CONNECTICUT HOUSING FINANCE AUTHORITY

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

CONNECTICUT HOUSING FINANCE AUTHORITY

CONTENTS

CliftonLarsonAllen LLP
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Independent Auditors' Report

To the Board of Directors
Connecticut Housing Finance Authority
Rocky Hill, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of Connecticut Housing Finance Authority, a component unit of the State of Connecticut, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Connecticut Housing Finance Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Connecticut Housing Finance Authority as of December 31, 2020, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

The financial statements as of December 31, 2019 were audited by Blum, Shapiro & Company, P.C., whose partners and professional staff joined CliftonLarsonAllen LLP as of January 1, 2021 and has subsequently ceased operations. Blum, Shapiro & Company, P.C.'s report dated April 2, 2020 expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Connecticut Housing Finance Authority's basic financial statements. The supplementary information listed on the table of contents (combining schedules of net position and revenues, expenses and changes in net position) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole. The 2019 combining fund financial statements were subjected to the auditing procedures applied in the 2019 audit of the basic financial statements by Blum, Shapiro & Company, P.C., whose report on such information stated that it was fairly stated in all material respects in relation to the 2019 financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2021 on our consideration of Connecticut Housing Finance Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Connecticut Housing Finance Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Connecticut Housing Finance Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

West Hartford, Connecticut
April 9, 2021

CONNECTICUT HOUSING FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020 AND 2019

This section of the Connecticut Housing Finance Authority's (the "Authority") financial statements, Management's Discussion and Analysis, presents an overview of the Authority's financial performance for the years ended December 31, 2020 and 2019. It provides an assessment of the Authority's financial position and identifies the factors that in management's view, significantly affected the Authority's overall financial position. It may contain assumptions or conclusions by the Authority's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements described below.

Overview of the Financial Statements

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

The Basic Financial Statements

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

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

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

The Notes to the Financial Statements

The Notes to Financial Statements provide:

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

Required Supplementary Information and Supplementary Information

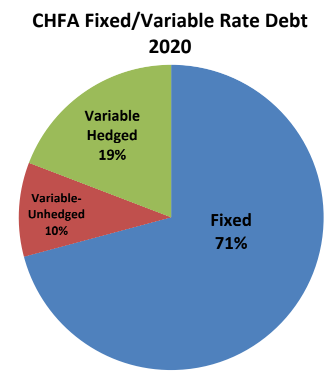
Required Supplementary Information represents information required by GASB, which supplements the basic financials statements and notes. These schedules provide additional information about the Authority's proportionate share of the Net OPEB Liability, Net Pension Liability and schedules of the Authority's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

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

Financial Highlights – Year Ended December 31, 2020

During 2020, the Authority closed $302.8 million in single family loans bringing homeownership to 1,636 homebuyers. The need for multifamily financing remained strong. Through new construction and/or rehabilitation, the Authority financed 936 affordable multifamily units for a total investment commitment of $107.3 million.

During 2020, the Authority issued five series of Housing Mortgage Finance Program Bonds generating $769 million in proceeds to provide financing for its home mortgage and multifamily mortgage housing programs. The Authority was able to restructure and refund approximately $262 million in outstanding bonds to take advantage of lower interest rates. As a result of the reduction in single family loan production, the Authority ended the year issuing less single family bonds than originally anticipated.



Single family loan production was impacted by the COVID-19 pandemic. The ability to continue to offer below market interest rates on new mortgages for its borrowers became more challenging during 2020 as rates offered for conventional loans by private banks became competitive with the Authority's rates. In addition, buyer and seller health concerns slowed home purchase activity for a period of time early in the year. There was an unprecedented influx of buyers relocating from New York to Connecticut, many of which elected conventional financing options or made cash purchases. The low interest rate environment during 2020 resulted in lower investment earnings and propelled an increase in single family loan payoffs as existing borrowers sought to refinance.

Financial Highlights - Year Ended December 31, 2019

During 2019, the Authority closed $525.5 million in single family loans bringing homeownership to 2,877 homebuyers. Through new construction and/or rehabilitation, the Authority financed 701 affordable multifamily units for a total investment commitment of $112.8 million.

During 2019, the Authority issued six series of Housing Mortgage Finance Program Bonds generating $765 million in proceeds to provide financing for its home mortgage and multifamily mortgage housing programs. The Authority was able to restructure and refund approximately $168 million in outstanding bonds to reduce interest rates. As loan production remains strong, the Authority is becoming more constrained to meet demands and in its ability to issue tax exempt debt due to volume cap limitations. In an effort to preserve volume cap, the Authority issued taxable bonds totaling $69.6 million during 2019. By combining these issues with new tax exempt debt, using a strategic mix of fixed rates, variable rates and the use of derivatives, the Authority remains able to offer below market interest rates on new mortgages for its borrowers.

Investment earnings continued to increase during 2019 as the vast majority of new single family loans continue to be securitized. This trend is expected to decelerate during 2020 due to the recent changes made to the FNMA HFA Preferred and the FHLMC HFA Advantage Programs. To adjust for the newly instituted loan level price adjustments on certain loans delivered through the HFA Preferred and HFA Advantage Programs, the Authority will be limiting program eligibility to certain applicants. The loans that would have been previously securitized under old program rules, will instead be taken into the Authority's portfolio as whole loans.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements was implemented in 2019. The implementation resulted in additional disclosures related to the status of a stand-by letter of credit and the separate reporting of debt that has been directly placed from publicly offered debt. Disclosures modified per this Statement can be found in Note 8-Bonds Payable and Note 9-Changes in Long Term Liabilities.

Per GASB Statement No. 68 and GASB Statement No. 75, the Authority is allocated pension and other post-employment benefit (OPEB) liabilities, deferred inflows of resources, deferred outflows of resources and expenses, per an actuarial valuation prepared by the State of Connecticut. OPEB and pension expense adjustments resulting from changes in actuarial assumptions have been historically included in operating expenses as a component of administrative expenses. In order to more accurately reflect the results of ongoing operations, these non-cash adjustments have been reclassified as a separate line item in the nonoperating section of the Statements of Revenues, Expenses and Changes in Net Position.

The Authority also issued three series of fixed rate conduit debt bonds totaling $25.1 million that were directly placed with an investor. These bonds are considered obligations of the State of Connecticut and are not reflected on the Authority's Statements of Net Position, however, are disclosed in the Conduit Debt section of Note 8. The bond proceeds were used to refund $21.4 million in outstanding variable rate bonds with the remainder being used to fund the financing of new community based residential facilities. The new bonds financed nine facilities; five properties to serve as transitional housing for women in recovery and four group homes to provide long term residential support services to clients with chronic mental health issues.

Financial Analysis of the Authority

The following table summarizes the changes in Net Position between December 31, 2020, 2019 and 2018:

	(in millions)			% Change	
	2020	2019	2018	2020/2019	2019/2018
Assets					
Current assets	$ 1,188.6	$ 892.7	$ 798.8	33.1 %	11.8 %
Capital assets	3.1	2.9	3.0	7.4	(3.3)
Noncurrent assets	5,168.5	5,260.5	4,962.8	(1.7)	6.0
Total assets	**6,360.2**	**6,156.1**	**5,764.6**	**3.3**	**6.8**
Deferred outflows of resources					
Unamortized deferred bonds refunding costs	75.7	84.6	96.0	(10.6)	(11.9)
Derivative Financial Instruments	39.9			100.0	
Deferred amounts for OPEB	24.0	13.3	2.6	80.8	401.7
Deferred amounts for pensions	12.9	18.5	16.8	(30.3)	10.1
Total deferred outflows of resources	**152.5**	**116.4**	**115.4**	31.0	**0.9**
Liabilities					
Long-term bonds payable	4,453.2	4,626.9	4,378.4	(3.8)	5.7
Net OPEB liability	82.4	78.5	63.1	4.9	24.4
Net pension liability	70.5	76.5	67.9	(7.9)	12.7
Other liabilities	837.9	555.7	537.1	50.8	3.5
Total liabilities	**5,444.0**	**5,337.6**	**5,046.5**	**2.0**	**5.8**
Deferred inflow of resources					
Deferred amount for OPEB	16.2	5.9	6.9	172.8	(14.3)
Deferred amount for pensions	8.6	5.5	8.4	57.9	(34.7)
Derivative Financial Instruments		12.8	49.5	(100.0)	(74.1)
Total deferred inflows of resources	**24.8**	**24.2**	**64.8**	**2.4**	**(62.7)**
Net position					
Net investment in capital assets	3.1	2.9	3.0	7.4	(3.3)
Restricted	1,040.8	907.8	765.7	14.7	18.6
Total Net Position	$ **1,043.9**	$ **910.7**	$ **768.7**	**14.6** %	**18.5** %

Change 2020/2019

- Mortgage loans receivable decreased $149.8 million or 5.2%.
  - During 2020, the Authority's multifamily loan portfolio experienced overall net growth, while its home mortgage whole loan portfolio continued to experience a net reduction. For reasons outlined in the Financial Highlights section, the home mortgage loan program, which includes both whole loans and mortgage loans securitized into mortgage backed securities (MBS's), experienced a year-over-year decrease of 5.6%.
- Cash and investments in securities increased $378 million or 11.9% primarily resulting from:
  - A net decrease of $1.0 million in bond proceeds and other funds held to be used for the financing of mortgage loans, the retirement of bond debt and the payment of administrative costs.

  - In 2020, 89% of new qualified home mortgage loans were securitized into mortgage backed securities. $258 million in bond proceeds were used to directly purchase investments as opposed to whole loans.
  - A $119.3 million increase attributable to the increase in investment fair values specifically related to GNMA, FNMA and FHLMC Program Assets (see Note 4 of the financial statements).
- Accounts receivable and other assets decreased $17.5 million or 37%. This decrease is due to:
  - A $3.2 million decrease in reimbursable expenses related to the Authority's single family real estate owned (REO) properties. This is a direct result of the significant reduction in the Authority's single family REO portfolio.
  - The Authority has an arrangement with a GNMA/FNMA/FHLMC seller/servicer. The terms of the agreement provide for immediate reimbursement of single family loans that have been originated but are waiting to be pooled and securitized. The time lag between reimbursement and securitization varies but is generally 45 days. The Authority earns interest at the note rate during this time. As of year-end there was a $14.3 million decrease from prior year in the reimbursed loans waiting to be securitized. This is mostly due to the reduction in single family loan production.
- Deferred outflows of resources increased $36.2 million or 31.1%. This increase is substantially attributed to:
  - A $5.6 million decrease in deferred amounts for pensions and $10.7 million increase in deferred amounts for OPEB. The deferred amounts are allocated to the Authority from an actuarial analysis prepared by the State of Connecticut. It is comprised of the difference between expected and actual experience, changes in actuarial assumptions, changes in proportion and differences between employer contributions and proportionate share of employer contributions and lastly, the employer contributions made between the measurement date of June 30, 2020 and the Authority's year-end of December 31, 2020.
  - A $8.9 million decrease in unamortized deferral on bond refundings. The Authority periodically refunds certain variable rate bonds that are being hedged by interest rate swaps. The fair value of these swaps at the time of the refunding were reclassified from derivative financial instruments-deferred outflows to unamortized deferral on bond refundings. The amounts reclassified are then amortized over the shorter of the life of the refunded or new debt. The $8.9 million decrease represents the current year amortization of these deferred amounts.
  - A $39.9 million increase in derivative financial instruments. At prior year-end, there was a $12.8 million balance in deferred inflows for derivative financial instruments. The current year activity produced a $52.7 million swing, resulting from a net increase in swap notional of $29.2 million and an increase in market value of $23.5 million.
- Bonds payable increased by $49.3 million or 1.0%. The increase is attributed to:
  - An increase of $769.4 million as a result of new bonds issued including original issue premium.
  - An increase of $1.0 million due to capital appreciation bond accretions.
  - A decrease of $711.8 million as a result of redemptions.
  - A decrease of $9.3 million due to amortization of original issue premiums.
- Net OPEB liability increased by $3.8 million or 4.9%. Net pension liability decreased by $6.0 million or 7.9%. The Authority is a component unit of the State of Connecticut and participates in the State's OPEB and pension plan. Liabilities are allocated based on the Authority's proportionate share of the State of Connecticut's net OPEB and pension liability. Both liabilities are adjusted annually based on an actuarial valuation prepared by the State (see Note 13 and Note 14 of the financial statements).
- Deferred inflows of resources increased $0.6 million or 2.4%. This includes:
  - A $10.2 million increase in deferred amount for OPEB and $3.2 million increase in deferred amounts for pensions. The deferral changes are explained in further detail in Note 13 and Note 14 of the financial statements.
  - A $12.8 million decrease in derivative financial instruments. The 2020 activity (further explained above in the deferred outflows section) resulted in a balance shift from deferred inflows to deferred outflows.

Change 2019/2018

- Mortgage loans receivable decreased $149.4 million or 4.9%.
  - During 2019, the Authority's multifamily loan portfolio experienced overall net growth, while its home mortgage whole loan portfolio continued to experience a net reduction. The home mortgage loan program, however, which includes both whole loans and mortgage loans securitized into mortgage backed securities (MBS's), experienced a year-over-year increase of 4.7%.
- Cash and investments in securities increased $561 million or 21.6% primarily resulting from:
  - A net decrease of $3.6 million in bond proceeds and other funds held to be used for the financing of mortgage loans, the retirement of bond debt and the payment of administrative costs.
  - The Authority continued to see growth in the home mortgage loan program. In 2019, 95% of new qualified home mortgage loans were securitized into mortgage backed securities. $452.5 million in bond proceeds were used to directly purchase investments as opposed to whole loans.
  - A $109.1 million increase attributable to the increase in investment fair values specifically related to GNMA, FNMA and FHLMC Program Assets (see Note 4 of the financial statements).
  - A $3 million increase in Small Multifamily Loan Program Funds (see note 16 of the financial statements).
- Accounts receivable and other assets decreased $14.2 million or 23%. This decrease is due to:
  - A $1.2 million spend-down of Financing Adjustment Factor (FAF) funds. The use of FAF funds is governed by an agreement between the Authority and the Department of Housing and Urban Development.
  - A $1.7 million decrease in reimbursable expenses related to the Authority's single family real estate owned (REO) properties. This is a direct result of the significant reduction in the Authority's single family REO portfolio.
  - The Authority has an arrangement with a GNMA/FNMA/FHLMC seller/servicer. The terms of the agreement provide for immediate reimbursement of single family loans that have been originated but are waiting to be pooled and securitized. The time lag between reimbursement and securitization varies but is generally 45 days. The Authority earns interest at the note rate during this time. As of year-end there was a $11.3 million decrease from prior year in the reimbursed loans waiting to be securitized. This is mostly due to the timing of the last security settlements.
- Deferred outflows of resources increased $1.0 million or 0.9%. This increase is substantially attributed to:
  - A $1.7 million increase in deferred amounts for pensions and $10.7 million increase in deferred amounts for OPEB. The deferred amounts are allocated to the Authority from an actuarial analysis prepared by the State of Connecticut. It is comprised of the difference between expected and actual experience, changes in actuarial assumptions, changes in proportion and differences between employer contributions and proportionate share of employer contributions and lastly, the employer contributions made between the measurement date of June 30, 2019 and the Authority's year-end of December 31, 2019.
  - A $11.4 million decrease in unamortized deferral on bond refundings. The Authority periodically refunds certain variable rate bonds that are being hedged by interest rate swaps. The fair value of these swaps at the time of the refunding were reclassified from derivative financial instruments-deferred outflows to unamortized deferral on bond refundings. The amounts reclassified are then amortized over the shorter of the life of the refunded or new debt. The $11.4 million decrease represents the current year amortization of these deferred amounts.
- Bonds payable increased by $233.3 million or 5.1%. The increase is attributed to:
  - An increase of $765.0 million as a result of new bonds issued including original issue premium.
  - An increase of $0.9 million due to capital appreciation bond accretions.
  - A decrease of $524.8 million as a result of redemptions.

- A decrease of $7.8 million due to amortization of original issue premiums.
- Net OPEB liability increased by $15.4 million or 24.4%. Net pension liability increased by $8.6 million or 12.7%. The Authority is a component unit of the State of Connecticut and participates in the State's OPEB and pension plan. Liabilities are allocated based on the Authority's proportionate share of the State of Connecticut's net OPEB and pension liability. Both liabilities are adjusted annually based on an actuarial valuation prepared by the State (see Note 13 and Note 14 of the financial statements).
- Deferred inflows of resources decreased $40.6 million or 62.7%. This includes:
  - A $1.0 million decrease in deferred amount for OPEB and $2.9 million decrease in deferred amounts for pensions. The deferral changes are explained in further detail in Note 13 and Note 14 of the financial statements.
  - A $36.7 million decrease in derivative financial instruments. There was a net increase in swap notional of $91.6 million and a $54.9 million decrease in the fair value of the Authority's swap portfolio.

The home mortgage, rental housing and special needs housing loan portfolios are one of the Authority's primary assets.

New loans financed under the Authority's home mortgage and special needs housing programs (including GNMA, FNMA & FHLMC Program Assets, excluding the acquired portfolio from the State) exceeded payoffs for the years ended December 31, 2019 and 2018. Payoffs of loans for the year ended December 31, 2020 exceeded new loans financed as follows:

	(in millions)		
	New Loans Financed	Payoffs	Net
2020	$ 308.0	$ 395.4	$ (87.4)
2019	532.8	$ 208.6	324.2
2018	585.9	185.7	400.2

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

	(in millions)			% Change	
	2020	2019	2018	2020/2019	2019/2018
Construction loan balances	$ 149.7	$ 122.7	$ 125.6	22.0 %	(2.3) %
Permanent loan balances	1,139.9	1,132.6	1,106.8	0.6	2.3
Special needs housing permanent loan balances	60.9	63.1	65.2	(3.5)	(3.2)
Total Multifamily Mortgage Loans	$ 1,350.5	$ 1,318.4	$ 1,297.6	2.4 %	1.6 %

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

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

The status of these acquired portfolios combined, as of December 31, 2020, 2019 and 2018, is summarized as follows (in millions):

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

	December 31, 2019		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	$ 1.4	$ (0.9)	$ 0.5
Multifamily mortgage loans	169.3	(145.5)	23.8
Total acquired portfolio	$ 170.7	$ (146.4)	$ 24.3
Allowance for losses % to par value		85.8%	

	December 31, 2018		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	$ 12.6	$ (11.7)	$ 0.9
Multifamily mortgage loans	168.8	(138.1)	30.7
Total acquired portfolio	$ 181.4	$ (149.8)	$ 31.6
Allowance for losses % to par value		82.6%	

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

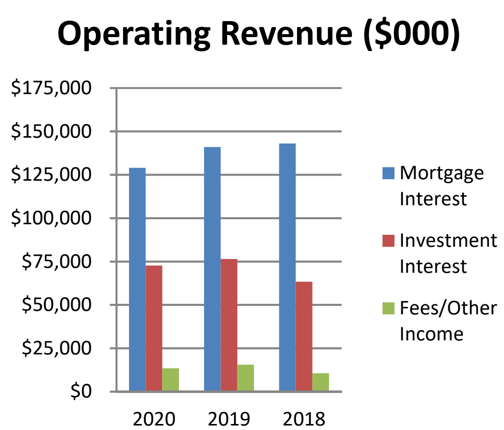
The following table summarizes the changes in operating income between December 31, 2020, 2019 and 2018.

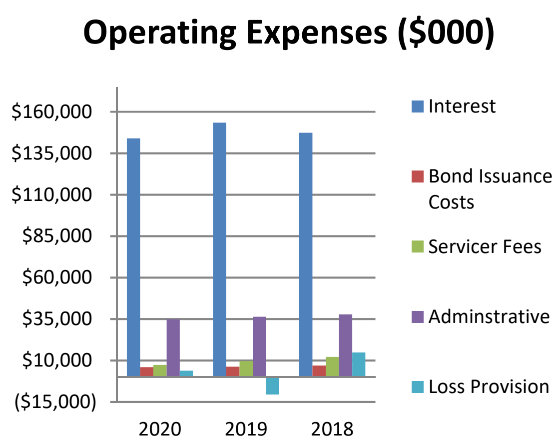
	(in millions)			% Change	
	2020	2019	2018	2020/2019	2019/2018
Operating Revenues:					
Interest on mortgage loans	$ 129.0	$ 140.9	$ 143.0	(8.5) %	(1.5) %
Interest on investments	72.7	76.4	62.4	(4.9)	22.5
Fees and other income	13.5	15.5	10.6	(13.0)	46.1
Total operating revenues	**215.2**	**232.8**	**216.0**	**(7.6)**	**7.8**
Operating Expenses:					
Interest	144.0	153.4	147.3	(6.2)	4.2
Bond issuance costs	6.0	6.2	6.9	(3.7)	(9.6)
Servicer fees	7.3	9.6	12.1	(24.1)	(20.6)
Administrative	34.8	36.3	37.8	(4.3)	(3.9)
Provision for (reduction to) loan loss reserve	3.8	(10.6)	14.8	136.1	(171.5)
Total operating expenses	**195.9**	**194.9**	**218.9**	**0.5**	**(10.9)**
Operating income (loss)	19.3	37.9	(2.9)	(49.2)	(1,400.4)
Nonoperating Revenues (Expenses):					
Actuarial assumption changes pension & OPEB	(6.1)	(7.8)	(4.9)	(22.5)	(60.4)
Net increase (decrease) in the fair value of investments	119.3	109.1	(49.5)	9.4	320.7
Other	0.7	2.7	11.8	(75.0)	(76.8)
Total nonoperating income (loss)	**113.9**	**104.0**	**(42.6)**	**9.5**	**344.3**
Change in Net Position	$ 133.2	$ 141.9	$ (45.5)	6.2 %	412.0 %

Change 2020/2019

- Total net position increased $133.2 million in 2020. Operating income was $19.3 million, a decrease of $18.7 million from the prior year.
  - Operating revenues decreased $17.8 million or 7.6%. This decrease is primarily due to:
    - On a combined basis, mortgage and investment interest income decreased by $15.8 million in 2020. This is being driven by a $232 million net decrease in program assets (mortgage loans receivable and investments in securities) and a reduction in interest rates year-over-year.
    - Fees and other income decreased by $2.0 million over prior year. This is primarily due to the recognition of nonrecurring fee income during 2019.
  - Operating expenses increased $0.9 million or 0.5%. This increase is substantially attributable to:
    - A $9.4 million decrease in bond interest costs. Although bonds payable is up slightly over prior year, the Authority refinanced over $262 million in outstanding bonds and was able to recognize interest savings in the form of lower interest rates. As interest rates declined through the end of 2020, the Authority incurred lower interest costs on its variable rate bond portfolio.
    - A $2.3 million decrease in servicer fees. This fee reduction is a result of a reduction in the Authority's single family whole loan portfolio.
      - A $1.5 million decrease in administrative costs. Expenses related to maintaining properties in the Authority's single family real estate owned (REO) portfolio are approximately $1.5 million lower than prior year. The assets held in the single family REO portfolio are $6.3 million lower than prior year.
    - A $14.4 million increase in provision for loan loss reserves.
      - A distressed multifamily property was sold during 2019, resulting in the payoff off several delinquent loans that had been previously reserved.

- Nonoperating income increased by $9.9 million and is attributable to:
  - A $1.7 million expense decrease resulting from pension and OPEB actuarial assumption changes. Pension and OPEB liabilities and expenses are allocated to the Authority per an actuarial analysis prepared by the State of Connecticut. See Notes 13 and 14 for further detail.
  - During 2020, there was a $119.3 million increase in the fair value of the Authority's investment portfolio, specifically the Authority's GNMA, FNMA and FHLMC Program Assets discussed in Note 4 of the financial statements. When compared to the fair value increase of $109.1 million during 2019, the result is a year-over-year increase of $10.2 million. Interest rates have decreased since a substantial portion of the portfolio was purchased. The change in market interest rates has an inverse relationship to the fair value of mortgage backed securities.
  - The net of grant program funding and expenses decreased $2.0 million. With the rollout of the new Mobile Home Refinance Program, funding in the amount of $1 million was received for the first time in 2020. Small Multifamily Loan Program funding in the amount of $3 million was received from the State during 2019, however additional funding for this program was not received in 2020.





Change 2019/2018

- Total net position increased $141.9 million in 2019. Operating income was $37.9 million, an increase of $40.8 million from the prior year.

  - Operating revenues increased $16.8 million or 7.8%. This increase is primarily due to:

    - A substantial portion of new qualified home mortgage loans continue to be securitized into mortgage-backed securities as opposed to whole loans. On a combined basis, mortgage and investment interest income increased by $12.0 million in 2019. This is being driven by a $396 million net increase in program assets (mortgage loans receivable and investments in securities) year-over-year.
    - Fees and other income increased by $4.9 million over prior year. This is primarily the result of additional fees recognized of $1.5 million related to the administration of Section 8 contracts and $2.7 million is fees associated with the initial close of several multifamily projects.
  - Operating expenses decreased $24 million or 10.9%. This decrease is substantially attributable to:
    - A $6.1 million increase in interest costs. The Authority's bonds payable as of year-end was $233.3 million higher than the prior year.

- A $2.5 million decrease in servicer fees. This fee reduction is a result of a $167 million reduction in the Authority's single family whole loan portfolio in addition to the elimination of the zero-point loan option and corresponding fee paid to originators.
- A $1.5 million decrease in administrative costs.
  - The majority of this variance is reflected in salaries and fringe benefits . Although the Authority is approved for 145 FTEs, actual FTEs averaged 133 during 2019.
- A $25.4 million decrease in provision for loan loss reserves.
  - A distressed multifamily property was sold during 2019, resulting in the payoff off several delinquent loans that had been previously reserved.
- Nonoperating income increased by $146.6 million and is attributable to:
  - A $2.9 million expense increase resulting from pension and OPEB actuarial assumption changes. Pension and OPEB liabilities and expenses are allocated to the Authority per an actuarial analysis prepared by the State of Connecticut. See Notes 13 and 14 for further detail.
  - During 2019, there was a $109.1 million increase in the fair value of the Authority's investment portfolio, specifically the Authority's GNMA, FNMA and FHLMC Program Assets discussed in Note 4 of the financial statements. When compared to the fair value decrease of $49.5 million during 2018, the result is a positive year-over-year variance of $158.5 million. Interest rates have decreased since a substantial portion of the portfolio was purchased. The change in market interest rates has an inverse relationship to the fair value of mortgage backed securities.
  - The net of state and federal program funding and expenses decreased $9 million. The Authority received $12 million in funding from the State for the DAP program in 2018, however, received no DAP funding during 2019. Small Multifamily Loan Program funding in the amount of $3 million was received from the State during 2019, however funding for this program was not received in the prior year.

Debt Administration

The following table summarizes the changes in bonds payable between December 31, 2020, 2019 and 2018. More detailed information related to the Authority's outstanding bond debt obligations is presented in Note 8 of the financial statements.

	(in millions)			% Change	
	2020	**2019**	**2018**	**2020/2019**	**2019/2018**
Bonds payable	$ 4,899.7	$ 4,850.4	$ 4,617.1	1.0%	5.1%

Contacting the Authority's Financial Management

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

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

	December 31, 2020	December 31, 2019
Assets		
Restricted current assets:		
Cash and cash equivalents	$ 587	$ 436
Mortgage loans receivable	145,743	140,652
Investments in securities	991,031	681,849
Real estate owned - multifamily	2,300	2,300
Accrued interest receivable on:		
Mortgage loans	13,502	13,364
Securities	5,599	6,802
Accounts receivable and other assets	29,808	47,334
Total current assets	1,188,570	892,737
Restricted noncurrent assets:		
Mortgage loans receivable, net of current portion	2,612,934	2,767,848
Investments in securities, net of current portion	2,550,677	2,481,518
Capital assets, net of depreciation	3,104	2,890
Real estate owned - single family	4,877	11,135
Total noncurrent assets	5,171,592	5,263,391
Total assets	6,360,162	6,156,128
Deferred Outflows of Resources		
Unamortized deferral on bond refundings	75,764	84,616
Derivative financial Instruments	39,923	
Deferred amount for OPEB	23,979	13,265
Deferred amount for pensions	12,869	18,465
Total deferred outflows of resources	152,535	116,346
Liabilities		
Current liabilities:		
Escrow deposits and unearned revenue	37,603	34,793
Accrued interest payable	16,611	17,841
Accounts payable and accrued liabilities	6,191	6,343
Bonds payable	446,473	223,538
Total current liabilities	506,878	282,515
Noncurrent liabilities		
Escrow deposits and unearned revenue, net of current portion	154,651	149,469
Bonds payable, net of current portion	4,453,234	4,626,882
Derivative instruments - interest rate swaps	176,384	123,651
Net OPEB liability	82,371	78,547
Net pension liability	70,480	76,524
Total noncurrent liabilities	4,937,120	5,055,073
Total liabilities	5,443,998	5,337,588
Deferred Inflows of Resources		
Deferred amount for OPEB	16,168	5,926
Deferred amount for pensions	8,622	5,462
Derivative financial Instruments		12,810
Total deferred inflows of resources	24,790	24,198
Net Position		
Net investment in capital assets	3,104	2,890
Restricted by bond indentures and/or enabling legislation	1,040,805	907,798
Total Net Position	$ 1,043,909	$ 910,688

The accompanying notes are an integral part of the financial statements

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

	Years Ended December 31, 2020	2019
Operating Revenues		
Interest on mortgage loans	$ 128,959	$ 140,974
Interest on investments	72,652	76,412
Fees and other income	13,471	15,489
Total operating revenues	215,082	232,875
Operating Expenses		
Interest	143,969	153,414
Bond issuance costs	5,966	6,199
Servicer fees	7,295	9,617
Administrative	34,766	36,309
Provision for (reduction to) loan loss reserves	3,824	(10,590)
Total operating expenses	195,820	194,949
Operating Income	19,262	37,926
Nonoperating Revenues (Expenses)		
Actuarial assumption changes for pension and OPEB	(6,066)	(7,824)
Net increase in the fair value of investments	119,344	109,127
Grant program funding	3,318	5,588
Grant program expenses	(2,637)	(2,868)
Nonoperating income	113,959	104,023
Change in Net Position	133,221	141,949
Net Position - Beginning of Year	910,688	768,739
Net Position - End of Year	$ 1,043,909	$ 910,688

The accompanying notes are an integral part of the financial statements

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

	Years Ended December 31, 2020	2019
Cash Flows from Operating Activities		
Cash received from interest on mortgage loans	$ 128,821	$ 141,954
Cash received from scheduled mortgage principal payments	87,171	89,010
Cash received from mortgage principal prepayments	184,367	212,082
Cash received from fees and other income	14,246	14,202
Cash payments to purchase mortgage loans	(125,820)	(140,624)
Cash payments to employees	(20,873)	(21,073)
Cash payments to suppliers	(20,176)	(23,103)
Net cash provided by operating activities	247,736	272,448
Cash Flows from Noncapital Financing Activities		
Proceeds from (disbursements of) escrow deposits	7,992	(3,157)
Retirement of bonds payable	(711,759)	(524,796)
Proceeds from sales of bonds	769,350	765,000
Interest paid	(145,651)	(148,471)
Bond issuance costs	(5,964)	(6,176)
Grant program proceeds	3,318	5,588
Grant program costs	(2,637)	(2,868)
Net cash provided by (used in) noncapital financing activities	(85,351)	85,120
Cash Flows from Capital and Related Financing Activities		
Purchase of computer software	(669)	(359)
Net cash used in capital and related financing activities	(669)	(359)
Cash Flows from Investing Activities		
Proceeds from sales of and maturities of investment securities	317,887	226,494
Purchase of investment securities	(577,090)	(679,030)
Reduction of warehoused loans awaiting securitization	17,526	14,230
Sales of real estate owned	6,257	5,533
Interest received on investments	73,855	75,636
Net cash used in investing activities	(161,565)	(357,137)
Increase in Cash and Cash Equivalents	151	72
Cash and Cash Equivalents - Beginning of Year	436	364
Cash and Cash Equivalents - End of Year	$ 587	$ 436
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	$ 19,262	$ 37,926
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	455	515
Provision for losses	3,824	(10,590)
Bond issuance costs	5,966	6,199
Interest on investments	(72,652)	(76,412)
Interest expense	143,969	153,414
Change in assets and liabilities:		
(Increase) decrease in accrued interest receivable on mortgage loans	(138)	1,042
Decrease in accounts receivable and other assets	17,526	14,230
Decrease in accounts payable and other accrued liabilities	(152)	(258)
Decrease in mortgage loan and other receivables, net	129,676	146,382
Net Cash Provided by Operating Activities	$ 247,736	$ 272,448
Noncash Investing Activities		
Net increase in the fair value of investments	$ 119,344	$ 109,127

The accompanying notes are an integral part of the financial statements

NOTE 1 - AUTHORIZING LEGISLATION

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Reporting Entity

Connecticut Housing Finance Authority Funds

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

Also included in other funds are:

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

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

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

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

Blended Component Units

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

State Housing Authority

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

Real Estate Owned - Multifamily

CHFA - Small Properties, Inc., was established as a tax-exempt organization and subsidiary of the Authority. This organization operates pursuant to Section 8-244(c)(1) of the Connecticut General Statutes and was created to provide distinct accountability for multifamily real estate awaiting sale. As of December 31, 2020, total assets, total liabilities, and net position were \$3,567,000, \$2,399,000, and \$1,168,000.

Cash and Cash Equivalents

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

Mortgage Loans Receivable

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

Allowance for Losses

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

Investments in Securities

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

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

Capital Assets

Land, building, building improvements and computer software exceeding \$5,000 are capitalized at cost. Maintenance and repair expenses are charged to operations when incurred. Depreciation is computed using the straight-line method over the estimated useful life; 32 years for building and building improvements and 7 years for computer software.

Compensated Absences

Full-time employees accrue vacation or annual leave at the rate of fifteen to twenty-five days per year, depending on length of service. Employees may accumulate leave time, subject to certain limitations, and upon retirement, termination or death may be compensated for certain accumulated amounts at their then current rates of pay. The liability was $2,828,000 and $2,602,000 for 2020 and 2019 respectively, and is reflected in the statement of net position as a component of account payable and accrued liabilities.

Bond Issuance Costs

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

Bond Premiums and Discounts

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

Deferred Outflows and Inflows of Resources

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

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

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* defines derivative instruments and requires that they be reported at fair value in the statements of net position. The swap agreements the Authority has entered into are characterized as derivatives. Offsetting changes in fair value are carried on the statements of net position as either deferred inflows or outflows for swaps classified as effective hedges. As of December 31, 2020 and 2019, the Authority's swaps were considered effective hedges.

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

Real Estate Owned

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

Net OPEB Liability

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

Net Pension Liability

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

Derivative Financial Instruments

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

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

Net Position

Net position is classified in the following two categories:

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

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

Operating and Nonoperating Revenues and Expenses

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

Actuarial Assumption Changes for Pension and OPEB

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

Grants (Private, State and Federal Program Funding)

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

Estimates

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

Upcoming Accounting Pronouncements

In May 2019, GASB approved Statement No. 91, *Conduit Debt Obligations* (GASB 91). The objective of this statement is to provide a single method for government issuers to report conduit debt obligations and related commitments. The enhanced guidance helps eliminate diversity in practice associated with these issues. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2021.

NOTE 3 - FAIR VALUE

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

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

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

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

The Authority has the following investment and derivative instruments measured at fair value which are included in the statements of net position as of December 31, 2020 and December 31, 2019:

Investments and Derivative Instruments Measured at Fair Value
(in thousands)
December 31, 2020

	Fair Value 12/31/20	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
CMO	$ 447	$	$ 447	$
GNMA, FNMA & FHLMC Program Assets	2,479,752		2,479,752	
MBS's	267		267	
Municipal Bonds	69,464		69,464	
Structured Securities	226		226	
US Government Agency Securities	931	931		
Total	$ 2,551,087	$ 931	$ 2,550,156	$
Derivative Instruments measured at fair value:				
Interest rate swaps	$ (176,384)	$	$ (176,384)	$

Investments and Derivative Instruments Measured at Fair Value
(in thousands)
December 31, 2019

	Fair Value 12/31/19	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
CMO	$ 98	$	$ 98	$
GNMA, FNMA & FHLMC Program Assets	2,417,845		2,417,845	
MBS's	353		353	
Municipal Bonds	62,436		62,436	
Structured Securities	267		267	
US Government Agency Securities	882	882		
Total	$ 2,481,881	$ 882	$ 2,480,999	$
Derivative Instruments measured at fair value:				
Interest rate swaps	$ (123,651)	$	$ (123,651)	$

NOTE 4 - CASH AND CASH EQUIVALENTS AND INVESTMENTS IN SECURITIES

B. Deposits (in 000's)

At December 31, 2020 and 2019, the carrying amount reported as cash and cash equivalents on the statements of net position of the Authority represents deposits (including checking accounts and escrow accounts) of $587 (including $-0- held under the Special Needs Housing Renewal and Replacement Funds) and $436 (including $4 held under the Special Needs Housing Renewal and Replacement Funds), respectively. This entire amount is on deposit in independent financial institutions with a balance of $1,634 and $1,112 at December 31, 2020 and 2019, respectively. Included in the carrying amount reported as cash and cash equivalents, are deposits held in escrow by the Authority at December 31, 2020 and 2019, of $229 and $244, respectively.

Custodial Credit Risk

Of the $1,634 and $1,112 financial institution balance at December 31, 2020 and 2019, $286 and $134, respectively, were held in the Authority's name in the corporate trust division of one financial institution. These amounts were collateralized with a market value of underlying collateral equal to at least 100% of the amount on deposit with acceptable collateral compliant with 12 CFR § 9.10(b). In addition, in compliance with 12 CFR § 9.13 these amounts were protected from any potential creditors of the financial institution. The balances of $1,348 and $978, respectively, were held in demand deposit accounts at FDIC-insured institutions. As of December 31, 2020, $1,098 was uninsured, $135 of which was collateralized with securities by the financial institution, but not in the Authority's name. As of December 31, 2019, $728 was uninsured, $98 of which was collateralized with securities by the financial institution, but not in the Authority's name.

C. Investments in Securities (in 000's)

At December 31, 2020, the Authority held the following investments with the listed maturities bearing interest at annual rates ranging from 0% to 7.65%. For investments other than Municipal Bonds, where no rating is indicated, the investments are direct obligations issued by the United States Government or its agencies or fully collateralized by such obligations. Municipal Bonds represent the Authority's Other Bonds which are more fully described in Note 8. They are secured by the Bond Resolution Capital Reserve Fund and as such, are a contingent liability of the State of Connecticut. Ratings are displayed with the S&P Global Ratings listed first (if available), the Moody's Investors Service second (if available) and the Fitch Rating last (if available) or NR for not-rated.

	Investment Maturities (in Years)				
	Amortized Cost, Net Asset Value or Fair Value	**Less Than 1**	**1 - 5**	**6 -10**	**More Than 10**
CMO	$ 447	$	$ 108	$	$ 339
GNMA, FNMA & FHLMC Program Assets	2,479,752			5,811	2,473,941
MBS's	267		23	244	
Money Market Funds	4,897	4,897			
Municipal Bonds	69,464	410	1,655	2,177	65,222
STIF-rated	985,724	985,724			
Structured Securities-rated	226			226	
U.S. Government Agency Securities	931				931
Total Investments Held by All Funds and Component Units	$ 3,541,708	$ 991,031	$ 1,786	$ 8,458	$ 2,540,433

Restricted current assets:	
Capital Reserve Funds	$ 57,002
Renewal and Replacement Funds	10,964
All other funds and component units	923,065
Total restricted current assets	991,031
Restricted noncurrent assets:	
Capital Reserve Funds	430,742
All other funds and component units	2,119,935
Total restricted noncurrent assets	2,550,677
Total Investments Held by All Funds and Component Units	$ 3,541,708

Presented below is the rating of each investment type:

Ratings *	CMO	Program Assets	MBS's	Money Market	Municipal Bonds	STIF	Structured Securities	U.S. Government Agency Securities
AAAm/NR/NR	$	$	$	$	$	$ 985,724	$	$
NR/Aaa/AAA		2,479,752	267					931
NR/Aaa-mf/NR				3,872				
NR/C/NR							226	
NR/NR/NR	447			1,025	69,464			
Total	$ 447	$ 2,479,752	$ 267	$ 4,897	$ 69,464	$ 985,724	$ 226	$ 931

* S&P/Moodys/Fitch

Interest Rate Risk

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

Credit Risk

The Authority's investments are limited under the Act to (i) United States Government obligations, including its agencies or instrumentalities, (ii) investments guaranteed by the State of Connecticut, (iii) participation certificates for the investment pool administered by the State Treasurer or (iv) other obligations which are legal investments for savings banks in the State of Connecticut. The Money Market Funds are fully collateralized by obligations issued by the United States Government or its agencies. Mortgage Backed Securities (MBSs) are fully collateralized by the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC) or the Government National Mortgage Association (GNMA), and Collateralized Mortgage Obligations (CMOs) are fully collateralized by the United States Department of Housing and Urban Development (HUD) mortgage pools. Structured Securities are fully collateralized by Manufactured Housing Sales Contracts and Installment Loan Agreements. At December 31, 2020, one CMO (fair value $108) and one Structured Security (fair value $226) were below Investment Grade rating standards. At December 31, 2019, one CMO (fair value $98) and one Structured Security (fair value $267) were below Investment Grade rating standards. At the time of their initial purchase, these two investments were classified as Investment Grade.

Concentration of Credit Risk

The Authority's investment policy requires diversification of its investment portfolio to reduce the risk of loss resulting from, among other things, an over-concentration of assets with a specific issuer. As of December 31, 2020 and 2019, the Authority had no investments in any one issuer that represents 5% or more of total investments, other than investments guaranteed by the U.S. Government (GNMA, FNMA and FHLMC Program Assets - fair value - $2,479,752 or 70% in 2020 and $2,417,845 or 76% in 2019) or the State of Connecticut (STIF - net asset value - $985,724 or 28% in 2020 and $676,403 or 21% in 2019).

Custodial Credit Risk

All investments exist in book entry form and are held by the Trustee or other financial institution in the Authority's name or insured (fair value - $2,555,984 in 2020 and $2,486,964 in 2019) with the exception of the STIF (net asset value - $985,724 in 2020 and $676,403 in 2019 - rated AAAm in 2020 and 2019). The underlying value of the investment in the STIF's pool is the same as the value of the pool's shares. The pool is managed by the Cash Management Division of the State of Connecticut's Treasurer's Office. The State Treasurer set up a cash management advisory board tasked with reviewing the pool's portfolio, performance investment policies and procedures.

GNMA, FNMA & FHLMC Program Assets

Since 1999, the Authority directed certain of its participating lenders to assign government insured Authority qualified home mortgage loans and sold a portion of its existing home mortgage loan portfolio for assembly into pools guaranteed by the Government National Mortgage Association ("GNMA").

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

These pools were securitized and are backed by these home mortgage loans. In 2016, the Authority further expanded the program to securitize pools of home mortgage loans guaranteed by the Federal Home Loan Mortgage Corporation ("FHLMC"). GNMA, FNMA & FHLMC Program Assets are carried at fair value. As of December 31, 2020 and 2019, the fair value of GNMA, FNMA & FHLMC Program Asset investments was $2,479,752 and $2,417,845, respectively.

Bond Resolution Capital Reserve Fund (in 000's)

The Bond Resolution Capital Reserve Fund is established pursuant to the Act and the Bond Resolution and is required to be maintained at an amount at least equal to the amount of principal, sinking fund installments and interest maturing and becoming due in the next succeeding calendar year ($364,162 at December 31, 2020 and $322,558 at December 31, 2019) 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 ($378,226 at December 31, 2020 and $336,622 at December 31, 2019) on all bonds of the Authority then outstanding under the Bond Resolution. For purposes of satisfying these requirements, the Act and the Bond Resolution require that investments of the Bond Resolution Capital Reserve Fund be valued at the lowest of par, actual cost or market value. To satisfy this calculation, all variable rate interest payments and receipts are assumed to be based on the average interest rates for the prior twelve months plus 200 basis points, interest payments on swapped bonds are included at the fixed rate on the swaps, and retirement of principal on bonds with mandatory tender dates are assumed in accordance with the sinking fund schedule of each respective bond series resolution.

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

The Special Needs Indenture Capital Reserve Fund is established pursuant to the Act and the Special Needs Indenture and is required to be maintained at an amount at least equal to the amount of principal, sinking fund installments and interest maturing and becoming due in the next succeeding calendar year ($5,187 at December 31, 2020 and $5,193 at December 31, 2019) on all bonds of the Authority then outstanding under the Special Needs Indenture. Further, the Authority may not issue additional bonds under the Special Needs Indenture unless the amount in the Special Needs Indenture Capital Reserve Fund is at least equal to the maximum amount of principal, sinking fund installments and interest maturing and becoming due in any succeeding calendar year ($5,198 at December 31, 2020 and $5,198 at December 31, 2019) on all bonds of the Authority then outstanding under the Special Needs Indenture. For purposes of satisfying these requirements, the Act and the Special Needs Indenture require that investments of the Special Needs Indenture Capital Reserve Fund be valued at amortized cost or such other method as determined by the Authority to be reasonable and in the best interest of the bondholders, provided such other method is approved by the trustee and any applicable bond insurer.

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

	December 31,					
	2020			2019		
	Bond Resolution	Special Needs Indenture	Total	Bond Resolution	Special Needs Indenture	Total
Investment in securities	$ 482,221	$ 5,523	$ 487,744	$ 436,419	$ 5,472	$ 441,891
Accrued interest receivable	939	6	945	1,046	12	1,058
Total Capital Reserve Funds	$ 483,160	$ 5,529	$ 488,689	$ 437,465	$ 5,484	$ 442,949
Restricted current assets:						
Investments in securities	$ 52,495	$ 4,507	$ 57,002	$ 15,729	$ 4,501	$ 20,230
Accrued interest receivable	939	6	945	1,046	12	1,058
Total restricted current assets	53,434	4,513	57,947	16,775	4,513	21,288
Restricted noncurrent assets:						
Investments in securities	429,726	1,016	430,742	420,690	971	421,661
Total Capital Reserve Funds	$ 483,160	$ 5,529	$ 488,689	$ 437,465	$ 5,484	$ 442,949

Special Needs Housing Renewal and Replacement Funds

The Special Needs Housing Renewal and Replacement Funds are established pursuant to the Act and the Special Needs Indenture to provide funding for capital repairs and replacements exceeding $2,500 for group homes, assisted living facilities and supportive housing facilities financed with the proceeds of bonds issued under the Special Needs Indenture. At December 31, 2020 and 2019, the carrying amount of restricted funds of the Special Needs Housing Renewal and Replacement Funds consisted of the following (in 000's):

	2020	2019
Cash and cash equivalents	$	$ 4
Investments in securities	10,964	10,298
Accrued interest receivable	1	15
Total Special Needs Housing Renewal and Replacement Funds	$ 10,965	$ 10,317

NOTE 5 - MORTGAGE LOANS RECEIVABLE

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

The Authority has entered into agreements with various banks and other financial institutions for the servicing of the majority of its home mortgage loan portfolio. As of December 31, 2020 and 2019, 27% and 31%, respectively, of this portfolio was serviced by one financial institution.

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

	December 31, 2020	December 31, 2019
Home mortgage loans		
Insured by the Federal Housing Administration or guaranteed by the Veterans Administration	$ 1,152,801	$ 1,292,495
Insured by private mortgage insurance companies	77,983	72,276
Uninsured reverse annuity mortgage loans	1,298	1,534
Uninsured, State of Connecticut supported EMAP loans	57,021	59,834
Uninsured, not guaranteed	327,892	374,068
Total home mortgage loans	1,616,995	1,800,207
Multifamily mortgage loans		
Completed developments:		
Insured by the Federal Housing Administration or guaranteed by private insurer	26,630	29,167
Uninsured, federally subsidized	348,374	356,484
Uninsured, State of Connecticut subsidized special needs housing mortgage loans	60,890	63,104
Uninsured, unsubsidized, not guaranteed	932,493	916,258
Total completed developments	1,368,387	1,365,013
Construction mortgage loans:		
Uninsured, unsubsidized	149,783	122,709
Total construction mortgage loans	149,783	122,709
Total multifamily mortgage loans	1,518,170	1,487,722
Less allowance for losses	(376,488)	(379,429)
Total Investments in Mortgage Loans	$ 2,758,677	$ 2,908,500
Restricted current assets	$ 145,743	$ 140,652
Restricted noncurrent assets	2,612,934	2,767,848
Total Mortgage Loans Receivable	$ 2,758,677	$ 2,908,500

Single Family

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

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

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

The current average interest rate of the Authority's outstanding single family portfolio is 4.10% with an original 30-year payment term.

Multifamily

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

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

Construction loans earn interest at rates ranging from 0% to 5.66% at December 31, 2020 and December 31, 2019, and will generally be payable over 2 years. The related permanent mortgage loan will typically be provided by the Authority. Permanent loans earn interest at rates ranging from 0% to 10.5% at December 31, 2020 and 0% to 12% at December 31, 2019, and will generally be payable over 40 years.

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

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

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

The Authority instituted its own forbearance program to supplement the relevant federal guidelines and help its multifamily and single family borrowers that were not subject to such guidelines.

NOTE 6 - REAL ESTATE OWNED

Real Estate Owned (in 000's)

	December 31,					
	2020			2019		
	Single Family	Multifamily	Total	Single Family	Multifamily	Total
Real estate owned	$ 5,050	$ 2,300	$ 7,350	$ 11,406	$ 2,300	$ 13,706
Allowance for losses	(173)		(173)	(271)		(271)
Real Estate Owned-Carrying Amount	$ 4,877	$ 2,300	$ 7,177	$ 11,135	$ 2,300	$ 13,435

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

With respect to multifamily real estate owned, the Authority is holding such assets for subsequent sale in a manner that will allow the maximization of value. As of December 31, 2020 and 2019, one property remained in the multifamily real estate owned portfolio.

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2020 and 2019 is as follows (in 000's):

	Balance January 1, 2020	Additions/ (Deletions)	Balance December 31, 2020
Capital Assets:			
Land	$ 851	$	$ 851
Building	2,851		2,851
Improvements	2,085		2,085
Computer software	1,598	669	2,267
	7,385	669	8,054
Less accumulated depreciation	(4,495)	(455)	(4,950)
Capital Assets, Net	$ 2,890	$ 214	$ 3,104

	Balance January 1, 2019	Additions/ (Deletions)	Balance December 31, 2019
Capital Assets:			
Land	$ 851	$	$ 851
Building	2,851		2,851
Improvements	2,085		2,085
Computer software	1,349	249	1,598
	7,136	249	7,385
Less accumulated depreciation	(4,090)	(405)	(4,495)
Capital Assets, Net	$ 3,046	$ (156)	$ 2,890

NOTE 8 - 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.

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

1) The Authority has entered into Standby Bond Purchase Agreements with various providers to purchase the bonds.
2) The Authority has entered into a Standby Letter of Credit and Reimbursement Agreement (SBLOC) which provides for the Authority to withdraw funds to directly purchase its own bonds. Upon the successful remarketing of the bonds, the funds are to be reimbursed back to the SBLOC provider. As of December 31, 2020, the amount available under the SBLOC is $114,579,808. No drawings have been made as of December 31, 2020.

Bond Resolution

Housing Mortgage Finance Program Bonds issued under the Bond Resolution bear fixed interest at rates ranging from 0.0% to 6.274% as of December 31, 2020 and December 31, 2019, and are subject to certain redemption provisions and mature in years through 2060 and 2059 as of December 31, 2020 and 2019, respectively.

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

Special Needs Indenture

Special Needs Housing Mortgage Finance Program Bonds issued under the Special Needs Indenture bear fixed interest at rates ranging from 2.10% to 5.00% as of December 31, 2020 and December 31, 2019, are subject to certain redemption provisions and mature in years through 2048 as of December 31, 2020 and December 31, 2019.

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

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

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

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

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

QECB Resolution

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

Bonds payable as of December 31, 2020 and 2019 were as follows (in 000's):

Housing Mortgage Finance Program Bonds			**Outstanding Amount December 31,**		
Publicly Offered	**Final Maturity Date**	**Interest Rate Range %**	**2020**	**2019**	**Amount Due Within 1 Year**
1998 Series D	2025	Index	$ 23,100	$ 25,000	$ 4,100
2001 Series D	2027	Index	13,855	15,405	1,645
2004 Series A	2035	Index	14,000	14,000	1,000
2007 Series A	2038	Index	22,350	23,425	1,090
2009 Series D	2039	6.274	55,880	56,480	650
2010 Series E	2020	3.375 - 5.25		32,975	
2010 Series G	2031	2.125 - 3.05	13,350	14,505	1,060
2011 Series B	2020	4.0		460	
2011 Series F	2053	2.90 - 5.00	33,665	34,085	445
2012 Series A	2032	2.60 - 3.55	64,215	78,655	15,160
2012 Series B	2043	2.37 - 4.40	37,365	39,360	1,405
2012 Series C	2035	2.90 - 3.75	84,935	103,830	11,580
2012 Series D	2033	3.05 - 3.70/Variable	62,680	63,960	970
2012 Series F	2042	2.05 - 3.40	81,095	89,790	4,540
2012 Series G	2055	2.10 - 4.00	57,875	58,625	855
2013 Series B	2034	3.0 - 4.00/Variable	37,190	58,940	3,765
2014 Series A	2044	4.00	5,795	16,010	170
2014 Series B	2044	2.15 - 4.15	47,510	48,075	585
2014 Series C	2044	2.20 - 4.00/Variable	68,255	75,780	3,665
2014 Series D	2044	2.30 - 4.00/Variable	115,130	126,885	5,570
2014 Series F	2054	2.10 - 4.05	40,285	41,070	830
2015 Series A	2045	1.85 - 3.85	98,760	110,965	3,590
2015 Series C	2045	2.00 - 3.60/Variable	88,390	97,305	3,935
2015 Series E	2055	1.80 - 4.00	29,530	29,695	175
2016 Series A	2045	1.60 - 4.00/Variable	145,950	155,350	44,340
2016 Series B	2046	1.45 - 3.55/Variable	150,420	161,180	44,145
2016 Series C	2051	1.30 - 3.50	45,125	46,055	985
2016 Series E	2046	1.55 - 3.50/Variable	145,820	156,540	44,795
2016 Series F	2046	0.00 - 3.50/Variable	165,975	176,870	65,225
2016 Series G	2056	1.50 - 3.90	17,805	17,980	185
2017 Series A	2047	1.75 - 4.00/Variable	186,370	210,080	8,490
2017 Series C	2047	1.60 - 4.00/Variable	137,210	156,790	4,275
2017 Series D	2047	1.40 - 4.00/Variable	152,470	161,695	3,710
2017 Series E	2057	1.40 - 3.90	17,810	27,820	1,135
2017 Series F	2047	0.00 - 4.00/Variable	149,410	159,740	4,345
2018 Series A	2048	2.15 - 4.00/Variable	133,380	158,600	50,690
2018 Series B	2048	2.15 - 4.00/Variable	119,450	159,665	3,070
2018 Series C	2048	1.90 - 4.00/Variable	147,805	156,370	3,820
2018 Series D	2058	2.30 - 4.40	48,205	70,520	280
2018 Series E	2048	0.00 - 4.25/Variable	107,255	121,890	2,580
2019 Series A	2049	2.30 - 4.00/Variable	110,045	121,655	2,345
2019 Series B	2049	1.55 - 4.00/Variable	116,405	121,060	2,290
2019 Series D	2049	1.30 - 4.00/Variable	117,365	120,985	2,455
2019 Series E	2059	1.35 - 3.35	125,420	128,075	5,595
2019 Series F	2049	0.00 - 3.50/Variable	125,875	158,335	2,510
2020 Series A	2050	0.85 - 3.50/Variable	142,235		3,220
2020 Series C	2050	0.25 - 3.25/Variable	158,195		3,150
2020 Series D	2060	0.35 - 2.85	149,685		30,785
2020 Series E	2050	0.35 - 3.00/Variable	224,475		4,645
Subtotal			4,235,370	4,002,535	405,850

Housing Mortgage Finance Program Bonds (continued)

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2020	Outstanding Amount December 31, 2019	Amount Due Within 1 Year
2013 Series A	2041	Index	$ 258,705	$ 267,110	$ 8,890
2013 Series C	2046	Index	37,785	38,165	405
2015 Series B	2030	Index	35,000	35,000	
2016 Series D	2050	3.25 - 3.70	34,810	35,000	22,500
2019 Series C	2049	Index	100,000	100,000	
Subtotal			466,300	475,275	31,795
Plus unamortized bond premium			47,940	40,398	
Total Housing Mortgage Finance Bonds			$ 4,749,610	$ 4,518,208	$ 437,645

The amounts due within one year in the previous table include the total outstanding balance of variable rate demand bond obligations where the standby bond purchase agreements expire within one year of the balance sheet date, although the maturities extend well beyond. The value of these obligations as of December 31, 2020 is $217,465. It is the intention of the Authority to renew these agreements prior to expiration.

Special Needs Housing Mortgage Finance Program Special Obligation Bonds

Publicly Offered	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2020	Outstanding Amount December 31, 2019	Amount Due Within 1 Year
Series 13	2040	3.00 - 5.00	$ 10,020	$ 10,345	$ 345
Series 16	2030	3.00 - 5.00	7,730	8,635	935
Series 18	2046	2.30 - 4.45	9,255	9,470	220
Series 19	2035	2.30 - 4.25	8,370	8,895	530
Series 20	2045	2.30 - 4.40	3,510	3,595	90
Series 21	2045	2.40 - 4.70	11,850	12,195	350
Series 23	2048	2.10 - 4.30	3,585	3,660	75
Series 24	2037	2.10 - 4.10	5,870	6,095	235
			60,190	62,890	$ 2,780
Plus unamortized bond premium			425	492	
Total Special Needs Housing Mortgage Finance Program Special Obligation Bonds			$ 60,615	$ 63,382	

Single Family Special Obligation Bonds

Publicly Offered	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2020	Outstanding Amount December 31, 2019	Amount Due Within 1 Year
Series 2010-1	2020	3.15 - 4.00	$	$ 22,345	$
Series 2011-2	2025	3.25 - 4.50	11,755	19,145	4,820
Subtotal			11,755	41,490	4,820
Direct Placements					
Series 2009-1	2020	3.01		39,320	
Series 2009-2	2020	3.01		44,180	
Series 2009-3	2020	2.32		53,570	
Series 2009-4	2020	2.32		10,650	
Series 2011-3	2020	4.50		1,590	
Subtotal				149,310	
Plus unamortized bond premium			3	136	
Total Single Family Special Obligation Bonds			$ 11,758	$ 190,936	$ 4,820

Multifamily Special Obligation Bonds

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2020	Outstanding Amount December 31, 2019	Amount Due Within 1 Year
Series 2009-1	2051	2.32	$ 23,610	$ 24,090	$ 510
Total Multifamily Special Obligation Bonds			$ 23,610	$ 24,090	$ 510

Housing Mortgage Finance Program Bonds (Single Family) Other Bonds

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2020	Outstanding Amount December 31, 2019	Amount Due Within 1 Year
2010 Series A	2045	5.00	$ 9,876	$ 9,400	$
2011 Series A	2046	4.625	10,602	10,128	
Total Housing Mortgage Finance Program Bonds (Single Family) Other Bonds			$ 20,478	$ 19,528	$ -

Housing Mortgage Finance Program Bonds (Multifamily) Other Bonds

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2020	Outstanding Amount December 31, 2019	Amount Due Within 1 Year
2011 Series A	2055	4.75	$ 1,066	$ 1,017	$
2013 Series A	2053	5.50/Variable	24,566	24,831	280
Total Housing Mortgage Finance Program Bonds (Multifamily) Other Bonds			$ 25,632	$ 25,848	$ 280

Qualified Energy Conservation Bonds

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2020	Outstanding Amount December 31, 2019	Amount Due Within 1 Year
2015 Series A (1,2)	2034	4.35	$ 4,477	$ 4,684	$ 220
2016 Series B	2035	3.94	2,011	2,132	123
2016 Series C	2036	3.94	1,516	1,612	95
Total Qualified Energy Conservation Bonds			8,004	8,428	438
Total Bonds Payable, Net			$ 4,899,707	$ 4,850,420	$ 446,473

Conduit Debt

In furtherance of the Authority's mission, the Authority has issued conduit debt obligations. The outstanding principal balances of conduit debt obligations as of December 31, 2020 include four Multifamily Housing Revenue Bonds totaling $32,618,497, one series totaling $2,902,360 of Multifamily Housing Revenue Notes, and five series totaling $75,680,000 of State-Supported Special Obligation Bonds. As of December 31, 2019, four series totaling $34,606,653 of Multifamily Housing Revenue Bonds, one series totaling $2,937,475 of Multifamily Housing Revenue Notes and five series totaling $82,310,000 of State-Supported Special Obligation 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.

Debt Service Requirements

The following tables provide a summary of debt service requirements and net swap payments for the next five years and in five-year increments thereafter (in 000's). The interest calculations are based on the variable rates in effect on December 31, 2020 and may not be indicative of the actual interest expense that will be incurred.

	Bond Resolution						
	Fixed-Publicly Offered		Variable-Publicly Offered			Fixed - Direct Placements	
Year Ending December 31,	Principal	Interest	Principal	Interest	Interest Rate Swaps, Net	Principal	Interest
2021	$ 177,175	$ 96,081	$ 11,210	$ 22,042	$ 12,505	$ 22,500	$ 1,233
2022	145,410	92,946	13,320	21,783	12,031	230	398
2023	147,960	89,724	12,610	21,493	11,471	235	391
2024	144,565	86,266	14,090	21,212	10,883	250	383
2025	137,845	82,793	14,600	20,904	10,301	260	375
2026-2030	720,090	355,405	73,605	100,030	43,729	1,475	1,738
2031-2035	592,085	251,456	198,480	83,960	27,903	1,830	1,474
2036-2040	481,205	160,467	192,915	61,831	15,695	2,255	1,147
2041-2045	406,410	82,726	214,205	40,643	9,489	2,790	742
2046-2050	190,880	28,587	237,425	9,962	1,896	2,985	244
2051-2055	68,745	9,761	-	-	-	-	-
2056-2060	40,540	2,209	-	-	-	-	-
Total	$ 3,252,910	$ 1,338,421	$ 982,460	$ 403,860	$ 155,903	$ 34,810	$ 8,125

	Bond Resolution					
	Variable - Direct Placements			Total Bond Resolution		
Year Ending December 31,	Principal	Interest	Interest Rate Swaps, Net	Principal	Interest	Total
2021	$ 9,295	$ 10,284	$ 3,698	$ 220,180	$ 145,843	$ 366,023
2022	11,690	9,502	3,474	170,650	140,134	310,784
2023	15,870	9,772	3,218	176,675	136,069	312,744
2024	16,575	9,424	2,712	175,480	130,880	306,360
2025	19,120	9,007	2,191	171,825	125,571	297,396
2026-2030	124,610	36,424	5,822	919,780	543,148	1,462,928
2031-2035	90,455	22,930	644	882,850	388,367	1,271,217
2036-2040	67,090	12,604	-	743,465	251,744	995,209
2041-2045	47,050	5,381	-	670,455	138,981	809,436
2046-2050	29,735	984	-	461,025	41,673	502,698
2051-2055	-	-	-	68,745	9,761	78,506
2056-2060	-	-	-	40,540	2,209	42,749
Total	$ 431,490	$ 126,312	$ 21,759	$ 4,701,670	$ 2,054,380	$ 6,756,050

Year Ending December 31,	Special Needs Indenture Fixed-Publicly Offered Principal	Special Needs Indenture Fixed-Publicly Offered Interest	SFSOB Resolution Fixed-Publicly Offered Principal	SFSOB Resolution Fixed-Publicly Offered Interest
2021	$ 2,780	$ 2,407	$ 4,820	$ 379
2022	2,880	2,318	5,010	209
2023	2,965	2,222	1,770	73
2024	3,075	2,109	80	6
2025	3,200	1,988	75	2
2026-2030	15,210	8,054		
2031-2035	12,210	5,272		
2036-2040	10,525	2,818		
2041-2045	6,175	871		
2046-2050	1,170	52		
2051-2055				
2056-2060				
Total	$ 60,190	$ 28,111	$ 11,755	$ 669

Year Ending December 31,	MFSOB Resolution Fixed-Publicly Offered Principal	MFSOB Resolution Fixed-Publicly Offered Interest	Other Bond Resolutions Fixed - Direct Placement Principal	Other Bond Resolutions Fixed - Direct Placement Interest	QECB Resolution Fixed - Direct Placement Principal	QECB Resolution Fixed - Direct Placement Interest	Total
2021	$ 510	$ 545	$ 280	$ 1,330	$ 438	$ 329	$ 379,841
2022	530	533	296	1,314	452	311	324,637
2023	540	521	312	1,297	468	292	323,204
2024	560	508	330	1,279	483	272	315,062
2025	580	495	349	1,261	500	252	306,098
2026-2030	3,210	2,262	2,061	5,986	2,762	930	1,503,403
2031-2035	3,810	1,860	2,712	5,335	2,806	311	1,305,533
2036-2040	4,510	1,382	3,568	4,479	95	3	1,022,589
2041-2045	5,390	814	23,235	40,949			886,870
2046-2050	3,900	180	8,115	6,224			522,339
2051-2055	70	1	4,852	4,275			87,704
2056-2060							42,749
Total	$ 23,610	$ 9,101	$ 46,110	$ 73,729	$ 8,004	$ 2,700	$ 7,020,029

Objective of the Interest Rate Swaps

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

Terms

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

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

The terms, fair values and credit ratings of outstanding swaps as of December 31, 2020 were as follows (in 000's):

Associated Bond Issue	Effective Date	Notional Amount	Fixed Rate Paid	Variable Rate Received	Fair Value	Termination Date	Counterparty Credit Rating *	Counterparty % of Total Outstanding
2016 Series B-4	8/15/08	$ 9,855	3.849%	67% 3M LIBOR	$ (4,293)	11/15/38		
2016 Series B-4	8/15/08	8,925	3.855%	67% 3M LIBOR	(2,987)	11/15/33		
2016 Series F-5	8/15/08	27,550	3.845%	67% 3M LIBOR	(9,188)	11/15/33		
2018 Series E-2, 2018 Series C-4	11/15/18	17,884	2.471%	67% 3M LIBOR	(7,190)	11/15/48		
Total Bank of America, N.A.		64,214			(23,658)		A+/Aa2/AA-	6.90%
2001 Series D-5	12/20/01	13,855	5.360%	167% 3M LIBOR-SIFMA	(2,723)	11/15/27		
2012 Series D-3	12/20/01	40,000	4.090%	67% 1M LIBOR	(9,161)	5/15/33		
2013 Series A	8/15/08	18,670	3.852%	67% 3M LIBOR	(2,945)	11/15/28		
2014 Series D-3	2/18/09	20,615	3.433%	67% 3M LIBOR	(6,083)	11/15/34		
2017 Series D-3, 2017 Series F-3, 2018 Series A-3	5/15/18	32,210	2.248%	70% 3M LIBOR	(11,275)	5/15/48		
2017 Series D-3, 2018 Series A-3, 2018 Series B-3	2/18/09	67,790	3.430%	67% 3M LIBOR	(17,174)	11/15/38		
2018 Series B-3	6/4/18	6,472	2.500%	70% 3M LIBOR	(4,082)	11/15/48		
Total Bank of New York Mellon		199,612			(53,443)		AA-/Aa2/AA	21.45%
2013 Series A	6/5/02	25,000	5.740%	167% 1M LIBOR- SIFMA	(10,520)	5/15/33		
2018 Series C-3 & 2018 Series C-4	6/5/02	16,730	4.352%	67% 1M LIBOR	(3,987)	5/15/33		
2019 Series F-2	10/29/19	26,250	1.708%	100% 1W SIFMA	(2,913)	11/15/49		
Total Citibank, NA		67,980			(17,420)		A+/Aa3/A+	7.30%
2013 Series A	3/7/01	21,490	5.475%	167% 1M LIBOR-SIFMA	(6,979)	5/15/32		
2013 Series C	2/26/14	37,785	2.776%	100% 1M LIBOR	(3,329)	5/15/24		
2017 Series C-3 & 2017 Series F-3	8/1/02	37,530	3.981%	67% 1M LIBOR	(7,999)	5/15/33		
2018 Series C-3 & 2018 Series C-4	3/7/01	9,380	4.120%	67% 1M LIBOR	(2,396)	5/15/32		
Total Goldman Sachs Mitsui Marine		106,185			(20,703)		AA-/Aa2	11.41%
1998 Series D-4	7/1/98	23,100	6.320%	100% 3M LIBOR	(3,981)	11/15/25		
2013 Series A	7/11/01	13,855	5.820%	167% 1M LIBOR-SIFMA	(3,550)	11/15/27		
2016 Series F-5	7/1/98	7,800	4.870%	100% 1W SIFMA	(2,204)	11/15/28		
2017 Series C-3 & 2018 Series C-3	7/11/01	17,000	4.310%	67% 1M LIBOR	(3,798)	5/15/32		
Total Merrill Lynch Capital Services **		61,755			(13,533)		NR	6.64%
2013 Series B-6 & 2016 Series E	6/15/15	35,410	2.0515%	67% 3M LIBOR	(2,622)	11/15/35		
2015 Series C	8/6/15	45,000	2.3625%	70% 1M LIBOR	(4,426)	11/15/45		
2016 Series A	11/16/15	40,000	2.1325%	67% 3M LIBOR	(3,117)	11/15/45		
2016 Series B-4	11/15/18	21,220	2.1400%	70% 1M LIBOR	(2,251)	11/15/46		
2016 Series E-3	8/25/16	23,180	1.7970%	67% 3M LIBOR	(937)	11/15/46		
2017 Series A-3	3/2/17	38,000	2.3350%	67% 3M LIBOR	(3,836)	11/15/47		
2019 Series A-2	3/5/19	5,000	1.8600%	67% 3M LIBOR	(555)	5/15/29		
2019 Series B-2 & 2019 Series B-3	5/9/19	25,715	1.9990%	67% 3M LIBOR	(3,479)	11/15/43		
2020 Series C-3	8/13/20	30,000	1.2660%	100% 1W SIFMA	679	11/15/50		
Total Royal Bank of Canada		263,525			(20,544)		AA-/Aa2/AA	28.31%
2018 Series E-2, 2017 Series C-3, 2018 Series C-3 & 2018 Series C-4	11/15/18	17,886	2.242%	67% 3M LIBOR	(3,062)	11/15/28		
2018 Series B-3	6/4/18	6,473	2.071%	70% 3M LIBOR	(1,019)	5/15/28		
2014 Series C & 2020 Series E	12/17/20	26,475	0.723%	100% 1W SIFMA	(13)	11/15/30		
Total TD Bank, NA		50,834			(4,094)		AA-/Aa1/AA-	5.46%
2019 Series A-2 & 2019 Series A-3	3/5/19	18,500	2.290%	67% 3M LIBOR	(3,479)	5/15/49		
2019 Series D-3	8/8/19	26,230	1.4725%	67% 3M LIBOR	(1,773)	11/15/43		
Total US Bank		44,730			(5,252)		AA-/A1/AA-	4.81%
2013 Series A & 2020 Series A-3	3/2/06	38,060	3.4175%	67% 3M LIBOR	(8,841)	5/15/36		
2016 Series F-5	11/15/16	13,150	1.820%	67% 3M LIBOR	(3,590)	11/15/46		
2017 Series F-3	10/4/00	20,610	5.397%	100% 1W SIFMA	(5,306)	11/15/31		
Total Wells Fargo Bank, NA		71,820			(17,737)		A+/Aa2/AA-	7.72%
Portfolio Total		$ 930,655			$ (176,384)			100.00%

* S&P/Moody's/Fitch
** Credit support by Merrill Lynch Derivative Products AG (AA/Aa3/NR)

The changes of fair values of outstanding swaps from December 31, 2019 to December 31, 2020 were as follows (in 000's):

Associated Bond Issue	Fair Value 12/31/2020	Fair Value 12/31/2019	Change in Fair Value
2016 Series B-4	$ (4,293)	$ (3,413)	$ (880)
2016 Series B-4	(2,987)	(2,418)	(569)
2016 Series F-5	(9,188)	(7,432)	(1,756)
2018 Series E-2, 2018 Series C-4	(7,190)	(4,292)	(2,898)
Total Bank of America, N.A.	(23,658)	(17,555)	(6,103)
2001 Series D-5	(2,723)	(2,432)	(291)
2012 Series D-3	(9,161)	(8,080)	(1,081)
2013 Series A	(2,945)	(2,650)	(295)
2014 Series C-2	-	(1,226)	1,226
2014 Series D-3	(6,083)	(2,500)	(3,583)
2017 Series D-3, 2017 Series F-3, 2018 Series A-3	(11,275)	(5,853)	(5,422)
2017 Series D-3, 2018 Series A-3, 2018 Series B-3	(17,174)	(13,675)	(3,499)
2018 Series B-3	(4,082)	(737)	(3,345)
Total Bank of New York Mellon	(53,443)	(37,153)	(16,290)
2013 Series A	(10,520)	(9,080)	(1,440)
2018 Series C-3 & 2018 Series C-4	(3,987)	(3,676)	(311)
2019 Series F-2	(2,913)	72	(2,985)
Total Citibank, NA	(17,420)	(12,684)	(4,736)
2013 Series A	(6,979)	(6,085)	(894)
2013 Series C	(3,329)	(1,884)	(1,445)
2017 Series C-3 & 2017 Series F-3	(7,999)	(6,982)	(1,017)
2018 Series C-3 & 2018 Series C-4	(2,396)	(2,138)	(258)
Total Goldman Sachs Mitsui Marine	(20,703)	(17,089)	(3,614)
1998 Series D-4	(3,981)	(4,048)	67
2013 Series A	(3,550)	(3,377)	(173)
2016 Series F-5	(2,204)	(1,971)	(233)
2017 Series C-3 & 2018 Series C-3	(3,798)	(3,262)	(536)
Total Merrill Lynch Capital Services **	(13,533)	(12,658)	(875)
2013 Series B-6 & 2016 Series E	(2,622)	(1,426)	(1,196)
2015 Series C	(4,426)	(2,371)	(2,055)
2016 Series A	(3,117)	(1,319)	(1,798)
2016 Series B-4	(2,251)	(926)	(1,325)
2016 Series E-3	(937)	470	(1,407)
2017 Series A-3	(3,836)	(2,057)	(1,779)
2019 Series A-2	(555)	(261)	(294)
2019 Series B-2 & 2019 Series B-3	(3,479)	(1,620)	(1,859)
2020 Series C-3	679		679
Total Royal Bank of Canada	(20,544)	(9,510)	(11,034)
2018 Series E-2, 2017 Series C-3, 2018 Series C-3 & 2018 Series C-4	(3,062)	(1,784)	(1,278)
2018 Series B-3	(1,019)	(514)	(505)
2014 Series C & 2020 Series E	(13)		(13)
Total TD Bank, NA	(4,094)	(2,298)	(1,796)
2019 Series A-2 & 2019 Series A-3	(3,479)	(1,792)	(1,687)
2019 Series D-3	(1,773)	389	(2,162)
Total US Bank	(5,252)	(1,403)	(3,849)
2013 Series A & 2020 Series A-3	(8,841)	(6,633)	(2,208)
2016 Series F-5	(3,590)	(1,649)	(1,941)
2017 Series F-3	(5,306)	(5,019)	(287)
Total Wells Fargo Bank, NA	(17,737)	(13,301)	(4,436)
Portfolio Total	$ (176,384)	$ (123,651)	$ (52,733)

Fair Value

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

Credit Risk

At December 31, 2020, the Authority was exposed to very limited counterparties' credit risk due to its broad diversification approach. Furthermore, the fair value of all except one swap was negative. Credit exposure arises when the fair value of a swap is positive due to the obligation of the counterparty to make payment to the Authority in the event of termination.

Basis Risk

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

Termination Risk

Counterparties to the Authority's interest rate swap agreements have default termination rights that may require settlement payments by the Authority or by the counterparty based on the fair value of the swap at the date of termination. As of December 31, 2020, no termination events requiring settlement payments have occurred.

Rollover Risk

The Authority's interest rate swap agreements have limited rollover risk because the swap agreements contain scheduled reductions to outstanding notional amounts which are expected to follow scheduled and anticipated reductions in the associated bonds payable. As of January 1, 2020, thirteen of the Authority's outstanding interest rate swap agreements provided the Authority with full or partial termination rights requiring no settlement payments to accommodate unexpected faster paydowns of the associated bonds as a result of higher repayment of home mortgage loans. One new swap agreement was established during 2020 and one swap agreement with par termination rights was terminated during 2020 resulting in thirteen interest rate swap agreements with these par termination rights remaining in the Authority's interest rate swap portfolio as of December 31, 2020.

Contingencies

Thirty-five of the Authority's thirty-nine interest rate swap agreements (outstanding notional amount $824,470,000, fair value ($155,681,416)) at December 31, 2020, require the Authority to post collateral in the event that the fair value of the interest rate swap falls below specific declining thresholds based on declines in the Authority's credit rating. As of December 31, 2020, the Authority's ratings remain at AAA/Aaa (S&P/Moody's) and therefore, was not required to post collateral for any of its outstanding swaps.

Refunding Bonds

The schedule below summarizes the cash flow savings and economic gain resulting from the Authority's issuance of fixed rate refunding bonds under the Bond Resolution in 2020 and 2019:

Refunded Issue (s)	Refunding Issue	Cash Flow Savings Over Life of Refunding Issue	Economic Gain Over Life of Refunding Issue
2020			
SFSOB 2009-2	2020 Series A Subseries A-1	$ 986,750	$ 718,421
SFSOB 2009-1	2020 Series A Subseries A-2	2,539,465	1,386,784
SFSOB 2009-2	2020 Series C Subseries C-1	3,628,173	2,006,635
SFSOB 2009-1 SFSOB 2010-1	2020 Series C Subseries C-2	3,627,787	3,191,219
2010 Series E Subseries E-1	2020 Series D Subseries D-1	2,401,476	3,462,921
2010 Series E Subseries E-2	2020 Series D Subseries D-2	10,060,068	6,840,048
SFSOB 2009-2 SFSOB 2009-4	2020 Series E Subseries E-1	740,063	554,463
SFSOB 2009-1 SFSOB 2009-3	2020 Series E Subseries E-2	10,023,683	4,274,596
2019			
2009 Series F	2019 Series E Subseries E-1	$ 1,106,136	$ 841,961
2010 Series A Subseries A-3	2019 Series E Subseries E-2	6,834,099	5,612,983

NOTE 9 - CHANGES IN LONG-TERM LIABILITIES

The changes in long-term liabilities for the years ended December 31, 2020 and 2019 were as follows (in 000's):

	Balance January 1, 2020	Increase	Decrease	Balance December 31, 2020
Escrow deposits	$ 149,469	$ 34,073	$ (28,891)	$ 154,651
Bonds payable, publicly offered	3,956,503	652,550	(669,032)	3,940,021
Bonds payable, direct placement	670,379	999	(158,165)	513,213
Derivative instruments- interest rate swaps	123,651	56,475	(3,742)	176,384
Net OPEB liability	78,547	28,880	(25,056)	82,371
Net pension liability	76,524	9,265	(15,309)	70,480
	$ 5,055,073	$ 782,242	$ (900,195)	$ 4,937,120

	Balance January 1, 2019	Increase	Decrease	Balance December 31, 2019
Escrow deposits	$ 147,739	$ 28,865	$ (27,135)	$ 149,469
Bonds payable, publicly offered	3,670,642	651,540	(365,679)	3,956,503
Bonds payable, direct placement	707,754	100,952	(138,327)	670,379
Derivative instruments- interest rate swaps	86,917	102,230	(65,496)	123,651
Net OPEB liability	63,147	25,518	(10,118)	78,547
Net pension liability	67,896	19,637	(11,009)	76,524
	$ 4,744,095	$ 928,742	$ (617,764)	$ 5,055,073

NOTE 10 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The Authority reports interfund balances among its funds which are reflected on the combining schedule of net position as "due from/due to other funds/component units". These balances generally consist of accruals of various revenues or expenses due to a fund, but received or paid to another, and transfers between funds to meet liquidity requirements. These transactions and resulting year-end interfund balances have been eliminated in the accompanying combining financial statements. The composition of interfund balances as of December 31, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General and Capital Reserve Fund	Multifamily Real Estate Owned	$ 2,300,000
	Single Family Special Obligation Bond Fund	5,650,318
	Multifamily Special Obligation Bond Fund	116,008
		$ 8,066,326

During the year, operating transfers are used to reallocate or move resources from one fund to another and are reflected on the combining schedule of revenues, expenses and changes in net position. In 2020, $1,916,701 was transferred from the General Fund to the Special Needs Fund to reallocate bad debt recoveries. A transfer of $195,005 was made from the Multifamily Special Obligation Bond Fund to the General Fund to reallocate excess funds.

NOTE 11 - OTHER LIABILITIES

On certain bond issues, the Authority's earnings from the investment of bond proceeds are limited per Federal Income Tax rules. Yields in excess of Federal Limits are payable to the U.S. Treasury and are recorded as a liability. As of December 31, 2020 and 2019, the Authority had no such liability.

NOTE 12 - NET POSITION

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

	December 31, 2020	December 31, 2019
General and Capital Reserve Funds:		
Net investment in capital assets	$ 3,104	$ 2,890
General and Capital Reserve Funds	1,001,413	871,495
Other Funds:		
Housing Mortgage Insurance Fund	3,635	3,559
Single Family Special Obligation Bond and Other Bond Funds	4,316	5,215
Multifamily Special Obligation Bond and Other Bond Funds	3,064	2,909
Special Needs Housing Funds	26,797	23,281
Qualified Energy Conservation Bonds	412	305
Component Units:		
CHFA-Small Properties, Inc.	1,168	1,034
	$ 1,043,909	$ 910,688

NOTE 13 - PENSION PLAN

Plan Description

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

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

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

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

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

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

The Authority's contractually required contribution rates for the years ended December 31, 2020 and 2019 were 36.49% and 40.03%, respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were $4,802,267 and $5,294,507 for the years ended December 31, 2020 and 2019, respectively.

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

As of December 31, 2020, the Authority reported a liability of $70,480,100 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the plan relative to the projected contributions of all participating governmental units. The Authority's proportion was 0.29711% as of June 30, 2020.

For the year ended December 31, 2020, the Authority recognized pension expense of $7,577,027. At December 31, 2020 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,803,938	$
Change of assumptions	1,877,353	
Net difference between projected and actual earnings on pension plan investments	1,187,971	
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,441,403	8,622,399
Contributions subsequent to the measurement date	2,558,623	
	$ 12,869,288	$ 8,622,399

Of the total amount reported as deferred outflows of resources related to pensions, $2,558,623 resulting from Authority contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	
2021	$ 834,467
2022	940,757
2023	643,404
2024	(95,830)
2025	(634,532)
	$ 1,688,266

Actuarial Assumptions

The total pension liability was determined based on the annual actuarial valuation report prepared as of June 30, 2020. The total pension liability was based on the results of an actuarial experience study for the period July 1, 2011 – June 30, 2015. The key actuarial assumptions are summarized below:

Inflation	2.50%
Salary increases	3.50% - 19.50% including inflation
Cost of living	1.95% - 3.25%
Investment rate of return	6.9%, net of pension plan investment expense, including inflation

The RP-2014 White Collar Mortality Table projected to 2020 by scale BB at 100% for males and 95% for females is used for the period after service retirement and for dependent beneficiaries. The RP-2014 Disabled Retiree Mortality Table at 65% for males and 85% for females is used for the period after disability.

Investment Rate of Return

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0 %	5.6 %
Developed Markets International Stock Fund	11.0	6.0
Emerging Markets International Stock Fund	9.0	7.9
Core Fixed Income Fund	16.0	2.1
Inflation Linked Bond Fund	5.0	1.1
Emerging Market Debt Fund	5.0	2.7
High Yield Bond Fund	6.0	4.0
Real Estate Fund	10.0	4.5
Private Equity	10.0	7.3
Alternative Investments	7.0	2.9
Liquidity Fund	1.0	0.4

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2020 was 6.9%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that contributions from the participating governmental units will be made equal to the difference between the projected actuarially determined contribution and actual member contributions. Projected future benefit payments for all current plan members were projected through the year 2140. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total plan liability and a municipal bond rate was not used in determining the discount rate.

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

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of net pension liability	$ 83,735,639	$ 70,480,100	$ 59,401,989

Fiduciary Plan Net Position

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

NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

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

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

Benefits Provided

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

Contributions

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

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

The contribution requirements of plan members and the State are established and may be amended by State, legislature or by agreement between the State and employee's union, upon approval of the State legislature. The cost of providing plan benefits is financed approximately 100% by the State on a pay-as-you-go basis through an annual appropriation of the General fund. Administrative costs of the plan are financed by the State.

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

At December 31, 2020, the Authority reported a liability of $82,371,279 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on the Authority's actuarially required contribution for the year ended June 30, 2020 relative to all other contributing employers. The Authority's proportion was 0.349907% as of June 30, 2020.

For the year ended December 31, 2020, the Authority recognized OPEB expense of $6,517,961. At December 31, 2020 the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 15,711,045	$ 1,599,586
Net difference between projected and actual earnings on OPEB plan investments	162,425	
Changes in proportionate share and difference between amount contributed and proportionate share of contributions	6,488,283	12,353,590
Employer contributions to the plan subsequent to the measurement date	1,616,751	
Difference between expected and actual experience in the total OPEB liability		2,215,294
	$ 23,978,504	$ 16,168,470

Of the total amount reported as deferred outflows of resources related to OPEB, $1,616,751 resulting from Authority contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Authority's OPEB expense as follows:

Year Ending December 31,		
2021	$	1,338,816
2022		1,375,590
2023		2,116,531
2024		1,300,239
2025		62,107
	$	6,193,283

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using key actuarial assumptions summarized as follows:

Payroll growth rate	3.50%
Salary increases	3.25% - 19.5% varying by years of service
Discount rate	2.38% as of June 30, 2020 3.58% as of June 30, 2019
Healthcare cost trend rates:	
Medical & Prescription drug	6.00% graded to 4.50% over 6 years
Dental	3.00%
Part B	4.50%
Administrative expense	3.00%

The RP-2014 White Collar Mortality Table projected to 2020 by scale BB at 100% for males and 95% for females for healthy participants and the RP-2014 Disabled Retiree Mortality Table at 65% for males and 85% for females is used for disabled participants. These assumptions are applied to all periods included in the measurement.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class.

The June 30, 2020 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0 %	5.6 %
Developed Markets International Stock Fund	11.0	6.0
Emerging Markets International Stock Fund	9.0	7.9
Core Fixed Income	16.0	2.1
Inflation Linked Bonds	5.0	1.1
Emerging Market Debt Fund	5.0	2.7
High Yield Bond Fund	6.0	4.0
Real Estate Fund	10.0	4.5
Private Equity	10.0	7.3
Alternative Investments	7.0	2.9
Liquidity Fund	1.0	0.4

Discount Rate

The discount rate is a blend of the long-term expected rate of return on OPEB Trust assets and a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (2.21% as of June 30, 2020 and 3.50% as of June 30, 2019). The final discount rate used to measure the total OPEB liability was 2.38% as of June 30. 2020. The blending is based on the sufficiency of projected assets to make projected benefit payments.

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

The following presents the Authority's proportionate share of the net OPEB liability calculated using the discount rate of 2.38%, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (1.38%)	Discount Rate (2.38%)	1% Increase (3.38%)
Authority's proportionate share of net OPEB liability	$ 96,892,522	$ 82,371,279	$ 70,697,925

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

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of net OPEB liability	$ 69,054,036	$ 82,371,279	$ 99,497,034

NOTE 15 - COMMITMENTS AND CONTINGENCIES

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

	2020	2019
Mortgage Loan Commitments:		
Home Mortgage Program Purchases	$ 40,643	$ 79,989
Multifamily Developments	128,472	98,954
Reverse Annuity Mortgage	96	253
Emergency Mortgage Assistance (EMAP)	2,900	4,131
	$ 172,111	$ 183,327

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

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

The Authority offers mortgage insurance through the CHFA Insurance Fund. CHFA mortgage insurance is permitted on a case-by-case basis when FHA insurance and VA guarantees are not available and PMI insurance is either not available for the home or has been declined for a reason that would not prevent CHFA from issuing an insurance commitment. The CHFA Insurance Fund receives annual premiums from participating borrowers. The accumulation of these premiums is used to fund any claims. Premiums are collected until the LTV reaches certain thresholds at which such time the insurance coverage is terminated. As of December 31, 2020 and December 31, 2019, the Authority had $13,641,000 and $15,296,000, respectively, of outstanding home mortgage loans that are insured under this program. For the years ended December 31, 2020 and 2019, the claims paid from the CHFA Insurance Fund were $-0- and $88,000, respectively.

NOTE 16 - GRANT PROGRAMS

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

The rights of certain property owners are protected in Connecticut foreclosure actions by § 8-265cc through 8-265kk of the Connecticut General Statutes known as the Emergency Mortgage Assistance Payment ("EMAP") Program. These provisions allow homeowners the opportunity to avoid foreclosure by enabling them to obtain financial assistance from the State, acting through the Authority. A qualified homeowner may obtain funds under this program to bring a delinquent mortgage current, and may also obtain assistance with subsequent mortgage payments to a maximum period of 60 months. With sufficient funds currently on hand, the Authority received no additional funding during 2020 and 2019, from the State of Connecticut to be used in support of the EMAP program pursuant to a memorandum of understanding between the Authority and the State of Connecticut, Office of Policy and Management. Unspent funds are held by the Authority in escrow until expended on the program. Only when funds are spent are they recognized as program revenue and expenses. During 2011, the Authority issued $20,000,000 in conduit debt under its Special Needs Indenture in support of the EMAP Program. Debt service on these bonds is paid by the State of Connecticut.

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

In 2020 and 2019, the Authority received $208,000 and $116,000, respectively, in Comprehensive Counseling (CC) grant funds from the U.S. Department of Housing and Urban Development; the purpose being to provide counseling and advice to tenants and homeowners to assist them in improving their housing conditions and fulfilling the responsibilities of tenancy or homeownership. The funds were made available through Section 106 of the Housing and Urban Development Act of 1968 and Section 4 of the Department of Housing and Urban Development Act as amended by Title XIV of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the use of which is subject to the terms and conditions of the grant agreement.

The Qualified Energy Conservation Bond ("QECB") program was established under the Economic Stabilization Act of 2008 ("Act") and is governed by certain provisions of the Internal Revenue Code of 1986, as amended ("Code"). Pursuant to the Act and Code, QECBs are qualified tax credit bonds where the U.S. Treasury subsidizes a portion of the bond interest payment equal to 70% of the tax credit bond rate. The interest subsidy due or received in 2020 and 2019 was $228,000 and $238,000, respectively.

The goal of ending chronic homelessness was set when the State of Connecticut's governor signed onto the "Zero:2016" initiative. In furtherance of reaching this goal, the Authority committed to contributing $5,000,000 over ten years to fund supportive housing rental subsidies. The funding is to be made first from State funds on hand resulting from CHFA's administration of the State's supportive housing program. Once the designated State funds are exhausted, Financing Adjustment Factor (FAF) funds obtained from an agreement between the Authority and U.S. Department of Housing and Urban Development (HUD) will be used to fund the balance of the subsidy. In 2020 and 2019, the Authority funded $500,000 each year towards this commitment.

The Authority maintains a Small Multifamily Lending Program (the SML Program) which provides loans through community development financial institutions for the acquisition, rehabilitation or long-term financing of small multifamily properties having 3 to 20 units. The State of Connecticut Office of Policy and Management (OPM) has partnered with CHFA to promote the SML Program, with a focus on providing loans in areas near transit stations and in neighborhoods served by public transportation. The partnership provides CHFA to contribute up to $5,000,000; with OPM contributing equivalent matching funds. During 2020 and 2019, CHFA contributed $0 and $3,000,000, respectively, to the SML Program with an additional $3,000,000 being contributed by OPM during 2019.

During 2020, the Authority received $1,000,000 from the Federal Home Loan Bank of Boston from their "Helping to House New England" subsidy program (the Subsidy Program). The Subsidy Program is dedicated to the expansion of affordable rental and homeownership financing throughout the six New England housing finance agencies. Combining the Subsidy Program funds with a $5,000,000 commitment of CHFA funds, the Authority established a Mobile Manufactured Home Refinancing Loan Program. Mobile manufactured housing is an affordable, decent, safe and sanitary housing option. The development of this program furthers the mission of the Authority.

In response to COVID-19 related financial hardships affecting tenants' ability to make their monthly housing rental payments, the State of Connecticut through the Department of Housing (DOH) created the Temporary Rental Housing Assistance Program (TRHAP). The Authority, working in conjunction with DOH, assisted with the administration of up to $40,000,000 in funds established by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. Eligible tenants received a maximum amount of assistance of $4,000 per household to be used to pay housing rental payment arrearages. The State of Connecticut contributed $2,200,000 to CHFA to be expended in connection with the administration and implementation of the TRHAP program. $745,000 of these grant funds were spent through December 31.

During 2020, the Authority received a $500,000 grant from Wells Fargo to further fund and support the TRHAP program. Grant funds were used to expedite the temporary rental assistance application process to distribute CARES Act funds to tenants in need; the goal being to prevent housing insecurity and its corresponding ramifications. $254,000 in grant funds were spent through December 31, with the remainder of the funds being spent in early 2021. The use of grant funds was subject to the terms and conditions of the grant agreement.

Activity under these programs for the years ended December 31, 2020 and 2019 is summarized below (in 000's):

	2020 Program Funding	2020 Program Expenses	Net
PA 05-228	$	$ 169	$ (169)
EMAP/TMAP	533	533	
CC	208	208	
QECB	228	228	
ZERO 16	350	500	(150)
MOBILE HOME REFI	1,000		1,000
TRHAP-DOH	745	745	
TRHAP-WF	254	254	
	$ 3,318	$ 2,637	$ 681

	2019 Program Funding	2019 Program Expenses	Net
PA 05-228	$	$ 279	$ (279)
EMAP	1,734	1,735	(1)
CC	116	116	
QECB	238	238	
ZERO 16	500	500	
SML PROGRAM	3,000		3,000
	$ 5,588	$ 2,868	$ 2,720

NOTE 17 - RISK MANAGEMENT

The Authority is subject to normal risks associated with its operations including property damage, personal injury and employee dishonesty. All risks are managed through the purchase of commercial insurance. There are three pending claims, neither of which are expected to exceed insurance coverage limits if and when settled.

NOTE 18 - SUBSEQUENT EVENTS

On February 24, 2021, the Authority issued 2021 Series A fixed rate bonds in the amount of $263,410,000 under the Bond Resolution. The bond proceeds were used to refund a portion of the Authority's outstanding bonds and to fund the purchase of single family whole loans and mortgage backed securities.

On March 16, 2021, March 30, 2021 and April 9, 2021, the Authority redeemed $9,800,000, $161,850,000 and $885,000, respectively, of various series of outstanding bonds held under the Bond Resolution.

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

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

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

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

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

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

Notes to Schedule

Changes in assumptions:

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

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

	2020	2019	2018	2017	2016
Proportion of the net OPEB liability	0.349907%	0.418651%	0.365767%	0.390046%	0.380742%
Proportionate share of the net OPEB liability	$ 82,371,279	$ 78,547,288	$ 63,147,471	$ 67,722,049	$ 65,649,161
Covered payroll	$ 13,160,654	$ 13,226,621	$ 13,256,124	$ 13,305,309	$ 12,735,488
Proportionate share of the net OPEB liability as a percentage of its covered payroll	625.89%	593.86%	476.36%	508.99%	515.48%
Plan fiduciary net position as of percentage of total OPEB liability	6.13%	5.99%	4.69%	3.03%	1.94%

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

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

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

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

Notes to Schedule

Changes in assumptions:

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

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2020
(in 000's)

	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Single Family Special Obligation Bond and Other Bond Funds	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
		Other Funds					Component Units		
Assets									
Restricted current assets:									
Cash and cash equivalents	$ 525	$ 1	$	$	$ 61	$	$	$	$ 587
Mortgage loans receivable	140,006		762	676	3,899	400			145,743
Investments in securities	907,950	3,634	9,409	7,254	60,930	1,025	829		991,031
Real estate owned - multifamily							2,300		2,300
Accrued interest receivable on:									
Mortgage loans	12,836		113	194	348	11			13,502
Securities	5,587		1		11				5,599
Due from other funds/component units	8,066							(8,066)	
Accounts receivable and other assets	28,242		369		759		438		29,808
Total current assets	1,103,212	3,635	10,654	8,124	66,008	1,436	3,567	(8,066)	1,188,570
Restricted noncurrent assets:									
Mortgage loans receivable, net of current portion	2,480,244		20,074	48,027	56,990	7,599			2,612,934
Investments in securities, net of current portion	2,538,161		11,065		1,451				2,550,677
Capital assets, net of depreciation	3,104								3,104
Real estate owned - single family	4,420		457						4,877
Total noncurrent assets	5,025,929	-	31,596	48,027	58,441	7,599	-	-	5,171,592
Total assets	6,129,141	3,635	42,250	56,151	124,449	9,035	3,567	(8,066)	6,360,162
Deferred Outflows of Resources									
Unamortized deferral on bond refundings	75,739				25				75,764
Derivative financial Instruments	39,923								39,923
Deferred amount for OPEB	23,979								23,979
Deferred amount for pensions	12,869								12,869
Total deferred outflows of resources	152,510	-	-	-	25		-	-	152,535
Liabilities									
Current liabilities:									
Escrow deposits and unearned revenue	32,221			813	3,986	583			37,603
Due to other funds/component units			5,650	116			2,300	(8,066)	
Accrued interest payable	16,385		35	46	109	36			16,611
Accounts payable and accrued liabilities	5,319		13		760		99		6,191
Bonds payable	437,645		4,820	790	2,780	438			446,473
Total current liabilities	491,570		10,518	1,765	7,635	1,057	2,399	(8,066)	506,878
Noncurrent liabilities									
Escrow deposits and unearned revenue, net of current portion	119,574			2,870	32,207				154,651
Bonds payable, net of current portion	4,311,965		27,416	48,452	57,835	7,566			4,453,234
Derivative instruments - interest rate swaps	176,384								176,384
Net OPEB liability	82,371								82,371
Net pension liability	70,480								70,480
Total noncurrent liabilities	4,760,774	-	27,416	51,322	90,042	7,566	-		4,937,120
Total liabilities	5,252,344		37,934	53,087	97,677	8,623	2,399	(8,066)	5,443,998
Deferred Inflows of Resources									
Deferred amount for OPEB	16,168								16,168
Deferred amount for pensions	8,622								8,622
Total deferred inflows of resources	24,790	-	-	-	-	-	-	-	24,790
Net Position									
Net investment in capital assets	3,104								3,104
Restricted by bond indentures and/or enabling legislation	1,001,413	3,635	4,316	3,064	26,797	412	1,168		1,040,805
Total Net Position	$ 1,004,517	$ 3,635	$ 4,316	$ 3,064	$ 26,797	$ 412	$ 1,168	$ -	$ 1,043,909

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2019
(in 000's)

		Other Funds					Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Single Family Special Obligation Bond and Other Bond Funds	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
Assets									
Restricted current assets:									
Cash and cash equivalents	$ 416	$	$	$	$ 20	$	$	$	$ 436
Mortgage loans receivable	130,269		5,854	645	3,491	393			140,652
Investments in securities	588,190	3,642	22,238	6,918	59,106	932	823		681,849
Real estate owned - multifamily							2,300		2,300
Accrued interest receivable on:									
Mortgage loans	11,872		929	196	349	18			13,364
Securities	6,659	5	32	10	95		1		6,802
Due from other funds/component units	2,580							(2,580)	-
Accounts receivable and other assets	45,624		638		748		324		47,334
Total current assets	785,610	3,647	29,691	7,769	63,809	1,343	3,448	(2,580)	892,737
Restricted noncurrent assets:									
Mortgage loans receivable, net of current portion	2,479,551		171,971	48,704	59,612	8,010			2,767,848
Investments in securities, net of current portion	2,466,523		13,373		1,622				2,481,518
Capital assets, net of depreciation	2,890								2,890
Real estate owned - single family	9,848		1,287						11,135
Total noncurrent assets	4,958,812	-	186,631	48,704	61,234	8,010	-	-	5,263,391
Total assets	5,744,422	3,647	216,322	56,473	125,043	9,353	3,448	(2,580)	6,156,128
Deferred Outflows of Resources									
Unamortized deferral on bond refundings	84,584				32				84,616
Deferred amount for OPEB	13,265								13,265
Deferred amount for pensions	18,465								18,465
Total deferred outflows of resources	116,314	-	-	-	32		-	-	116,346
Liabilities									
Current liabilities:									
Escrow deposits and unearned revenue	26,839			892	6,479	583			34,793
Due to other funds/component units		88	72	120			2,300	(2,580)	-
Accrued interest payable	17,177		467	47	113	37			17,841
Accounts payable and accrued liabilities	5,347		104	4	774		114		6,343
Bonds payable	211,475		8,195	745	2,700	423			223,538
Total current liabilities	260,838	88	8,838	1,808	10,066	1,043	2,414	(2,580)	282,515
Noncurrent liabilities									
Escrow deposits and unearned revenue, net of current portion	115,860			2,563	31,046				149,469
Bonds payable, net of current portion	4,306,733		202,269	49,193	60,682	8,005			4,626,882
Derivative instruments - interest rate swaps	123,651								123,651
Net OPEB liability	78,547								78,547
Net pension liability	76,524								76,524
Total noncurrent liabilities	4,701,315	-	202,269	51,756	91,728	8,005	-	-	5,055,073
Total liabilities	4,962,153	88	211,107	53,564	101,794	9,048	2,414	(2,580)	5,337,588
Deferred Inflows of Resources									
Deferred amount for OPEB	5,926								5,926
Deferred amount for pensions	5,462								5,462
Derivative Financial Instruments	12,810								12,810
Total deferred inflows of resources	24,198	-	-	-	-	-	-	-	24,198
Net Position									
Net investment in capital assets	2,890								2,890
Restricted by bond indentures and/or enabling legislation	871,495	3,559	5,215	2,909	23,281	305	1,034		907,798
Total Net Position	$ 874,385	$ 3,559	$ 5,215	$ 2,909	$ 23,281	$ 305	$ 1,034	$ -	$ 910,688

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020
(in 000's)

		Other Funds					Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Single Family Special Obligation Bond and Other Bond Funds	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
Operating Revenues									
Interest on mortgage loans	$ 119,049	$	$ 3,625	$ 2,278	$ 3,783	$ 224	$	$	$ 128,959
Interest on investments	74,571	20	194	24	187		5	(2,349)	72,652
Fees and other income	13,286	56					129		13,471
Total operating revenues	206,906	76	3,819	2,302	3,970	224	134	(2,349)	215,082
Operating Expenses									
Interest	137,114		4,706	1,952	2,429	117		(2,349)	143,969
Bond issuance costs	5,966								5,966
Servicer fees	6,980		315						7,295
Administrative	34,625		141						34,766
Provision for losses	3,866		(42)						3,824
Total operating expenses	188,551		5,120	1,952	2,429	117		(2,349)	195,820
Operating Income (Loss)	18,355	76	(1,301)	350	1,541	107	134		19,262
Nonoperating Revenues (Expenses)									
Actuarial assumption changes pension and OPEB	(6,066)								(6,066)
Net increase in the fair value of investments	118,884		402		58				119,344
State and federal program funding	3,318								3,318
State and federal program expenses	(2,637)								(2,637)
Nonoperating income (loss)	113,499		402		58				113,959
Income (Loss) before Transfers	131,854	76	(899)	350	1,599	107	134		133,221
Operating Transfers In (Out)	(1,722)			(195)	1,917				
Change in Net Position	130,131	76	(899)	155	3,516	107	134		133,221
Net Position - Beginning of Year- as restated	874,385	3,559	5,215	2,909	23,281	305	1,034		910,688
Net Position - End of Year	$ 1,004,517	$ 3,635	$ 4,316	$ 3,064	$ 26,797	$ 412	$ 1,168	$	$ 1,043,909

EXHIBIT II

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019
(in 000's)

		Other Funds					Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Single Family Special Obligation Bond and Other Bond Funds	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
Operating Revenues									
Interest on mortgage loans	$ 126,927	$	$ 7,637	$ 2,309	$ 3,868	$ 233	$	$	$ 140,974
Interest on investments	77,435	79	522	93	588		16	(2,321)	76,412
Fees and other income	15,184	62					243		15,489
Total operating revenues	219,546	141	8,159	2,402	4,456	233	259	(2,321)	232,875
Operating Expenses									
Interest	144,516		6,616	1,978	2,500	125		(2,321)	153,414
Bond issuance costs	6,199								6,199
Servicer fees	8,982		635						9,617
Administrative	36,162	88	59						36,309
Reduction to loan loss reserves	(10,519)		(71)						(10,590)
Total operating expenses	185,340	88	7,239	1,978	2,500	125	-	(2,321)	194,949
Operating Income	34,206	53	920	424	1,956	108	259		37,926
Nonoperating Revenues (Expenses)									
Actuarial assumption changes pension and OPEB	(7,824)								(7,824)
Net increase in the fair value of investments	108,438		634		55				109,127
State and federal program funding	3,115				2,235	238			5,588
State and federal program expenses	(395)				(2,235)	(238)			(2,868)
Nonoperating income (loss)	103,334	-	634	-	55	-	-	-	104,023
Income (Loss) before Transfers	137,540	53	1,554	424	2,011	108	259		141,949
Operating Transfers In (Out)	(870)				870				
Change in Net Position	136,670	53	1,554	424	2,881	108	259	-	141,949
Net Position - Beginning of Year- as restated	737,715	3,506	3,661	2,485	20,400	197	775	-	768,739
Net Position - End of Year	$ 874,385	$ 3,559	$ 5,215	$ 2,909	$ 23,281	$ 305	$ 1,034	$ -	$ 910,688