligation.