CONNECTICUT HOUSING FINANCE AUTHORITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

DECEMBER 2022 AND 2021

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CONNECTICUT HOUSING FINANCE AUTHORITY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Connecticut Housing Finance Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Connecticut Housing Finance Authority (the Authority), a component unit of the state of Connecticut, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Prior Period Financial Statements

The financial statements of the Authority as of and for the year ended December 31, 2021, were audited by other auditors whose report dated March 24, 2022 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United State of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and OPEB schedules, as presented in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-15 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying combining and supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 6, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

Whittlesey PC

Hartford, Connecticut
April 6, 2023

CONNECTICUT HOUSING FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022 and 2021

This section of the Connecticut Housing Finance Authority's (the "Authority") financial statements, Management's Discussion and Analysis, presents an overview of the Authority's financial performance for the years ended December 31, 2022 and 2021. It provides an assessment of the Authority's financial position and identifies the factors that in management's view, significantly affected the Authority's overall financial position. It may contain assumptions or conclusions by the Authority's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements described below.

Overview of the Financial Statements

This annual financial report consists of four parts: *Management's Discussion and Analysis*, the *Basic Financial Statements, Required Supplementary Information* and *Supplementary Information*. The Authority is a self-supporting quasi-public agency established for the purpose of alleviating the shortage of affordable housing for low and moderate income households in the State of Connecticut and, when appropriate, to promote or maintain the economic development of Connecticut through employer-assisted housing efforts. The financial statements are presented using the accrual basis of accounting. The Authority operates in a manner similar to a private business that includes activities such as the financing of home mortgage loans and multifamily and special needs housing real estate development.

The Basic Financial Statements

The Statement of Net Position provides information about the Authority's financial condition at the end of the year by indicating the nature and amounts of its investments in resources (assets), its deferred outflows of resources, its obligations (liabilities), its deferred inflows of resources and its resulting net position. Net position represents total assets, plus total deferred outflows of resources, less total liabilities, less deferred inflows of resources. The organization of the statement of net position separates assets and liabilities into their current and non-current components.

The Statement of Revenues, Expenses and Changes in Net Position accounts for all of the current year's revenues and expenses, measures the success of the Authority's operations over the past year and can be used to determine how the Authority has funded its costs.

The Statement of Cash Flows provides information about the Authority's cash receipts, cash payments and net changes in cash resulting from operations, financing, capital and investing activities.

The Notes to the Financial Statements

The Notes to Financial Statements provide:

- Information that is essential to understanding the basic financial statements, such as the Authority's accounting methods and policies.
- Details of contractual obligations, future commitments and contingencies of the Authority.
- Other events or developing situations that could materially affect the Authority's financial position.

Required Supplementary Information and Supplementary Information

Required Supplementary Information represents information required by GASB, which supplements the basic financials statements and notes. These schedules provide additional information about the Authority's proportionate share of the Net OPEB Liability, Net Pension Liability and schedules of the Authority's contributions to the State Employees' Retirement System (SERS).

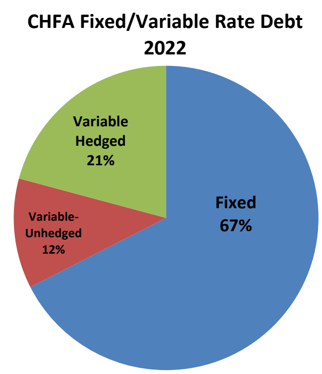
The Supplementary Information includes individual program schedules that present the Authority's financial statements in more detail.

Financial Highlights – Year Ended December 31, 2022

During 2022, the Authority closed $357 million in single family loans bringing homeownership to 1,610 homebuyers. The need for multifamily financing remained strong. Through new construction and/or rehabilitation, the Authority financed 913 affordable multifamily units for a total investment commitment of $141.8 million.

During 2022, the Authority issued five series of Housing Mortgage Finance Program Bonds generating $700 million in proceeds to provide financing for its home mortgage and multifamily mortgage housing programs in addition to refunding approximately $60 million in outstanding bonds. Under various programs, the Authority has also made funds available from net position.

The Authority experienced an uptick in single-family loan production. The effects of COVID-19 pandemic continued to ease during 2022 as housing prices started coming down and inventory levels rose. As a supplement to the Authority's existing downpayment assistance program, a new down payment assistance program "Time to Own" was rolled out during the year, further increasing the purchasing power of homebuyers. This program was capitalized by the State of Connecticut and provides assistance for eligible homebuyers of up to 25% of the cost of the home, up to a maximum of $50,000. Program loans are non-amortizing (deferred), with a 10-year term and a 0% interest rate. 10% of the loan balance is forgiven on each anniversary of the loan closing until fully forgiven. The program is further described in Note 16 to the financial statements.



The federal fund rate increased multiple times during the year in an effort to rein in inflation. The rapid rise in interest rates contributed to an increase in interest earnings, borrowing and lending costs. The rate increases also resulted in a substantial reduction over the prior year in single-family loan payoffs, as existing borrowers opted to retain their lower interest rate mortgages.

Financial Highlights – Year Ended December 31, 2021

During 2021, the Authority closed $237 million in single family loans bringing homeownership to 1,152 homebuyers. The need for multifamily financing remained strong. Through new construction and/or rehabilitation, the Authority financed 976 affordable multifamily units for a total investment commitment of $140.1 million.

During 2021, the Authority issued five series of Housing Mortgage Finance Program Bonds generating $1 billion in proceeds to provide financing for its home mortgage and multifamily mortgage housing programs in addition to refunding approximately $641 million in outstanding bonds to take advantage of lower interest rates. Under the Special Needs Housing Mortgage Finance Program, the Authority issued four series of bonds totaling $54.1 million, $29.3 million of which are considered obligations of the State of Connecticut and are not reflected on the Authority's Statements of Net Position, however are disclosed in the Conduit Debt section of Note 8. The proceeds of these funds were used to refund $45.8 million in outstanding bonds with the remainder being used to fund the financing of thirteen group homes. The group homes provide housing and support services for individuals with special needs. Under various programs, the Authority has also made funds available from net position.

Single family loan production continued to be impacted by the COVID-19 pandemic. The single-family housing market was a challenging one for first time homebuyers as they faced rising home prices and reduced inventory. The Authority made changes to its downpayment assistance program to help improve its homebuyers' purchasing power.

The low interest rate environment during 2021 resulted in lower investment earnings and propelled an increase in single family loan payoffs as existing borrowers sought to refinance.

Financial Analysis of the Authority

The following table summarizes the changes in Net Position between December 31, 2022, 2021 and 2020:

	(in millions)			% Change	
	2022	2021	2020	2022/2021	2021/2020
Assets					
Current assets	$ 1,667.3	$ 1,388.8	$ 1,188.6	20.0 %	16.8 %
Capital assets	4.6	3.3	3.1	39.2	6.6
Noncurrent assets	4,386.0	4,753.9	5,168.5	(7.7)	(8.0)
Total assets	**6,057.9**	**6,146.0**	**6,360.2**	**(1.4)**	**(3.4)**
Deferred outflows of resources					
Unamortized deferred bonds refunding costs	61.9	71.1	75.7	(13.0)	(6.1)
Derivative Financial Instruments			39.9	100.0	100.0
Deferred amounts for OPEB	15.2	17.5	24.0	(13.3)	(26.9)
Deferred amounts for pensions	13.1	11.1	12.9	17.9	(13.5)
Total deferred outflows of resources	**90.2**	**99.7**	**152.5**	**(9.6)**	**(34.6)**
Liabilities					
Long-term bonds payable	4,210.6	4,051.0	4,453.2	3.9	(9.0)
Net OPEB liability	51.3	77.3	82.4	(33.7)	(6.1)
Net pension liability	50.1	64.9	70.5	(22.8)	(7.9)
Other liabilities	899.6	986.6	837.9	(8.8)	17.7
Total liabilities	**5,211.6**	**5,179.8**	**5,444.0**	**0.6**	**(4.9)**
Deferred inflow of resources					
Deferred amount for OPEB	37.7	17.0	16.2	121.5	5.2
Deferred amount for pensions	17.0	9.7	8.6	75.5	12.4
Derivative Financial Instruments	171.5	26.9		538.7	100.0
Total deferred inflows of resources	**226.2**	**53.6**	**24.8**	**321.6**	**116.4**
Net position					
Net investment in capital assets	4.6	3.3	3.1	39.2	6.6
Restricted	705.7	1,009.0	1,040.8	(30.1)	(3.1)
Total Net Position	$ **710.3**	$ **1,012.3**	$ **1,043.9**	**(29.8)** %	**(3.0)** %

Change 2022/2021

- Cash and investments in securities decreased $46.8 million or 1.3% primarily resulting from:
  - A net increase of $296.4 million in bond proceeds and other funds held to be used for the financing of mortgage loans, the retirement of bond debt and the payment of administrative costs.
  - A $343.2 million decrease attributable to the decrease in investment fair values specifically related to GNMA, FNMA and FHLMC Program Assets (see Note 4 of the financial statements).

- Mortgage loans receivable decreased $92.6 million or 3.6%.
  - During 2022, the Authority's multifamily and single family whole loan portfolio experienced an overall net reduction of 3.6%, however the home mortgage loan program, which includes both whole loans and mortgage loans securitized into mortgage backed securities (MBS's), experienced only a slight year-over-year decrease of 0.9%.

- Accrued interest receivable on securities increased $5.6 million or 112.2%. This increase is due to the increase in interest rates on the Authority's short-term investments.

- Accounts receivable and other assets increased $20.6 million or 56.8%. This increase is substantially attributed to:
  - The Authority has an arrangement with a GNMA/FNMA/FHLMC seller/servicer. The terms of the agreement provide for immediate reimbursement of single family loans that have been originated but are waiting to be pooled and securitized. The time lag between reimbursement and securitization varies but is generally 45 days. The Authority earns interest at the note rate during this time. As of year-end there was a $19.3 million increase from prior year in the reimbursed loans waiting to be securitized. This is mostly due to the increase in single family loan production during the year.

- Derivative instruments – interest rates swaps increased by $25.7 million.
  - Due to the increasing interest rate environment and the fact that many of the swaps in the portfolio were purchased when rates were lower, the Authority has experienced a net increase in market value of its swap portfolio.

- Deferred outflows of resources decreased $9.6 million or 9.6%. This decrease is substantially attributed to:
  - A $2.0 million increase in deferred amounts for pensions and $2.3 million decrease in deferred amounts for OPEB. The deferred amounts are allocated to the Authority from an actuarial analysis prepared by the State of Connecticut. It is comprised of the difference between expected and actual experience, changes in actuarial assumptions, changes in proportion and differences between employer contributions and proportionate share of employer contributions and lastly, the employer contributions made between the measurement date of June 30, 2022 and the Authority's year-end of December 31, 2022.
  - A net decrease of $9.2 million in unamortized deferral on bond refundings. The Authority has refunded certain variable rate bonds that were being hedged by interest rate swaps. The fair value of the swaps at the time of the refundings was reclassified from derivative financial instruments-deferred outflows to unamortized deferral on bond refundings. The amounts reclassed are then amortized over the shorter of the life of the refunded or new debt. The $9.2 million decrease is a result of the current year amortization of these deferrals.

- Escrow deposits and unearned revenue increased $100 million or 49%. During 2022, the Authority was awarded additional funds under the Housing Assistance Fund Program, which accounts for the majority of the increase.

- Line of credit payable increased by $36.4 million. During 2022, the Authority entered into an additional revolving line of credit agreement, the funds of which were used to temporarily fund single family loans awaiting pooling and securitization. All three line of credit agreements are further described in Note 8 of the financial statements.

- Bonds payable increased by $51.6 million or 1.1%. The increase is attributed to:
  - An increase of $700.1 million as a result of new bonds issued including original issue premium.
  - An increase of $0.1 million due to capital appreciation bond accretions.
  - A decrease of $634.5 million as a result of redemptions.
  - A decrease of $14.1 million due to the amortization of original issue premiums.

- Net OPEB liability decreased by $26.1 million or 33.7%. Net pension liability decreased by $14.8 million or 22.8%. The Authority is a component unit of the State of Connecticut and participates in the State's OPEB and pension plan. Liabilities are allocated based on the Authority's proportionate share of the State of Connecticut's net OPEB and pension liability. Both liabilities are adjusted annually based on an actuarial valuation prepared by the State (see Note 13 and Note 14 of the financial statements).

- Deferred inflows of resources increased $172.5 million or 321.6%. This includes:
  - A $20.7 million increase in deferred amount for OPEB and a $7.2 million increase in deferred amount for pensions. The deferral changes are explained in further detail in Note 13 and Note 14 of the financial statements.
  - A $144.6 million increase in derivative financial instruments. The increase is a result of the market value increase of the Authority's swap portfolio.

Change 2021/2020

- Mortgage loans receivable decreased $160.1 million or 5.8%.
  - During 2021, the Authority's multifamily loan portfolio experienced overall net growth, while its home mortgage whole loan portfolio continued to experience a net reduction. For reasons outlined in the Financial Highlights section, the home mortgage loan program, which includes both whole loans and mortgage loans securitized into mortgage backed-securities (MBS's), experienced a year-over-year decrease of 11.6%.

- Cash and investments in securities decreased $56.6 million or 1.6% primarily resulting from:
  - A net increase of $18.0 million in bond proceeds and other funds held to be used for the financing of mortgage loans, the retirement of bond debt and the payment of administrative costs.
  - A $74.6 million decrease attributable to the decrease in investment fair values specifically related to GNMA, FNMA and FHLMC Program Assets (see Note 4 of the financial statements).

- Accounts receivable and other assets increased $6.4 million or 21.6%. This increase substantially attributed to:
  - A $4.1 million reallocation of FAF funds from other assets to investments.
  - The Authority has an arrangement with a GNMA/FNMA/FHLMC seller/servicer. The terms of the agreement provide for immediate reimbursement of single family loans that have been originated but are waiting to be pooled and securitized. The time lag between reimbursement and securitization varies but is generally 45 days. The Authority earns interest at the note rate during this time. As of year-end there was an $11.0 million increase from prior year in the reimbursed loans waiting to be securitized. This is mostly due to the increase in single family loan production towards the end the year.

- Deferred outflows of resources decreased $52.8 million or 34.6%. This decrease is substantially attributed to:
  - A $1.7 million decrease in deferred amounts for pensions and $6.4 million decrease in deferred amounts for OPEB. The deferred amounts are allocated to the Authority from an actuarial analysis prepared by the State of Connecticut. It is comprised of the difference between expected and actual experience, changes in actuarial assumptions, changes in proportion and differences between employer contributions and proportionate share of employer contributions and lastly, the employer contributions made between the measurement date of June 30, 2021 and the Authority's year-end of December 31, 2021.
  - A net decrease of $4.7 million in unamortized deferral on bond refundings. During 2021 the Authority refunded certain variable rate bonds that were being hedged by interest rate swaps. $9.3 million in fair value of the swaps at the time of the refundings was reclassified from derivative financial instruments-deferred outflows to unamortized deferral on bond refundings. The amounts reclassed are then amortized over the shorter of the life of the refunded or new debt. The $9.3 million increase to unamortized deferral on bond refundings was offset by $14.0 million of such amortizations.
  - A $39.9 million decrease in derivative financial instruments. At prior year-end, there was a $39.9 million balance in deferred outflows for derivative financial instruments. The current year activity produced a $66.8 million swing from deferred outflows to deferred inflows. This resulted from a net decrease in swap notional of $15.7 million due to amortizations, a decrease in market value of $41.8 million and $9.3 million reclassification from derivative financial instruments to deferred outflows due to the refunding of variable rate bonds hedged with interest rate swaps.

- Escrow deposits and unearned revenue increased $12.0 million and 6.3%. During 2021, the Authority was awarded funds under the Housing Assistance Fund Program and Housing Stability Counseling Program, which accounts for the majority of the increase.

- Line of credit payable increased by $144.1 million. During 2021, the Authority entered into two revolving line of credit agreements to preserve single family mortgage prepayments and reduce interest costs by refunding the corresponding bonds. The agreements are further described in Note 8 of the financial statements.

- Bonds payable decreased by $351.1 million or 7.2%. The decrease is attributed to:
  - An increase of $1.031 billion as a result of new bonds issued including original issue premium.
  - An increase of $0.5 million due to capital appreciation bond accretions.
  - A decrease of $1.372 billion as a result of redemptions.
  - A decrease of $11.0 million due to amortization of original issue premiums.

- Net OPEB liability decreased by $5.1 million or 6.1%. Net pension liability decreased by $5.6 million or 7.9%. The Authority is a component unit of the State of Connecticut and participates in the State's OPEB and pension plan. Liabilities are allocated based on the Authority's proportionate share of the State of Connecticut's net OPEB and pension liability. Both liabilities are adjusted annually based on an actuarial valuation prepared by the State (see Note 13 and Note 14 of the financial statements).

- Deferred inflows of resources increased $28.9 million or 116.4%. This includes:
  - A $0.8 million increase in deferred amount for OPEB and $1.2 million increase in deferred amounts for pensions. The deferral changes are explained in further detail in Note 13 and Note 14 of the financial statements.
  - A $26.9 million increase in derivative financial instruments. The 2021 activity (further explained above in the deferred outflows section) resulted in a balance shift from deferred outflows to deferred inflows.

The home mortgage, rental housing and special needs housing loan portfolios are one of the Authority's primary assets.New loans financed under the Authority's home mortgage and special needs housing programs (including GNMA, FNMA & FHLMC Program Assets, excluding the acquired portfolio from the State) exceeded payoffs for the year ended December 31, 2022. Payoffs of loans for the years ended December 31, 2020 and December 31, 2021 exceeded new loans financed as follows:

	(in millions)		
	New Loans Financed	**Payoffs**	**Net**
2022	$ 394.4	$ 308.4	$ 86.0
2021	248.9	562.3	(313.4)
2020	308.0	395.4	(87.4)

The change in the multifamily rental housing and special needs housing portfolios (excluding the acquired portfolio from the State) is summarized as follows:

	(in millions)			% Change	
	2022	**2021**	**2020**	**2022/2021**	**2021/2020**
Construction loan balances	$ 112.9	$ 153.0	$ 149.7	(26.2) %	2.2 %
Permanent loan balances	1,236.5	1,195.5	1,139.9	3.4	4.9
Special needs housing permanent loan balances	63.3	65.9	60.9	(4.0)	8.2
Total Multifamily Mortgage Loans	$ 1,412.7	$ 1,414.4	$ 1,350.5	(0.1) %	4.7 %

As a result of legislation that was passed during calendar year 2002, on April 9, 2003 the Authority acquired housing assets from the Connecticut Department of Economic and Community Development from a reallocation of $85 million of its available cash resources. The par value of this acquired portfolio at December 31, 2003 was $213.3 million. After evaluation of the underlying loans by the Authority, the carrying value of this portfolio was written down to $65.0 million.

During calendar year 2016, further legislation was passed which resulted in the Authority acquiring multifamily housing assets from the Connecticut Department of Housing from a reallocation of $15 million of the Authority's available cash resources. The par value of this acquired portfolio at December 31, 2016 was $16.1 million. After evaluation of the underlying loans by the Authority, the carrying value of this portfolio was written down to zero.

The status of these acquired portfolios combined, as of December 31, 2022, 2021 and 2020, is summarized as follows (in millions):

	December 31, 2022		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	$ 0.7	$ (0.5)	$ 0.2
Multifamily mortgage loans	157.5	(136.9)	20.6
Total acquired portfolio	$ 158.2	$ (137.4)	$ 20.8
Allowance for losses % to par value		86.9%	

	December 31, 2021		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	$ 0.9	$ (0.6)	$ 0.3
Multifamily mortgage loans	161.1	(139.8)	21.3
Total acquired portfolio	$ 162.0	$ (140.4)	$ 21.6
Allowance for losses % to par value		86.7%	

	December 31, 2020		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	$ 1.1	$ (0.8)	$ 0.3
Multifamily mortgage loans	167.6	(144.2)	23.4
Total acquired portfolio	$ 168.7	$ (145.0)	$ 23.7
Allowance for losses % to par value		85.9%	

Mortgage loan earnings, including earnings on GNMA, FNMA and FHLMC Program Assets, which are included in "interest on investments," represent the Authority's major source of operating revenue. The Authority also charges various program fees that include but are not limited to application fees, commitment fees, extension fees and financing fees.

The following table summarizes the changes in operating income between December 31, 2022, 2021 and 2020.

	(in millions)			% Change	
	2022	**2021**	**2020**	**2022/2021**	**2021/2020**
Operating Revenues:					
Interest on mortgage loans	$ 115.7	$ 122.9	$ 129.0	(5.9) %	(4.7) %
Interest on investments	79.3	62.7	72.7	26.5	(13.7)
Fees and other income	13.1	18.6	13.5	(29.4)	38.3
Total operating revenues	**208.1**	**204.2**	**215.2**	**1.9**	**(5.1)**
Operating Expenses:					
Interest	123.6	128.4	144.0	(3.7)	(10.8)
Bond issuance costs	6.3	8.1	6.0	(22.3)	36.0
Servicer fees	12.2	7.9	7.3	54.6	7.8
Administrative	35.8	35.8	34.8	0.0	3.0
Provision for (reduction to) loan loss reserve	1.1	(16.1)	3.8	107.1	(522.3)
Total operating expenses	**179.0**	**164.1**	**195.9**	**9.1**	**(16.2)**
Operating income (loss)	29.1	40.1	19.3	(27.4)	108.0
Nonoperating Revenues (Expenses):					
Actuarial assumption changes pension & OPEB	12.6	0.4	(6.1)	2,724.7	107.4
Net decrease in the fair value of investments	(343.2)	(74.6)	119.3	(360.0)	(162.5)
Other	(0.5)	2.5	0.7	(120.1)	257.1
Total nonoperating income (loss)	**(331.1)**	**(71.6)**	**113.9**	**(362.2)**	**(162.9)**
Change in Net Position	$ (302.0)	$ (31.6)	$ 133.2	(856.8) %	(123.8) %

Change 2022/2021

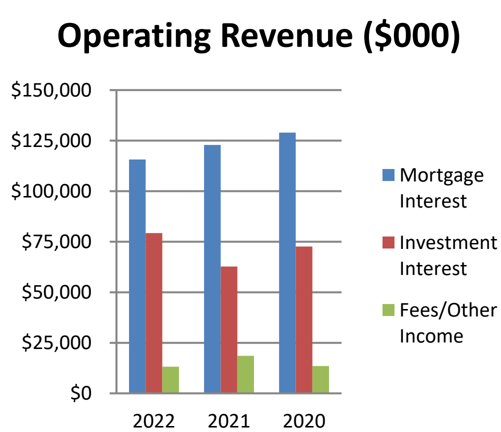
- Net position decreased $302.0 million in 2022. Operating income was $29.1 million, a decrease of $11.0 million from the prior year.
  - Operating revenues increased $3.9 million or 1.9%. This increase is primarily due to:
    - On a combined basis, mortgage and investment interest income increased by $9.3 million in 2022. This is being driven by an increase in interest rates on the Authority's short-term investments.
    - Fees and other income decreased by $5.4 million over prior year. This is primarily due to the recognition of nonrecurring fee income during 2021.
  - Operating expenses increased $14.9 million or 9.1%. This increase is substantially attributable to:
    - A $4.8 million decrease in interest costs. The Authority made over $174 million in special bond redemptions throughout the year, many of these bonds of which were originally purchased at a premium. The redemptions resulted in the acceleration of the amortization of these premiums. The amortization of bond premiums results in the reduction of interest expense.
    - A $4.3 million increase in servicer fees. During 2022 the Authority modified its lenders compensation structure to more closely align with industry standards.
    - A $17.3 million increase in provision for loss reserves. This is a result of the following:
      - During 2022, the Authority received EMAP loan payoffs that resulted in a reduction of the EMAP loan loss reserves of $3.1 million.
      - The down payment assistance loans made to single family borrowers under the Time to Own Program (further described in Note 16 to the financial statements) were reserved at 100% due to the loan terms, which provide for these loans to be forgiven over a 10 year period. This resulted in an $18.7 million increase to the reserves.

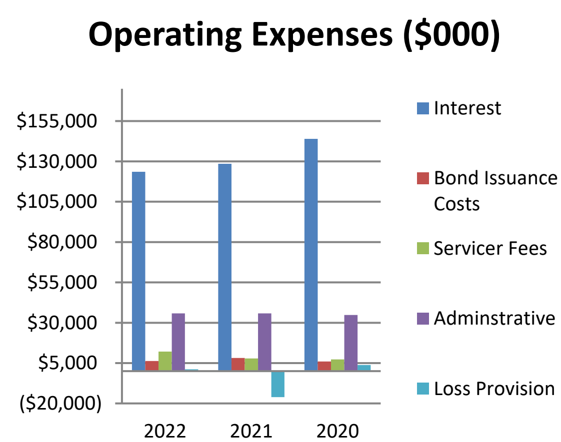
  - A $1.7 million increase due to routine fluctuations and performance changes in the multifamily portfolio.

- Nonoperating loss increased by $259.3 million in 2022. The difference is attributable to:
  - A $12.2 million decrease resulting from pension and OPEB actuarial assumption changes. Pension and OPEB liabilities and expenses are allocated to the Authority per an actuarial analysis prepared by the State of Connecticut. See Notes 13 and 14 for further detail.
  - During 2022, there was a $343.2 million decrease in the fair value of the Authority's investment portfolio, specifically the Authority's GNMA, FNMA and FHLMC Program Assets discussed in Note 4 of the financial statements. When compared to the fair value decrease of $74.6 million during 2021, the result is a year-over-year decrease of $268.5 million. Interest rates have sharply increased since a substantial portion of the portfolio was purchased. The change in market interest rates has an inverse relationship to the fair value of mortgage backed securities. Since it has been the Authority's policy to hold securities to maturity, this loss is not expected to be realized.

  - Grant program funding increased by $34.9 million. The increase was substantially attributed to:
    - The recognition of earned revenue from the Time to Own grant in the amount of $18.7 million. This is a new grant in 2022.
    - An increase in the recognition of earned revenue from the Homeowner Assistance Fund grant in the amount of $20.2 million.
    - The receipt of the Capital Magnet grant funding in the amount of $3 million which was received in 2021, with no additional funds received in 2022.

  - Grant program expenses increased $37.9 million. The increase was substantially attributed to:
    - An increase in Homeowner Assistance Fund grant expenditures in the amount of $20.2 million.
    - Recognizing Time to Own grant expenditures for the first time in 2022 in the amount of $18.7 million,





Change 2021/2020

- Net position decreased $31.6 million in 2021. Operating income was $40.1 million, an increase of $20.8 million from the prior year.

  - Operating revenues decreased $11.0 million or 5.1%. This decrease is primarily due to:
    - On a combined basis, mortgage and investment interest income decreased by $16.0 million in 2021. This is being driven by a $216 million net decrease in program assets (mortgage loans receivable and investments in securities) and a reduction in interest rates year-over-year.
    - Fees and other income increased by $5.1 million over prior year. This is primarily due to the recognition of nonrecurring fee income during 2021.

  - Operating expenses decreased $31.8 million or 16.2%. This decrease is substantially attributable to:
    - A $15.5 million decrease in bond interest costs. Bonds payable decreased $351.1 million from prior year. The Authority also refinanced over $640 million in outstanding bonds and was able to recognize interest savings in the form of lower interest rates.
    - A $2.1 million increase in bond issuance costs. The bonds issued in 2021 exceeded the prior year by $291 million.
    - A $19.9 million decrease in provision for loan loss reserves. The decrease was due to:
      - An updated appraisal was received on a distressed multifamily property. The appraised value was substantially equivalent to the outstanding loan balance. A modification to the existing loan is anticipated. For these reasons the loss reserve on this specific loan was reduced by $8.3 million resulting in a loss reserve of 15% of the unpaid balance.
      - During 2021, the Authority received an unprecedented amount of EMAP loan payoffs as borrowers took advantage of the hot real estate market and low interest rates and either sold their homes or refinanced their mortgages. The increased payoffs resulted in a reduction of the EMAP loan loss reserves of $3.6 million.
      - The State acquired multifamily loan portfolio experienced a reduction of $6.7 million during 2021, being in part driven by loan payoffs. The loss reserves for the portfolio were adjusted down accordingly by $4.5 million.
      - A $3.5 million reduction due to routine fluctuations and performance changes in the multifamily portfolio.

- Nonoperating income was $113.9 million in 2020. Nonoperating loss was $71.7 million in 2021. The $185.6 million difference is attributable to:
  - A $6.5 million increase resulting from pension and OPEB actuarial assumption changes. Pension and OPEB liabilities and expenses are allocated to the Authority per an actuarial analysis prepared by the State of Connecticut. See Notes 13 and 14 for further detail.
  - During 2021, there was a $74.6 million decrease in the fair value of the Authority's investment portfolio, specifically the Authority's GNMA, FNMA and FHLMC Program Assets discussed in Note 4 of the financial statements. When compared to the fair value increase of $119.3 million during 2020, the result is a year-over-year decrease of $193.9 million. Interest rates have increased since a substantial portion of the portfolio was purchased. The change in market interest rates has an inverse relationship to the fair value of mortgage backed securities.

  - Grant program funding increased $6.8 million. The increase was substantially attributed to:
    - The receipt of the Capital Magnet Grant funding in the amount of $3 million which was received for the first time in 2021.
    - The recognition of earned revenue from the Homeowner Assistance Fund grant in the amount of $4.9 million.

  - Grant program expenses increased $5.1 million. The increase was substantially attributed to:
    - Homeowner Assistance Fund grant expenditures in the amount of $4.9 million.

Debt Administration

The following table summarizes the changes in bonds payable between December 31, 2022, 2021 and 2020. More detailed information related to the Authority's outstanding bond debt obligations is presented in Note 8 of the financial statements.

	(in millions)			% Change	
	2022	2021	2020	2022/2021	2021/2020
Bonds payable	$ 4,600.3	$ 4,548.6	$ 4,899.7	1.1%	(7.2)%

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances. If you have questions about this report or need additional information, contact the Finance Department of the Connecticut Housing Finance Authority at 999 West Street, Rocky Hill, CT 06067.

CONNECTICUT HOUSING FINANCE AUTHORITY
STATEMENTS OF NET POSITION
(in 000's)

	December 31, 2022	December 31, 2021
Assets		
Restricted current assets:		
Cash and cash equivalents	$ 1,051	$ 285
Mortgage loans receivable	122,050	183,503
Investments in securities	1,463,896	1,148,967
Real estate owned - multifamily	2,300	2,300
Accrued interest receivable on:		
Mortgage loans	10,554	12,527
Securities	10,565	4,978
Accounts receivable and other assets	56,854	36,257
Total current assets	1,667,270	1,388,817
Restricted noncurrent assets:		
Mortgage loans receivable, net of current portion	2,383,992	2,415,103
Investments in securities, net of current portion	1,974,035	2,336,487
Derivative instruments - interest rate swaps	25,707	
Capital assets, net of depreciation	4,605	3,309
Real estate owned - single family	2,274	2,293
Total noncurrent assets	4,390,613	4,757,192
Total assets	6,057,883	6,146,009
Deferred Outflows of Resources		
Unamortized deferral on bond refundings	61,847	71,070
Deferred amount for OPEB	15,202	17,533
Deferred amount for pensions	13,120	11,127
Total deferred outflows of resources	90,169	99,730
Liabilities		
Current liabilities:		
Escrow deposits and unearned revenue	104,977	48,599
Accrued interest payable	17,801	14,901
Accounts payable and accrued liabilities	7,384	6,798
Line of credit payable	180,425	144,065
Bonds payable	389,705	497,593
Total current liabilities	700,292	711,956
Noncurrent liabilities		
Escrow deposits and unearned revenue, net of current portion	199,346	155,674
Bonds payable, net of current portion	4,210,545	4,051,056
Derivative instruments - interest rate swaps		118,936
Net OPEB liability	51,273	77,331
Net pension liability	50,111	64,880
Total noncurrent liabilities	4,511,275	4,467,877
Total liabilities	5,211,567	5,179,833
Deferred Inflows of Resources		
Deferred amount for OPEB	37,661	17,002
Deferred amount for pensions	17,015	9,794
Derivative financial Instruments	171,493	26,850
Total deferred inflows of resources	226,169	53,646
Net Position		
Net investment in capital assets	4,605	3,309
Restricted by bond indentures and/or enabling legislation	705,711	1,008,951
Total Net Position	$ 710,316	$ 1,012,260

The accompanying notes are an integral part of the financial statements

CONNECTICUT HOUSING FINANCE AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
(in 000's)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Operating Revenues		
Interest on mortgage loans	$ 115,652	$ 122,906
Interest on investments	79,300	62,710
Fees and other income	13,157	18,536
Total operating revenues	208,109	204,152
Operating Expenses		
Interest	123,608	128,468
Bond issuance costs	6,308	8,117
Servicer fees	12,144	7,860
Administrative	35,800	35,793
Provision for (reduction to) loan loss reserves	1,140	(16,150)
Total operating expenses	179,000	164,088
Operating Income	29,109	40,064
Nonoperating Revenues (Expenses)		
Actuarial assumption changes for pension and OPEB	12,611	446
Net decrease increase in the fair value of investments	(343,152)	(74,603)
Grant program funding	45,061	10,139
Grant program expenses	(45,573)	(7,695)
Nonoperating loss	(331,053)	(71,713)
Change in Net Position	(301,944)	(31,649)
Net Position - Beginning of Year	1,012,260	1,043,909
Net Position - End of Year	$ 710,316	$ 1,012,260

The accompanying notes are an integral part of the financial statements

CONNECTICUT HOUSING FINANCE AUTHORITY
STATEMENTS OF CASH FLOWS
(in 000's)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Cash Flows from Operating Activities		
Cash received from interest on mortgage loans	$ 117,625	$ 123,882
Cash received from scheduled mortgage principal payments	79,008	86,564
Cash received from mortgage principal prepayments	223,299	313,447
Cash received from fees and other income	13,134	18,585
Cash payments to purchase mortgage loans	(210,627)	(223,964)
Cash payments to employees	(23,503)	(22,005)
Cash payments to suppliers	(23,884)	(19,553)
Net cash provided by operating activities	175,052	276,956
Cash Flows from Noncapital Financing Activities		
Proceeds from escrow deposits	100,050	12,020
Retirement of bonds payable	(634,533)	(1,371,517)
Proceeds from sales of bonds	700,145	1,030,952
Proceeds from line of credit	36,360	144,065
Interest paid	(125,547)	(127,195)
Bond issuance costs	(6,293)	(8,139)
Grant program proceeds	44,541	10,139
Grant program costs	(45,053)	(7,695)
Net cash (used) and provided by noncapital financing activities	69,670	(317,370)
Cash Flows from Capital and Related Financing Activities		
Purchase of computer software	(1,591)	(670)
Net cash used in capital and related financing activities	(1,591)	(670)
Cash Flows from Investing Activities		
Proceeds from sales of and maturities of investment securities	939,530	440,762
Purchase of investment securities	(1,235,122)	(459,446)
Reduction (increase) of warehoused loans awaiting securitization	(20,485)	(6,449)
Sales of real estate owned	(1)	2,584
Interest received on investments	73,713	63,331
Net cash used in investing activities	(242,365)	40,782
Incease in Cash and Cash Equivalents	766	(302)
Cash and Cash Equivalents - Beginning of Year	285	587
Cash and Cash Equivalents - End of Year	$ 1,051	$ 285
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	$ 29,109	$ 40,064
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	296	465
Provision for (reduction to) loan loss reserves	1,140	(16,150)
Bond issuance costs	6,308	8,117
Interest on investments	(79,300)	(62,710)
Interest expense	123,608	128,468
Change in assets and liabilities:		
Decrease (increase) in accrued interest receivable on mortgage loans	1,973	975
Decrease (increase) in accounts receivable and other assets	(20,597)	(6,449)
Increase (decrease) in accounts payable and other accrued liabilities	586	607
Decrease in mortgage loan and other receivables, net	111,929	183,569
Net Cash Provided by Operating Activities	$ 175,052	$ 276,956
Noncash Investing Activities		
Net increase (decrease) in the fair value of investments	$ (343,152)	$ (74,603)

The accompanying notes are an integral part of the financial statements

NOTE 1 - AUTHORIZING LEGISLATION

Connecticut Housing Finance Authority (the "Authority") is a public instrumentality and political subdivision of the State of Connecticut. It was created in 1969 for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development and construction of housing for low and moderate-income families and persons throughout Connecticut. The Authority operates pursuant to Chapter 134 of the Connecticut General Statutes, as amended (the "Act"). As required by the Act, the Authority's powers are exercised by a Board of Directors consisting of fifteen members, four of whom are State officials, seven of whom are appointed by the Governor and four of whom are appointed by leaders of the General Assembly.

The Authority is authorized to issue bonds, notes and other obligations to fund loans to qualified borrowers for single family homes and multifamily developments. Funding of loan programs on an on-going basis is derived principally from bond proceeds and interest earned on loans and investments.

The Authority is a component unit of the State of Connecticut, based on the criteria for defining the reporting entity as identified and described in the Government Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600*.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Authority is a self-supported entity and the accompanying financial statements are presented using the economic resources measurement focus and accrual basis of accounting wherein revenues are recognized when earned, and expenses are recognized when the liability is incurred. The financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB"). While detail sub-fund information is not presented, separate accounts are maintained for each program and include certain funds that are legally designated as to use. The funds of the Authority and similar component units are proprietary fund types.

Reporting Entity

Connecticut Housing Finance Authority Funds

Under the Act and the General Housing Mortgage Finance Program Bond Resolution of September 27, 1972 (the "Bond Resolution"), the Authority is authorized to maintain Housing Mortgage General and Capital Reserve Funds. In addition to the aforementioned funds, the Authority, as permitted by the Act, has established other funds. Included in other funds are the Investment Trust Fund, which may be used to account for assets which are determined to be "surplus funds" under the terms of the Bond Resolution, and the Housing Mortgage Insurance Fund, which provides mortgage insurance.

Also included in other funds are:

a. the Special Needs Housing Fund, the Special Needs Housing Capital Reserve Fund, the State Assistance Agreement Fund, and, as to the Authority's Emergency Mortgage Assistance Payment (EMAP) Program: the EMAP State Assistance Agreement Fund and the EMAP Revolving Loan Fund (collectively, the "Special Needs Housing Program Funds"), the Group Home Renewal and Replacement Fund, the Assisted Living Facilities Renewal and Replacement Fund and the Supportive Housing Renewal and Replacement Fund (collectively the "Special Needs Housing Renewal and Replacement Funds"). The Authority is authorized to maintain the Special Needs Housing Program Funds and the Special Needs Housing Renewal and Replacement Funds (collectively the "Special Needs Housing Funds") under the Act and the Special Needs Housing Mortgage Finance Program Indenture (formerly known as the Group Home Mortgage Finance Program Indenture of Trust) (the "Special Needs Indenture"),

b. the Single Family Special Obligation Bond and Other Bond Funds which the Authority is authorized to maintain under the Act, the Bond Resolution Providing for the Issuance of Single Family Mortgage Revenue Bonds (the "SFSOB Resolution") of November 19, 2009, and the Bond Resolution Providing for the Issuance of Other Bonds for the Housing Mortgage Finance Program (Single Family) (the "Single Family Other Bond Resolution") of November 19, 2009,

c. the Multifamily Special Obligation Bond and Other Bond Funds which the Authority is authorized to maintain under the Act, the Multifamily Bond Resolution Providing for the Issuance of Multifamily Mortgage Revenue Bonds (the "MFSOB Resolution") of November 19, 2009, and the Bond Resolution Providing for the Issuance of Other Bonds for the Housing Mortgage Finance Program (Multifamily) (the "Multifamily Other Bond Resolution") of October 27, 2011, and

d. The Qualified Energy Conservation Bond Fund which the Authority is authorized to maintain under the Act, the Qualified Energy Conservation Bond Resolution Providing for the Issuance of Qualified Energy Conservation Revenue Bonds (the "QECB Resolution") of February 26, 2015.

During 2021, the assets of the Single Family Special Obligation Bond were transferred to the Bond Resolution and all outstanding bonds were redeemed in full. The fund was wound down as of December 31, 2021.

Blended Component Units

The Authority's operations include blended component units which are included in the Authority's basic financial statements in accordance with GASB Statement No. 61. These are legally separate entities for which the Authority is considered financially accountable. The Authority is financially accountable for those units that make up its legal entity, as well as certain legally separate organizations because they have essentially the same board of directors and management personnel. Blended component units are, in substance, part of the Authority's operations; therefore, data from these units are combined with data of the primary Authority. Interfund activity has been eliminated. Additional information relating to these blended component units can be found in the supplementary information section of this report.

State Housing Authority

The State Housing Authority (the "Corporation") is a quasi-public agency of the State of Connecticut and a subsidiary of the Authority. It was created as the successor to the Connecticut Housing Authority ("CHA") under Public Act No. 95-250, which transferred $1,282,000 to establish the Corporation. The Corporation operates pursuant to Chapter 129 of the Connecticut General Statutes, as amended (the "CHA Act"). This entity is currently inactive.

Cash and Cash Equivalents

Cash is comprised of accounts on deposit with financial institutions. For purposes of reporting cash flows, highly liquid instruments with an original maturity of less than 90 days are generally considered to be cash equivalents, exclusive of the State of Connecticut Short Term Investment Fund and overnight sweeps which are considered to be investments in securities.

Mortgage Loans Receivable

Mortgage loans are carried at their principal balance net of allowance for losses and are generally secured by first liens on real property. Interest on loans is accrued and credited to operations based on the principal amount outstanding. The accrual of interest income is discontinued when a loan becomes 90 days past due or in management's opinion is deemed uncollectible as to principal or interest. When interest accruals are discontinued, unpaid interest previously recorded as income is reversed and subsequently recognized only when received.

Investments in Securities

The Authority is limited under the Act to (i) investment obligations issued or guaranteed by the United States Government or the State of Connecticut, (ii) participation certificates for the State of Connecticut Short Term Investment Fund ("STIF") which is an investment pool administered by the State Treasurer, and (iii) other obligations which are legal investments for savings banks in Connecticut and to time deposits or certificates of deposit or other similar arrangements secured in such a manner as the Authority determines.

Investments are carried at net asset value or at fair value with the exception of those investments maturing within one year, which are carried at amortized cost, excluding accrued interest.

Real Estate Owned - Multifamily

CHFA - Small Properties, Inc., was established as a tax exempt organization and subsidiary of the Authority. This organization operates pursuant to Section 8-244(c)(1) of the Connecticut General Statutes and was created to provide distinct accountability for multifamily real estate awaiting sale. As of December 31, 2022, total assets, total liabilities, and net position were $4,350,000, $2,439,000 and $1,911,000, respectively.

Real Estate Owned – Single Family

Real estate acquired in satisfaction of a loan are reported separately in real estate owned. Properties acquired by foreclosure or deed in lieu of foreclosure are transferred to real estate owned and recorded at the lower of cost or fair value less estimated selling costs at the date of foreclosure and are adjusted, if necessary, at year end. An allowance for losses on real estate owned is maintained for subsequent valuation adjustments on a specific property basis.

Capital Assets

Land, building, building improvements and computer software exceeding $100,000 are capitalized at cost. Maintenance and repair expenses are charged to operations when incurred. Depreciation is computed using the straight-line method over the estimated useful life; 32 years for building and building improvements and 7 years for computer software.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time.

The Authority reports deferred outflows and inflows related to pension and OPEB in the statement of net position which result from differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on pension plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions and lastly, contributions made after the measurement date. These amounts are deferred and included in pension expense and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits, the one exception being contributions made after the measurement date which are recognized as pension expense in the following year.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* defines derivative instruments and requires that they be reported at fair value in the statements of net position. The swap agreements the Authority has entered into are characterized as derivatives. Offsetting changes in fair value are carried on the statements of net position as either deferred inflows or outflows for swaps classified as effective hedges. As of December 31, 2022 and 2021 the Authority's swaps were considered effective hedges.

Gains and losses in connection with advanced refundings of debt are recorded as either a deferred outflow or deferred inflow of resources and are amortized as a component of interest expense over the shorter of the remaining life of the old or the new debt.

Compensated Absences

Full-time employees accrue vacation or annual leave at the rate of fifteen to twenty-five days per year, depending on length of service. Employees may accumulate leave time, subject to certain limitations, and upon retirement, termination or death may be compensated for certain accumulated amounts at their then current rates of pay. The liability was $2,914,000 and $3,091,000 for 2022 and 2021 respectively, and is reflected in the statement of net position as a component of account payable and accrued liabilities.

Net OPEB Liability

The Authority's proportionate share of the net OPEB liability and expense associated with the Authority's requirement to contribute to the State of Connecticut Other Post-Employment Benefits Program have been determined by an actuarial valuation prepared and reported by the State of Connecticut's Other Post-Employment Benefits Program. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year-end. The measurement date relating to the Authority's net OPEB liability is June 30th of the current reporting year.

Net Pension Liability

Net pension liability is measured as the portion of the actuarial present value of projected pension benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for the purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year-end. The measurement date relating to the Authority's net pension liability is June 30th of the current reporting year.

Derivative Financial Instruments

The Authority's derivative financial instruments consist of interest rate swaps, all of which have been determined by the Authority to represent effective cash flow hedges. Accordingly, changes in the fair value of the swaps are reported as either deferred outflows or inflows of resources on the statement of net position.

The interest differentials to be paid or received under interest rate swaps are recognized as increases or decreases in interest expense of the related bond liability. The fair value of the Authority's position at year end in swap agreements is disclosed in Note 8. No gains or losses will result under the agreements unless an agreement is terminated prior to maturity or the counterparty defaults.

Net Position

Net position is classified in the following two categories:

Net Investment in Capital Assets
This component of net position consists of capital assets, net of accumulated depreciation. There is no outstanding debt related to the Authority's capital assets.

Restricted by Bond Indentures and/or Enabling Legislation
All funds and component units of the Authority that are not related to capital assets are restricted by the Bond Resolution, Special Needs Indenture, SFSOB Resolution, Single Family Other Bond Resolution, MFSOB Resolution, QECB Resolution and Multifamily Other Bond Resolution and/or the Act.

Bond Premiums and Discounts

Discount and premium on bonds issued are deferred and amortized as a component of interest expense using a method approximating the effective interest method.

Bond Issuance Costs

Bond issuance costs are expensed when incurred and are classified as an operating expense in the statements of revenues, expenses and changes in net position.

Provision for Loan Loss Reserves

The allowance for losses on the loan and real estate owned portfolios is provided through charges against current operations based on management's periodic review of the loan and real estate owned portfolios. This review considers such factors as the payment history of the loans, the current and projected cash flows of the borrowers, estimated value of the collateral, subsidies, historical loss experience for each type of insurance or guarantee and economic conditions.

Operating and Nonoperating Revenues and Expenses

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues consist primarily of interest income on mortgage loans, fees and other charges related to mortgage loans and interest on investments, including fees and interest on GNMA, FNMA & FHLMC Program Asset investments more fully described in Note 4. The Authority also recognizes revenues from other administrative fees as operating revenues. Operating expenses include general and administrative expenses, costs and expenses incurred in connection with the amortization, issuance and sale of bonds; and other costs related to various loan programs. Revenues or expenses not meeting this definition are generally reported as nonoperating revenues and expenses.

Actuarial Assumption Changes for Pension and OPEB

Non-cash changes to pension and OPEB expenses that result from changes in actuarial assumptions are recorded as nonoperating income or expenses.

Grants (Private, State and Federal Grant Programs)

Grants received from private entities and federal and state governments are recognized as nonoperating revenue as the related expenditures are incurred in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 3 - FAIR VALUE

Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for the specific asset or liability at the measurement date (“exit price”). The fair value hierarchy established by generally accepted accounting principles prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1
Quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2
Inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3
Prices or valuation techniques that require inputs that are both significant to the fair value measurement and are unobservable.

The Authority has the following investment and derivative instruments measured at fair value which are included in the statements of net position as of December 31, 2022 and December 31, 2021:

Investments and Derivative Instruments Measured at Fair Value
(in thousands)
December 31, 2022

	Fair Value 12/31/22	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
CMO's	$ 475	$	$ 475	$
GNMA, FNMA & FHLMC Program Assets	1,903,813		1,903,813	
MBS's	90		90	
Municipal Bonds	29,936		29,936	
Structured Securities	372		372	
US Government Agency Securities	716	716		
FHLB Discount Notes	19,976	19,976		
US Treasury Bills	168,401	168,401		
Total	$ 2,123,779	$ 189,093	$ 1,934,686	$
Derivative Instruments measured at fair value:				
Interest rate swaps	$ 25,707	$	$ 25,707	$

Investments and Derivative Instruments Measured at Fair Value
(in thousands)
December 31, 2021

	Fair Value 12/31/21	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
CMO's	$ 459	$	$ 459	$
GNMA, FNMA & FHLMC Program Assets	2,199,619		2,199,619	
MBS's	160		160	
Municipal Bonds	46,556		46,556	
Structured Securities	270		270	
US Government Agency Securities	866	866		
VRDN's	89,000		89,000	
Total	$ 2,336,930	$ 866	$ 2,336,064	$
Derivative Instruments measured at fair value:				
Interest rate swaps	$ (118,936)	$	$ (118,936)	$

NOTE 4 - CASH AND CASH EQUIVALENTS AND INVESTMENTS IN SECURITIES

Deposits (in 000’s)

At December 31, 2022 and 2021, the carrying amount reported as cash and cash equivalents on the statements of net position of the Authority represents deposits (including checking accounts and escrow accounts) of $1,051 and $285, respectively. This entire amount is on deposit in independent financial institutions with a balance of $3,175 and $1,858 at December 31, 2022 and 2021, respectively. Included in the carrying amount reported as cash and cash equivalents, are deposits held in escrow by the Authority at December 31, 2022 and 2021, of $570 and $188, respectively.

Custodial Credit Risk

Of the $3,175 and $1,858 financial institution balance at December 31, 2022 and 2021, $480 and $0, respectively, were held in the Authority’s name in the corporate trust division of one financial institution. These amounts were collateralized with a market value of underlying collateral equal to at least 100% of the amount on deposit with acceptable collateral compliant with 12 CFR § 9.10(b). In addition, in compliance with 12 CFR § 9.13 these amounts were protected from any potential creditors of the financial institution. The balances of $3,175 and $1,858, respectively, were held in demand deposit accounts at FDIC-insured institutions. As of December 31, 2022, $2,445 was uninsured, $269 of which was collateralized with securities by the financial institution, but not in the Authority’s name. As of December 31, 2021, $1,608 was uninsured, $186 of which was collateralized with securities by the financial institution, but not in the Authority’s name.

Investments in Securities (in 000’s)

At December 31, 2022, the Authority held the following investments with the listed maturities bearing interest at annual rates ranging from 0% to 7.65%. For investments other than Municipal Bonds, where no rating is indicated, the investments are direct obligations issued by the United States Government or its agencies or fully collateralized by such obligations. Municipal Bonds represent the Authority’s Other Bonds which are more fully described in Note 8. They are secured by the Bond Resolution Capital Reserve Fund and as such, are a contingent liability of the State of Connecticut. Ratings are displayed with the S&P Global Ratings listed first (if available), the Moody’s Investors Service second (if available) and the Fitch Rating last (if available) or NR for not rated.

December 31, 2022

	Investment Maturities (in Years)				
	Amortized Cost, Net Asset Value or Fair Value	**Less Than 1**	**1 - 5**	**6 -10**	**More Than 10**
CMO	$ 475	$	$ 33	$	$ 442
GNMA, FNMA & FHLMC Program Assets	1,903,813		778	19,298	1,883,737
MBS's	90	2	1	87	
Money Market Funds	6,708	6,708			
Municipal Bonds	29,936	321	1,847	2,430	25,338
STIF	1,307,444	1,307,444			
Structured Securities	372		372		
U.S. Government Agency Securities	716				716
FHLB Discount Notes	19,976	19,976			
US Treasury Bills	168,401	129,445	38,956		
Total Investments Held by All Funds and Component Units	$ 3,437,931	$ 1,463,896	$ 41,987	$ 21,815	$ 1,910,233
Restricted current assets:					
Capital Reserve Funds	$ 91,438				
Renewal and Replacement Funds	12,518				
All other funds and component units	1,359,940				
Total restricted current assets	1,463,896				
Restricted noncurrent assets:					
Capital Reserve Funds	313,473				
All other funds and component units	1,660,562				
Total restricted noncurrent assets	1,974,035				
Total Investments Held by All Funds and Component Units	$ 3,437,931				

Presented below is the rating for each investment type as of December 31, 2022:

Ratings *	CMO	Program Assets	MBS's	Money Market	Municipal Bonds	STIF	Structured Securities	U.S. Government Agency Securities	FHLB Discount Notes	US Treasury Bills
AAAm/NR/NR	$	$	$	$	$	$ 1,307,444	$	$	$	
AA+/NR/NR										
NR/P-1/F1+									19,976	168,401
NR/Aaa/AAA	442	1,903,813	90	5,638				716		
NR/Aaa/NR										
NR/Aa2/NR										
NR/Aa3/AA-					4,465					
NR/Aa3/NR										
NR/C/NR							372			
NR/NR/NR	33			1,070	25,471					
Total	$ 475	$ 1,903,813	$ 90	$ 6,708	$ 29,936	$ 1,307,444	$ 372	$ 716	$ 19,976	$ 168,401

* S&P/Moodys/Fitch

Interest Rate Risk

Exposure to declines in fair value is substantially limited to the Authority's investment in the GNMA, FNMA and FHLMC Program Assets, and US Treasury bills*.* The Authority's investment policy requires diversification of its investment portfolio to eliminate the risk of loss resulting from, among other things, an over-concentration of assets in a specific maturity. This policy also requires the Authority to attempt to match its investments with anticipated cash flow requirements and to seek diversification by staggering maturities in such a way that avoids undue concentration of assets in a specific maturity sector.

Credit Risk

The Authority's investments are limited under the Act to (i) United States Government obligations, including its agencies or instrumentalities, (ii) investments guaranteed by the State of Connecticut, (iii) participation certificates for the investment pool administered by the State Treasurer or (iv) other obligations which are legal investments for savings banks in the State of Connecticut. The Money Market Funds are fully collateralized by obligations issued by the United States Government or its agencies. Mortgage Backed Securities ("MBSs") are fully collateralized by the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") or the Government National Mortgage Association ("GNMA"), and Collateralized Mortgage Obligations ("CMOs") are fully collateralized by the United States Department of Housing and Urban Development ("HUD") mortgage pools. Structured Securities are fully collateralized by Manufactured Housing Sales Contracts and Installment Loan Agreements. At December 31, 2022, one CMO (fair value $33) and one Structured Security (fair value $372) were below Investment Grade rating standards. At December 31, 2021, one CMO (fair value $85) and one Structured Security (fair value $270) were below Investment Grade rating standards. At the time of their initial purchase, these two investments were classified as Investment Grade.

Concentration of Credit Risk

The Authority's investment policy requires diversification of its investment portfolio to reduce the risk of loss resulting from, among other things, an over-concentration of assets with a specific issuer. As of December 31, 2022 and 2021, the Authority had no investments in any one issuer that represents 5% or more of total investments, other than investments guaranteed by the U.S. Government (GNMA, FNMA and FHLMC Program Assets - fair value - $1,903,813 or 55% in 2022 and $2,199,619 or 63% in 2021) or the State of Connecticut (STIF – net asset value - $1,307,444 or 38% in 2022 and $1,140,450 or 33% in 2021).

Custodial Credit Risk

All investments exist in book entry form and are held by the Trustee or other financial institution in the Authority's name or insured (fair value - $2,130,487 in 2022 and $2,345,004 in 2021) with the exception of the STIF (net asset value - $1,307,444 in 2022 and $1,140,450 in 2021). The underlying value of the investment in the STIF's pool is the same as the value of the pool's shares. The pool is managed by the Cash Management Division of the State of Connecticut's Treasurer's Office. The State Treasurer set up a cash management advisory board tasked with reviewing the pool's portfolio, performance investment policies and procedures.

GNMA, FNMA & FHLMC Program Assets

Since 1999, the Authority directed certain of its participating lenders to assign government insured Authority qualified home mortgage loans and sold a portion of its existing home mortgage loan portfolio for assembly into pools guaranteed by the Government National Mortgage Association ("GNMA"). GNMA securities were issued backed by these home mortgage loans, and the Authority purchased the securities ("GNMA Program Assets") with funds held in the Housing Mortgage Capital Reserve Fund. In 2000, the Authority expanded this program to allow the purchase of GNMA Program Assets with funds held in the Housing Mortgage General Fund. As a result of this program expansion and in order to assure compliance with Bond Resolution requirements, the Authority transferred the $331,081 net position held in the Investment Trust Fund to the Housing Mortgage General Fund in 2001. Since 2001, GNMA Program Assets have also been purchased with funds held in the Special Needs Housing Fund and the Special Needs Housing Capital Reserve Fund. In 2013, the Authority directed certain of its participating lenders to assign privately insured Authority qualified conventional home mortgage loans for assembly into pools guaranteed by the Federal National Mortgage Association ("FNMA").

These pools were securitized and are backed by these home mortgage loans. In 2016, the Authority further expanded the program to securitize pools of home mortgage loans guaranteed by the Federal Home Loan Mortgage Corporation ("FHLMC"). GNMA, FNMA & FHLMC Program Assets are carried at fair value. As of December 31, 2022 and 2021, the fair value of GNMA, FNMA & FHLMC Program Asset investments was $1,903,813 and $2,199,619, respectively.

Bond Resolution Capital Reserve Fund (in 000's)

The Bond Resolution Capital Reserve Fund is established pursuant to the Act and the Bond Resolution and is required to be maintained at an amount at least equal to the amount of principal, sinking fund installments and interest maturing and becoming due in the next succeeding calendar year ($289,520 at December 31, 2022 and $362,924 at December 31, 2021) on all bonds of the Authority then outstanding under the Bond Resolution. Further, the Authority may not issue additional bonds under the Bond Resolution unless the amount in the Bond Resolution Capital Reserve Fund is at least equal to the maximum amount of principal, sinking fund installments and interest maturing and becoming due in any succeeding calendar year ($291,746 at December 31, 2022 and $364,006 at December 31, 2021) on all bonds of the Authority then outstanding under the Bond Resolution. For purposes of satisfying these requirements, the Act and the Bond Resolution require that investments of the Bond Resolution Capital Reserve Fund be valued at the lowest of par, actual cost or market value. To satisfy this calculation, all variable rate interest payments and receipts are assumed to be based on the average interest rates for the prior twelve months plus 200 basis points, interest payments on swapped bonds are included at the fixed rate on the swaps, and retirement of principal on bonds with mandatory tender dates are assumed in accordance with the sinking fund schedule of each respective bond series resolution.

Special Needs Indenture Capital Reserve Fund (in 000's)

The Special Needs Indenture Capital Reserve Fund is established pursuant to the Act and the Special Needs Indenture and is required to be maintained at an amount at least equal to the amount of principal, sinking fund installments and interest maturing and becoming due in the next succeeding calendar year ($4,960 at December 31, 2022 and $4,914 at December 31, 2021) on all bonds of the Authority then outstanding under the Special Needs Indenture. Further, the Authority may not issue additional bonds under the Special Needs Indenture unless the amount in the Special Needs Indenture Capital Reserve Fund is at least equal to the maximum amount of principal, sinking fund installments and interest maturing and becoming due in any succeeding calendar year ($5,136 at December 31, 2022 and $5,136 at December 31, 2021) on all bonds of the Authority then outstanding under the Special Needs Indenture. For purposes of satisfying these requirements, the Act and the Special Needs Indenture require that investments of the Special Needs Indenture Capital Reserve Fund be valued at amortized cost or such other method as determined by the Authority to be reasonable and in the best interest of the bondholders, provided such other method is approved by the trustee and any applicable bond insurer.

Restricted funds of the Bond Resolution and Special Needs Indenture Capital Reserve Funds consisted of the following:

	December 31,					
	2022			2021		
	Bond Resolution	Special Needs Indenture	Total	Bond Resolution	Special Needs Indenture	Total
Investment in securities	$ 399,672	$ 5,239	$ 404,911	$ 473,003	$ 5,461	$ 478,464
Accrued interest receivable	1,389	22	1,411	828	6	834
Total Capital Reserve Funds	$ 401,061	$ 5,261	$ 406,322	$ 473,831	$ 5,467	$ 479,298
Restricted current assets:						
Investments in securities	$ 86,980	$ 4,458	$ 91,438	$ 106,596	$ 4,515	$ 111,111
Accrued interest receivable	1,389	22	1,411	828	6	834
Total restricted current assets	88,369	4,480	92,849	107,424	4,521	111,945
Restricted noncurrent assets:						
Investments in securities	312,692	781	313,473	366,407	946	367,353
Total Capital Reserve Funds	$ 401,061	$ 5,261	$ 406,322	$ 473,831	$ 5,467	$ 479,298

Special Needs Housing Renewal and Replacement Funds

The Special Needs Housing Renewal and Replacement Funds are established pursuant to the Act and the Special Needs Indenture to provide funding for capital repairs and replacements exceeding $2,500 for group homes, assisted living facilities and supportive housing facilities financed with the proceeds of bonds issued under the Special Needs Indenture. At December 31, 2022 and 2021, the carrying amount of restricted funds of the Special Needs Housing Renewal and Replacement Funds consisted of the following (in 000's):

	2022	2021
Cash and cash equivalents	$	$
Investments in securities	12,518	11,833
Accrued interest receivable	46	1
Total Special Needs Housing Renewal and Replacement Funds	$ 12,564	$ 11,834

NOTE 5 - MORTGAGE LOANS RECEIVABLE

The Authority makes single family and multifamily loans to residents and companies domiciled in the State of Connecticut. All such loans are collateralized by real estate located in the State of Connecticut. The majority of the Authority's loan portfolio is comprised of residential mortgages made to low and moderate income borrowers.

The Authority has entered into agreements with various banks and other financial institutions for the servicing of the majority of its home mortgage loan portfolio. As of December 31, 2022 and 2021, 26% and 28%, respectively, of this portfolio was serviced by one financial institution.

Mortgage loans consisted of the following (in 000's):

	December 31, 2022	December 31, 2021
Home mortgage loans		
Insured by the Federal Housing Administration or guaranteed by the Veterans Administration	$ 869,255	$ 968,337
Insured by private mortgage insurance companies	101,126	78,860
Uninsured reverse annuity mortgage loans	1,359	1,343
Uninsured, State of Connecticut supported EMAP loans	50,326	53,457
Uninsured, State of Connecticut supported TTO loans	18,744	
Uninsured, not guaranteed	264,896	276,195
Total home mortgage loans	1,305,706	1,378,192
Multifamily mortgage loans		
Completed developments:		
Insured by the Federal Housing Administration or guaranteed by private insurer	25,343	25,982
Uninsured, federally subsidized	330,583	342,516
Uninsured, State of Connecticut subsidized special needs housing mortgage loans	63,261	65,917
Uninsured, unsubsidized, not guaranteed	1,038,166	988,168
Total completed developments	1,457,353	1,422,583
Construction mortgage loans:		
Uninsured, unsubsidized	112,912	152,952
Total construction mortgage loans	112,912	152,952
Total multifamily mortgage loans	1,570,265	1,575,535
Less allowance for losses	(369,929)	(355,121)
Total investments in mortgage loans	$ 2,506,042	$ 2,598,606
Restricted current assets	$ 122,050	$ 183,503
Restricted noncurrent assets	2,383,992	2,415,103
Total mortgage loans receivable	$ 2,506,042	$ 2,598,606

Single Family

The Federal Housing Administration ("FHA") home mortgage program insures the repayment of the unpaid principal amount of the mortgages. HUD will pay debenture interest on the unpaid principal balance from the date of default to the date of initial claim settlement. Debenture interest is determined by the monthly average yield for the month in which the default on the mortgage occurred, on United States Treasury Securities, adjusted to a constant maturity of 10 years. The debenture rate may be less than that of the insured mortgage.

The Veterans Administration (“VA”) mortgage program provides limited guarantees subject to the amount of the entitlement a veteran has available. For loans between $45,000 and $144,000, the minimum VA guarantee amount is $22,500, with a maximum guarantee of up to 40% of the loan up to $36,000. For loans of more than $144,000, the maximum VA guarantee is 25% of the loan amount.

EMAP Loan repayments are made by the homeowner in accordance with the provisions of Connecticut General Statutes § 8-265bb through 8-265kk. These repayments are to be used solely for the benefit of the EMAP program. Debt service on bonds issued under the Special Needs Indenture for the purpose of financing EMAP Loans is paid by the State of Connecticut.

The current average interest rate of the Authority’s outstanding single family portfolio is 3.96% with an original 30 year payment term.

Multifamily

Through the issuance of bonds under the Special Needs Indenture and/or amounts received from the State of Connecticut, the Authority has made special needs housing mortgage loans to (i) finance community based residential facilities for persons with intellectual disabilities (“Group Home”), (ii) finance projects for assisted living communities for residents who need help with one or more activities of daily living (“Assisted Living Facility”), (iii) finance residential facility housing for up to one or more persons or families that are homeless or at risk of homelessness (“Supportive Housing Facility”) and (iv) provide financial assistance to homeowners at risk of foreclosure (“EMAP Loan”). Mortgage loan repayments for the Group Home, Assisted Living Facility and Supportive Housing Facility (collectively the “Special Needs Housing Loans”) which require regularly scheduled payments are made through subsidies received from the State of Connecticut. For Special Needs Housing Loans that do not require regularly scheduled payments, the debt service on the bonds is paid by the State of Connecticut.

The Authority has entered into a risk-sharing agreement with the U.S. Department of Housing and Urban Development (“HUD”) whereby HUD will provide partial mortgage insurance on affordable multifamily housing projects processed by the Authority. The risk of loss to the Authority varies from 10% to 50% or more depending on the level of participation by HUD.

Construction loans earn interest at rates ranging from 0% to 5.66% at December 31, 2022 and December 31, 2021, and will generally be payable over 2 years. The related permanent mortgage loan will typically be provided by the Authority. Permanent loans earn interest at rates ranging from 0% to 10.5% at December 31, 2022 and December 31, 2021, and will generally be payable over 40 years.

On March 13, 2020, the President of the United States declared a national emergency with respect to the COVID-19 pandemic. In addition, the United States Congress enacted several COVID-19 related bills, including the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which was signed into law on March 27, 2020 and the Consolidated Appropriations Act (the “COVID Relief Act”), which was signed into law on December 27, 2020. Among other things, the CARES Act provides that (a) lenders are prohibited from foreclosing all mortgage loans which are FHA insured, VA, HUD or RD guaranteed, or purchased or securitized by Fannie Mae or Freddie Mac (collectively, "Federal Single Family Loans") for a certain number of days. This prohibition was extended numerous times since March 27, 2020, however, expired as of July 31, 2021.

The CARES Act also provides that borrowers of multifamily or affordable housing mortgage loans (other than temporary loans, i.e., constructions loans), which are (a) insured, guaranteed, supplemented or assisted in any way by the federal government (including any HUD program or related program) or administered by any federal agency or (b) purchased or securitized by Fannie Mae or Freddie Mac (collectively, "Federal Multifamily Loans") may request forbearance.

To further prevent the spread of COVID-19, the Centers for Disease Control and Prevention (the “CDC”), located within the Department of Health and Human Services, issued an order on September 4, 2020, entitled “Temporary Halt in Residential Evictions” (85 Fed. Reg. 55,292), under Section 361 of the Public Health Service Act (42 U.S.C. 264), preventing any entity with a legal right to pursue eviction, or other possessory action, from evicting certain covered persons from residential properties. This order was extended a few times since September 4th, however, ultimately expired on September 30, 2021.

The Authority instituted its own forbearance program to supplement the relevant federal guidelines and help its multifamily and single family borrowers that were not subject to such guidelines. As of December 31, 2022 there were no multifamily loans in forbearance. The number of single family loans in forbearance has been steadily declining and is currently 0.43% of our whole loan portfolio.

NOTE 6 - REAL ESTATE OWNED

Real Estate Owned (in 000’s)

	December 31,					
	2022			2021		
	Single Family	Multifamily	Total	Single Family	Multifamily	Total
Real estate owned	$ 2,330	$ 2,300	$ 4,630	$ 2,329	$ 2,300	$ 4,629
Allowance for losses	(56)		(56)	(36)		(36)
Real Estate Owned-Carrying Amount	$ 2,274	$ 2,300	$ 4,574	$ 2,293	$ 2,300	$ 4,593

With respect to single family real estate owned, the majority of such assets are at least partially insured or guaranteed by outside parties. It is anticipated that the Authority will recover substantially all of the balance of these assets through such insurance and from proceeds from the sale of the underlying properties.

With respect to multifamily real estate owned, the Authority is holding such assets for subsequent sale in a manner that will allow the maximization of value. As of December 31, 2022 and 2021, one property remained in the multifamily real estate owned portfolio.

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2022 and 2021 is as follows (in 000's):

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
Capital Assets:				
Land	$ 851	$	$	851
Building	2,851			2,851
Improvements	2,085			2,085
Computer software	2,669	1,592		4,261
	8,456	1,592		10,048
Less accumulated depreciation	(5,147)	(296)		(5,443)
Capital Assets, Net	$ 3,309	$ 1,296	$	4,605

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Capital Assets:				
Land	$ 851	$	$	851
Building	2,851			2,851
Improvements	2,085			2,085
Computer software	2,267	670	(268)	2,669
	8,054	670	(268)	8,456
Less accumulated depreciation	(4,950)	(465)	268	(5,147)
Capital Assets, Net	$ 3,104	$ 205	$	3,309

NOTE 8 - BONDS AND LINE OF CREDIT INDEBTEDNESS

The Act authorizes the Authority to issue its own bonds and other obligations in such principal amounts as, in the opinion of the Authority, will be necessary to provide sufficient funds for carrying out its purposes. The State legislature enacted legislation that provides the authority to enter into agreements to reduce the rate of borrowing and moderate the effect of bond interest rate fluctuations through the use of contracts commonly known as interest rate swap agreements and similar type contracts. The Authority's obligations are not debt of the State of Connecticut, and the State is not liable thereon.

Included in the Authority's bond portfolio are variable rate demand bonds. The Authority has two mechanisms to ensure the purchase of variable rate demand bonds in the event that the bonds cannot be remarketed.

1) The Authority has entered into Standby Bond Purchase Agreements with various providers to purchase the bonds.
2) The Authority has entered into a Standby Letter of Credit and Reimbursement Agreement (SBLOC) which provides for the Authority to withdraw funds to directly purchase its own bonds. Upon the successful remarketing of the bonds, the funds are to be reimbursed back to the SBLOC provider. As of December 31, 2022, the amount available under the SBLOC is $114,327,771. No drawings have been made as of December 31, 2022.

Bond Resolution

Housing Mortgage Finance Program Bonds issued under the Bond Resolution bear fixed interest at rates ranging from 0.0% to 6.274% as of December 31, 2022 and December 31, 2021, and are subject to certain redemption provisions and mature in years through 2065 as of December 31, 2022 and 2021.

The following assets of the Authority are pledged for the payment of bond principal and interest under the Bond Resolution: (1) the proceeds derived from the sale of bonds issued under the Bond Resolution, (2) all mortgage repayments with respect to long-term mortgage and construction loans financed, or deemed to have been financed from the Housing Mortgage General Fund, and (3) all monies and securities of the Housing Mortgage General Fund and the Bond Resolution Capital Reserve Fund.

Special Needs Indenture

Special Needs Housing Mortgage Finance Program Bonds issued under the Special Needs Indenture bear fixed interest at rates ranging from 0.40% to 4.70% as of December 31, 2022 and 0.25% to 4.70% as of December 31, 2021, are subject to certain redemption provisions and mature in years through 2051 as of December 31, 2022 and December 31, 2021.

The following assets of the Authority are pledged for the payment of bond principal and interest under the Special Needs Indenture: (1) the proceeds derived from the sale of bonds issued under the Special Needs Indenture, (2) all mortgage repayments with respect to Special Needs Housing mortgages financed from the Special Needs Housing Fund, and (3) all monies and securities of the Special Needs Housing Fund, the State Assistance Agreement Fund, the EMAP State Assistance Agreement Fund and the Special Needs Housing Capital Reserve Fund.

SFSOB Resolution, MFSOB Resolution, Single Family Other Bond Resolution and Multifamily Other Bond Resolution

In October 2009, the U.S. Department of Treasury (the “Treasury”), the Federal Housing Finance Agency and Fannie Mae and Freddie Mac (the “GSEs”) announced the Federal New Issue Bond Program (the “Federal NIBP”) authorized by the Housing Economic Recovery Act of 2008. The Federal NIBP allowed the GSEs to purchase bonds from housing finance agencies (the “HFAs”) and package them into GSE-guaranteed securities for delivery to and purchase by the Treasury. These HFA bonds were to be issued to finance single family or multifamily mortgage loans. If issued to finance single family loans, the HFA bonds were not to exceed 60% of the bond issue. The HFA bonds were required to be issued at fixed rates to maturity or monthly rate reset bonds that were to convert to rates fixed to maturity in calendar year 2010. In September 2010, the Treasury announced an extension to the end of this conversion period to December 31, 2011. The fixed interest rates were expected to be lower than prevailing interest rates available through a public bond offering. Pursuant to this program and based on an allocation for GSE purchase received from the Treasury, the Authority issued $191,720,000 in Single Family Special Obligation Bonds under the SFSOB Resolution and $27,610,000 in Multifamily Special Obligation Bonds under the MFSOB Resolution (collectively, the “NIBP Escrow Bonds”) on December 30, 2009 that settled on January 12, 2010. The proceeds of the NIBP Escrow Bonds were held in escrow pending the issuance by the Authority of additional taxable or tax-exempt bonds (the “NIBP Market Bonds”). As of December 31, 2011, all NIBP Escrow Bonds had been converted to long-term fixed rates of interest.

Bonds issued under the SFSOB Resolution and the MFSOB Resolution are special obligations of the Authority payable solely from and secured by assets pledged under the (i) SFSOB Resolution for Single Family Special Obligation Bonds, and (ii) MFSOB Resolution for Multifamily Special Obligation Bonds.

In connection with the Federal NIBP, the Authority has also authorized the Single Family Other Bond Resolution and the Multifamily Other Bond Resolution ("Other Bond Resolutions") to issue bonds ("Other Bonds") secured by the Bond Resolution Capital Reserve Fund under the Bond Resolution. Proceeds of the Other Bonds, the NIBP Escrow Bonds and the NIBP Market Bonds are intended to be used to (i) participate in the purchase or making of single-family or multifamily mortgage loans under the Authority's Housing Mortgage Finance Program, (ii) fund reserves and (iii) pay related bond costs. Bonds issued under the Other Bond Resolutions are general obligations of the Authority.

The SFSOB Resolution was wound down during 2021.

QECB Resolution

The Authority adopted the Qualified Energy Conservation Bond Resolution ("QECB Resolution") on February 26, 2015. The bond proceeds are intended to be used for energy conservation improvements and replacements for multifamily housing developments owned or managed by participating public housing authorities. Bonds issued under the QECB Resolution are secured by, among others, the loan repayments from the QECB funded loans, the QECB federal tax credit subsidy and are general obligations of the Authority. The Authority will no longer issue bonds under the QECB Resolution due to the Tax Cuts and Jobs Act of 2017.

Bonds payable as of December 31, 2022 and 2021 were as follows (in 000's):

Housing Mortgage Finance Program Bonds			**Outstanding Amount December 31,**		
Publicly Offered	**Final Maturity Date**	**Interest Rate Range %**	**2022**	**2021**	**Amount Due Within 1 Year**
1998 Series D	2025	Index	14,700	19,000	4,600
2001 Series D	2027	Index	10,460	12,210	1,850
2004 Series A	2035	Index	4,000	4,000	
2007 Series A	2022	Index		260	
2009 Series D	2039	6.274	54,545	55,230	740
2010 Series G	2022	2.125 - 3.05		11,820	
2012 Series G	2022	2.50		320	
2013 Series B	2034	Variable	18,725	22,490	915
2014 Series A	2044	4.00	840	2,595	
2014 Series B	2044	2.85 - 4.15	46,310	46,925	640
2014 Series C	2044	2.75 - 4.00/Variable	43,860	60,800	1,970
2014 Series D	2044	2.85 - 3.40/Variable	92,545	102,415	6,060
2014 Series F	2054	2.55 - 4.05	38,575	39,455	935
2015 Series A	2045	2.375 - 3.85	76,270	90,990	3,835
2015 Series C	2045	2.65 - 3.50/Variable	71,715	79,895	4,225
2015 Series E	2055	2.20 - 4.00	29,170	29,355	195
2016 Series A	2045	2.20 - 4.00/Variable	125,530	136,970	4,685
2016 Series B	2046	1.90 - 3.55/Variable	129,405	139,535	4,465
2016 Series C	2051	1.70 - 3.50	43,080	44,140	1,120
2016 Series E	2046	2.05 - 3.50/Variable	125,205	134,935	5,140
2016 Series F	2046	1.85 - 3.50/Variable	122,145	141,075	5,830
2016 Series G	2056	1.85 - 3.90	17,430	17,620	200
2017 Series A	2047	2.20 - 4.00/Variable	93,385	108,950	9,080
2017 Series C	2047	1.95 - 4.00/Variable	90,990	112,385	3,590
2017 Series D	2047	1.75 - 4.00/Variable	121,175	135,505	4,000
2017 Series E	2057	1.80 - 3.90	15,455	16,675	1,315
2017 Series F	2047	1.85 - 4.00/Variable	107,320	127,820	4,665
2018 Series A	2048	2.55 - 4.00/Variable	79,765	90,985	3,490
2018 Series B	2048	2.80 - 4.00/Variable	67,050	86,320	50,065
2018 Series C	2048	2.20 - 4.00/Variable	84,535	98,740	49,370
2018 Series D	2058	2.55 - 4.40	31,430	31,740	325
2018 Series E	2048	0.00 - 4.25/Variable	68,735	75,535	47,650
2019 Series A	2049	2.30 - 4.00/Variable	65,915	74,350	2,530
2019 Series B	2049	2.05 - 4.00/Variable	98,765	107,260	36,180
2019 Series D	2049	1.45 - 4.00/Variable	103,065	110,930	2,635
2019 Series E	2059	1.50 - 3.35	84,475	104,700	6,150
2019 Series F	2049	0.00 - 3.50/Variable	113,410	120,600	2,670
2020 Series A	2050	1.035- 3.50/Variable	126,670	135,515	3,445
2020 Series C	2050	0.70 - 5.00/Variable	143,315	151,805	44,185
2020 Series D	2060	0.50 - 2.85	74,915	118,900	1,090
2020 Series E	2050	0.65 - 3.00/Variable	132,735	141,360	19,670
2021 Series A	2038	0.25 - 1.85	178,295	259,335	6,735
2021 Series B	2065	0.20 - 3.00	183,435	195,195	4,945
2021 Series D	2051	1.55 - 5.00	153,280	161,390	4,730
2021 Series E	2061	0.30 - 5.00	126,925	146,515	9,390
2022 Series A	2051	2.15 - 5.00/Index/Variable	202,705		2,335
2022 Series B	2052	2.75 - 5.00	83,890		245
2022 Series C	2052	1.80 - 4.50/Index/Variable	168,500		3,185
2022 Series D	2052	2.85 - 5.00	55,200		105
2022 Series E	2052	2.85 - 5.50/Variable	147,815		1,235
Subtotal			$ 4,067,660	$ 3,904,545	$ 372,415

Housing Mortgage Finance Program Bonds (continued)

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2022	2021	Amount Due Within 1 Year
2013 Series A	2041	Index	88,130	88,130	
2013 Series C	2046	Index	30,320	30,320	
2016 Series D	2050	3.25	12,080	30,110	235
2019 Series C	2022	Index		100,000	
2021 Series C	2033	Index	201,970	217,590	12,725
2022 Series C	2055	3.31	31,500		
Subtotal			364,000	466,150	12,960
Plus unamortized bond premium			51,740	56,964	
Total Housing Mortgage Finance Bonds			$ 4,483,400	$ 4,427,659	$ 385,375

The amounts due within one year in the previous table include the total outstanding balance of variable rate demand bond obligations where the standby bond purchase agreements expire within one year of the balance sheet date, although the maturities extend well beyond. The value of these obligations as of December 31, 2022 is $220,600. It is the intention of the Authority to renew these agreements prior to expiration.

Special Needs Housing Mortgage Finance Program Special Obligation Bonds

Publicly Offered	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2022	2021	Amount Due Within 1 Year
Series 18	2046	2.95 - 4.45	8,810	9,035	230
Series 19	2035	2.95 - 4.25	7,295	7,840	560
Series 20	2045	2.95 - 4.40	3,330	3,420	95
Series 21	2045	3.10 - 4.70	11,140	11,500	370
Series 23	2048	2.70 - 4.30	3,430	3,510	80
Series 24	2037	2.70 - 4.10	5,390	5,635	255
Series 27	2051	0.40 - 2.65	7,475	7,510	45
Series 28	2040	0.40 - 2.375	15,135	16,470	1,375
Total Special Needs Housing Mortgage Finance Program Special Obligation Bonds			$ 62,005	$ 64,920	$ 3,010

Multifamily Special Obligation Bonds

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2022	Outstanding Amount December 31, 2021	Amount Due Within 1 Year
Series 2009-1	2051	2.32	22,570	23,100	540
Total Multifamily Special Obligation Bonds			$ 22,570	$ 23,100	$ 540

Housing Mortgage Finance Program Bonds (Multifamily) Other Bonds

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2022	Outstanding Amount December 31, 2021	Amount Due Within 1 Year
2011 Series A	2055	4.75	1,171	1,117	
2013 Series A	2053	5.50/Variable	23,990	24,286	312
Total Housing Mortgage Finance Program Bonds (Multifamily) Other Bonds			$ 25,161	$ 25,403	$ 312

Qualified Energy Conservation Bonds

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2022	Outstanding Amount December 31, 2021	Amount Due Within 1 Year
2015 Series A (1,2)	2034	4.35	4,023	4,256	247
2016 Series B	2035	3.94	1,764	1,888	126
2016 Series C	2036	3.94	1,327	1,422	95
Total Qualified Energy Conservation Bonds			7,114	7,566	468
Total Bonds Payable, Net			$ 4,600,250	$ 4,548,649	$ 389,705

Line of Credit

On July 15, 2021, CHFA entered into a revolving line of credit with US Bank National Association, proceeds of which were used to acquire single family loan prepayments and redeem the corresponding bonds. The acquired single family loan prepayments were subsequently pledged as collateral pursuant to the agreement. The revolving agreement has a maximum line of credit amount of $75 million and expires on December 14, 2023. The outstanding line of credit balance bears interest at an index rate which is reset monthly and is currently one-month LIBOR plus 39 basis points. As of December 31, 2022, $20.4 million of the line of credit was drawn and outstanding.

On November 4, 2021, CHFA entered into a revolving line of credit with Wells Fargo Bank National Association, proceeds of which were used to acquire single family loan prepayments and redeem the corresponding bonds. The acquired single family loan prepayments were subsequently pledged as collateral pursuant to the agreement. The revolving agreement has a maximum line of credit amount of $100 million and expires on November 3, 2023. The outstanding line of credit balance bears interest at an index rate which is reset monthly and is currently one-month LIBOR plus 28 basis points. As of December 31, 2022, $100 million of the line of credit was drawn and outstanding.

On April 27, 2022, CHFA entered into a revolving line of credit with Bank of America, N.A., proceeds of which were used as a single-family loan warehouse facility. The revolving agreement has a maximum line of credit amount of $75 million and expires on April 26, 2024. The outstanding line of credit balance bears interest at an index rate which is reset monthly and is currently one-month BSBY plus 48 basis points. As of December 31, 2022, $60 million of the line of credit was drawn and outstanding.

Conduit Debt

In furtherance of the Authority's mission, the Authority has issued conduit debt obligations. The outstanding principal balances of conduit debt obligations as of December 31, 2022 include four Multifamily Housing Revenue Bonds totaling $26,414,145, one series totaling $2,826,557 of Multifamily Housing Revenue Notes, and four series totaling $61,305,000 of State-Supported Special Obligation Bonds. The outstanding principal balances of conduit debt obligations as of December 31, 2021 include four Multifamily Housing Revenue Bonds totaling $28,808,493, one series totaling $2,865,419 of Multifamily Housing Revenue Notes, and four series totaling $68,810,000 of State-Supported Special Obligation Bonds. The issuance of these obligations does not create or imply any indebtedness on the part of the Authority. Each issue requires that the funds related to such issue be held by a trustee for the bondholders; therefore, such funds are not under the control of the Authority, and, accordingly, the Authority's financial statements do not reflect the balances or operating results of the various trust accounts.

Debt Service Requirements

The following tables provide a summary of debt service requirements and net swap payments for the next five years and in five-year increments thereafter (in 000's). The interest calculations are based on the variable rates in effect on December 31, 2022 and may not be indicative of the actual interest expense that will be incurred.

	Fixed-Publicly Offered		Variable-Publicly Offered			Fixed - Direct Placements	
Year Ending December 31,	Principal	Interest	Principal	Interest	Interest Rate Swaps, Net	Principal	Interest
2023	$ 142,080	$ 87,953	$ 9,735	$ 43,420	$ (4,308)	$ 235	$ 1,433
2024	145,545	84,551	9,700	42,974	(4,618)	250	1,426
2025	127,650	81,192	12,645	42,475	(4,881)	260	1,417
2026	126,565	78,087	10,460	41,938	(5,193)	270	1,409
2027	116,375	75,081	10,600	41,493	(5,506)	285	1,400
2028-2032	616,625	328,205	134,565	196,548	(29,492)	1,605	6,852
2033-2037	569,955	240,343	220,595	160,592	(28,274)	1,990	6,564
2038-2042	445,795	154,826	239,770	116,771	(20,727)	2,455	6,208
2043-2047	342,655	82,157	352,035	66,055	(11,136)	10,205	5,578
2048-2052	203,495	30,900	157,850	9,100	(1,225)	21,490	2,635
2053-2057	48,500	7,402	-	-	-	4,535	165
2058-2062	23,785	1,454	-	-	-	-	-
2063-2067	680	27	-	-	-	-	-
Total	$ 2,909,705	$ 1,252,178	$ 1,157,955	$ 761,366	$ (115,360)	$ 43,580	$ 35,087

	Bond Resolution					
	Variable - Direct Placements			Total Bond Resolution		
Year Ending December 31,	Principal	Interest	Interest Rate Swaps, Net	Principal	Interest	Total
2023	$ 12,725	$ 15,332	$ 969	$ 164,775	$ 144,799	$ 309,574
2024	14,405	15,191	1,125	169,900	140,649	310,549
2025	16,910	14,475	1,267	157,465	135,945	293,410
2026	22,300	13,558	1,094	159,595	130,893	290,488
2027	22,135	12,452	912	149,395	125,832	275,227
2028-2032	100,335	46,316	2,237	853,130	550,666	1,403,796
2033-2037	68,085	26,038	30	860,625	405,293	1,265,918
2038-2042	42,550	10,790	-	730,570	267,868	998,438
2043-2047	20,975	3,786	-	725,870	146,440	872,310
2048-2052	-	-	-	382,835	41,410	424,245
2053-2057	-	-	-	53,035	7,567	60,602
2058-2062	-	-	-	23,785	1,454	25,239
2063-2067	-	-	-	680	27	707
Total	$ 320,420	$ 157,938	$ 7,634	$ 4,431,660	$ 2,098,843	$ 6,530,503

	Special Needs Indenture Fixed-Publicly Offered		MFSOB Resolution Fixed-Publicly Offered	
Year Ending December 31,	Principal	Interest	Principal	Interest
2023	$ 3,010	$ 1,950	$ 540	$ 521
2024	3,120	1,894	560	508
2025	3,250	1,829	580	495
2026	3,380	1,757	600	482
2027	3,200	1,677	610	467
2028-2032	14,570	7,044	3,450	2,110
2033-2037	12,925	4,650	4,070	1,678
2038-2042	10,860	2,414	4,850	1,166
2043-2047	5,875	743	5,770	557
2048-2052	1,815	86	1,540	39
2053-2057				
2058-2062				
Total	$ 62,005	$ 24,044	$ 22,570	$ 8,023

	Other Bond Resolutions Fixed - Direct Placement		QECB Resolution Fixed - Direct Placement		
Year Ending December 31,	Principal	Interest	Principal	Interest	Total
2023	$ 312	$ 1,310	$ 468	$ 292	$ 317,977
2024	330	1,292	483	272	319,008
2025	349	1,273	500	252	301,938
2026	368	1,254	516	231	299,076
2027	389	1,233	534	209	283,546
2028-2032	2,300	5,809	2,953	694	1,442,726
2033-2037	3,027	5,083	1,660	110	1,299,121
2038-2042	3,982	4,128			1,025,838
2043-2047	5,239	2,870			893,364
2048-2052	7,525	1,667			436,917
2053-2057	1,340	3,499			65,441
2058-2062					25,239
2063-2067					707
Total	$ 25,161	$ 29,418	$ 7,114	$ 2,060	$ 6,710,898

Objective of the Interest Rate Swaps

The Authority employs swaps to establish synthetic fixed rates for a portion of its variable rate bond obligations. The Authority's interest rate swap transactions are structured for the Authority to pay a fixed interest rate while receiving variable interest rates from the counterparties which are comparable to the rates required by the variable rate bonds. These synthetic fixed rates were lower than those available to the Authority from fixed rate obligations of comparable maturity. The proceeds of these transactions are generally used to make fixed rate mortgage loans. As the objective of the derivative instruments entered into was to hedge changes in cash flows for each bond series, they are classified as cash flow hedges.

Terms

The Authority has entered into amortizing interest rate swap agreements under the Bond Resolution in which the Authority owes a fixed payment to the counterparties of the swaps. In return, the counterparties owe the Authority a payment based on common indices such as the Securities Industry and Financial Markets Association Municipal Swap Index ("SIFMA") or the London Interbank Offered Rate ("LIBOR") that is comparable to the rates required by the Authority's bonds. Only the net difference in interest payments is actually exchanged between the Authority and the counterparties. The Authority's amortizing interest rate swap agreements contain scheduled reductions to outstanding notional amounts that are projected to follow scheduled or anticipated reductions in bonds payable. The Authority did not pay or receive any cash when the swap transactions were initiated.

On October 23, 2020, the International Swaps and Derivatives Association (ISDA) published its IBOR Fallbacks Protocol and Supplement to the 2006 ISDA Definitions in anticipation of the expected discontinuation of the London Interbank Offered Rate (LIBOR) at the end of 2021. While the use of the Protocol and the Supplement is voluntary, the Authority agreed and adhered to the Protocol on January 19, 2021 to avoid any market disruption. On November 30, 2020, the ICE Benchmark Administration and the Financial Conduct Authority announced that most tenors of US Dollar LIBOR including the 1 month and the 3 month, would continue to be published through June 30, 2023.

The terms, fair values and credit ratings of outstanding swaps as of December 31, 2022 were as follows (in 000's):

							Counterparty	
Associated Bond Issue	**Effective Date**	**Notional Amount**	**Fixed Rate Paid**	**Variable Rate Received**	**Fair Value**	**Termination Date**	**Credit Rating ***	**% of Total Outstanding**
1998 Series D-4	7/1/98	$ 14,700	6.320%	100% 3M LIBOR	$ (420)	11/15/25		
2016 Series B-4	8/15/08	9,855	3.849%	67% 3M LIBOR	(1,326)	11/15/38		
2016 Series B-4	8/15/08	8,925	3.855%	67% 3M LIBOR	(859)	11/15/33		
2016 Series F-5	7/1/98	7,800	4.870%	100% 1W SIFMA	(854)	11/15/28		
2016 Series F-5	8/15/08	27,550	3.845%	67% 3M LIBOR	(2,632)	11/15/33		
2017 Series C-3 & 2018 Series C-3	7/11/01	15,775	4.310%	67% 1M LIBOR	(736)	5/15/32		
2018 Series C-3, 2018 Series C-4, 2018 Series E-2	11/15/18	19,211	2.471%	67% 3M LIBOR	1,340	11/15/48		
2021 Series C	7/11/01	10,460	5.820%	167% 1M LIBOR-SIFMA	(541)	11/15/27		
Total Bank of America, N.A.		114,276			(6,028)		A+/Aa2/AA	12.07%
2001 Series D-5	12/20/01	10,460	5.360%	167% 3M LIBOR-SIFMA	(341)	11/15/27		
2021 Series C	12/20/01	37,360	4.090%	67% 1M LIBOR	(3,093)	5/15/33		
2021 Series C	8/15/08	14,740	3.852%	67% 3M LIBOR	(500)	11/15/28		
2014 Series D-3	2/18/09	20,615	3.433%	67% 3M LIBOR	(1,346)	11/15/34		
2017 Series D-3, 2017 Series F-3, 2018 Series A-3	5/15/18	40,160	2.248%	70% 3M LIBOR	3,946	5/15/48		
2017 Series D-3, 2018 Series A-3, 2018 Series B-3	2/18/09	61,010	3.430%	67% 3M LIBOR	(3,580)	11/15/38		
2018 Series B-3	6/4/18	7,828	2.500%	70% 3M LIBOR	1,354	11/15/48		
2022 Series A-3	3/24/22	15,000	2.173%	100% 1W SIFMA	1,001	5/15/31		
Total Bank of New York Mellon		207,173			(2,559)		AA-/Aa2/AA	21.87%
2021 Series C	6/5/02	25,000	5.740%	167% 1M LIBOR- SIFMA	(3,287)	5/15/33		
2018 Series C-3 & 2018 Series C-4	6/5/02	14,625	4.352%	67% 1M LIBOR	(1,158)	5/15/33		
2019 Series F-2	10/29/19	26,250	1.708%	100% 1W SIFMA	5,375	11/15/49		
Total Citibank, NA		65,875			930		A+/Aa3/A+	6.96%
2013 Series C, 2021 Series C	2/26/14	36,950	2.776%	100% 1M LIBOR	881	5/15/24		
2017 Series C-3 & 2017 Series F-3	8/1/02	33,010	3.981%	67% 1M LIBOR	(2,223)	5/15/33		
2018 Series C-3 & 2018 Series C-4	3/7/01	8,970	4.120%	67% 1M LIBOR	(595)	5/15/32		
2021 Series C	3/7/01	18,760	5.475%	167% 1M LIBOR-SIFMA	(1,995)	5/15/32		
Total Goldman Sachs Mitsui Marine		97,690			(3,932)		AA-/Aa2/NR	10.31%
2013 Series B-6 & 2016 Series E	6/15/15	31,975	2.0515%	67% 3M LIBOR	1,292	11/15/35		
2015 Series C	8/6/15	45,000	2.3625%	70% 1M LIBOR	3,151	11/15/45		
2016 Series A	11/16/15	40,000	2.1325%	67% 3M LIBOR	3,353	11/15/45		
2016 Series B-4	11/15/18	21,220	2.1400%	70% 1M LIBOR	2,132	11/15/46		
2016 Series E-3	8/25/16	24,810	1.7970%	67% 3M LIBOR	3,669	11/15/46		
2017 Series A-3	3/2/17	38,000	2.3350%	67% 3M LIBOR	2,851	11/15/47		
2019 Series A-2	3/5/19	5,000	1.8600%	67% 3M LIBOR	222	5/15/29		
2019 Series B-2 & 2019 Series B-3	5/9/19	25,270	1.9990%	67% 3M LIBOR	1,968	11/15/43		
2020 Series C-3	8/13/20	30,000	1.2660%	100% 1W SIFMA	9,775	11/15/50		
2022 Series C-2	7/21/22	15,000	2.9980%	100% 1W SIFMA	744	11/15/37		
Total Royal Bank of Canada		276,275			29,157		AA-/Aa1/AA-	29.17%
2014 Series C & 2020 Series E	12/17/20	26,475	0.723%	100% 1W SIFMA	4,118	11/15/30		
2018 Series E-2, 2017 Series C-3, 2018 Series C-3 & 2018 Series C-4	11/15/18	19,214	2.242%	67% 3M LIBOR	472	11/15/28		
2018 Series B-3	6/4/18	7,827	2.071%	70% 3M LIBOR	311	5/15/28		
Total TD Bank, NA		53,516			4,901		AA-/Aa2/AA-	5.65%
2019 Series A-2 & 2019 Series A-3	3/5/19	18,500	2.290%	67% 3M LIBOR	1,297	5/15/49		
2019 Series D-3	8/8/19	26,230	1.4725%	67% 3M LIBOR	3,930	11/15/43		
Total US Bank		44,730			5,227		AA-/A1/AA-	4.72%
2016 Series F-5	11/15/16	13,150	1.820%	67% 3M LIBOR	2,035	11/15/46		
2017 Series F-3	10/4/00	17,715	5.397%	100% 1W SIFMA	(1,578)	11/15/31		
2021 Series C & 2020 Series A-3	3/2/06	34,210	3.4175%	67% 3M LIBOR	(1,765)	5/15/36		
2022 Series E-2	11/10/22	22,500	3.848%	100% 1W SIFMA	(681)	11/15/37		
Total Wells Fargo Bank, NA		87,575			(1,989)		A+/Aa2/AA-	9.25%
Portfolio Total		$ 947,110			$ 25,707			100.00%

* S&P/Moody's/Fitch

The changes of fair value of outstanding swaps from December 31, 2021 to December 31, 2022 were as follows (in 000's):

Associated Bond Issue	Fair Value 12/31/2022	Fair Value 12/31/2021	Change in Fair Value
1998 Series D-4 **	$ (420)	$ (2,320)	$ 1,900
2016 Series B-4	(1,326)	(3,454)	2,128
2016 Series B-4	(859)	(2,310)	1,451
2016 Series F-5	(2,632)	(7,103)	4,471
2016 Series F-5 **	(854)	(1,699)	845
2017 Series C-3 & 2018 Series C-3 **	(736)	(2,700)	1,964
2018 Series C-3, 2018 Series C-4, 2018 Series E-2	1,340	(6,226)	7,566
2021 Series C **	(541)	(1,989)	1,448
Total Bank of America, N.A.	(6,028)	(27,801)	21,773
2001 Series D-5	(341)	(1,731)	1,390
2021 Series C	(3,093)	(8,543)	5,450
2021 Series C	(500)	(1,935)	1,435
2014 Series D-3	(1,346)	(4,580)	3,234
2017 Series D-3, 2017 Series F-3, 2018 Series A-3	3,946	(8,241)	12,187
2017 Series D-3, 2018 Series A-3, 2018 Series B-3	(3,580)	(12,801)	9,221
2018 Series B-3	1,354	(3,064)	4,418
2022 Series A-3	1,001	-	1,001
Total Bank of New York Mellon	(2,559)	(40,895)	38,336
2021 Series C	(3,287)	(7,768)	4,481
2018 Series C-3 & 2018 Series C-4	(1,158)	(2,934)	1,776
2019 Series F-2	5,375	(543)	5,918
Total Citibank, NA	930	(11,245)	12,175
2013 Series C, 2021 Series C	881	(1,811)	2,692
2017 Series C-3 & 2017 Series F-3	(2,223)	(5,940)	3,717
2018 Series C-3 & 2018 Series C-4	(595)	(1,759)	1,164
2021 Series C	(1,995)	(5,176)	3,181
Total Goldman Sachs Mitsui Marine	(3,932)	(14,686)	10,754
2013 Series B-6 & 2016 Series E	1,292	(1,323)	2,615
2015 Series C	3,151	(2,326)	5,477
2016 Series A	3,353	(1,355)	4,708
2016 Series B-4	2,132	(1,230)	3,362
2016 Series E-3	3,669	102	3,567
2017 Series A-3	2,851	(2,030)	4,881
2019 Series A-2	222	(315)	537
2019 Series B-2 & 2019 Series B-3	1,968	(2,097)	4,065
2020 Series C-3	9,775	3,506	6,269
2022 Series C-2	744	-	744
Total Royal Bank of Canada	29,157	(7,068)	36,225
2014 Series C & 2020 Series E	4,118	1,112	3,006
2018 Series E-2, 2017 Series C-3, 2018 Series C-3 & 2018 Series C-4	472	(1,979)	2,451
2018 Series B-3	311	(610)	921
Total TD Bank, NA	4,901	(1,477)	6,378
2019 Series A-2 & 2019 Series A-3	1,297	(2,357)	3,654
2019 Series D-3	3,930	(184)	4,114
Total US Bank	5,227	(2,541)	7,768
2016 Series F-5	2,035	(2,874)	4,909
2017 Series F-3	(1,578)	(3,859)	2,281
2021 Series C & 2020 Series A-3	(1,765)	(6,490)	4,725
2022 Series E-2	(681)	-	(681)
Total Wells Fargo Bank, NA	(1,989)	(13,223)	11,234
Portfolio Total	$ 25,707	$ (118,936)	$ 144,643

**Contract novated from Merrill Lynch Capital Services during 2022

Fair Value

There is a multi-step process in determining the fair value of the Authority's swap portfolio. The first step is to determine the settlement price utilizing the Income Approach from "mid market" pricing data. Such data consists primarily of observable quotes from the over-the-counter swap markets that fall into Level 2 of the fair value hierarchy. The second step is to determine the credit valuation adjustment ("CVA"). The purpose of the CVA is to quantify the nonperformance risk of the reporting entity as well as the nonperformance risk of the counterparty. Default probabilities are derived from credit default swap quotes or generic ratings based on borrowing curves that fall into Level 2 of the fair value hierarchy. In the final step, to determine fair value, the settlement price is adjusted by the CVAs of both the reporting entity's and counterparty's payment obligations. The aggregate fair value of the Authority's swap agreements was $25,706,799 as of December 31, 2022.

Credit Risk

Credit exposure arises when the fair value of a swap is positive due to the obligation of the counterparty to make payment to the Authority in the event of termination. Counterparty credit risk is lessened due to the Authority's broad diversification approach. As of December 31, 2022, the fair value of approximately half of the agreements in the portfolio was positive. The Authority's existing counterparties, however, have credit ratings no lower than Aa3 by Moody's or AA- as rated by S&P. These minimum ratings are also a condition of the Authority entering into any new contracts, the requirement of which is dictated by the credit quality provision of the Authority's derivative transaction policy.

Basis Risk

Basis risk is the risk that there may be a difference between the floating rate component of the swap, which is based on indices that consist of taxable or tax-exempt market-wide averages, and the rate on the Authority's variable rate bonds, which is based on that specific bond issue. CHFA's basis risk is within the Authority's acceptable tolerance levels.

Termination Risk

Counterparties to the Authority's interest rate swap agreements have default termination rights that may require settlement payments by the Authority or by the counterparty based on the fair value of the swap at the date of termination. As of December 31, 2022, no termination events requiring settlement payments have occurred.

Rollover Risk

The Authority's interest rate swap agreements have limited rollover risk because the swap agreements contain scheduled reductions to outstanding notional amounts which are expected to follow scheduled and anticipated reductions in the associated bonds payable. As of December 31, 2022, fifteen of the Authority's outstanding interest rate swap agreements provided the Authority with full or partial termination rights requiring no settlement payments to accommodate unexpected faster paydowns of the associated bonds as a result of higher repayment of home mortgage loans.

Contingencies

Thirty-eight of the Authority's forty-two interest rate swap agreements (outstanding notional amount $849,420,500, fair value $29,638,720) at December 31, 2022, require the Authority to post collateral in the event that the fair value of the interest rate swap falls below specific declining thresholds based on declines in the Authority's credit rating. As of December 31, 2022, the Authority's ratings remain at AAA/Aaa (S&P/Moody's) and therefore, was not required to post collateral for any of its outstanding swaps.

Refunding Bonds

The schedule below summarizes the cash flow savings and economic gain resulting from the Authority's issuance of fixed rate refunding bonds under the Bond Resolution in 2022 and 2021:

Refunded Issue (s)	Refunding Issue		Cash Flow Savings Over Life of Refunding Issue		Economic Gain Over Life of Refunding Issue
2022					
2010 Series G	2022 Series A Subseries A-2	$	1,011,311	$	560,916
2021					
2012 Series C-1	2021 Series A Subseries A-1	$	9,360,716	$	9,086,723
2012 Series C-2	2021 Series A Subseries A-2		701,429		530,988
2012 Series A	2021 Series A Subseries A-3		553,728		3,616,251
2012 Series D-1 SFSOB 2011-2	2021 Series B Subseries B-1		(3,237,849)		289,692
2012 Series B-1	2021 Series B Subseries B-2		1,749,919		1,636,829
2011 Series F-1	2021 Series B Subseries B-3		3,854,277		3,266,874
2012 Series F-1	2021 Series D Subseries D-1		1,835,881		5,011,106
2012 Series F-2	2021 Series D Subseries D-2		605,372		530,608
2012 Series G-1	2021 Series E Subseries E-1		2,993,080		2,995,224
2012 Series G-4	2021 Series E Subseries E-2		1,040,784		738,325
2012 Series D-3	2021 Series E Subseries E-5		4,157,693		1,763,537

NOTE 9 - CHANGES IN LONG-TERM LIABILITIES

The changes in long-term liabilities for the years ended December 31, 2022 and 2021 were as follows (in 000's):

	Balance January 1, 2022	Increase	Decrease	Balance December 31, 2022
Escrow deposits	$ 155,674	$ 89,360	$ (45,688)	$ 199,346
Bonds payable, publicly offered	3,530,245	661,540	(385,805)	3,805,980
Bonds payable, direct placement	520,811	31,554	(147,800)	404,565
Derivative instruments- interest rate swaps	118,936		(118,936)	
Net OPEB liability	77,331	14,788	(40,846)	51,273
Net pension liability	64,880	1,686	(16,455)	50,111
	$ 4,467,877	$ 798,928	$ (755,530)	$ 4,511,275

	Balance January 1, 2021	Increase	Decrease	Balance December 31, 2021
Escrow deposits	$ 154,651	$ 34,155	$ (33,132)	$ 155,674
Bonds payable, publicly offered	3,940,021	716,337	(1,126,113)	3,530,245
Bonds payable, direct placement	513,213	206,483	(198,885)	520,811
Derivative instruments- interest rate swaps	176,384		(57,448)	118,936
Net OPEB liability	82,371	20,937	(25,977)	77,331
Net pension liability	70,480	3,226	(8,826)	64,880
	$ 4,937,121	$ 981,138	$ (1,450,381)	$ 4,467,877

NOTE 10 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The Authority reports interfund balances among its funds which are reflected on the combining schedule of net position as "due from/due to other funds/component units". These balances generally consist of accruals of various revenues or expenses due to a fund, but received or paid to another, and transfers between funds to meet liquidity requirements. These transactions and resulting year-end interfund balances have been eliminated in the accompanying combining financial statements. The composition of interfund balances as of December 31, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
General and Capital Reserve Fund	Multifamily Real Estate Owned	$ 2,300,000
	Multifamily Special Obligation Bond Fund	117,654
		$ 2,417,654

During the year, operating transfers are used to reallocate or move resources from one fund to another and are reflected on the combining schedule of revenues, expenses and changes in net position.

NOTE 11 - OTHER LIABILITIES

On certain bond issues, the Authority's earnings from the investment of bond proceeds are limited per Federal Income Tax rules. Yields in excess of Federal Limits are payable to the U.S. Treasury and are recorded as a liability. As of December 31, 2022 and 2021, the Authority had no such liability.

NOTE 12 - NET POSITION

Net position consisted of the following (in 000's):

	December 31, 2022	December 31, 2021
General and Capital Reserve Funds:		
Net investment in capital assets	$ 4,605	$ 3,309
General and Capital Reserve Funds	659,124	968,564
Other Funds:		
Housing Mortgage Insurance Fund	3,747	3,670
Multifamily Special Obligation Bond and Other Bond Funds	3,412	3,203
Special Needs Housing Funds	36,907	31,719
Qualified Energy Conservation Bonds	610	513
Component Units:		
CHFA-Small Properties, Inc.	1,911	1,282
	$ 710,316	$ 1,012,260

NOTE 13 - PENSION PLAN

Plan Description

Eligible employees of the Authority participate in the Connecticut State Employees' Retirement System ("SERS") which is administered by the State Employees' Retirement Commission. SERS is a cost-sharing multiple-employer defined benefit public employee retirement system ("PERS") established in 1939 and governed by Sections 5-152 to 5-192 of the Connecticut General Statutes. Detailed information about the total Plan's funding status and progress, contributions required and fiduciary net position can be found in the Connecticut State Employees' Retirement System GASB Statement 68 Report available at www.osc.ct.gov/rbsd/reports/index.html.

SERS provides retirement, disability and health benefits, and annual cost-of-living allowances to plan members and their beneficiaries. Employees are covered under one of five tiers. All Authority employees are classified as non-hazardous duty. A summary of plan benefits and required contributions for non-hazardous duty members is represented in the following table:

	Tier I	Tier II	Tier IIA	Tier III	Tier IV
Eligibility - hire date	Prior to July 1, 1984	On or after July 1, 1984	On or after July 1, 1997	On or after July 1, 2011	On or after July 1, 2017
Final Average Earnings (FAE)	Average Salary of 3 highest paid years of service	Average Salary of 3 highest paid years of service		Average Salary of 5 highest paid years of service	
Benefit	Plan B 2% of FAE x years of service up to age 65. Thereafter, 1% of FAE up to $4,800 plus 2% of FAE in excess of $4,800. At age 70, greater of 1.25% of FAE up to $4,800 plus 2.5% of FAE in excess of $4,800 x years of service or 1% of FAE up to $4,800 plus 2% of FAE in excess of $4,800 x years of service. Plan C 2% of FAE x years of service. At age 70, greater of 2.5% of FAE x years of service (max 20 years) or 2% of FAE x years of service.	1.4 % of FAE plus 0.433% of FAE in excess of breakpoint x years of service up to a max of 35 years plus 1.625% of FAE x years of service over 35 years			1.3% of FAE x years of service
Vesting	10 years of service	5 years of service	5 years of service	10 years of service	10 years of service
Normal Retirement	Age 55 with 25 years Age 60 with 10 years Age 70 with 5 years	If eligible for retirement prior to July 1, 2022 Age 62 with 10 years Age 60 with 25 years Age 70 with 5 years If NOT eligible for retirement prior to July 1, 2022 Age 65 with 10 year Age 63 with 25 years Age 70 with 5 years		Age 63 with 25 years Age 65 with 10 years	Age 63 with 25 years Age 65 with 10 years
Early Retirement	Age 55 with 10 years	Age 55 with 10 years	Age 55 with 10 years	Age 58 with 10 years	Age 58 with 10 years
Member Contributions (prior to 7/1/17)	Plan B 2% of earnings up to social security wage base plus 5% of earnings above that level Plan C 5% of earnings	None	2% of earnings	2% of earnings	n/a
Member Contributions (Effective 7/1/17 - 6/30/19)	Plan B 3.5% of earnings up to social security wage base plus 5% of earnings above that level Plan C 6.5% of earnings	1.5% of earnings	3.5% of earnings	3.5% of earnings	* 5% of earnings
Member Contributions (Effective 7/1/19)	Plan B 4.0% of earnings up to social security wage base plus 5% of earnings above that level Plan C 7.0% of earnings	2.0% of earnings	4.0% of earnings	4.0% of earnings	* 5% of earnings

* *In years where plan asset losses require further increases in contributions, Tier IV employees' contributions may increase by half the necessary increase in rates (up to 2%). All Tier IV employees must contribute 1% to the Defined Contribution (DC) portion of the Hybrid Plan and may elect additional contributions of up to 3% of salary to the DC portion.*

The 2011 State Employees Bargaining Agent Coalition Agreement (Agreement) provides current Tier II and Tier IIA members who remain employed after July 1, 2022, the opportunity for a one-time irrevocable election to retain the normal retirement eligibility in place prior to the Agreement. The election would require an additional employee contribution based on their original eligible retirement date. Under the prior agreement, normal retirement eligibility was age 60 and 25 years of service or age 62 and 10 years of service. All plans provide for death and disability benefits.

The contribution requirements of plan members and the State are established and may be amended by the State legislature subject to the contractual rights established by collective bargaining. Individuals hired on or after July 1, 2011 otherwise eligible for the Alternative Retirement Plan (ARP) are eligible to become members of the Hybrid Plan in addition to their other existing choices. The Hybrid Plan has defined benefits identical to Tier II/IIA and Tier III for individuals hired on or after July 1, 2011, but requires employee contributions 3% higher than the contribution required from the applicable Tier II/IIA/III plan. The State is required to contribute at an actuarially determined rate.

The Authority's contractually required contribution rates for the years ended December 31, 2022 and 2021 were 45.52% and 42.10%, respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were $6,474,089 and $5,452,202 for the years ended December 31, 2022 and 2021, respectively.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of December 31, 2022 and 2021, the Authority reported a liability of $50,110,693 and $64,880,119 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the plan relative to the projected contributions of all participating governmental units. The Authority's proportion was 0.22723% as of June 30, 2022.

For the year ended December 31, 2022, the Authority recognized pension expense of ($2,800,725). At December 31, 2022 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,339,391	$
Change of assumptions		68,484
Net difference between projected and actual earnings on pension plan investments	2,243,964	
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,250,877	16,946,122
Contributions subsequent to the measurement date	3,285,795	
	$ 13,120,027	$ 17,014,606

Of the total amount reported as deferred outflows of resources related to pensions, $3,285,795 resulting from Authority contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	
2023	$ (1,393,179)
2024	(2,008,071)
2025	(2,359,462)
2026	(1,048,026)
2027	(371,637)
	$ (7,180,375)

Actuarial Assumptions

The total pension liability was determined based on the annual actuarial valuation report prepared as of June 30, 2022. The total pension liability was based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020. The key actuarial assumptions are summarized below:

Inflation	2.50%
Salary increases	3.00% - 11.50% including inflation
Cost of living	1.95% - 3.25%
Investment rate of return	6.9%, net of pension plan investment expense, including inflation

Assumed rates of mortality were obtained from the Pub-2010 Mortality Tables projected generationally with scale MP-2020. These assumptions are applied to all periods included in the measurement.

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0 %	5.4 %
Developed Markets International Stock Fund	11.0	6.4
Emerging Markets International Stock Fund	9.0	8.6
Core Fixed Income Fund	13.0	0.8
Emerging Market Debt Fund	5.0	3.8
High Yield Bond Fund	3.0	3.4
Real Estate Fund	19.0	5.2
Private Equity	10.0	9.4
Private Credit	5.0	6.5
Alternative Investments	3.0	3.1
Liquidity Fund	2.0	-0.4

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2022 was 6.9%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that contributions from the participating governmental units will be made equal to the difference between the projected actuarially determined contribution and actual member contributions. Projected future benefit payments for all current plan members were projected through the year 2125. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total plan liability and a municipal bond rate was not used in determining the discount rate.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as the what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of net pension liability	$ 61,148,137	$ 50,110,693	$ 40,911,564

Fiduciary Plan Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report of the State of Connecticut.

NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The State provides postemployment healthcare and life insurance benefits in accordance with State statutes, Section 5-257(d) and 5-259(a), to all eligible employees who retire from the State, including employees of the Authority. The benefits are provided through the State of Connecticut State Employee OPEB Plan (the Plan), a cost sharing single-employer defined benefit plan administered by the State of Connecticut. The Plan does not issue stand-alone financial statements, however, financial statements for the Plan are included as part of the State of Connecticut's Annual Comprehensive Financial Report that is publicly available online at https://www.osc.ct.gov/reports/.

Under a cost-sharing plan, OPEB obligations for employees of all employers are pooled, and plan assets are available to pay the benefits of the employees of any participating employer providing OPEB benefits through the plan, regardless of the status of the employers' payment of their OPEB obligation to the plan.

Benefits Provided

When employees retire, the State pays up to 100% of their healthcare insurance premium cost (including dependents' coverage), depending on the plan. The State currently pays up to 20% of the cost for retiree dental insurance (including dependents' coverage) depending on the plan. In addition, the State pays 100% of the premium cost for a portion of the employees' life insurance continued after retirement. The amount of life insurance, continued at no cost to the retiree, is determined based on the number of years of service that the retiree had with the State at the time of retirement as follows: (a) if the retiree had 25 years or more of service, the amount of insurance will be one-half of the amount of insurance for which the retiree was insured immediately prior to retirement, but the reduced amount cannot be less than $10,000; (b) if the retiree had less than 25 years of service, the amount of insurance will be the proportionate amount that such years of service is to 25, rounded to the nearest $100 of coverage. The State finances the cost of postemployment healthcare and life insurance benefits on a pay-as you-go basis through an appropriation in the State's General Fund.

Contributions

In accordance with the Revised State Employees Bargaining Agent Coalition (SEBAC) 2011 Agreement between the State of Connecticut and SEBAC, all employees shall pay a 3% retiree healthcare insurance contribution for a period of 10 years or retirement, whichever is sooner. Participants of Tier I, Tier II and Tier IIA shall be required to have 10 years of actual state service to be eligible for retirement health insurance. Participants of Tier III and Tier IV shall be required to have 15 years of actual state service to be eligible for retirement health insurance. Deferred vested retirees who are eligible for retiree health insurance shall be required to meet the rule of 75, which is the combination of age and actual state service equaling 75 in order to begin receiving retiree health insurance based on applicable SEBAC agreement. Contributions made by the Authority in 2022 and 2021 totaled $2,805,206 and $2,781,565. Contributions made by employees in 2022 and 2021 totaled $481,274 and $471,155.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2022 and 2021, the Authority reported a liability of $51,272,846 and $77,331,488 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on the Authority's actuarially required contribution for the year ended June 30, 2022 relative to all other contributing employers. The Authority's proportion was 0.330831% as of June 30, 2022.

For the year ended December 31, 2022, the Authority recognized OPEB expense of ($380,410). At December 31, 2022 the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 8,149,368	$ 26,893,141
Net difference between projected and actual earnings on OPEB plan investments	477,666	
Changes in proportionate share and difference between amount contributed and proportionate share of contributions	4,321,915	9,472,365
Employer contributions to the plan subsequent to the measurement date	1,423,829	
Difference between expected and actual experience in the total OPEB liability	829,271	1,295,403
	$ 15,202,049	$ 37,660,909

Of the total amount reported as deferred outflows of resources related to OPEB, $1,423,829 resulting from Authority contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Authority's OPEB expense as follows:

Year Ending December 31,	
2023	$ (4,817,708)
2024	(5,627,344)
2025	(6,733,563)
2026	(5,778,083)
2027	(925,991)
	$ (23,882,689)

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using key actuarial assumptions summarized as follows:

Payroll growth rate	3.00%
Salary increases	3.00% - 11.5% varying by years of service
Discount rate	3.90% as of June 30, 2022 2.31% as of June 30, 2021
Healthcare cost trend rates:	
Medical & Prescription drug	6.00% graded to 4.50% over 6 years
Dental	3.00%
Part B	4.50%
Administrative expense	3.00%

Assumed rates of mortality were obtained from the Pub-2010 Above Median Mortality Tables (Amount-Weighted) projected generationally with MP-2020 improvement scale. These assumptions are applied to all periods included in the measurement.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined by an actuarial analysis. The June 30, 2022 target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0 %	5.4 %
Developed Markets International Stock Fund	11.0	6.4
Emerging Markets International Stock Fund	9.0	8.6
Core Fixed Income	13.0	0.8
Emerging Market Debt Fund	5.0	3.8
High Yield Bond Fund	3.0	3.4
Real Estate Fund	19.0	5.2
Private Equity	10.0	9.4
Private Credit	5.0	6.5
Alternative Investments	3.0	3.1
Liquidity Fund	2.0	-0.4

Discount Rate

The discount rate is a blend of the long-term expected rate of return on OPEB Trust assets and a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.54% as of June 30, 2022 and 2.16% as of June 30, 2021). The final discount rate used to measure the total OPEB liability was 3.90% as of June 30. 2022. The blending is based on the sufficiency of projected assets to make projected benefit payments.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net OPEB liability calculated using the discount rate of 3.90%, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	1% Decrease (2.90%)	Discount Rate (3.90%)	1% Increase (4.90%)
Authority's proportionate share of net OPEB liability	$ 59,947,701	$ 51,272,846	$ 44,256,163

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the Authority's proportionate share of the net OPEB liability calculated using the current healthcare cost trend rate as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of net OPEB liability	$ 43,281,952	$ 51,272,846	$ 61,416,623

NOTE 15 - COMMITMENTS AND CONTINGENCIES

The Authority is a party to financial instruments with risk in connection with its commitments to provide financing that is not included on the statement of net position. These expose the Authority to credit risk in excess of the amount recognized on the statement of net position. The Authority's exposure to credit loss in the event of nonperformance by the borrowers is represented by the contractual amount of those instruments. The Authority uses the same credit policies in making commitments and conditional obligations as it does for instruments that are included on the statement of net position. Total credit exposure is summarized below (in 000's):

	2022	2021
Mortgage Loan Commitments:		
Home Mortgage Program Purchases	$ 136,829	$ 63,742
Multifamily Development Loans	69,849	102,557
Reverse Annuity Mortgage	38	54
Emergency Mortgage Assistance (EMAP)	1,711	1,986
Time to Own (TTO)	8,123	
	$ 216,550	$ 168,339

Commitments to extend credit are agreements to lend to a borrower as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The Authority evaluates each borrower's credit worthiness on a case-by-case basis. The amount of collateral obtained if deemed necessary by the Authority upon extension of credit is based on management's credit evaluation of the counterparty. Collateral held is primarily residential and multifamily properties. Interest rates on approved mortgage loan commitments are fixed.

CHFA has funds committed for initiatives other than mortgage loans.

CHFA is involved in certain litigation and disputes incidental to its operations. Because it is generally difficult to predict the outcome of lawsuits, CHFA cannot give any assurance as to the outcome of such litigation. Based on the information it presently possesses, however, it is management's judgment that such litigation will not have a material adverse impact upon the financial condition of the Authority.

The Authority offers mortgage insurance through the CHFA Insurance Fund. CHFA mortgage insurance is permitted on a case-by-case basis when FHA insurance and VA guarantees are not available and PMI insurance is either not available for the home or has been declined for a reason that would not prevent CHFA from issuing an insurance commitment. The CHFA Insurance Fund receives annual premiums from participating borrowers. The accumulation of these premiums is used to fund any claims. Premiums are collected until the LTV reaches certain thresholds at which such time the insurance coverage is terminated. As of December 31, 2022 and December 31, 2021, the Authority had $7,404,000 and $11,722,000, respectively, of outstanding home mortgage loans that are insured under this program. For the years ended December 31, 2022 and 2021, there were no claims paid from the CHFA Insurance Fund.

NOTE 16 – GRANT PROGRAMS

Pursuant to Public Act No. 05-228 (CIA), the Authority was receiving a 25% distribution of funds held in the State of Connecticut's land protection, affordable housing and historic preservation account for the purpose of supplementing new or existing affordable housing programs. Effective May 28, 2014, and pursuant to Public Act No. 14-45 passed on said date, distribution of these funds was redirected to the State of Connecticut's Department of Housing. The Authority is currently spending down the funds received in prior years.

The rights of certain property owners are protected in Connecticut foreclosure actions by § 8-265cc through 8-265kk of the Connecticut General Statutes known as the Emergency Mortgage Assistance Payment ("EMAP") Program. These provisions allow homeowners the opportunity to avoid foreclosure by enabling them to obtain financial assistance from the State, acting through the Authority. A qualified homeowner may obtain funds under this program to bring a delinquent mortgage current, and may also obtain assistance with subsequent mortgage payments to a maximum period of 60 months. With sufficient funds currently on hand, the Authority received no additional funding during 2021 and 2020, from the State of Connecticut to be used in support of the EMAP program pursuant to a memorandum of understanding between the Authority and the State of Connecticut, Office of Policy and Management. Unspent funds are held by the Authority in escrow until expended on the program. Only when funds are spent are they recognized as program revenue and expenses. During 2011, the Authority issued $20,000,000 in conduit debt under its Special Needs Indenture in support of the EMAP Program. Debt service on these bonds is paid by the State of Connecticut.

In response to the financial hardships resulting from the COVID-19 pandemic, on July 13, 2020, the Governor signed Executive Order No. 7GGG and allowed the Authority to establish the Temporary Mortgage Assistance Program (TMAP); with the program funds being provided by the EMAP program. The TMAP program offered assistance to homeowners with the goal to prevent foreclosure actions. Assistance was subject to borrower eligibility and addressed mortgage payment delinquencies caused by financial hardship due to COVID-19. Being only temporary, the TMAP program expired on January 13, 2021.

In 2022 and 2021, the Authority received $160,000 and $0, respectively, in Comprehensive Counseling ("CC") grant funds from the U.S. Department of Housing and Urban Development; the purpose being to provide counseling and advice to tenants and homeowners to assist them in improving their housing conditions and fulfilling the responsibilities of tenancy or homeownership. The funds were made available through Section 106 of the Housing and Urban Development Act of 1968 and Section 4 of the Department of Housing and Urban Development Act as amended by Title XIV of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the use of which is subject to the terms and conditions of the grant agreement.

The Qualified Energy Conservation Bond ("QECB") program was established under the Economic Stabilization Act of 2008 ("Act") and is governed by certain provisions of the Internal Revenue Code of 1986, as amended ("Code"). Pursuant to the Act and Code, QECBs are qualified tax credit bonds where the U.S. Treasury subsidizes a portion of the bond interest payment equal to 70% of the tax credit bond rate. The interest subsidy due or received in 2022 and 2021 was $204,000 and $216,000, respectively.

The goal of ending chronic homelessness was set when the State of Connecticut's governor signed onto the "Zero:2016" initiative back in 2016. In furtherance of reaching this goal, the Authority committed to contributing $5,000,000 over ten years to fund supportive housing rental subsidies. The funding is to be made first from State funds on hand resulting from CHFA's administration of the State's supportive housing program. Once the designated State funds are exhausted, Financing Adjustment Factor (FAF) funds obtained from an agreement between the Authority and U.S. Department of Housing and Urban Development (HUD) will be used to fund the balance of the subsidy. In 2022 and 2021, the Authority funded $500,000 and $0, respectively, towards this commitment. $2.75 million remains committed to be spent on this program in future years.

During 2022 and 2021, the Authority received $100,000 each year from the Federal Home Loan Bank of Boston from their Helping to House New England Program Grant funds. The grant funds were used to subsidize the reduction of the CHFA downpayment assistance loan interest rate to 1%. This enabled 91 first time homebuyers to lower their cost of homeownership over these two years.

In response to COVID-19 related financial hardships affecting tenants' ability to make their monthly housing rental payments, the State of Connecticut through the Department of Housing (DOH) created the Temporary Rental Housing Assistance Program (TRHAP). The Authority, working in conjunction with DOH, assisted with the administration of up to $40,000,000 in funds established by the federal Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020. Eligible tenants received a maximum amount of assistance of $4,000 per household to be used to pay housing rental payment arrearages. The State of Connecticut contributed $2,200,000 to CHFA to be expended in connection with the administration and implementation of the TRHAP program. $0 and $1,416,000 of these grant funds were spent through December 31, 2022 and December 31, 2021, respectively. The Authority's participation in the TRHAP program ended in 2021.

During 2020, the Authority received a $500,000 grant from Wells Fargo to further fund and support the TRHAP program. Grant funds were used to expedite the temporary rental assistance application process to distribute CARES Act funds to tenants in need; the goal being to prevent housing insecurity and its corresponding ramifications. The remainder of the grant funds were spent in 2021.

Section 3206 of the American Rescue Plan Act of 2021, authorized the U.S. Department of the Treasury to help mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities under the Homeowner Assistance Fund Program (HAF). Program funds were used to assist qualified applicants with payment of delinquent mortgage payments including principal, interest, taxes and other costs the loan servicers incurred to bring the loan current. The Authority received $12,314,000 in HAF funds during 2021, of which $4,940,000 was spent towards this effort through December 31, 2021. In 2022, $110,823,000 in additional grant funds were received. $25,179,000 was spent towards this effort during 2022. Under current guidelines, the program will run through September 30, 2026 or until funds are exhausted.

Housing Stability Counseling Program (HSCP) funds were made available through the American Rescue Plan Act of 2021 to help communities recover from the economic impact of the COVID-19 pandemic. NeighborWorks America, a public, Congressionally-chartered nonprofit organization was in direct receipt of this federal appropriation. CHFA was subsequently awarded grant funds from NeighborWorks. The purpose of the grant is to support the Authority in the delivery of housing counseling services to homeowners facing housing instability such as loss of income that caused or could cause default, foreclosure or homelessness. $428,000 in grant funds were spent during 2022. Remaining grant funds are to be expended by no later than February 28, 2024.

During 2021, the Authority created an Opportunity Fund (OF), using a portion of CHFA's excess revenues from its bond program. The Opportunity Fund supports programs and mission driven initiatives that are in need of additional financing in order to move forward. During 2021, the Authority contributed $50,000 from the OF in support of the Housing and Community Development Leadership Institute established to train community development professionals in the fields of housing and community development, in order to develop leadership and production skills in these areas. $50,000 in additional funds are committed to be spent in support of this program in the future.

The United States Treasury's Community Development Financial Institutions Fund created the Capital Magnet Fund Program (CMF Program) in order to spur investment in affordable housing and related economic development efforts to revitalize neighborhoods across the country by serving low-income families and communities. In 2021, the Authority was awarded a $3,000,000 grant from the CMF Program. CHFA contributed $3,000,000 in matching funds. The $6,000,000 in total funds were used to form an Affordable Housing Fund. Affordable Housing Program funds are to be used to support the creation of deeply affordable housing units in the Low-Income Housing Tax Credit Program.

One of the significant obstacles to homeownership is a potential homebuyer's inability to cover the down payment and closing costs required to purchase a home. To address this obstacle, in December 2021, the Connecticut State Bond Commission allocated $20,000,000 to create a First Time Homebuyers Assistance Program ("Program") to the Connecticut Department of Housing which in turn requested the Authority to administer and implement the Program. The Program was named "Time to Own" and provides downpayment assistance to eligible applicants. The Program will provide assistance of up to 25% of the cost of a home, up to a maximum of $50,000. Program loans are non-amortizing (deferred), with a 10-year term and a 0% interest rate. 10% of the loan balance is forgiven on each anniversary of the loan closing until fully forgiven.

Activity under these programs for the years ended December 31, 2022 and 2021 is summarized below (in 000's):

	2022 Program Funding	2022 Program Expenses	Net
PA 05-228	$	$ 112	$ (112)
EMAP	246	246	
CC	160	160	
QECB	204	204	
ZERO 16		500	(500)
FHLB-DAP	100		100
HAF	25,179	25,179	
HSCP	428	428	
TIME TO OWN	18,744	18,744	
	$ 45,061	$ 45,573	$ (512)

	2021 Program Funding	2021 Program Expenses	Net
PA 05-228	$	$ 606	$ (606)
EMAP/TMAP	221	221	
QECB	216	216	
FHLB-DAP	100		100
TRHAP-DOH	1,416	1,416	
TRHAP-WF	246	246	
HAF	4,940	4,940	
OF		50	(50)
CMF	3,000		3,000
	$ 10,139	$ 7,695	$ 2,444

NOTE 17 - RISK MANAGEMENT

The Authority is subject to normal risks associated with its operations including property damage, personal injury and employee dishonesty. All risks are managed through the purchase of commercial insurance. There are no pending claims against the Authority as of December 31, 2022. There have been no losses exceeding insurance coverage, and there have been no decreases in insurance coverage over the last three years.

NOTE 18 - SUBSEQUENT EVENTS

On January 1, 2023 and February 17, 2023, the Authority redeemed $18,360,000 and $7,215,000, respectively, of various series of outstanding bonds held under the Bond Resolution.

On March 23, 2023, the Authority issued 2023 Series A bonds in the amount of $171,715,000 under the Bond Resolution. The bond proceeds were used to refund $120,425,000 revolving lines of credits from US Bank National Association and Wells Fargo Bank National Association and to fund the purchase of single family whole loans and mortgage backed securities.

On December 8, 2022 the State of Connecticut Bond Commission approved additional funding totaling $20,000,000 to recapitalize the Time to Own Program due to high demand. On February 16, 2023, the Authority received the allocation from the State.

On January 26, 2023, the U.S. Federal Reserve System published the final rule to implement the Adjustable Interest Rate (LIBOR) Act. The final rule becomes effective on February 27, 2023 and establishes benchmark replacements for contracts that reference certain tenors of LIBOR and that do not have terms that provide for the use of a clearly defined replacement benchmark rate following June 30, 2023 (LIBOR cessation date). The Act will dictate the rate calculations on the five bonds outstanding in the Authority’s portfolio that contain LIBOR as the reference rate. The replacement LIBOR rate will be CME Term SOFR based on comparable tenor plus a spread adjustment.

CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM (SERS)
LAST NINE YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.22723%	0.30512%	0.29711%	0.33545%	0.31308%	0.31830%	0.30322%	0.39732%	0.34574%
Proportionate share of the net pension liability	$ 50,110,693	$ 64,880,119	$ 70,480,100	$ 76,523,904	$ 67,896,479	$ 67,069,565	$ 69,628,178	$ 65,653,502	$ 55,368,069
Covered payroll	$ 14,222,906	$ 12,950,455	$ 13,160,654	$ 13,226,621	$ 13,256,124	$ 13,305,309	$ 12,735,488	$ 12,402,952	$ 11,599,923
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	352.32%	500.99%	535.54%	578.56%	512.19%	504.08%	546.73%	529.34%	477.31%
Plan fiduciary net position as of percentage of total pension liability	45.76%	44.55%	35.84%	36.79%	36.62%	36.25%	31.69%	39.23%	39.54%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM (SERS)
LAST NINE YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 6,474,089	$ 5,452,202	$ 4,802,267	$ 5,294,507	$ 4,517,904	$ 4,909,189	$ 4,553,783	$ 5,449,857	$ 4,387,091
Amount contributed in relation to contractually required contribution	6,474,089	5,452,202	4,802,267	5,294,507	4,517,904	4,909,189	4,553,783	5,449,857	4,387,091
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 14,222,906	$ 12,950,455	$ 13,160,654	$ 13,226,621	$ 13,256,124	$ 13,305,309	$ 12,735,488	$ 12,402,952	$ 11,599,923
Contributions as a percentage of covered employee payroll	45.52%	42.10%	36.49%	40.03%	34.08%	36.90%	35.76%	43.94%	37.82%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule

Changes in assumptions:

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Investment rate of return (net of pension plan investment expense, including inflation)	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%
Salary increases	3.00% - 11.5%	3.00% - 11.5%	3.50% - 19.5%	3.50% - 19.5%	3.50% - 19.5%	3.50% - 19.5%	3.50% - 19.5%	4.00% - 20.0%	4.00% - 20.0%
Cost of living adjustments	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	2.25% - 3.25%	2.30% - 3.60%	2.30% - 3.60%
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%

CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
LAST SEVEN YEARS*

	2022	2021	2020	2019	2018	2017	2016
Proportion of the net OPEB liability	0.330831%	0.320431%	0.349907%	0.418651%	0.365767%	0.390046%	0.380742%
Proportionate share of the net OPEB liability	$ 51,272,846	$ 77,331,488	$ 82,371,279	$ 78,547,288	$ 63,147,471	$ 67,722,049	$ 65,649,161
Covered payroll	$ 14,222,906	$ 12,950,455	$ 13,160,654	$ 13,226,621	$ 13,256,124	$ 13,305,309	$ 12,735,488
Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	360.49%	597.13%	625.89%	593.86%	476.36%	508.99%	515.48%
Plan fiduciary net position as of percentage of total OPEB liability	12.63%	8.35%	6.13%	5.99%	4.69%	3.03%	1.94%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
EMPLOYEES' OTHER POST EMPLOYMENT BENEFIT PLAN
LAST SEVEN YEARS*

	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 2,805,206	$ 2,781,565	$ 3,034,471	$ 3,152,196	$ 2,933,060	$ 2,603,173	$ 2,317,169
Amount contributed in relation to contractually required contribution	2,805,206	2,781,565	3,034,471	3,152,196	2,933,060	2,603,173	2,317,169
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 14,222,906	$ 12,950,455	$ 13,160,654	$ 13,226,621	$ 13,256,124	$ 13,305,309	$ 12,735,488
Contributions as a percentage of covered employee payroll	19.72%	21.48%	23.06%	23.83%	22.13%	19.56%	18.19%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule

Changes in assumptions:

	2022	2021	2020	2019	2018	2017	2016
Payroll growth rate	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%
Salary increases	3.00% - 11.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%
Discount rate	3.90%	2.31%	2.38%	3.58%	3.95%	3.68%	3.74%
Health care cost trend rates:							
Medical	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	6.5% graded to 4.5% over 4 years	6.5% graded to 4.5% over 4 years	6.5% graded to 4.5% over 4 years	5.00%
Prescription drug	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	8.0% graded to 4.5% over 7 years	8.0% graded to 4.5% over 7 years	8.0% graded to 4.5% over 7 years	10.0% graded to 5.0% over 5 years
Dental and Part B	3.0% / 4.5%	3.0% / 4.5%	3.0% / 4.5%	4.50%	4.50%	4.50%	5.00%
Administrative expense	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	$250 per participar

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2022
(in 000's)

		Other Funds				Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
Assets								
Restricted current assets:								
Cash and cash equivalents	$ 1,047	$	$	$ 4	$	$	$	$ 1,051
Mortgage loans receivable	115,953		741	4,921	435			122,050
Investments in securities	1,376,836	3,733	7,773	73,243	1,070	1,241		1,463,896
Real estate owned - multifamily						2,300		2,300
Accrued interest receivable on:								
Mortgage loans	10,053		188	303	10			10,554
Securities	10,243	14	28	275		5		10,565
Due from other funds/component units	2,418						(2,418)	
Accounts receivable and other assets	55,178			772	100	804		56,854
Total current assets	1,571,728	3,747	8,730	79,518	1,615	4,350	(2,418)	1,667,270
Restricted noncurrent assets:								
Mortgage loans receivable, net of current portion	2,272,349		46,579	58,341	6,723			2,383,992
Investments in securities, net of current portion	1,973,000			1,035				1,974,035
Derivative instruments - interest rate swaps	25,707							25,707
Capital assets, net of depreciation	4,605							4,605
Real estate owned - single family	2,274							2,274
Total noncurrent assets	4,277,935		46,579	59,376	6,723			4,390,613
Total assets	5,849,663	3,747	55,309	138,894	8,338	4,350	(2,418)	6,057,883
Deferred Outflows of Resources								
Unamortized deferral on bond refundings	61,847							61,847
Deferred amount for OPEB	15,202							15,202
Deferred amount for pensions	13,120							13,120
Total deferred outflows of resources	90,169							90,169
Liabilities								
Current liabilities:								
Escrow deposits and unearned revenue	97,774		902	5,718	583			104,977
Due to other funds/component units			118			2,300	(2,418)	
Accrued interest payable	17,638		44	88	31			17,801
Accounts payable and accrued liabilities	6,390		11	844		139		7,384
Line of credit payable	180,425							180,425
Bonds payable	385,375		852	3,010	468			389,705
Total current liabilities	687,602		1,927	9,660	1,082	2,439	(2,418)	700,292
Noncurrent liabilities								
Escrow deposits and unearned revenue, net of current portion	162,923		3,091	33,332				199,346
Bonds payable, net of current portion	4,098,025		46,879	58,995	6,646			4,210,545
Net OPEB liability	51,273							51,273
Net pension liability	50,111							50,111
Total noncurrent liabilities	4,362,332		49,970	92,327	6,646			4,511,275
Total liabilities	5,049,934		51,897	101,987	7,728	2,439	(2,418)	5,211,567
Deferred Inflows of Resources								
Deferred amount for OPEB	37,661							37,661
Deferred amount for pensions	17,015							17,015
Derivative financial Instruments	171,493							171,493
Total deferred inflows of resources	226,169							226,169
Net Position								
Net investment in capital assets	4,605							4,605
Restricted by bond indentures and/or enabling legislation	659,124	3,747	3,412	36,907	610	1,911		705,711
Total Net Position	$ 663,729	$ 3,747	$ 3,412	$ 36,907	$ 610	$ 1,911	$ -	$ 710,316

EXHIBIT I

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2021
(in 000's)

		Other Funds					Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Single Family Special Obligation Bond and Other Bond Funds	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
Assets									
Restricted current assets:									
Cash and cash equivalents	$ 285	$	$	$	$	$	$	$	$ 285
Mortgage loans receivable	177,902			707	4,466	428			183,503
Investments in securities	1,069,633	3,670		7,438	66,316	1,080	830		1,148,967
Real estate owned - multifamily							2,300		2,300
Accrued interest receivable on:									
Mortgage loans	11,969			191	350	17			12,527
Securities	4,965			1	12				4,978
Due from other funds/component units	2,415							(2,415)	
Accounts receivable and other assets	34,932				765		560		36,257
Total current assets	1,302,101	3,670		8,337	71,909	1,525	3,690	(2,415)	1,388,817
Restricted noncurrent assets:									
Mortgage loans receivable, net of current portion	2,299,162			47,320	61,451	7,170			2,415,103
Investments in securities, net of current portion	2,335,213				1,274				2,336,487
Capital assets, net of depreciation	3,309								3,309
Real estate owned - single family	2,293								2,293
Total noncurrent assets	4,639,977	-	-	47,320	62,725	7,170	-	-	4,757,192
Total assets	5,942,078	3,670		55,657	134,634	8,695	3,690	(2,415)	6,146,009
Deferred Outflows of Resources									
Unamortized deferral on bond refundings	71,070								71,070
Deferred amount for OPEB	17,533								17,533
Deferred amount for pensions	11,127								11,127
Total deferred outflows of resources	99,730	-	-	-			-	-	99,730
Liabilities									
Current liabilities:									
Escrow deposits and unearned revenue	42,379			904	4,733	583			48,599
Due to other funds/component units				115			2,300	(2,415)	
Accrued interest payable	14,733			45	90	33			14,901
Accounts payable and accrued liabilities	5,924				766		108		6,798
Line of credit payable	144,065								144,065
Bonds payable	493,400			826	2,915	452			497,593
Total current liabilities	700,501			1,890	8,504	1,068	2,408	(2,415)	711,956
Noncurrent liabilities									
Escrow deposits and unearned revenue, net of current portion	120,381			2,887	32,406				155,674
Bonds payable, net of current portion	3,934,260			47,677	62,005	7,114			4,051,056
Derivative instruments - interest rate swaps	118,936								118,936
Net OPEB liability	77,331								77,331
Net pension liability	64,880								64,880
Total noncurrent liabilities	4,315,788	-		50,564	94,411	7,114	-		4,467,877
Total liabilities	5,016,289			52,454	102,915	8,182	2,408	(2,415)	5,179,833
Deferred Inflows of Resources									
Deferred amount for OPEB	17,002								17,002
Deferred amount for pensions	9,794								9,794
Derivative financial Instruments	26,850								26,850
Total deferred inflows of resources	53,646	-	-	-	-	-	-	-	53,646
Net Position									
Net investment in capital assets	3,309								3,309
Restricted by bond indentures and/or enabling legislation	968,564	3,670		3,203	31,719	513	1,282		1,008,951
Total Net Position	$ 971,873	$ 3,670	$	$ 3,203	$ 31,719	$ 513	$ 1,282	$ -	$ 1,012,260

EXHIBIT II

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022
(in 000's)

		Other Funds				Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
Operating Revenues								
Interest on mortgage loans	$ 109,582		2,218	3,650	202			$ 115,652
Interest on investments	79,778	64	83	730		16	(1,371)	79,300
Fees and other income	12,531	13				613		13,157
Total operating revenues	201,891	77	2,301	4,380	202	629	(1,371)	208,109
Operating Expenses								
Interest	120,974		1,903	1,997	105		(1,371)	123,608
Bond issuance costs	6,308							6,308
Servicer fees	12,144							12,144
Administrative	35,800							35,800
Provision for loss reserves	1,140							1,140
Total operating expenses	176,366		1,903	1,997	105		(1,371)	179,000
Operating Income	25,525	77	398	2,383	97	629		29,109
Nonoperating Revenues (Expenses)								
Actuarial assumption changes pension and OPEB	12,611							12,611
Net decrease in the fair value of investments	(342,952)			(200)				(343,152)
State and federal program funding	44,611			246	204			45,061
State and federal program expenses	(45,123)			(246)	(204)			(45,573)
Nonoperating loss	(330,853)			(200)				(331,053)
Income (Loss) before Transfers	(305,328)	77	398	2,183	97	629		(301,944)
Operating Transfers In (Out)	(2,816)		(189)	3,005				
Change in Net Position	(308,144)	77	209	5,188	97	629		(301,944)
Net Position - Beginning of Year	971,873	3,670	3,203	31,719	513	1,282		1,012,260
Net Position - End of Year	$ 663,729	$ 3,747	$ 3,412	$ 36,907	$ 610	$ 1,911	$	$ 710,316

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021
(in 000's)

		Other Funds					Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Single Family Special Obligation Bond and Other Bond Funds	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
Operating Revenues									
Interest on mortgage loans	$ 116,339		156	2,251	3,949	211			$ 122,906
Interest on investments	64,477	4	7	4	91		1	(1,874)	62,710
Fees and other income	18,241	31			151		113		18,536
Total operating revenues	199,057	35	163	2,255	4,191	211	114	(1,874)	204,152
Operating Expenses									
Interest	125,759		694	1,924	1,855	110		(1,874)	128,468
Bond issuance costs	7,458				659				8,117
Servicer fees	7,838		22						7,860
Administrative	35,752		41						35,793
Reduction to loss reserves	(16,150)								(16,150)
Total operating expenses	160,657		757	1,924	2,514	110		(1,874)	164,088
Operating Income (Loss)	38,400	35	(594)	331	1,677	101	114		40,064
Nonoperating Revenues (Expenses)									
Actuarial assumption changes pension and OPEB	446								446
Net decrease in the fair value of investments	(73,825)		(704)		(74)				(74,603)
State and federal program funding	10,139								10,139
State and federal program expenses	(7,695)								(7,695)
Nonoperating income (loss)	(70,935)		(704)		(74)				(71,713)
Income (Loss) before Transfers	(32,535)	35	(1,298)	331	1,603	101	114		(31,649)
Operating Transfers In (Out)	(109)		(3,018)	(192)	3,319				
Change in Net Position	(32,644)	35	(4,316)	139	4,922	101	114		(31,649)
Net Position - Beginning of Year	1,004,517	3,635	4,316	3,064	26,797	412	1,168		1,043,909
Net Position - End of Year	$ 971,873	$ 3,670	$	$ 3,203	$ 31,719	$ 513	$ 1,282	$	$ 1,012,260

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