Moody's Investors Service
Municipal Credit Research

August 2000

Contact	Phone
New York	
Wendy Berry	1.212.553.1653
Erik Bresnahan	1.212.553.1304
Peter Hoffman	1.212.553.4175
Florence Zeman	1.212.553.4836
Dennis Farrell	1.212.553.7780

Bright Outlook for State Housing Finance Agencies, but Not Without Long-term Risk

Industry Outlook

Author	Senior Associate	Production Associate
Wendy Berry	*Diana Estrada*	*Phillip Stone*

Table of Contents

Summary Opinion

The ratings forecast for the state housing finance agency (HFA) industry appears bright, reflecting high fund balances, strong management, and generally conservative underwriting standards. But a range of risks, from the financing of assisted living facilities projects (ALFs) to more prevalent use of variable rate debt, could damper long-term credit strength.

Currently, the sector's bond issuance is clearly on the uptick. State HFAs represent a significant presence in the public finance market with more than $83 billion in total debt outstanding — up from less than $69 billion just five years ago. Within that time frame, Moody's has upgraded five of our 28 state HFA Issuer Ratings, also known as general obligation ratings, and revised the outlook on six others to positive. Indeed, no state HFA Issuer Rating has ever been downgraded by Moody's. State HFA Issuer Ratings are all investment grade, ranging from A2 on the low end to Moody's highest rating of Aaa.

Bolstering the sector's credit strength — and Moody's A1 average rating — are the high fund balances reported by several state HFAs. Indeed, the 1999 combined fund balance for all state HFAs exceeded $13 billion — a healthy 8% increase of $1 billion over the 1998 figure. Moreover, the 1999 average and median combined fund balance as a percentage of debt outstanding for all state HFAs stood at 15.7% and 12.4% respectively. Both of these ratios represent all time high percentages for the industry.

The sector has also benefited from strong and stable overall management, despite an unusually high 20% turnover rate at the executive level within the past year. Fortunately, for most state HFAs with new executive directors, much of the senior staff has remained in place therefore retaining general management stability.

Despite the industry's strong financial position and strong management, Moody's is concerned that HFAs are taking on greater risk than what has been their historical norm. A growing number of state HFAs are financing assisted living facilities (ALFs) — a significantly riskier segment than traditional multi-family housing — overwhelmingly through the issuance of bonds.

In addition, the increased participation by many state HFAs in HUD's Risk Sharing Program for Affordable Multifamily Project Loans also amplifies HFA risk. With more HFAs financing both uninsured and unsubsidized multi-family housing, the possibility of large monetary losses to an HFA has now greatly increased.

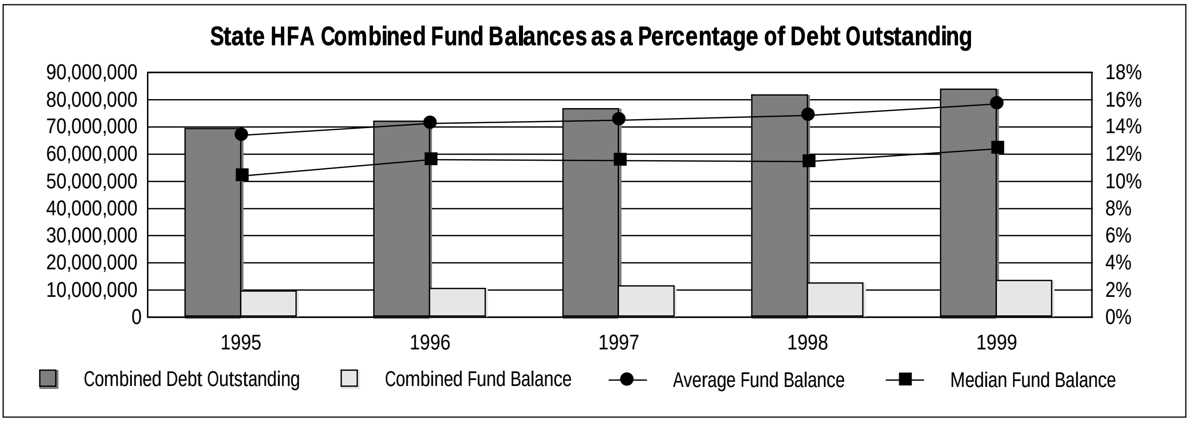
Other long-term risks to state HFAs include the much more prevalent use of variable rate debt. Finally, the threat of state governments appropriating state HFA funds is also ever present, particularly if there is a significant erosion to the national and state economies.

What is an Issuer Rating?

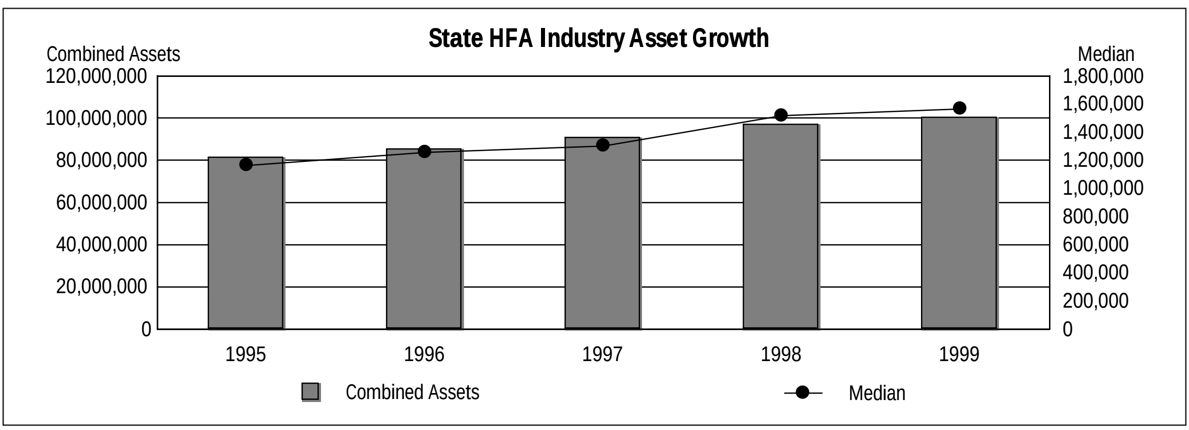
Moody's defines Issuer Ratings as "opinions of the ability of entities to honor long-term senior unsecured financial obligations and contracts". Moody's formally introduced these ratings in June 1998 to meet growing demand on the part of investors and other capital market participants for reliable, globally consistent credit risk assessments of entities that may have no ratable debt outstanding. While Moody's Public Finance Housing Group has had General Obligation Ratings on housing finance agencies since 1987, these ratings are now also known as Issuer Ratings. Issuer Ratings use the same Aaa through C rating scale traditionally applied by Moody's to specific long-term debt securities.

Introduction

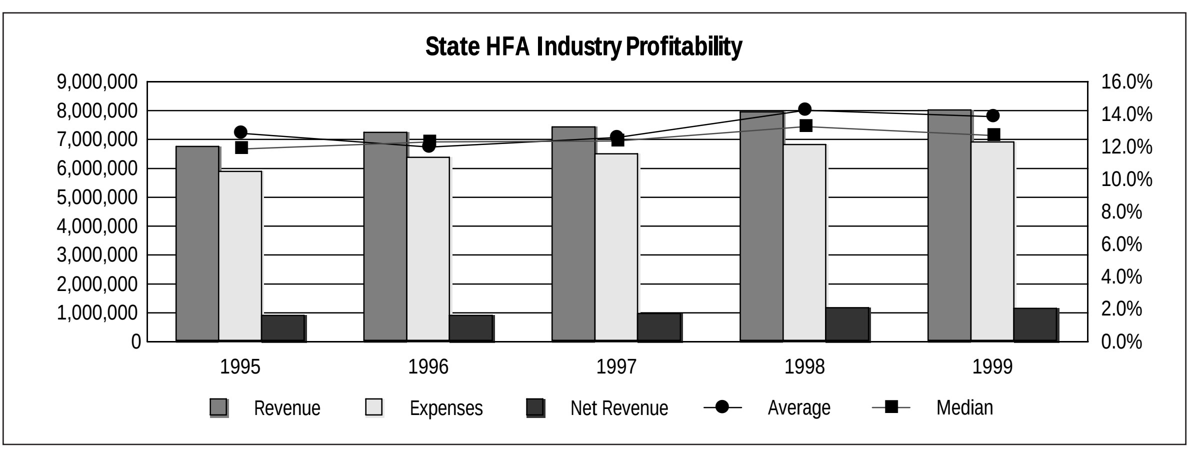
State housing finance agencies (HFAs) represent a significant presence in the public finance market with very large and frequent debt issuances. Today, over $83 billion of state-HFA-issued single family (69.7%) and multi-family (27.0%) debt is outstanding, up more than 28% from just five years ago. And despite federal and individual state imposed bond ceiling caps, Moody's expects the state housing finance industry to increase its significance in the tax-exempt and the taxable capital markets, particularly as the federal government has pushed greater responsibility for housing programs down to the state and local levels.



After years of accumulating significant financial resources, gaining expertise in their respective housing markets, solidifying political ties, and establishing reputations in the capital markets, today, most state HFAs and some local HFAs have stronger than ever financial positions along with considerable influence over the implementation of new housing initiatives. Indeed, the industry's combined assets reached an unprecedented level of almost $100 billion in 1999, a 2.7% growth from the prior year and 21.1% jump from just five years ago. In addition, the 1999 combined fund balance for all state HFAs equaled a record amount of more than $13 billion, a healthy $1 billion — or 8% — increase over the prior year's $12 billion balance. As a result, the 1999 average and median combined fund balance as a percentage of debt outstanding for the state HFA industry stood at 15.7% and 12.4%, respectively. Both of these ratios represent all time high percentages for the industry.



From a cash flow perspective, 1999 also showed continued growth for state HFAs. Total combined revenue for the industry was just under $8 billion and net revenue was $1.1 billion resulting in an average and median profitability ratios of 13.9% and 12.7%, respectively. While these numbers represent a slight decline from the prior year, the state HFA industry's profitability remains strong.



To deal with these increased housing responsibilities, state HFAs have shown a strong demand for Issuer Ratings, also known as general obligation ratings. Moody's Housing Group has been assigning these Issuer Ratings to housing finance agencies (HFAs) since 1987. Housing finance agencies — both state and local — use these Issuer Ratings in a variety of ways in order to address the continued critical demand for affordable housing, including making access to the municipal bond market easier and less costly. Today, Moody's has assigned ratings on 28 housing finance agencies that range from A2 to Aaa.

In recognition of these stronger financial positions, Moody's has upgraded five state HFA Issuer Ratings since out last industry Outlook two years ago. These upgrades include: the West Virginia Housing Development Authority to Aaa from Aa1 — Moody's first ever Aaa Issuer Rating on a state HFA; the Alabama Housing Finance Authority to Aa3 from A1; the California Housing Finance Agency to Aa3 from A1; the Minnesota Housing Finance Agency to Aa1 from Aa2; and the Utah Housing Finance Agency to Aa3 from A1. Moody's also upgraded the outlook on six Issuer Ratings to positive from stable. They are: the California Housing Finance Agency; the Idaho Housing and Finance Association; the Illinois Housing Development Authority; the Maine State Housing Authority; the Montana Board of Housing; and the Nevada Housing Division. Moreover, in over ten years of assigning Issuer Ratings to state HFAs, none has been downgraded — further testament to the industry's ongoing strength.

Moody's current state HFA Issuer Ratings are as follows:

Housing Finance Agency	Rating/Outlook
Alabama Housing Finance Authority	Aa3 (stable)
Alaska Housing Finance Corporation	Aa2 (stable)
California Housing Finance Agency	Aa3(positive)
Colorado Housing and Finance Authority	A1 (stable)
Florida Housing Finance Corporation	A2 (stable)
Hawaii Housing & Community Develop. Corporation	A1 (negative)
Idaho Housing & Finance Association	A1 (positive)
Illinois Housing Development Authority	A1 (positive)
Indiana Housing Finance Authority	Aa3 (stable)
Kentucky Housing Corporation	Aa3 (stable)
Louisiana Housing Finance Agency	A2 (stable)
Maine State Housing Authority	A2 (positive)
Maryland Community Development Administration	A2 (stable)
Massachusetts Housing Finance Agency	A2 (stable)
Minnesota Housing Finance Agency	Aa1 (stable)
Montana Board of Housing	A2 (positive)
Nevada Housing Division	A1 (positive)
New Hampshire Housing Finance Authority	A2 (stable)
New Mexico Mortgage Finance Authority	A2 (stable)
Oregon Housing & Community Services Department.	A1 (stable)
South Carolina State Housing Finance & Development Authority	A2 (stable)
South Dakota Housing Development Authority	A1 (stable)
Utah Housing Finance Agency	Aa3 (stable)
Virginia Housing Development Authority	Aa1 (stable)
West Virginia Housing Development Fund	Aaa (stable)
Wisconsin Housing & Economic Development Authority	Aa3 (stable)
Wyoming Community Development Authority	Aa3 (stable)

While the outlook appears bright for most state housing finance agencies, the future is not without risk. In many states, the emergence of administratively strong and financially healthy HFAs has led to increasing political pressures and greater demands on HFA capital resources to support new housing ventures.

Adding to these political pressures is the general retrenchment of the federal government's support for producing and subsidizing affordable multi-family housing. This federal retrenchment has resulted in greater responsibility being pushed down to the state HFAs, e.g. Portfolio Reengineering and Section 8 contract administration. Another consequence of the retrenchment has been that some housing finance agencies are taking on greater risk than what has been their historical norm.

These higher risks include: an increasing use of HUD Risk Sharing with its varying percentages of contingent liabilities, the financing of a greater amount of uninsured and unsubsidized affordable multi-family projects, and the more prevalent use of variable rate debt. Moreover, despite some high profile assisted living loan defaults under HUD's Risk Sharing Program, Moody's expects to see many HFAs looking to intensify efforts to finance assisted living projects for the elderly as the changing demographics require more specialized housing for the growing senior population.

Areas of Concern for the HFA Industry

1. ***Increased exposure to uninsured, unsubsidized multi-family loans:*** As state HFAs are looked upon to do much more in the area of affordable multi-family housing, many state HFAs are taking on greater risk that what has been their historical norm. As a direct result of the shift of federal policy away from subsidized housing, an increasing number of state HFAs are financing uninsured and/or unsubsidized multi-family housing. Where in the past, state HFAs financed a significant number of multi-family properties, most had subsidies including Section 236 or Section 8 or were covered under FHA's traditional insurance programs. Today, virtually all new multi-family projects are financed without subsidies. While many properties are insured under the HUD Risk Sharing Program and are therefore insured by FHA, the risk to HFAs is still present as any loan default and accompanying loss is shouldered in part by the HFA.

2. ***Assisted Living:*** To date, Moody' has identified 16 state housing finance agencies that have financed assisted living facilities or expect to do so in the near future — overwhelmingly through the issuance of bonds. Moody's sees the assisted living segment of the housing market having a significantly higher risk profile than traditional multi-family housing. Specific risks to ALFs include the emphasis on personal care and hotel-like services, greater operating expenses, and higher expected annual turnover rates. These added risk factors were evident in three recent defaults of state HFA-financed loans for assisted living facilities. Indeed, these three loans were all insured under HUD's Risk Sharing Program and represent the only three loan defaults reported under the seven-year-old program. To date, the Risk Sharing Program has insured more than 200 loans.

3. ***Increased Use of Variable Rate Debt:*** As many state HFAs try to meet the increasing demand for affordable housing, a growing number of HFAs have attempted to reduce interest costs and maximize revenues by issuing variable rate debt. Given that HFA portfolios are generally fixed rate loans, the mismatch between the fixed rate assets and the variable rate liabilities often results in interest rate risk to the bond program. Variable rate bonds can be structured in various ways, but Standby Bond Purchase Agreements (SBPA), swaps and caps are often utilized to offset liquidity and interest rate exposure. Increasingly, providers of these agreements rely upon the Issuer Rating to gauge the financial strength of the HFA, and to quantify unrestricted assets. Additionally, Moody's often looks to the HFA's general fund to cover any contingencies that may occur within these types of agreements, including any type of termination fees, or other embedded risks which are not factored into the payment schedule. Moody's often looks for these types of contingencies to be quantified in the cash flow scenarios and relies upon the resources available to the HFA to meet these stresses. (These contingencies may occur due to a swap amortization mismatch, tax rate risk, basis risk etc.)

What's more, Moody's expects to see more HFAs looking to partner with public housing authorities to develop innovative affordable housing. To that end, Moody's has recently released a Management Quality (MQ) rating product to help address the needs of PHAs and other housing entities in these new types of housing partnerships and financing ventures.

MQ Ratings for Public Housing Authorities

Public housing authorities (PHAs) are facing enormous challenges in today's changing environment including a generally aging housing stock, a very low income tenant population, and the possibility of declining federal subsidies. At the same time, PHAs have opportunities to transform both their own agency operations as well as their stock of public housing with the help of new policy directions from Congress and the Department of Housing and Urban Development (HUD). These new policies include the increased flexibility in the use of federal assistance and additional resources such as HOPE VI.

To address these new PHA opportunities, Moody's has developed a new Management Quality (MQ) Rating for PHAs and other affordable housing providers as they confront these challenges in the days ahead. These MQ ratings are intended to be used by the PHAs and other affordable housing providers as an internal management tool as well as a tool when strengthening or establishing relationships with third parties or partners. The analysis will also include an "outlook" for the future that may be helpful to these housing providers in their strategic planning efforts.

Moody's PHA MQ ratings are as follows:

MQ1 — Housing providers judged to be managed in the highest quality manner.
MQ2 — Housing providers judged to be managed in a high quality manner.
MQ3 — Housing providers judged to be managed in a good manner.
MQ4 — Housing providers judged to be managed in an average manner.
MQ5 — Housing providers judged to be managed in a below average manner.
MQ6 — Housing providers judged to be managed in an unsatisfactory manner.

Finally, the risk of intervention by certain states into the finances of HFAs is ever present. While state governments have occasionally appropriated or diverted excess fund balances of HFAs — and in the case of Alaska and Hawaii it has become a regular occurrence — Moody's believes this risk will heighten if the generally robust national and state economies are significantly eroded. Moody's believes that this fact alone makes Issuer Ratings more volatile to rating changes, particularly downgrades, than typical single family or multi-family programs as Issuer Ratings generally lack the strong legal security and structure evident in most bond programs.

Indeed, the only negative outlook Moody's maintains on a housing finance agency is the A1 Issuer Rating on the Hawaii Housing and Community Development Corporation. This negative outlook is directly related to the transfer of $150.4 million over the last five years of Corporation assets to the State's General Fund in order to overcome budget deficits created by Hawaii's weakened economy.

EXAMPLES OF HOW HFAS USE THEIR ISSUER RATINGS

HFAs have benefited in various ways when using their Issuer Ratings. They include:

- creative financings;
- general financial flexibility;
- easier approval process and less onerous terms for HFAs participating in HUD's Risk Sharing Program for Affordable Multifamily Project Loans;
- use as a "stamp of approval" for banks, credit enhancers, and other third parties looking for risk assessment; and
- use as a management tool with HFA Boards of Directors and/or state government.

Creative Financings

TRIPLE TRAUNCHE STRUCTURE

A number of HFAs have used their HFA Issuer Ratings to receive higher ratings on certain bond transactions. One continuing example of this trend is the triple tranche structure for single family transactions. Under these bond structures, the last tranche reflects non-asset bonds under certain stressful prepayment scenarios. A number of HFAs have utilized this type of financing, including Idaho, Nevada, California, and Utah for their single family programs and Colorado for multi-family financings.

Because these HFAs all have Issuer Ratings, these agencies are able to legally pledge their general obligations to these subordinate bonds and, therefore, receive A1 ratings on these bonds in the case of Idaho and Nevada, and Aa3 in the case of California and Utah. In addition, the Colorado Housing and Finance Authority (CHFA) uses a two tranche structure on its single family bond issuances and pledges its general obligation solely to the subordinate bonds.

With ratings of A1 or Aa3, rather than no rating at all, these issuers are able to sell their subordinate bonds with lower interest rates. With approximately $200 million of subordinate bonds issued by these five HFAs over the last few years, the interest savings has been significant.

OFFICE BUILDING BONDS

Another key example of the increasing use of Issuer Ratings was the December 1999 offering from the Alaska Housing Finance Corporation (AHFC). This issuance of State Building Lease Bonds was done to refinance a number of capital projects for the State of Alaska including an office building in Anchorage leased by the State.

The primary security for these bonds was the unpledged assets of the Corporation, along with rental revenues from the State of Alaska, if received. Without the use of the Corporation's general obligation pledge, security for these bonds would have been weak. The Aa2 rating assigned to these bonds was based fundamentally on AHFC's Issuer Rating. AHFC's Aa2 Issuer Rating reflects Moody's evaluation of its extraordinarily strong financial position, the favorable portfolio performance of its single family and multi-family programs, and its very sound management abilities.

State HFAs have also issued building bonds for the purchase and/or construction of their own office buildings, including the New Hampshire Housing Finance Authority as well as the first to do it, the Virginia Housing Development Authority. Other HFAs are currently considering using their general obligation pledge to support the financing and/or construction of office buildings including: the Indiana Housing Finance Authority and the Louisiana Housing Finance Agency.

TOBACCO SECURITIZATION BONDS

Perhaps the most creative use yet of a state HFA using its general obligation pledge for new types of financing is AHFC's likely issuance of almost $100 million of tobacco securitization bonds later this year. These bonds are expected to be issued in order for the Corporation to receive the net present value of the future stream of income expected to come from the state's settlement with tobacco companies. The Corporation anticipates offering its general obligation pledge on the bonds rather than the weaker security of expected receipt of the settlement monies. Bond proceeds, however, will be transferred to the State of Alaska for various state purposes.

Easier Approval Process, Less Onerous Terms for HUD's Risk-Sharing Program Participants

The Department of Housing and Urban Development's (HUD) introduction of its Risk Sharing Program in 1993 spurred many HFAs to request Issuer Ratings without the anticipation of any planned debt issuance. This heightened demand for Issuer Ratings was due to the fact that HUD made participation in the program much easier for HFAs with Issuer Ratings of A or higher.

State HFAs That Have Entered into Risk Sharing Contracts with HUD

California Housing Finance Agency	Michigan State Housing Development Authority
Colorado Housing and Finance Authority	Minnesota Housing Finance Agency
Connecticut Housing Finance Agency	Montana Board of Housing
Florida Housing Finance Corporation	New Hampshire Housing Finance Authority
Idaho Housing and Finance Association	New Jersey Housing and Mortgage Finance Agency
Illinois Housing Development Authority	New Mexico Mortgage Finance Authority
Indiana Housing Finance Authority	New York State Housing Finance Agency
Kentucky Housing Corporation	Oregon Housing and Community Services Department
Louisiana Housing Finance Agency	Pennsylvania Housing Finance Agency
Maine State Housing Housing Authority	Rhode Island Housing and Mortgage Finance Corporation
Maryland Community Development Administration	South Dakota Housing Housing Development Corporation
Massachusetts Housing Finance Agency	Wisconsin Housing and Economic Development Authority

Source: Department of Housing and Urban Development

HUD's Risk Sharing Program is designed to leverage FHA insurance moneys to finance affordable multi-family housing. The program permits certain HFAs to partner with HUD by assuming some of the financial risk — anywhere from 10% to 90% — in the event of a project loan default. Because HUD looks to participating housing agencies for reimbursement should a project loan default and result in losses, HUD needs to be confident of the ability of the agency to repay such an obligation.

To this end, HUD's regulations allow the loan loss set-aside requirement to be waived for those HFAs with an Issuer Rating of A or better. In addition, the approval process for the Risk Sharing Program is streamlined for those agencies with similar ratings. To date, 24 state HFAs have signed Risk Sharing agreements with HUD. A number of other state HFAs have been deemed eligible to participate in the Risk Sharing Program but have not yet done so.

General Financial Flexibility

When structuring a bond transaction, an HFA occasionally looks to Moody's for an exception to our stated guidelines in the areas of investments, cash flow projections, debt service coverage, or insurance requirements. If the HFA is financially and administratively strong, and has a satisfactory Issuer Rating, Moody's is much more likely to broaden our typical guidelines.

One example of greater flexibility involved the California Housing Finance Agency (CHFA) and its increased use of variable rate debt within the Home Mortgage Revenue Bond Program, an increase of approximately $600 million since January 2000. In increasing its utilization of variable rate debt, the Agency has also taken on additional interest rate exposure and in some cases, other types of exposure such as tax rate risk and amortization mismatch associated with various swap agreements. Moody's believes that CHFA's Aa3 Issuer Rating provides important and necessary security to offset these types of risks to the program, providing a source of additional funds if contingencies arise, creating internal hedges with increased revenue generation, and providing a proactive monitoring and quantification of program exposure. Given these types of exposure, Moody's looks to the strength of not only the program, but also CHFA's general obligation pledge to address and manage any significant stresses which may occur to the program.

Opportunities for flexibility increase the higher the Issuer Rating, thereby allowing HFAs to maximize their resources to create affordable housing.

Use As A "Stamp of Approval" for Credit Enhancers

As HFAs get more creative in their bond financings, there is a greater need for credit enhancement of these bonds. Such credit enhancement is typically in the form of either bond insurance or a letter of credit. Often, the credit enhancer — the bond insurer, the government-sponsored enterprise (such as Fannie Mae or Freddie Mac), or the letter of credit bank — will seek recourse from the HFA in the event the primary security for the bonds is insufficient, e.g. the revenues from a multi-family project. HFAs that have Issuer Ratings generally find it easier to access such credit enhancement as the bank or insurer is able to look to the Issuer Rating as an independent assessment of the creditworthiness of the HFA.

Use As A Management Tool

In a few cases, HFAs request Issuer Ratings even though they have no plans to issue debt secured by their general obligation pledge, enter into Risk Sharing Agreements with HUD, seek credit enhancement, or enter into partnerships with other entities. In many cases, these HFAs have received Issuer Ratings in order to be prepared for future, unplanned events. These events could include the need for more financial flexibility, or to fend off the state from a potential raid of excess funds.

Finally, some HFAs simply apply for Issuer Ratings in order to give their Boards of Directors and/or the state, an assessment of how Moody's views the HFA relative to other HFAs, including their relative strengths and weaknesses.

Moody's Key Credit Factors For Evaluating Housing Finance Agencies

Moody's considers each of the following key credit factors when assigning an Issuer Rating to a state housing finance agency:

- financial resources;
- management;
- single family and multi-family portfolio performance/composition and strength of economy; and
- general underwriting criteria.

Because each housing agency is unique, the absence of one or more of the specific examples describing HFA strengths does not necessarily preclude the assignment of an investment grade Issuer Rating.

Financial Resources

A critical component in assigning an Issuer Rating to a housing finance agency is the HFA's overall financial position. Specifically, its financial strength relative to its outstanding obligations, as well as any new obligations it may be considering. Moody's looks for sufficient liquidity, in the form of cash or cash equivalents, for a portion of the general fund's assets. Certain bonds and other obligations or contingent obligations (such as HUD Risk Sharing, letters of credit, or commercial paper) are not generally secured by any specifically pledged assets, but rather by all assets of the agency that are not otherwise pledged or obligated. The agency's general or operating fund, therefore, provides the first source of repayment.

Moody's also looks at what portion of the general fund is considered undesignated. Many agencies restrict certain funds for capitalized interest, self-insurance, etc. Moody's regards undesignated moneys as unpledged funds that are not expected to be used for any purpose in the foreseeable future.

Moody's also incorporates the HFA's combined fund balance, which represents the total equity of the agency, when analyzing an HFA Issuer Rating. Much of the combined fund balance is typically earmarked and obligated under various single family and multi-family indentures. Often, however, a portion of these earmarked funds is available to the HFA for various purposes, including support for a general obligation pledge.

Why and How Does Moody's Adjusts Financials?

In an effort to get a true picture of the financial position of housing finance agencies, Moody's makes certain adjustments to many of the numbers found in audited financial statements. By analyzing adjusted numbers rather than reported numbers, Moody's is able to properly compare and contrast different HFAs as well as accurately review the financial trends of the HFAs over the past three to five years. In general, Moody's adjusts all intangible accounting entries such as deferred issuance costs, amortization of bond discount, as well as custodial funds, and certain assets related to public housing operations.

For example, Moody's focuses on "bonds outstanding" rather than what is typically found on the liability side of a balance sheet — "bonds payable". Bonds payable is a standard accounting entry that nets out unamortized discount from the amount of bonds actually outstanding. Moody's, however, is more interested in the amount of debt that is truly owed, i.e. the aggregate amount of principal outstanding that bondholders would be due as of the audit date if all bonds were to be due and payable. Because "bonds outstanding" is often higher than the reported "bonds payable", the adjusted number results in a higher amount of liabilities.

On the asset side, a number commonly adjusted by Moody's is loans receivable. In those cases where HFAs purchase loans at a discount, the amount reported on the balance sheet is lower than the actual amount of loan principal receivable as accounting rules generally require you to carry certain assets at the lower of cost or current value. This results in a reported understatement of assets. Moody's uses the actual amount of loans receivable, often resulting in a higher amount of assets than otherwise reported.

The implementation of the Governmental Accounting Standards Board's Statement No. 31, Accounting and Financial Reporting for Certain Investments and for Certain External Investment Pools (GASB 31) has created new intangible entries which has had an impact on the way in which HFA's report their investment balances. GASB 31 requires that governmental entities report investments at fair value on the balance sheet and any changes in the fair value of investments as investment income in the operating statement.

Given that the majority of investments in HFA portfolios are held to maturity to coincide with debt service payment dates and other known cash out-flow needs, Moody's believes that the implementation of GASB 31 provides an imprecise accounting of an HFA's financial position. Generally, gains and losses recorded due to the new fair value standards will, largely, not be realized, and therefore in Moody's view, should not be included in most calculations. As a result, Moody's requests that HFAs provide us with a par value assessment of its investments so that we can adjust for net increases or decreases in fair value, in order to make accurate comparisons to historical cost accounting representations. (For additional information on GASB 31, please consult Moody's Special Comment "GASB 31 and The Impact On State Housing Finance Agencies", published in March 2000.)

Examples of strong (Aa category) financial resources are:

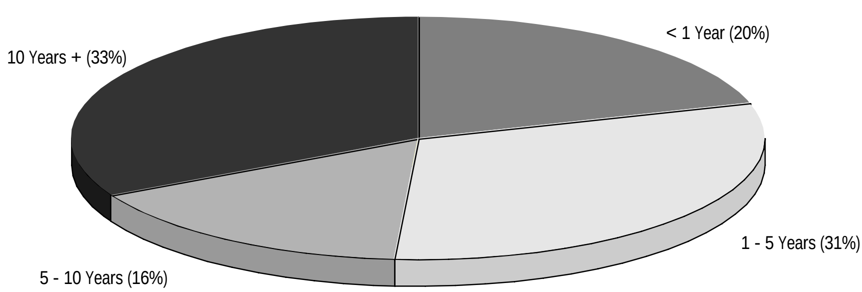
- a combined fund balance in excess of 15% of the agency's total indebtedness;
- a general or operating fund balance in excess of 4% of the agency's total indebtedness;
- profitability — healthy generation of combined net income in excess of 10%;
- ample liquidity of unrestricted funds (case by case basis);
- ample asset to debt ratio or debt service coverage on all single and multi-family indentures; and
- conservative loan loss assumptions where necessary (case by case basis).

Management

An agency's overall administrative track record and management skills are very important factors in the assignment of an Issuer Rating.

When evaluating management, Moody's looks for a stable, capable, and experienced management team that is not overly reliant on one person. Historically, the state HFA industry has enjoyed generally stable senior management, led by very experienced executive directors. Recently, however, the industry has seen an unusually high turnover rate at the executive director level. Indeed over the last year, ten state HFAs, or 20%, have experienced turnover of their executive directors. Fortunately for most HFAs with new executive directors, much of the senior staff has remained in place thereby retaining general stability at the management level. In addition, 16 state HFAs — or 33% — have executive directors with more than 10 years of continuous experience in their current positions.

Tenure of HFA Executive Directors



In addition to assessing senior staff, Moody's looks for a satisfactory level of internal controls, including accounting and reporting functions, that we expect to be in place to secure an investment grade Issuer Rating.

Moody's also considers the relationship a state HFA has to its state government when evaluating an HFA's management. It is important that the state HFA and the state government have a solid working relationship as state HFAs are created by their states and their goals and overall mission are determined by the respective governor and legislature. Many state HFAs also receive annual appropriations from the state to administer various programs. Similar issues arise with local HFAs and their "parent government", i.e. the county or city.

The absence of a solid working relationship may result in: the overall weakening of the agency through the increased likelihood of the state tapping a portion of HFA reserves; frequent turnover of staff — particularly top management; the cessation of certain appropriations; and/or the shifting of HFA responsibilities to other state agencies.

Examples of strong (Aa category) management are:

- stable, experienced management team with depth in personnel;
- strong working relationship with the HFA's parent government;
- comprehensive and timely dissemination of financial and performance information;
- successfully investing HFA funds;
- an appropriately conservative written investment policy;
- profitably servicing own loans;
- successfully running own cash flows;
- proven track record of underwriting and monitoring single family and multi-family loans;
- track record of successfully restructuring problem multi-family loans;
- proven track record of implementing strategic planning efforts to assist in agency policy and problem resolution; and
- successfully using up-to-date technology for portfolio monitoring as well as general agency needs.

Overall Portfolio Performance/Composition and Economy

The composition and performance of an HFA's overall portfolio is critical when evaluating the creditworthiness of a housing agency. Indeed, a portfolio composed of virtually all mortgage-backed securities guaranteed by a third party, such as GNMA or FNMA, has virtually no risk when compared to a portfolio composed mostly of single family whole loans or uninsured, unsubsidized multi-family loans. This is due to the fact that with third party guarantees, any and all loan losses are covered by the mortgage-backed securities guarantor.

In addition, a portfolio's level of overcollateralization, insurance provisions, and the percentage of loans that are fixed rate versus variable rate is generally indicative of the program's ability to withstand periods of high delinquencies and foreclosures. Moreover, because portfolio performance is driven in large part by the state economy, and in particular by the state's housing markets, Moody's takes the state's overall economic picture into account when assigning HFA Issuer Ratings.

Given the current vigorous economy found in much of the nation, very strong housing markets can be found in most states. Indeed, robust housing trends have been the norm now for a few years and have resulted in relatively low delinquency rates on both single family and mutli-family properties.

Favorable loan performance and composition usually enhance a program's financial performance, particularly for those programs that finance mostly uninsured multi-family loans or single family whole loans. Moody's looks for strong performance and composition within all of an agency's bond programs for two important reasons: first, positive financial results add to a housing agency's overall net asset position, which increases the strength of its full faith and credit pledge. Second, strong financial performance indicates that a program is not likely to become a drain on the agency's net assets in the foreseeable future, and therefore helps to maintain the integrity of the combined fund balance and the HFA's overall financial position.

Although many HFA programs are legally structured as limited obligations, rather than general obligations, it is likely that many HFAs would act decisively for the benefit of bondholders in the event of a critical weakening of one of its programs. A continuation of strong overall performance significantly reduces the likelihood that any of the programs would need a cash infusion from an agency's available resources.

Examples of strong (Aa category) portfolio composition and performance include:

- a high percentage of single family debt secured by mortgage-backed securities — in excess of 25% — and/or FHA-insured or VA guaranteed loans or strong private mortgage insurance with sufficient secondary coverage, e.g. pool insurance, overcollateralization, or letter of credit;
- delinquency and foreclosure statistics on single family whole loans below state and national norms;
- a asset-to-debt ratio of more than 1.02 on all non-MBS programs;
- highly rated mortgage insurance providers;
- a high percentage of multi-family debt — in excess of 50% — secured by mortgage-backed securities and/or FHA insured loans;
- occupancy statistics at, or close to, 100% for multi-family projects;
- Section 8 subsidized properties with co-terminous loan maturity and HAP expiration dates;
- Section 8 subsidized properties with debt service coverage levels above 1.20x; and
- Section 8 properties with rent levels below rents for comparable properties.

General Underwriting Criteria

HFA underwriting criteria, particularly in multi-family housing, have become a critical credit factor in evaluating an HFA's Issuer Rating.

Historically, liberal single family underwriting has been compensated for by overcollateralization and/or and increased level of mortgage insurance. On the multi-family side, virtually all bond transactions have been either backed by FHA-insured loans or properties receiving Section 8 subsidies, thereby minimizing concerns over loan defaults or other serious problems.

With the increased usage of HUD's Risk Sharing Program for Affordable Multifamily Project Loans and with more and more HFAs financing uninsured, unsubsidized multi-family housing — including assisted living facilities, the possibility of large monetary losses to an HFA is greatly increased.

Strong management and prudent underwriting of these loans should produce high quality loans, thereby avoiding most potential problems. While Moody's recognizes the need to create affordable housing to as many households as possible, the presence of appropriately conservative underwriting remains a key factor when evaluating an HFA.

Examples of strong (Aa category) underwriting for multi-family project loans include:

- a comprehensive, written underwriting policy;
- an approval process which requires input by senior agency management as well as board approval;
- a first lien mortgage on the property;
- a fixed rate and fully amortizing loan of no more than 40 years for certain multi-family loans;
- loan to value ratios of no greater than 80%;
- debt service coverage ratios of greater than 1.20x for Section 8 subsidized properties and 1.40x for unsubsidized and uninsured projects;
- satisfactory feasibility, MAI appraisal, and Phase I environmental studies undertaken;
- appropriate level of project reserves for renewal and replacement;
- a formal policy and practice of performing physical inspections of projects during construction and at least annually after rent-up; and
- a formal policy and practice of monitoring properties regarding financial position and occupancy statistics.

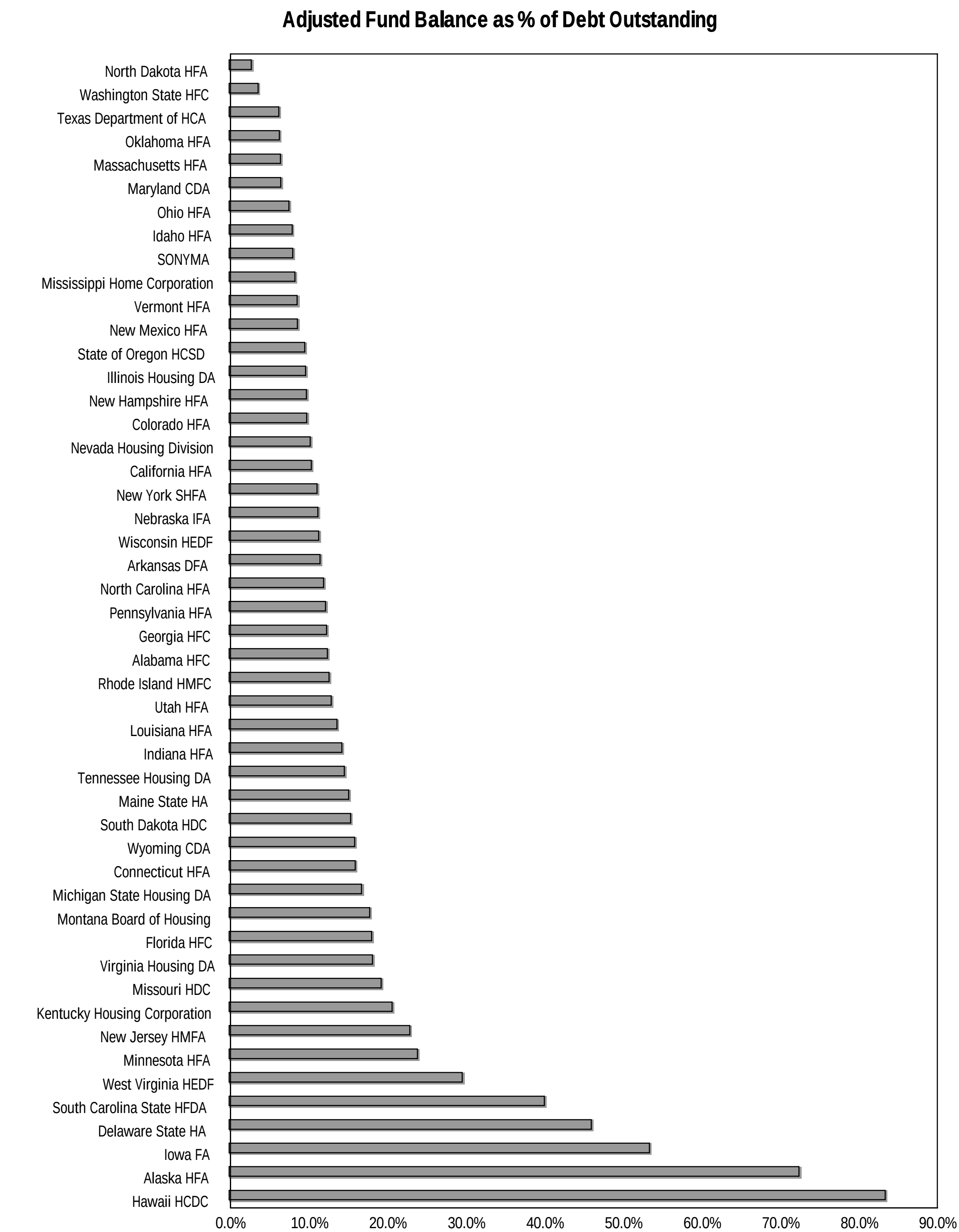
Conclusion

While housing finance agencies are now generally stronger financially and administratively than they have ever been, they are also faced with their greatest challenges in creating affordable housing. As a result, many more HFAs are now using Moody's Issuer Ratings to enter into creative financings to enable them to deliver much needed housing. Moody's also expects many more state and local housing agencies to apply for Issuer Ratings, and not-for-profits and public housing authorities (PHAs) to apply for MQ ratings as PHAs start to move toward greater entreprenuerialism, particularly in the area of project financing.

The ability of the 28 rated HFAs to maintain favorable Issuer Ratings will depend on their ability to successfully balance their strengths and resources with the political and economic challenges they are currently facing and will continue to face in the future.

1999 HFA Rankings: Adjusted Combined Fund Balance As % Of Debt Outstanding

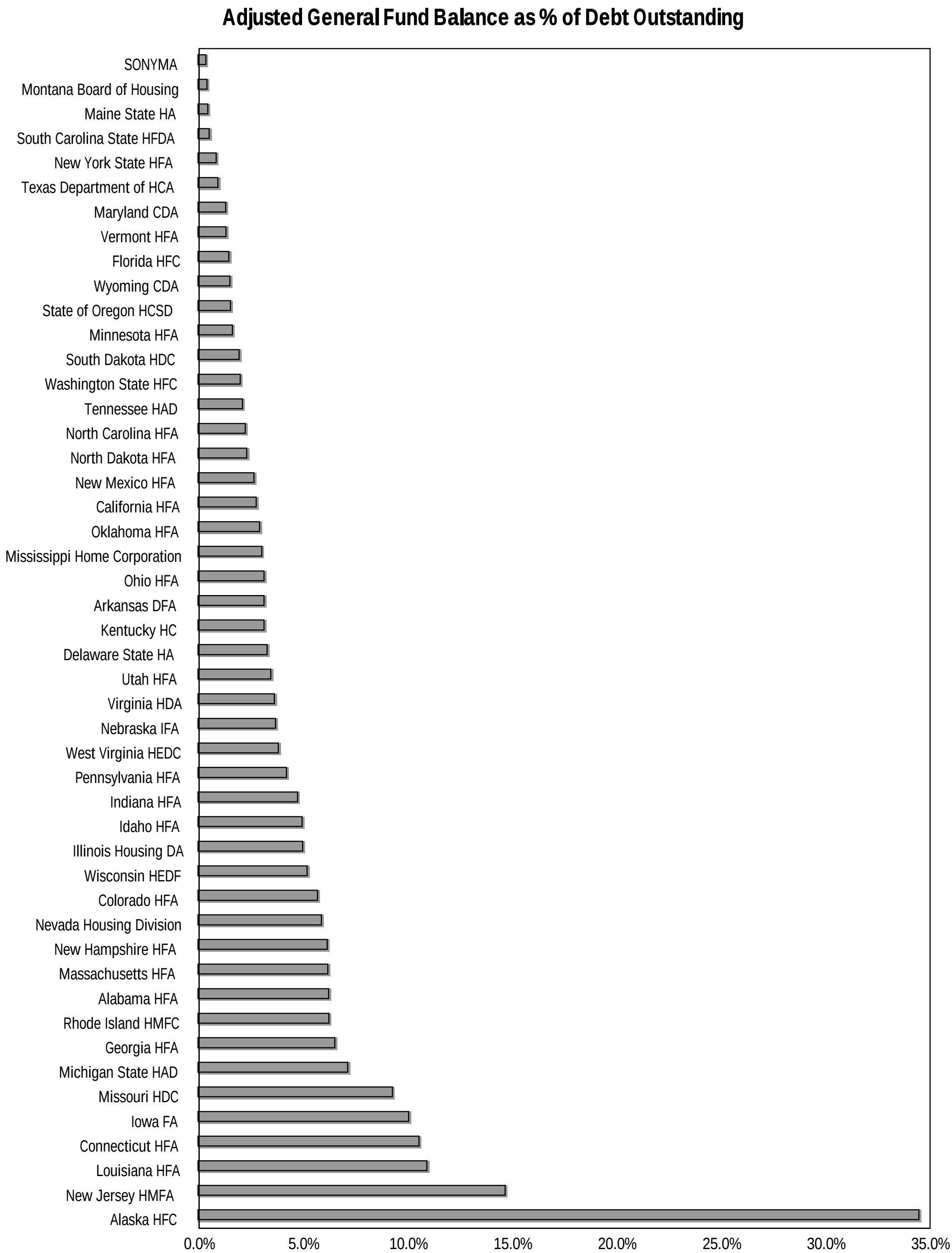
1.	Hawaii Housing and Community Development Corporation	83.51%
2.	Alaska Housing Finance Corporation	72.55%
3.	Iowa Housing Finance Authority	53.48%
4.	Delaware State Housing Authority	46.10%
5.	South Carolina State Housing Finance and Development Authority	40.14%
6.	West Virginia Housing and Economic Development Fund	29.67%
7.	Minnesota Housing Finance Agency	23.96%
8.	New Jersey Housing and Mortgage Finance Agency	22.98%
9.	Kentucky Housing Corporation	20.72%
10.	Missouri Housing Development Commission	19.35%
11.	Virginia Housing Development Authority	18.23%
12.	Florida Housing Finance Corporation	18.13%
13.	Montana Board of Housing	17.88%
14.	Michigan State Housing Development Authority	16.86%
15.	Connecticut Housing Finance Authority	16.04%
16.	Wyoming Community Development Authority	15.97%
17.	South Dakota Housing Development Corporation	15.45%
18.	Maine State Housing Authority	15.20%
19.	Tennessee Housing Development Agency	14.65%
20.	Indiana Housing Finance Authority	14.33%
21.	Louisiana Housing Finance Agency	13.71%
22.	Utah Housing Finance Agency	12.98%
23.	Rhode Island Housing and Mortgage Finance Corporation	12.71%
24.	Alabama Housing Finance Authority	12.48%
25.	Georgia Housing and Finance Authority **Median**	**12.40%**
26.	Pennsylvania Housing Finance Agency	12.26%
27.	North Carolina Housing Finance Agency	12.01%
28.	Arkansas Development Finance Authority	11.56%
29.	Wisconsin Housing and Economic Development Fund	11.39%
30.	Nebraska Investment Finance Authority	11.29%
31.	New York State Housing Finance Agency	11.17%
32.	California Housing Finance Agency	10.44%
33.	Nevada Housing Division	10.31%
34.	Colorado Housing and Finance Authority	9.86%
35.	New Hampshire Housing Finance Authority	9.82%
36.	Illinois Housing Development Authority	9.71%
37.	Oregon Housing and Community Services Department	9.60%
38.	New Mexico Housing Finance Authority	8.68%
39.	Vermont Housing Finance Agency	8.65%
40.	Mississippi Home Corporation	8.36%
41.	State of New York Mortgage Agency	8.10%
42.	Idaho Housing and Finance Association	8.01%
43.	Ohio Housing Finance Agency	7.59%
44.	Maryland Community Development Administration	6.56%
45.	Massachusetts Housing Finance Agency	6.51%
46.	Oklahoma Housing Finance Agency	6.37%
47.	Texas Department of Housing and Community Affairs	6.31%
48.	Washington State Housing Finance Commission	3.66%
49.	North Dakota Housing Finance Agency	2.81%


Adjusted Fund Balance as % of Debt Outstanding
North Dakota HFA
Washington State HFC
Texas Department of HCA
Oklahoma HFA
Massachusetts HFA
Maryland CDA
Ohio HFA
Idaho HFA
SONYMA
Mississippi Home Corporation
Vermont HFA
New Mexico HFA
State of Oregon HCSD
Illinois Housing DA
New Hampshire HFA
Colorado HFA
Nevada Housing Division
California HFA
New York SHFA
Nebraska IFA
Wisconsin HEDF
Arkansas DFA
North Carolina HFA
Pennsylvania HFA
Georgia HFC
Alabama HFC
Rhode Island HMFC
Utah HFA
Louisiana HFA
Indiana HFA
Tennessee Housing DA
Maine State HA
South Dakota HDC
Wyoming CDA
Connecticut HFA
Michigan State Housing DA
Montana Board of Housing
Florida HFC
Virginia Housing DA
Missouri HDC
Kentucky Housing Corporation
New Jersey HMFA
Minnesota HFA
West Virginia HEDF
South Carolina State HFDA
Delaware State HA
Iowa FA
Alaska HFA
Hawaii HCDC
0.0%
10.0%
20.0%
30.0%
40.0%
50.0%
60.0%
70.0%
80.0%
90.0%

1999 HFA Rankings: Adjusted General Fund Balance As % Of Debt Outstanding

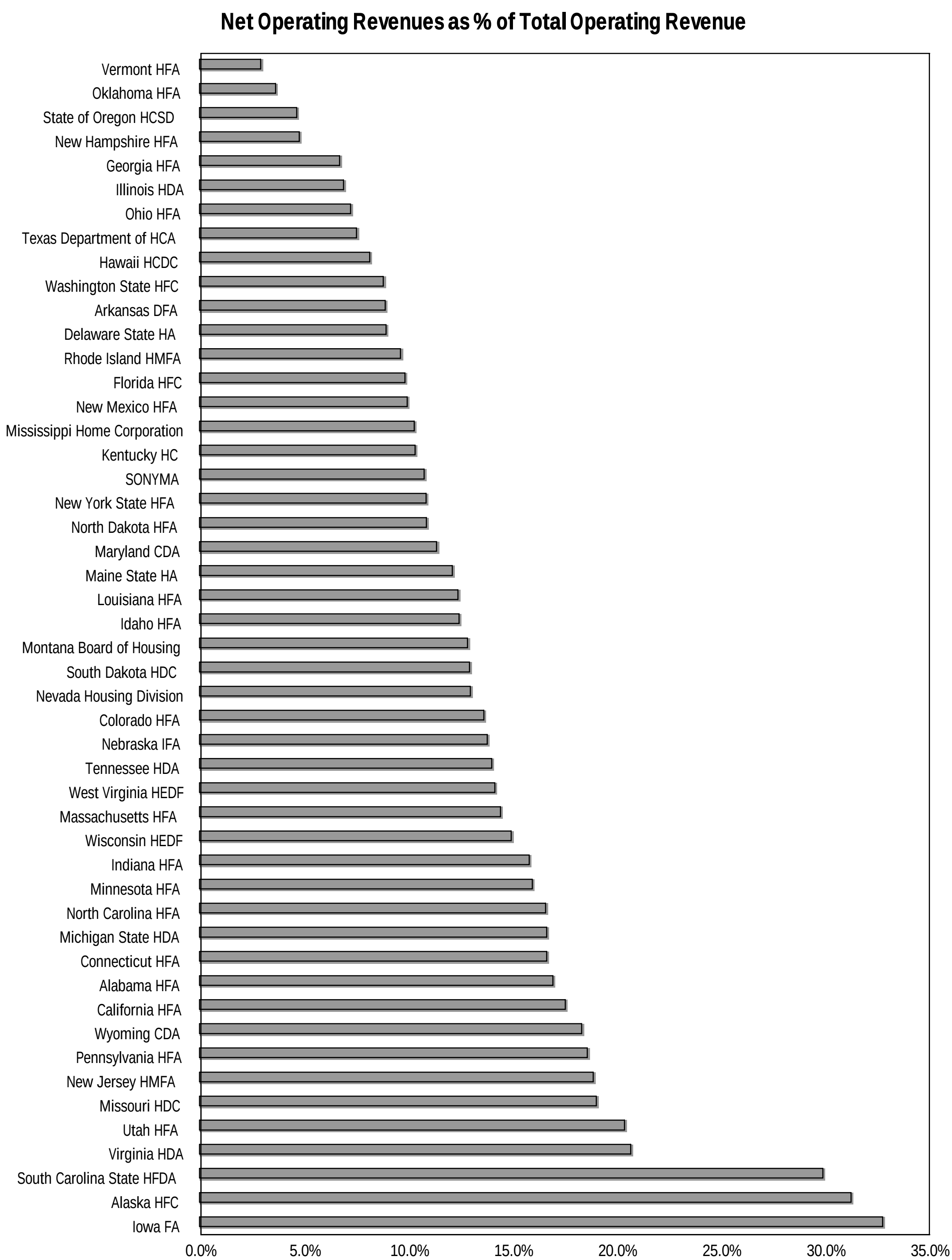
1.	Alaska Housing Finance Corporation	34.53%
2.	New Jersey Housing and Mortgage Finance Agency	14.71%
3.	Louisiana Housing Finance Agency	10.96%
4.	Connecticut Housing Finance Authority	10.58%
5.	Iowa Housing Finance Authority	10.09%
6.	Missouri Housing Development Commission	9.31%
7.	Michigan State Housing Development Authority	7.17%
8.	Georgia Housing and Finance Authority	6.55%
9.	Rhode Island Housing and Mortgage Finance Corporation	6.27%
10.	Alabama Housing Finance Authority	6.26%
11.	Massachusetts Housing Finance Agency	6.22%
12.	New Hampshire Housing Finance Authority	6.19%
13.	Nevada Housing Division	5.91%
14.	Colorado Housing and Finance Authority	5.72%
15.	Wisconsin Housing and Economic Development Fund	5.23%
16.	Illinois Housing Development Authority	5.01%
17.	Idaho Housing and Finance Association	4.98%
18.	Indiana Housing Finance Authority	4.77%
19.	Pennsylvania Housing Finance Agency	4.23%
20.	West Virginia Housing and Economic Development Fund	3.85%
21.	Nebraska Investment Finance Authority	3.71%
22.	Virginia Housing Development Authority	3.66%
23.	Utah Housing Finance Agency	3.49%
24.	Delaware State Housing Authority	3.31%
	Median	**3.24%**
25.	Kentucky Housing Corporation	3.17%
26.	Arkansas Development Finance Authority	3.16%
27.	Ohio Housing Finance Agency	3.16%
28.	Mississippi Home Corporation	3.06%
29.	Oklahoma Housing Finance Agency	2.95%
30.	California Housing Finance Agency	2.79%
31.	New Mexico Housing Finance Authority	2.68%
32.	North Dakota Housing Finance Agency	2.34%
33.	North Carolina Housing Finance Agency	2.27%
34.	Tennessee Housing Development Agency	2.13%
35.	Washington State Housing Finance Commission	2.02%
36.	South Dakota Housing Development Corporation	1.97%
37.	Minnesota Housing Finance Agency	1.65%
38.	Oregon Housing and Community Services Department	1.55%
39.	Wyoming Community Development Authority	1.53%
40.	Florida Housing Finance Corporation	1.48%
41.	Vermont Housing Finance Agency	1.34%
42.	Maryland Community Development Administration	1.33%
43.	Texas Department of Housing and Community Affairs	.96%
44.	New York State Housing Finance Agency	.87%
45.	South Carolina State Housing Finance and Development Authority	.54%
46.	Maine State Housing Authority	.47%
47.	Montana Board of Housing	.43%
48.	State of New York Mortgage Agency	.38%

(* Hawaii Housing and Community Development does not have a general fund.)


Adjusted General Fund Balance as % of Debt Outstanding
SONYMA
Montana Board of Housing
Maine State HA
South Carolina State HFDA
New York State HFA
Texas Department of HCA
Maryland CDA
Vermont HFA
Florida HFC
Wyoming CDA
State of Oregon HCSD
Minnesota HFA
South Dakota HDC
Washington State HFC
Tennessee HAD
North Carolina HFA
North Dakota HFA
New Mexico HFA
California HFA
Oklahoma HFA
Mississippi Home Corporation
Ohio HFA
Arkansas DFA
Kentucky HC
Delaware State HA
Utah HFA
Virginia HDA
Nebraska IFA
West Virginia HEDC
Pennsylvania HFA
Indiana HFA
Idaho HFA
Illinois Housing DA
Wisconsin HEDF
Colorado HFA
Nevada Housing Division
New Hampshire HFA
Massachusetts HFA
Alabama HFA
Rhode Island HMFC
Georgia HFA
Michigan State HAD
Missouri HDC
Iowa FA
Connecticut HFA
Louisiana HFA
New Jersey HMFA
Alaska HFC
0.0%
5.0%
10.0%
15.0%
20.0%
25.0%
30.0%
35.0%

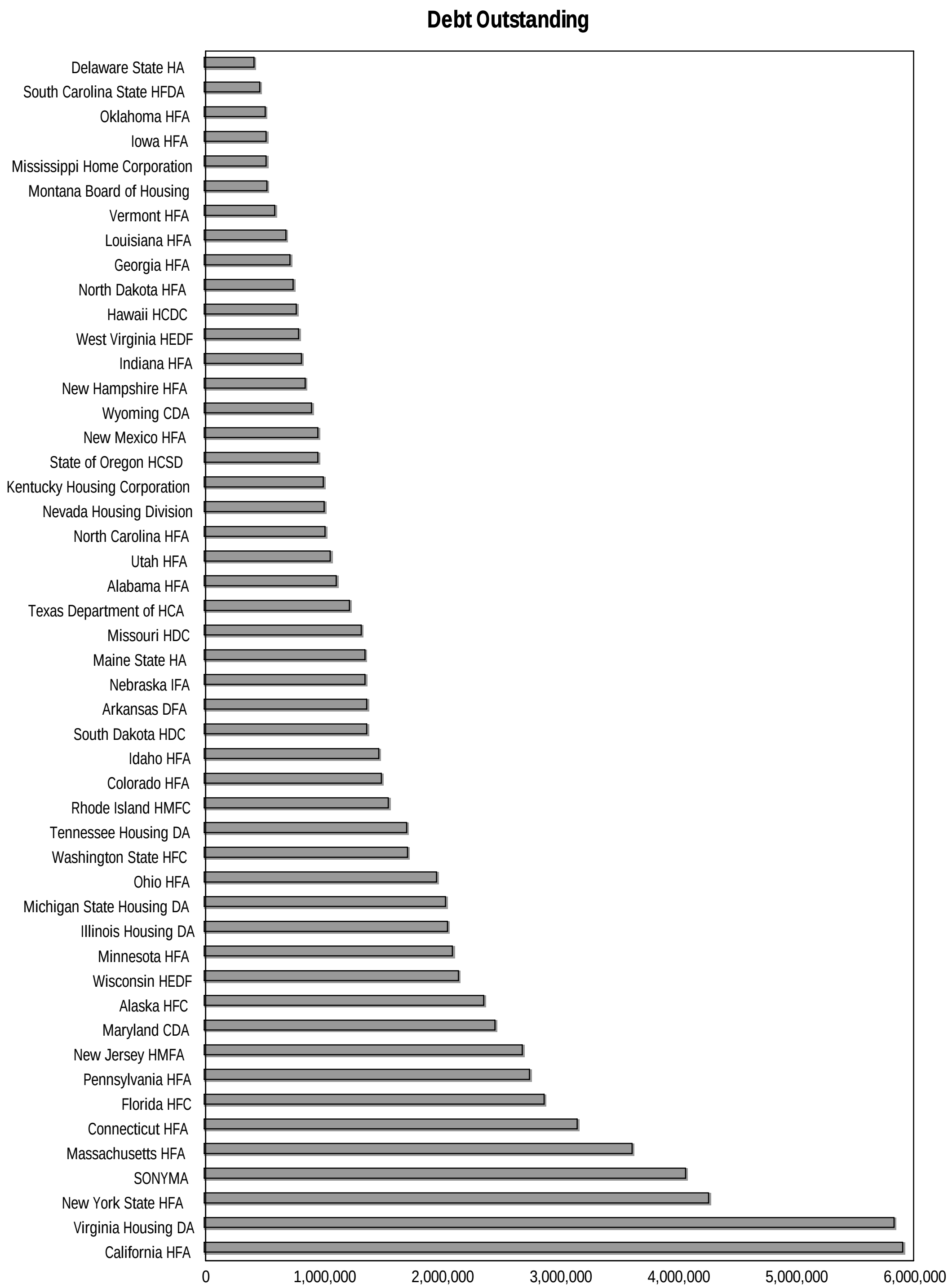
1999 HFA Rankings: Profitability (Net Operating Revenue As % Of Gross Operating Revenue)

1.	Iowa Housing Finance Authority	32.80%
2.	Alaska Housing Finance Corporation	31.28%
3.	South Carolina State Housing Finance and Development Authority	29.93%
4.	Virginia Housing Development Authority	20.70%
5.	Utah Housing Finance Agency	20.41%
6.	Missouri Housing Development Commission	19.05%
7.	New Jersey Housing and Mortgage Finance Agency	18.90%
8.	Pennsylvania Housing Finance Agency	18.62%
9.	Wyoming Community Development Authority	18.35%
10.	California Housing Finance Agency	17.56%
11.	Alabama Housing Finance Authority	16.97%
12.	Connecticut Housing Finance Authority	16.67%
13.	Michigan State Housing Development Authority	16.67%
14.	North Carolina Housing Finance Agency	16.62%
15.	Minnesota Housing Finance Agency	15.98%
16.	Indiana Housing Finance Authority	15.83%
17.	Wisconsin Housing and Economic Development Fund	14.97%
18.	Massachusetts Housing Finance Agency	14.45%
19.	West Virginia Housing and Economic Development Fund	14.18%
20.	Tennessee Housing Development Agency	14.03%
21.	Nebraska Investment Finance Authority	13.81%
22.	Colorado Housing and Finance Authority	13.65%
23.	Nevada Housing Division	13.00%
24.	South Dakota Housing Development Corporation	12.96%
25.	Montana Board of Housing **Median**	**12.87%**
26.	Idaho Housing and Finance Association	12.46%
27.	Louisiana Housing Finance Agency	12.41%
28.	Maine State Housing Authority	12.13%
29.	Maryland Community Development Administration	11.38%
30.	North Dakota Housing Finance Agency	10.89%
31.	New York State Housing Finance Agency	10.88%
32.	State of New York Mortgage Agency	10.79%
33.	Kentucky Housing Corporation	10.35%
34.	Mississippi Home Corporation	10.31%
35.	New Mexico Housing Finance Authority	9.97%
36.	Florida Housing Finance Corporation	9.86%
37.	Rhode Island Housing and Mortgage Finance Corporation	9.65%
38.	Delaware State Housing Authority	8.95%
39.	Arkansas Development Finance Authority	8.92%
40.	Washington State Housing Finance Commission	8.83%
41.	Hawaii Housing and Community Development Corporation	8.17%
42.	Texas Department of Housing and Community Affairs	7.54%
43.	Ohio Housing Finance Agency	7.25%
44.	Illinois Housing Development Authority	6.91%
45.	Georgia Housing and Finance Authority	6.73%
46.	New Hampshire Housing Finance Authority	4.79%
47.	State of Oregon Housing and Community Services Department	4.66%
48.	Oklahoma Housing Finance Agency	3.65%
49.	Vermont Housing Finance Agency	2.94%


Net Operating Revenues as % of Total Operating Revenue
Vermont HFA
Oklahoma HFA
State of Oregon HCSD
New Hampshire HFA
Georgia HFA
Illinois HDA
Ohio HFA
Texas Department of HCA
Hawaii HCDC
Washington State HFC
Arkansas DFA
Delaware State HA
Rhode Island HMFA
Florida HFC
New Mexico HFA
Mississippi Home Corporation
Kentucky HC
SONYMA
New York State HFA
North Dakota HFA
Maryland CDA
Maine State HA
Louisiana HFA
Idaho HFA
Montana Board of Housing
South Dakota HDC
Nevada Housing Division
Colorado HFA
Nebraska IFA
Tennessee HDA
West Virginia HEDF
Massachusetts HFA
Wisconsin HEDF
Indiana HFA
Minnesota HFA
North Carolina HFA
Michigan State HDA
Connecticut HFA
Alabama HFA
California HFA
Wyoming CDA
Pennsylvania HFA
New Jersey HMFA
Missouri HDC
Utah HFA
Virginia HDA
South Carolina State HFDA
Alaska HFC
Iowa FA
0.0%
5.0%
10.0%
15.0%
20.0%
25.0%
30.0%
35.0%

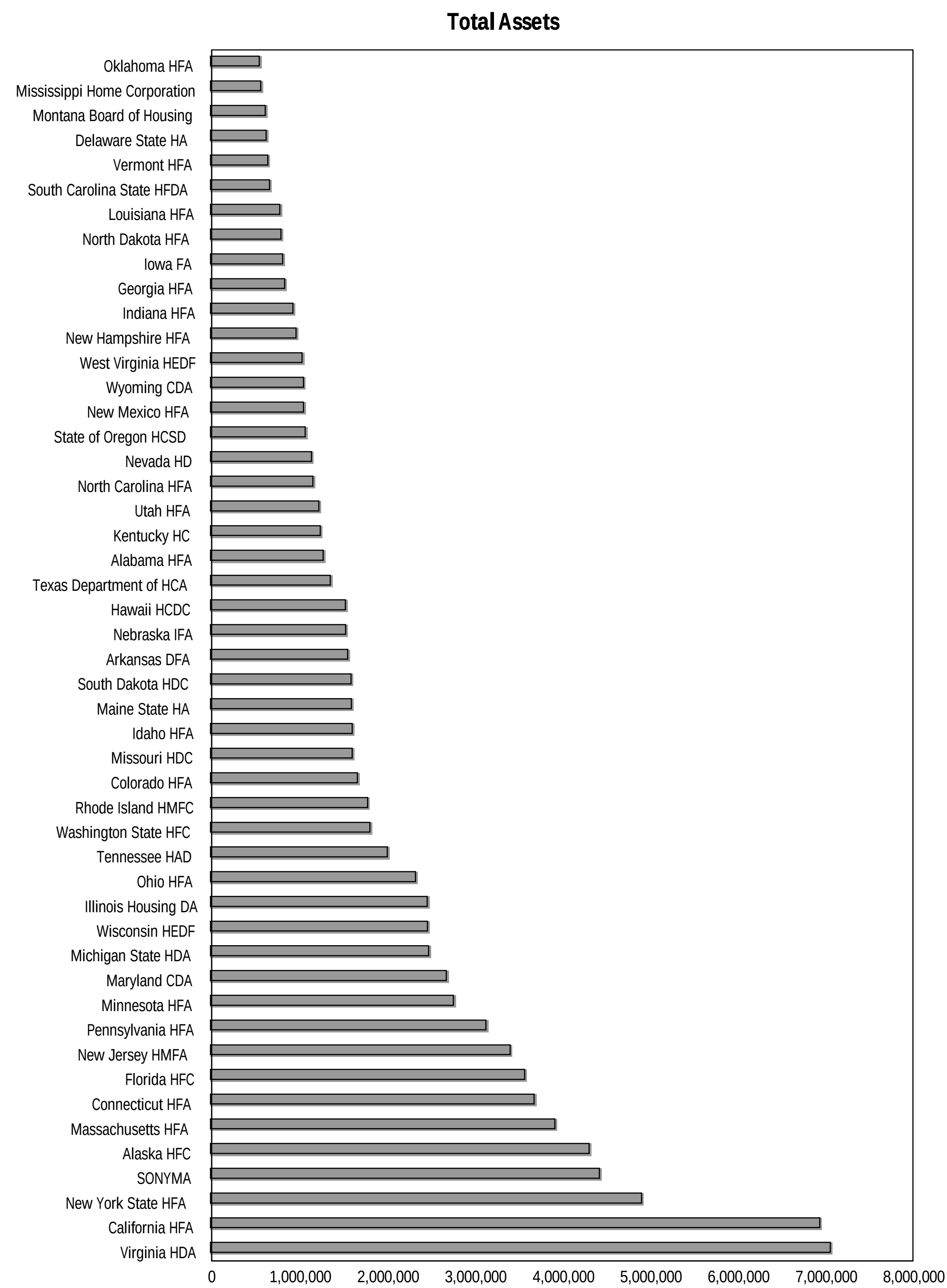
1999 HFA Rankings: Debt Outstanding (000)

1.	California Housing Finance Agency	$5,918,644
2.	Virginia Housing Development Authority	$5,844,952
3.	New York State Housing Finance Agency	$4,273,484
4.	State of New York Mortgage Agency	$4,077,892
5.	Massachusetts Housing Finance Agency	$3,623,704
6.	Connecticut Housing Finance Authority	$3,158,120
7.	Florida Housing Finance Corporation	$2,879,221
8.	Pennsylvania Housing Finance Agency	$2,755,398
9.	New Jersey Housing and Mortgage Finance Agency	$2,692,905
10.	Maryland Community Development Administration	$2,462,894
11.	Alaska Housing Finance Corporation	$2,367,268
12.	Wisconsin Housing and Economic Development Fund	$2,152,145
13.	Minnesota Housing Finance Agency	$2,102,650
14.	Illinois Housing Development Authority	$2,059,240
15.	Michigan State Housing Development Authority	$2,043,250
16.	Ohio Housing Finance Agency	$1,967,476
17.	Washington State Housing Finance Commission	$1,721,070
18.	Tennessee Housing Development Agency	$1,714,778
19.	Rhode Island Housing and Mortgage Finance Corporation	$1,559,241
20.	Colorado Housing and Finance Authority	$1,499,598
21.	Idaho Housing and Finance Association	$1,478,308
22.	South Dakota Housing Development Corporation	$1,376,363
23.	Arkansas Development Finance Authority	$1,376,339
24.	Nebraska Investment Finance Authority	$1,361,607
25.	Maine State Housing Authority. **Median**	**$1,359,895**
26.	Missouri Housing Development Commission	$1,329,034
27.	Texas Department of Housing and Community Affairs	$1,227,762
28.	Alabama Housing Finance Authority	$1,117,298
29.	Utah Housing Finance Agency	$1,066,464
30.	North Carolina Housing Finance Agency	$1,021,618
31.	Nevada Housing Division	$1,015,211
32.	Kentucky Housing Corporation	$1,008,140
33.	Oregon Housing and Community Services Department	$ 962,454
34.	New Mexico Housing Finance Authority	$ 962,319
35.	Wyoming Community Development Authority	$ 907,968
36.	New Hampshire Housing Finance Authority	$ 853,678
37.	Indiana Housing Finance Authority	$ 820,712
38.	West Virginia Housing and Economic Development Fund	$ 796,225
39.	Hawaii Housing and Community Development Corporation	$ 779,909
40.	North Dakota Housing Finance Agency	$ 752,130
41.	Georgia Housing and Finance Authority	$ 725,130
42.	Louisiana Housing Finance Agency	$ 689,557
43.	Vermont Housing Finance Agency	$ 594,820
44.	Montana Board of Housing	$ 528,891
45.	Mississippi Home Corporation	$ 523,891
46.	Iowa Housing Finance Authority	$ 523,331
47.	Oklahoma Housing Finance Agency	$ 515,833
48.	South Carolina State Housing Finance and Development Authority	$ 469,065
49.	Delaware State Housing Authority	$ 420,003


Debt Outstanding
Delaware State HA
South Carolina State HFDA
Oklahoma HFA
Iowa HFA
Mississippi Home Corporation
Montana Board of Housing
Vermont HFA
Louisiana HFA
Georgia HFA
North Dakota HFA
Hawaii HCDC
West Virginia HEDF
Indiana HFA
New Hampshire HFA
Wyoming CDA
New Mexico HFA
State of Oregon HCSD
Kentucky Housing Corporation
Nevada Housing Division
North Carolina HFA
Utah HFA
Alabama HFA
Texas Department of HCA
Missouri HDC
Maine State HA
Nebraska IFA
Arkansas DFA
South Dakota HDC
Idaho HFA
Colorado HFA
Rhode Island HMFC
Tennessee Housing DA
Washington State HFC
Ohio HFA
Michigan State Housing DA
Illinois Housing DA
Minnesota HFA
Wisconsin HEDF
Alaska HFC
Maryland CDA
New Jersey HMFA
Pennsylvania HFA
Florida HFC
Connecticut HFA
Massachusetts HFA
SONYMA
New York State HFA
Virginia Housing DA
California HFA
0
1,000,000
2,000,000
3,000,000
4,000,000
5,000,000
6,000,000

1999 HFA Rankings: Total Assets (000)

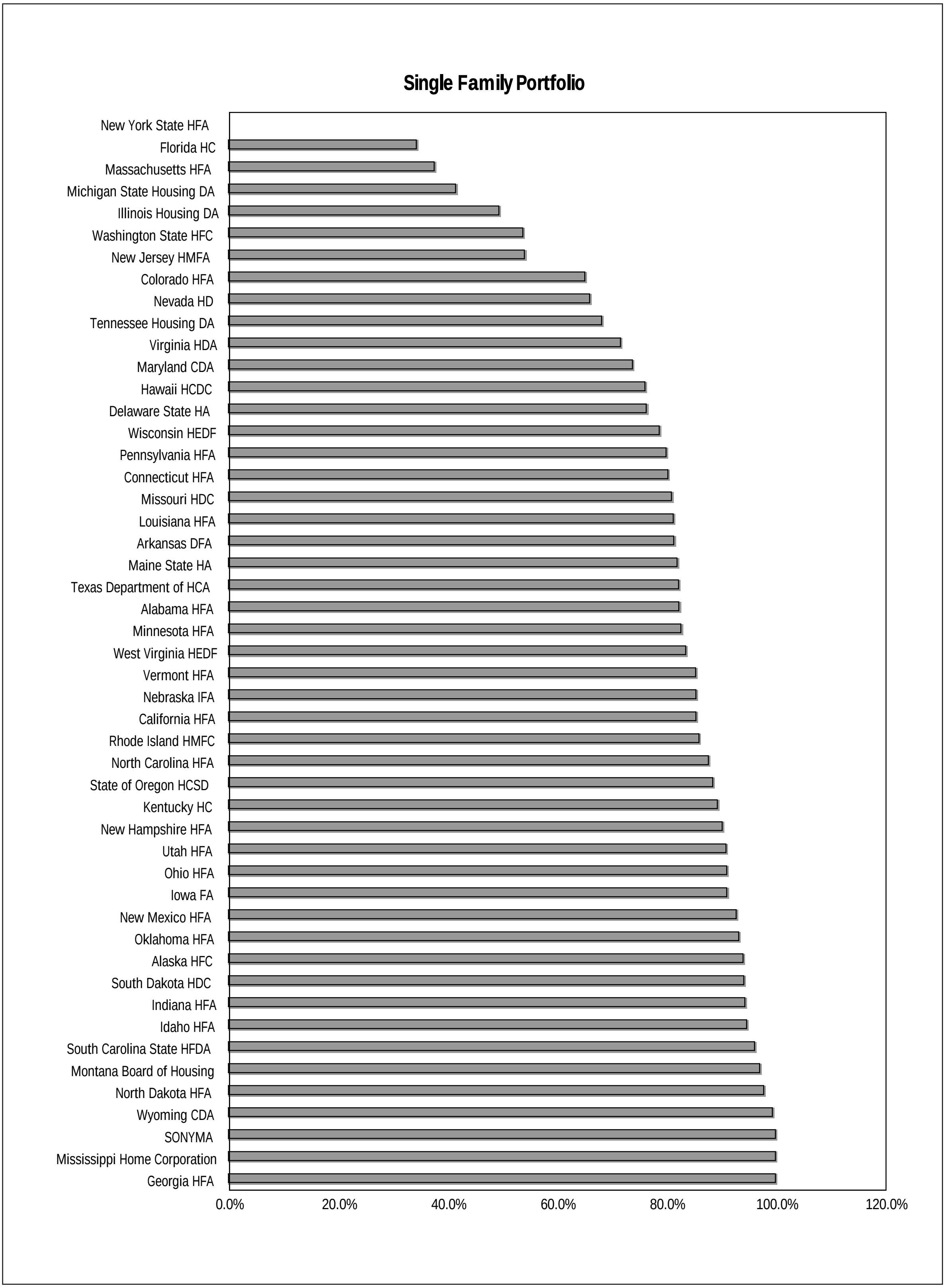
1.	Virginia Housing Development Authority	$7,072,098
2.	California Housing Finance Agency	$6,951,177
3.	New York State Housing Finance Agency	$4,918,305
4.	State of New York Mortgage Agency	$4,436,646
5.	Alaska Housing Finance Corporation	$4,319,684
6.	Massachusetts Housing Finance Agency	$3,929,239
7.	Connecticut Housing Finance Authority	$3,693,530
8.	Florida Housing Finance Corporation	$3,585,252
9.	New Jersey Housing and Mortgage Finance Agency	$3,419,118
10.	Pennsylvania Housing Finance Agency	$3,144,024
11.	Minnesota Housing Finance Agency	$2,773,228
12.	Maryland Community Development Administration	$2,692,453
13.	Michigan State Housing Development Authority	$2,490,868
14.	Wisconsin Housing and Economic Development Fund	$2,476,695
15.	Illinois Housing Development Authority	$2,473,974
16.	Ohio Housing Finance Agency	$2,338,773
17.	Tennessee Housing Development Agency	$2,015,701
18.	Washington State Housing Finance Commission	$1,818,217
19.	Rhode Island Housing and Mortgage Finance Corporation	$1,792,240
20.	Colorado Housing and Finance Authority	$1,676,737
21.	Missouri Housing Development Commission	$1,617,079
22.	Idaho Housing and Finance Association	$1,616,902
23.	Maine State Housing Authority	$1,607,735
24.	South Dakota Housing Development Corporation	$1,604,055
25.	Arkansas Development Finance Authority **Median**	**$1,564,394**
26.	Nebraska Investment Finance Authority	$1,541,312
27.	Hawaii Housing and Community Development Corporation	$1,539,638
28.	Texas Department of Housing and Community Affairs	$1,368,566
29.	Alabama Housing Finance Authority	$1,284,885
30.	Kentucky Housing Corporation	$1,252,528
31.	Utah Housing Finance Agency	$1,234,964
32.	North Carolina Housing Finance Agency	$1,169,124
33.	Nevada Housing Division	$1,152,322
34.	Oregon Housing and Community Services Department	$1,082,323
35.	New Mexico Housing Finance Authority	$1,062,226
36.	Wyoming Community Development Authority	$1,060,469
37.	West Virginia Housing and Economic Development Fund	$1,045,158
38.	New Hampshire Housing Finance Authority	$ 978,245
39.	Indiana Housing Finance Authority	$ 941,131
40.	Georgia Housing and Finance Authority	$ 846,965
41.	Iowa Housing Finance Authority	$ 825,243
42.	North Dakota Housing Finance Agency	$ 803,612
43.	Louisiana Housing Finance Agency	$ 792,131
44.	South Carolina State Housing Finance and Development Authority	$ 672,938
45.	Vermont Housing Finance Agency	$ 653,788
46.	Delaware State Housing Authority	$ 635,989
47.	Montana Board of Housing	$ 627,531
48.	Mississippi Home Corporation	$ 574,387
49.	Oklahoma Housing Finance Agency	$ 557,405



Total Assets
Oklahoma HFA
Mississippi Home Corporation
Montana Board of Housing
Delaware State HA
Vermont HFA
South Carolina State HFDA
Louisiana HFA
North Dakota HFA
Iowa FA
Georgia HFA
Indiana HFA
New Hampshire HFA
West Virginia HEDF
Wyoming CDA
New Mexico HFA
State of Oregon HCSD
Nevada HD
North Carolina HFA
Utah HFA
Kentucky HC
Alabama HFA
Texas Department of HCA
Hawaii HCDC
Nebraska IFA
Arkansas DFA
South Dakota HDC
Maine State HA
Idaho HFA
Missouri HDC
Colorado HFA
Rhode Island HMFC
Washington State HFC
Tennessee HAD
Ohio HFA
Illinois Housing DA
Wisconsin HEDF
Michigan State HDA
Maryland CDA
Minnesota HFA
Pennsylvania HFA
New Jersey HMFA
Florida HFC
Connecticut HFA
Massachusetts HFA
Alaska HFC
SONYMA
New York State HFA
California HFA
Virginia HDA
0
1,000,000
2,000,000
3,000,000
4,000,000
5,000,000
6,000,000
7,000,000
8,000,000

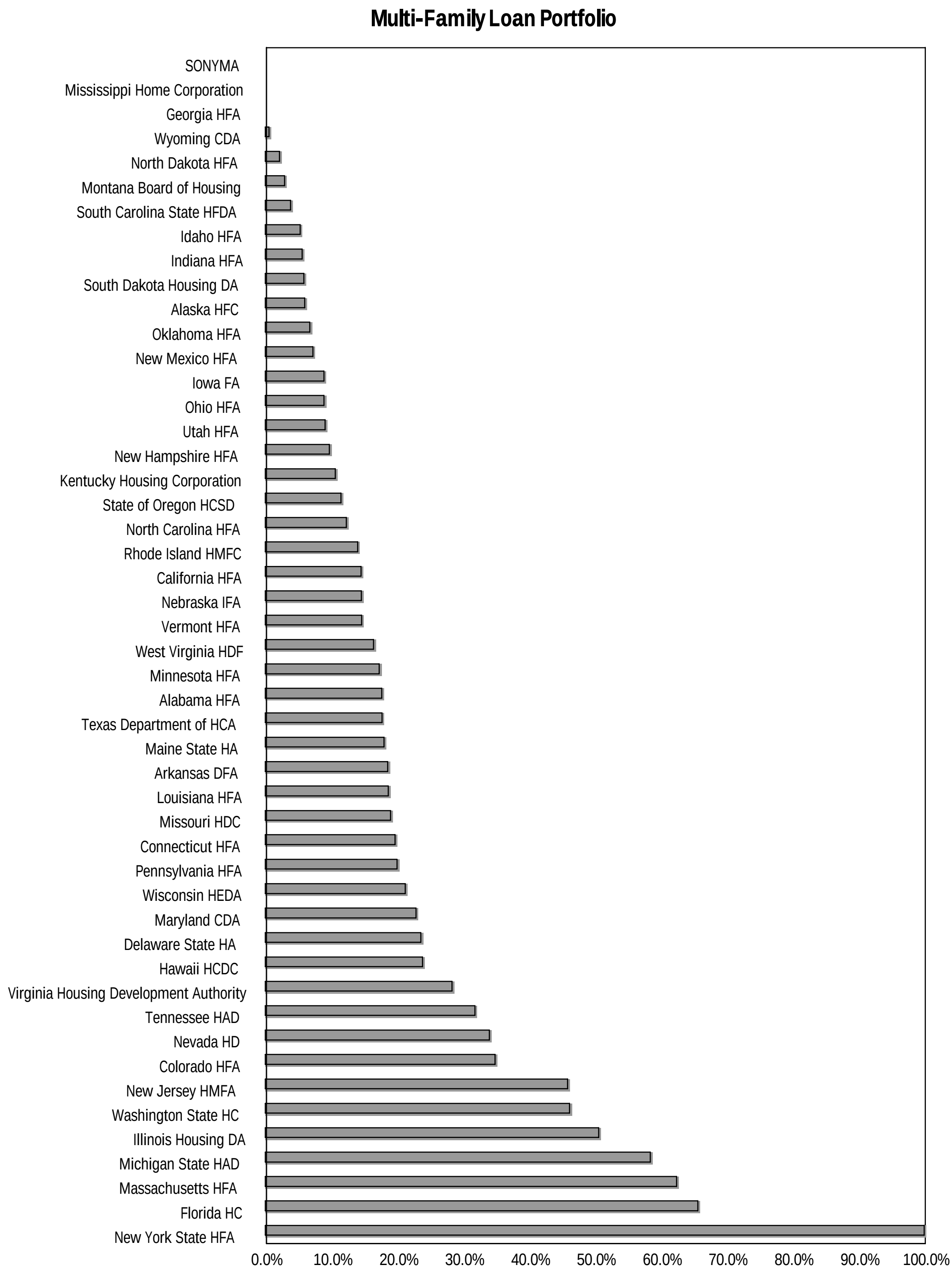
1999 HFA Rankings: Single Family Loan Portfolio Percentage

Georgia Housing and Finance Authority	100%
Mississippi Home Corporation	100%
State of New York Mortgage Agency	100%
Wyoming Community Development Authority	99.46%
North Dakota Housing Finance Agency	97.84%
Montana Board of Housing	97.10%
South Carolina State Housing Finance and Development Authority	96.16%
Idaho Housing and Finance Association	94.71%
Indiana Housing Finance Authority	94.40%
South Dakota Housing Development Corporation	94.18%
Alaska Housing Finance Corporation	94.05%
Oklahoma Housing Finance Agency	93.25%
New Mexico Housing Finance Authority	92.79%
Iowa Housing Finance Authority	91.11%
Ohio Housing Finance Agency	91.09%
Utah Housing Finance Agency	90.93%
New Hampshire Housing Finance Authority	90.26%
Kentucky Housing Corporation	89.38%
Oregon Housing and Community Services Department	88.52%
North Carolina Housing Finance Agency	87.72%
Rhode Island Housing and Mortgage Finance Corporation	86.01%
California Housing Finance Agency	85.47%
Nebraska Investment Finance Authority	85.43%
Vermont Housing Finance Agency	85.40%
West Virginia Housing and Economic Development Fund .... **Median**	**83.56%**
Minnesota Housing Finance Agency	82.71%
Alabama Housing Finance Authority	82.34%
Texas Department of Housing and Community Affairs	82.29%
Maine State Housing Authority	82.01%
Arkansas Development Finance Authority	81.42%
Louisiana Housing Finance Agency	81.32%
Missouri Housing Development Commission	80.99%
Connecticut Housing Finance Authority	80.30%
Pennsylvania Housing Finance Agency	80.00%
Wisconsin Housing and Economic Development Fund	78.74%
Delaware State Housing Authority	76.39%
Hawaii Housing and Community Development Corporation	76.14%
Maryland Community Development Administration	73.85%
Virginia Housing Development Authority	71.65%
Tennessee Housing Development Agency	68.19%
Nevada Housing Division	65.99%
Colorado Housing and Finance Authority	65.15%
New Jersey Housing and Mortgage Finance Agency	54.11%
Washington State Housing Finance Commission	53.80%
Illinois Housing Development Authority	49.41%
Michigan State Housing Development Authority	41.54%
Massachusetts Housing Finance Agency	37.59%
Florida Housing Corporation	34.34%
New York State Housing Finance Agency	0%


Single Family Portfolio
New York State HFA
Florida HC
Massachusetts HFA
Michigan State Housing DA
Illinois Housing DA
Washington State HFC
New Jersey HMFA
Colorado HFA
Nevada HD
Tennessee Housing DA
Virginia HDA
Maryland CDA
Hawaii HCDC
Delaware State HA
Wisconsin HEDF
Pennsylvania HFA
Connecticut HFA
Missouri HDC
Louisiana HFA
Arkansas DFA
Maine State HA
Texas Department of HCA
Alabama HFA
Minnesota HFA
West Virginia HEDF
Vermont HFA
Nebraska IFA
California HFA
Rhode Island HMFC
North Carolina HFA
State of Oregon HCSD
Kentucky HC
New Hampshire HFA
Utah HFA
Ohio HFA
Iowa FA
New Mexico HFA
Oklahoma HFA
Alaska HFC
South Dakota HDC
Indiana HFA
Idaho HFA
South Carolina State HFDA
Montana Board of Housing
North Dakota HFA
Wyoming CDA
SONYMA
Mississippi Home Corporation
Georgia HFA
0.0%
20.0%
40.0%
60.0%
80.0%
100.0%
120.0%

1999 HFA Rankings: Multi-family Loan Portfolio Percentage

New York State Housing Finance Agency	100%
Florida Housing Corporation	65.66%
Massachusetts Housing Finance Agency	62.41%
Michigan State Housing Development Authority	58.46%
Illinois Housing Development Authority	50.59%
Washington State Housing Commission	46.20%
New Jersey Housing and Mortgage Finance Agency	45.89%
Colorado Housing Finance Authority	34.85%
Nevada Housing Division	34.01%
Tennessee Housing Development Agency	31.81%
Virginia Housing Development Authority	28.35%
Hawaii Housing and Community Development Corporation	23.86%
Delaware State Housing Authority	23.61%
Maryland Community Development Administration	22.86%
Wisconsin Housing and Economic Development Authority	21.26%
Pennsylvania Housing Finance Agency	20.00%
Connecticut Housing Finance Authority	19.70%
Missouri Housing Development Commission	19.01%
Louisiana Housing Finance Agency	18.68%
Arkansas Development Finance Authority	18.58%
Maine State Housing Authority	17.99%
Texas Department of Housing and Community Affairs	17.71%
Alabama Housing Finance Authority	17.66%
Minnesota Housing Finance Agency	17.29%
West Virginia Housing Development Fund **Median**	**16.44%**
Vermont Housing Finance Agency	14.60%
Nebraska Investment Finance Authority	14.57%
California Housing Finance Agency	14.53%
Rhode Island Housing and Mortgage Finance Corporation	13.99%
Oregon Housing and Community Services Department	11.48%
Kentucky Housing Corporation	10.62%
New Hampshire Housing Finance Authority	9.74%
Utah Housing Finance Agency	9.07%
Ohio Housing Finance Agency	8.91%
Iowa Finance Authority	8.89%
New Mexico Housing Finance Authority	7.21%
Oklahoma Housing Finance Agency	6.75%
Alaska Housing Finance Corporation	5.95%
South Dakota Housing Development Authority	5.82%
Indiana Housing Finance Authority	5.60%
Idaho Housing and Finance Association	5.29%
South Carolina State Housing Finance and Development Authority	3.84%
Montana Board of Housing	2.90%
North Dakota Housing Finance Agency	2.16%
Wyoming Community Development Authority	.54%
Georgia Housing and Finance Authority	0%
Mississippi Home Corporation	0%
State of New York Mortgage Agency	0%


Multi-Family Loan Portfolio
SONYMA
Mississippi Home Corporation
Georgia HFA
Wyoming CDA
North Dakota HFA
Montana Board of Housing
South Carolina State HFDA
Idaho HFA
Indiana HFA
South Dakota Housing DA
Alaska HFC
Oklahoma HFA
New Mexico HFA
Iowa FA
Ohio HFA
Utah HFA
New Hampshire HFA
Kentucky Housing Corporation
State of Oregon HCSD
North Carolina HFA
Rhode Island HMFC
California HFA
Nebraska IFA
Vermont HFA
West Virginia HDF
Minnesota HFA
Alabama HFA
Texas Department of HCA
Maine State HA
Arkansas DFA
Louisiana HFA
Missouri HDC
Connecticut HFA
Pennsylvania HFA
Wisconsin HEDA
Maryland CDA
Delaware State HA
Hawaii HCDC
Virginia Housing Development Authority
Tennessee HAD
Nevada HD
Colorado HFA
New Jersey HMFA
Washington State HC
Illinois Housing DA
Michigan State HAD
Massachusetts HFA
Florida HC
New York State HFA
0.0%
10.0%
20.0%
30.0%
40.0%
50.0%
60.0%
70.0%
80.0%
90.0%
100.0%

Alabama Housing Finance Authority

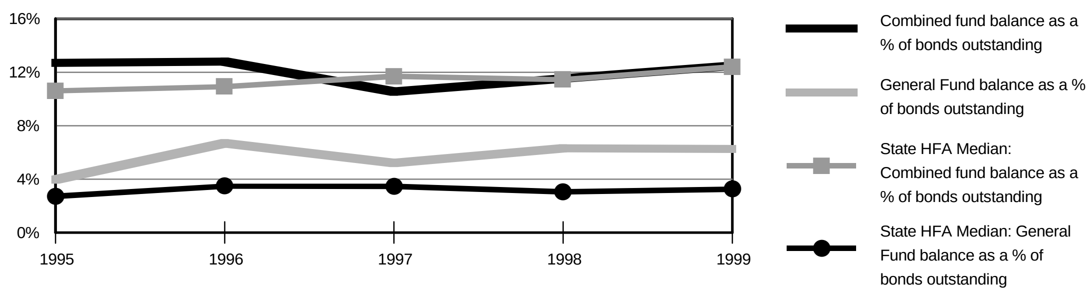
Ratings

Category	Moody's Rating
Issuer Rating:	Aa3
Outlook:	Stable
February 1999	Aa3
April 1997	A1
March 1997	A2 (rating refinement)
February 1994	A

Contacts

Analyst	Phone
Kelly O'Brien Wimmer	(212) 553-4456

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$1,117,298
% Single Family Debt	80.7%
% Multi-family Debt	17.3%
% Other Debt (bank notes)	2.0%
% of Loan Portfolio backed by Mortgage backed securities	76.2%
% of Multi-Family Loans Self-Serviced	0%
% of Single Family Loans Self-Serviced	0%
Number of Employees	33

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$93,844	$102,083	$114,650	$127,014	$139,433	—
Combined fund balance as % of debt outstanding	12.7%	12.79%	10.54%	11.52%	12.48%	24
General Fund balance	$25,660	$53,416	$56,529	$69,452	$69,977	—
General Fund balance as % of debt outstanding	3.47%	6.69%	5.20%	6.30%	6.26%	10
Profitability (Net Op. Rev. as % of Total Op. Rev.)	13.45%	14.44%	14.38%	15.74%	16.97%	11
Total Return on Assets	—	87%	1.02%	1.04%	1.08%	24

Opinion

Opinion

AHFA's Aa3 Issuer Rating reflects its solid financial position, as demonstrated by a combined fund balance of $139.4 million or 12.5% of bonds outstanding, a low-risk loan portfolio, with approximately 76% of the outstanding loan portfolio secured by Aaa mortgage-backed securities, and sufficient discretionary funds held in the Authority's General Fund. In addition, the capable management team at AHFA ensures the continuing sound stewardship of the Authority's financial condition. The Issuer Rating speaks to the overall health and management of the Authority and is not tied to any debt issuance. The Authority does expect, however, to enter into certain credit facility arrangements with Fannie Mae in the near future.

Outlook

The outlook for the Alabama Housing Finance Authority's Aa3 Issuer Rating is stable. All AHFA programs are currently self-sufficient and expected to remain that way over the foreseeable future. Unrestricted cash and investments could support some amount of general obligation (GO) debt at the Aa3 level; however, to date AHFA has limited its use of its general obligation pledge to a minimal amount of risk.

Alaska Housing Finance Corporation

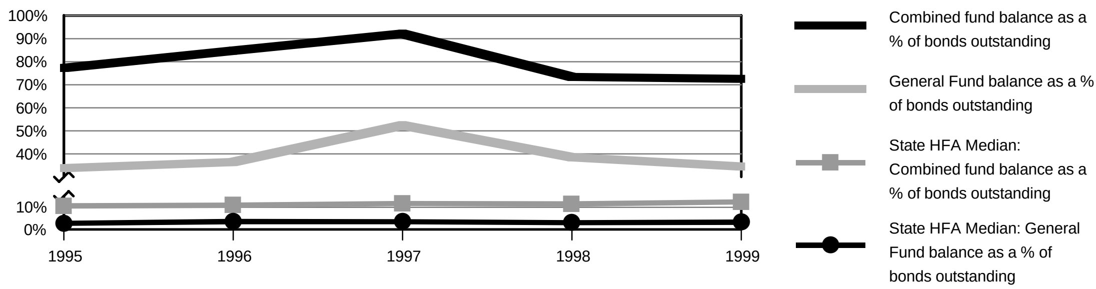
Ratings

Category	Moody's Rating
Issuer Rating	Aa2
Outlook	Stable
March 1997	Aa2 (rating refinement)
November 1991	Aa

Contacts

Analyst	Phone
Erik Bresnahan	212.553.1304

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$2,367,268
% Single Family Debt	94.1%
% Multi-family Debt	3.0%
% of Loan Portfolio backed by Mortgage backed securities	11.5%
% of Multi-Family Loans Self-Serviced	Less than 1%
% of Single Family Loans Self-Serviced	Less than 1%
Number of Employees	300

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$1,632,459	$1,714,467	$1,791,283	$1,756,968	$1,717,419	—
Combined fund balance as % of debt outstanding	77.27%	84.76%	92.10%	73.43%	72.55%	2
General Fund balance	$714,975	$739,339	$1,019,280	$924,890	$817,324	—
General Fund balance as % of debt outstanding	33.84%	36.55%	52.41%	38.61%	34.53%	1
Profitability (Net Op. Rev. as % of Total Op. Rev.)	31.15%	29.58%	32.90%	32.86%	31.28%	2
Total Return on Assets	—	2.14%	2.04%	2.29%	2.13%	3

Opinion

Opinion

AHFC's Aa2 Issuer Rating is based upon its extraordinary financial strength and strong management that help mitigate the risks of ongoing transfers to the State and its limited economy. The Corporation's combined fund balance as of June 30, 1999 was $1.72 billion or 72.1% of bonds outstanding, ranking well above every state HFA except Hawaii HCDC on this ratio, yet down from a rate of 92% of bonds outstanding just two years ago. The $897 million general account, equal to 34.5% of bonds outstanding provides equally superb liquidity and credit strength for the AHFC. Management is well staffed and generally able to maintain ongoing operations at these levels. These significant Corporation strengths offset, to a large degree, the ongoing state appropriations of AHFC funds as well as the limited economy of the State.

Outlook

The outlook for the Aa2 issuer rating on the AHFC is stable. Nearly all AHFC bond programs are currently self-sufficient and expected to remain that way over the foreseeable future. AHFC management stability is also expected to continue. Due to AHFC's close financial relationship with the State, the Issuer Rating is limited to the State's rating, Aa2. Risks to this rating, if they were to occur, are likely to arise from a change in State policy regarding the use of additional AHFC funds above current annual levels or from a dampening of the oil economy within the State.

California Housing Finance Agency

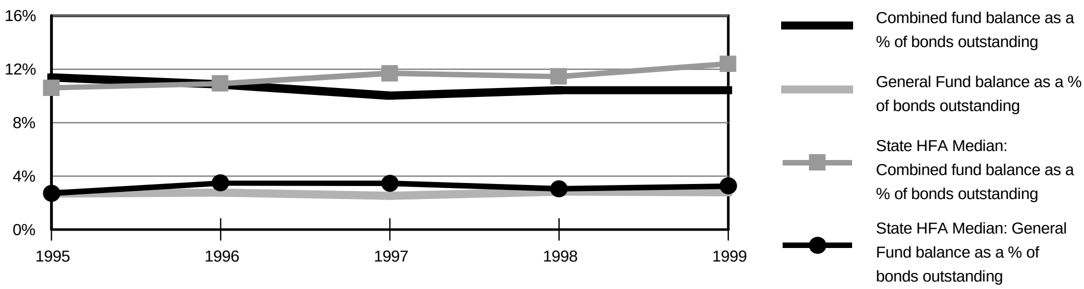
Ratings

Category	Moody's Rating
Issuer Rating	Aa3
Outlook	Positive
January 1999	Aa3
September 1994	A1

Contacts

Analyst	Phone
Susanne Forsyth	212.553.3825

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$5,918,644
% Single Family Debt	85%
% Multi-family Debt	15%
% of Loan Portfolio backed by Mortgage backed securities	Less than 1%
% of Multi-Family Loans Self-Serviced	93%
% of Single Family Loans Self-Serviced	18%
Number of Employees	200

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	427,922	472,202	511,288	$583,027	$618,170	—
Combined fund balance as % of debt outstanding	11.37%	10.86%	10.02%	10.43%	10.44%	32
General Fund balance	101,003	119,412	128,525	$157,710	$164,937	—
General Fund balance as % of debt outstanding	2.68%	2.75%	2.52%	2.82%	2.79%	30
Profitability (Net. Op. Rev. as % of Total Op. Rev.)	17.02%	17.18%	17.68%	18.37%	17.56%	10
Total Return on Assets	—	1.20%	1.16%	1.21%	1.26%	26

Opinion

Opinion

CHFA's Aa3 Issuer Rating is based upon CHFA's sound fund balances which provide a stable source of credit security to meet a broad array of obligations. Additionally, active CHFA management enhances its credit position by carefully balancing risks with available resources. CHFA has significantly increased its use of variable rate debt within the Home Mortgage Revenue Bond Program, with the issuance of approximately $600 million in variable rate debt since January 2000. Although the use of variable rate debt has increased interest rate risk to the program, Moody's does not expect this risk to have a negative impact on the program's rating in the near term due to the use of various swap agreements and management oversight. CHFA's large combined fund balance of $618 million or 10.44% of bonds outstanding ranks it in the mid-range of HFA's nationwide on a relative basis. CHFA's consistently growing General Fund provides a secure source of liquidity to meet ongoing needs. At $165 million, the General Fund balance equals 2.8% of total debt outstanding. We believe that management provides sound monitoring, planning and innovative methods to optimize Agency profitability and strength.

Outlook

The Aa3 Issuer Rating is positive. CHFA has a sound blend of strong and liquid bond program and general fund balances to meet any reasonably stressful contingencies over the foreseeable future. While risks are embedded in some portions of the loan portfolio and the large use of variable rate debt, Moody's believes that sound management oversight combined with overall wealth levels provide for ongoing financial strength.

Colorado Housing And Finance Authority

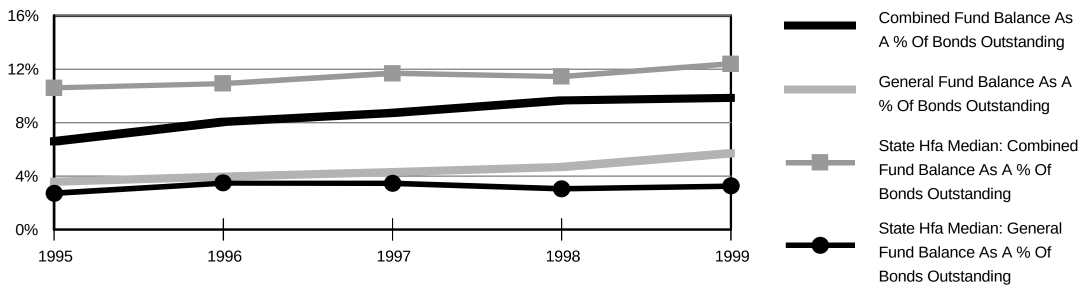
Ratings

Category	Moody's Rating
Issuer Rating	A1
Outlook	Stable
August 11, 1998	A1
March 3, 1997	A2 (rating refinement)
March 3, 1996	A

Contacts

Analyst	Phone
Susanne Forsyth	212.553.3825

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$1,499,598
% Single Family Debt	58.77%
% Multi-family Debt	31.71%
% of Loan Portfolio backed by Mortgage backed securities	9.52%
% of Multi-Family Loans Self-Serviced	100%
% of Single Family Loans Self-Serviced	less than 1%
Number of Employees	131

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$72,689	$94,592	$114,529	$135,964	$147,828	—
Combined fund balance as % of debt outstanding	6.59%	8.06%	8.73%	9.66%	9.86%	34
General Fund balance	$39,521	$46,618	$56,329	$65,857	$85,764	—
General Fund balance as % of debt outstanding	3.58%	3.97%	4.29%	4.68%	5.72%	14
Profitability (Net Op. Rev. as % of Total Op. Rev.)	9.74%	11.07%	14.01%	14.70%	13.65%	22
Total Return on Assets	—	1.01%	1.30%	1.28%	1.13%	23

Opinion

Opinion

The Authority's A1 Issuer Rating reflects its satisfactory financial position, strong program performance, solid profitability, and seasoned management team. Moody's expects the Authority's programs to continue to perform well resulting in further growth in its financial position over the near term. The Authority's financial position has improved steadily over the last three years as evidenced by a combined fund balance to bonds outstanding ratio which has grown from 6.59% in 1995 to 9.86% in 1999. Moody's attributes this growth to the strong performance of the Authority's bond programs as well as the structure of the single family programs which generally require all program assets to remain pledged to the specific indentures until all of the bonds have been redeemed in full. The Authority has also begun the utilization of a new multi-family triple tranche program, which Moody's expects will provide an additional resource for CHFA. Although the new multi-family structure has introduced the use of variable rate debt and some interest rate risk to the program, Moody's does not expect this risk to have a negative impact on the program's bond rating in the near term due to the use of various swap agreements and management oversight. The Authority has experienced consistent General Fund balance growth, as evidenced by a General Fund balance to total bonds outstanding ratio that has grown from 3.58% in 1995 to 5.72% in 1999. Moody's expects this growth to continue as the Authority's experienced management team continues to effectively oversee operations and generate net income from the issuer and mortgage loan servicing fees which it earns on its programs.

Outlook

The outlook on the A1 Issuer Rating is stable based upon Moody's belief that the strong performance of the Authority's programs as well as management's actions to maximize earnings will result in the production of sufficient revenues to meet all of its obligations while maintaining or modestly improving its current financial position.

Florida Housing Finance Corporation

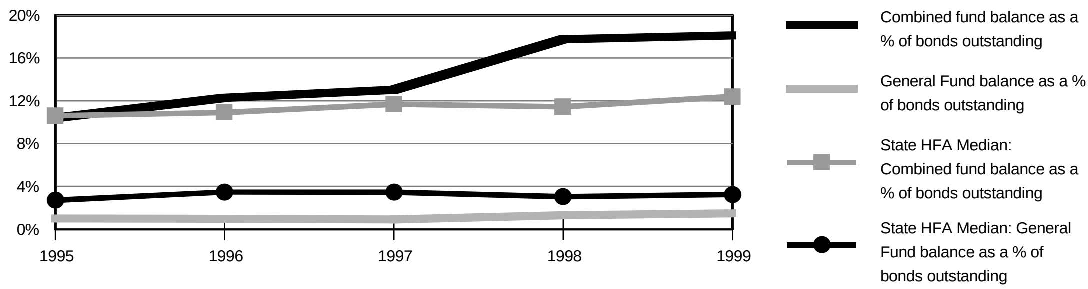
Ratings

Category	Moody's Rating
Issuer Rating	A2
Outlook	Stable
June 1998	A2

Contacts

Analyst	Phone
Peter Hoffman	212.553.4175

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$2,879,221
% Single Family Debt	34.3%
% Multi-family Debt	65.7%
% of Loan Portfolio backed by Mortgage backed securities	54.4%
% of Multi-Family Loans Self-Serviced	0%
% of Single Family Loans Self-Serviced	0%
Number of Employees	80

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$232,292	$264,446	$327,698	$465,550	$521,966	—
Combined fund balance as % of debt outstanding	10.39%	12.28%	13.03%	17.76%	18.13%	12
General Fund balance	$21,753	$20,689	$23,111	$34,060	$42,747	—
General Fund balance as % of debt outstanding	1.01%	0.96%	0.92%	1.30%	1.48%	40
Profitability (Net Op. Rev. as % of Total Op. Rev.)	2.62%	(0.47%)	7.69%	10.32%	9.86%	36
Total Return on Assets	—	(2.41%)	(2.10%)	9.37%	2.01%	4

Opinion

Opinion

The Corporation's A2 Issuer Rating reflects FHFC's satisfactory fund balances when measured against relatively low risk levels it has assumed through its various housing initiatives. Although FHFC's strong combined fund balance would typically be indicative of a higher Issuer Rating, nearly 80% of the Corporation's combined fund balance is comprised of loans and investments that it administers through various housing programs which use state and federal funds. As a result, these assets would not be available for liquidation by FHFC should such a need arise. Recent internal discord at FHFC has resulted in vacancies in key senior management positions, which in turn has raised questions about the Corporation's ability to effectively manage existing programs and pursue long-term goals. Concerns about management instability have been mitigated, however, by the active involvement of both the Board of Directors and the contracted professional service providers in the daily operations and decision-making processes of the Corporation, and the recent appointment of a new executive director.

Outlook

The outlook for the Florida Housing Finance Corporation's A2 Issuer Rating is stable. We expect the Corporation to generate sufficient revenues from operations to cover any potential liabilities over the near-to-mid term. Risks to the Corporation stem from its growing exposure to multi-family mortgage loans through its participation in HUD's FHA Risk Sharing Program. FHFC reinsures its Risk Sharing exposure through its Guarantee Fund, which will present new challenges to FHFC as the pool of multi-family assets secured by the Guarantee Fund grows and requires a greater degree of in-house asset management. Additional risks arise from the potential for legislative modifications to state and federal funding sources that exist to provide additional resources to the Guarantee Fund if needed. The reliability of these funding sources is also in large part dependent on the strength of the Florida State economy.

Hawaii Housing And Community Development Corporation

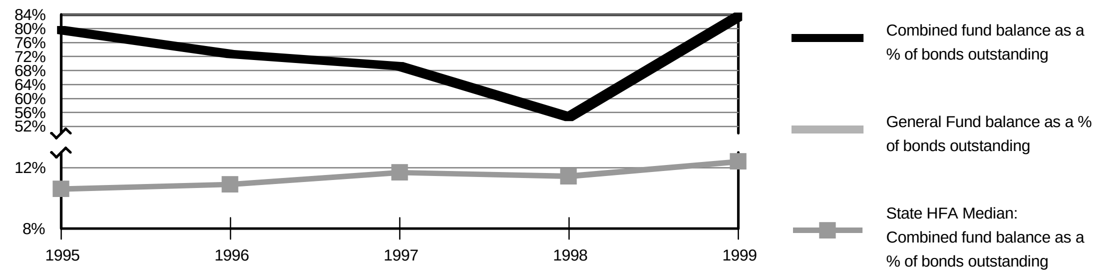
Ratings

Category	Moody's Rating
Issuer Rating	A1
Outlook	Negative
June 1993	A1

Contacts

Analyst	Phone
Wendy Berry	212.553.4104

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$779,909
% Single Family Debt	76.1%
% Multi-family Debt	23.9%
% of Loan Portfolio backed by Mortgage backed securities	70.9%
% of Multi-Family Loans Self-Serviced	100%
% of Single Family Loans Self-Serviced	0%
Number of Employees	447

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$481,628	$444,469	$416,125	$436,150	$651,277	—
Combined fund balance as % of debt outstanding	79.59%	72.71%	69.21%	54.67%	83.51%	1
General Fund balance	N/A	N/A	N/A	NA	NA	—
General Fund balance as % of debt outstanding	N/A	N/A	N/A	NA	NA	—
Profitability (Net op. Rev. as % of Total Op. Rev.)	20.02%	16.75%	18.21%	17.27%	8.17%	41
Total Return on Assets	—	1.87%	1.29%	1.31%	1.43%	10

Opinion

Opinion

The A1 Issuer Rating on the Housing and Community Development Corporation of Hawaii (formerly the Hawaii Housing Finance and Development Corporation) is based on the Corporation's limited risk, satisfactory management, and most importantly its extraordinarily strong financial position despite a series of large state transfers totaling $150.4 million from 1995-1998. Indeed, as of June 30, 1999, the Corporation (HFDC) had a fund balance of over $650 million or an extraordinary 83.5% of debt outstanding, up from 69.2% in 1997. This ratio compares to the 1999 state HFA median for combined fund balance as a percentage of debt outstanding of 12.40%. The Corporation ranks highest of all state HFAs on this key financial ratio. In addition, net revenue generation and liquidity continued to be strong.

Outlook

Despite these strengths, the outlook on the rating is negative due in part to the recent merger with the State's public housing authority that adds the potential for more risk and could create significant future demands on the Corporation's assets. Further supporting the negative outlook is the consistent transfer of Corporation funds to the State to plug budget deficits due to Hawaii's economy that, while improving, has suffered dramatically over the past few years. Due to the improving economy, Moody's believes the State's dependence on Corporation assets is expected to lessen.

Idaho Housing And Finance Association

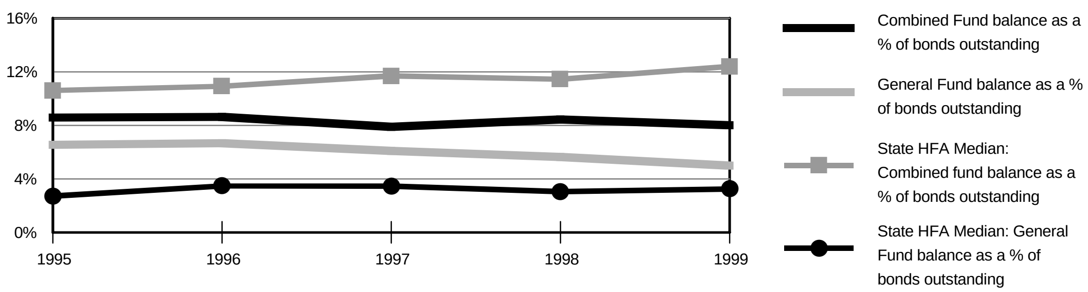
Ratings

Category	Moody's Rating
Issuer Rating	A1
Outlook	Positive
January 1994	A1

Contacts

Analyst	Phone
Erik Bresnahan	212.553.1304

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$1,478,308
% Single Family Debt	94.71%
% Multi-family Debt	5.29%
% of Loan Portfolio backed by Mortgage backed securities	0%
% of Multi-Family Loans Self-Serviced	100%
% of Single Family Loans Self-Serviced	100%
Number of Employees	94

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$77,646	$88,932	$93,777	$115,183	$118,346	—
Combined fund balance as % of debt outstanding	8.58%	8.63%	7.89%	8.44%	8.01%	42
General Fund balance	$59,231	$68,621	$72,443	$76,892	$73,637	—
General Fund balance as % of debt outstanding	6.55%	6.66%	6.09%	5.64%	4.98%	17
Profitability (Net Op. Rev. as % of Total Op. Rev.)	10.42%	13.51%	12.33%	14.21%	12.46%	26
Total Return on Assets	—	1.03%	.85%	.97%	.72%	36

Opinion

Opinion

The A1 Issuer Rating on IH&FA is driven by its sound financial condition, as evidenced by a stable fund balance and earnings performance, deep insurance coverage within the single family programs and a strong management team. Moody's anticipates that the Association's solid financial position will continue given its strong profitability and fund balance ratios. Combined fund balances of $118 million or 8.0% of bonds outstanding provide a healthy level of comfort. The $73 million General Fund balance provides a source of liquidity to back the agency's liquidity needs and its growing general obligation issuance activity. Strong management oversight has ensured timely origination of single-family bond proceeds. Furthermore, the Association services its entire single family loan portfolio, giving the IH&FA extraordinary control over its asset base, a significant plus for its ongoing strength.

Outlook

The outlook for this rating is positive. Moody's believes the IH&FA's sound credit factors and prudent management have allowed the Association to steadily improve its overall financial position as compared to risk and we anticipate that improvement will continue. Risks to the Association are more likely to result from management or state governmental policy changes which utilize excessive amounts of IHFA fund balances; however, we do not anticipate any such actions over the foreseeable future.

Illinois Housing Development Authority

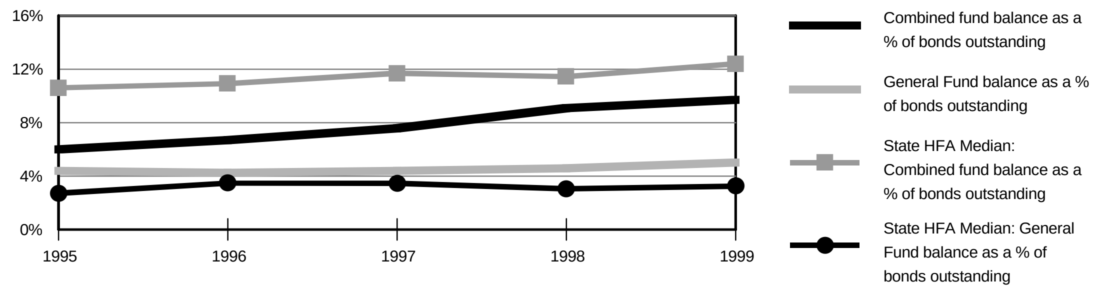
Ratings

Category	Moody's Rating
Issuer Rating	A1
Outlook	Positive
February 1994	A1

Contacts

Analyst	Phone
Erik Bresnahan	212.553.1304

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$2,059,240
% Single Family Debt	49.41%
% Multi-family Debt	50.59%
% of Loan Portfolio backed by Mortgage backed securities	0%
% of Multi-Family Loans Self-Serviced	100%
% of Single Family Loans Self-Serviced	0%
Number of Employees	165

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$112,905	$134,947	$153,606	$187,092	$202,949	—
Combined fund balance as % of debt outstanding	6.01%	6.69%	7.58%	9.08%	9.71%	36
General Fund balance	$82,781	$85,659	$88,818	$94,471	$103,196	—
General Fund balance as % of debt outstanding	4.40%	4.24%	4.38%	4.59%	5.01%	16
Profitability (Net Op. Rev. as % of Total Op. Rev.)	10.82%	9.92%	9.98%	12.32%	6.91%	44
Total Return on Assets	—	1.23%	1.00%	1.19%	0.72%	37

Opinion

Opinion

The Authority's A1 Issuer Rating reflects its very strong management team, a stable financial position, sound portfolio and ample resources to cover its liabilities. Moody's believes that the Authority's management is very sophisticated and that its active management, oversight, and development of its programs has helped maximize earnings and minimize losses. The Authority's adjusted general fund balance as a percentage of bonds outstanding has grown steadily over the past four years, from 4.24% in 1996, to 4.38% in 1997, 4.59% in 1998 and 5.01 in 1999. Much of this growth is attributable to the improved financial position of the Authority's uninsured, unsubsidized or partially unsubsidized multi-family loan portfolio.

The Authority's adjusted combined fund balance level as a percentage of total debt outstanding has grown 64% from 6.01% in 1995 to 9.71% in 1999.

The combined fund balances represent the total equity of IHDA (not including Affordable Housing Trust Fund), most of which is held under its various bond programs. General Fund designations for the year ended June 30, 1999, indicate a continued commitment by IHDA to protect the financial viability of its programs. Designations include $24 million to pay possible losses arising in the multi-family programs attributable, but not limited to, delinquencies or defaults on uninsured or unsubsidized/partially unsubsidized loans and a $10 million set aside for the HUD Risk Sharing Program.

Outlook

The positive outlook is based upon the Authority's strong and improving financial position. The Authority's loan portfolio under its various bond indentures continues to perform well, adding to its financial strength.

Indiana Housing Finance Authority

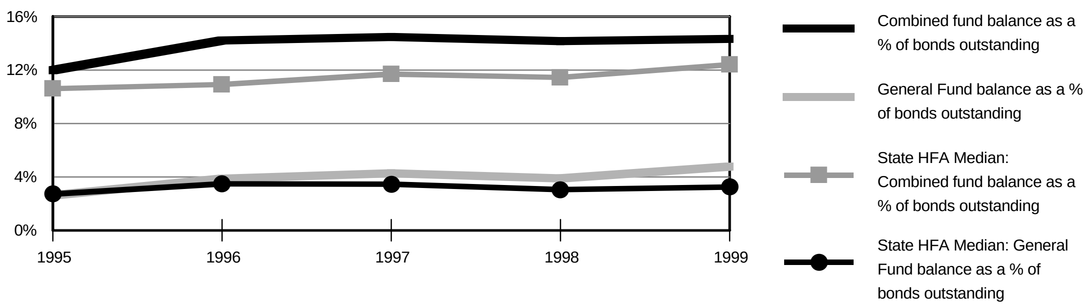
Ratings

Category	Moody's Rating
Issuer Rating	Aa3
Outlook	Stable
August 1998	Aa3
May 1995	A1

Contacts

Analyst	Phone
Kelly O'Brien Wimmer	212.553.4456

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$820,711
% Single Family Debt	91.3%
% Multi-family Debt	5.4%
% of Loan Portfolio backed by Mortgage backed securities	90.1%
% of Multi-Family Loans Self-Serviced	0%
% of Single Family Loans Self-Serviced	0%
Number of Employees	48

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$75,542	$89,158	$99,951	$108,037	$117,627	—
Combined fund balance as % of debt outstanding	11.98%	14.21%	14.48%	14.16%	14.33%	20
General Fund balance	$16,429	$24,236	$29,453	$29,686	$39,161	—
General Fund balance as % of debt outstanding	2.60%	3.86%	4.27%	3.89%	4.77%	18
Profitability (Net Op. Rev. as % of Total Op. Rev.)	13.22%	18.38%	20.38%	17.61%	15.83%	16
Total Return on Assets	—	1.64%	1.79%	1.40%	1.25%	17

Opinion

Opinion

The Aa3 Issuer Rating reflects the Authority's solid and improving financial position, exhibited by a combined fund balance of $117.6 million or 14.3% of bonds outstanding, a low-risk loan portfolio, with over 90% of the loan portfolio secured by Aaa mortgage-backed securities, and sufficient discretionary funds generated by a fairly liquid General Fund and a very wealthy single family program. In addition, the capable management team at IHFA ensures the continuing sound stewardship of the Authority's financial condition. The Aa3 Issuer Rating speaks to the overall health and management of the Authority and is not tied to any debt issuance. The Authority does not have any general obligation debt.

Outlook

The outlook for the Indiana Housing Finance Authority's Aa3 Issuer Rating is stable. The Authority's fundamentally strong balance sheet combined with its low risk loan portfolio and solid management provide the basis for ongoing financial soundness. Moody's does not believe that these characteristics are likely to change in the foreseeable future and therefore should allow the program to remain financially viable throughout all but the most severe housing market downturns.

Kentucky Housing Corporation

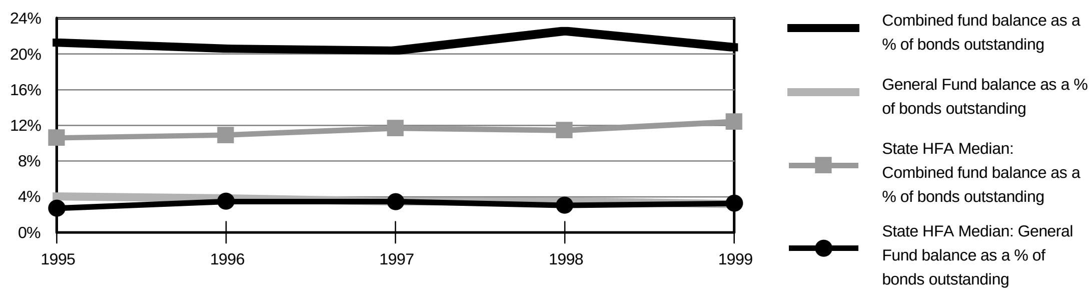
Ratings

Category	Moody's Rating
Issuer Rating	Aa3
Outlook	Stable
June 1998	Aa3
March 1994	A1

Contacts

Analyst	Phone
Susanne Forsyth	212.553.3825

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$1,008,140
% Single Family Debt	89%
% Multi-family Debt	11%
% of Loan Portfolio backed by Mortgage backed securities	1%
% of Multi-Family Loans Self-Serviced	56%
% of Single Family Loans Self-Serviced	54%
Number of Employees	208

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$166,429	$176,781	$182,227	$209,208	$208,858	—
Combined fund balance as % of debt outstanding	21.30%	20.61%	20.38%	22.58%	20.72%	9
General Fund balance	$31,513	$32,703	$30,882	$32,201	$31,968	—
General Fund balance as % of debt outstanding	4.03%	3.81%	3.45%	3.48%	3.17%	25
Profitability (Net Op. Rev. as % of Total Op. Rev.)	17.29%	17.07%	14.67%	14.73%	10.35%	33
Total Return on Assets	—	1.31%	1.08%	1.04%	1.38%	12

Opinion

Opinion

Kentucky Housing Corporation's Issuer Rating is Aa3 based upon its solid financial condition, an exceptionally strong foundation afforded by the Aaa-rated Housing Revenue Bond Fund which composes approximately 98% of the Corporation's debt outstanding, and unrestricted funds which provide sufficient coverage of Corporation's liabilities. Moody's expects KHC's overall financial condition to remain stable based upon a combined fund balance to bonds outstanding of 21%, operating profitability of approximately 10% and sufficient discretionary funds for Corporation obligations within the Housing Assistance Fund (HAF). Although profitability has declined over the last five years, Moody's believes the experienced staff of the KHC provides sound oversight and maintenance of its financial condition, including expense management. Given that the Housing Revenue Bond Fund is broad enough to encompass both single family and multi-family loans, and has the financial strength to support the expansion of these programs, Moody's expects that KHC will be able to continue to develop without putting additional pressure on the Corporation's unrestricted funds.

Outlook

The outlook for the Aa3 Issuer Rating on the Kentucky Housing Corporation is stable. Moody's expects that KHC will continue to exercise strong and prudent management of its bond program, while minimizing exposure to the Corporation's unrestricted funds.

Louisiana Housing Finance Agency

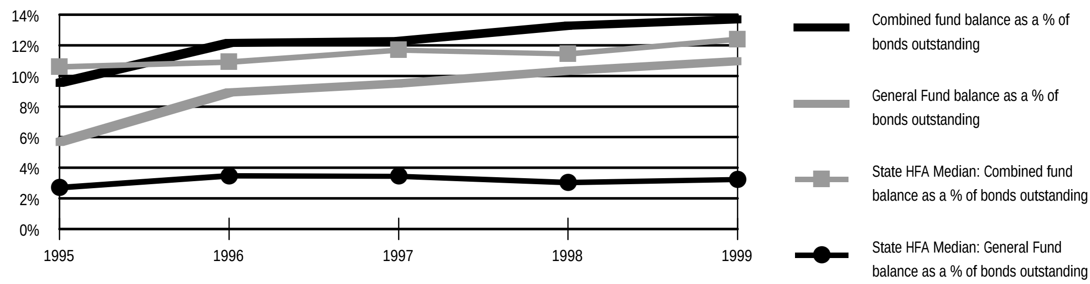
Ratings

Category	Moody's Rating
Issuer Rating	A2
Outlook	Stable
June 2000	A2

Contacts

Analyst	Phone
Peter Hoffman	212.553.4175

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$689,557
% Single Family Debt	81.32%
% Multi-family Debt	18.68%
% of Loan Portfolio backed by Mortgage backed securities	78.9%
% of Multi-Family Loans Self-Serviced	0%
% of Single Family Loans Self-Serviced	0%
Number of Employees	59

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$46,789	$63,630	$72,384	$84,156	$94,526	—
Combined fund balance as % of debt outstanding	9.55%	12.16%	12.28%	13.28%	13.71%	21
General Fund balance	$27,907	$46,651	$56,044	$65,622	$75,601	—
General Fund balance as % of debt outstanding	5.69%	8.92%	9.51%	10.35%	10.96%	3
Profitability (Net Op. Rev. as % of Total Op. Rev.)	8.26%	9.79%	8.69%	13.76%	12.41%	27
Total Return on Assets	N/A	3.58%	2.12%	1.92%	1.81%	6

Opinion

Opinion

The Agency's A2 Issuer Rating reflects LHFA's strong financial position as reflected in a solid and growing general fund balance equal to nearly 11% of outstanding bonds, highly rated MBS-collateralized bond programs, a conservative investment strategy, as well as a capable management team. LHFA's financial position has steadily improved in recent years as its bond programs have consistently generated positive net operating revenues. The current level of liquidity available to LHFA from its fund balances is adequate to support existing low-risk obligations in addition to a moderate amount of general obligation debt should it be issued in the future. Most single family loans originated under the Agency's programs are pooled into GNMA or FNMA MBS', providing strong security for the bonds. LHFA's multi-family bonds are largely conduit financings that are secured by third party credit enhancement or collateralized by GNMA certificates, therefore presenting minimal direct liability to the Agency.

Outlook

The outlook for this rating is stable. All LHFA programs are currently self-sufficient and we expect the Agency to continue to generate sufficient revenues from operations to cover existing liabilities in the future. Risks to the Issuer Rating could arise from management or state governmental policy changes which utilize excessive amounts of LHFA's fund balances; however, such actions are not expected in the forseeable future.

Maine State Housing Authority

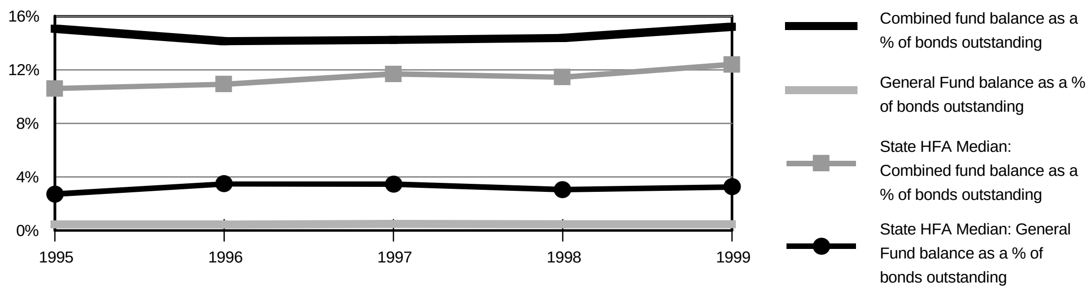
Ratings

Category	Moody's Rating
Issuer Rating	A2
Outlook	Positive
March 1997	A2 (rating refinement)
September 1994	A

Contacts

Analyst	Phone
Maura McGuigan	212.553.4443

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$1,359,895
% Single Family Debt	82%
% Multi-family Debt	18%
% of Loan Portfolio backed by Mortgage backed securities	0%
% of Multi-Family Loans Self-Serviced	100%
% of Single Family Loans Self-Serviced	0%
Number of Employees	91

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$150,730	$151,453	$172,462	$188,888	$206,717	—
Combined fund balance as % of debt outstanding	15.06%	14.14%	14.23%	14.39%	15.20%	18
General Fund balance	$4,291	$4,639	$5,766	$6,069	$6,406	—
General Fund balance as % of debt outstanding	.43%	.43%	.48%	.46%	.47%	46
Profitability (Net Op. Rev. as % of Total Op. Rev.)	11.37%	11.29%	11.91%	12.84%	12.13%	28
Total Return on Assets	—	1.25%	1.35%	1.07%	1.25%	16

Opinion

Opinion

Maine State Housing Authority's (MSHA) A2 Issuer Rating reflects the Authority's sound financial condition of all of its outstanding bond programs, but the rating is largely enhanced by the liquidity of the Authority's largest bond program, the Mortgage Purchase Program (MPP), which is rated Aa2. In fact, the A2 Issuer Rating is fundamentally supported by the strong financial performance of the MPP resolution combined with the sound performance of the Authority's two smaller bond programs — the Mortgage Acquisition Program and its Housing Finance Resolution. The sound financial performance of these programs is maintained by the prudent investment of funds and thus increases the likelihood that the programs will generate surpluses that may be available to meet any of the Authority's future general obligation requirements if necessary. Currently the Authority has a combined fund balance of $207 million. Of that combined fund balance total, $144 million resides in the MPP. The combined fund balance represents 15% of all of the Authority's bonds outstanding and while Moody's recognizes that the majority of these funds is dedicated to the MPP resolution through its closed loop flow of funds, we also recognize that MSHA's two other bond programs are small in nature and have less than $43 million in bonds outstanding between the two resolutions. The Issuer Rating speaks to the overall health and management of the Authority and is not tied to any debt issuance.

Outlook

The outlook for the MSHA Issuer Rating is positive based on the Authority's strong and steady financial performance. All MSHA bond programs are currently self-sufficient and are expected to maintain that status over the foreseeable future and therefore should remain financially viable throughout all but the most severe housing market downturns. While the Authority recently experienced turnover at the Executive Director level, Moody's still views the Authority as strong as the staff has a developed financial background that has demonstrated its ability to limit the financial exposure to losses associated with troubled portfolios. The Authority's experience with these loans has proven its ability to maintain financial stability during stressful performance scenarios and we expect that the Authority will continue to exercise strong and prudent management of its bond programs.

Maryland Community Development Administration

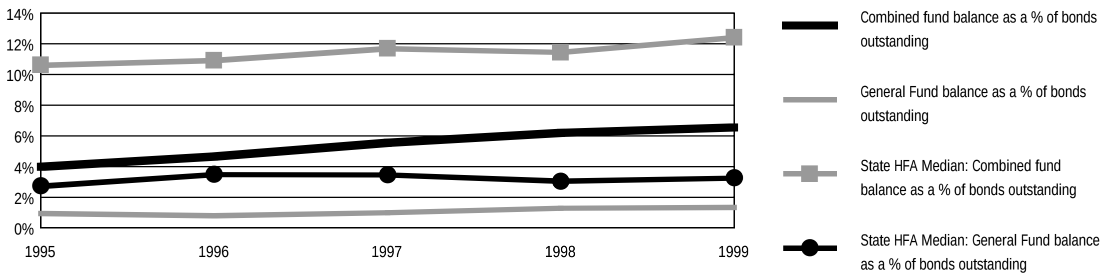
Ratings

Category	Moody's Rating
Issuer Rating	A2
Outlook	Stable
June 2000	A2

Contacts

Analyst	Phone
Portia Lee	213.553.4029

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$2,462,894
% Single Family Debt	73.9%
% Multi-family Debt	22.9%
% Other Debt (infrastructure bonds)	3.2%
% of Loan Portfolio backed by Mortgage backed securities	5.2%
% of Multi-Family Loans Self-Serviced	97%
% of Single Family Loans Self-Serviced	0%
Number of Employees	133

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
RankCombined fund balance	$97,101	$111,500	$127,450	$148,054	$161,498	—
Combined fund balance as % of debt outstanding	3.99%	4.65%	5.54%	6.20%	6.56%	44
General Fund balance	$22,724	$18,832	$22,805	$30,566	$32,809	—
General Fund balance as % of debt outstanding	.93%	.79%	.99%	1.28%	1.33%	42
Profitability (Net Op. Rev. as % of Total Op. Rev.)	5.42%	7.16%	8.33%	11.84%	11.38%	29
Total Return on Assets	NA	.59%	.74%	1.09%	.76%	33

Opinion

Opinion

CDA's A2 Issuer Rating reflects its satisfactory financial position, the ability of its bond programs to offset vulnerabilities associated with its loan portfolios, which include a significant number of multi-family and single family loans insured by the unrated Maryland Housing Fund, the improving risk profile of MHF's multi-family insurance program, and CDA's capable and seasoned management team. The Issuer Rating would apply to general obligation debt issued by the agency. CDA currently has no general obligation debt outstanding.

Outlook

The outlook for the A2 rating is stable. All CDA programs are currently self-sufficient and we expect CDA to continue to generate sufficient revenues from operations to cover existing liabilities in the future. While certain risks are embedded in some portions of the agency's loan portfolios, Moody's believes that sound management planning combined with the overall wealth levels of the agency's bond programs provide for ongoing financial strength. One of the ways CDA plans to use this rating is to issue short-term variable rate general obligation bonds for certain existing MHF-insured multi-family loans which CDA and MHF plan to restructure or dispose of. These bonds would be issued prior to the restructuring or disposition and would refund the outstanding debt until the MHF-insured loan is disposed of or worked out. In addition, CDA plans to seek bond insurance for the bonds. These short-term variable rate bonds would carry a lower interest rate than the bonds that currently finance these MHF-insured multi-family loans. As such, the interest expense associated with these loans would be lowered.

Massachusetts Housing Finance Agency

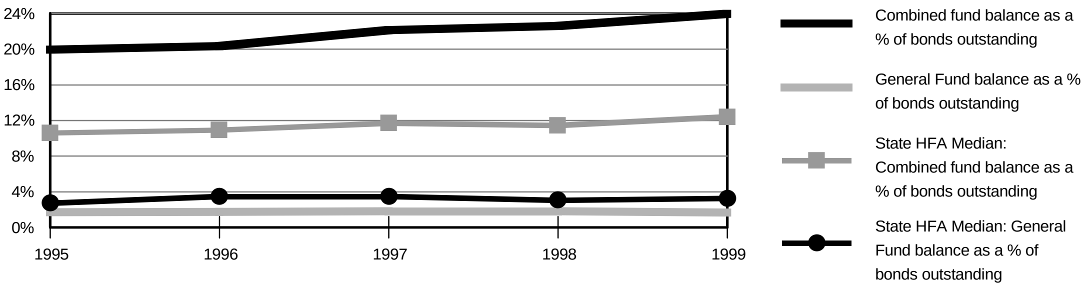
Ratings

Category	Moody's Rating
Issuer Rating	A2
Outlook	Stable
January 1997	A2

Contacts

Analyst	Phone
Susanne Forsyth	212.553.3825

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$3,623, 704
% Single Family Debt	38%
% Multi-family Debt	62%
% of Loan Portfolio backed by Mortgage backed securities	Less than 1%
% of Multi-Family Loans Self-Serviced	100%
% of Single Family Loans Self-Serviced	55%
Number of Employees	280

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$177,749	$187,963	$200,277	$213,483	$235,864	—
Combined fund balance as % of debt outstanding	4.97%	5.18%	5.54%	5.88%	6.51%	45
General Fund balance	$150,934	$167,563	$195,055	$213,863	$225,287	—
General Fund balance as % of debt outstanding	4.22%	4.62%	5.39%	5.89%	6.22%	11
Profitability (Net Op. Rev. as % of Total Op. Rev.)	14.31%	5.03%	10.11%	11.4%	14.45%	18
Total Return on Assets	—	.42%	.99%	1.12%	1.24%	18

Opinion

Opinion

The Massachusetts Housing Finance Agency's A2 Issuer Rating is based on the Agency's proven ability to manage and oversee its programs and maintain financial resources. MHFA, with over $3.5 billion of debt outstanding and a staff of nearly 300 persons, is one of the largest and most innovative HFAs, particularly within the multi-family sector. Although Moody's believes that the MHFA continues to face significant obstacles in the restructuring of the SHARP developments, including the complete expiration of the SHARP subsidy by 2007, the Agency has taken important steps in identifying future shortfalls and developing strategies for a resolution. The Agency's financial condition is satisfactory with a combined fund balance of $236 million, or 6.51% of bonds payable as of June 30, 1999. This ratio represents steady growth since 1995, at $178 million or 4.97%. Its General Fund balance is strong at $225 million that is equal to 6.2% of bonds outstanding. While MHFA does not put its general obligation pledge on most of its bond programs, it has historically supported its programs regardless of whether its general obligation was pledged to the issue. We expect that MHFA will continue to fully support its bond programs, although the poor performance of SHARP is expected to continue to significantly draw on Agency resources.

Outlook

The outlook for the Issuer Rating is stable. Although MHFA resources may be tapped to address the poor performance of certain programs, we believe that the Agency's sophisticated management and strong multi-family experience will minimize the likelihood and severity of losses.

Minnesota Housing Finance Agency

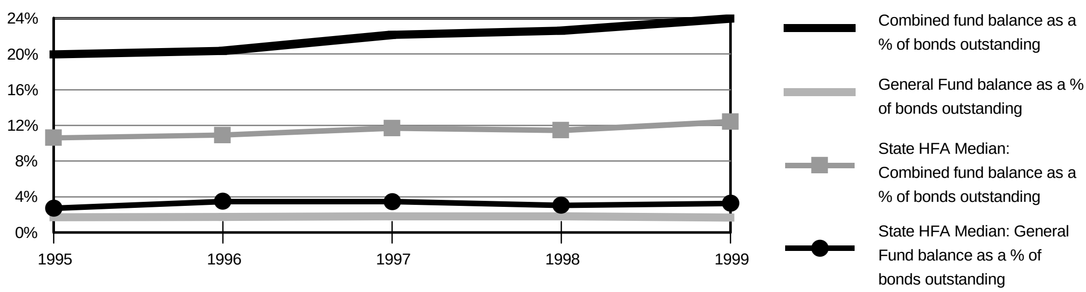
Ratings

Category	Moody's Rating
Issuer Rating	Aa1
Outlook	Stable
September 2000	Aa1
March 1997	Aa2 (rating refinement)
August 1995	Aa

Contacts

Analyst	Phone
Wendy Berry	212.553.4104

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$2,102,650
% Single Family Debt	82.7%
% Multi-family Debt	17.3%
% of Loan Portfolio backed by Mortgage backed securities	0%
% of Multi-Family Loans Self-Serviced	100%
% of Single Family Loans Self-Serviced	0%
Number of Employees	170

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance #1	$394,503	$416,497	$443,518	$446,614	$503,866	—
Combined fund balance as % of debt outstanding #1	19.96%	20.35%	22.14%	22.61%	23.96%	7
General Fund balance #1	$33,790	$35,296	$36,624	$37,249	$34,722	—
General Fund balance as % of debt outstanding #1	1.71%	1.72%	1.83%	1.81%	1.65%	37
Profitability (Net Op. Rev. as % of Total Op. Rev.)	14.12%	15.95%	16.27%	15.89%	15.98%	15
Total Return on Assets		1.14%	1.05%	1.05%	1.28%	15

F.N.#1 - Includes self-insurance funds.

Opinion

Opinion

The Aa1 Issuer Rating reflects the Agency's very capable management, ample financial resources, and the strong performance and composition of its overall portfolio. MHFA has proven its ability to effectively manage its programs and financial resources resulting in exceptionally strong operational oversight and a fundamentally sound financial position. Indeed, the Agency's combined fund balance of just over $500 million as of 6/30/99 represents 24% of total bonds outstanding and is one of the highest of any state housing finance agency. Finally, MHFA's bond programs have exhibited strong performance. Continued favorable performance by these programs reduces the likelihood of a drain on the Agency's assets, thereby ensuring sufficient assets for MHFA's general obligations that include all of the Agency's outstanding bonds. In addition, the moral obligation of the State of Minnesota (rated Aaa) is available to all outstanding bonds. The state's M.O. pledge, however, is not necessary to maintain the Aa1 Issuer Rating.

Outlook

The outlook for the Minnesota Housing Finance Agency's Issuer Rating is stable. The Agency's exceptionally strong management and fundamentally sound balance sheet that has been getting incrementally stronger each year. Moody's does not believe that these characteristics are likely to change in the foreseeable future and therefore should allow the Agency to remain financially viable throughout all but the most severe housing market downturns.

Montana Board Of Housing

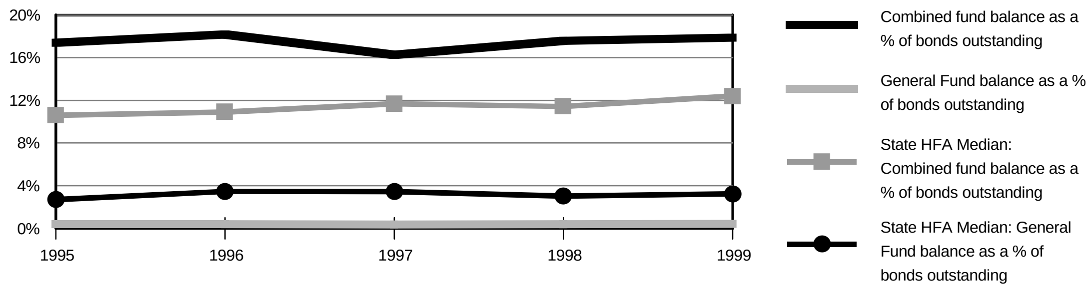
Ratings

Category	Moody's Rating
Issuer Rating	A2
Outlook	Positive
April 1997	A2

Contacts

Analyst	Phone
Erik Bresnahan	212.553.1304

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$528,891
% Single Family Debt	97.1%
% Multi-family Debt	2.9%
% of Loan Portfolio backed by Mortgage backed securities	0%
% of Multi-Family Loans Self-Serviced	86%
% of Single Family Loans Self-Serviced	0%
Number of Employees	16

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$73,905	$79,888	$83,872	$91,918	$94,563	—
Combined fund balance as % of debt outstanding	17.41%	18.19%	16.26%	17.59%	17.88%	13
General Fund balance	$1,661	$1,735	$1,924	2,151	2,257	—
General Fund balance as % of debt outstanding	0.39%	0.39%	0.37%	0.41%	0.43%	47
Profitability (Net Op. Rev. as % of Total Op. Rev.)	13.59%	11.81%	11.30%	12.00%	12.87%	25
Total Return on Assets	—	0.93%	0.86%	0.83%	0.90%	29

Opinion

Opinion

The A2 Issuer Rating is based on the Board's satisfactory financial position, capable management, and the strong performance and composition of its overall mortgage loan portfolio. The Board's financial position is sound, as evidenced by a combined adjusted fund balance of over $94 million, or 17.88% of the Board's outstanding debt as of June 30,1999. The Board's Housing Trust Fund balance of $2.3 million, equal to approximately 0.43% of its total debt outstanding, provides a first source of liquidity. In addition, the strong performance of the Board's programs has allowed the Board to maintain stable operations over the past five years. The assets in the Housing Trust Fund combined with funds available to be transferred to the Housing Trust Fund from single family and multi-family bond programs, along with the deep insurance provisions on many of the mortgage loans, provide comfort that the Board can meet obligations under various stressful scenarios.

Outlook

The outlook for the Montana Board of Housing Issuer Rating is positive. The Board's highly insured mortgage loans, combined with the agencies significant balance sheet and earnings should help to continue to improve the Board's general obligation pledge.

Nevada Housing Division

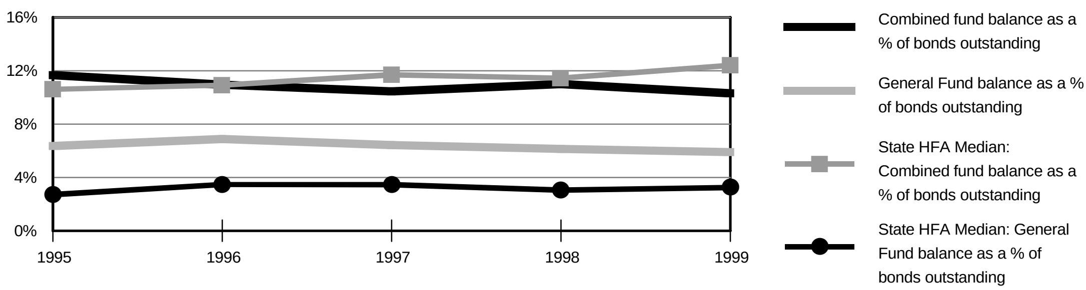
Ratings

Category	Moody's Rating
Issuer Rating	A1
Outlook	Positive
March 1994	A1

Contacts

Analyst	Phone
Susanne Forsyth	212.553.3825

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$1,015,211
% Single Family Debt	66%
% Multi-family Debt	34%
% of Loan Portfolio backed by Mortgage backed securities	10%
% of Multi-Family Loans Self-Serviced	0%
% of Single Family Loans Self-Serviced	15%
Number of Employees	26

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$71,725	$77,425	$85,103	$100,678	$104,642	—
Combined fund balance as % of debt outstanding	11.67%	10.94%	10.45%	11.00%	10.31%	33
General Fund balance	$39,112	$48,593	$52,343	$56,243	$59,951	—
General Fund balance as % of debt outstanding	6.36%	6.87%	6.43%	6.15%	5.91%	13
Profitability (Net Op. Rev. as % of Total Op.Rev.)(1)	11.33%	13.35%	15.77%	13.91%	13.00%	23
Total Return on Assets	—	1.03%	1.21%	1.12%	.92%	28

(1) 1998 and 1999 profitability ratio includes adjustment to interest income due to sponsor

Opinion

Opinion

The Nevada Housing Division's A1 Issuer Rating is based upon its sound financial condition, as evidenced by a stable fund balance, deep insurance coverage within the single family programs and a strong management team. Moody's anticipates that the Division's solid financial position will continue given the stable fund balances as a percentage of bonds outstanding and solid profitability ratios. Although single family subordinate bonds carry the Division's GO pledge and could require Division assistance under stressful cash-flow scenarios, Moody's believes the Division closely monitors subordinate bond cash flow sufficiency, sets aside significant reserves to fund potential shortfalls on general obligation debt and has the sufficient capital resources available to cover any contingencies on the subordinate bonds. Moody's believes that the Division will continue to increase its issuance of multi-family bonds, but the conduit structure and significant credit enhancement provided by LOCs and MBS offsets significant Division exposure.

Outlook

The outlook for the A1 Issuer Rating on the Nevada Housing Division is positive. Moody's expects that the Division will continue to exercise strong and prudent management of its bond programs. Risks to the GO pledge and the subordinate bonds are more likely to result from management or state governmental policy changes which utilize excessive amounts of program fund balances; however such actions are not expected over the foreseeable future.

New Hampshire Housing Finance Authority

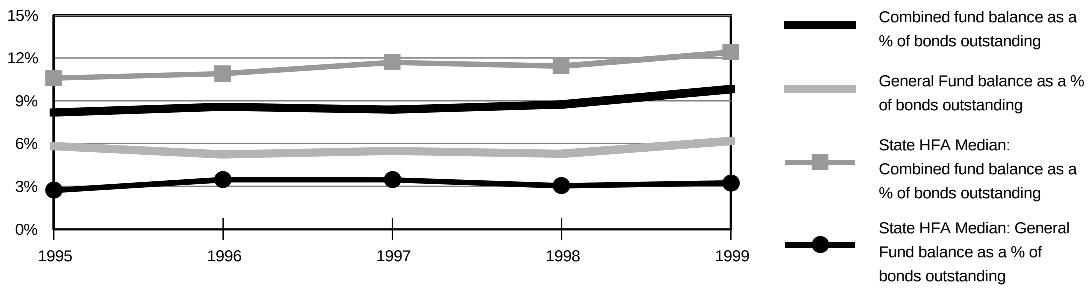
Ratings

Category	Moody's Rating
Issuer Rating	A2
Outlook	Stable
March 1997	A2 (rating refinement)
May 1994	A

Contacts

Analyst	Phone
Wendy Berry	212.553.4104

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$962,319
% Single Family Debt	92.8%
% Multi-family Debt	7.2%
% of Loan Portfolio backed by Mortgage backed securities	84.41%
% of Multi-Family Loans Self-Serviced	16.95%
% of Single Family Loans Self-Serviced	6.91%
Number of Employees	46

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$57,327	$63,956	$67,485	$73,024	$83,526	—
Combined fund balance as % of debt outstanding	10.71%	9.10%	8.24%	8.22%	8.68%	38
General Fund balance	$12,275	$10,382	$14,614	$20,012	$25,811	—
General Fund balance as % of debt outstanding	2.29%	1.48%	1.78%	2.25%	2.68%	31
Profitability (Net Op. Rev. as % of Total Op. Rev.)	13.53%	9.82%	8.56%	10.47%	9.97%	35
Total Return on Assets	N/A	0.88%	0.67%	0.82%	0.97	27

Opinion

Opinion

The Authority's A2 Issuer Rating is based on NHHFA's satisfactory financial position - as reflected by a combined fund balance of approximately $84 million or almost 10% of debt outstanding - as well as the favorable portfolio performance of its single family and multi-family programs, and its overall sound management abilities. While financial operations have clearly strengthened over the past few years, like many state HFAs, the Authority has also incurred significantly more contingent liabilities, mostly through its active Risk Sharing Program. Moody's believes, however, that NHHFA's solid financial position is more than adequate to support these obligations.

Outlook

The outlook for the A2 Issuer Rating stable. The Authority's satisfactory financial position, combined with NHHFA's sound management, is unlikely to change in the foreseeable future. Risks to the Issuer Rating are more likely to come from management or state government policy shifts that could result in the transfer of Authority discretionary funds to the state for other purposes. Such actions, however, are not expected in the foreseeable future.

New Mexico Mortgage Finance Authority

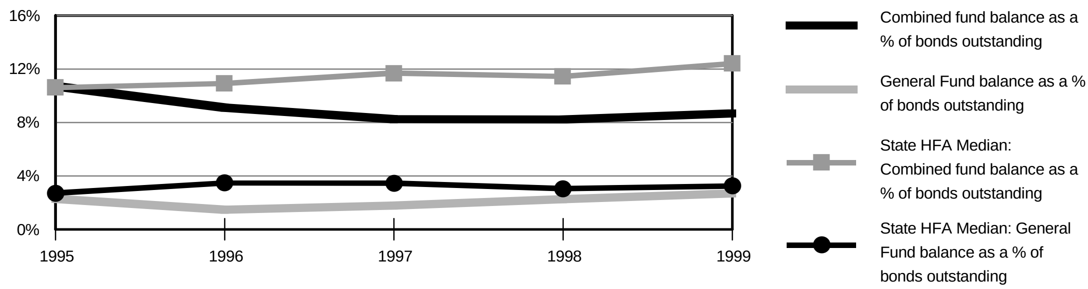
Ratings

Category	Moody's Rating
Issuer Rating	A2
Outlook	Stable
March 1997	A2 (rating refinement)
May 1994	A

Contacts

Analyst	Phone
Peter Hoffman	212.553.4175

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$962,319
% Single Family Debt	92.8%
% Multi-family Debt	7.2%
% of Loan Portfolio backed by Mortgage backed securities	84.41%
% of Multi-Family Loans Self-Serviced	16.95%
% of Single Family Loans Self-Serviced	6.91%
Number of Employees	46

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$57,327	$63,956	$67,485	$73,024	$83,526	—
Combined fund balance as % of debt outstanding	10.71%	9.10%	8.24%	8.22%	8.68%	38
General Fund balance	$12,275	$10,382	$14,614	$20,012	$25,811	—
General Fund balance as % of debt outstanding	2.29%	1.48%	1.78%	2.25%	2.68%	31
Profitability (Net Op. Rev. as % of Total Op. Rev.)	13.53%	9.82%	8.56%	10.47%	9.97%	35
Total Return on Assets	N/A	0.88%	0.67%	0.82%	0.97	27

Opinion

Opinion

NMHFA's A2 Issuer Rating is driven by its sound financial condition and a stable management team which has worked to ensure the Authority's continued financial health. Combined fund balances of $83.5 million or 8.7% of bonds outstanding provide a satisfactory level of comfort. General fund balances at $25.8 million provide a sound source of liquidity to back the Authority's financial needs and its manageable risk-sharing activities. Sound management oversight has been evident from recent efforts to curtail costs and risks from single family assistance programs and federal risk-sharing programs. As a predominantly single family housing agency, the NMMFA has reduced portfolio risk by using an MBS-backed program during recent years.

Outlook

The outlook for this rating is stable. Following significant drops in prior years, key financial measures have stabilized and shown modest growth, which Moody's expects will continue over the medium-term. The NMMFA management team has taken sound steps to alleviate general fund costs of single family assistance programs as well as reducing the risk levels undertaken as part of the federal risk-sharing program. We believe that these actions together with a growing MBS portfolio will mitigate financial risks over the coming years. We expect the NMMFA's sound credit factors will allow it to remain financially viable throughout all but the most severe housing market or economic downturns. Risks to the Authority are more likely to result from management or state governmental policy changes which utilize excessive amounts of NMMFA fund balances; however, we do not anticipate any such actions over the foreseeable future.

Oregon Housing And Community Services Department

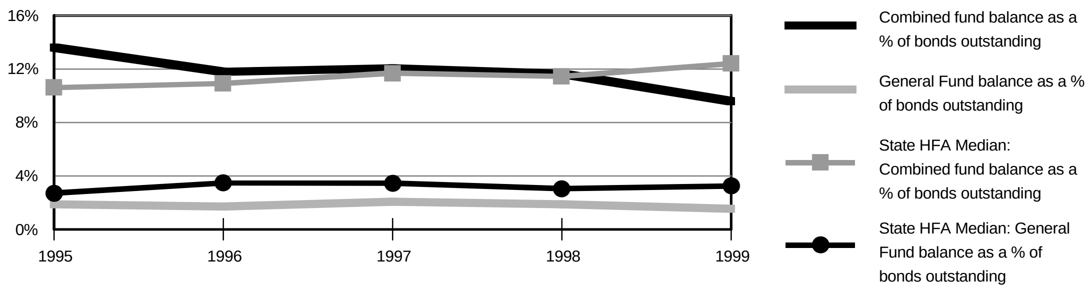
Ratings

Category	Moody's Rating
Issuer Rating	A1
Outlook	Stable
October 1996	A1

Contacts

Analyst	Phone
Peter Hoffman	212.553.4175

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$962,454
% Single Family Debt	88.52%
% Multi-family Debt	11.48%
% of Loan Portfolio backed by Mortgage backed securities	0%
% of Multi-Family Loans Self-Serviced	0%
% of Single Family Loans Self-Serviced	0%
Number of Employees	115

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$65,489	$73,012	$80,662	$89,988	$92,435	—
Combined fund balance as % of debt outstanding	13.61%	11.78%	12.05%	11.65%	9.60%	37
General Fund balance	$9,106	$10,626	$13,875	$14,498	$14,953	—
General Fund balance as % of debt outstanding	1.89%	1.71%	2.07%	1.88%	1.55%	38
Profitability (Net Op. Rev. as % of Total Op. Rev.)	19.05%	16.33%	16.61%	19.45%	4.66%	47
Total Return on Assets	N/A	1.35%	1.23%	1.51%	.031%	48

Opinion

Opinion

The Oregon Housing and Community Service Department's A1 Issuer Rating reflects its capable management, favorable bond program performance, and sound financial condition. OHCSD's combined fund balance as a percentage of bonds outstanding, excluding debt issued in the Elderly and Disabled Housing Program, which are general obligations of the State, is a strong 9.6%. However, a 44% increase in bonds payable since 1997 has caused this ratio to decline from 12.05%. While conservative underwriting criteria and sound oversight have contributed to the profitability of existing programs, operating profits tightened during 1999 due to high debt issuance combined with lower investment income and thinner interest rate spreads between mortgages and bonds. While these recent trends have provided cause for concern, OHCSD's management continues to provide strong oversight to its existing bond programs, which continue to generate profits with minimal risk of losses.

Outlook

The current outlook for the Department's Issuer Rating is stable. A continuation of current active debt issuance and profitability trends could contribute to a weakening of OHCSD's financial condition in the near term. Moody's will continue to monitor this situation with respect to possible impact on its Issuer Rating; however, we believe that the Department's competent management of its bond programs, conservative underwriting standards, and a relatively low risk loan portfolio should enable the Department to maintain its rating at the current level for the immediate future.

South Carolina State Housing Finance And Development Authority

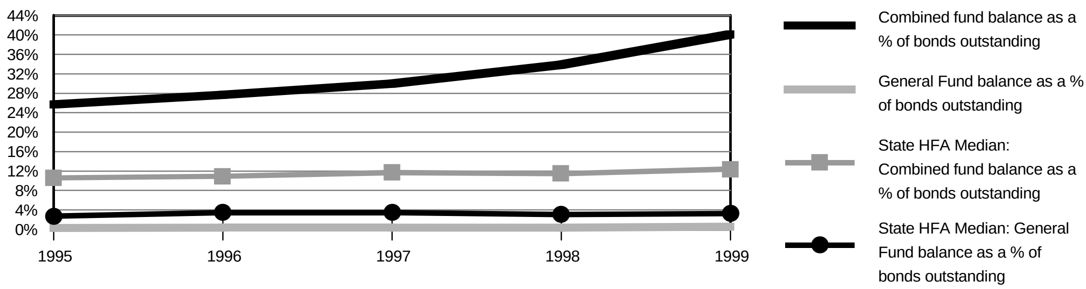
Ratings

Category	Moody's Rating
Issuer Rating	A2
Outlook	Stable
July 1998	A2

Contacts

Analyst	Phone
Maura McGuigan	212.553.4443

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$469,065
% Single Family Debt	96%
% Multi-family Debt	4%
% of Loan Portfolio backed by Mortgage backed securities	0%
% of Multi-Family Loans Self-Serviced	0%
% of Single Family Loans Self-Serviced	59%
Number of Employees	99

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$123,786	$136,023	$147,591	$160,988	$188,267	—
Combined fund balance as % of debt outstanding	25.72%	27.66%	29.98%	33.89%	40.14%	5
General Fund balance	$1,415	$1,600	$1,635	$1,869	$2,510	—
General Fund balance as % of debt outstanding	.29%	.33%	.33%	.39%	.54%	45
Profitability (Net Op. Rev. as % of Total Op. Rev.)	25.50%	26.54%	27.25%	31.07%	29.93%	3
Total Return on Assets	—	2.08%	1.93%	2.44%	2.58%	2

Opinion

Opinion

The South Carolina State Housing Finance and Development Authority's (SCHFDA) A2 Issuer Rating is based on the Authority's strong combined fund balance relative to low levels of risk within its housing programs. The Authority maintains a fundamentally sound financial position as a result of effectively managing its bond programs. SCHDFA's combined fund balance of $188 million as of June 30, 1999 represents over 40% of bonds outstanding and is sufficient to offset any possible credit needs stemming from it current housing programs. While the Authority's large combined financial position is generally characteristic of a higher Issuer Rating, the majority (78%) of SCHDFA's combined fund balance is contained in three single family bond programs and that portion of the money is subject to various release tests. All of the excess program assets may not be available for liquidation if needed for other purposes of the Authority, however, Moody's believes that the Authority would be able to withdraw some of these surpluses if necessary. This would require a sale of assets in conjunction with a bond refunding. The Authority maintains a General Operating Fund minimally funded at approximately $2.5 million, which represents just 0.54% of bonds outstanding.

Outlook

The outlook for the A2 rating is stable. We expect the Authority to continue to generate sufficient revenues from operations to cover existing liabilities over the near-to-mid term. Moody's believes that the Authority's staff is successful in managing its single family housing programs and the levels of risk that the SCHFDA has undertaken. Risks to the Authority may come from exposure under the newly created Economic Development Program to the extent that it becomes an active source of credit enhancement.

South Dakota Housing Development Authority

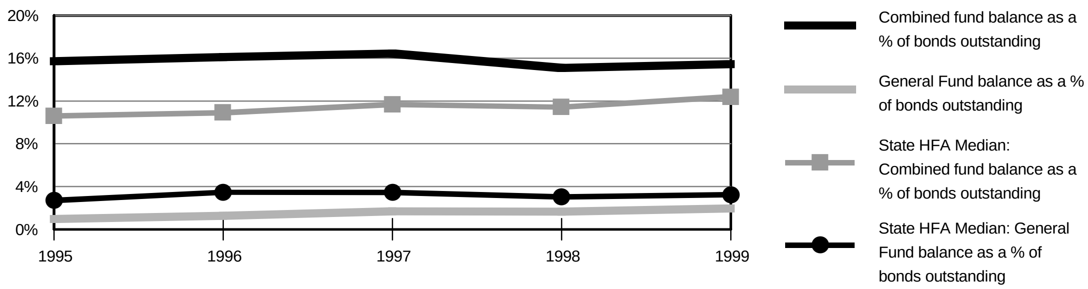
Ratings

Category	Moody's Rating
Issuer Rating	A1
Outlook	Stable
September 1996	A1

Contacts

Analyst	Phone
Ansel Duvivier	212.553.4056

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$1,376,363
% Single Family Debt	94.2%
% Multi-family Debt	5.8%
% of Loan Portfolio backed by Mortgage backed securities	0.7%
% of Multi-Family Loans Self-Serviced	100%
% of Single Family Loans Self-Serviced	0%
Number of Employees	39

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
RankCombined fund balance	$150,022	$160,334	$177,498	$197,046	$212,703	—
Combined fund balance as % of debt outstanding	15.74%	16.13%	16.43%	15.10%	15.45%	17
General Fund balance	$9,280	$12,646	$18,113	$21,551	$27,072	—
General Fund balance as % of debt outstanding	.97%	1.27%	1.68%	1.65%	1.97%	36
Profitability (Net Op. Rev. as % of Total Op. Rev.)	11.37%	12.71%	15.15%	15.84%	12.96%	24
Total Return on Assets	—	1.37%	1.65%	1.85%	1.23%	19

Opinion

Opinion

The Authority's A1 Issuer Rating reflects SDHDA's strong financial position, as indicated by a combined fund balance equal to approximately 15.5% of bonds outstanding for fiscal 1999, in addition to a well secured loan portfolio and sound management team. The Authority's General Fund balance has also performed well, tripling over the last five years to over $27 million, or almost 2% of bonds outstanding. Although this figure is low relative to other state HFAs, the Authority's overall financial strength is bolstered by strong balances in other funds, particularly SDHDA's active single family program which accounts for approximately 76% of the Authority's combined fund balance. Moody's believes that the Authority's active management, oversight, and development of its programs has helped maximize earnings and minimize losses.

Outlook

The outlook for the South Dakota Housing Development Authority's A1 Issuer Rating is stable. Moody's believes the Authority's fundamentally strong financial position, combined with its low risk loan portfolio and solid management are unlikely to change in the foreseeable future.

Utah Housing Finance Agency

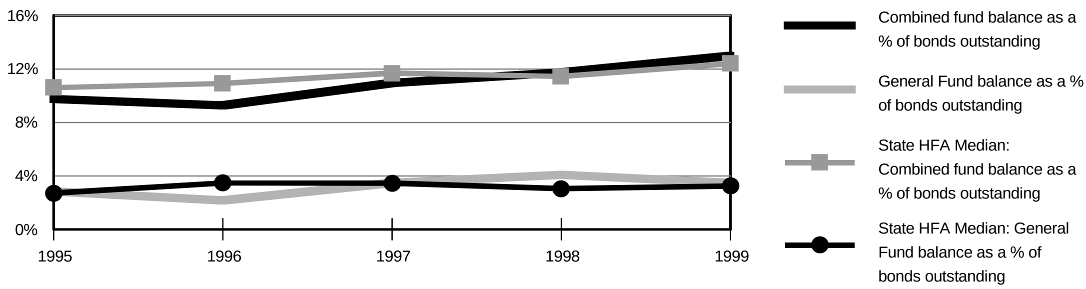
Ratings

Category	Moody's Rating
Issuer Rating	Aa3
Outlook	Stable
October 1999	Aa3
March 1994	A1

Contacts

Analyst	Phone
Erik Bresnahan	212.553.1304

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$1,066,464
% Single Family Debt	90.9%
% Multi-family Debt	9.1%
% of Loan Portfolio backed by Mortgage backed securities	1.75%
% of Multi-Family Loans Self-Serviced	0%
% of Single Family Loans Self-Serviced	75%
Number of Employees	38

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$97,325	$107,745	$115,068	$129,645	$138,422	—
Combined fund balance as % of debt outstanding	9.75%	9.29%	10.95%	11.73%	12.98%	22
General Fund balance	$28,148	$24,976	$36,533	$45,039	$37,258	—
General Fund balance as % of debt outstanding	2.82%	2.15%	3.48%	4.08%	3.49%	23
Profitability (Net Op. Rev. as % of Total Op. Rev.)	9.84%	15.48%	18.23%	18.14%	20.41%	5
Total Return on Assets	—	1.12%	1.13%	1.25%	1.32%	13

Opinion

Opinion

The Aa3 Issuer Rating reflects the Agency's strong fund balances relative to bonds outstanding, consistent net revenue growth, strong single family loan program performance and strong management. Moody's believes that the Agency's financial position has demonstrated strong growth over the last several years. The HFA's adjusted combined fund balance as a percentage of bonds outstanding ratio has grown from 9.75% in 1995 to 12.98% in 1999. Additionally, the Agency's adjusted General Fund balance as a percentage of bonds outstanding has grown from 2.82% in 1994 to 3.49% in 1999. The Agency has consistently generated positive net revenues and profitability has increased consistently from 9.84% in 1995 to 20.41% in 1999. Moody's attributes this growth to the strong performance of the Issuer's single family loan programs. Approximately 91% of the UHFA's outstanding debt is attributable to single family programs, which have consistently generated revenues in excess of program expenses.

The Aa3 Issuer Rating is also supported by a strong management team. UHFA has a proven track record as a program administrator and has exhibited strong and innovative financial management skills. The Agency has demonstrated a strong loan acquisition and lender participation record originating mortgage loans expeditiously and therefore minimize negative arbitrage. Management is deemed to be capable and innovative. Furthermore, management has a demonstrated ability to successfully monitor the loan portfolios by acting as its own mortgage servicer on over 70% of its loan portfolio.

Outlook

The outlook of the Utah Housing Finance Agency's Issuer Rating is stable. Moody's anticipates that management will maintain sound financial policies and that the single family bond programs will continue to generate strong revenues for the Agency. Risks to the bonds are more likely to result from management or state governmental policy changes; however, such actions are not expected over the foreseeable future.

Virginia Housing Development Authority

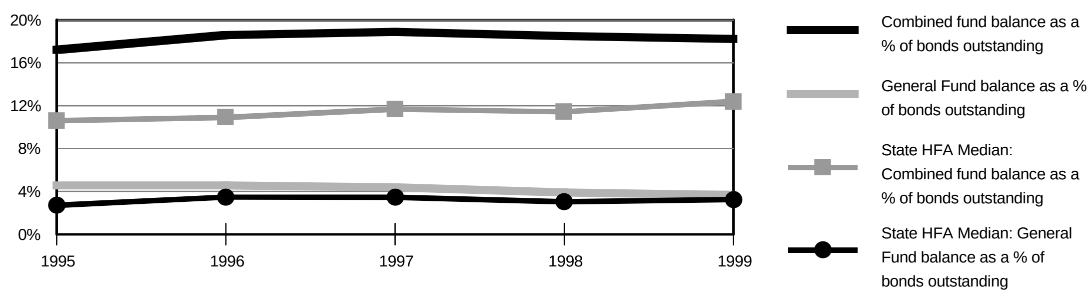
Ratings

Category	Moody's Rating
Issuer Rating	Aa1
Outlook	Stable
October 1996	Aa1
April 1993	Aa
May 1987	A1

Contacts

Analyst	Phone
Kelly O'Brien Wimmer	212.553.4456

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$5,844,952
% Single Family Debt	71.7%
% Multi-family Debt	28.3%
% of Loan Portfolio backed by Mortgage backed securities	Less than 1%
% of Multi-Family Loans Self-Serviced	100%
% of Single Family Loans Self-Serviced	33%
Number of Employees	270

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$709,249	$794,101	$881,720	$972,639	$1,065,466	—
Combined fund balance as % of debt outstanding	17.22%	18.61%	18.89%	18.50%	18.23%	11
General Fund balance	$187,288	$194,996	$204,417	$206,199	$214,181	—
General Fund balance as % of debt outstanding	4.55%	4.57%	4.38%	3.92%	3.66%	22
Profitability (Net Op. Rev. as % of Total Op. Rev.)	20.34%	21.09%	21.68%	20.35%	20.70%	4
Total Return on Assets	—	1.59%	1.63%	1.56%	1.51%	7

Opinion

Opinion

VHDA has one of the highest state HFA Issuer Ratings at Aa1. This very strong rating is due primarily to the Authority's sizable unrestricted fund balance, and the depth and breadth of its management team. The strength of the Authority's bond programs provides additional comfort and stability to the rating by greatly reducing the likelihood that the Authority would need to call upon these funds for needed transfers.

Outlook

The outlook for VHDA's Aa1 Issuer Rating is stable. The Authority's very strong financial condition has positioned VHDA to continue as a substantial presence in single family and multi-family financing. Moody's does not believe that these characteristics are likely to change in the foreseeable future and therefore should allow the program to remain financially viable throughout all but the most severe housing market downturns.

West Virginia Housing Development Fund

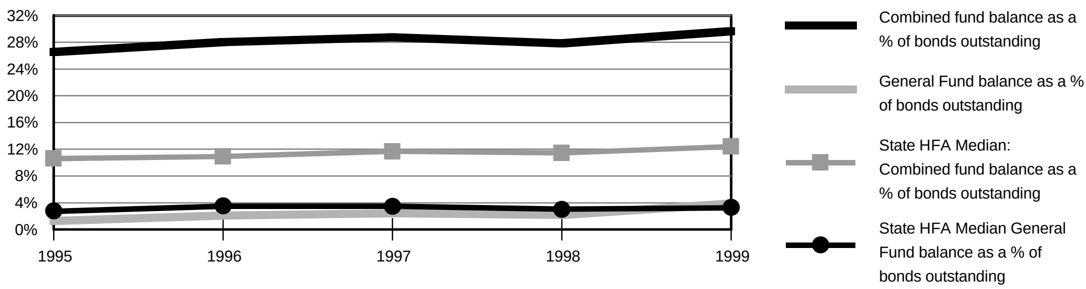
Ratings

Category	Moody's Rating
Issuer Rating	Aaa
Outlook	Stable
June 2000	Aaa
June 1998	Aa1
March 1997	Aa2 (rating refinement)
April 1995	Aa

Contacts

Analyst	Phone
Jina Yoon	212.553.1051

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$796,225
% Single Family Debt	83.5%
% Multi-family Debt	16.4%
% of Loan Portfolio backed by Mortgage backed securities	0%
% of Multi-Family Loans Self-Serviced	100%
% of Single Family Loans Self-Serviced	90%
Number of Employees	106

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$182,161	$195,516	$210,438	$222,567	$236,269	—
Combined fund balance as % of debt outstanding	26.55%	28.06%	28.74%	27.84%	29.67%	6
General Fund balance	$8,654	$14,311	$17,882	$17,415	$30,693	—
General Fund balance as % of debt outstanding	1.26%	2.05%	2.44%	2.18%	3.85%	20
Profitability (Net Op. Rev. as % of Total Op. Rev.)	9.38%	18.27%	14.90%	16.83%	14.18%	19
Total Return on Assets	—	1.55%	1.29%	1.35%	1.07%	25

Opinion

Opinion

The WVHDF Aaa Issuer Rating reflects the agency's exceptionally strong financial position relative to its low risk profile, strong performance of its bond programs, limited contingent liabilities, revenue-raising flexibility provided by the agency's servicing and loan origination activities, strong and conservative management team and the improved financial position of the state. The combined fund balance as a percentage of bonds outstanding is currently at 29.6%, ranking the WVHDF among the strongest of all housing agencies nationwide. With a $30.7 million general account balance, equal to 3.85% of bonds outstanding, the WVHDF has a sound source of ready liquidity to meet its contingencies. Moody's believes that the staff of the WVHDF provides a strong layer of credit strength by providing experienced and diverse management and oversight to its programs.

Outlook

The outlook for the Aaa Issuer Rating on the WVHDF is stable. This rating was upgraded from Aa1 during June 2000. All WVHDF programs are currently self-sufficient and expected to remain that way over the foreseeable future. Historical WVHDF management stability is also expected to continue.

Wisconsin Housing And Economic Development Authority

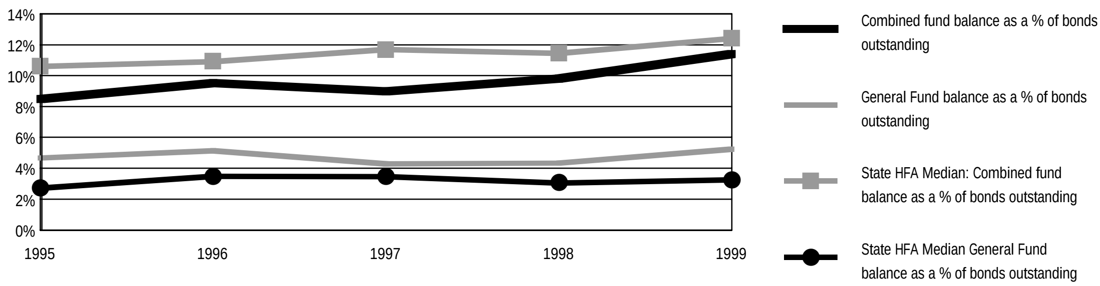
Ratings

Category	Moody’s Rating
Issuer Rating	Aa3
Outlook	Stable
September 1999	Aa3

Contacts

Analyst	Phone
Maura McGuigan	212.553.4443

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$2,152,145
% Single Family Debt	76%
% Multi-family Debt	20%
% Other Debt	4%
% of Loan Portfolio backed by Mortgage backed securities	0%
% of Multi-Family Loans Self-Serviced	100%
% of Single Family Loans Self-Serviced	30%
Number of Employees	167

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$149,536	$169,649	$184,655	$210,631	$245,035	—
Combined fund balance as % of debt outstanding	8.49%	9.52%	8.98%	9.81%	11.39%	29
General Fund balance	$82,105	$91,361	$88,099	$93,066	$112,567	—
General Fund balance as % of debt outstanding	4.66%	5.13%	4.28%	4.34%	5.23%	15
Profitability (Net Op. Rev. as % of Total Op. Rev.)	11.88%	10.22%	9.26%	9.51%	14.97%	17
Total Return on Assets		0.83%	0.79%	0.75%	1.15%	22

Opinion

Opinion

Wisconsin Housing and Economic Development Authority's (WHEDA) Aa3 Issuer Rating is based on its strong financial position and the depth of its skilled management team. WHEDA's adjusted combined fund balance of $245 million as of June 30, 1999 represents the total equity position of the Authority, with most of it pledged under various bond indentures or restricted under its General Fund. While 50% of the Authority's combined fund balance resides in its bond programs, all resolutions are structured to allow program transfers of revenues in excess of required amounts subject to release tests. The Authority maintains a General Fund totaling approximately $113 million, representing 5.23% of total bonds outstanding as of June 30, 1999. While the majority of the Authority's General Fund is restricted for various purposes, once again its bond programs are able to provide a major source of ready liquidity should the need arise to assist a particular program. Moody's believes that these financial ratios demonstrate sufficient funds to cover the level of risk assumed by the Authority. Moody's views WHEDA as a seasoned HFA with an experienced staff that brings a high level of sophistication and expertise to the bond programs, the overall financial position of the Authority and the day to day operations of the issuer.

Outlook

The outlook for the Aa3 rating is stable. All WHEDA programs are currently self sufficient and we expect the Authority to continue to generate sufficient revenue from operations to cover existing liabilities in the future.

Wyoming Community Development Authority

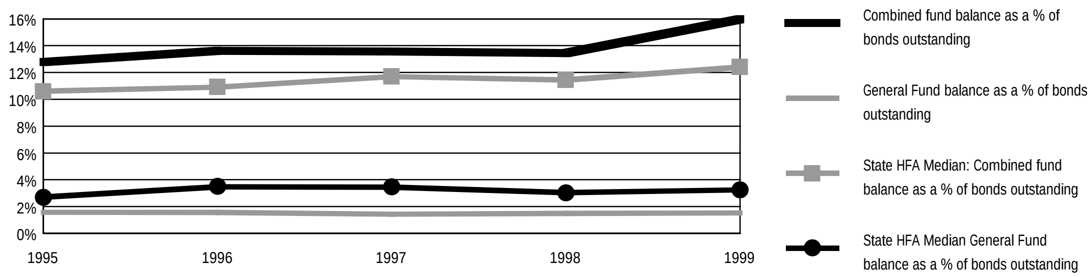
Ratings

Category	Moody's Rating
Issuer Rating	Aa3
Outlook	Stable
April 1999	Aa3

Contacts

Analyst	Phone
Erik Bresnahan	212.553.1304

Financials: Comparisons to Medians



Key Agency Information

Total Debt Outstanding (000)	$907,968
% Single Family Debt	99.5%
% Multi-family Debt	0.5%
% of Loan Portfolio backed by Mortgage backed securities	1.7%
% of Multi-Family Loans Self-Serviced	0%
% of Single Family Loans Self-Serviced	61%
Number of Employees	20

Adjusted Financials: (000)

	1995	1996	1997	1998	1999	1999 Rank
Combined fund balance	$89,944	$99,280	$109,389	$126,939	$144,942	—
Combined fund balance as % of debt outstanding	12.77%	13.60%	13.56%	13.44%	15.97%	16
General Fund balance	$11,104	$11,473	$11,647	$14,039	$13,927	—
General Fund balance as % of debt outstanding	1.58%	1.57%	1.44%	1.49%	1.53%	39
Profitability (Net Op. Rev. as % of Total Op. Rev.)	17.03%	17.07%	16.44%	17.89%	18.35%	9
Total Return on Assets	—	1.32%	1.27%	1.43%	1.23%	20

Opinion

Opinion

WCDA's Aa3 Issuer Rating is a product of the strong financial position of the Authority, the strong insurance and secondary coverage provisions related to its pool of mortgage loans, and the Authority's proven ability to manage its loan and investment portfolio. The WCDA's single family programs have been profitable, allowing the Authority to build a strong financial position. The WCDA's adjusted combined fund balance as a percentage of bonds outstanding as of the June 30, 1999 audited financial statement stands at a solid 15.97%. The majority of WCDA's assets are held within two large single family bond programs; the Housing Revenue Bonds rated Aa2 and the Aa2 rated Single Family Mortgage Bonds.

Moody's believes that the WCDA's management team provides a stable and solid foundation. The Authority employs a staff of approximately 20 persons and has nine experienced voting directors, including the governor, state treasurer, and seven members appointed by the governor, with the advice and consent of the Senate. The senior management team has substantial experience at the Authority. The management team's capabilities are exemplified through the WCDA's strategic plan. The Authority is continually looking to increase its housing programs while also looking to enhance revenue and revenue sources. Mortgage loan servicing is one example of an area that it has both reduced expenses and created a revenue source. The Authority began servicing mortgage loans in late 1990 and now services approximately 61% of its existing mortgage loan portfolio.

Outlook

The outlook for the Aa3 Issuer Rating on the WCDA is stable. Moody's anticipates that the WCDA's two large single-family programs will continue to generate sufficient funds to support the Issuer Rating and that the strong management team will foster this stability.

Key to Moody's Municipal Ratings

MOODY'S RATING SYSTEM

Moody's ratings provide investors with a simple system of gradation by which the relative credit qualities of debt instruments may be noted. Definitions for each rating category appear on the reserve side.

Long-Term Ratings

For long-term obligations, there are 19 possible credit ratings, ranging from **Aaa** (highest quality) to **C** (lowest quality). Moody's typically applies numerical modifiers 1, 2, and 3 to each generic rating classification from **Aa** to **B**, but none to rating categories **Aaa**, **Caa**, **Ca**, or **C**. Bonds within the **Aa**, **A**, **Baa**, **Ba**, and **B** categories are therefore usually designated by the symbols **Aa1**, **Aa2 Aa3**; **A1**, **A2**, **A3**; **Baa1**, **Baa2**, **Baa3**; **Ba1**, **Ba2**, **Ba3**; and **B1**, **B2**, **B3**. The modifier 1 indicates that the issue ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a low-end ranking.

Advance refunded issues that are secured by escrowed funds held in cash, held in trust, reinvested in direct noncallable United States government obligations or noncallable obligations unconditionally guaranteed by the U.S. government are identified with a hatchmark (#) symbol, i.e., **#Aaa**.

Moody's also assigns prospective ratings [identified with a (**P**) prefix] to refunded debt. The (**P**) prefix will remain in place for refunded debt until Moody's receives and reviews final signed documents and legal opinions.

Moody's assigns conditional ratings to bonds for which the security depends upon the completion of some act or the fulfillment of some condition. These are bonds secured by: (a) earnings of projects under construction, (b) earnings of projects unseasoned in operating experience, (c) rentals that begin when facilities are completed, or (d) payments to which some other limiting condition attaches. The parenthetical rating denotes probable credit stature upon completion of construction or elimination of basis of condition, e.g., **Con.** (**Baa**).

When applied to forward delivery bonds, the (**P**) prefix indicates that the rating is provisional pending delivery of the bonds. The rating may be revised prior to delivery if changes occur in the legal documents or the underlying credit quality of the bonds.

Issues that are subject to a periodic reoffer and resale in the secondary market in a "dutch auction" are assigned a long-term rating based only on Moody's assessment of the ability and willingness of the issuer to make timely principal and interest payments. Moody's expresses no opinion as to the ability of the holder to sell the security in a secondary market "dutch auction." Such issues are identified by the insertion of the words "dutch auction" into the name of the issue.

Short-Term Ratings

There are three rating categories for short-term obligations that define an investment grade situation. These are designated Moody's Investment Grade or **MIG 1** (best quality) through **MIG 3** (adequate quality). Moody's assigns the rating **SG** to credit-supported financings that have been identified as speculative quality investments. The **SG** designation applies to short-term debt instruments and tender features that derive full credit support from a financial institution whose short-term debt is rated **NP** (Not Prime) by one of Moody's financial institutions ratings groups.

Similar to our short-term rating **MIG** ratings are Moody's commercial paper ratings. Moody's assigns "Prime" ratings to commercial paper, ranging from **P-1** at the high end to **P-3** at the low end. Commercial paper issues not considered by Moody's to fall within these investment-grade categories are rated **NP**.

In the case of variable rate demand obligations (VRDOs), a two-component rating is assigned. The first component represents an evaluation of the degree of risk associated with scheduled principal and interest payments, and the other represents an evaluation of the degree of risk associated with the demand feature. The short-term rating assigned to the demand feature of VRDOs is designated as **VMIG**. When either the long- or short-term aspect of a VRDO is not rated, that piece is designated **NR**, e.g., **Aaa/NR** or **NR/VMIG 1**.

Short-term issues or the features associated with **MIG**, **VMIG**, or **SG** ratings are identified by date of issue, date of maturity or maturities, or rating expiration date and description to distinguish each rating from other ratings. Each rating designation is unique with no implication as to any other similar issue of the same obligor. **MIG** ratings terminate at the retirement of the obligation, while **VMIG** rating expiration will be a function of each issue's specific structural or credit features.

DEFINITIONS OF LONG-TERM RATINGS

Aaa

Bonds that are rated **Aaa** are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilted edge." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa

Bonds that are rated **Aa** are judged to be of high quality by all standards. Together with the **Aaa** group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in **Aaa** securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present that make the long-term risks appear somewhat larger than in **Aaa** securities.

A

Bonds that are rated **A** possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present that suggest a susceptibility to impairment some time in the future.

Baa

Bonds that are rated **Baa** are considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba

Bonds that are rated **Ba** are judged to have speculative elements; their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate, and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

B

Bonds that are rated **B** generally lack characteristics of the desirable investment. Assurance of interest and principal payments or maintenance of other terms of the contract over any long period of time may be small.

Caa

Bonds that are rated **Caa** are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca

Bonds that are rated **Ca** represent obligations that are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

C

Bonds that are rated **C** are the lowest rated class of bonds, and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

DEFINITIONS OF SHORT-TERM RATINGS

MIG 1/VMIG 1

This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad-based access to the market for refinancing.

MIG 2/VMIG 2

This designation denotes high quality. Margins of protection are ample although not so large as in the preceding group.

MIG 3/VMIG 3

This designation denotes favorable quality. All security elements are accounted for but there is lacking the undeniable strength of the preceding grades. Liquidity and cash-flow protection may be narrow and market access for refinancing is likely to be less well established.

SG

This designation denotes speculative quality. Debt instruments in this category lack margins of protection.

Bright Outlook for State Housing Finance Agencies,
but Not Without Long-term Risk

Outlook

To order reprints of this report (100 copies minimum), please call 800.811.6980 toll free in the USA. Outside the US, please call 1.212.553.1658.

Report Number: 59223