

MOVING FORWARD IN A TOUGH ECONOMY



Massachusetts Housing Partnership
2008 Annual Report

How MHP Works

MHP is a privately-funded public non-profit organization that works with the Patrick Administration to increase the supply of affordable housing in Massachusetts.

MHP uses funds from the banking industry to provide long-term loans for affordable rental housing. Since 1990, MHP has provided over \$610 million in loans and commitments for the financing of over 15,000 rental units.

MHP also helps communities build housing and offers the SoftSecond Loan Program, which has helped over 12,000 lower-income families buy their first home.



Massachusetts Housing Partnership | 2008 Annual Report

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Lawrence

With MHP's support, developer Beth Pearson reshapes a neighborhood ... page 6



Pittsfield



In July 2008, Gov. Deval Patrick announced an MHP-funded loan pool to stabilize foreclosed properties. Joining him were (left to right) Angela Brown (Hyams Foundation), state housing chief, Tina Brooks, consumer affairs secretary, Dan Crane, and Senator Anthony D. Galluccio. Details on page 5.

As required by Section 35 of Chapter 405 of the Acts of 1985, the 2008 Annual Report of the Massachusetts Housing Partnership Fund is respectfully submitted to:

Deval Patrick, Governor
Commonwealth of Massachusetts

Steven C. Panagiotakos, Chair
Senate Ways and Means Committee

Charles A. Murphy, Chair
House Ways and Means Committee

Leslie A. Kirwan, Secretary
Executive Office for Administration and Finance



Middleborough

MHP helps developer use 40B to make her hometown more affordable ... page 8



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> Letter from the Chairman & Executive Director

As this report goes to press, the state and the nation are still reeling from adverse economic news. Major financial institutions are on the brink, job losses and foreclosures are mounting, credit is scarce, and housing investors are in retreat. In the face of this economic crisis, the Massachusetts Housing Partnership is as focused, as determined and as effective as ever.

MHP's SoftSecond program had a record year in 2008 and provided nearly \$300 million in mortgage credit on sensible terms in the cities hardest hit by the foreclosure crisis. The MHP-financed \$22 million Neighborhood Stabilization Loan Fund is a model of how the public, private and philanthropic sectors can work together to promote investment and protect communities from vacant and abandoned housing. Our access to credit at below-market rates and terms and our ability to adapt to changing market conditions has sustained multifamily housing developments that might have otherwise fallen victim to the economic crisis.

What makes MHP unique is our drive to look ahead. Our insistence on minimum down payments and strong underwriting standards helped prevent the foreclosure process from being far worse in many urban neighborhoods and is laying the groundwork for stronger neighborhoods and higher homeownership rates tomorrow. Our multifamily loan programs have steadily expanded the stock of stable, affordable, well-managed rental housing. Our multimillion dollar investments in community development corporations and other housing nonprofits is targeted to build stronger, healthier organizations that are better positioned to address our critical housing needs. And our focus on the housing that's needed to support future job growth is helping position the Commonwealth for a stronger and more enduring economic recovery.

MHP's determination to find solutions in the current economic crisis is strengthened by the optimism of MHP's board and staff. Massachusetts has a history of rising to meet great challenges and we're blessed with many



Stanley J. Lukowski
Chairman

Clark L. Ziegler
Executive Director

assets that will help propel our next wave of economic growth. Housing will be a critical part of that equation. With continued support from the Governor and Legislature we are poised to do our part in guiding the state to a successful recovery.

>Foreclosure fix: Get families into

New Bedford

Supporting the American Dream

The Pereira family bought their home through the City of New Bedford's Neighborhood First Program. This program works in combination with mortgage programs like SoftSecond, and offers families down payment, closing cost and/or rehabilitation assistance. Nearly 200 New Bedford families have purchased homes with SoftSecond.

SoftSecond has been very effective in helping cities like New Bedford boost homeownership rates and stabilize neighborhoods. In fact, more than half of SoftSecond's 12,000 loans have been made in the 10 cities that were hardest hit by foreclosures in 2007 and 2008.



good loans in the first place

In a year where foreclosures dominated the housing discussion, MHP's SoftSecond Loan Program once again proved that it's the best avenue for first-time homebuyers. In 2008, SoftSecond had its second consecutive record year, as over 1,500 low and moderate income homebuyers used the program to buy their first home.

Why did so many homebuyers turn to SoftSecond? With the demise of sub-prime mortgages, working families saw SoftSecond as a safe, secure alternative that would keep them in their homes for the long run.

The SoftSecond program was created in 1990 to give minority and lower-income families better access to mortgage financing. It combines fixed-rate financing from a bank with a one-time state subsidy that keeps monthly payments low. Over 40 Massachusetts banks offer SoftSecond and the program has now made over 12,000 loans.

The program requires borrowers to make a three-percent down payment and they must take both pre- and post-purchase counseling classes. These fundamentals have enabled SoftSecond to keep its delinquency and foreclosure rates low and to build its reputation as Massachusetts' best mortgage program for working families.

Chris and Tanya Pereira epitomize the type of working family that turned to SoftSecond in 2008. Married with two children (Chris Jr. and Gianna), they rented for years before buying a home for \$235,000 in north New Bedford. "We didn't want to get over our heads," said Tanya. "If it weren't for SoftSecond, we might've had to wait years for financing."



SoftSecond: Homeownership done right

With concerns about sub-prime loans and foreclosures, more first-time homebuyers have turned to the security of a SoftSecond loan. The charts below trace the growth of SoftSecond and its ability to serve low- and moderate-income households.

SoftSecond loans by region, 2005-2008

Region	2005	2006	2007	2008
Cape Cod/Islands	12	23	28	33
Central	53	79	87	136
City of Boston	300	263	280	313
Merrimack Valley	64	85	126	189
Metro North	139	180	213	277
Metro South	20	47	62	76
Metro West	32	43	82	123
North Shore	23	33	41	47
South Shore	10	20	29	30
Southeastern	23	42	121	159
Western	146	58	82	155
Totals	822	873	1151	1538

SoftSecond average income served, 2005-2008

Average household income	2005	2006	2007	2008
	\$43,561	\$44,375	\$47,519	\$49,423

Expanding SoftSecond to help employers, employees

In 2008, MHP launched MassWorks, a new program that blends an employer contribution and state matching funds into a SoftSecond loan, further increasing a homebuyer's buying power. The growing list of MassWorks companies includes:

- > Assumption College
- > Cape Cod Sea Sports
- > Clark University
- > College of the Holy Cross
- > Saint-Gobain Corporation
- > So. Shore Chamber of Commerce
- > UMass Memorial Health Care
- > Worcester Polytechnic Institute

For more information, call 1-800-752-7131 or go to www.massworks.net.

>Tackling tough properties to stabilize

Lawrence

Farnham Court



Before and after pictures of Farnham Court capture the impact of Lawrence Community Works. A catalyst in the community for over 20 years, LCW now owns over 70 rental units in the city. With foreclosure rates high, LCW is hoping to repeat the Farnham formula: use MHP financing to acquire, rehab and bring good management to homes across the city so that everyone has a chance at finding a decent place to live.

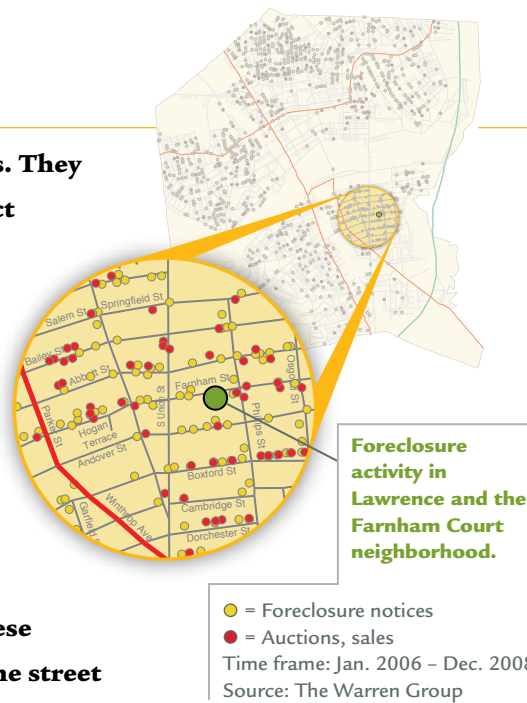
MOVING FORWARD

neighborhoods

Foreclosures don't just hurt homebuyers. They often trigger widespread property neglect that can drag down neighborhoods. The organizations often in the best position to see and reverse this erosion are community-based non-profits, and when they need financing, they often come to MHP.

Farnham Court in South Lawrence is the latest example of how MHP can help reverse neighborhood deterioration. These properties were viewed as the worst on the street and located in a city where foreclosure rates are high.

Then one day the local non-profit, Lawrence Community Works (LCW) heard that the landlord was selling. With funding from the city and state, LCW rehabilitated these multi-family homes into the 11 affordable rental units. MHP provided a \$230,000 first mortgage and a \$750,000 deferred payment second mortgage, helping LCW give Farnham Court a fresh new look.



Ask a young couple about their first apartment and the answer usually is: “We lived with our parents.” Finding a place of one’s own has always been part of the American dream and Rocio Diaz and Angel Rivera found it at Farnham Court. Both employed in health care, their \$900-a-month apartment is perfect for their son Izeah, who attends pre-school right down the street.



MHP and neighborhood stability

MHP advanced several initiatives in 2008 to help neighborhoods hard hit by foreclosures and non-profit organizations on the front lines of the foreclosure fight. These efforts included:

Neighborhood Stabilization Loan Fund

MHP helped conceive and fund this program, which provides over \$20 million to support the acquisition and stabilization of foreclosed properties. The fund is designed to help qualified buyers quickly purchase and hold properties while financing is obtained to stabilize properties long-term. In addition to MHP, funders for this program include:

- > Massachusetts Housing Investment Corporation
- > Massachusetts Department of Housing and Community Development
- > Boston Foundation
- > Hyams Foundation
- > Living Cities
- > Fannie Mae

For more information, go to www.mhp.net/neighborhoodloan

Production support for non-profits

MHP awarded \$4 million in grant funds from Bank of America to non-profit and community-based organizations to help advance development projects and initiatives. Many of the recipients work in neighborhoods impacted by foreclosures. This was the second time in three years that MHP has used its grant funds to support non-profit housing development. In 2005, MHP provided \$3 million to 30 non-profits.

Receivership Program

What happens to renters when the apartment building they are living in goes into foreclosure or is abandoned by its landlord? Often, they go without heat and are forced to seek support services and housing through homeless organizations. To combat this problem, MHP pledged \$250,000 in grant funds to support New Bedford, Springfield and Worcester, three pilot cities, in their efforts to work with the courts to seize and stabilize troubled properties and prevent the displacement of tenants.

> Embracing the vision of downtown

Pittsfield

New Amsterdam Apartments

This ambitious 100 percent affordable housing development involves the rehabilitation of 24 apartments and the razing of other properties to make way for 43 new apartments. The new units are modular construction, with dormers and a turret added to give the neighborhood a European feel. The City of Pittsfield supported the project with grant funding and an OK for smart growth zoning, which permits commercial development and artist live-work space, all within walking distance of downtown.



revitalization



First, Pittsfield's Beth Pearson bought the Grace apartments. Then she bought properties on the corner and also the nearby Wood Brothers building. Her vision? Create a European-style neighborhood with new apartments at reasonable rents. But there was one problem. Even though she had experience managing real estate, she had no experience developing affordable housing.

Enter MHP. In addition to helping non-profits, MHP has years of experience helping conventional developers who have never produced affordable housing. MHP connected Pearson with Austin Miller, an experienced consultant who helped her apply for tax credit financing.

Typically, tax credit projects require further financing and MHP has done more of that than any other lender in the state, having provided over \$317 million for the financing of 143 projects and over 8,000 rental units. Within weeks of her tax credit application, Pearson had a \$2.2 million loan commitment from MHP and the security of knowing she had an experienced tax credit lender with her for the long run.

Beth Pearson knows Pittsfield. As a former public relations executive for General Electric, she understands the city's evolution from a company town to a city more dependent on the region's theatre, music, arts and tourism industries. As a property manager, she knows the city needs housing. "There hasn't been any new multi-family housing built here in 30 years," she said. "I thought this would be good for the people of the Berkshires."



Gateway Cities

Gateway Cities are the smaller and mid-sized industrial cities that have always been a vital part of the Commonwealth's economy. The following is a list of recent loans and commitments that MHP has made to help revitalize these cities:

New production

Lawrence ... Blakeley Building, Volunteers of America, 46 units, \$1.9 million first mortgage.

Leominster ... Rockwell Village, Leominster Development Corporation, 14 units, \$773,000 first mortgage, \$750,000 second mortgage.

Pittsfield ... New Amsterdam Urban Center, Beth Pearson, 67 units, \$2.2 million first mortgage.

North Adams ... Clark Biscuit Apartments, Arch Street Development LLC, 43 units, \$745,000 first mortgage.

Worcester ... 1-7 Piedmont Street, Worcester Common Ground, 12 units, \$383,000 first mortgage, \$750,000 deferred payment second mortgage.

Preservation

Lowell ... Broadway Restructure, Common Ground Inc., 26 units, \$1.8 million first mortgage, \$650,000 deferred payment second mortgage.

Springfield ... Worthington Commons, First Resource Management Corporation, 149 units, \$1.56 million first mortgage.



› MHP helps local builder make her home

Middleborough

The Residences at the Groves

This was developed by Debbie Blais, a conventional real estate developer who had never done an affordable housing development before, let alone one with tax credits. But when the town asked her to include rental units, Blais agreed. “I’ve lived here all my life so maybe I’m more agreeable than other developers,” she said. “This is a good project for the town. People who live here say they didn’t expect to be living in an apartment that is new and affordable.”

town more affordable

MHP also specializes at helping for-profit and non-profit developers build multi-family affordable housing in the suburbs. One of the ways in which MHP does this is by supporting developments built with Ch. 40B, the state zoning law that encourages affordable housing construction.

Middleborough’s Residences at the Groves is the latest example of MHP’s work. Local real estate developer Debbie Blais wanted to build 110 condominiums on an 11-acre site but the town wanted the project to include some rental units. So Blais built 60 condominiums in Phase I and came to MHP for the rental phase.

MHP provided a project eligibility letter, an approval a developer must receive from an authorized financing agency before applying to the local zoning board of appeals for a 40B permit. Once Blais received the town’s OK, she financed the project with tax credits, a grant from the state’s Affordable Housing Trust Fund and a \$1.7 million loan from MHP. The result was 36 two-bedroom units for households with incomes between \$22,100 and \$44,200, based on a household of four.

Howard and Evelyn Schofield enjoy living at the Groves. Originally from Middleborough, they retired to Florida almost 20 years ago but returned to be nearer their five children and 13 grand children. They first lived in a small apartment that Evelyn said was “big enough for one.” Then they moved into the Groves. “This is a palace,” said Evelyn. “Our children are glad we’re living in a nice place.”



Bringing rental to the suburbs

The following is a list of recent MHP loans and commitments for affordable rental efforts in the suburbs and smaller communities.

New Production

Barnstable ... West Barnstable Communities, Housing Assistance Corporation of Cape Cod, 40 units, \$2 million first mortgage.

Canton ... Windsor Woods at Canton, Criterion Development Partners, 160 units, \$15 million first mortgage.

Harwich ... 916 Route 28, Harwich Ecumenical Council for the Homeless, 10 units, \$670,000 first mortgage, \$675,000 deferred payment second mortgage.

Lynnfield ... Lynnfield Commons, John M. Corcoran Company, 200 units, \$15 million first mortgage.

Middleborough ... The Residences at the Groves, Debbie Blais Real Estate, Inc., 36 units, \$1.74 million first mortgage.

Plymouth ... Cherry Hill Apartments, Plymouth Bay Housing Corporation, 35 units \$1.6 million first mortgage.

Sharon ... Wilber School Apartments, Beacon Communities, 75 units, \$12.3 million first mortgage.*

Wellesley ... Hastings Village, Eastland Development Partners, 52 units, \$9.6 million first mortgage.

Preservation

Framingham ... Irving Square Apartments, E.A. Fish Associates, 46 units, \$3.29 million first mortgage.

* Financed through MHP’s MATCH program, which gives borrowers access to tax credits and lower tax-exempt interest rates.



Developer
Debbie Blais

> Supporting community efforts to

Foxborough

Baker Street

This project illustrates how communities can build affordable housing. It was built on state hospital land that was sold to the town for \$1. The town then approved a Ch. 40B permit to allow the Foxborough Housing Authority to build 18 two and three-bedroom apartments in seven buildings, and to rehab one existing home into two more units, all affordable at or below 50 percent of area median income. MHP provided early technical assistance, a \$2.68 million first mortgage and \$750,000 in deferred payment second mortgage financing.



build the housing it needs

MHP doesn't just help developers build housing in the suburbs. Since its inception in 1985, MHP has been helping communities and housing authorities too. MHP's support comes in many forms, from holding workshops to publishing guidebooks to providing grants so that communities can hire consultants to help them negotiate with 40B developers.

MHP also works directly with communities and housing authorities to help move their affordable housing initiatives forward. These efforts are mostly small in scale (5 to 20 units) but almost always include some three-bedroom units for families. The community provides land, zoning relief and/or funds via sources like the Community Preservation Act. MHP works directly with the community, providing staff support to get the project started and, often, low-interest financing in combination with other state funding sources.

In 2008, MHP and the state Department of Housing and Community Development signaled their continuing commitment to community-initiated affordable housing efforts by awarding over \$335,000 in grants to 17 local housing authorities so they can explore building new housing and making necessary repairs to their existing public housing.

Who benefits from this community support? People like Jen Ryan. Three years ago, she was faced with raising her sons Rob (21), Eddie (17) and Scott (4) by herself and didn't make enough as a waitress to keep her home. She would've had to leave Foxborough if it weren't for the new three-bedroom unit developed by the housing authority. Now, she's attending nursing school and made the Dean's list. "I've learned I can do things besides take orders," she said.



Small-scale development

MHP helps communities that take the initiative to develop affordable housing. The following are recent projects that MHP has supported with technical assistance and long-term financing:

New production

Amherst ... Main Street Apartments, Valley Community Development Corporation, 11 units, \$268,000 first mortgage, \$750,000 deferred-payment second mortgage loan.

Bedford ... 447 Concord Road, S-C Management, 14 units, \$1.25 million first mortgage, \$1.05 million deferred payment second mortgage.

Foxborough ... Baker Street, Foxborough Housing Authority, 20 units, \$2.68 million first mortgage, \$750,000 deferred payment second mortgage.

Groton ... Sandy Pond Road, Groton Housing Authority, 9 units, \$507,000 first mortgage, \$271,000 deferred payment second mortgage.

Northampton ... 46-48 School Street, Valley Community Development Corporation, eight units, \$100,000 first mortgage, \$600,000 deferred payment second mortgage.

In the pipeline

Hingham ... MHP is providing technical assistance to the Hingham Housing Authority for the development of 50 units on a former military site.

Hopkinton ... MHP is providing technical assistance to help the housing authority build 12 units.

Provincetown ... MHP provided technical assistance to help the town identify a developer who will construct at least 40 units of mixed-income housing on town land.

Sudbury ... MHP is helping the housing authority turn a four-unit site into 10 new affordable units.

Yarmouth ... MHP is helping the town develop 18 acres into affordable family housing.

> Finding low-cost solutions to keep

Boston

Lithgow Apartments

By refinancing these apartments, the Codman Square Neighborhood Development Corp. was able to increase affordability, make repairs and help Lithgow “once again become one of the jewels of Codman Square,” said Gail Latimore, CSNDC’s executive director. By using bond financing offered by MHP in partnership with MassDevelopment, CSNDC received a low-interest \$3 million loan. In this case, the bonds were bought directly by The Life Initiative, a community-investment fund supported by insurance companies. This enabled CSNDC to avoid costs often associated with bond financing.



housing affordable

Finally, MHP uses its experience and resources to keep existing rental housing affordable. The reason is that much of the affordable housing built in Massachusetts during the 1960s to 1980s has reached the end of its use restrictions. Massachusetts has lost over 12,000 affordable units and could lose another 24,000 by 2012.

One way in which MHP has worked to stem this tide is to figure out innovative ways to make tax-exempt financing with four percent tax credits more available for preservation. Since 2002, MHP has provided this type of low-interest rate financing to preserve properties ranging from 12 to 330 units.

In 2008, MHP used its bond financing program to refinance an expiring tax-credit project. MHP provided the owners of Lithgow Apartments in Dorchester with a consultant to advise them on how to allow their original investors to cash out, while refinancing and keeping the property affordable. MHP estimates that there are another 40 to 50 projects like this in the state and it is hoping to do more of this preservation financing in 2009.

This is the third apartment Shawne Perryman and her son Sean (5) have lived in and it's the best. A two-bedroom with off-street parking, a washer and dryer, it's close to family and Sean's school. The rent is \$950 a month, which Shawne can handle on her salary as a health care office worker. "I don't see us wanting to move," she said. "This is big and I can afford it."



MHP in Greater Boston

In Boston, MHP has used its bank-funded loan pool to provide over \$158 million in loans and commitments for the financing of 4,432 units. The following are recent loans and commitments made in Boston and surrounding communities.

New production

Everett ... Parkway Heights Apartments, Winn Development Corp., 74 units, \$5.9 million first mortgage.

Dorchester ... Olmsted Green, Lena Park Community Development Corporation, 51 units, \$2 million first mortgage, \$750,000 HomeFunders second mortgage.*

Dorchester ... Humphreys Street Apartments, Sojourner House, Inc., 11 units, \$220,000 first mortgage, \$100,000 HomeFunders second mortgage.*

Dorchester ... 1460 House, Viet-Aid, Inc., 43 units, \$736,000 first mortgage.

Dorchester ... Dudley Village, Dorchester Bay Economic Development Corporation, 50 units, \$2.1 million in first mortgage financing, \$850,000 in HomeFunders second mortgage financing.*

Somerville ... Saint Polycarp Village, Somerville Community Corp., 24 units, \$2.35 million first mortgage

Somerville ... Capen Court Senior Housing, Somerville Housing Authority, 95 units, \$7.5 million first mortgage.

Preservation

Dorchester ... Lithgow Apartments, Codman Square Neighborhood Development Corp., 31 units, \$3 million first mortgage.

Dorchester ... Norfolk Terrace, Codman Square Neighborhood Development Corporation, 18 units, \$573,700 first mortgage.

Fenway ... Kilmarnock Street, Fenway Community Development Corporation, 22 units, \$1.4 million first mortgage.

Mattapan ... Adams Court, Nuestra Comunidad Development Corp., 95 units, \$4.35 million in first mortgage financing, \$450,000 in HomeFunders second mortgage financing.*

* Offered by MHP to help borrowers make more units available to very low-income families.

>MHP Staff Directory

To contact an MHP staff member by phone, dial 617-330-9944 and the appropriate phone extension.

Executive | Legal

The executive/legal group oversees all aspects of MHP.



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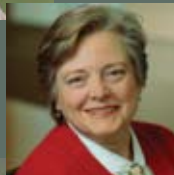
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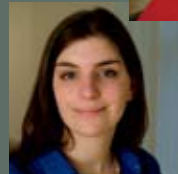
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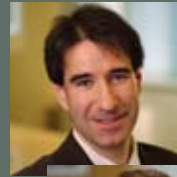
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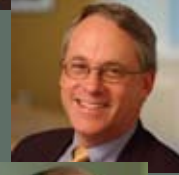
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Loan Funds

This group uses lines of credit from banks to make long-term, fixed-rate loans for affordable rental housing.



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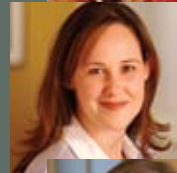
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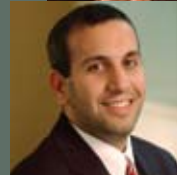
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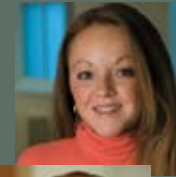
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Community Housing Initiatives

The Community Housing Initiatives (CHI) team supports communities, local housing authorities, and non-profit organizations in their efforts to create affordable housing for low and moderate-income families.

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This group manages the SoftSecond Loan Program and MassWorks, an employer-assisted mortgage program. Together, these programs have helped over 12,000 families purchase their first home.

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Administration & Finance

This group combines to help run the day-to-day operations and track MHP's overall financial performance.



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Board of Directors

MHP is governed by a seven-member board of directors. Two are appointed by the governor, two are cabinet secretaries or their designees, and three are nominated by the Massachusetts Bankers Association.

CHAIR, **Stanley J. Lukowski**, Chairman Emeritus, Eastern Bank

VICE CHAIR, **Vincent C. Manzi Jr.**, Partner, Manzi & McCann, Lawrence, MA

SECRETARY/TREASURER, **Christopher Oddleifson**, President & CEO, Rockland Trust Company

MEMBER, **Tina Brooks**, Undersecretary of the Executive Office of Housing and Economic Development

MEMBER, **Glen M. Shor**, Director of Policy and Planning, Executive Office for Administration & Finance (Designee for Secretary Leslie Kirwan)

MEMBER, **Nicolas P. Retsinas**, Director, Harvard University Joint Center for Housing Studies

MEMBER, **Richard C. Lawton**, Former President, Webster Five Cents Savings Bank



How MHP Is Funded

MHP was founded on the premise that housing solutions depend on private investment. This foundation was strengthened in 1990 when the legislature enacted the Interstate Banking Act, which requires that companies that acquire Massachusetts' banks make funds available to MHP for affordable housing.

This act addressed fears that bank industry consolidation might mean less community investment, and it gave larger consolidated banks a way to continue to channel money deep into the community. As a result, MHP's loan pool has grown to over \$1.2 billion, meaning it will continue to play a major role in helping the state maintain and grow its supply of affordable housing.

Since 1990, MHP has been a critical part of the state's effort to provide decent affordable housing. Through June 30, 2008, MHP has made over \$610 million in loans and commitments for the financing of nearly 15,000 units of rental housing. Most of these units are affordable and most serve lower and moderate-income residents.

>MHP by the Numbers

MHP Financial Summary

The Massachusetts Housing Partnership finances affordable housing and neighborhood development with private dollars from the following banks doing business in the Commonwealth.

Loans	Loan Agreements	Grants	
Bank of Ireland	\$ 2,149,221	Andover Bank	\$ 13,454
Bank of America (Fleet Bank)	549,919,888	BankBoston	10,000,000
Bank of New York	88,728,273	Bank of America	18,000,000
The Bank of Western Massachusetts	11,366,732	Citizens Bank of Massachusetts	2,595,451
Berkshire Bank	6,253,201	Fleet Boston Corporation	12,000,000
Cape Cod Five Cents Savings Bank	2,350,000	Lehman Brothers Bank, FSB	1,050,000
Citizens Bank of Massachusetts	32,937,599	NewAlliance Bank	625,293
Danvers Savings Bank	247,402	State Street Bank & Trust Company	13,343,742
Flagship Bank & Trust Company	6,860,133	TOTAL GRANTS	\$57,627,940
Cathay Bank	336,393		
Great-West Life & Annuity Insurance Co.	3,809,655		
Hoosac Bank	856,819		
Mellon Bank	74,337,381		
Rockland Trust	897,092		
Slade's Ferry Trust Company	223,113		
Sovereign Bank	172,306,577		
Toronto-Dominion (Banknorth)	154,918,389		
United Commercial Bank	1,144,089		
Wainwright Bank and Trust Company	9,139,063		
Webster Bank	23,244,408		
TOTAL LOANS	\$1,142,025,428		

Year end
June 30th 2008

Year end
June 30th 2007

Year end
June 30th 2008

Year end
June 30th 2007

Statement of Net Assets

Cash and Investments	\$ 69,215,643	\$ 68,756,475
Grant, program and interest receivable	11,729,730	1,337,484
Project Loans, net of reserves	275,995,130	246,045,352
Other Assets	381,323	530,065
TOTAL ASSETS	357,321,826	316,669,376
Accounts payable and accrued expenses	1,111,111	1,023,451
Accrued interest on project loans	1,037,333	1,001,942
Notes payable, project loans	272,106,242	244,494,330
Deferred revenue and other liabilities	20,163,255	20,674,445
Reserve for SoftSecond Loan Program losses	14,828,570	13,516,600
TOTAL LIABILITIES	309,246,511	280,710,768
Restricted Net Assets	33,731,561	24,390,842
Unrestricted Net Assets	14,343,754	11,567,766
TOTAL NET ASSETS	\$ 48,075,315	\$ 35,958,608

Statement of Revenue, Expenses & Changes in Net Assets

Income from direct lending, net of provision for loan losses	\$ 3,207,642	\$ 3,552,345
Grants and other private support	14,731,995	1,422,801
Governmental support	7,327,024	6,683,704
Earnings on bank deposits and investments	2,513,536	2,474,519
Other income	1,004,059	1,089,712
TOTAL REVENUES AND SUPPORT	28,784,256	15,223,081
Salaries and Benefits	4,056,815	3,838,457
Professional fees and contracted services	580,694	631,379
Community outreach, training and publications	80,259	102,882
Homebuyer support	557,950	585,650
First-time homebuyer mortgage subsidies and reserves (SoftSecond)	6,606,293	6,049,245
Rental housing mortgage subsidies, reserves and grants	3,788,262	6,702,142
Occupancy and equipment	530,091	509,827
Other program and operating costs	467,185	457,210
TOTAL PROGRAM AND OPERATING COSTS	16,667,549	18,876,792
CHANGE IN NET ASSETS	\$12,116,707	(\$ 3,653,711)

These financial statements are summarized from MHP's audited financial statements which are available on request.

Massachusetts Housing Partnership

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