

**REPORT OF WHITTLESEY & HADLEY, P.C.
INDEPENDENT AUDITORS**

To the Board of Directors
Connecticut Housing Finance Authority

We have audited the accompanying combined balance sheets of Connecticut Housing Finance Authority (a political subdivision of the State of Connecticut) as of December 31, 2001 and 2000, and the related combined statements of revenues, expenses and changes in fund balances, and of cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Connecticut Housing Finance Authority at December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

The information contained in Exhibits I-A, I-B and II is presented for purposes of additional analysis and is not a required part of the financial statements of the Authority. Such information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

WHITTLESEY & HADLEY, P.C.

Hartford, Connecticut
March 28, 2002

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINED BALANCE SHEETS
(INCLUDING DISCRETELY PRESENTED COMPONENT UNITS)
(in 000's)

	December 31, 2001					December 31, 2000				
	General and Capital Reserve Funds (Note 4)	Other Funds	Primary Government Totals (Memorandum Only)	Component Units	Reporting Entity Totals (Memorandum Only)	General and Capital Reserve Funds (Note 4)	Other Funds	Primary Government Totals (Memorandum Only)	Component Units	Reporting Entity Totals (Memorandum Only)
<i>Assets</i>										
Cash (Note 3)	\$ 2,583	\$ 23	\$ 2,606	\$ 495	\$ 3,101	\$ 1,604	\$ 2	\$ 1,606	\$ 127	\$ 1,733
Investments in mortgage loans (Note 5)	2,952,057	17,412	2,969,469	571	2,970,040	2,972,343	17,259	2,989,602	-	2,989,602
Investments in securities (Note 3)	588,877	2,681	591,558	302	591,860	454,019	3,990	458,009	667	458,676
Accrued interest receivable on:										
Investments in mortgage loans	19,565	84	19,649	9	19,658	20,479	123	20,602	-	20,602
Investments in securities	2,326	1	2,327	-	2,327	2,702	2	2,704	1	2,705
Due from component units	2,347	-	2,347	-	2,347	2,381	-	2,381	-	2,381
Accounts receivable and other assets	8,965	-	8,965	252	9,217	7,966	-	7,966	253	8,219
Building (Note 10)	2,523	-	2,523	-	2,523	2,629	-	2,629	-	2,629
Foreclosed real estate - single family (Note 5)	7,180	-	7,180	-	7,180	10,204	-	10,204	-	10,204
Foreclosed real estate - multifamily (Note 5)	2,872	-	2,872	5,527	8,399	2,925	-	2,925	5,527	8,452
Unamortized bond discount and expense	26,712	648	27,360	-	27,360	27,797	754	28,551	-	28,551
Restricted funds held under Group Home Renewal and Replacement Fund (Notes 3 and 4)	-	677	677	-	677	-	474	474	-	474
Restricted funds held under Capital Reserve Funds Requirements (Notes 3 and 4)	364,443	1,598	366,041	-	366,041	334,283	1,606	335,889	-	335,889
Total assets	<u>\$3,980,450</u>	<u>\$23,124</u>	<u>\$4,003,574</u>	<u>\$ 7,156</u>	<u>\$4,010,730</u>	<u>\$3,839,332</u>	<u>\$24,210</u>	<u>\$3,863,542</u>	<u>\$ 6,575</u>	<u>\$3,870,117</u>
<i>Liabilities</i>										
Escrow deposits	\$ 134,435	\$ 850	\$ 135,285	\$ 554	\$ 135,839	\$ 126,592	\$ 560	\$ 127,152	\$ 399	\$ 127,551
Accrued interest payable	23,444	51	23,495	14	23,509	23,143	51	23,194	14	23,208
Accounts payable and accrued liabilities	4,743	32	4,775	-	4,775	4,661	36	4,697	8	4,705
Due to General Fund	-	-	-	2,347	2,347	-	-	-	2,381	2,381
Bonds payable (Note 6)	3,206,660	19,845	3,226,505	-	3,226,505	3,116,365	20,210	3,136,575	-	3,136,575
Total liabilities	<u>\$3,369,282</u>	<u>\$20,778</u>	<u>\$3,390,060</u>	<u>\$ 2,915</u>	<u>\$3,392,975</u>	<u>\$3,270,761</u>	<u>\$20,857</u>	<u>\$3,291,618</u>	<u>\$ 2,802</u>	<u>\$3,294,420</u>
<i>Fund Balances (Note 7)</i>										
Restricted	611,168	413	611,581	-	611,581	568,571	371	568,942	-	568,942
Appropriated	-	1,933	1,933	-	1,933	-	2,982	2,982	-	2,982
Unappropriated	-	-	-	4,241	4,241	-	-	-	3,773	3,773
Total fund balances	<u>611,168</u>	<u>2,346</u>	<u>613,514</u>	<u>4,241</u>	<u>617,755</u>	<u>568,571</u>	<u>3,353</u>	<u>571,924</u>	<u>3,773</u>	<u>575,697</u>
Total liabilities and fund balances	<u>\$3,980,450</u>	<u>\$23,124</u>	<u>\$4,003,574</u>	<u>\$7,156</u>	<u>\$4,010,730</u>	<u>\$3,839,332</u>	<u>\$24,210</u>	<u>\$3,863,542</u>	<u>\$6,575</u>	<u>\$3,870,117</u>

The accompanying notes are an integral part of these financial statements.

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
(INCLUDING DISCRETELY PRESENTED COMPONENT UNITS)
(in 000's)

	December 31, 2001					December 31, 2000				
	General and Capital Reserve Funds (Note 4)	Other Funds	Primary Government Totals (Memorandum Only)	Component Units	Reporting Entity Totals (Memorandum Only)	General and Capital Reserve Funds (Note 4)	Other Funds	Primary Government Totals (Memorandum Only)	Component Units	Reporting Entity Totals (Memorandum Only)
<i>Revenues</i>										
Interest on mortgage loans	\$203,561	\$ 1,217	\$204,778	\$ 65	\$204,843	\$202,386	\$ 906	\$203,292	\$ -	\$203,292
Interest on investments	42,038	188	42,226	19	42,245	46,681	355	47,036	58	47,094
Fees and other income	4,128	62	4,190	913	5,103	4,420	209	4,629	473	5,102
Total revenues	<u>249,727</u>	<u>1,467</u>	<u>251,194</u>	<u>997</u>	<u>252,191</u>	<u>253,487</u>	<u>1,470</u>	<u>254,957</u>	<u>531</u>	<u>255,488</u>
<i>Expenses</i>										
Interest	181,218	1,152	182,370	167	182,537	183,498	885	184,383	168	184,551
Amortization of bond discount and expense	4,608	109	4,717	-	4,717	3,362	139	3,501	-	3,501
Servicer fees	8,805	-	8,805	1	8,806	8,664	-	8,664	-	8,664
Administrative	13,404	-	13,404	436	13,840	12,377	-	12,377	147	12,524
Foreclosure costs and provision for losses	3,295	1,209	4,504	-	4,504	6,080	703	6,783	-	6,783
Total expenses	<u>211,330</u>	<u>2,470</u>	<u>213,800</u>	<u>604</u>	<u>214,404</u>	<u>213,981</u>	<u>1,727</u>	<u>215,708</u>	<u>315</u>	<u>216,023</u>
Revenues over (under) expenses before other activities	38,397	(1,003)	37,394	393	37,787	39,506	(257)	39,249	216	39,465
<i>Other Activities</i>										
Net increase (decrease) in the fair value of investments	695	(4)	691	-	691	17,141	61	17,202	-	17,202
Bond redemption premium	(21)	-	(21)	-	(21)	-	-	-	-	-
Realized gain on sale of REO's	217	-	217	-	217	197	-	197	-	197
Sale of servicing	<u>2,809</u>	<u>-</u>	<u>2,809</u>	<u>-</u>	<u>2,809</u>	<u>2,860</u>	<u>-</u>	<u>2,860</u>	<u>-</u>	<u>2,860</u>
Revenues over (under) expenses	42,097	(1,007)	41,090	393	41,483	59,704	(196)	59,508	216	59,724
Fund balances, beginning of year	568,571	3,353	571,924	3,773	575,697	180,063	334,630	514,693	1,280	515,973
Transfers:										
Interfund	500	-	500	(500)	-	328,804	(331,081)	(2,277)	2,277	-
Capital transfer in	-	-	-	575	575	-	-	-	-	-
Fund balances, end of year	<u>\$611,168</u>	<u>\$ 2,346</u>	<u>\$613,514</u>	<u>\$ 4,241</u>	<u>\$617,755</u>	<u>\$568,571</u>	<u>\$ 3,353</u>	<u>\$571,924</u>	<u>\$ 3,773</u>	<u>\$575,697</u>

The accompanying notes are an integral part of these financial statements.

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINED STATEMENTS OF CASH FLOWS
(INCLUDING DISCRETELY PRESENTED COMPONENT UNITS)
(in 000's)

	December 31, 2001					December 31, 2000				
	General and Capital Reserve Funds (Note 4)	Other Funds	Primary Government Totals (Memorandum Only)	Component Units	Reporting Entity Totals (Memorandum Only)	General and Capital Reserve Funds (Note 4)	Other Funds	Primary Government Totals (Memorandum Only)	Component Units	Reporting Entity Totals (Memorandum Only)
<i>Cash Flows from Operating Activities</i>										
Revenues over (under) expenses before other activities	\$ 38,397	\$ (1,003)	\$ 37,394	\$ 393	\$ 37,787	\$ 39,506	\$ (257)	\$ 39,249	\$ 216	\$ 39,465
Adjustments to reconcile to net cash provided by operating activities:										
Gain on sale of servicing	2,809	-	2,809	-	2,809	2,860	-	2,860	-	2,860
Gain on sale of foreclosed real estate	217	-	217	-	217	197	-	197	-	197
Amortization of bond discount and expense	4,957	108	5,065	-	5,065	4,008	138	4,146	-	4,146
Amortization of investment premiums/discounts	96	1	97	-	97	(18)	-	(18)	-	(18)
Depreciation	109	-	109	-	109	114	-	114	-	114
Provision for losses	2,991	-	2,991	-	2,991	5,584	-	5,584	-	5,584
Interest on investments	(42,038)	(188)	(42,226)	(19)	(42,245)	(46,681)	(355)	(47,036)	(58)	(47,094)
Interest expense	181,218	1,152	182,370	167	182,537	183,498	885	184,383	168	184,551
(Increase) decrease in accrued interest on mortgage loans	914	39	953	(9)	944	75	(68)	7	-	7
(Increase) decrease in accounts receivable and other assets	(999)	-	(999)	1	(998)	564	-	564	1	565
Increase in accrued interest payable	301	-	301	-	301	190	19	209	-	209
Increase (decrease) in accounts payable and accrued liabilities	82	(4)	78	(8)	70	(887)	(244)	(1,131)	5	(1,126)
Increase (decrease) in due to/from funds/component units	34	-	34	(34)	-	34	-	34	(34)	-
Mortgage principal scheduled payments	99,014	227	99,241	4	99,245	92,979	141	93,120	-	93,120
Mortgage principal prepayments	254,150	-	254,150	-	254,150	179,746	-	179,746	-	179,746
Investments in mortgage loans	(332,792)	(380)	(333,172)	-	(333,172)	(379,186)	(6,654)	(385,840)	-	(385,840)
Net Cash Provided (Used) by Operating Activities	209,460	(48)	209,412	495	209,907	82,583	(6,395)	76,188	298	76,486
<i>Cash Flows from Non-Capital Financing Activities</i>										
Increase (decrease) in escrow deposits	7,843	290	8,133	155	8,288	10,502	161	10,663	(133)	10,530
Retirement of bonds payable	(349,975)	(365)	(350,340)	-	(350,340)	(184,250)	(215)	(184,465)	-	(184,465)
Proceeds from sales of bonds	440,270	-	440,270	-	440,270	155,000	7,920	162,920	-	162,920
Interest expense	(181,218)	(1,152)	(182,370)	(167)	(182,537)	(183,498)	(885)	(184,383)	(168)	(184,551)
Bond issuance costs	(3,872)	(2)	(3,874)	-	(3,874)	(2,602)	(374)	(2,976)	-	(2,976)
Bond redemption premium	(21)	-	(21)	-	(21)	-	-	-	-	-
Interfund transfers	500	-	500	(500)	-	1,407	(657)	750	(750)	-
Capital Reserve Funds transfers	(28,955)	-	(28,955)	-	(28,955)	(26,730)	(597)	(27,327)	-	(27,327)
Net Cash Provided (Used) by Non-Capital Financing Activities	(115,428)	(1,229)	(116,657)	(512)	(117,169)	(230,171)	5,353	(224,818)	(1,051)	(225,869)
<i>Cash Flows from Capital and Related Financing Activities</i>										
Building improvements	(3)	-	(3)	-	(3)	(9)	-	(9)	-	(9)
Net Cash Used by Capital and Related Financing Activities	(3)	-	(3)	-	(3)	(9)	-	(9)	-	(9)
<i>Cash Flows from Investing Activities</i>										
Proceeds from sales and maturities of investment securities	437,795	2,290	440,085	444	440,529	379,958	1,604	381,562	716	382,278
Purchases of investment securities	(573,300)	(1,181)	(574,481)	(79)	(574,560)	(281,264)	(1,569)	(282,833)	(5)	(282,838)
Interest on investments	42,038	188	42,226	19	42,245	46,681	355	47,036	58	47,094
(Increase) decrease in accrued interest on securities	417	1	418	1	419	2,363	(6)	2,357	(1)	2,356
Net Cash Provided (Used) by Investing Activities	(93,050)	1,298	(91,752)	385	(91,367)	147,738	384	148,122	768	148,890
Increase (decrease) in cash	979	21	1,000	368	1,368	141	(658)	(517)	15	(502)
Cash balances, beginning of year	1,604	2	1,606	127	1,733	1,463	660	2,123	112	2,235
Cash balances, end of year	<u>\$ 2,583</u>	<u>\$ 23</u>	<u>\$ 2,606</u>	<u>\$ 495</u>	<u>\$ 3,101</u>	<u>\$ 1,604</u>	<u>\$ 2</u>	<u>\$ 1,606</u>	<u>\$ 127</u>	<u>\$ 1,733</u>
<i>Schedule of Supplemental Cash Flow Information</i>										
Cash paid during the year for interest	\$182,950	\$ 1,153	\$184,103	\$ 167	\$184,270	\$183,220	\$ 906	\$184,126	\$ 169	\$184,295

The accompanying notes are an integral part of these financial statements.

CONNECTICUT HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1—Authority Legislation

Connecticut Housing Finance Authority (the Authority) is a public instrumentality and political subdivision of the State of Connecticut. It was created 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).

Note 2—Accounting Policies

The Funds of the Authority and similar component units are proprietary fund types. Proprietary funds are used to account for governmental activities that are similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. The generally accepted accounting principles ("GAAP") used for proprietary funds are generally those applicable to similar businesses in the private sector (accrual basis accounting). GAAP hierarchy applicable to state and local governmental entities consist of Governmental Accounting Standards Board (GASB) pronouncements. The Authority is following Paragraph No. 6 of GASB Statement No. 20 which states that proprietary funds should follow all GASB pronouncements as well as pronouncements, issued on or before November 30, 1989, of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) and the Committee on Accounting Procedure (ARB) unless those pronouncements conflict with GASB pronouncements. Significant accounting policies consistently followed by the Authority in preparing its financial statements follow:

Fund Accounting

Primary Government Funds

Under the Act and the 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 the (i) Group Home Fund, (ii) Group Home Capital Reserve Fund and (iii) Group Home Renewal and Replacement Fund which the Authority is authorized to maintain under the Act and the Group Home Mortgage Finance Program Indenture of Trust of July 25, 1995 (the Indenture). The Authority has also issued conduit debt obligations. As of December 31, 2001 and December 31, 2000 three series totaling \$34,300,000 of Multifamily Housing Revenue Bonds were outstanding. 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.

Component Units

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"). The Connecticut Housing Authority had issued mortgage revenue bonds. As of December 31, 2001 and December 31, 2000 respectively, two series totaling \$11,351,000 and three series totaling \$13,708,000 of mortgage revenue bonds were outstanding. The issuance of these obligations did not create or imply any indebtedness on the part of the Corporation. 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. On August 1, 2001, all outstanding bonds of the CHA Multifamily Mortgage Revenue Bonds 1985 Series A, were called from available proceeds. This resulted in a mortgage note (with a carrying amount on August 1, 2001 of \$575,000) previously pledged to payment of the bonds becoming free and clear to the Corporation. In December 2000 and 2001, \$750,000 and \$500,000 respectively was transferred from the Corporation to the Authority as authorized by the Corporation's Board of Directors.

Diamond Court - CHFA, Inc., Fitch Court - CHFA, Inc., Mitchell School - CHFA, Inc., St. Mary's Residence - CHFA, Inc. and Small Properties - CHFA, Inc. are tax exempt organizations and subsidiaries of the Authority. These organizations operate pursuant to Section 8 - 244(c)(1) of the Connecticut General Statutes and were created to provide distinct accountability for foreclosed real estate awaiting sale. During 2000, the Diamond Court - CHFA, Inc., Fitch Court - CHFA, Inc. and Small Properties - CHFA, Inc. subsidiaries were established and \$3,027,000 was transferred from the Housing Mortgage General Fund in the form of foreclosed real estate - multifamily. See Note 5 - Investments in Mortgage Loans and Foreclosed Real Estate.

Information regarding the above component units is available at the following address:

Connecticut Housing Finance Authority
Finance Department
999 West Street
Rocky Hill, CT 06067

CONNECTICUT HOUSING FINANCE AUTHORITY NOTES TO FINANCIAL STATEMENTS — (Continued)

Cash

The carrying amount reported in the combined balance sheets as cash is comprised of accounts on deposit with financial institutions. Cash equivalents such as repurchase agreements are reported as part of investments in securities.

Investments in Mortgages

Mortgage loans are carried at their principal balance net of allowance for losses and are 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 and in management's opinion is deemed uncollectable as to principal or interest. When interest accruals are discontinued, unpaid interest previously credited to income is reversed and subsequently recognized as income only when received.

Investments in Securities

The Authority is limited under the Act to investment obligations issued or guaranteed by the United States Government or the State of Connecticut and to participation certificates for the combined investment pool administered by the State Treasurer and to 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 fair value with the exception of those investments maturing within one year, which are carried at amortized cost, excluding accrued interest, pursuant to GASB 31 which became effective for financial statements issued for periods beginning after June 15, 1997. The Bond Resolution requires valuation of investments of (i) the Housing Mortgage Capital Reserve Fund at the lowest of par, actual cost or market value, and (ii) the Housing Mortgage General Fund at par. The Indenture requires valuation of investments of the Group Home Capital Reserve Fund 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. This information is provided in Note 3 and Exhibits I-A and I-B.

Building

The building and all capital improvements are carried at cost net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful life of the asset.

Amortization of Bond Discount and Expense

Discount and issuance expenses on bonds are deferred and amortized, on a level yield method, over the term of the related issue. Pursuant to GASB 23, effective for financial statements issued for periods beginning after June 15, 1994, differences between the reacquisition price and the net carrying amount of refunded debt resulting in defeasance are deferred and amortized as a component of interest expense over the shorter of the remaining life of the old or the new debt.

Allowance for Losses

The allowance for losses is maintained at a level believed adequate by management to absorb potential losses in the loan and foreclosed real estate portfolios. Management's determination of the adequacy of the allowance is based on an evaluation of the portfolio, past experience and current economic conditions. The allowance is increased by provisions for losses charged against income.

Foreclosed Real Estate

Real estate acquired in satisfaction of a loan and in-substance foreclosures are reported separately in foreclosed real estate. In-substance foreclosures are properties in which the borrower has little or no equity in the collateral, where repayment of the loan is expected only from the operation or sale of the collateral, and the borrower either effectively abandons control of the property or the borrower has retained control of the property, but his ability to rebuild equity based on current financial conditions is considered doubtful. Properties acquired by foreclosure or deed in lieu of foreclosure and properties classified as in-substance foreclosures are transferred to foreclosed real estate and recorded at the lower of cost or fair market value. Loan losses arising from the acquisition of such property are charged against the allowance for losses. An allowance for losses on foreclosed real estate is maintained for subsequent valuation adjustments on a specific property basis.

**CONNECTICUT HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS — (Continued)**

Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses for the period. Actual results could differ significantly from those estimates. Material estimates that are particularly susceptible to significant change in the near-term relate to the determination of the allowance for losses and the valuation of foreclosed real estate.

Reclassifications

Certain 2000 amounts have been reclassified to conform to 2001 financial statement presentation.

Totals - Memorandum Only

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, the results of operations or cash flows in conformity with generally accepted accounting principles nor is such data comparable to a consolidation.

Note 3—Cash and Investments in Securities

GASB Statement No. 3 requires governmental organizations to categorize their cash deposits and investments into three levels of risk. Category 1 includes amounts which are insured or registered in the Authority's name or collateralized with securities and held in the Authority's name by the Authority or its agent. Category 2 includes amounts which are uninsured and unregistered for which collateral or securities are held by a counterparty's trust department or agent in the name of the Authority. Category 3 includes amounts that are uninsured or unregistered for which collateral or securities may be held by the counterparty, its trust department or agent but not in the name of the Authority.

Cash Deposits (in 000's)

At December 31, 2001, the carrying amount reported as cash on the combined balance sheets of the Authority represents deposits (including checking accounts and escrow accounts) of \$3,101. All of this amount is on deposit in independent financial institutions with a financial institution balance of \$3,501 categorized as follows:

Category 1	\$2,262
Category 2	-
Category 3	
Collateralized	179
Uncollateralized	1,060
Total	<u>\$3,501</u>

Included in the \$3,101 carrying amount reported as cash, \$1,393 represents deposits held in escrow by the Authority.

Investments in Securities (in 000's)

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. GNMA Program Assets are carried at fair value pursuant to GASB 31. 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 fund balance held in the Investment Trust Fund to the Housing Mortgage General Fund.

As more fully described in Note 2 and detailed in Exhibits I-A and I-B, the Authority's investments are limited to (i) United States Government obligations, including its agencies or instrumentalities, (ii) investments guaranteed by the State of Connecticut, (iii) participation certificates for the combined investment pool administered by the State Treasurer or (iv) other obligations which are legal investments for savings banks in Connecticut. Repurchase agreements, Investment agreements and the Federated Treasury Obligations Fund are fully collateralized by obligations issued by the United States Government or its agencies. Mortgage Backed Securities (MBS's) and Collateralized Mortgage Obligations (CMO's) are fully collateralized by the Federal National Mortgage Association (FNMA) or the US Department of Housing and Urban Development (HUD) mortgage pools. Structured Securities are fully collateralized by Home Improvement Contracts, Home Equity Contracts and/or Manufactured Housing Sales Contracts and Installment Loan Agreements. Corporate Finance Bonds and the Guaranteed Investment Contract meet Investment Grade rating standards. All investments exist in book entry form and are held by the Trustee or other financial institution in the Authority's name or insured (Category 1 - Carrying Amount - \$598,646) with the exception of the Berkshire Hathaway Guaranteed Investment Contract which is an Investment Grade unsecured senior debt obligation of Berkshire Hathaway Inc. (Category 3 - Carrying Amount - \$2,264) and the State of Connecticut Short Term Investment Fund (Uncategorized - Carrying Amount - \$355,942) which is a participation certificate for the combined investment pool administered by the State Treasurer that is not required to be classified by risk category. At December 31, 2001 the Authority held the following investments bearing interest at annual rates ranging from 0.81% to 8.38% (which includes escrows with a carrying amount of \$134,446):

**CONNECTICUT HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS — (Continued)**

	<u>Face Value</u>	<u>Actual Cost</u>	<u>Amortized Cost</u>	<u>Market Value</u>	<u>Carrying Amount</u>
GENERAL AND OTHER FUNDS					
Collateralized Mortgage Obligations (CMO's)	\$ 7,203	\$ 7,250	\$ 7,231	\$ 6,920	\$ 6,920
Corporate Finance Bonds	7,155	7,782	7,594	6,976	6,976
Corporate Notes	10,300	10,425	10,381	10,412	10,412
Federated Funds	4,941	4,941	4,941	4,941	4,941
Fidelity Tax Exempt Fund	12,309	12,309	12,309	12,309	12,309
GNMA Program Assets	80,675	80,675	80,675	77,849	77,849
Guaranteed Investment Contract	2,264	2,264	2,264	2,264	2,264
Investment Agreements	2,288	2,288	2,288	2,288	2,288
Merrill Lynch Fund	6,896	6,896	6,896	6,896	6,896
Mortgage Backed Securities (MBS's)	28,128	28,175	28,175	28,341	28,341
Repurchase Agreements	81,141	81,141	81,141	81,141	81,141
State of CT Short Term Investment Fund (STIF)	314,527	314,527	314,527	314,527	314,527
Structured Securities	5,500	5,544	5,538	5,658	5,658
U.S. Government Securities	30,728	30,717	30,727	31,051	31,036
Subtotal General and Other Funds	<u>\$594,055</u>	<u>\$594,934</u>	<u>\$594,687</u>	<u>\$591,573</u>	<u>\$591,558</u>

BOND RESOLUTION CAPITAL RESERVE FUND

GNMA Program Assets	\$323,814	\$323,814	\$323,814	\$317,936	\$317,936
Repurchase Agreements	3,374	3,374	3,374	3,374	3,374
State of CT Short Term Investment Fund (STIF)	41,415	41,415	41,415	41,415	41,415
Subtotal Bond Resolution Capital Reserve Fund	<u>\$368,603</u>	<u>\$368,603</u>	<u>\$368,603</u>	<u>\$362,725</u>	<u>\$362,725</u>

INDENTURE CAPITAL RESERVE FUND

Repurchase Agreements	\$ 940	\$ 940	\$ 940	\$ 940	\$ 940
U.S. Government Securities	577	597	596	650	650
Subtotal Indenture Capital Reserve Fund	<u>\$ 1,517</u>	<u>\$ 1,537</u>	<u>\$ 1,536</u>	<u>\$ 1,590</u>	<u>\$ 1,590</u>

INDENTURE RENEWAL AND REPLACEMENT FUND

Repurchase Agreements	\$ 677	\$ 677	\$ 677	\$ 677	\$ 677
Subtotal Indenture Renewal and Replacement Fund	<u>\$ 677</u>	<u>\$ 677</u>	<u>\$ 677</u>	<u>\$ 677</u>	<u>\$ 677</u>

COMPONENT UNITS

Federated Fund	\$ 59	\$ 59	\$ 59	\$ 59	\$ 59
Repurchase Agreements	243	243	243	243	243
Subtotal Component Units	<u>\$ 302</u>	<u>\$ 302</u>	<u>\$ 302</u>	<u>\$ 302</u>	<u>\$ 302</u>

Total investments held by all funds and component units	<u>\$965,154</u>	<u>\$966,053</u>	<u>\$965,805</u>	<u>\$956,867</u>	<u>\$956,852</u>
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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 (\$270,024 at December 31, 2001) 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 (\$284,168 at December 31, 2001) 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.

**CONNECTICUT HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS — (Continued)**

Restricted funds of the Bond Resolution Capital Reserve Fund consisted of the following:

	December 31,	
	2001	2000
Carrying amount	\$362,725	\$332,525
Accrued interest receivable	1,718	1,758
	<u>\$364,443</u>	<u>\$334,283</u>

Indenture Capital Reserve Fund (in 000's)

The Indenture Capital Reserve Fund is established pursuant to the Act and the 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 (\$1,511 at December 31, 2001) on all bonds of the Authority then outstanding under the Indenture. Further, the Authority may not issue additional bonds under the Indenture unless the amount in the 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 (\$1,512 at December 31, 2001) on all bonds of the Authority then outstanding under the Indenture. For purposes of satisfying these requirements, the Act and the Indenture require that investments of the 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 Indenture Capital Reserve Fund consisted of the following:

	December 31,	
	2001	2000
Carrying amount	\$1,590	\$1,598
Accrued interest receivable	8	8
	<u>\$1,598</u>	<u>\$1,606</u>

Group Home Renewal and Replacement Fund

The Group Home Renewal and Replacement Fund is established pursuant to the Act and the Indenture to provide funding for capital repairs and replacements exceeding \$2,500 for group homes financed with the proceeds of bonds issued under the Indenture. At December 31, 2001, the carrying amount of restricted funds of the Group Home Renewal and Replacement Fund was \$677,000.

Note 4—General and Capital Reserve Funds, Group Home Fund, Group Home Capital Reserve Fund and Group Home Renewal and Replacement Fund

All assets of the General and Capital Reserve Funds are restricted under the terms of the Bond Resolution until such time as they are determined to be "surplus funds," as further described in Note 7. All assets of the (i) Group Home Fund, (ii) Group Home Capital Reserve Fund and (iii) Group Home Renewal and Replacement Fund are restricted under the terms of the Indenture.

Note 5—Investments in Mortgage Loans and Foreclosed Real Estate

The Authority grants single family and multifamily loans to borrowers located in Connecticut. All such loans are collateralized by real estate located in Connecticut. The majority of the Authority's loan portfolio is comprised of residential mortgages. Residential mortgage loans totaled \$2,318,944,000 at December 31, 2001 and \$2,358,844,000 at December 31, 2000. Multifamily and construction mortgage loans totaled \$693,134,000 at December 31, 2001 and \$675,211,000 at December 31, 2000.

CONNECTICUT HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS — (Continued)

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

	December 31, 2001		
	Outstanding Principal Balance	Allowance for Loan Losses	Investments in Mortgage Loans
Home mortgage loans:			
Insured by the Federal Housing Administration or guaranteed by the Veterans Administration	\$ 1,931,893	\$ 434	\$ 1,931,459
Insured by private mortgage insurance companies	156,045	346	155,699
Guaranteed by the State of Connecticut	1,667	-	1,667
Uninsured reverse annuity mortgage loans	18,355	400	17,955
Uninsured, not guaranteed	<u>210,984</u>	<u>5,782</u>	<u>205,202</u>
Total home mortgage loans	<u>2,318,944</u>	<u>6,962</u>	<u>2,311,982</u>
Multifamily mortgage loans:			
Completed developments:			
Insured by the Federal Housing Administration or guaranteed by private insurer	93,717	-	93,717
Partially insured by the Federal Housing Administration	18,047	671	17,376
Uninsured, federally subsidized	198,529	-	198,529
Uninsured, State of Connecticut subsidized group home mortgage loans	17,412	-	17,412
Uninsured, unsubsidized, not guaranteed	<u>239,565</u>	<u>22,252</u>	<u>217,313</u>
Total completed developments	<u>567,270</u>	<u>22,923</u>	<u>544,347</u>
Construction mortgage loans:			
Subsidized or partially subsidized by the Federal Housing Administration	2,420	-	2,420
Uninsured	<u>123,444</u>	<u>12,153</u>	<u>111,291</u>
Total construction mortgage loans	<u>125,864</u>	<u>12,153</u>	<u>113,711</u>
Total multifamily mortgage loans	<u>693,134</u>	<u>35,076</u>	<u>658,058</u>
TOTAL INVESTMENTS IN MORTGAGE LOANS	<u>\$3,012,078</u>	<u>\$42,038</u>	<u>\$2,970,040</u>

	December 31, 2000		
Home mortgage loans:			
Insured by the Federal Housing Administration or guaranteed by the Veterans Administration	\$ 1,974,743	\$ 470	\$ 1,974,273
Insured by private mortgage insurance companies	184,413	395	184,018
Guaranteed by the State of Connecticut	2,643	-	2,643
Uninsured reverse annuity mortgage loans	21,996	400	21,596
Uninsured, not guaranteed	<u>175,049</u>	<u>5,528</u>	<u>169,521</u>
Total home mortgage loans	<u>2,358,844</u>	<u>6,793</u>	<u>2,352,051</u>
Multifamily mortgage loans:			
Completed developments:			
Insured by the Federal Housing Administration or guaranteed by private insurer	95,733	-	95,733
Partially insured by the Federal Housing Administration	12,952	178	12,774
Uninsured, federally subsidized	206,776	-	206,776
Uninsured, State of Connecticut subsidized group home mortgage loans	17,259	-	17,259
Uninsured, unsubsidized, not guaranteed	<u>233,219</u>	<u>25,881</u>	<u>207,338</u>
Total completed developments	<u>565,939</u>	<u>26,059</u>	<u>539,880</u>
Construction mortgage loans:			
Subsidized or partially subsidized by the Federal Housing Administration	6,120	-	6,120
Uninsured	<u>103,152</u>	<u>11,601</u>	<u>91,551</u>
Total construction mortgage loans	<u>109,272</u>	<u>11,601</u>	<u>97,671</u>
Total multifamily mortgage loans	<u>675,211</u>	<u>37,660</u>	<u>637,551</u>
TOTAL INVESTMENTS IN MORTGAGE LOANS	<u>\$3,034,055</u>	<u>\$44,453</u>	<u>\$2,989,602</u>

**CONNECTICUT HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS — (Continued)**

The Federal Housing Administration (FHA) home mortgage program insures the repayment of the unpaid principal amount of the mortgages. The insurance proceeds are usually paid in cash, but under certain programs, payments may be in the form of twenty-year debentures which may have an interest rate less than that of the insured mortgage. The Veterans Administration (VA) mortgage program guarantees from 25% to 50% of the original principal amount of the mortgage up to a maximum guaranty amount of \$50,750. For guarantees issued prior to February 1, 1988, the VA guarantees the lesser of up to 60% of the original principal amount of the mortgage or \$27,500 (\$25,000 in the case of guarantees issued prior to October 1, 1980, \$17,500 prior to October 1, 1978 and \$12,500 prior to December 31, 1974). The State of Connecticut has guaranteed the repayment of up to \$5,000,000 for the Authority's Residential Mortgage Guarantee Program.

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.

The Authority has made mortgage loans to finance community based residential facilities for mentally retarded persons ("Group Homes") through the issuance of bonds under the Indenture. The mortgage loans will be repaid by Group Home owners through tenant rent subsidies received from the State of Connecticut Department of Social Services.

Permanent loans earn interest at rates ranging from 0% to 13.5%, and have initial terms of 10 to 40 years.

Construction loans earn interest at rates ranging from 0% to 9%. Upon completion of each development, the related permanent mortgage loan will generally be provided by the Authority, and will generally be payable over 30 to 40 years at interest rates ranging from 0% to 9%.

Nonperforming loans were 0.84% of total assets at December 31, 2001 compared to 0.89% of total assets at December 31, 2000. Information with respect to such loans for the last two years is as follows (in 000's):

	December 31,	
	2001	2000
Nonaccrual single family loans	\$15,206	\$16,886
Nonaccrual multifamily loans.....	<u>18,557</u>	<u>17,759</u>
Total.....	<u>\$33,763</u>	<u>\$34,645</u>

Interest income that would have been recorded in the years ended December 31, 2001 and December 31, 2000 on nonaccrual loans under the original terms was approximately \$2,387,000 and \$2,420,000 respectively.

At December 31, 2001, the multifamily loan portfolio included 17 restructured loans with an aggregate outstanding principal balance of \$84,661,000. The gross interest income that would have been recorded in 2001, if these loans had been current in accordance with the original terms was \$6,969,000. The interest received on these loans in 2001 was \$5,350,000.

At December 31, 2000, the multifamily loan portfolio included 18 restructured loans with an aggregate outstanding principal balance of \$86,742,000. The gross interest income that would have been recorded in 2000, if these loans had been current in accordance with the original terms was \$7,235,000. The interest received on these loans in 2000 was \$5,314,000.

**CONNECTICUT HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS — (Continued)**

Foreclosed Real Estate (in 000's)

Year Ended December 31, 2001

	Primary Government <u>Total</u>	Component Units <u>Units</u>	<u>Total</u>
Foreclosed real estate	\$11,614	\$5,527	\$17,141
Allowance for foreclosed real estate losses.....	<u>(1,562)</u>	-	<u>(1,562)</u>
Foreclosed real estate (carrying amount).....	<u>\$10,052</u>	<u>\$5,527</u>	<u>\$15,579</u>
Foreclosed real estate - single family.....	\$7,180	\$ -	\$7,180
Foreclosed real estate - multifamily.....	<u>2,872</u>	<u>5,527</u>	<u>8,399</u>
Foreclosed real estate (carrying amount).....	<u>\$10,052</u>	<u>\$5,527</u>	<u>\$15,579</u>

Year Ended December 31, 2000

	Primary Government <u>Total</u>	Component Units <u>Units</u>	<u>Total</u>
Foreclosed real estate	\$14,893	\$5,527	\$20,420
Allowance for foreclosed real estate losses.....	<u>(1,764)</u>	-	<u>(1,764)</u>
Foreclosed real estate (carrying amount).....	<u>\$13,129</u>	<u>\$5,527</u>	<u>\$18,656</u>
Foreclosed real estate - single family.....	\$10,204	\$ -	\$10,204
Foreclosed real estate - multifamily.....	<u>2,925</u>	<u>5,527</u>	<u>8,452</u>
Foreclosed real estate (carrying amount).....	<u>\$13,129</u>	<u>\$5,527</u>	<u>\$18,656</u>

With respect to foreclosed real estate - single family, since 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 foreclosed real estate - multifamily, the Authority is holding such assets for subsequent sale in a manner that will allow maximization of value. As of December 31, 2001 and 2000, 10 and 8 properties respectively, were classified as foreclosed real estate - multifamily, including 1 in-substance foreclosure. During 2001, the Authority completed foreclosure on 2 of its multifamily developments. During 2000, the Authority sold 1 of its multifamily foreclosed real estate properties and completed foreclosure on 4 of its multifamily developments.

Note 6—Bonds Payable

The Act authorizes the Authority to issue its own bonds, bond anticipation notes 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.

**CONNECTICUT HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS — (Continued)**

Bond Resolution

The Bond Resolution bonds bear interest at rates ranging from 1.30% to 9.50%, are subject to certain redemption provisions and mature in years through 2043.

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.

Debt service payments for the next five calendar years under the Bond Resolution are as follows (in 000's):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 88,695	\$181,329	\$270,024
2003	100,005	176,268	276,273
2004	113,145	171,023	284,168
2005	118,470	164,944	283,414
2006	120,274	158,555	278,829

The Authority has issued the following refunding bonds under the Bond Resolution:

<u>Refunded Issue(s)</u>	<u>Refunding Issue</u>	<u>Cashflow Savings/(Loss)</u>	<u>Economic Gain</u>
1985 Series E	1995 Series G	\$18,947,000	\$7,782,000
1984 Series C, 1985 Series A	1996 Series C Subseries C-1	8,052,000	4,411,000
1985 Series C, 1985 Series F	1996 Series C Subseries C-2	6,028,000	3,389,000
1972 Series A, 1977 Series B 1974 Series A, 1978 Series A 1977 Series A, 1979 Series B 1990 Series B Subseries B-4	1998 Series E	(55,904,000)	2,399,000
1986 Series A, 1987 Series B 1986 Series B, 1988 Series A 1986 Series C, 1988 Series B 1987 Series A	1998 Series F	(82,783,000)	1,987,000
1985 Series A 1989 Series B	1999 Series D Subseries D-1 2001 Series B Subseries B-2	574,000 (2,131,000)	410,000 1,077,000

The Authority has entered into fully amortizing interest rate swap agreements, as listed below, under the Bond Resolution, in which the Authority owes interest at fixed rates to the counterparties of the swaps. In return, the counterparties owe the Authority interest based on variable rates which either match or are comparable to the rates required by the bonds. Only the net difference in interest payments is actually exchanged with the counterparties. The Authority will continue to pay interest to the bondholders at the variable rates provided by the bonds. However, during the term of the swap agreements, the Authority effectively pays a fixed rate on the debt. The Authority will be exposed to variable rates if the counterparties to the swaps default or if the swaps are terminated. The payment of principal and interest on the variable rate bonds when due (other than by reason of special or optional redemption or acceleration thereof) is insured, where indicated below, by municipal bond insurance policies. Termination of the swap agreements may also result in the Authority making or receiving termination payments. The bond principal related to these swaps will not be exchanged; it is only the basis on which interest payments are calculated.

<u>Agreement Date</u>	<u>Maturity Date</u>	<u>Bond Series</u>	<u>Principal Amount</u>	<u>P&I Payments Insured</u>	<u>Authority's Fixed Rate</u>
11/15/95	11/15/2018	1995 Series G	\$ 57,965,000	no	6.3000%
07/01/98	11/15/2028	1998 Series D Subseries D-3	20,000,000	yes	4.8700
07/01/98	11/15/2025	1998 Series D Subseries D-4	25,000,000	yes	6.3200
09/09/98	11/15/2016	1998 Series F	115,900,000	yes	6.0525
05/06/99	11/15/2018	1999 Series A Subseries A-3	40,000,000	yes	6.2460
09/07/00	11/15/2031	2000 Series B Subseries B-3	25,000,000	yes	5.3970
02/09/01	05/15/2032	2001 Series A Subseries A-3	20,000,000	yes	4.1200
02/09/01	05/15/2032	2001 Series A Subseries A-4	25,000,000	yes	5.4750
06/13/01	05/15/2032	2001 Series B Subseries B-4	17,000,000	yes	4.3100
06/13/01	11/15/2027	2001 Series B Subseries B-6	25,000,000	yes	5.8200
10/12/01	05/15/2033	2001 Series D Subseries D-3	40,000,000	yes	4.0900
10/12/01	11/15/2027	2001 Series D Subseries D-5	25,000,000	yes	5.3600

**CONNECTICUT HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS — (Continued)**

Indenture

The Indenture bonds bear interest at rates ranging from 4.60% to 7.70%, are subject to certain redemption provisions and mature in years through 2030.

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

Debt service payments for the next five calendar years under the Indenture are as follows (in 000's):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$380	\$1,131	\$1,511
2003	405	1,107	1,512
2004	375	1,085	1,460
2005	400	1,065	1,465
2006	415	1,044	1,459

Note 7—Fund Balances

Other Funds

In accordance with terms of the Bond Resolution, assets of the Housing Mortgage General Fund aggregating \$45,101,000 were designated as "surplus funds" in 2001 and assets of the Housing Mortgage General Fund aggregating \$30,636,000 were designated as "surplus funds" in 2000. Designated "surplus funds" may be transferred to the Investment Trust Fund which is included in Other Funds in the financial statements or may be retained in the Housing Mortgage General Fund. As more fully described in the Bond Resolution, "surplus funds" represent the excess of Pledged Receipts over funds required for the payment of operating expenses, principal and interest and requirements of the Bond Resolution Capital Reserve Fund during the most recent twelve months as determined annually between November 12 and December 1 and designated as such by the Authority. The assets of the Investment Trust Fund and the Housing Mortgage Insurance Fund are not restricted under the terms of the Bond Resolution or the Indenture and can be used by the Authority for any purpose authorized by the Act. In 2000, the Authority transferred the \$331,081 fund balance held in the Investment Trust Fund to the Housing Mortgage General Fund as a result of expanding its capacity to purchase GNMA Program Assets. See Note 3 – Cash and Investments in Securities.

The fund balance of Other Funds consisted of (in 000's):

	<u>December 31,</u>	
	<u>2001</u>	<u>2000</u>
Investment Trust Fund, appropriated	\$ -	\$ -
Housing Mortgage Insurance Fund, appropriated	1,933	2,982
Group Home, Group Home Capital Reserve, and Group Home Renewal and Replacement Funds, restricted	413	371
	<u>\$2,346</u>	<u>\$3,353</u>

Component Units

As described in Note 2, the Authority's component units are comprised of Diamond Court-CHFA, Inc., Fitch Court-CHFA, Inc., Mitchell School-CHFA, Inc., St. Mary's Residence-CHFA, Inc., Small Properties-CHFA, Inc. and the State Housing Authority with a fund balance consisting of (in 000's):

<u>Component Unit</u>	<u>December 31,</u>	
	<u>2001</u>	<u>2000</u>
Diamond Court-CHFA, Inc.	\$1,633	\$1,633
Fitch Court-CHFA, Inc.	822	745
Mitchell School-CHFA, Inc.	462	425
St. Mary's Residence-CHFA, Inc.	-	-
Small Properties-CHFA, Inc.	649	649
State Housing Authority	675	321
	<u>\$4,241</u>	<u>\$3,773</u>

**CONNECTICUT HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS — (Continued)**

Note 8—Pension Plan

Most employees of the Authority participate in the Connecticut State Employees' Retirement System (SERS) which is administered by the State Employees' Retirement Commission. The Authority has no liability for pension costs other than the annual contribution as determined by SERS. An actuarial study was performed on the Plan as a whole and does not provide separate information for employees of the Authority. Therefore, certain pension disclosures required by generally accepted accounting principles are omitted. Information about the total Plan funding status and progress, contribution required and trend information can be found in the State of Connecticut's Comprehensive Annual Financial Report.

Plan Description

SERS is a single-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. Employees are covered under one of three tiers. Tier I requires an employee contribution of either 2% or 5% of salary, depending on the plan. Tier II is a noncontributory plan. Tier IIA requires an employee contribution of 2% of salary. The Authority's contribution is determined by applying a state mandated percentage to eligible salaries and wages. Members who joined the retirement system prior to July 1, 1984 are generally enrolled in Tier I. Members who joined the retirement system after July 1, 1984 are enrolled in Tier II. Employees first hired on or after July 1, 1997 are members of Tier IIA. Employees rehired on or after July 1, 1997 are also members of Tier IIA unless the application of SERS Service bridging provisions mandates their placement in either Tier I or Tier II. Tier I employees who retire at or after age 65 with 10 years of credited service or at or after age 55 with 25 years of service are eligible for an annual retirement benefit payable monthly for life, in an amount of 2% of the annual average earnings (which are based on the three highest years of service). In most cases this is reduced to 1% for the first \$4,800 of salary upon receipt of social security benefits. Employees at age 55 with 10 years but less than 25 years of service, or at age 70 with 5 years of service are entitled to a reduced benefit. Tier II and Tier IIA employees who retire at or after age 60 with 25 years of service, or at age 62 with 5 years of service, or at age 70 with 5 years of service or at age 55 with 10 years of service with reduced benefits are entitled an annual retirement benefit payable monthly for life, in an amount of one and one third percent of the average annual earnings plus one-half of one percent of the average annual earnings in excess of the salary breakpoint in the year of retirement for each year of credited service. In addition, any years of service over 35 would be at one and five-eighths percent. All Tier I members are vested after 10 years of service. Effective July 1, 1997, all Tier II and Tier IIA members are vested after 5 years, and may retire at age 62 with 5 years of actual state service. All plans provide for death and disability benefits. The total payroll for the year ended December 31, 2001 was \$6,576,000 and the payroll for employees of the Authority covered by SERS for the year ended December 31, 2001 was \$6,564,000.

Contributions Made (in 000's)

The Authority's contribution is determined by applying a State mandated percentage to eligible salaries and wages.

Contributions Made:	<u>2001</u>	<u>2000</u>
By employees	\$ 61	\$ 59
% of current year covered payroll	0.93%	0.93%
By the Authority	\$1,418	\$1,369
% of current year covered payroll	21.60%	21.66%

**CONNECTICUT HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS — (Continued)**

Note 9—Commitments, Contingencies and Litigation

The Authority is a party to financial instruments with off-balance-sheet risk in connection with its commitments to provide financing. These expose the Authority to credit risk in excess of the amount recognized in the balance sheet. 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 on-balance-sheet instruments. Total credit exposure is summarized below (in 000's):

<u>Mortgage Loan Commitments:</u>	December 31,	
	2001	2000
Home Mortgage Purchases	\$36,953	\$21,063
Multifamily Developments	29,349	54,897
Reverse Annuity Mortgages	665	1,205
	<u>\$66,967</u>	<u>\$77,165</u>

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 property. Interest rates on approved mortgage loan commitments are a combination of fixed and variable. Interest rates on unadvanced portions of construction loans are a combination of fixed and variable; such loans generally mature within eighteen months.

The Authority sold its in-house serviced portfolio to Webster Bank in November 1996. A portion of that portfolio consisted of loans the Authority serviced for FNMA. Pursuant to FNMA rules, the Authority remains liable to FNMA with respect to the mortgage servicing.

The Authority is involved in litigation arising from its normal operating practices. After reviewing all significant matters with counsel, management believes that the resolution of these matters will not materially affect the Authority's financial position.

Note 10—Purchase of Building

In July 1993, the Authority purchased a building for office space use. The estimated useful life of this acquisition is 31.5 years. Subsequent improvements are depreciated over its remaining useful life. Additional information with respect to this acquisition and subsequent improvements is as follows (in 000's):

	December 31,					
	2001			2000		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Purchase	\$2,851	\$769	\$2,082	\$2,851	\$679	\$2,172
Improvements	525	84	441	522	65	457
	<u>\$3,376</u>	<u>\$853</u>	<u>\$2,523</u>	<u>\$3,373</u>	<u>\$744</u>	<u>\$2,629</u>

Note 11—Subsequent Events

The Authority proposes to acquire housing assets from the State's Department of Economic and Community Development ("DECD") from a reallocation of \$85,000,000 of available cash resources. This acquisition of various home acquisition, rehabilitation, repair and homeowner assistance loans is expected to occur in two installments, the first to occur in October of 2002 in the approximate amount of \$45,000,000 and the balance of \$40,000,000 in June 2003.

EXHIBIT I-A

**CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF INVESTMENTS
December 31, 2001
(in 000's)**

GENERAL AND OTHER FUNDS

Face Value	Investments	Rate	Purchased	Maturity	Cost	Amortized Cost	Market Value	Carrying Amount
\$ 37,390	Repurchase Agreement	1.65%	12/31/01	01/02/02	\$ 37,390	\$ 37,390	\$ 37,390	\$ 37,390
144	Repurchase Agreement	6.00	various	06/15/26	144	144	144	144
125	Repurchase Agreement	5.25	various	06/15/27	125	125	125	125
12,280	Repurchase Agreement	6.28	various	05/15/27	12,280	12,280	12,280	12,280
15,589	Repurchase Agreement	6.37	various	11/15/27	15,589	15,589	15,589	15,589
15,613	Repurchase Agreement	6.78	various	11/15/28	15,613	15,613	15,613	15,613
2,288	Investment Agreement	6.07	10/14/97	05/01/12	2,288	2,288	2,288	2,288
2,264	Berkshire Hathaway Guaranteed Investment Contract (GIC)	5.98	05/03/93	10/01/11	2,264	2,264	2,264	2,264
2,998	Federated Treasury Obligations Fund	1.40	12/31/01	01/02/02	2,998	2,998	2,998	2,998
1,943	Federated Treasury Obligations Fund	0.81	12/31/01	01/02/02	1,943	1,943	1,943	1,943
6,896	Merrill Lynch Fund	1.59	12/31/01	01/02/02	6,896	6,896	6,896	6,896
12,309	Fidelity Tax Exempt Fund	1.26	12/31/01	01/02/02	12,309	12,309	12,309	12,309
314,527	State of CT Short Term Investment Fund (STIF)	2.05	12/31/01	01/02/02	314,527	314,527	314,527	314,527
10,000	FHLB Bond	4.68	06/26/01	12/26/03	10,000	10,000	10,124	10,124
5,000	FHLB Bond	5.00	07/16/01	07/16/04	5,000	5,000	5,077	5,077
23	FNMA Bond	7.25	08/18/00	05/15/30	24	24	26	26
1,000	FNMA Note	6.63	05/17/00	04/15/02	988	998	1,013	998
5,000	FNMA Note	4.75	06/26/01	12/26/03	5,000	5,000	5,064	5,064
9,705	FNMA Note	5.15	08/22/01	02/22/05	9,705	9,705	9,747	9,747
3,461	FHLMC MBS	6.00	05/14/99	03/01/29	3,398	3,398	3,390	3,390
167	GNMA MBS	8.00	09/14/99	07/15/07	171	171	177	177
205	GNMA MBS	8.00	09/14/99	07/15/07	210	210	217	217
169	GNMA MBS	8.00	09/14/99	07/15/07	174	174	179	179
285	GNMA MBS	8.00	09/14/99	08/15/07	293	293	302	302
342	GNMA MBS	8.00	09/14/99	10/15/07	352	352	363	363
2,266	GNMA MBS	6.50	05/20/99	11/15/13	2,304	2,304	2,326	2,326
1,441	GNMA MBS	6.00	04/19/99	01/15/14	1,441	1,441	1,454	1,454
3,082	GNMA MBS	6.00	04/19/99	02/15/14	3,081	3,081	3,110	3,110
844	GNMA MBS	7.50	07/22/99	06/15/14	864	864	888	888
1,802	GNMA MBS	7.00	04/22/99	08/15/23	1,842	1,842	1,838	1,838
1,116	GNMA MBS	7.00	04/22/99	05/15/24	1,140	1,140	1,138	1,138
1,975	GNMA MBS	6.50	05/24/99	08/15/28	1,954	1,954	1,983	1,983
3,701	GNMA MBS	6.50	04/22/99	01/15/29	3,707	3,707	3,717	3,717
3,125	GNMA MBS	7.00	04/22/99	03/15/29	3,192	3,192	3,188	3,188
4,147	GNMA MBS	6.00	04/22/99	03/15/29	4,052	4,052	4,071	4,071
2,550	FNMA CMO	3.09	12/12/97	10/25/22	2,666	2,647	2,405	2,405
4,653	Salomon Brothers CMO	7.00	11/25/97	07/25/24	4,584	4,584	4,515	4,515
2,500	Green Tree Structured Securities	7.02	12/14/98	02/15/21	2,501	2,501	2,598	2,598
2,000	Green Tree Structured Securities	7.65	02/25/98	01/15/28	2,043	2,037	2,026	2,026
1,000	Green Tree Structured Securities	7.08	03/31/98	11/15/29	1,000	1,000	1,034	1,034
2,155	ABN-AMBRO Bank Corporate Finance Bond	7.00	01/28/98	04/01/08	2,234	2,203	2,273	2,273
5,000	Continental Corporation Corporate Finance Bond	8.38	09/24/97	08/15/12	5,548	5,391	4,703	4,703
2,250	Beneficial Corporation Medium-Term Notes	6.85	02/17/98	10/03/07	2,307	2,284	2,326	2,326
2,750	Hartford Financial Services Medium-Term Notes	6.38	01/13/99	11/01/08	2,815	2,795	2,747	2,747
1,500	EOP Operating LP Medium-Term Notes	6.80	01/28/99	01/15/09	1,503	1,502	1,469	1,469
2,500	Southern California Gas Company Medium-Term Notes	5.67	01/15/98	01/18/28	2,500	2,500	2,559	2,559
1,300	Weingarten Realty Investors Medium-Term Notes	6.46	08/11/98	08/11/28	1,300	1,300	1,311	1,311
80,675	GNMA Program Assets	various	various	various	80,675	80,675	77,849	77,849
<u>\$594,055</u>					<u>\$594,934</u>	<u>\$594,687</u>	<u>\$591,573</u>	<u>\$591,558</u>

**CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF INVESTMENTS (Continued)**

December 31, 2001
(in 000's)

BOND RESOLUTION CAPITAL RESERVE FUND

Face Value	Investments	Rate	Purchased	Maturity	Cost	Amortized Cost	Market Value	Carrying Amount
\$ 3,374	Repurchase Agreement	1.65%	12/31/01	01/02/02	\$ 3,374	\$ 3,374	\$ 3,374	\$ 3,374
41,415	State of CT Short Term Investment Fund (STIF)	2.05	12/31/01	01/02/02	41,415	41,415	41,415	41,415
323,814	GNMA Program Assets (see EXHIBIT I-B)	various	various	various	323,814	323,814	317,936	317,936
<u>\$368,603</u>					<u>\$368,603</u>	<u>\$368,603</u>	<u>\$362,725</u>	<u>\$362,725</u>

INDENTURE CAPITAL RESERVE FUND

\$ 504	Repurchase Agreement	6.52%	10/01/96	06/15/26	\$ 504	\$ 504	\$ 504	\$ 504
436	Repurchase Agreement	6.15	07/17/97	06/15/27	436	436	436	436
577	FNMA Bond	7.25	08/18/00	05/15/30	597	596	650	650
<u>\$ 1,517</u>					<u>\$ 1,537</u>	<u>\$ 1,536</u>	<u>\$ 1,590</u>	<u>\$ 1,590</u>

INDENTURE RENEWAL AND REPLACEMENT FUND

\$ 677	Repurchase Agreement	1.65%	12/31/01	01/02/02	\$ 677	\$ 677	\$ 677	\$ 677
<u>\$ 677</u>					<u>\$ 677</u>	<u>\$ 677</u>	<u>\$ 677</u>	<u>\$ 677</u>

COMPONENT UNITS

\$ 59	Federated Treasury Obligations Fund	0.81%	12/31/01	01/02/02	\$ 59	\$ 59	\$ 59	\$ 59
243	Repurchase Agreement	1.65	12/31/01	01/02/02	243	243	243	243
<u>\$ 302</u>					<u>\$ 302</u>	<u>\$ 302</u>	<u>\$ 302</u>	<u>\$ 302</u>

The above securities, together with collateral for Repurchase Agreements, are held in the name of the Authority by the State Street Bank and Trust Company, as Trustee and agent for the Authority or other financial institution as agent for the Authority (with the exceptions of the STIF, Merrill Lynch Fund and Berkshire Hathaway GIC). Repurchase Agreements, Investment Agreements and the Federated and Fidelity Funds are fully collateralized by obligations issued or guaranteed by the United States Government, its agencies, or instrumentalities. The Merrill Lynch Fund consists of under \$100,000 deposits in various banking institutions resulting in FDIC insurance, as well as investments issued or guaranteed by the United States Government, its agencies, or instrumentalities. Collateralized Mortgage Obligations (CMO's) and Mortgage Backed Securities (MBS's) are fully collateralized by FNMA or HUD mortgage pools. The Structured Securities are fully collateralized by Home Improvement Contracts, Home Equity Contracts and/or Manufactured Housing Sales Contracts and Installment Loan Agreements. Corporate Finance Bonds and the Berkshire Hathaway GIC meet Investment Grade ratings standards.

EXHIBIT I-B

**CONNECTICUT HOUSING FINANCE AUTHORITY
GNMA PROGRAM ASSETS**

December 31, 2001

During 2000 and 2001 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 GNMA. The Authority purchased the GNMA securities issued. These securities are fully collateralized by the home mortgage loans sold or assigned. Certain information with respect to these transactions follows.

GNMA Pool #	Mortgage Rate of Pool	Original Number of Loans in Pool	Original Face Value of Pool	Sold Portfolio							
				Investment Information (in 000's)							
				Face Value	Rate	Purchased	Maturity	Cost	Amortized Cost	Market Value	Carrying Value
501948	6.000%	118	\$ 9,799	\$ 8,592	5.500%	06/30/99	01/15/29	\$ 8,592	\$ 8,592	\$ 8,181	\$ 8,181
501949	6.125	35	3,371	2,715	5.625	06/30/99	02/15/29	2,715	2,715	2,611	2,611
501950	6.250	19	1,674	1,469	5.750	06/30/99	01/15/29	1,469	1,469	1,420	1,420
501951	6.375	36	3,284	2,787	5.875	06/30/99	08/15/26	2,787	2,787	2,716	2,716
501952	6.500	112	10,176	8,529	6.000	06/30/99	01/15/29	8,529	8,529	8,381	8,381
511942	6.625	47	4,137	3,719	6.125	06/30/99	10/15/28	3,719	3,719	3,669	3,669
511943	6.750	125	10,974	8,827	6.250	06/30/99	10/15/28	8,827	8,827	8,761	8,761
511944	6.875	147	12,551	10,018	6.375	06/30/99	04/15/28	10,018	10,018	9,994	9,994
511945	6.990	8	875	710	6.490	06/30/99	02/15/26	710	710	713	713
511946	7.000	178	14,721	11,147	6.500	06/30/99	07/15/28	11,147	11,147	11,204	11,204
511947	7.125	50	4,357	3,735	6.625	06/30/99	02/15/28	3,735	3,735	3,754	3,754
511948	7.250	105	9,013	6,834	6.750	06/30/99	12/15/27	6,834	6,834	6,910	6,910
511949	7.375	34	3,095	2,334	6.875	06/30/99	04/15/27	2,334	2,334	2,372	2,372
511950	7.500	114	9,381	7,448	7.000	06/30/99	07/15/27	7,448	7,448	7,620	7,620
511951	6.375	16	1,311	665	5.875	06/30/99	01/15/29	665	665	648	648
515240	6.625	33	2,729	2,467	6.125	06/30/99	09/15/26	2,467	2,467	2,434	2,434
515254	6.125	83	7,181	6,324	5.625	07/30/99	06/15/29	6,324	6,324	6,082	6,082
515255	6.250	9	781	589	5.750	07/30/99	06/15/29	589	589	570	570
515256	6.375	16	1,598	1,471	5.875	07/30/99	06/15/29	1,471	1,471	1,434	1,434
516379	7.750	1	40	39	7.250	09/30/99	09/15/25	39	39	40	40
522220	6.000	35	2,910	2,505	5.500	11/30/99	01/15/29	2,505	2,505	2,385	2,385
522221	6.125	17	1,568	1,345	5.625	11/30/99	07/15/29	1,345	1,345	1,293	1,293
522222	6.250	8	722	703	5.750	11/30/99	08/15/29	703	703	680	680
522223	6.375	4	271	264	5.875	11/30/99	06/15/29	264	264	257	257
522224	6.500	35	2,916	2,565	6.000	11/30/99	03/15/29	2,565	2,565	2,520	2,520
522225	6.625	21	1,861	1,659	6.125	11/30/99	09/15/28	1,659	1,659	1,637	1,637
522226	6.750	13	1,212	822	6.250	11/30/99	10/15/28	822	822	816	816
522227	6.875	33	3,053	2,674	6.375	11/30/99	03/15/28	2,674	2,674	2,667	2,667
522228	6.990	4	351	338	6.490	11/30/99	06/15/26	338	338	340	340
522229	7.000	46	3,700	3,162	6.500	11/30/99	03/15/28	3,162	3,162	3,178	3,178
522230	7.125	13	1,134	888	6.625	11/30/99	08/15/27	888	888	893	893
522231	7.250	26	1,941	1,738	6.750	11/30/99	11/15/27	1,738	1,738	1,757	1,757
522232	7.375	9	884	857	6.875	11/30/99	02/15/27	857	857	871	871
522233	7.500	21	1,775	1,571	7.000	11/30/99	12/15/26	1,571	1,571	1,607	1,607
522234	6.750	8	717	587	6.250	11/30/99	08/15/26	587	587	582	582
522235	6.375	11	954	921	5.875	11/30/99	06/15/26	921	921	898	898
526563	6.000	44	3,592	3,449	5.500	03/31/00	09/15/29	3,449	3,449	3,283	3,283
526564	6.125	130	11,500	10,224	5.625	03/31/00	07/15/29	10,224	10,224	9,819	9,819
526565	6.250	22	1,915	1,656	5.750	03/31/00	05/15/29	1,656	1,656	1,603	1,603
526566	6.375	17	1,549	1,434	5.875	03/31/00	06/15/29	1,434	1,434	1,398	1,398
526567	6.500	128	11,468	10,154	6.000	03/31/00	01/15/29	10,154	10,154	9,968	9,968
526568	6.625	69	6,382	5,603	6.125	03/31/00	12/15/28	5,603	5,603	5,522	5,522
526569	6.750	78	7,237	6,759	6.250	03/31/00	12/15/28	6,759	6,759	6,703	6,703
526570	6.875	3	244	238	6.375	03/31/00	02/15/28	238	238	238	238
526571	7.000	5	374	363	6.500	03/31/00	04/15/28	363	363	364	364
526572	7.125	1	45	41	6.625	03/31/00	03/15/28	41	41	41	41
566815	6.000	5	529	525	5.500	07/31/01	01/15/30	525	525	500	500
566816	6.125	10	879	873	5.625	07/31/01	08/15/29	873	873	838	838
566817	6.250	6	597	513	5.750	07/31/01	08/15/29	513	513	495	495
566818	6.375	1	109	108	5.875	07/31/01	09/15/29	108	108	105	105
566819	6.500	17	1,459	1,247	6.000	07/31/01	01/15/30	1,247	1,247	1,224	1,224
566820	6.625	15	1,284	1,181	6.125	07/31/01	04/15/30	1,181	1,181	1,162	1,162
566821	6.750	10	918	828	6.250	07/31/01	10/15/29	828	828	821	821
566822	6.875	8	855	850	6.375	07/31/01	03/15/28	850	850	848	848
566823	7.000	23	1,859	1,848	6.500	07/31/01	01/15/28	1,848	1,848	1,856	1,856
566824	7.125	12	1,014	968	6.625	07/31/01	11/15/27	968	968	973	973
566825	7.250	10	856	764	6.750	07/31/01	09/15/27	764	764	774	774
566826	7.375	5	410	407	6.875	07/31/01	09/15/30	407	407	413	413
566827	7.500	1	61	60	7.000	07/31/01	08/15/27	60	60	62	62
566828	7.125	3	297	195	6.625	07/31/01	10/15/30	195	195	196	196
566829	7.250	10	994	989	6.750	07/31/01	10/15/30	989	989	1,001	1,001

CONNECTICUT HOUSING FINANCE AUTHORITY
GNMA PROGRAM ASSETS — (Continued)

December 31, 2001

Sold Portfolio

GNMA Pool #	Mortgage Rate of Pool	Original Number of Loans in Pool	Original Face Value of Pool	Investment Information (in 000's)							
				Face Value	Rate	Purchased	Maturity	Cost	Amortized Cost	Market Value	Carrying Value
566830	7.500%	2	\$ 192	\$ 191	7.000%	07/31/01	08/15/30	\$ 191	\$ 191	\$ 195	\$ 195
566831	6.875	5	444	442	6.375	07/31/01	07/15/30	442	442	440	440
566832	7.000	3	239	136	6.500	07/31/01	05/15/30	136	136	137	137
573851	5.875	3	247	247	5.375	11/30/01	06/15/31	247	247	234	234
573852	5.990	10	1,098	1,097	5.490	11/30/01	06/15/31	1,097	1,097	1,040	1,040
573853	6.000	28	2,200	2,198	5.500	11/30/01	04/15/31	2,198	2,198	2,092	2,092
573854	6.125	56	4,959	4,953	5.625	11/30/01	06/15/31	4,953	4,953	4,757	4,757
573855	6.250	5	444	443	5.750	11/30/01	09/15/29	443	443	428	428
576532	6.375	12	1,174	1,173	5.875	11/30/01	02/15/31	1,173	1,173	1,141	1,141
576533	6.500	32	3,063	3,059	6.000	11/30/01	02/15/31	3,059	3,059	3,004	3,004
576534	6.625	35	3,133	3,054	6.125	11/30/01	05/15/30	3,054	3,054	3,006	3,006
576535	6.750	1	132	132	6.250	11/30/01	11/15/29	132	132	131	131
576536	6.875	15	1,346	1,345	6.375	11/30/01	12/15/30	1,345	1,345	1,341	1,341
576537	7.000	9	822	821	6.500	11/30/01	01/15/31	821	821	824	824
576538	7.125	2	196	195	6.625	11/30/01	10/15/30	195	195	196	196
576539	7.250	32	3,084	3,017	6.750	11/30/01	10/15/30	3,017	3,017	3,054	3,054
576540	7.375	11	987	986	6.875	11/30/01	08/15/30	986	986	999	999
576541	7.500	2	138	138	7.000	11/30/01	07/15/30	138	138	141	141
Subtotal Sold		2,486	\$217,342	\$187,922				\$187,922	\$187,922	\$185,262	\$185,262

Assigned Portfolio

515249	6.125%	37	\$ 3,341	\$ 3,095	5.625%	07/30/99	07/15/29	\$ 3,095	\$ 3,095	\$ 2,977	\$ 2,977
515250	6.375	55	4,792	4,241	5.875	07/30/99	07/15/29	4,241	4,241	4,133	4,133
515251	6.250	10	1,027	765	5.750	07/30/99	06/15/29	765	765	740	740
516370	6.000	15	1,336	1,294	5.500	08/31/99	08/15/29	1,294	1,294	1,232	1,232
516371	6.125	67	6,402	5,774	5.625	08/31/99	08/15/29	5,774	5,774	5,553	5,553
516372	6.250	29	2,499	2,299	5.750	08/31/99	08/15/29	2,299	2,299	2,224	2,224
516373	6.375	27	2,719	2,421	5.875	08/31/99	08/15/29	2,421	2,421	2,359	2,359
516380	6.125	17	1,712	1,656	5.625	09/30/99	09/15/29	1,656	1,656	1,592	1,592
516381	6.250	23	2,397	2,325	5.750	09/30/99	09/15/29	2,325	2,325	2,248	2,248
516382	6.375	12	1,038	849	5.875	09/30/99	09/15/29	849	849	828	828
516383	6.500	40	3,516	3,348	6.000	09/30/99	09/15/29	3,348	3,348	3,290	3,290
522210	6.000	17	1,642	1,543	5.500	10/29/99	10/15/29	1,543	1,543	1,469	1,469
522211	6.500	44	4,504	4,319	6.000	10/29/99	10/15/29	4,319	4,319	4,244	4,244
522212	6.625	20	1,749	1,693	6.125	10/29/99	10/15/29	1,693	1,693	1,671	1,671
522218	6.500	20	1,895	1,712	6.000	11/30/99	11/15/29	1,712	1,712	1,683	1,683
522219	6.625	23	2,153	1,983	6.125	11/30/99	11/15/29	1,983	1,983	1,956	1,956
522240	6.500	35	3,279	3,197	6.000	12/30/99	12/15/29	3,197	3,197	3,141	3,141
522241	6.625	13	1,214	1,183	6.125	12/30/99	12/15/29	1,183	1,183	1,167	1,167
522242	6.750	12	1,056	833	6.250	12/30/99	12/15/29	833	833	827	827
522243	6.875	11	1,091	950	6.375	12/30/99	12/15/29	950	950	948	948
526547	6.000	11	915	892	5.500	01/14/00	12/15/29	892	892	849	849
526548	6.125	9	858	833	5.625	01/14/00	12/15/29	833	833	800	800
526549	6.500	20	2,032	1,841	6.000	01/14/00	01/15/30	1,841	1,841	1,808	1,808
526551	6.625	14	1,314	1,170	6.125	01/14/00	01/15/30	1,170	1,170	1,153	1,153
526556	6.500	21	1,826	1,729	6.000	01/31/00	01/15/30	1,729	1,729	1,697	1,697
526557	6.625	29	2,836	2,552	6.125	01/31/00	01/15/30	2,552	2,552	2,515	2,515
526558	6.250	6	531	517	5.750	01/31/00	10/15/29	517	517	500	500
526561	6.625	38	3,631	3,436	6.125	02/29/00	02/15/30	3,436	3,436	3,386	3,386
526562	6.000	10	998	864	5.500	02/29/00	02/15/30	864	864	822	822
526576	6.500	11	1,094	1,069	6.000	03/31/00	03/15/30	1,069	1,069	1,049	1,049
526577	6.625	44	4,270	4,181	6.125	03/31/00	03/15/30	4,181	4,181	4,120	4,120
526581	6.000	13	1,198	1,171	5.500	04/28/00	04/15/30	1,171	1,171	1,114	1,114
526582	6.375	8	737	721	5.875	04/28/00	02/15/30	721	721	703	703
526583	6.625	19	1,812	1,634	6.125	04/28/00	04/15/30	1,634	1,634	1,610	1,610
526584	6.750	3	246	241	6.250	04/28/00	01/15/30	241	241	239	239
526585	6.875	43	3,836	3,578	6.375	04/28/00	04/15/30	3,578	3,578	3,568	3,568
526589	6.875	20	1,877	1,637	6.375	05/31/00	05/15/30	1,637	1,637	1,632	1,632
526590	7.000	17	1,729	1,411	6.500	05/31/00	05/15/30	1,411	1,411	1,417	1,417
526591	7.250	13	1,464	1,437	6.750	05/31/00	05/15/30	1,437	1,437	1,453	1,453
526592	7.375	12	1,048	1,031	6.875	06/14/00	06/15/30	1,031	1,031	1,047	1,047
536207	6.000	20	1,851	1,811	5.500	07/31/00	07/15/30	1,811	1,811	1,724	1,724
536208	7.250	51	4,372	4,004	6.750	07/31/00	07/15/30	4,004	4,004	4,046	4,046
536209	7.375	28	2,484	2,445	6.875	07/31/00	07/15/30	2,445	2,445	2,483	2,483

CONNECTICUT HOUSING FINANCE AUTHORITY
GNMA PROGRAM ASSETS — (Continued)

December 31, 2001

Assigned Portfolio

GNMA Pool #	Mortgage Rate of Pool	Original Number of Loans in Pool	Original Face Value of Pool	Investment Information (in 000's)							
				Face Value	Rate	Purchased	Maturity	Cost	Amortized Cost	Market Value	Carrying Value
536216	6.000%	11	\$ 1,088	\$ 1,070	5.500%	08/31/00	08/15/30	\$ 1,070	\$ 1,070	\$ 1,018	\$ 1,018
536217	6.500	2	126	124	6.000	08/31/00	06/15/30	124	124	122	122
536218	6.625	8	836	823	6.125	08/31/00	05/15/30	823	823	811	811
536219	6.875	8	706	694	6.375	08/31/00	07/15/30	694	694	692	692
536220	7.250	26	2,460	2,372	6.750	08/31/00	08/15/30	2,372	2,372	2,398	2,398
539689	7.375	16	1,725	1,703	6.875	08/31/00	08/15/30	1,703	1,703	1,729	1,729
539690	7.500	14	1,260	1,097	7.000	08/31/00	08/15/30	1,097	1,097	1,122	1,122
539697	7.375	11	1,026	1,011	6.875	09/29/00	09/15/30	1,011	1,011	1,027	1,027
539698	7.250	22	2,260	2,227	6.750	09/29/00	09/15/30	2,227	2,227	2,251	2,251
539702	6.000	14	1,200	1,181	5.500	10/31/00	10/15/30	1,181	1,181	1,124	1,124
539703	7.125	11	1,013	933	6.625	10/31/00	10/15/30	933	933	938	938
539704	7.250	45	4,500	4,206	6.750	10/31/00	10/15/30	4,206	4,206	4,250	4,250
539705	7.375	12	1,303	1,287	6.875	10/31/00	10/15/30	1,287	1,287	1,307	1,307
539706	7.500	12	1,212	1,199	7.000	10/31/00	09/15/30	1,199	1,199	1,226	1,226
541054	6.875	12	992	978	6.375	11/30/00	11/15/30	978	978	975	975
541055	7.000	19	1,786	1,683	6.500	11/30/00	11/15/30	1,683	1,683	1,690	1,690
541056	7.250	15	1,461	1,445	6.750	11/30/00	11/15/30	1,445	1,445	1,460	1,460
541060	6.000	11	1,059	1,044	5.500	12/29/00	12/15/30	1,044	1,044	994	994
541061	6.875	27	2,769	2,734	6.375	12/29/00	12/15/30	2,734	2,734	2,726	2,726
541062	7.000	10	1,086	1,073	6.500	12/29/00	12/15/30	1,073	1,073	1,077	1,077
541063	7.125	12	1,112	1,101	6.625	12/29/00	12/15/30	1,101	1,101	1,107	1,107
541067	6.500	13	1,330	1,315	6.000	01/31/01	01/15/31	1,315	1,315	1,291	1,291
541068	6.625	12	1,217	1,204	6.125	01/31/01	01/15/31	1,204	1,204	1,185	1,185
541069	6.875	10	1,039	1,029	6.375	01/31/01	01/15/31	1,029	1,029	1,026	1,026
541070	7.250	16	1,570	1,555	6.750	01/31/01	12/15/30	1,555	1,555	1,574	1,574
541079	6.500	11	1,021	1,010	6.000	02/28/01	02/15/31	1,010	1,010	992	992
548230	6.875	10	1,190	1,178	6.375	02/28/01	02/15/31	1,178	1,178	1,174	1,174
548231	7.375	7	657	652	6.875	02/28/01	01/15/31	652	652	661	661
548232	7.500	2	223	221	7.000	02/28/01	09/15/30	221	221	226	226
548233	6.000	19	1,864	1,846	5.500	03/16/01	02/15/31	1,846	1,846	1,757	1,757
548234	6.375	19	1,826	1,809	5.875	03/16/01	03/15/31	1,809	1,809	1,760	1,760
548235	7.000	13	1,196	1,186	6.500	03/16/01	01/15/31	1,186	1,186	1,192	1,192
548241	6.375	13	1,135	1,125	5.875	03/30/01	03/15/31	1,125	1,125	1,095	1,095
548242	6.500	10	1,052	1,040	6.000	03/30/01	03/15/31	1,040	1,040	1,022	1,022
555389	6.125	38	4,020	3,898	5.625	04/30/01	04/15/31	3,898	3,898	3,743	3,743
555390	6.375	15	1,592	1,579	5.875	04/30/01	04/15/31	1,579	1,579	1,536	1,536
555402	6.000	19	1,865	1,850	5.500	05/31/01	05/15/31	1,850	1,850	1,761	1,761
555403	6.125	52	5,051	5,014	5.625	05/31/01	05/15/31	5,014	5,014	4,815	4,815
561005	5.990	36	3,491	3,471	5.490	07/13/01	07/15/31	3,471	3,471	3,299	3,299
561006	6.125	38	3,952	3,818	5.625	07/13/01	06/15/31	3,818	3,818	3,666	3,666
561007	6.375	3	335	333	5.875	07/13/01	06/15/31	333	333	325	325
561008	6.625	4	490	488	6.125	07/13/01	03/15/31	488	488	480	480
561009	6.875	5	431	430	6.375	07/13/01	04/15/31	430	430	428	428
561010	7.000	3	292	290	6.500	07/13/01	04/15/31	290	290	291	291
561011	7.125	1	94	93	6.625	07/13/01	03/15/31	93	93	94	94
561021	5.990	44	4,878	4,852	5.490	07/31/01	07/15/31	4,852	4,852	4,611	4,611
566814	6.125	15	1,641	1,632	5.625	07/31/01	07/15/31	1,632	1,632	1,567	1,567
566838	5.875	18	1,723	1,715	5.375	08/17/01	08/15/31	1,715	1,715	1,621	1,621
566839	5.990	66	7,128	7,095	5.490	08/17/01	08/15/31	7,095	7,095	6,724	6,724
573831	5.875	15	1,694	1,688	5.375	09/28/01	09/15/31	1,688	1,688	1,596	1,596
573832	5.990	124	12,879	12,836	5.490	09/28/01	09/15/31	12,836	12,836	12,162	12,162
573833	6.500	4	379	377	6.000	09/28/01	09/15/31	377	377	371	371
573838	5.875	47	4,742	4,732	5.375	10/31/01	10/15/31	4,732	4,732	4,472	4,472
573839	5.990	55	6,021	6,008	5.490	10/31/01	10/15/31	6,008	6,008	5,692	5,692
573849	5.875	68	7,260	7,253	5.375	11/30/01	11/15/31	7,253	7,253	6,854	6,854
573850	5.990	37	3,893	3,888	5.490	11/30/01	11/15/31	3,888	3,888	3,693	3,693
576552	5.500	12	1,288	1,288	5.000	12/28/01	12/15/31	1,288	1,288	1,201	1,201
576553	5.875	79	8,487	8,486	5.375	12/28/01	12/15/31	8,486	8,486	8,020	8,020
576554	5.990	16	1,684	1,684	5.490	12/28/01	11/15/31	1,684	1,684	1,600	1,600
576555	6.000	8	929	929	5.500	12/28/01	07/15/31	929	929	885	885
Subtotal Assigned		<u>2,282</u>	<u>\$224,860</u>	<u>\$216,567</u>				<u>\$216,567</u>	<u>\$216,567</u>	<u>\$210,523</u>	<u>\$210,523</u>
Total GNMA Program Assets		<u>4,768</u>	<u>\$442,202</u>	<u>\$404,489</u>				<u>\$404,489</u>	<u>\$404,489</u>	<u>\$395,785</u>	<u>\$395,785</u>

CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF BONDS ISSUED OR OUTSTANDING
(in 000's)

<u>Housing Mortgage Finance Program Bonds</u>	<u>Original Amount</u>	<u>Outstanding December 31,</u>	
		<u>2001</u>	<u>2000</u>
1972 Series A, 5.2%-6.5% (net interest cost 5.39%), \$10,770 due serially, annually, from November 15, 1974 to November 15, 1992, \$15,680 term bonds due November 15, 2011.....	\$ 26,450	\$ - 0 -	\$ - 0 -
1974 Series A, 5.0%-6.0% (net interest cost 5.70%), \$10,560 due serially, annually, from November 15, 1976 to November 15, 1990, \$33,440 term bonds due November 15, 2016.....	44,000	- 0 -	- 0 -
1974 Series B, 5.5%-6.875% (net interest cost 6.77%), \$16,965 due serially, annually, from November 15, 1975 to November 15, 1994, \$37,735 term bonds due November 15, 2016.....	54,700	- 0 -	- 0 -
1974 Series C, 6.0%-7.5% (net interest cost 7.20%), \$40,905 due serially, annually, from November 15, 1975 to November 15, 1997, \$14,095 term bonds due November 15, 2005.....	55,000	- 0 -	- 0 -
1975 Series A, 5.75%-7.375% (net interest cost 7.00%), \$29,005 due serially, annually, from November 15, 1977 to November 15, 1998, \$5,995 term bonds due November 15, 2007.....	35,000	- 0 -	- 0 -
1975 Series B, 6.0%-7.8% (net interest cost 7.63%), \$16,345 due serially, annually, from November 15, 1977 to November 15, 1989, \$3,495 term bonds due November 15, 1992; \$2,700-1995; \$12,460-2007.....	35,000	- 0 -	- 0 -
1976 Series A, 5.8%-7.5% (net interest cost 6.96%), \$7,290 due serially, annually, from November 15, 1977 to November 15, 1995, \$12,710 term bonds due November 15, 2008.....	20,000	- 0 -	- 0 -
1976 Series B, 3.4%-6.4% (net interest cost 6.41%), \$6,160 due serially, annually, from November 15, 1978 to November 15, 1995, \$29,950 term bonds due November 15, 2019.....	36,110	- 0 -	- 0 -
1977 Series A, 3.1%-5.75% (net interest cost 5.45%), \$47,965 due serially, annually, from November 15, 1978 to November 15, 1996, \$20,290 term bonds due November 15, 2008.....	68,255	- 0 -	- 0 -
1977 Series B, 4.0%-5.8% (net interest cost 5.51%), \$78,350 due serially, annually, from November 15, 1979 to November 15, 1996, \$35,580 term bonds due November 15, 2009.....	113,930	- 0 -	- 0 -
1978 Series A, 4.9%-6.5% (net interest cost 5.89%), \$114,570 due serially, annually, from November 15, 1979 to November 15, 1998, \$65,430 term bonds due November 15, 2010.....	180,000	- 0 -	- 0 -
1978 Series B, 5.1%-7.25% (net interest cost 6.11%), \$76,030 due serially, annually, from November 15, 1980 to November 15, 1998, \$43,970 term bonds due November 15, 2010.....	120,000	- 0 -	- 0 -
1979 Series A, 5.4%-6.8% (net interest cost 6.57%), \$103,820 due serially, annually, from November 15, 1980 to November 15, 1998, \$54,465 term bonds due November 15, 2011.....	158,285	- 0 -	- 0 -
1979 Series B, 6.3%-7.875% (net interest cost 7.59%), \$13,885 due serially, annually, from November 15, 1983 to November 15, 1999, \$39,755 term bonds due November 15, 2018; \$7,760-2021.....	61,400	- 0 -	- 0 -
1980 Series A, 6.4%-8.25% (net interest cost 7.82%), \$72,180 due serially, annually, from November 15, 1982 to November 15, 1997, \$27,820 term bonds due November 15, 2011.....	100,000	- 0 -	- 0 -
1980 Series B, 5.15%-8.625% (net interest cost 8.47%), \$8,790 due serially, annually, from November 15, 1983 to November 15, 1999, \$20,275 term bonds due November 15, 2012; \$12,595-2023.....	41,660	- 0 -	- 0 -
1980 Series C, 5.0%-8.6% (net interest cost 8.47%), \$14,195 due serially, annually, from November 15, 1982 to November 15, 1999, \$29,805 term bonds due November 15, 2012.....	44,000	- 0 -	- 0 -
1980 Series D, 8.25%-11.375% (net interest cost 10.97%), \$28,925 due serially, annually, from November 15, 1982 to November 15, 1995, \$6,445 term bonds due November 15, 2000; \$14,630-2012.....	50,000	- 0 -	- 0 -
1981 Series A, 8.0%-11.1% (net interest cost 11.01%), \$11,950 due serially, annually, from November 15, 1984 to November 15, 2004, \$11,550 term bonds due November 15, 2010; \$26,500-2023.....	50,000	- 0 -	- 0 -

EXHIBIT II

**CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF BONDS ISSUED OR OUTSTANDING — (Continued)
(in 000's)**

<u>Housing Mortgage Finance Program Bonds</u>	<u>Original Amount</u>	<u>Outstanding December 31,</u>	
		<u>2001</u>	<u>2000</u>
1981 Series B, 8.5%-13% (net interest cost 12.89%), \$57,010 due serially, annually, from November 15, 1983 to November 15, 1992, \$36,290 term bonds due November 15, 1999; \$106,700-2013	\$ 200,000	\$ - 0 -	\$ - 0 -
1982 Series A, 7.75%-12.625% (net interest cost 12.62%), \$7,045 due serially, annually, from November 15, 1984 to November 15, 1998, \$4,755 term bonds due November 15, 2002; \$39,470-2014	51,270	- 0 -	- 0 -
1982 Series B, 7.25%-11.5% (net interest cost 11.06%), \$80,780 due serially, annually, from November 15, 1984 to November 15, 1994, \$69,220 term bonds due November 15, 2000.....	150,000	- 0 -	- 0 -
1982 Series C, 6.5%-10.5% (net interest cost 9.74%), \$50,000 due serially, annually, from November 15, 1984 to November 15, 2000	50,000	- 0 -	- 0 -
1983 Series A, 5.5%-9.5% (net interest cost 8.94%), \$75,000 due serially, annually, from November 15, 1984 to November 15, 2001	75,000	- 0 -	- 0 -
1983 Series B, 5.5%-9.75% (net interest cost 9.31%), \$71,845 due serially, annually, from November 15, 1984 to November 15, 1995, \$23,155 term bonds due November 15, 1998; \$30,000-2001	125,000	- 0 -	- 0 -
1984 Series A, 5.75%-9.75% (net interest cost 9.70%), \$10,080 due serially, annually, from November 15, 1985 to November 15, 2004, \$5,120 term bonds due November 15, 2008; \$15,115-2015	30,315	- 0 -	- 0 -
1984 Series B, 6.25%-11% (net interest cost 10.68%), \$93,510 due serially, annually, from November 15, 1985 to November 15, 1995, \$106,490 term bonds due November 15, 2002.....	200,000	- 0 -	- 0 -
1984 Series C, 7.625% (net interest cost 7.63%), due November 15, 2017.....	32,400	- 0 -	- 0 -
1985 Series A, 7.625% (net interest cost 7.63%), due November 15, 2017.....	37,200	- 0 -	- 0 -
1985 Series B, 5%-8.5% (net interest cost 8.33%), \$100,000 due serially, annually, from November 15, 1986 to November 15, 2003	100,000	- 0 -	- 0 -
1985 Series C, 7.125% (net interest cost 7.13%), due November 15, 2017.....	30,000	- 0 -	- 0 -
1985 Series D, 5.5%-8.75% (net interest cost 8.42%), \$101,375 due serially, annually, from November 15, 1987 to November 15, 2001, \$23,625 term bonds due November 15, 2003.....	125,000	- 0 -	- 0 -
1985 Series E, 5.4%-8.75% (net interest cost 8.70%), \$13,385 due serially, annually, from November 15, 1988 to November 15, 2000, \$9,955 term bonds due November 15, 2005; \$51,660-2018	75,000	- 0 -	- 0 -
1985 Series F, 7.125% (net interest cost 7.13%), due November 15, 2018	37,000	- 0 -	- 0 -
1986 Series A, 4.4%-7.25% (net interest cost 7.06%), \$15,550 due serially, annually, from November 15, 1987 to November 15, 1996, \$14,450 term bonds due November 15, 2003.....	30,000	- 0 -	- 0 -
1986 Series B, 4.75%-7.25% (net interest cost 7.10%), \$54,565 due serially, annually, from November 15, 1987 to November 15, 2000, \$15,435 term bonds due November 15, 2003.....	70,000	- 0 -	- 0 -
1986 Series C, 4.00%-7.00% (net interest cost 6.63%), \$46,960 due serially, annually, from November 15, 1988 to November 15, 2000, \$19,040 term bonds due November 15, 2004.....	66,000	- 0 -	- 0 -
1987 Series A, 5.00%-7.80% (net interest cost 7.23%), \$87,000 due serially, annually, from November 15, 1988 to November 15, 2004	87,000	- 0 -	- 0 -
1987 Series B, 6.00%-8.90% (net interest cost 8.38%), \$80,000 due serially, annually, from November 15, 1988 to November 15, 2004	80,000	- 0 -	- 0 -
1988 Series A, 5.10%-7.875% (net interest cost 7.51%), \$77,100 due serially, annually, from November 15, 1989 to November 15, 2002, \$22,900 term bonds due November 15, 2005.....	100,000	- 0 -	- 0 -
1988 Series B, 6.90%-7.40% (net interest cost 7.17%), \$115,000 due serially, annually, from November 15, 1998 to November 15, 2005	115,000	- 0 -	- 0 -
1988 Series C, 5.90%-7.10% (net interest cost 7.17%), \$80,000 due serially, annually, from November 15, 1989 to November 15, 1997	80,000	- 0 -	- 0 -

CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF BONDS ISSUED OR OUTSTANDING — (Continued)
(in 000's)

<u>Housing Mortgage Finance Program Bonds</u>	<u>Original Amount</u>	<u>Outstanding December 31,</u>	
		<u>2001</u>	<u>2000</u>
1989 Series A, 6.90%-7.60% (net interest cost 7.65%), \$134,000 due serially, annually, from November 15, 1990 to November 15, 2006.....	\$ 134,000	\$ - 0 -	\$ 2,850
1989 Series B, 6.80%-7.10% (net interest cost 7.09%), \$48,050 due serially, annually, from November 15, 2000 to November 15, 2004, \$34,735 term bonds due November 15, 2009.....	82,785	- 0 -	34,655
1989 Series C, 6.15%-7.10% (net interest cost 7.09%), \$50,000 due serially, annually, from November 15, 1990 to November 15, 2000.....	50,000	- 0 -	- 0 -
1989 Series D, variable rate demand bonds \$52,000 due from November 15, 1993 to November 15, 2024.....	52,000	33,900	34,455
1990 Series A, 6.50%-7.50% (net interest cost 7.23%), \$60,600 due serially, annually, from November 15, 1995 to November 15, 2004, \$23,195 term bonds due November 15, 2009.....	83,795	- 0 -	685
1990 Series B, 6.50%-7.75% (net interest cost 7.43%), \$72,885 due serially, annually, from November 15, 1991 to November 15, 2000, \$39,950 term bonds due November 15, 2003; \$115,370-2008; \$25,000-2009; \$25,000-2022.....	278,205	1,000	1,000
1990 Series C, variable rate demand bonds \$16,620 due from November 15, 1996 to November 15, 2022.....	16,620	7,995	8,140
1990 Series D, 9.00%-9.80% (net interest cost 9.72%), \$815 term bonds due November 15, 2000; \$1,565-2008; \$6,880-2021.....	9,260	- 0 -	2,180
1991 Series A, 5.90%-7.20% (net interest cost 6.91%), \$39,220 due serially, annually, from November 15, 1996 to November 15, 2003, \$47,780 term bonds due November 15, 2008; \$11,455-2009.....	98,455	- 0 -	7,680
1991 Series B, 9.50% (net interest cost 9.50%) due November 15, 2022.....	2,570	2,570	2,570
1991 Series C, 3.00%-6.70% (net interest cost 6.42%), \$46,745 due serially, annually, from November 15, 1992 to November 15, 2007, \$14,600 term bonds due November 15, 2011; \$22,415-2013; \$43,540-2022; \$37,465-2023.....	164,765	58,810	94,770
1992 Series A, 3.50%-6.05% (net interest cost 5.81%), \$10,970 due serially, annually, from November 15, 1995 to November 15, 2002, \$8,115 term bonds due November 15, 2006; \$33,300-2016; \$56,735-2025.....	109,120	88,155	93,365
1992 Series B, 5.10%-6.75% (net interest cost 6.56%), \$87,195 due serially, annually, from November 15, 1998 to November 15, 2006, \$79,595 term bonds due November 15, 2012; \$66,260-2023.....	233,050	174,305	183,555
1992 Series D, 5.75%-6.30% (net interest cost 6.23%), \$1,345 term bonds due November 15, 2008; \$3,815-2016; \$1,840-2025.....	64,130	1,060	5,770
1992 Series G, 6.00%-6.20% (net interest cost 6.20%), \$1,795 term bonds due November 15, 2011; \$5,205-2016.....	65,000	1,545	5,840
1993 Series A, 3.00%-6.20% (net interest cost 5.87%), \$37,575 due serially, annually, from May 15, 1994 to May 15, 2006, \$38,440 term bonds due May 15, 2014.....	76,015	55,755	58,710
1993 Series B, 4.35%-6.30% (net interest cost 6.03%), \$52,140 due serially, annually, from May 15, 1997 to May 15, 2024, \$20,585 term bonds due May 15, 2009; \$35,920-2012; \$32,200-2024.....	140,845	135,015	135,600
1993 Series C, 4.20%-6.00% (net interest cost 5.62%), \$26,500 due serially, annually, from May 15, 1994 to May 15, 1997.....	26,500	- 0 -	- 0 -
1993 Series D, 7.125% (net interest cost 7.125%), \$10,000 due November 15, 2007.....	10,000	10,000	10,000
1993 Series E, 3.75%-6.20% (net interest cost 6.06%), \$1,860 due serially, annually, from May 15, 1996 to May 15, 2005, \$1,385 term bonds due May 15, 2013; \$1,535-2017; \$4,980-2021; \$170-2024.....	85,000	7,060	7,805
1993 Series F, 3.75%-5.60% (net interest cost 5.22%), \$154,375 due serially, annually, from May 15, 1996 to May 15, 2011, \$5,065 term bonds due May 15, 2004; \$9,380-2019.....	168,820	115,980	129,095
1993 Series G, 4.50%-7.625% (net interest cost 7.50%), \$7,325 due serially, annually, from May 15, 1995 to May 15, 2008, \$4,750 term bonds due May 15, 2013; \$12,325-2021.....	24,400	21,500	21,985
1993 Series H, 3.75%-6.25% (net interest cost 6.07%), \$3,590 due serially, annually, from May 15, 1996 to May 15, 2011, \$3,470 term bonds due May 15, 2014; \$6,140-2022.....	161,115	5,865	10,950

CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF BONDS ISSUED OR OUTSTANDING — (Continued)
(in 000's)

<u>Housing Mortgage Finance Program Bonds</u>	<u>Original Amount</u>	<u>Outstanding December 31,</u>	
		<u>2001</u>	<u>2000</u>
1994 Series A, 3.30%-6.10% (net interest cost 5.99%), \$41,920 due serially, annually, from May 15, 1995 to May 15, 2009, \$25,845 term bonds due May 15, 2013; \$17,235-2017	\$ 85,000	\$ 49,675	\$ 57,735
1994 Series B, 3.60%-6.75% (net interest cost 6.39%), \$16,695 due serially, annually, from May 15, 1995 to May 15, 2008, \$11,000 term bonds due May 15, 2011; \$14,425-2015; \$12,365-2018; \$5,515-2022	60,000	4,995	14,290
1994 Series C, 3.85%-6.45% (net interest cost 6.19%), \$29,175 due serially, annually, from May 15, 1995 to May 15, 2009, \$29,235 term bonds due May 15, 2017; \$1,590-2024	60,000	13,420	19,730
1994 Series D, 4.00%-6.90% (net interest cost 6.63%), \$19,790 due serially, annually, from May 15, 1995 to May 15, 2009, \$11,995 term bonds due May 15, 2014; \$13,230-2017; \$23,160-2020; \$3,505-2024	71,680	- 0 -	2,830
1994 Series E, 3.80%-6.30% (net interest cost 5.98%), \$18,480 due serially, annually, May 15, 1997 to May 15, 2009, \$14,565 term bonds due May 15, 2014; \$6,955-2017	58,500	6,960	32,015
1994 Series F, 9.20%-9.25% (net interest cost 9.28%), \$765 term bonds due May 15, 2014; \$2,115-2027	2,880	2,675	2,700
1995 Series A, 4.60%-6.50% (net interest cost-6.31%), \$32,675 due serially, annually, from May 15, 1996 to May 15, 2011, \$10,950 term bonds due May 15, 2014; \$13,230-2017; \$28,440-2022; \$39,705-2027	125,000	43,125	49,745
1995 Series B, 4.35%-6.44% (net interest cost 6.19%), \$31,490 due serially, annually, from May 15, 1997 to May 15, 2013, \$18,610 term bonds due May 15, 2018; \$17,650-2022; \$8,580-2025; \$5,000-2026	81,330	39,765	50,440
1995 Series C, 7.375%-8.60% (net interest cost 8.62%), \$55 term bonds due May 15, 2000; \$110-2005; \$395-2015; \$1,060-2026	1,620	1,550	1,565
1995 Series D, 3.50%-6.25% (net interest cost 6.06%), \$18,655 due serially, annually, from May 15, 1996 to May 15, 2009, \$8,090 term bonds due May 15, 2014; \$10,810-2017; \$18,250-2022; \$1,245-2024; \$9,750-2025	66,800	32,295	53,815
1995 Series E, 3.80%-6.50% (net interest cost 6.31%), \$9,850 due serially, annually, from May 15, 1997 to May 15, 2010, \$4,490 term bonds due May 15, 2014; \$4,160-2017; \$13,620-2020; \$5,000-2023	37,120	5,795	14,170
1995 Series F, 4.00%-6.20% (net interest cost 5.84%), \$46,095 due serially, semi-annually, from May 15, 1997 to November 15, 2010, \$41,225 term bonds due May 15, 2017; \$3,265-2018; \$16,980-2022; \$5,320-2025	112,885	85,765	94,315
1995 Series G, variable rate demand bonds due from May 15, 1996 to May 15, 2018 converted by contract with J.P. Morgan Securities Incorporated in the "1994 Morgan Swap Transaction" into a fixed rate of 6.30% (net interest cost 6.80%), \$27,300 due serially, annually, from May 15, 1996 to May 15, 2010, \$13,300 term bonds due May 15, 2014; \$17,365-2018	57,965	50,165	51,665
1995 Series H, 7.875% (net interest cost 7.88%), due November 15, 2026	2,730	2,615	2,650
1996 Series A, 3.60%-6.20% (net interest cost 6.07%), \$39,175 due serially, semi-annually, from November 15, 1997 to November 15, 2008, \$18,095 term bonds due November 15, 2015; \$31,075-May 15, 2017; \$49,075-November 15, 2022; \$2,920-November 15, 2026; \$29,660-November 15, 2027	170,000	143,630	153,690
1996 Series B, 4.35%-6.25% (net interest cost 6.14%), \$22,165 due serially, semi-annually, from November 15, 1998 to November 15, 2010, \$15,900 term bonds due November 15, 2015; \$6,985-May 15, 2018; \$49,950-November 15, 2027	95,000	40,215	86,030
1996 Series C-1, 4.00%-6.30% (net interest cost 6.11%), \$17,015 due serially, annually, from November 15, 1997 to November 15, 2008, \$4,935 term bonds due November 15, 2010; \$25,350-2017	47,300	42,370	43,680
1996 Series C-2, 3.95%-6.25% (net interest cost 6.07%), \$16,815 due serially, annually, from November 15, 1997 to November 15, 2008, \$4,765 term bonds due November 15, 2010; \$24,540-2018	46,120	41,065	42,270
1996 Series D, 3.90%-6.20% (net interest cost 6.07%), \$9,705 due serially, semi-annually, from November 15, 1997 to November 15, 2008, \$20,060 term bonds due May 15, 2016; \$12,505-May 15, 2027; \$37,730-November 15, 2027	80,000	65,700	70,900

EXHIBIT II

**CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF BONDS ISSUED OR OUTSTANDING — (Continued)
(in 000's)**

<u>Housing Mortgage Finance Program Bonds</u>	<u>Original Amount</u>	<u>Outstanding December 31,</u>	
		<u>2001</u>	<u>2000</u>
1996 Series E, 3.80%-6.15% (net interest cost 6.11%), \$5,305 due serially, semi-annually, from November 15, 1997 to November 15, 2006, \$8,800 term bonds due May 15, 2012; \$7,415-May 15, 2015; \$4,225-May 15, 2017; \$1,970-May 15, 2027; \$42,285-November 15, 2027	\$ 70,000	\$ 61,125	\$ 64,355
1996 Series F, 4.15%-6.00% (net interest cost 5.94%), \$18,235 due serially, semi-annually, from May 15, 1998 to November 15, 2010, \$7,745 term bonds due November 15, 2016; \$6,930-May 15, 2017; \$1,950-November 15, 2017; \$39,140-November 15, 2027; \$6,000 November 15, 2028	80,000	74,585	76,350
1996 Series G, 4.15%-6.00% (net interest cost 5.85%), \$16,065 due serially, semi-annually, from May 15, 1998 to November 15, 2010, \$6,770 term bonds due November 15, 2017; \$12,665-2027	35,500	30,575	31,875
1997 Series A, 3.75%-7.21% (net interest cost 6.79%), \$3,455 due serially, semi-annually, from May 15, 1998 to November 15, 2008, \$6,230 term bonds due May 15, 2021; \$35,000-May 15, 2027; \$5,315-November 15, 2028	50,000	43,520	47,685
1997 Series B, 3.80%-6.96% (net interest cost 5.95%), \$8,300 due serially, semi-annually, from November 15, 1998 to November 15, 2008, \$10,000 term bonds due November 15, 2007; \$17,505-May 15, 2017; \$15,000-May 15, 2027; \$39,195-November 15, 2028	90,000	80,055	84,505
1997 Series C, 4.30%-6.90% (net interest cost 5.86%), \$12,735 due serially, semi-annually, from November 15, 1998 to November 15, 2011, \$10,000 term bonds due November 15, 2005; \$6,530-November 15, 2006; \$14,030-November 15, 2017; \$45,705-November 15, 2028	89,000	81,015	85,470
1997 Series D, 3.90%-6.88% (net interest cost 5.70%), \$16,875 due serially, semi-annually, from May 15, 1999 to May 15, 2011, \$8,500 term bonds due November 15, 2004; \$8,500-November 15, 2008; \$3,000-November 15, 2011; \$10,780-November 15, 2017; \$15,270-November 15, 2021; \$6,660-November 15, 2025; \$2,045-November 15, 2026; \$18,370-November 15, 2028	90,000	82,755	86,895
1998 Series A, 4.05%-5.50% (net interest cost 5.46%), \$765 due serially, annually, from November 15, 2000 to November 15, 2010, \$895 term bonds due November 15, 2018; \$5,090-2029	6,750	6,640	6,700
1998 Series B Subseries B-1 and B-2, 3.90%-5.40% (net interest cost 5.29%), \$17,510 due serially, semi-annually, from May 15, 1999 to November 15, 2012, \$13,660 term bonds due November 15, 2018; \$28,830-November 15, 2028; Subseries B-3, variable rate demand bonds converted by contract with Goldman Sachs Mitsui Marine Derivative Products, LP into a fixed rate of 6.45%, \$25,000 term bonds due November 15, 2018	85,000	55,605	57,860
1998 Series C, 4.15%-5.50% (net interest cost 5.49%), \$3,000 due serially, semi-annually, from May 15, 2001 to November 15, 2012, \$2,320 term bonds due November 15, 2018; \$6,760-November 15, 2029; \$5,775-November 15, 2035	17,855	17,670	17,855
1998 Series D, 3.80%-5.45% (net interest cost 5.66%), \$14,330 due serially, semi-annually, from May 15, 1999 to November 15, 2010, \$3,525 term bonds due November 15, 2018; \$17,145-May 15, 2024; \$10,000-November 15, 2028	90,000	85,635	88,115
Subseries D-3, variable rate demand bonds converted by contract with Merrill Lynch Capital Services, Inc. into a fixed rate of 4.87%, \$20,000 term bonds due November 15, 2028 Subseries D-4, variable rate demand bonds converted by contract with Merrill Lynch Capital Services, Inc. into a fixed rate of 6.32%, \$25,000 term bonds due November 15, 2025			
1998 Series E, 3.70%-5.25% (net interest cost 5.28%), \$4,085 due serially, annually, from November 15, 1999 to November 15, 2011, \$14,655 term bonds due May 15, 2021; \$31,800-May 15, 2026; \$5,315-November 15, 2021; \$19,145-November 15, 2028;	75,000	74,345	74,560

EXHIBIT II

**CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF BONDS ISSUED OR OUTSTANDING — (Continued)
(in 000's)**

Housing Mortgage Finance Program Bonds	Original	Outstanding December 31,	
	Amount	2001	2000
1998 Series F, variable rate demand bonds converted by contract with CDC Financial Products Inc. into a fixed rate of 6.0525%, \$115,900 term bonds due November 15, 2016.....	\$ 115,900	\$ 111,800	\$ 113,300
1998 Series G, 3.60%-5.92% (net interest cost 5.33%), \$17,235 due serially, semi-annually, from November 15, 1999 to November 15, 2012, \$1,080 term bonds due November 15, 2013; \$1,230-November 15, 2015; \$6,575-May 15, 2017; \$15,940-November 15, 2018; \$8,765-November 15, 2028; \$26,000-May 15, 2029.....	76,825	71,925	75,140
1998 Series H, 3.25%-5.34% (net interest cost 5.13%), \$25,935 due serially, semi-annually, from November 15, 1999 to November 15, 2011, \$12,330 term bonds due May 15, 2017; \$23,420-November 15, 2018; \$20,000-November 15, 2023; \$8,705-May 15, 2025; \$22,110-November 15, 2028.....	112,500	103,965	109,835
1998 Series I, 3.85%-5.35% (net interest cost 5.27%), \$2,825 due serially, annually, from November 15, 2001 to November 15, 2013, \$315 term bonds due November 15, 2020; \$690-November 15, 2030; \$1,140-November 15, 2040.....	4,970	2,480	4,970
1999 Series A, 3.30%-5.20% (net interest cost 5.14%), \$18,390 due serially, annually, from November 15, 2000 to May 15, 2012, \$11,860 term bonds due May 15, 2017; \$4,895-November 15, 2018; \$9,060-November 15, 2021; \$2,780-November 15, 2028; \$23,015-November 15, 2029; \$10,000-May 15, 2030 Subseries, A-3 variable rate demand bonds converted by contract with Goldman, Sachs & Co. into a fixed rate of 6.246%, \$40,000,000 term bonds due November 15, 2018.....	120,000	116,770	119,090
1999 Series B, 4.40%-6.10% (net interest cost 6.04%), \$475 due serially, annually, from November 15, 2002 to November 15, 2011, \$600 term bonds due May 15, 2019; \$4,425-November 15, 2031.....	5,500	5,500	5,500
1999 Series C, convertible option bonds due September 5, 2000.....	40,000	39,620	40,000
1999 Series D, 3.80%-6.20% (net interest cost 6.05%), \$3,955 due serially, annually, from November 15, 2000 to November 15, 2011; \$1,185 term bonds due November 15, 2017; \$10,270-November 15, 2032; \$3,000-November 15, 2041; \$7,060-May 15, 2042;.....	25,470	25,340	25,410
1999 Series E, 4.20%-6.10% (net interest cost 5.94%), \$9,355 due serially, semi-annually, from May 15, 2001 to November 15, 2011, \$25,970 term bonds due November 15, 2027; \$9,800-November 15, 2030;.....	50,000	49,210	50,000
2000 Series A, 4.40%-6.00% (net interest cost 5.98%), \$6,905 due serially, semi-annually, from November 15, 2001 to May 15, 2012, \$1,545 term bonds due November 15, 2014; \$1,665-May 15, 2017; \$2,030-May 15, 2020; \$2,805-November 15, 2022; \$5,050-November 15, 2028; \$10,000-May 15, 2031.....	30,000	29,735	30,000
2000 Series B, 4.35%-6.00% (net interest cost 5.68%), \$31,780 due serially, semi-annually, from May 15, 2002 to November 15, 2014, \$8,010 term bonds due May 15, 2019; \$13,805-November 15, 2021; \$3,040-November 15, 2028; \$40,865-May 15, 2031; \$2,500-November 15, 2031; Subseries B-3, variable rate demand bonds converted by contract with PaineWebber Trading Inc. into a fixed rate of 5.397%, \$25,000 term bonds due November 15, 2031.....	125,000	124,225	125,000
2001 Series A, 3.15%-5.475% (net interest cost 5.15%), \$30,395 due serially, semi-annually, from November 15, 2002 to November 15, 2015, \$26,550 term bonds due November 15, 2022; \$12,900-November 15, 2028; \$2,500-November 15, 2031; \$52,655-May 15, 2032; Subseries A-3 and A-4, variable rate demand bonds converted by contract with Goldman Sachs Mitsui Marine Derivative Products LP into fixed rates of interest of 4.12% and 5.475% respectively.....	125,000	125,000	- 0 -
2001 Series B, 2.75%-5.82% (net interest cost 5.15%), \$42,550 due serially, semi-annually, from May 15, 2002 to November 15, 2015, \$3,495 term bonds due May 15, 2019; \$7,615-May 15, 2021; \$4,145-November 15, 2021; \$25,000-November 15, 2027; \$2,915-November 15, 2028; \$20,690-November 15, 2031; \$18,590-May 15, 2032; Subseries B-4 and B-6, variable rate demand bonds converted by contract with Merrill Lynch Capital Services, Inc. into fixed rates of interest of 4.31% and 5.82% respectively.....	125,000	125,000	- 0 -
2001 Series C, 2.50%-5.45% (net interest cost 5.35%), \$3,245 due serially, annually, from November 15, 2003 to November 15, 2013, \$1,520 term bonds due November 15, 2022; \$3,595-November 15, 2033; \$6,910-November 15, 2043.....	15,270	15,270	- 0 -
2001 Series D, 2.50%-5.36% (net interest cost 4.88%), \$32,950 due serially, semi-annually, from November 15, 2003 to May 15, 2016, \$35,270 term bonds due November 15, 2022; \$1,230-November 15, 2023; \$25,000-November 15, 2027; \$1,640-November 15, 2028; \$78,910-May 15, 2033; Subseries D-3 and D-5, variable rate demand bonds converted by contract with UBS AG (an affiliate of UBS PaineWebber Inc.) into fixed rates of interest of 4.09% and 5.36% respectively.....	175,000	175,000	- 0 -
	<u>\$8,563,895</u>	<u>\$3,206,660</u>	<u>\$3,116,365</u>

EXHIBIT II

**CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF BONDS ISSUED OR OUTSTANDING — (Continued)
(in 000's)**

<u>Group Home Mortgage Finance Program Special Obligation Bonds</u>	<u>Original Amount</u>	<u>Outstanding December 31,</u>	
		<u>2001</u>	<u>2000</u>
Series GH-1, 4.00%-6.125% (net interest cost 6.20%), \$1,325 due serially, annually, from June 15, 1997 to June 15, 2009, \$1,545 term bonds due June 15, 2016; \$3,710-2026	\$ 6,580	\$ 6,225	\$ 6,305
Series GH-2, 6.30%-7.70% (net interest cost 7.50%), \$310 due serially, annually, from June 15, 1997 to June 15, 2006	310	180	210
Series GH-3, 4.50%-5.625% (net interest cost 5.73%), \$1,270 due serially, semi-annually, from June 15, 2001 to June 15, 2010, \$1,375 term bonds due June 15, 2017; \$3,130-2027	5,775	5,670	5,775
Series GH-4, 6.20%-6.85% (net interest cost 6.33%), \$310 due serially, semi-annually, from June 15, 1998 to June 15, 2000	310	- 0 -	- 0 -
Series GH-5, 4.70%-5.85% (net interest cost 5.83%), \$1,615 due serially, annually, from June 15, 2004 to June 15, 2013, \$1,760 term bonds due June 15, 2020; \$4,065-June 15, 2030	7,440	7,440	7,440
Series GH-6, 6.91%-7.01% (net interest cost 7.23%), \$480 due serially, annually, from June 15, 2001 to June 15, 2003	480	330	480
	<u>\$20,895</u>	<u>\$19,845</u>	<u>\$20,210</u>