



Massachusetts Housing Finance Agency
One Beacon Street Boston, MA 02108

Tel: 617-854-1000
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Relay 711
www.masshousing.com

Investment and Audit Committee Meeting Minutes

Meeting Date and Time: June 11, 2024, at 1:02 p.m.

Meeting Location: In accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, and Section 8 of An Act Making Appropriations for the Fiscal Year 2022 to Provide for Supplementing Certain Existing Appropriations and for Certain Other Activities and Projects, 2022 Mass. Acts 22, this meeting was conducted through remote audio and video participation by the Members of MassHousing.

Committee Members Present: Jeanne Pinado
Carolina Avellaneda
Herby Duverné
Bran Shim

MassHousing Staff Present: Sandra Bakaysa
Paul Scola
Belmira Fallon
Robert Wong
Laurie Bennett
Colin McNiece
Cynthia Fernandes
Hayden Smith
Simone Ward
Shaina Aubourg

PricewaterhouseCoopers (PwC)
Staff Present: Nipa Patel
Mike Stankus

The meeting began at 1:02 p.m.

Upon a motion duly made and seconded, the members voted, by roll call, to approve the minutes of the March 12, 2024 meeting. Bran Shim abstained from voting, as this was his first committee meeting and he was not present at the previous meeting.

Maura Healey, Governor
Kim Driscoll, Lt. Governor

Jeanne Pinado, Chair
Carolina Avellaneda, Vice Chair

Chrystal Kornegay,
Chief Executive Officer

Following such approval, Ms. Fernandes proceeded to review the Internal Audit Update. She began by highlighting that the Assistant Director of Operations (Ms. Aubourg) participated in this year's annual dialogues and assisted in documenting the Agency's understanding of third-party risk. Ms. Fernandes then reviewed the Investment and Audit Committee Report for the third quarter (Q3) of Fiscal Year 2024 (FY2024). She gave an update on the FY2024 Internal Audit Plan, noting that the audits were on track for completion. She noted that two engagements were completed during Q3 and had "effective" opinions. Ms. Fernandes then highlighted that all staff in the Internal Audit department met the competency requirement for Government Audit Standards training.

Ms. Fernandes reviewed the other assurance activities and highlighted that CohnReznick was engaged to conduct a review of the HUD Multifamily Accelerated Processing (MAP) Quality Control Plan (QCP). She explained that due to the capacity of the Internal Audit team, it was determined that it was best for an outside provider to conduct the review. As of the date of the meeting, Ms. Fernandes mentioned that no findings were identified, and a report is expected soon. Ms. Fernandes then informed the Committee that the Internal Audit team is currently working with PwC on the previous Ginnie Mae finding to ensure the issue is remediated and closed.

There were no comments or questions.

Ms. Fernandes proceeded to update the Committee on the new Global Internal Audit Standards (GIAS) published earlier this year by the Institute of Internal Auditors (IIA) and noted that the expected date of conformance for Internal Auditors is January 1, 2025. She highlighted that the new standards allow for customization for small or government internal audit team. MassHousing elected to conform with the public standards, as the Internal Audit department's procedures and practices were already aligned with the more rigorous standards. She mentioned that the Internal Audit charter will be updated to reflect the new standards, with the biggest change being the Internal Audit mandate. Ms. Fernandes drew the Committee's attention to "Principle 12: Enhance Quality" of the new standards and noted that Internal Audit team has not received an independent quality assurance review. She highlighted that as part of Internal Audit's goals the team had intended to execute the independent assessment this year, but considering that the new standards were going into effect, Internal Audit determined to execute on the review in Fiscal Year 2026. The new standards require the presentation of a strategic plan which Internal Audit has presented in the past.

Ms. Fernandes discussed Internal Audit's approach for creating the Fiscal Year 2025 Plan and mentioned that the Agency's fraud risk library was updated. Ms. Fernandes affirmed that the MassHousing's residual risk of fraud was assessed as "low".

Ms. Fernandes then discussed the Fiscal Year 2025 Internal Audit Plan. She noted that based on meetings with the MassHousing's Executive Staff and Directors, enterprise risk and opportunities were identified. Ms. Fernandes noted that two horizontal audits are included in the Fiscal Year 2025 plan, with emphasis on end-to-end controls and process hand-offs among various departments. She mentioned that the new bond bill introduces operational risk, and that Internal Audit is also focusing on technology risks, due to ongoing systems transformations that will allow business areas to enhance data analysis and visualizations. She walked through MassHousing's risk-profile and highlighted that more "medium" risk business units were identified. Ms. Fernandes proposed seven audits for Fiscal Year 2025. She highlighted that the audits are more horizontal in nature and involve multiple risk units; for example, the Legal and Underwriting engagement will include participation of two risk units at a time.

She walked through the appendices and mentioned the audit plan is adjusted if additional risks arise. Ms. Fernandes mentioned that the number external assurance provider engagements expected in Fiscal Year 2025 decreased in comparison to Fiscal Year 2024. Finally, Ms. Fernandes informed the Committee that the draft charter was included in the package and the purpose of its inclusion is to get the Internal Audit department to conform with the new language proposed in the new Global Internal Audit Standards, and that no new practices are being proposed from the language update. She stated that at the September meeting, she will seek the Committee's approval of the new charter.

Ms. Pinado inquired if there was any anticipation of an increase in staffing due to the complexity in programs and activities. Ms. Fernandes responded that she did not anticipate increasing staff in Fiscal Year 2025. She stated that the Internal Audit team is close to capacity and regular conversations are held with Human Resources and Executive Staff regarding projected staffing.

Ms. Pinado questioned if the group has thought about succession planning. Ms. Fernandes mentioned that she spends a lot of time on team development and one of the standard requirements is to have a documented succession plan.

Ms. Avellaneda inquired regarding Internal Audit's independence with respect to the Legal and Underwriting engagement as Internal Audit reports to the General Counsel. Mr. McNiece mentioned that there will be some organizational changes, which could be further explained at the September meeting. He mentioned Legal has increased in risk and that an audit of the area was appropriate. Ms. Fernandes commented that Internal Audit has procedures and safeguards in place to ensure independence and objectivity of each engagement.

There were no further questions.

Ms. Patel proceeded with the PwC presentation, going over the objectives for the external audit and the deliverables. She commented that PwC collaborates closely with MassHousing management to create a strong audit plan.

Mr. Stankus highlighted the risk assessment results for the current audit year and noted that there was a significant risk identified in Mortgage Insurance Fund (MIF) engagement; the significant risk is the risk of management override of controls. He stated that although no other risks were identified this can change as the engagement evolves and if so, the Committee will be informed.

Mr. Stankus asked if the Committee was aware of any fraud in the Agency. The Committee Members unanimously stated that they were not aware of any violations and no significant or unusual transactions.

Mr. Stankus reviewed PwC's independence requirements and mentioned that PwC will be spending more time with management to go over the fraud control program. He stated that overall materiality from a quantitative standpoint continued to be measured as a percentage of total assets. The PwC team concluded by reviewing the other required communications.

Ms. Avellaneda asked what opportunities PwC provides to Black Indigenous and other People of Color (BIPOC) members of the firm and mentioned it would be good to see more diversity in the staff who work on the MassHousing Audit.

Ms. Patel stated that they select a mix of local and remote staff to work on the audits, and that PwC has been working with universities to bring on more diverse staff. She highlighted that the slide presented in the meeting only highlights management and she can provide a more holistic visual that is more inclusive of the team.

Ms. Avellaneda stated that she believes that there is an opportunity to not only showcase and provide management opportunities for people of color as well. Ms. Pinado and Mr. Duverné concurred with her statement

Ms. Pinado asked if there have been significant changes in the audit fees over time.

Ms. Patel responded by stating, that every five years MassHousing issues a request for proposal and evaluates its external auditor. She noted that the fees for the current year are reflective of the schedule from two years ago with a small incremental increase, but there have been no adjustments since the bid. She also mentioned that fees vary based on debt issuances.

Mr. Duverné asked Ms. Fernandes if, as a part of the Fiscal Year 2024 Human Resources Audit, there were any issues with compliance with Human Resource standards and if the audit looked at how MassHousing hires and post positions.

Ms. Fernandes stated the audit looked specifically at payroll because that process was not going through a transformation. Human Resources has reorganized its operations and is going through a transformation so these areas would be looked at once new management is in place and stable.

Mr. McNiece mentioned that MassHousing is actively seeking a Senior Director of Human Resources and anticipates hiring the senior director by September.

There were no further questions or comments.

The meeting concluded at approximately 1:39 p.m.

A true record.

Attest.



Colin M. McNiece
Secretary

Meeting Materials:

- Approval of March 12, 2024, Minutes
- Internal Audit Update and presentation of FY25 Audit Plan
- PwC – Presentation of the FY24 Year-End Audit Plan



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Investment and Audit Committee Meeting Minutes

Meeting Date and Time: March 12, 2024, at 1:00 p.m.

Meeting Location: In accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted during the State of Emergency, 2021 Mass. Acts 20, as amended, this meeting was conducted through remote audio and video participation by the Members of MassHousing's Investment and Audit Committee.

Committee Members Present: Jeanne Pinado
Carolina Avellaneda
Herby Duverne
Kaitlyn Connors

MassHousing Staff Present:
Stephen Vickery
Sandra Bakaysa
Mina Ebanculla
Nancy Slaney
Robert Wong
Belmira Fallon
Paul Hagerty
Carol McIver
Laurie Bennett
Cynthia Fernandes
Simone Ward

CliftonLarsonAllen LLP (CLA)
Staff Present: Chris Rogers

The meeting began at 1:03 p.m.

Ms. Pinado called the meeting to order and proceeded to ask for the approval of the minutes of the December 13, 2023, meeting. Upon a motion duly made and seconded, the members unanimously voted, by roll call, to approve the minutes of the December 13, 2023 meeting.

Following such approval, Ms. Fernandes reviewed the Investment and Audit Committee Report for the second quarter (Q2) of Fiscal Year 2024 (FY24). Ms. Fernandes stated that the Internal Audit team is making steady progress on the FY24 Internal Audit Plan and that there are no anticipated changes to the plan. She noted that two engagements were completed in Q2. Ms. Fernandes noted that the two engagements were the Treasury Point in Time Audit and the interim coverage of the Rental Lifecycle Software Project Audit; "Effective" opinions were issued for both. Ms. Fernandes stated that there were no instances of fraud reported during Q2.

Ms. Fernandes reviewed page two (2) of the report. She highlighted that items six (6) to nine (9) were updated in Q2. She noted that Other Post Employment Benefits (OPEB) fiscal year end was adjusted. Accordingly, two audit engagements are anticipated in MassHousing Fiscal year (July 1, 2023 through June 30, 2024). She deferred to Mr. Rogers to speak on items seven (7) the Schedule of Expenditures and Federal Awards (SEFA) Audit and eight (8) the Affordable Housing Trust Audit in more detail; no significant findings were identified in either engagement. She concluded by stating that the annual Project Based Contract Administration (PBCA) compliance review performed by the U.S Housing and Urban Development (HUD) was successfully completed with no findings.

There were no questions on this presentation.

Mr. Rogers began the CLA presentation on the MassHousing Uniform Guidance Audit by thanking MassHousing team their support during the engagement. He proceeded to review the terms of the engagement and highlighted the results of the audit. Mr. Rogers noted that the audit resulted in an "Unmodified Opinion" of the SEFA and Compliance with Major Federal Programs. He notes there were no compliance or internal control findings reported. Mr. Rogers affirmed that: there were no difficulties encountered during the engagement; no transactions lacked authoritative guidance; disclosures were neutral, consistent, and clear; and there were no uncorrected and corrected misstatements. Mr. Rogers concluded by thanking Mr. Vickery and his team for their assistance throughout the audit and reiterated the engagement results were consistent with prior years.

Ms. Pinado expressed her contentment with the results.

Mr. Vickery made a note to the Internal Audit Update report and stated that although the Affordable Housing Trust Audit is listed on the report and that CLA in fact performs the AHTF audit, the financial results are not reported during these meetings. The Committee is informed of significant issues and the financial results are reported to the Executive Office of Housing and Livable Communities (EOHLC), as MassHousing administrates the funds on their behalf.

The Committee members thanked him for the additional information.

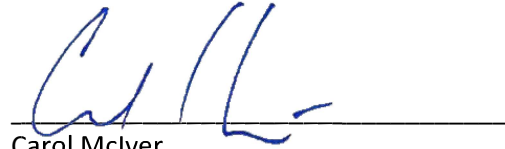
Ms. Avellaneda commended the team on the great work.

There were no further questions or comments.

At approximately 1:10 p.m. members of MassHousing staff left the meeting so that the Committee could speak independently with CLA, after which the meeting concluded at approximately 1:18 p.m.

A true record.

Attest.



Carol McIver
Assistant Secretary

Meeting Materials:

- Approval of December 12, 2023 Minutes
- Internal Audit Update
- CliftonLarsonAllen LLP (CLA) Required Communications
 - RE: MassHousing 2023 Uniform Guidance Audit



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Investment and Audit Committee Meeting Minutes

Meeting Date and Time: December 12, 2023, at 1:15 p.m.

Meeting Location: The regular meeting of the Members of MassHousing's Investment and Audit Committee was held at One Beacon Street, Boston, MA 02108.

Committee Members Present: Jeanne Pinado (*joined at 1:26 p.m.*)
Carolina Avellaneda
Herby Duverne
Kaitlyn Connors

MassHousing Staff Present:
Rachel Madden
Paul Scola
Stephen Vickery
Sandra Bakaysa
Robert Wong
Belmira Fallon
Nancy Slaney
Colin McNiece
Cynthia Fernandes
Hayden Smith
Simone Ward

PricewaterhouseCoopers (PwC)
Staff Present: Nipa Patel
Michael Stankus

The meeting began at 1:19 p.m.

Ms. Avellaneda called the meeting to order and proceeded to ask for the approval of the minutes of the September 12, 2023, meeting. Upon a motion duly made by Mr. Duverne and seconded by Ms. Connors, the present members unanimously voted to approve the minutes of the September 12, 2023, meeting.

Following such approval, Ms. Fernandes reviewed the Investment and Audit Committee Report for the first quarter (Q1) of Fiscal Year 2024 (FY24). Ms. Fernandes gave an overview of how the report is structured, noting that page one (1) of the report reflected the work of Internal Audit (IA) and page two (2) is the results of other assurance providers. She mentioned that internal audit generally performs fewer engagements in the first quarter since the main focus of the IA team and Agency is supporting the financial statement audit. Ms. Fernandes mentioned that the IA team is steadily making progress on the Internal Audit FY24 Audit Plan and there are no changes to be reported. She asserted to the Committee that Internal Audit is independent with respect to the FY24 Audit Plan, and that she is not aware of any condition that would impact the independence or objectivity of the staff completing the plan. She further stated that there were no instances of fraud reported during Q1. Ms. Fernandes then referred to page two (2) of the report and highlighted the various anticipated audits to be performed by external assurance providers within the fiscal year. She highlighted that: there was one (1) finding as a part of the Ginnie Mae audit performed by PwC; this issue has been fixed with automated controls; and IA will perform retesting around January - February 2024 to validate that repeat issues will not occur. She mentioned that the Schedule of Expenditures of Federal Awards (SEFA) and Affordable Housing Trust Fund (AHTF) audits were also issued last week with no findings.

Mr. Duverne inquired regarding the timing of the assurance engagements, noting that most occur from June through September. Ms. Fernandes replied that the Agency's fiscal year end is June 30, and accordingly, many of the audit engagements occur in first quarter to meet filing requirements. Ms. Fernandes noted that engagements 1 - 8 of the Assurance Map are on a set frequency, but other assurance engagements, usually performed by the Agency's investors, can occur on an ad hoc basis. Mr. Vickery added that PwC completed their required communications associated with year-end activities prior to the meeting, but there would be an executive session at the end of the meeting where the Committee could discuss the engagement details with PwC, if they would like.

At approximately, 1:26 p.m. Ms. Pinado joined the meeting.

Ms. Pinado inquired regarding MassHousing's ongoing discussions with the Division of Banks (DoB). Mr. McNiece noted that he was in contact with the DoB's General Counsel. Mr. McNiece noted that MassHousing and the DoB agreed that MassHousing's statute is ambiguous. They resolved to jointly pursue clarification and, in the meantime, a memorandum of understanding, or other document, will be agreed upon to clarify that MassHousing is not required to register or file licenses with the DoB.

Ms. Fernandes reviewed the 2024 Risk in Focus Board Briefing created by the Internal Audit Foundation. She highlighted that the key risks noted in the report were similar to the risks actively monitored by the Agency. There were no further questions and Ms. Patel, along with Mr. Stankus, presented on behalf of PwC.

Ms. Patel stated that PwC completed an annual survey of Corporate Directors. She proceeded to review the key findings from the 2023 survey. Ms. Patel noted that, per the survey, more directors are prepared for Environmental Social and Governance (ESG) disclosures, but only half see the link between ESG and company strategy. Ms. Patel noted that for MassHousing, the mission is clearly stated and linked to ESG goals. Ms. Patel then mentioned that, based on the other clients PwC works with, they have observed changes in Board composition to support ESG reporting and some clients have created ESG committees. Ms. Patel stated that this trend is mostly in large public organizations. Mr. Stankus also commented that the financial services sector is also taking a lead in emphasizing ESG.

Ms. Avellaneda inquired regarding MassHousing's ESG efforts. Mr. Scola noted that one of MassHousing's 5-year goals was to issue 75% of its bonds under ESG designations, and MassHousing has surpassed this goal with over 90% of its bonds falling under ESG designations. He stated that MassHousing recently published their ESG framework to its public site, and that the framework was reviewed by S&P. Ms. Madden also highlighted that at a recent conference, geared towards financial service professionals, MassHousing was called out as having one of the best ESG frameworks and should be used as a model.

Ms. Pinado remarked regarding the negative trend where only 54% of ESG issues related to strategy. Ms. Patel responded that though there isn't any standardization of the information reported on ESG, third-party verification of the information reported strengthened the confidence of directors' preparation for ESG.

Ms. Patel continued the presentation highlighting statistics on Board confidence relative to crisis management and whether they felt confident guiding the company through a crisis.

The Board discussed different crisis scenarios and Ms. Connors inquired regarding the difference between crisis management, incident management, and business continuity. Ms. Pinado also inquired if MassHousing has any protocols for an active shooter in the building.

Ms. Madden noted that MassHousing has a business continuity plan that is regularly reviewed and updated. Mr. Scola highlighted that there are different task groups in the Agency that are prepared to deal with incidents. Mr. McNiece added that there is a written cybersecurity policy that covers cyber incidents and further commented that based on the nature of the crisis different experts throughout the Agency would be engaged. He noted that a cyber incident would be dealt differently than a public relations incident, however, in both scenarios a group is designated to rapidly resolve the matter. He noted that the different protocols are enacted, as needed.

Mr. Stankus continued the presentation highlighting the statistics surrounding cybersecurity. He also noted that there is a new SEC rule requiring material cybersecurity incidents be disclosed.

Ms. Patel concluded by reviewing the comments on core board practices. She stated that many organizations are investing in training and engaging specialists to support the board members' preparation.

There were no further questions or comments.

At approximately 1:37 p.m. members of MassHousing staff left the room so that the Committee could speak independently with PwC, after which the meeting concluded at approximately 2:03 p.m.

A true record.

Attest.



Colin M. McNiece
Secretary

Meeting Materials:

- Approval of September 12, 2023, Minutes
- Internal Audit Update
- PwC Presentation – Annual Corporate Directors Survey

MassHousing

Internal Audit Update

Cynthia Fernandes - Director of Internal Audit
Shaina Aubourg – Assistant Director of Operations
Hayden Smith – Senior Internal Auditor
Simone Ward – Internal Auditor

June 11, 2024

Agenda

- Discuss the Q3 2024 Internal Audit Report
- Highlight changes to the Global Internal Audit Standards and our practice alignment
 - Review of the updated Internal Audit Charter
- Discuss the 2025 Internal Audit Plan

Investment and Audit Committee Quarterly Internal Audit Report (Q3 2024)



Audit Plan Progress		
Completed	5	63%
Planned	3	38%
Original Plan	8	100%

Engagement	Opinion*	Scope	Objectives	Significant Findings**
Human Resources (f.k.a. Talent and Culture) Point in Time Engagement	<i>Effective</i>	We performed a review of: background check processes and controls from January 1, 2023 to December 31, 2023; and payroll processing controls from January 1, 2023 to December 31, 2023.	We determined that controls for the background check process were designed effectively and operating as intended. Controls for the bi-weekly payroll processes were also designed effectively and operating as intended.	None
Rental Lifecycle Software – Project Audit	<i>Effective</i> (Interim 5 Opinion)	We were given access to all activities supporting the project. The interim period related to project activities occurring from November 10, 2023 to January 30, 2024.	We determined that project management activities were <i>effective</i> , and that the project will likely meet its overall success criteria.	None

Changes Made to the FY2024 Audit Plan:

ON TRACK: No changes have been made to the plan.

Internal Audit Team:

The Internal Audit Team completed the 24 hour Continuing Professional Education (CPE) requirement in line with Government Auditing Standards. This requirement is completed every other year.

Fraud Program Activities:

No hotline calls were made, and we were not made aware of any instances of “fraud” in the Agency.

* An *Effective* internal audit opinion indicates that controls reviewed are effectively and efficiently designed to manage risks and operating as intended; minor concerns may be noted that may require management’s action. A *Generally Effective* internal audit opinion indicates that concerns were noted relative to the design of controls or operating effectiveness that introduce some risk to the organization; various or significant concerns were noted that require management’s attention. A *Not Effective* internal audit opinion indicates that controls were not effectively and efficiently designed to manage risks or were not operating as intended and introduce significant risks requiring Senior management’s attention. *No Opinion Expressed* indicates that Internal Audit did not evaluate control activities and was performing an engagement at the request of Management.

** *Significant Findings* indicate instances where action is required to avoid exposure to significant risks (i.e. where failure by management to act could result in critical or major consequences for the Agency). Audit will perform follow up within 30 to 90 days to ensure controls are put in place and risks are mitigated. High and Moderate risk issues may require Senior Management or Board level attention to receive appropriate remediation.

Other Assurance Providers & Regulatory Reviews:

Internal Audit maintains an Assurance Map, tracking the Agency’s outside assurance activities. Assurance activities include: audits, reviews, and regulatory compliance engagements. When findings are identified in these engagements, Internal Audit works with Management on remediation plans. Below is an excerpt of the FY2024 Assurance Map:

#	Assurance Provider Audit/Review or Reg. Review	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
1	PwC Financial Statement Audit	■			●								
	PwC Financial Statement Audit (IT Portion)	■		●									
	PwC Financial Statement Quarterly Reviews						■			■			■
2	PwC Mortgage Insurance Fund Audit	■			●								
3	PwC Ginnie Mae Audit (Single Family)	■			●								
4	PwC Ginnie Mae Audit (Multi-Family)	■			●								
5	CLA OPEB Trust Audit (Stub YE 12/31/22)	■		●									
6	CLA OPEB Trust Audit (YE 12/31/23)										■		
7	CLA SEFA Audit	■						●					
8	CLA Affordable Housing Trust Audit	■						●					
9	HUD PBCA Review				■				●				
10	Cohn Reznick MAP QC Review										■		
11	Freddie Mac - MIF CORE Review	■		●									
12	Fannie Mae - MIF MORA		■			●							

Legend - Coordinating Division				Legend - Findings	
■	Finance	■	Information Technology	◆	Significant Finding**
■	HomeOwnership	■	Internal Audit	●	Compliance Finding***
■	Rental	■	Not Announced Yet	●	No Reportable Finding

Summary of Findings by Other Assurance Providers:

The Ginnie Mae Audit issue was reported in Q1. No new issues were identified.

** *Significant Findings* indicate instances where action is required to avoid exposure to significant risks (i.e. where failure by management to act could result in critical or major consequences for the Agency). Audit will perform follow up within 30 to 90 days to ensure controls are put in place and risks are mitigated. High and Moderate risk issues may require Senior Management or Board level attention to receive appropriate remediation.

*** *Compliance Findings* indicate instances where a high or moderate issue is identified relative to a specific engagement scope or compliance standard; the scope of the engagement may be a compliance audit or a review.

Global Internal Audit Standards

- Were published on January 9, 2024, with required conformance starting January 9, 2025.
- Consist of 5 Domains and 15 Principles.
- Align with many of our current practices.
- Recognize the need to adapt the standards for small Internal Audit Functions and the Public Sector.

Global Internal Audit Standards

Domain I: The Purpose of Internal Auditing

Domain II: Ethics and Professionalism

Principle 1: Demonstrate Integrity

Principle 2: Maintain Objectivity

Principle 3: Demonstrate Competency

Principle 4: Exercise Due Professional Care

Principle 5: Maintain Confidentiality

Domain III: Governing the Internal Audit Function

Principle 6: Authorized by the Board (NEW)

Principle 7: Positioned Independently

Principle 8: Overseen by the Board (NEW)

Domain IV: Managing the Internal Audit Function

Principle 9: Plan Strategically (NEW)

Principle 10: Manage Resources

Principle 11: Communicate Effectively

Principle 12: Enhance Quality

Domain V: Performing Internal Audit Services

Principle 13: Plan Engagements Effectively

Principle 14: Conduct Engagement Work

Principle 15: Communicate Engagement Results and Monitor Action Plans

Internal Audit's Strategic Plan



Internal Audit's mandate is to provide the board and senior management with objective assurance, advice, insight, and foresight

2025 Internal Audit Plan

Approach

- Performed our annual dialogue sessions with the Directors and Executive Leadership Team Members as the basis of our Agency-wide Risk Assessment.
 - The dialogue focused on changes in people, process, and technology year over year.
 - The dialogue also focused on risks or opportunities relative to the Agency's 5-year goals.
 - We adjusted our risk units to account for a change in the organization's structure.
- The Agency-wide Risk Assessment takes into consideration: human resources, strategic, operational, financial, compliance, technology, and information risk factors.
 - This year, we also completed an initial third-party risk analysis, identifying potential third party risk at each business area.
 - We also updated our fraud risk library and assessed the Agency's residual fraud risk as low.
- The Risk-Based Plan also took into consideration our current staff composition and Industry Risks.
 - Our point in time planning include "walk-throughs" focused on understanding business processes and hand-offs.
- The Plan also considers the work of other assurance providers, with a focus on increasing the reliance on our work and minimize the duplication of audit related efforts in the business area.

2025 Enterprise Risks & Opportunities

Human resources was highlighted as an opportunity in our discussions. *Succession Planning* of key positions and *cross-training* efforts are underway. Management is continuing efforts to ensure effective *communication* and *collaboration* in the hybrid work environment.



MassHousing continues to grow through the introduction of various finance sources. Additional **operational risk** is introduced as the Agency anticipates the passing of the Housing Bond Bill.

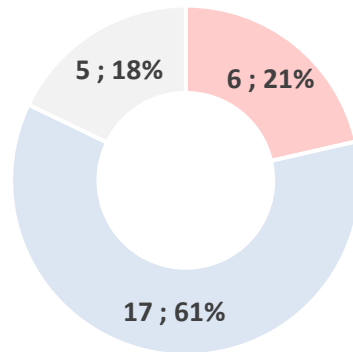
Technology risk continues to increase due to key *system transformation* efforts and ongoing support for the IT environment. More emphasis is also being placed on data analysis and visualizations.



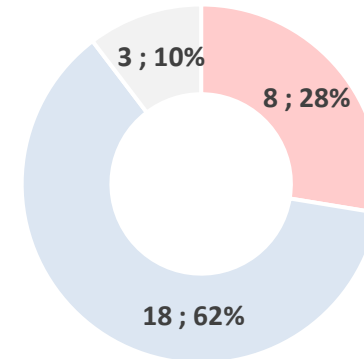
These risks are consistent with industry trends, as reported by Gartner Inc.

2024 vs 2025

2024 Agency Risk Units

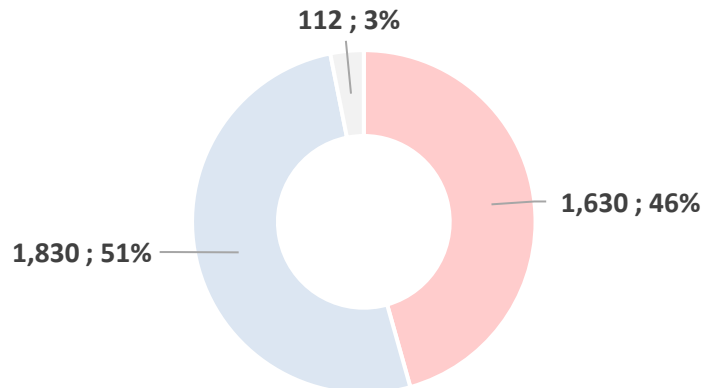


2025 Agency Risk Units

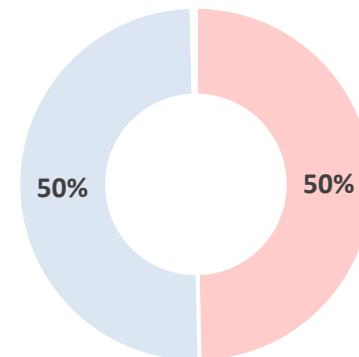


- HIGH
- MEDIUM
- LOW

2024 Audit Hours



2025 Audit Hours



The Agency's overall Risk Profile increased. A new risk unit was added for MCCB. We plan to spend our time in the medium and high-risk units.

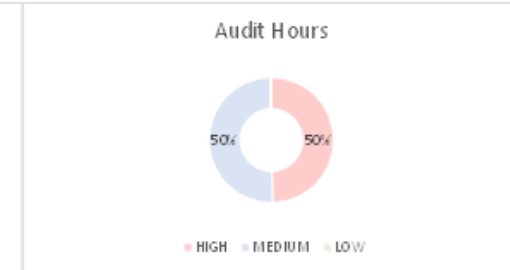
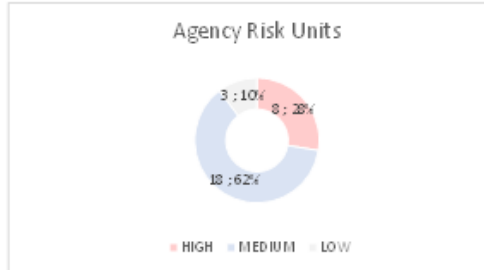
Draft 2025 Internal Audit Plan

Audit (Type)	Quarter Reported	Report #
IT Governance – PIT Audit	Q2	1
Legal and Underwriting – PIT Audit	Q3	2
HomeOwnership Lending & Quality Control – PIT Audit	Q4	3
Asset Management – PIT Audit	Q4	4
PwC Support – Year End and Quarterly Work (Liaison)	Q1	5
Rental Systems Replacement – Project Audit	Q2/Q3	6 & 7

Appendix I: Risk Unit Breakdown

Rating	Agency Risk Units
HIGH	8
MEDIUM	18
LOW	3

Rating	Agency Risk Units
HIGH	1,935
MEDIUM	1,945
LOW	15
	3,895



Business Area	2024 Risk	2025 Risk	CY Risk Rating	Risk Trend	Hours	Engagement
Administration	12	12	MEDIUM	↔	5	
Affordable Housing Trust Fund	12	12	MEDIUM	↔	5	
Asset Management	14	14	MEDIUM	↔	400	2025 - Asset Management - PIT (400)
Audit	8	9	MEDIUM	↑	165	Audit related projects (Risk Trends and Agency Analytics)
Communication & Policy	12	14	MEDIUM	↑	40	Liaison: 40B Process Improvements
Communications	8	10	MEDIUM	↑	5	
Compliance & Finance Support	8	8	LOW	↔	5	
Diversity and Inclusion	15	14	MEDIUM	↓	400	Liaison: SDO Reporting (50); Diversity Workflow (350)
Executive Leadership	8	8	LOW	↔	5	
Finance Systems & Technology	11	12	MEDIUM	↑	100	2025 - IT Governance - PIT (400)
Financial Accounting and Reporting	16	17	HIGH	↑	530	PwC Support - Quarterly and YE (530)
Government Affairs	8	10	MEDIUM	↑	5	
HO Lending	16	17	HIGH	↑	200	2025 - HO Lending & QC - PIT Audit (400)
HO Production	11	11	MEDIUM	↔	5	
HO Servicing and Operations	15	16	HIGH	↑	300	2025 - HO Lending & QC - PIT Audit (400); DARA (100)?
HO Systems & Technology	11	13	MEDIUM	↑	100	2025 - IT Governance - PIT (400)
Housing Stability	13	13	MEDIUM	↔	5	
Human Resources	16	16	HIGH	↔	250	Liaison: HRIS?
Information Technology	17	16	HIGH	↓	250	IS Committee projects and Data Management (150); 2025 - IT Governance - PIT (400)
Legal	17	17	HIGH	↔	200	2025 - Legal/Underwriting - PIT (400)
Loan Servicing	13	13	MEDIUM	↔	100	Liaison: 1099 Reporting (100)
MCCB	-	6	LOW	New!	5	
Mortgage Insurance Fund	15	14	MEDIUM	↓	5	
Operations & Treasury	17	16	HIGH	↓	5	
Rental Business Development	15	15	MEDIUM	↔	100	Rental Lifecycle Software - Project Audit (400)
Rental Systems & Technology	12	13	MEDIUM	↑	300	Rental Lifecycle Software - Project Audit (400); 2025 - IT Governance - PIT (400)
Rental Underwriting	14	17	HIGH	↑	200	2025 - Legal/Underwriting - PIT (400)
Special Purpose Programs (SPP)	12	13	MEDIUM	↑	5	
Subsidy Administration	14	15	MEDIUM	↑	200	Liaison: CGI?

3,895 See above

Appendix II: Other Assurance Providers

#	Assurance Provider or Regulatory Audit/Review	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
1	PwC Financial Statement Audit	■											
	PwC Financial Statement Audit (IT Portion)	■											
	PwC Financial Statement Quarterly Reviews						■			■			■
2	PwC Mortgage Insurance Fund Audit	■											
3	PwC Ginnie Mae Audit - Single Family	■											
	PwC Ginnie Mae Audit - MultiFamily	■											
4	CLA OPEB Trust Audit											■	
5	CLA SEFA Audit	■											
6	CLA Affordable Housing Trust Audit	■											
7	HUD PBCA Review				■								

Legend - Coordinating Division	
■	Finance
■	HomeOwnership
■	Rental
■	Information Technology
■	Internal Audit

Appendix III: Engagement Types

Engagement	Description
Point-In-Time Audits (Risk-based)	<p>During a Point-in-time (PIT) audit, Internal Audit will inquire, observe, review, and test details associated with key business processes, as of a specific point-in-time. The scope, objectives, and timing of the engagements are discussed with management to ensure our approach is risk-based and value adding. By their nature, point-in-time audits are a look back at processes and controls as they were. An audit opinion is expressed at the end of the engagement regarding the effectiveness of the Department’s risk management surrounding key business processes, the design of the department controls, and the control’s operating effectiveness.</p>
Project Audits (Risk-based)	<p>During a project audit, Internal Audit serves as a non-voting member of the project team. Internal Audit is expected to inquire with the project managers and owners (as needed), as well as observe project management practices in place. We also provide real-time feedback to key project deliverables, as they are being developed. By their nature, project audits are forward-looking and control suggestions/improvements are provided to mitigate upcoming risks that positively influence the project’s outcomes. Depending on the length of the engagement, interim project reports may be issued. At a minimum, an audit opinion is expressed regarding the effectiveness of project’s governance and risk management practices in overseeing the project before the project is complete. Internal Audit will also opine on the project’s likelihood for success in meeting its target deliverable.</p>
Consulting (Client Based)	<p>At the specific request of the engagement client, Internal Audit can provide consulting services that are advisory in nature. The nature and scope of the consulting engagement are subject to agreement with the engagement client. When performing consulting services, Internal Audit will maintain objectivity and will not assume management responsibility. An audit opinion is NOT expressed for consulting engagements; however, a report is issued detailing the nature of the service and control enhancements.</p>
Liaison	<p>Other engagements and audit related work is reported to Senior Management, as needed. The level of effort required for the project is also considered when determining the need to report.</p>

Appendix IV: Industry Insight

Executive Summary

The 2024 Audit Plan Hot Spots report is based on quantitative data from 100+ chief audit executives, interviews and surveys throughout the Gartner global network of client organizations and extensive secondary literature reviews. This year, three themes underlie the 12 hot spots:

1. Cost and Growth Pressures



The run-away inflation that characterized 2022 has slowed, but the world economy continues to face stiff headwinds. Tight credit conditions and subdued demand, combined with continued geopolitical rivalries that threaten supply chains, are exerting upward cost pressures. Organizations are transitioning to new, digital strategies to drive growth, but complex digital transformation projects are costly and a sluggish economy limits resources available for project implementation.

2. Increasing Fragility



Various multidimensional pressures are making organizations more fragile. Organizations must align and adapt their growth strategies, operations and governance frameworks to be flexible and responsive to both short- and long-term vulnerabilities. These efforts must also differentiate between internal threats, where organizations have direct control, and external threats, which they can only mitigate.

3. Heightened Accountability



Organizations are facing higher expectations of accountability from stakeholders such as boards, investors, regulatory bodies and civil society organizations. By a 6-to-1 margin, people expect businesses to be more involved in issues such as climate change, economic inequality and workforce reskilling. Accountability expectations are also elevated internally, as organizations face attrition from middle-management burnout and lack of employee connection.

Audit Plan Hot Spots Summary

Hot Spot	Summary	2024 Drivers	2023 Drivers
Cybersecurity Vulnerabilities	Organizations increasingly struggle to constrain cyberattacks from insider threats. Compounding this problem, the proliferation of Generative AI (GenAI) enables malicious actors access to more sophisticated cyberattack tools.	<ul style="list-style-type: none"> Rise in Insider Threat GenAI-Enabled Cyberattacks 	<ul style="list-style-type: none"> State-Sponsored Cyberattacks Cyber Breach Disclosure Requirements
IT Governance	Organizations face challenges to digital initiative success due to complex IT infrastructures and a high willingness to accrue technical debt to attain quicker results. However, these factors slow and reduce effectiveness of digital initiatives in the long term.	<ul style="list-style-type: none"> IT Infrastructure Complexity Poorly Managed Technical Debt 	<ul style="list-style-type: none"> Ungoverned SaaS IT Talent Shortage
Regulatory Complexity	Organizations face increased regulatory scrutiny at a faster pace and broader scope than in the past. This problem is compounded by regulatory fragmentation between sovereign and subnational jurisdictions, making compliance more expensive and compliance failures riskier.	<ul style="list-style-type: none"> Velocity and Breadth of New Regulations Regulatory Fragmentation 	<ul style="list-style-type: none"> Not a 2023 hot spot
Digital Transformation	Organizations' embrace of digital transformation without aligning specific digital goals and strategy results in suboptimal outcomes or transformation failure. Failure to account for negative impacts of transformation on employees risks lower productivity and loss of talent in a tight labor market.	<ul style="list-style-type: none"> Unclear Project Objectives Unintended Consequences of Digital Initiatives on Employees 	<ul style="list-style-type: none"> Not a 2023 hot spot
Organizational Resilience	Volatility and uncertainty, particularly due to the accelerating impacts of climate change, are putting a premium on organizations' capacities to absorb and withstand disruptions. Nonetheless, organizations are failing to effectively build their resilience, and fragmentation of roles and responsibilities is creating resilience gaps.	<ul style="list-style-type: none"> Climate Change-Induced Disruptions Fragmented Ownership and Oversight of Resilience Efforts 	<ul style="list-style-type: none"> Geopolitical Conflict Diminished Change Capacity
Third Parties	As organizations rely on more high-risk third parties to drive growth, disjointed and outdated third-party risk management practices increase the potential for third-party breaches, among other risks.	<ul style="list-style-type: none"> Increased Third-Party Vulnerability Patchwork Third-Party Risk Management 	<ul style="list-style-type: none"> Third-Party Reputational Risk Third-Party Viability
Supply Chain	Geopolitical rivalries and efforts to avoid repeating the breakdowns from earlier in the COVID-19 era are driving organizations to restructure and diversify their supply chains. This trend, together with logistics bottlenecks and the impacts of rising temperatures and extreme weather events, are driving up supply chain costs.	<ul style="list-style-type: none"> Supply Chain Restructuring Ballooning Costs 	<ul style="list-style-type: none"> Renationalization of Supply Chains Logistics Challenges Stemming From China's Zero-COVID-19 Policy
Employee Well-Being and Satisfaction	As organizations start to require more time in-office, disconnects between employer and employee perspectives are impacting employee well-being. At the same time, managers are overburdened with additional responsibilities and face low levels of health and satisfaction.	<ul style="list-style-type: none"> Employer-Employee Return-to-Office Disconnect Overburdened Managers 	<ul style="list-style-type: none"> Uncertain Talent Needs Uncertain Long-Term Effects of Hybrid Working Models
Environmental, Social and Governance (ESG)	Lack of harmonized regulatory requirements and reporting frameworks leave organizations navigating a maze of different standards and guidance, creating ESG reporting challenges. Slow progress on publicly stated ESG goals exposes organizations to greenwashing or climate-related litigation and reputational risk.	<ul style="list-style-type: none"> ESG Reporting Complexity Slow Progress on ESG Goals 	<ul style="list-style-type: none"> Expanded ESG Reporting Standards Increased Scrutiny of ESG Practices
Social and Political Tensions	Heightened geopolitical competition, through trade restrictions and controls, and costly social unrest around the world are affecting where organizations do business and leading to raised expectations regarding their involvement in social issues.	<ul style="list-style-type: none"> Geopolitical Competition Social Unrest 	<ul style="list-style-type: none"> Not a 2023 hot spot
Generative AI	The hype around GenAI after the release of ChatGPT is making it difficult for organizations to monitor employee use of GenAI applications and creating concerns around the validity and trust in outputs generated with the help of GenAI.	<ul style="list-style-type: none"> Governance and Monitoring Challenges Output Reliability and Trust Gaps 	<ul style="list-style-type: none"> Not a 2023 hot spot
Macroeconomic Uncertainty	Despite lingering inflation and interest rate hikes, many economies continue to exhibit strong growth and employment, creating a confusing and conflicting short-term picture. Longer-term conditions, however, point to persistent headwinds that will challenge organizations' ability to consistently meet financial performance objectives.	<ul style="list-style-type: none"> Conflicting Short-term Signals Looming Stagnation 	<ul style="list-style-type: none"> Rising Interest Rates Currency Volatility

Appendix V: Draft IA Charter

Internal Audit Charter for the Massachusetts Housing Finance Agency (MassHousing)

Purpose

The purpose of the internal audit function is to strengthen MassHousing's ability to create, protect, and sustain value by providing the Investment & Audit Committee (a Committee of the Board of Directors) and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances MassHousing's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

MassHousing's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit Standards™, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Investment & Audit Committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

MassHousing's internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The chief audit executive (Director of Internal Audit) will report periodically to the Investment & Audit Committee and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

Mandate

Authority

MassHousing's Investment & Audit Committee grants the internal audit function the mandate to provide the board and senior management with objective assurance, advice, insight, and foresight.

The internal audit function's authority is created by its direct reporting relationship to the Investment & Audit Committee. Such authority allows for unrestricted access to the board.

The Investment & Audit Committee authorizes the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.

Independence, Organizational Position, and Reporting Relationships

The chief audit executive will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management (See "Mandate" section), thereby establishing the independence of the internal audit function. The chief audit executive will report functionally to the Investment & Audit Committee and administratively (for example, day-to-day operations) to the General Counsel. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the board, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The chief audit executive will confirm to the Investment & Audit Committee, at least annually, the organizational independence of the internal audit function. If the governance structure does not support organizational independence, the chief audit executive will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The chief audit executive will disclose to the Investment & Audit Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the chief audit executive, senior management, and Investment & Audit Committee on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- Significant changes to the organization's risk profile or the environment in which the organization operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Board Oversight

To establish, maintain, and ensure that MassHousing's internal audit function has sufficient authority to fulfill its duties, the Investment & Audit Committee will:

- Discuss with the chief audit executive and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the chief audit executive has unrestricted access to and communicates and interacts directly with the board, including in private meetings with the Investment & Audit Committee chair without senior management present, as needed.
- Discuss with the chief audit executive and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with the chief audit executive and senior management about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review and approve the internal audit charter, as needed.
- Approve the risk-based internal audit plan.
- Receive communications from the chief audit executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established.
- Review of the results of the quality assurance and improvement program.
- Make appropriate inquiries of management and the chief audit executive to determine whether scope or resource limitations are inappropriate.

Chief Audit Executive Roles and Responsibilities

Ethics and Professionalism

The chief audit executive will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.

- Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

Objectivity

The chief audit executive will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the chief audit executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for MassHousing or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any MassHousing employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually to the chief audit executive and/or General Counsel.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

The chief audit executive has the responsibility to:

- At least annually, develop a risk-based internal audit plan that considers the input of the Investment & Audit Committee and senior management. Discuss the plan with the Investment & Audit Committee and senior management. Submit the plan to the Investment & Audit Committee for review and approval.

- Communicate the impact of resource limitations on the internal audit plan to the Investment & Audit Committee and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in MassHousing's business, risks, operations, programs, systems, and controls.
- Communicate with the Investment & Audit Committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Investment & Audit Committee and senior management quarterly and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Global Internal Audit Standards and fulfill the internal audit mandate.
- Identify and consider trends and emerging issues that could impact MassHousing and communicate to the Investment & Audit Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to MassHousing's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Investment & Audit Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the chief audit executive cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Investment & Audit Committee.

Communication with the Board and Senior Management

The chief audit executive will report quarterly to the Investment & Audit Committee and senior management regarding:

- The internal audit plan and performance relative to its plan.
- Significant revisions to the internal audit plan.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards and action

plans to address the internal audit function's deficiencies and opportunities for improvement.

- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Investment & Audit Committee.
- Results of assurance and advisory services.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond MassHousing's risk appetite.

Quality Assurance and Improvement Program

The chief audit executive will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside MassHousing; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organization, including all of MassHousing's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Investment & Audit Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for MassHousing.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include:

- **Point in Time (PIT) assessments**, where Internal Audit will inquire, observe, review, and test details associated with key business processes, as of a specific point-in-time.
- **Project assessments**, where Internal Audit provides real-time feedback to key project deliverables or forward-looking control suggestions/improvements that may mitigate upcoming risks that positively influence the project's outcomes. Internal Audit will also opine on the project's likelihood for success in meeting its target deliverable.
- **Consulting engagements**, where Internal Audit will advise management regarding a specified scope and engagement objective.

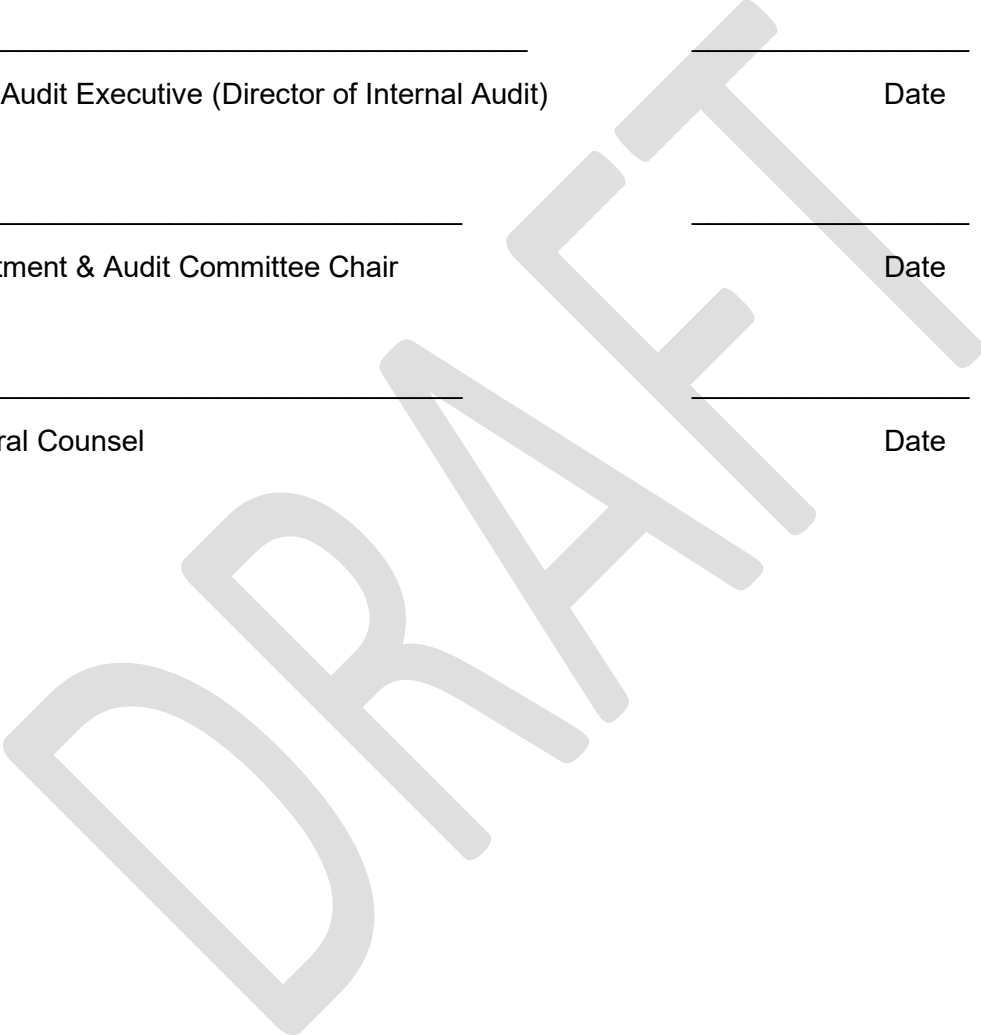
Approved by the Investment & Audit Committee at its meeting on _____.

Acknowledgments/Signatures

Chief Audit Executive (Director of Internal Audit) _____
Date

Investment & Audit Committee Chair _____
Date

General Counsel _____
Date



June 11, 2024

The PwC audit

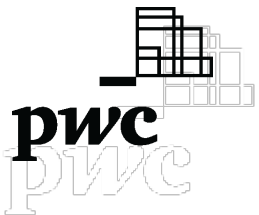
For when trust matters



Report to the **Investment and Audit Committee**

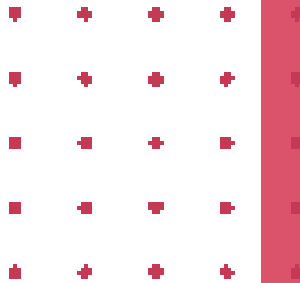
Massachusetts Housing Finance Agency

Fiscal Year 2024 audit plan



CONFIDENTIAL

This report and the information that it contains is intended solely for the information and use of those charged with governance and, if appropriate, management, and is not intended to be, and should not be used by anyone other than these specified parties.





June 11, 2024

Dear Members of the Investment and Audit Committee of Massachusetts Housing Finance Agency:

Building on audit quality towards greater trust

We have an unwavering commitment to audit quality because a high quality audit is foundational and more important than ever before. In addition, as companies respond to rising expectations on a broader set of topics such as Climate and AI, among others, the need for confidence is increasing. To meet this moment, we are investing in and evolving our audit procedures, technology, and professionals.

An audit is fundamentally about trust, as it can help enhance confidence in a company's information. Driven by a quality-first mindset, our people deliver an innovative audit that focuses on sharper risk assessment, effective and efficient execution and insights. We continue to be inspired by the higher ideals of our profession, particularly independence and objectivity, and our legacy of bringing increased confidence to the financial statements.

The pace of development in standards and technology, combined with increasing stakeholders' expectations, is transforming how companies are evaluated and how we perform our audits. As such, we are continually investing in market-leading technology (including AI), deep industry expertise and technical acumen to reimagine your audit experience.

This report was prepared based on meetings with and insights from management, consideration of the operating environment, and our risk assessment procedures, including considerations of any year-to-date activities. As in past years, our audit approach will remain responsive to the Agency's environment and any macroeconomic influences. Any significant changes to our audit plan will be shared and discussed with the Investment and Audit Committee at a future meeting.

Discussion of our audit plan helps to ensure our PwC engagement team members understand what matters to you. Together, we can agree on mutual audit needs and expectations, enabling us to provide you with the highest level of service, audit quality, and value. Additionally, the information included within this report allows the Investment and Audit Committee to understand the judgments we have made in planning and scoping our audit procedures. We remain committed to candid discussions with the Investment and Audit Committee and management, delivering a quality audit, as well as providing an independent point of view. We welcome your feedback throughout the audit.

We are excited to continue to bring you The PwC Audit. Thank you for your trust in and support of us as your auditors. If you have any questions or wish to discuss any other matters prior to our meeting, please do not hesitate to call me at (310) 498-0242 or email at nipa.patel@pwc.com.

Very truly yours,

Nipa Saraiya Patel
Engagement Partner

*PricewaterhouseCoopers LLP, 101 Seaport Boulevard, Suite 500, Boston, MA 02210
T: (617) 530 5000*



What's Inside

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Our team and how
we will deliver

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Other required
communications

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Appendices



Highlights

Independence

- Compliance with the auditor independence rules is a shared responsibility between the Agency and PwC
- Due to the nature of the Agency and MIF audits, the U.S. audit engagement team is prohibited from the exchange of entertainment and gifts.

Risk Assessment

Significant risk

- Management override of controls (**Agency, MIF**)

Materiality & Scoping

- Materiality is determined using total assets as the benchmark (for **Agency and MIF**)
- We will continue to evaluate materiality as the audit progresses and any changes will be communicated to the Investment and Audit Committee



Our Approach





Audit objectives

Our primary objectives are to:

- Perform an audit in accordance with auditing standards generally accepted in the United States of America to obtain reasonable assurance the Massachusetts Housing Finance Agency financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and are free from material misstatement whether caused by error or fraud, and
- Render an opinion on the financial statements and compliance over major HUD programs as of June 30, 2024 and for the year then ending
- Perform reviews of the Agency's unaudited quarterly financial information. These reviews are substantially less in scope than an audit. Accordingly, a review may not reveal material modifications necessary to make the quarterly financial information conform with generally accepted accounting principles
- Read and ensure consistency of other information in documents containing audited financial statements, such as MD&A, as compared to information in the basic financial statements
- Communicate significant matters to the Investment and Audit Committee as a result of audits performed
- Our audit does not relieve management of its responsibilities with regard to the financial statements.
- An audit of financial statements includes obtaining an understanding of internal control over financial reporting as a basis for designing 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 over financial reporting.

Our audit deliverables

- Report of Independent Auditors on the Massachusetts Housing Finance Agency and Mortgage Insurance Fund's financial statements as of and for the years ending June 30, 2024 and June 30, 2023
- Report of Independent Auditors (under Government Auditing Standards) on the Massachusetts Housing Finance Agency's financial statements as of and for the years ending June 30, 2024 and June 30, 2023 to satisfy GNMA and Yellow Book requirements
- Independent Auditor's Report on the Financial Statements and Supplemental Information Required by the Consolidated HUD Audit Guide –GNMA Compliance as of and for the year ending June 30, 2024
- Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the Massachusetts Housing Finance Agency as of and for the year ending June 30, 2024
- Report of Independent Auditors on Compliance For Each Major HUD Program and Report on Internal Control Over Compliance Required by the Consolidated Audit Guide as of and for the year ending June 30, 2024
- Communication of internal control related matters identified in the audit as requested by Management and the Federal Home Loan Mortgage Corporation



Risk assessment results

Significant risk (Agency & MIF)

Risk of management override of controls

Even though internal controls over financial reporting may appear to be well-designed and effective, controls that are otherwise effective can be overridden by management in every entity. As a result, management override of controls was identified as a significant risk on this and all our audit engagements.

Related accounts (including relevant assertions)

Pervasive across all accounts/assertions

Planned audit response

- Evaluate the design of key controls associated with the Agency's financial reporting process
- Substantively test journal entries identified as higher risk through risk-based selection criteria
- Incorporate elements of unpredictability through altering our testing approach from the prior year audit

Fraud and related-party items for discussion:

We are required to make certain inquiries of the Investment and Audit Committee related to fraud risks. In addition, as part of our overall response to fraud risk, we incorporate unpredictability into our audit by modifying the nature, timing, and extent of our procedures.

Fraud items for discussion:

- Programs and controls in place to mitigate the risk of fraud and error
- Specific concerns about the risk of error or fraud
- Any actual, alleged or suspected fraud
- Oversight of the Company's assessment of fraud risks and mitigating controls
- Significant unusual transactions
- Understanding of the Company's relationships and transactions with related parties
- Concerns regarding related-party relationships and transactions
- Violations or possible violations of law



Our shared responsibility for independence

Compliance with the auditor independence rules continues to be a shared responsibility between a company's management and its independent auditor.

This shared responsibility includes monitoring certain areas to satisfy, as applicable, the independence requirements of the AICPA. For example:

- It is important for management to notify PwC in advance of the effective date, of changes in circumstances that may affect the population of potential entities with respect to which independence requirements apply (e.g. acquisitions/divestitures/equity investments or other transactions), as well as changes leading to new officers, directors, or beneficial owners not previously identified.
- If PwC is providing impermissible non-audit services to, or has other prohibited relationships with, an entity with respect to which independence requirements will apply (e.g., a prospective new affiliate pursuant to a merger or acquisition), such services and/or relationships will need to be identified and evaluated prior to the effective date of the transaction and actions will most likely be needed to cease or restructure the impermissible services and/or relationships.
- If a PwC partner or staff member is seeking or discussing potential employment with an audit client, this can have independence implications such that the individual would have to be removed from the engagement if providing services to the client.

We need to proactively work together with management to avoid relationships that might jeopardize our independence - that is our view and the expectation of our stakeholders.

The following PwC and management working practices have been discussed with management to support this communication on a timely basis such that PwC has sufficient time to complete the necessary independence assessment.

Actions	PwC	Management
Inquiries of management performed as part of our quarterly review and debt offering procedures	X	
Proactive communication by management to members of the PwC team regarding any relevant changes (including potential/pending changes) as management is aware of them		X

Inside our independence processes:

Independence is the cornerstone of our profession. We're investing in our people and technology to ensure compliance with these rules through the following:

- **Continuous monitoring and training:**
 - Required independence training for all partners and staff
 - Global tracking of Authorizations for Services (AFS) through Salesforce
 - Global use of an independence monitoring system for personal affiliations used by all partners and staff
- **Tech-enabled compliance:** Independence confirmation system that automatically generates and sends confirmations to US partners and staff at the commencement of their work on an engagement.

In signing the engagement letter, the Company agrees to inform PwC periodically about the identity of each affiliate/beneficial owner and to **notify PwC in advance regarding any expected addition or removal of an affiliate/beneficial owner.**



Scoping results and Materiality

Our audit strategy is based on a top-down, risk-based audit approach. Fundamental to our audit approach is an understanding of

The size and complexity of the business and its environment

The design and implementation of entity-level controls (ELCs) and information technology general controls (ITGCs)

Management's process for evaluating internal control over financial reporting.

We identify significant accounts and disclosures and relevant assertions considering quantitative and qualitative factors, based on whether there is a reasonable possibility the account could contain a misstatement that, individually or when aggregated with others, could have a material effect on the financial statements.

We determine the materiality level for the Agency and MIF financial statements as a whole for purposes of (1) identifying and assessing risks of material misstatement and (2) for determining the nature, timing and extent of audit procedures.

We consider quantitative and qualitative factors, as well the key metric used by the users of the financial statements, which has determined to be total assets. Based on our consideration of the quantitative and qualitative factors, our preliminary materiality is as follows:



Considerations for scoping accounts or disclosures include:

- Size and composition of the account;
- Susceptibility to misstatement due to errors or fraud;
- Volume of activity, complexity and homogeneity;
- Nature of the account or disclosure;
- Changes from prior period in account or disclosure characteristics;
- Accounting and reporting complexities;
- Exposure to losses in the account;
- Possibility of significant contingent liabilities;
- Existence of related-party transactions;
- Complexity, subjectivity and/or uncertainty related to accounting estimates



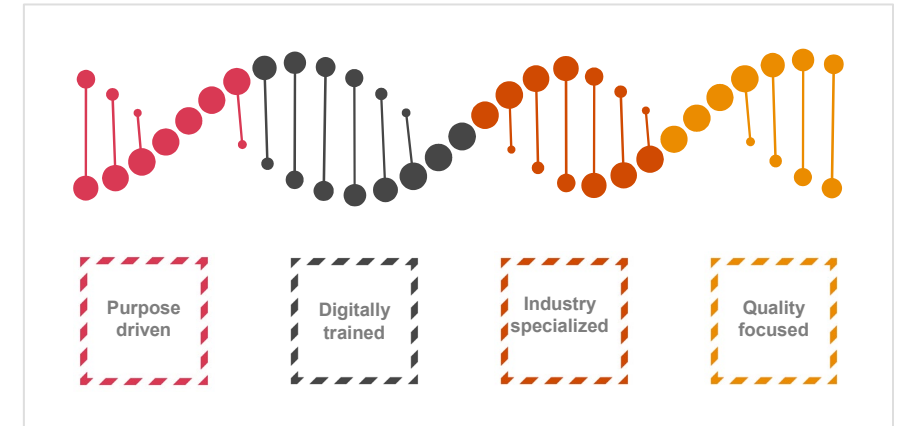
Our team and how we will deliver





Your audit team

At PwC, we develop extraordinary professionals, trained with a keen understanding of how companies build and maintain trust in a complex world. Our team includes technical leaders, digitally upskilled professionals, specialists in your industry and is ready to deliver quality assurance across financial and emerging non-financial dimensions related to your audit and business. Moreover, we care — inspired by the higher ideals of our profession, and committed to live out the tenets of independence, objectivity and public service.



Nipa Patel
Engagement Partner



David Woodall
Quality Review Partner



Mike Stankus
Director



Joe Beaudoin
Manager



Leanna Langille
Manager



Ryan Risney
SEC Reviewer



Melissa Salzillo
Data Assurance &
Transparency Leader



Maureen Magrann
HUD Compliance Leader



Chris Salem
GASB Specialist



Chris Houseman
HUD Compliance
Specialist



Timeline and communication plan

Planning

- Meet with Management to understand the business, assess risk and obtain update of business and operating plan
- Assess the key audit risks and materiality
- Complete understanding of controls and preliminary scoping of accounts, processes and locations
- Meet with Investment and Audit Committee to discuss engagement plan

Execution

- Ongoing consultations on significant issues and developments
- Perform testing of key monitoring, internal accounting and management controls, as well as interim substantive audit procedures
- Perform substantive procedures as of year-end

Completion

- Meet with Investment and Audit Committee to discuss audit progress and expected results
- Complete audit procedures, including testing of balances and review of the financial statements
- Keeping current procedures

April/May

June/July/August

September

OUR GOAL:

Complete Planning & Interim procedures by June 15th

In coordination with your team, **our focus** throughout the year will be on how we **effectively** phase our work to avoid busy peaks for your team and ours. We set an internal “hard-close” deadline to complete our Planning and Interim audit fieldwork by June 15th, so that at year-end, we’re focused on high-risk controls, Q4 activity, and balance sheet procedures.

Avoid surprises

We plan to phase our audit work so that approximately **50%–60%** of our hours will be incurred prior to year-end — enabling us to discuss, test, and **resolve accounting issues as they arise**, not during your close process.

50%-60%

hours complete before year end



Our commitment to you

Building on our professional relationship

Open, two-way communication

We'll work together to establish a communication cadence that's right for you, but we know that issues don't wait. We are here for you when you need us and will discuss matters in real-time.

Bringing the right knowledge to the table

Nipa leads our issues resolution process, speaking for the firm on all audit matters and leading a transparent process that directly involves all relevant parties from the beginning.

Understanding perspectives

We both bring diverse perspectives and experiences to the table. We'll ask questions to develop a deeper understanding of the matters and your perspective on them.

Reflection and celebration

We will both self-reflect and reflect jointly with you to drive continuous improvement in the audit. We take time to re-energize and connect with you and celebrate important milestones.

Working effectively

We'll sit down with your team to understand your investments in data, ERPs, internal controls, internal audit and monitoring, and we will design an approach that leverages the best of you and the best of us. Where possible, we will take advantage of what your team has done to reduce overall audit burden.

Phasing thoughtfully

We will distribute our audit thoughtfully throughout the year with a goal to discuss, test and resolve accounting matters as they surface each quarter

Sharing insights

You can count on us to support you within the context of our role and share objective perspectives on topics that are important to you. Where insights are considered permissible non-audit services, we will obtain audit committee pre-approval.



Other required communications



Other required communications

Matter to Report

Comments

Independence

There were no relationships or other matters identified that might reasonably be thought to bear on independence.

In accordance with the AICPA's Code of Professional Conduct, we are required to communicate a breach of external independence requirements to you as soon as possible or in line with a communication protocol that is confirmed in writing. As of the date of this report, we are not aware of any breach of external independence requirements

Significant issues discussed with management prior to appointment or retention

There were no significant issues discussed with management in connection with the retention of PwC.

Non-compliance with laws and regulations and illegal acts

We are not aware of any instances of non-compliance with laws and regulations.

We are not aware of any potential illegal acts.

Obtain information relevant to the audit

We will inquire of the Investment and Audit Committee about whether it is aware of matters relevant to the audit and about the risks of material misstatement.



Other required communications

Matter to Report

Comments

PwC Audit Quality Report

Our Audit Quality Report shares how our culture, values, people and processes come together to help us achieve our audit quality objectives. Our Audit Quality Report is included in the appendices.

Other Information included in the Annual Report

AICPA Auditing Standards Board Statement on Auditing Standards No. 137 (SAS 137) requires that we communicate to you our responsibility with respect to other information, the procedures performed related to the other information, and the results.

These standards require that we read other information, whether financial or nonfinancial, included in the Company's annual report and consider whether a material inconsistency exists between the other information and the financial statements and to remain alert for indications that

- A material inconsistency exists between the other information and the auditor's knowledge obtained in the audit, and/or
- A material misstatement of fact exists, or the other information is otherwise misleading.

We assume no obligation to perform procedures to corroborate such other information as part of our audit.

As of the date of this letter, management has informed us that they do not intend to issue any other information. We will be required to obtain written acknowledgment from management as to the document(s) which comprise the annual report and the planned manner and timing of issuance of these documents.



Appendices





Appendices

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The quality conversation

June 2024



PwC's AICPA Peer Review – Triannual

Grant Thornton completed their most recent review of the system of quality control for the accounting and auditing practice of PricewaterhouseCoopers LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2021. They concluded that the system of quality control has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. PricewaterhouseCoopers LLP has received a peer review rating of *pass*.



Six ways we're building a quality culture

Quality is about continuous improvement. As we move forward on this journey, we believe it is critical to prioritize the following areas of focus:

1

Leading from the top

We establish clear objectives around audit quality, focused on having the right people with appropriate supervision, supported by effective methodologies, processes, and technology.

2

Simplification

We provide the resources and guidance our teams need to take out unnecessary complexity and focus on the areas of risk.

3

Standardization

Through the consistent adoption of our tools and guidance, further integration of audit team members located at the Acceleration Centers, and centralized execution by our Centers of Excellence, we are able to appropriately scale and standardize.

4

Specialization

Our audit teams have relevant industry and technical knowledge, and they leverage specialists and consult with the National Office, when appropriate, to bring the right knowledge to the audit at the right time.

5

Automation

Our people are upskilled to understand and use our innovative technology and are empowered to create custom automations.

6

Investing in Independence

Auditor independence and objectivity are the hallmark of our profession, and we are committed to continuously strengthening our independence controls and processes



A new era of the audit

Human-led, tech-powered and data-driven

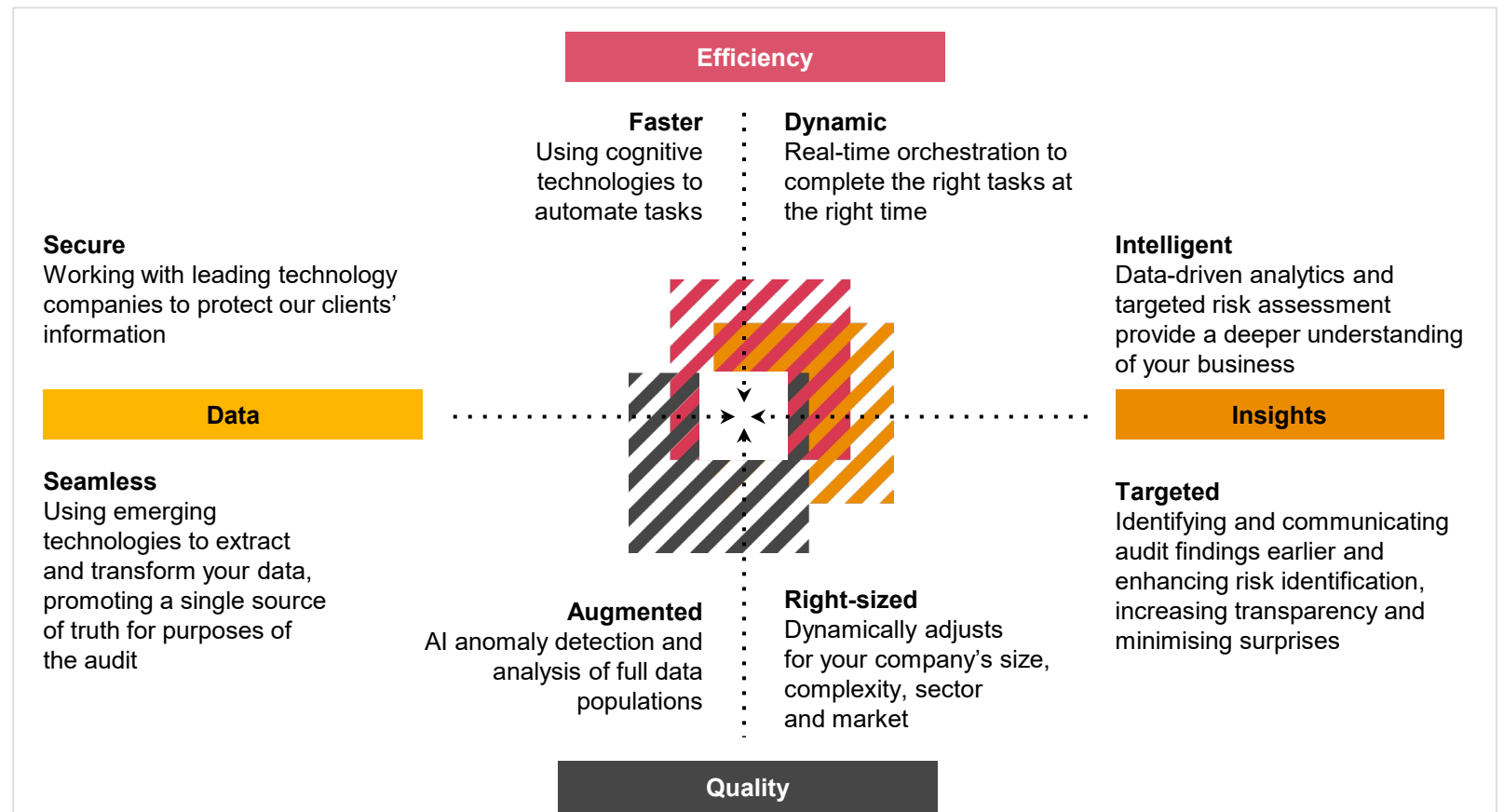
Your service needs are changing, and so are we.

Our next generation global audit ecosystem builds upon our experience and existing profession-leading tools, to effectively and efficiently deliver independent assurance and robust insights across financial and non-financial information, helping you to build trust in what matters.

We're streamlining our audit processes and delivery model while leveraging a first-of-its-kind relationship with Microsoft to infuse the latest cognitive technologies into our audit technology.

Our technology investments will enhance quality and value through the next generation of data-driven audits.

In addition to our \$1B investment in next generation audit technology, PwC is investing \$1B to expand and scale our AI capabilities.





Cultivating our culture of belonging

Released annually, our **FY23 Purpose and Inclusion Report** shares our strategy, data and the progress of our actions year over year. Learn more about our aspirations, progress and path forward in **the full report**.

When we began reporting expansively on our diversity, equity and inclusion data in FY20, we sought aspirations focused on workforce representation, talent attraction and the makeup of our partnership. These aspirations continue to guide us:



To attract a workforce in the US that better reflects the diverse makeup of US higher education enrollment: 56.5% women, 20.9% Latino/Hispanic and 14.7% Black¹



To aspire toward 35% Black and Latino/Hispanic representation among our experienced hires, entry-level hires and interns



To aspire toward an overall partnership made up of 50% women and 35% racially/ethnically diverse individuals

¹ Demographics sourced from the National Center for Education Statistics' postsecondary enrollment data

Our unwavering determination and commitment to build on our culture of belonging has enabled us to make progress towards our aspirations.

In FY23, 3,500+ experienced hires joined the firm

Females

43%

Racially/ethnically diverse

55%

US Leadership Team

38%

racially/ethnically diverse

38%

female

35%

of every reportable dollar spent is with diverse suppliers

Our Inclusion Network membership has grown nearly **21%**, bringing the total to nearly **40%** of our US workforce



Sharing PwC Insights

It is customary that the auditor will provide firm-developed thought leadership and relevant insights that encompass not only matters closely related to the audit but also overall business trends and insights. As part of our internal process, we determine if the insight being provided is a service and, if it is, then determine if that service would likely be considered part of the audit service or a separate, non-audit service. Generally, insights that involve analyzing client information and providing advice and recommendations specific to the client are likely to be considered a service. Insights that are considered non-audit services are subject to our Firm's relevant controls.



Risk



Board effectiveness: A survey of the C-suite

How effective is your board in its oversight role around key business risks?

Click on the image to read the report



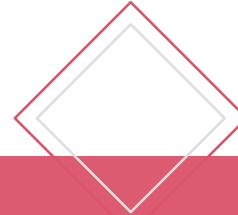
PwC's Audit Quality Report

In our **2023 Audit Quality Report** you'll read about how our culture, people, and processes come together to help us **achieve our audit quality objectives** – further supporting your understanding of our system of quality management.

In this year's annual report you'll read about:

- Our efforts to increase interest in the profession and enhance our people experience;
- How we address risks to independence and objectivity;
- How we have engaged with our stakeholders and supported our audit teams in delivering quality during another challenging year;
- The significant investments we are making in the skills of our people and capabilities of our firm in areas including artificial intelligence and sustainability;
- Other matters relevant to our audit quality progress over the past fiscal year, such as our recent internal and external inspection results; and
- The **bold voluntary actions** we are taking to lead the profession to enhance the quality and confidence in the information that drives the capital markets.

Our **January 2024 update** provides insights into current developments impacting our audits, the results of our audit quality monitoring, and an update on our recent commitment to a series of bold, voluntary actions to further enhance confidence in the independent audit.



As accountants, we should leverage technology – alongside our emotional intelligence, judgment

and professional skepticism – to **deliver something bigger** with a more efficient, effective process and better analysis and insights.”

- Wes Bricker, Vice Chair, US Trust Solutions Co-Leader



Click the report to download our 2023 Audit Quality Report and January 2024 update.



Engagement letters



December 21, 2023

Ms. Chrystal Kornegay
Executive Director
Massachusetts Housing Finance Agency and Affiliates
One Beacon Street
Boston, Massachusetts 02108

Dear Ms. Kornegay:

The purpose of this letter is to confirm our understanding of the terms of our engagement as independent accountants of Massachusetts Housing Finance Agency and Affiliates and the MassHousing Mortgage Insurance Fund (hereafter collectively referred to as the "Agency").

Services and related reports

We will audit the basic financial statements of the Agency, which comprise the basic financial statements at June 30, 2024, and for the year then ending, and the related notes to the financial statements. Upon completion of our audit, we will provide you with our written audit report on the financial statements referred to above. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion or add an emphasis-of-matter paragraph or other matter paragraph to our audit report.

In addition, we will provide you with our written report on our tests of the Agency's compliance with laws, regulations, and provisions of contracts and grant agreements and on our consideration of its internal control over financial reporting, as required under Government Auditing Standards. If that report discloses deficiencies in internal control, fraud, illegal acts, violations of provisions of contracts or grant agreements, we will obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as planned corrective actions.

If for any reason relating to the affairs or management of the Agency we are unable to complete the audit, we may decline to issue a report as a result of this engagement.

As part of this engagement and as is customary in our role as auditor, we may provide various types of insights-whether oral, written or visual.

Under generally accepted accounting principles promulgated for governmental organizations in the United States of America, management's discussion and analysis (MD&A) and certain other information are required supplementary information (RSI). In connection with the Agency's presentation of RSI, we will apply certain limited procedures and report deficiencies in, or the omission of, such information. However, we have not been engaged to examine and, accordingly, will not express an opinion, or any other form of assurance, on RSI.

We will issue a separate report on the stand-alone financial statements of the MassHousing Mortgage Insurance Fund, a fund within the Massachusetts Housing Finance Agency's Working Capital Fund.

Our responsibilities and limitations

The objectives of our audit are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. We will conduct our audit in accordance with auditing standards generally accepted in the United States of America ("US GAAS") and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.



As part of an audit in accordance with US GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. The procedures selected depend on judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. We will include in our report on our tests of internal control over financial reporting any significant deficiencies, identifying those we believe to be material weaknesses, as required under *Government Auditing Standards*.
- Evaluate 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Based on the audit evidence obtained, conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We will design our audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Reasonable assurance is a high level of assurance but is not absolute assurance and is therefore not a guarantee that an audit conducted in accordance with US GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. Absolute assurance is not attainable because there are inherent limitations of an audit that result in most of the audit evidence, on which we draw conclusions and base our opinion, being persuasive rather than conclusive and due to the characteristics of fraud. Our audit will not include a detailed audit of transactions, such as would be necessary to disclose errors or fraud that did not cause a material misstatement of the basic financial statements or other illegal acts having an indirect or immaterial financial statement impact. It is important to recognize that there are inherent limitations in the auditing process. An audit is based on the concept of selective testing of the data underlying the financial statements, which involves judgment regarding the areas to be tested and the nature, timing, extent and results of the tests to be performed. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with US GAAS and the standards for financial audits contained in *Government Auditing Standards*. Because of the characteristics of fraud, particularly those involving concealment through collusion, falsified documentation and management's ability to override controls, an audit designed and executed in accordance with US GAAS and the standards for financial audits contained in *Government Auditing Standards* may not detect a material fraud. Further, while effective internal control reduces the likelihood that errors, fraud, other illegal acts, or violations of provisions of contracts or grant agreements will occur and remain undetected, it does not eliminate that possibility. For these reasons we cannot ensure that errors, fraud, other illegal acts, or violations of provisions of contracts or grant agreements, if present, will be detected. Our tests will not be sufficient to enable us to provide assurance on the Agency's compliance with provisions of laws, regulations, contracts, and grants. However, our report on such tests will identify any instances of fraud or illegal acts reportable under US GAAS as well as significant violations of provisions of contracts or grant agreements reportable under *Government Auditing Standards*. Lesser violations of provisions of



contracts or grants will be communicated separately to Agency management. Additionally, we are unable to, nor are we expected to, design our audit to obtain reasonable assurance of detecting abuse or waste (as those terms are defined in *Government Auditing Standards*), because the determination of abuse and waste is subjective.

As required by *Government Auditing Standards*, we will follow up on known significant findings and recommendations from previous audits that directly relate to the objectives of the audit being undertaken, including those related to significant deficiencies, to determine whether the Agency has taken timely and appropriate corrective actions. We are required to report the status of any uncorrected findings and recommendations that were included in prior audit reports that affect the current financial statement audit.

We also are responsible for determining that the Executive Director, Financial Director, Comptroller, and Investment and Audit Committee are informed about certain other matters related to the conduct of the audit, including, among other matters (i) the planned scope and timing of the audit; (ii) significant findings or issues from the audit, including, but not limited to, any disagreements with management about matters that could be significant to the Agency's financial statements or our report thereon and; any significant difficulties encountered in performing the audit; (iii) information relating to our independence with respect to the Agency; (iv) procedures performed related to the Agency's other information and the results thereof; and (v) all significant deficiencies and material weaknesses identified during the audit. Lastly, we are responsible for ensuring that the Executive Director, Financial Director, Comptroller, and Investment and Audit Committee receive copies of certain written communications between us and management, including management representation letters and written communications on accounting, auditing, internal control or operational matters.

The audit will not be planned or conducted in contemplation of reliance by any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

Government Auditing Standards require that we communicate the results of our Firm's most recent external quality control review to you which is for the year ended June 30, 2021. This review resulted in an unqualified opinion on the Firm's system of quality control. A copy of that report is appended to this letter.

Management's responsibilities

Our audit will be conducted on the basis that management acknowledges and understands that they have responsibility for the preparation and fair presentation of the basic financial statements referred to above in accordance with accounting principles generally accepted in the United States of America. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter. Management's evaluation of whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time will be considered in our assessment of management's use of the going concern basis of accounting and whether substantial doubt exists. Management also acknowledges and understands their responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. Management is responsible for informing us (i) about all known or suspected fraud affecting the Agency involving (a) management, (b) employees who have significant roles in internal control over financial reporting, and (c) others where the fraud could have a material effect on the financial statements; and (ii) of its



knowledge of any allegations of fraud or suspected fraud affecting the Agency received in communications from employees, former employees, analysts, regulators, short sellers, or others. Management is responsible for (i) adjusting the financial statements to correct material misstatements and for affirming to us that the effects of any uncorrected misstatements aggregated by us are immaterial, both individually and in the aggregate, to the financial statements taken as a whole; and (ii) notifying us of all material weaknesses including other significant deficiencies in the design or operation of the Agency's internal control over financial reporting that are reasonably likely to adversely affect the Agency's ability to record, process, summarize and report external financial data reliably in accordance with generally accepted accounting principles. Management also is responsible for identifying and ensuring that the Agency complies with laws, regulations, and provisions of contracts and grant agreements applicable to its activities.

Management also acknowledges and understands their responsibility for providing us, on a timely basis, with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters; additional information that we may request from management for the purpose of the audit; and unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. As required by US GAAS and Government Auditing Standards, we will make specific inquiries of management and others about the representations embodied in the financial statements and the effectiveness of internal control over financial reporting. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit. The results of our audit tests, the responses to our inquiries and the written representations comprise the evidential matter we intend to rely upon in forming our opinion on the financial statements.

Management acknowledges that internal auditors providing direct assistance to support our audit will be allowed to follow our instructions and management will not intervene in the work the internal auditors perform for us in a direct assistance capacity.

Under Government Auditing Standards, management is responsible for (i) resolving audit findings and recommendations directed to them and for having a process to track their status; (ii) taking timely and appropriate steps to remedy fraud, illegal acts, violations of provisions of contracts or grant agreements that may be identified in our reports; and (iii) providing its views on our reported findings and recommendations, as well as management's planned corrective actions, the timing of such planned actions, and the Agency official responsible for such actions. Management also is responsible for ensuring that the audit reports are distributed to the appropriate parties.

Management acknowledges and understands its responsibility to provide written acknowledgment of which document or documents comprise the Agency's annual report and the Agency's planned manner and timing of issuance of such documents. Management also acknowledges and understands its responsibility for the preparation of any other information, whether financial or nonfinancial (accompanying the financial statements and the audit report thereon) included in the Agency's annual report ("other information") in a manner that is materially consistent with information appearing in the financial statements, does not contain any material misstatement of fact, and is not otherwise misleading. Management acknowledges and understands its responsibility to provide us with the final version of the document or documents comprising the annual report in a timely manner, and, if possible, prior to the date of our audit report on the financial statements. When some or all of the other information will not be available until after the date of our report on the financial statements, management acknowledges and understands its responsibility to provide a written representation that the final version of the other information will be provided to us when available, and prior to the Agency's issuance of the other information, such that we can complete any procedures that may be required by US GAAS.



Management acknowledges and understands its responsibility for the preparation of the supplemental information in accordance with the applied criteria. Management also acknowledges and understands its responsibility to include our report on the supplemental information in any document that contains the supplemental information and indicates we have reported on it.

Other documents

US GAAS requires that we read any annual report (or similar document) that contains our audit report. The purpose of this procedure is to consider whether the other information, including the manner of its presentation, is materially inconsistent with information appearing in the financial statements. We assume no obligation to perform procedures to corroborate such other information as part of our audit.

The Agency may wish to include our report on these financial statements in a registration statement proposed to be filed under the Securities Act of 1933 or in offering materials for other securities offerings, including without limitation offerings under Rule 144A and other offerings exempt from registration under Securities Act of 1933. You agree that the aforementioned audit report, or reference to our Firm, will not be included in any such offering without our prior permission or consent. Any agreement to perform work in connection with an offering, including an agreement to provide permission or consent, will be a separate engagement.

Additionally, regulations established by certain non-U.S. countries include a requirement for the auditor to be registered in that country if the Agency offers its securities to the public in the non-U.S. country or provides financial information to a non-U.S. regulator or government. The potential consequences of our non-compliance with these regulatory regimes in a timely manner can be severe for both our Firm and the Agency. Accordingly, you will notify us of (i) your current or planned offerings of securities on a regulated market in a non-U.S. country or (ii) when you have provided or plan to provide audited financial statements to a non-U.S. regulator or government in connection to your access to its public capital markets, whether or not you include or refer to our report or include reference to our Firm.

Release and indemnification

Because of the importance of oral and written management representations to an effective audit, the Agency releases and indemnifies PricewaterhouseCoopers LLP and its personnel from any and all claims, liabilities, costs, and expenses attributable to any knowing misrepresentation by management.

In no event shall PricewaterhouseCoopers LLP be liable to the Agency, whether a claim be in tort, contract or otherwise, for any consequential, indirect, lost profit or similar damages relating to PricewaterhouseCoopers LLP's services provided under this engagement letter, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent behavior of PricewaterhouseCoopers LLP relating to such services.

In the event that our report is subsequently included in a filing with the Securities and Exchange Commission (unless our report is included as a result of Rule 3-05, Rule 3-14, Rule 6-11, Rule 8-04, or Rule 8-06 of Regulation S-X), we and the Agency hereby agree that the preceding two paragraphs in this "Release and Indemnification" section of this letter and any paragraphs covering the same issues in our previous engagement letters for previously issued reports included in the filing will be null and void and will no longer confer any rights or obligations on the parties. Such engagement letters will be deemed to be amended accordingly at the time of such filing, without further action by either party. Any letters so amended will remain in full force and effect unless otherwise amended by the parties.

Dispute resolution procedures



Any controversy or claim between the parties arising out of or relating to this engagement letter, the services provided hereunder, or any prior audit engagement letters or services (a "Dispute") shall be submitted first to non-binding, confidential mediation. If not resolved by mediation, any controversy or claim asserted against PwC shall be resolved by binding arbitration as described herein, and any controversy or claim asserted against the Agency shall be submitted to the Massachusetts Superior Court, the Massachusetts District Court or the Supreme Judicial Court, as applicable, and adjudicated in accordance with its procedures. Notwithstanding the foregoing, either party shall have the right to seek from any state or federal court in the Commonwealth of Massachusetts equitable relief to obtain the return of property, to enforce its intellectual property rights and/or to protect the confidentiality of its confidential information.

Any Dispute between the parties, including any claims or defenses asserted, and the interpretation of the engagement letter shall be governed by the law of New York State, without giving effect to its choice-of-law rules, except that issues relating to the Agency's sovereign immunity shall be governed by the laws of the Commonwealth of Massachusetts. The mediation shall be conducted in accordance with these procedures and, except to the extent inconsistent with these procedures, the Mediation Procedure of International Institute for Conflict Prevention and Resolution ("CPR") then in effect.

A party shall submit a Dispute to mediation by written notice to the other party or parties. The mediator shall be selected by mutual agreement of the parties. If the parties cannot agree on a mediator, the CPR shall designate a mediator in accordance with its Mediation Procedure. Any mediator must be acceptable to all parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director, or substantial equity owner of PricewaterhouseCoopers LLP or any PricewaterhouseCoopers LLP audit client.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The mediation shall be conducted at a location mutually agreed to by the parties. If the parties cannot mutually agree on the location of the mediation, the mediation shall be conducted in the Commonwealth of Massachusetts. The mediation shall be treated as compromise and settlement negotiations under the standards set forth in the Federal Rules of Evidence and all applicable state counterparts, together with any applicable statutes protecting the confidentiality of mediations or settlement discussions. The mediator may not testify for either party in any later proceeding relating to the Dispute. The mediation proceeding shall not be recorded or transcribed. Each party shall bear its own costs (including attorneys' fees) of the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a Dispute within 90 days after the written notice beginning the mediation process is served (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the Dispute shall be settled by binding arbitration as to claims asserted against PwC and by the Massachusetts Superior Court, the Massachusetts District Court or the Supreme Judicial Court, as applicable, as to claims asserted against the Agency. The arbitration shall be conducted in accordance with these procedures and, except to the extent inconsistent with these procedures, the Rules for Non-Administered Arbitration of the International Institute for Conflict Prevention and Resolution ("Rules") then in effect. The arbitration shall be conducted before a panel of three arbitrators selected using the screened process provided in the Rules. The arbitration shall be conducted at a location mutually agreed to by the parties. If the parties cannot mutually agree on the location of the arbitration, the arbitration shall be conducted in the Commonwealth of Massachusetts. The arbitration panel, and not any federal, state or local court or agency, shall have exclusive authority to resolve any dispute regarding the extent to which a Dispute is subject to arbitration, or relating to the interpretation, applicability, enforceability or formation of the engagement letter.



The arbitrators may render early or summary disposition of some or all issues, after the parties have had a reasonable opportunity to make submissions on those issues. Discovery shall be conducted in accordance with the Rules. Upon a showing that the evidence sought is material to the Dispute, hearing sessions attended by one or more panel members may be convened to secure (i) documents from third- party witnesses, if the production cannot reasonably be obtained by other means; and/or (ii) testimony from third-party witnesses who could not be compelled to attend the arbitration hearing at its scheduled location. Judgment on an arbitration award may be entered in any court having jurisdiction. All aspects of the arbitration shall be treated as confidential, except to the limited extent necessary to obtain entry of the award by a court. The arbitration panel shall have no power to award non-monetary or equitable relief of any sort.

The arbitration panel shall have no power to award damages that are punitive in nature, that do not measure a party's actual damages, or that are inconsistent with the Release and Indemnification provisions or any other terms of the engagement letter. The parties further agree that if the arbitration panel determines to award pre- or post-judgment interest, any such interest shall be computed on a simple basis at a rate of three percent. The parties accept and acknowledge that any demand for arbitration must be issued within one year from the date the demanding party becomes aware or should reasonably have become aware of the facts that give rise to the alleged liability and, in any event, no later than two years after the cause of action accrued.

In the event that our report is subsequently included in a filing with the Securities and Exchange Commission (unless our report is included as a result of Rule 3-05, Rule 3-14, Rule 6-11, Rule 8-04, or Rule 8-06 of Regulation S-X), we and the Agency hereby agree that the preceding paragraph in this "Dispute resolution procedures" section of this letter and any paragraphs covering the same issues in our previous engagement letters for previously issued reports included in the filing will be null and void and will no longer confer any rights or obligations on the parties. Such engagement letters will be deemed to be amended accordingly at the time of such filing, without further action by either party. Any letters so amended will remain in full force and effect unless otherwise amended by the parties.

Other PricewaterhouseCoopers firms and subcontractors

PricewaterhouseCoopers LLP is a U.S. firm of the global network of separate and independent PricewaterhouseCoopers firms (exclusive of PricewaterhouseCoopers LLP, the "Other PwC Firms"). PricewaterhouseCoopers LLP may, in its discretion, draw on the resources of and/or subcontract to its subsidiaries and affiliates, the Other PwC Firms and/or third party contractors and subcontractors (each, a "PwC Subcontractor"), in each case within or outside the United States in connection with the provision of the services and/or for internal, administrative and/or regulatory compliance purposes. Except for internal administrative, regulatory compliance, or back-office technology solutions, the use of subcontractors which are not PricewaterhouseCoopers LLP subsidiaries or other PwC Firms shall be approved by the Agency. The Agency agrees that PricewaterhouseCoopers LLP may provide information PricewaterhouseCoopers LLP receives in connection with this agreement to the PwC Subcontractors for such purposes.

PricewaterhouseCoopers LLP will be solely responsible for the provision of the services (including those performed by the PwC Subcontractors) and for the protection of the information provided to the PwC Subcontractors.

You agree that neither you nor any group entity will bring any claim, whether in contract, tort (including negligence) or otherwise against any PwC Subcontractor in respect of this engagement letter or in connection with the services herein. In the event that our report is subsequently included in a filing with the Securities and Exchange Commission (unless our report is included as a result of Rule 3-05, Rule 3-14, Rule 6-11, Rule 8-04, or Rule 8-06 of Regulation S-X), for independence purposes we and the Agency hereby agree that the



immediately preceding sentence will be null and void and will no longer confer any rights or obligations on the parties. This letter will be deemed to be amended accordingly at the time of such filing, without further action by either party. The amended letter will remain in full force and effect unless otherwise amended by the parties.

Timing and fees

Completion of our work is subject to, among other things, 1) appropriate cooperation from the Agency's personnel, including timely preparation of necessary schedules, 2) timely responses to our inquiries, and 3) timely communication of all significant accounting and financial reporting matters. When and if for any reason the Agency is unable to provide such schedules, information and assistance, PricewaterhouseCoopers LLP and you will mutually revise the fee to reflect additional services, if any, required of us to complete the audit.

Our estimate of fees for this audit engagement is included in Appendix A, subject to the terms and conditions above. We will advise you should any circumstances arise which may require a change in scope and/or fee.

We also will bill the Agency for our reasonable out-of-pocket expenses, any applicable sales, use or value added tax, and our internal per ticket charges for booking travel. Amounts billed for services performed by PricewaterhouseCoopers LLP or PwC Subcontractors shall be considered fees and not expenses.

Invoices rendered are due and payable upon receipt.

Additionally, services related to accounting and reporting matters arising from proposed and/or completed or transactions will be billed monthly based upon time and costs incurred based on our standard applicable rates for the specific service provided. We will provide management with estimated rates and fees in advance of performing the types of services referred to in this paragraph.

This agreement may be terminated for any reason by the Agency or PricewaterhouseCoopers LLP upon thirty (30) calendar days' prior written notice to the other party; provided, however, that PricewaterhouseCoopers LLP shall have the right to terminate this agreement immediately, with notice thereof to the Agency, in circumstances under which PricewaterhouseCoopers LLP reasonably believes that immediate termination is required pursuant to GAO, SEC or AICPA independence guidelines.

Any additional services that may be requested and we agree to provide will be the subject of separate arrangements.

Information Security Program

- a. Federal and state laws require that the Agency maintain an information security program to protect certain personal information related to individuals who are customers, business partners, vendors, or employees of the Agency. This information includes, without limitation, the following: (1) Personal Information protected by Massachusetts General Laws, c. 93H and its implementing regulations promulgated at 201 C.M.R. 17; (2) nonpublic personal information protected by the Safeguards Rule of the Gramm-Leach-Bliley Act (15 U.S.C. § 6801 et. seq.) and its implementing regulations promulgated at 16 C.F.R. Part 314; (3) consumer reports protected under the federal Fair Credit Reporting Act, as amended by the 2004 FACT Act (15 U.S.C. § 1681 et. seq.); and any other information pertaining to individuals subject to data security, data security breach notification, and identity theft prevention laws.



- b. If the Agency grants PricewaterhouseCoopers LLP access to its information technology networks or otherwise allows PricewaterhouseCoopers LLP to view personal information related to individuals who are customers, business partners, vendors, or employees of the Agency, PricewaterhouseCoopers LLP shall comply with all federal and state laws protecting such information while working at the Agency's facility, while using the Agency's protected information, and while connected to the Agency's network. PricewaterhouseCoopers LLP acknowledges that it is the Agency's policy to employ the services of outside investigative agencies to conduct background checks on individuals with access to its networks and agrees to submit to such background checks of its impacted employees at the Agency's request. For the avoidance of doubt, PricewaterhouseCoopers LLP employees are not provided access to the Agency's technology networks in the execution of its services described herein. The Agency maintains the strict confidentiality of all reports and records related to such investigations.

Non-Discrimination

There shall be no discrimination against an employee who is employed in the work covered by this agreement, or against any applicants for such employment, because of race, color, religious creed, national origin, sex, sexual orientation, or ancestry. This provision shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. PricewaterhouseCoopers LLP shall insert a similar provision in all subcontracts for services covered by this agreement.

Conflict of Interest

No officer, member or employee of The Agency and no member of its governing body and no other public official of the governing body of the locality or localities in which this agreement is situated or being carried out who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this agreement, shall (a) participate in any decision relating to this agreement which affects its personal interest or the interest of any corporation, partnership, or association in which it is directly or indirectly interested; or (b) have any interest, direct or indirect in this agreement or the proceeds thereof.

Other matters

PricewaterhouseCoopers LLP is owned by professionals who hold CPA licenses as well as by professionals who are not licensed CPAs. Depending on the nature of the services we provide, non-CPA owners may be involved in providing services to you now or in the future.

PricewaterhouseCoopers LLP is not presently disbarred, suspended, or proposed for disbarment from participating, partially or in full, by any agency or instrumentality of the United States Government or the Commonwealth of Massachusetts.

Compliance with the auditor independence rules is a shared responsibility between the Agency and its independent auditor. The independence rules encompass not only the Agency but also its affiliates, as defined in AICPA Code of Professional Conduct, and individuals with a beneficial ownership interest (known through reasonable inquiry) that gives the individual significant influence over the Agency, as provided in the AICPA Code of Professional Conduct. Therefore, the Agency agrees to inform us periodically about the identity of each such affiliate or beneficial owner and will notify us in advance regarding any expected addition or removal of such an affiliate or beneficial owner, including, for example, due to (i) acquisition of a new affiliate, (ii) disposition or change in control and new acquisitions or significant investments. The Agency acknowledges that we will use this information confidentially to assess and/or reassess independence.

We may be requested to make certain working papers available to the United States Government Accountability Office (U.S. GAO) pursuant to authority given to it by law or regulation. If



requested, access to such working papers will be provided under the supervision of PricewaterhouseCoopers LLP personnel. Furthermore, upon request, we may provide copies of selected working papers to the above regulator.

This party may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

In the event we are requested or authorized by the Agency or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for the Agency, the Agency will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such a request.

The Agency agrees that it will not, directly or indirectly, agree to assign or transfer this engagement letter or any rights, obligations, claims or proceeds from claims against PricewaterhouseCoopers LLP arising out of or in any way relating to this engagement letter, any services provided hereunder, or any fees for this engagement or such services, to anyone, except to an entity with which the Agency merges or an entity which acquires all or substantially all of the assets of the Agency and where, in either case, the assignee entity agrees to be bound by this provision. Any assignment or transfer by the Agency in violation of this paragraph shall be void and invalid. PricewaterhouseCoopers LLP shall not assign any interest in this contract, and shall not transfer any interest in the same without the prior written consent of the Agency.

This engagement letter reflects the entire agreement between us relating to the services covered by this letter. It replaces and supersedes any previous proposals, correspondence and understandings, whether written or oral. The agreements contained in this engagement letter shall survive the completion or termination of this engagement. Because our services are often recurring, and due to the timing of when an engagement letter may be signed for the 2025 services ("2025 Engagement Letter"), we may perform procedures and gather information for the 2025 services before the 2025 Engagement Letter is executed. To the extent that such work occurs before the 2025 Engagement Letter is executed, the terms of this engagement letter shall continue to apply to that work until such time as either (1) the Organization or PricewaterhouseCoopers LLP informs the other party that the engagement is terminated or (2) the 2025 Engagement Letter is executed, whichever is earlier. For the avoidance of doubt, fees for any work performed in support of the 2025 services will be billed according to what is ultimately agreed in the 2025 Engagement Letter.

Notwithstanding any other provision of this engagement letter, PwC and the Other PwC Firms may use the information received under this engagement letter, to develop, enhance, modify and improve technologies, tools, methodologies, services and offerings, and/or for development or performance of data analysis or other insight generation. Information developed in connection with these purposes may be used or disclosed to you or current or prospective clients to provide them services or offerings. PwC and the Other PwC Firms will not use or disclose the information in a way that would permit the Agency to be identified by third parties without the Agency's consent.

The provisions of the Data Protection Addendum hereto shall apply to the extent that PwC processes Personal Information (as that term is defined in the Data Protection Addendum) in connection with its performance of services hereunder.



* * * * *

We are pleased to have the opportunity to provide services to the Massachusetts Housing Finance Agency and Affiliates. If you have any questions about this letter, please discuss them with Nipa Patel at (310) 498-0242. If the services and terms outlined in this letter are acceptable, please sign one copy of this letter in the space provided and return it to me. You may return the signed copy by hand, by mail or by air courier, attached to an email as a pdf, jpeg or similar file type sent to me at nipa.patel@pwc.com, or by electronic signature.

Very truly yours:

DocuSigned by:
PricewaterhouseCoopers LLP
9D44ED46C492409...
PricewaterhouseCoopers LLP

Date:

December 21, 2023

cc: Jeanne Pinado, Chair of Investment and Audit Committee

cc: Rachel C. Madden, Financial Director

cc: Stephen E. Vickery, Comptroller



The services and terms as set forth in this letter are agreed to.

Massachusetts Housing Finance Agency

DocuSigned by:

Chrystal Kornegay

C98738E774304FC...

Chrystal Kornegay

Chief Executive Officer

Date:

December 21, 2023



Appendix A

Audit Fees

Massachusetts Housing Finance Agency and Affiliates	\$644,800
MassHousing Mortgage Insurance Fund	\$43,680
Total	\$688,480

Payment Schedule

Progress billing #1 (March 15, 2024)	\$172,120
Progress billing #2 (May 15, 2024)	\$206,544
Progress billing #3 (July 15, 2024)	\$206,544
Upon completion of the audits	\$103,272 (plus expenses)
Total	\$688,480



Data Protection Addendum

This Data Protection Addendum (this “DPA”), effective as of December 21, 2023, is made a part of the engagement letter (“Engagement Letter”) or the Statement of Work (“SOW”), as applicable, to which it is attached or in which it is expressly incorporated by reference, by and between such US member firm of the PricewaterhouseCoopers network that is party to the Engagement Letter or SOW (“PwC”) and the counterparty(ies) defined as “Client,” “Agency,” or similar in, and that are receiving Services under and bound by the terms of, such Engagement Letter or SOW (“Client”) (the Engagement Letter together with the applicable SOW (if any), the “Agreement”). As used in this DPA, capitalized terms have the meanings set forth herein or in the Agreement, provided that, if the Agreement does not define “Services”, “Services” means the professional services to be performed by PwC as set forth in and pursuant to the Agreement; “including” or “include(s)” means “including but not limited to”; and “or” is not exclusive.

1. **Personal Information.** “Personal Information” means information provided by or on behalf of Client to PwC in connection with PwC’s performance of the Services that relates to an identified or identifiable household or living individual and is defined as “personal data”, “personal information”, or similar term(s) by applicable data protection laws, rules, and regulations (“Data Protection Laws”).
2. **Description of Processing.** The categories of data subjects and types of Personal Information to be provided to PwC in connection with its performance of the Services are set forth in the attached Schedule A (Description of Processing), provided that, in the event the parties execute a SOW pursuant to the Engagement Letter, such SOW may describe the Personal Information to be provided thereunder. Client shall not provide PwC with Personal Information except as agreed by the parties and set forth in Schedule A or the applicable SOW. Without limiting the foregoing, the parties acknowledge and agree that: (i) PwC is not subject to and does not maintain compliance with the Payment Card Industry Data Security Standard, and Client will not provide PwC with access to any payment card information except to the extent such access is expressly agreed upon in the Agreement and occurs solely at a Client facility using Client computing devices; and (ii) Client will not provide PwC with access to Protected Health Information (as defined in the Health Insurance Portability and Accountability Act of 1996) unless and until a Business Associate Agreement, in a form acceptable to both parties, has been mutually executed.
3. **Processing Obligations.** Both parties will process Personal Information in compliance with the Agreement and Data Protection Laws, and PwC will process Personal Information in accordance with Client’s documented instructions as established in or provided in accordance with the Agreement. In addition, PwC will comply with the following jurisdiction-specific terms, as applicable:
 - (a) To the extent PwC processes Personal Information that is subject to certain Data Protection Laws of jurisdictions outside the United States, including European Data Protection Laws, the International Data Processing Terms set forth at <https://www.pwc.com/us/en/about-us/international-data-processing-terms.html> are incorporated herein. PwC shall process such Personal Information in compliance with the relevant provision(s) thereof.
 - (b) To the extent PwC processes Personal Information that is subject to certain United States Data Protection Laws, the United States Data Processing Terms set forth at <https://www.pwc.com/us/en/about-us/us-data-processing-terms.html> are incorporated herein. PwC shall process such Personal Information in compliance with the relevant provision(s) thereof.
4. **Access Restriction.** Except as otherwise permitted under the Agreement, PwC shall limit access to Personal Information to persons who require it to perform the Services or to comply with applicable law, regulation, or professional standards. PwC shall require that such persons have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality.



- (a) “Sub-Processor” means a PwC Subcontractor engaged to process Personal Information on Client’s behalf in connection with such PwC Subcontractor’s performance of Services.
- Client hereby grants PwC general written authorization to engage the Sub-Processors set forth in Schedule A. PwC shall inform Client of: (i) any addition or replacement of Other PwC Firms by updating the hyperlink set forth in Schedule A; and (ii) any intended changes to the list of Sub-Processors (other than Other PwC Firms) set forth in Schedule A in writing at least 10 days in advance. If Client objects to such changes, PwC will work with Client in good faith to find a mutually agreeable resolution.
- (b) Without limiting the foregoing, PwC may provide Personal Information to the PwC Subcontractors in accordance with the Agreement, including for internal, administrative, or regulatory compliance purposes. For additional information about how PwC processes personal data, including information about PwC Subcontractors who provide back-office and administrative support to PwC, please visit <https://www.pwc.com/us/en/site/privacy.html>.
- (c) PwC shall require all PwC Subcontractors, including Sub-Processors, who are provided access to Personal Information to protect it according to terms substantially similar to the terms of this DPA. PwC will be solely responsible for the protection of any Personal Information provided by PwC to the PwC Subcontractors, including Sub-Processors, and for compliance with this DPA.
- 5. Information Security; Incident Notification.** PwC will maintain the technical and organizational measures (“TOMs”) described at <https://www.pwc.com/us/en/site/assets/pwc-isp-security-statement.pdf>. Client acknowledges that PwC may change such TOMs through the adoption of new or enhanced security technologies, provided that such changes do not diminish the level of security of Personal Information in PwC’s environment. PwC will notify Client without undue delay upon learning of the unlawful or unauthorized destruction, loss, alteration, disclosure of, or access to such Personal Information in breach of this DPA (a “Security Incident”) and take reasonable steps to mitigate the effects of, and minimize damage resulting from, such Security Incident. On Client’s reasonable request and subject to applicable law and PwC’s confidentiality obligations, PwC will meet with Client to discuss, as applicable, procedures followed during the investigation of any Security Incident, chain of custody information, forensic analysis of event logs used to determine the root cause, any restoration of data that may be required, and remedial/corrective actions to be taken to prevent the Security Incident from occurring again.
- 6. Cooperation.** On Client’s reasonable written request, PwC will provide information reasonably required to assist with Client’s compliance obligations under Data Protection Laws with respect to Personal Information processed by PwC.
- (a) PwC will, to the extent legally permissible, notify Client if PwC confirms it has received a request from a data subject of Personal Information seeking to exercise their rights under Data Protection Laws, and will, on Client’s request, provide reasonable assistance in connection with Client’s response to such request.
- (b) PwC will make available to Client information necessary to demonstrate PwC’s compliance with its obligations set forth in this DPA and allow for and contribute to audits conducted by Client or another auditor mandated by Client that is not a PwC competitor. Such provision of information and audits shall be conducted solely as follows: on Client’s written request, not more than once annually (or more often if required to comply with Data Protection Laws) during the term of the Agreement, PwC will: (i) accurately complete a written security and privacy assessment questionnaire related to the Services (provided that doing so does not violate applicable law or PwC’s confidentiality obligations), meet with Client to discuss the results of the assessment and answer questions regarding PwC’s information security program, and reasonably treat any noted assessment deficiencies based on risk severity; or (ii) provide to Client a copy of PwC’s then-current SOC3 audit report for its U.S. data center around AICPA trust



principles of security and availability.

- (c) As between the parties, Client is responsible for its own compliance with Data Protection Laws, including for providing required notices to, or obtaining required consents or authorizations from, data subjects or regulatory authorities, as applicable, in connection with Personal Information provided to PwC. PwC's assistance under this DPA will be limited to specific Client requests and carried out under Client's direction, subject to applicable law and professional standards.
- 7. **Termination.** This DPA shall survive for so long as PwC processes Personal Information pursuant to the Agreement. On Client's written request at termination of the Agreement or during the term of the Agreement, PwC will: (i) promptly and securely destroy and confirm such destruction of Personal Information in its possession; or (ii) at Client's request and cost, return such Personal Information, delete existing copies thereof, and confirm such destruction. Notwithstanding the foregoing, PwC may retain copies of Personal Information consistent with its document retention policies or as required by applicable law, regulation, or professional standards.



Schedule A **Description of Processing**

1. Categories of data subjects whose Personal Information is provided to PwC in connection with its performance of Services under the Agreement:
 - Employees of this client
 - Individuals who do business with our clients (e.g. individual customers or contractors of this client)
2. Categories of Personal Information provided to PwC in connection with its performance of Services under the Agreement:
 - Personal financial information (financial accounts of parties, such as bank accounts, investment accounts, payroll records, credit check/score etc.)
 - Alternate Identifier (non-sensitive identifiers used to identify parties e.g. employee ID number, customer number, GUID etc.)
 - Resume (a bio that depicts a person's work experience and education background)
 - Basic personal information commonly referred to as "business card data " such as name, titles, email, office address, and phone number
 - Other general personal information such as age, gender, date of birth, and home address
3. Sensitive data transferred (if applicable): None, except to the extent expressly agreed by the parties in this Schedule A or the applicable SOW (if any). For this purpose, "sensitive data" means Personal Information revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, genetic data or biometric data for the purpose of uniquely identifying a natural person, data concerning health or a person's sex life or sexual orientation, or data relating to criminal convictions or offenses.
4. Frequency of the transfer (e.g., whether the Personal Information is transferred on a one-off or continuous basis): As needed to facilitate performance of the Services in accordance with the Agreement.
5. Nature and purpose(s) of the processing: PwC may process Personal Information for the purposes permitted under the Agreement or permitted by applicable law, including as necessary to perform the Services or comply with applicable law, regulation, or professional standards.
6. Duration of the processing: Personal Information shall be processed and retained until it is returned or destroyed in accordance with and subject to the terms of this DPA.
7. PwC may engage the following Sub-Processors in accordance with the terms of this DPA and the Agreement:
 - (a) PwC's subsidiaries and affiliates and the Other PwC Firms, including those listed at <https://www.pwc.com/gx/en/about/office-locations.html>.
 - (b) Third-party personnel who are natural persons engaged by PwC to assist the PwC engagement team (in which case PwC is still responsible for overseeing the Services performed by such third-party personnel).
 - (c) Additional PwC Subcontractors engaged to perform Services as permitted under the Agreement.



Report on the Firm's System of Quality Control

GRANT THORNTON LLP

1100 Peachtree St. NE, Suite 1200
Atlanta, GA 30309

D +1 404 330 2000
F +1 404 330 2047

November 22, 2021

To the Partners of PricewaterhouseCoopers LLP and the National Peer Review Committee:

We have reviewed the system of quality control for the accounting and auditing practice of PricewaterhouseCoopers LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, a compliance audit under the Single Audit Act, audits of employee benefit plans, an audit performed under FDICIA, audits of broker-dealers, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.



Opinion

In our opinion, the system of quality control for the accounting and auditing practice of PricewaterhouseCoopers LLP, applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. PricewaterhouseCoopers LLP has received a peer review rating of *pass*.

Grant Thornton LLP

Certificate Of Completion

Envelope Id: EA15404EF20747AE9DEE7A6CADEE60FC	Status: Completed
Subject: Complete with DocuSign: MFHA EL Agency FY24 (For Signing).pdf	
Source Envelope:	
Document Pages: 19	Signatures: 2
Certificate Pages: 4	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Joseph Beaudoin
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	PO Box 30004
	Tampa, FL 33630-3004
	joseph.t.beaudoin@pwc.com
	IP Address: 155.201.150.21

Record Tracking

Status: Original	Holder: Joseph Beaudoin	Location: DocuSign
12/21/2023 12:40:29 PM	joseph.t.beaudoin@pwc.com	

Signer Events

PricewaterhouseCoopers LLP
 nipa.patel@pwc.com
 Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

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 Signature Adoption: Pre-selected Style
 Using IP Address: 155.201.150.21

Timestamp

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 Viewed: 12/21/2023 12:43:14 PM
 Signed: 12/21/2023 12:43:48 PM

Electronic Record and Signature Disclosure:

Accepted: 12/21/2023 12:43:14 PM
 ID: 6d46584e-b298-484c-b8b2-422948e953a7

Chrystal Kornegay
 CKornegay@masshousing.com
 ED
 Security Level: Email, Account Authentication (None)

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Sent: 12/21/2023 12:43:51 PM
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 Signed: 12/21/2023 12:45:35 PM

Electronic Record and Signature Disclosure:

Accepted: 12/21/2023 12:45:13 PM
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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	12/21/2023 12:45:13 PM

Envelope Summary Events	Status	Timestamps
Signing Complete	Security Checked	12/21/2023 12:45:35 PM
Completed	Security Checked	12/21/2023 12:45:35 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, PricewaterhouseCoopers LLP (PwC, we, or us) may provide to you certain written documents (Document or Documents). Described below are the terms and conditions for providing to you such Documents electronically through the DocuSign, Inc. (DocuSign) electronic signing system. Please read the information below carefully and thoroughly. By checking the “I consent to use Electronic Records and Signatures” box, you acknowledge that you can access this information electronically to your satisfaction and agree to these terms and conditions.

Getting paper copies

At any time, you may request from us a paper copy of any Document provided or made available electronically to you by us. Please contact your PwC engagement team member to request delivery of paper copies of the Documents previously provided by us to you electronically through DocuSign.

Withdrawing your consent

If you decide to receive this Document from us electronically through DocuSign, you may, prior to signing, indicate to us that you are changing your mind, and withdraw your consent using the DocuSign “Decline to Sign” option on the signing page of a DocuSign envelope instead of signing it. This will indicate to us that you have withdrawn your consent to receive this Document electronically through DocuSign or to sign this Document from us electronically. The consequences of your withdrawing consent could be that this transaction may take a longer time to process. This process does not, however, withdraw your consent with regard to Documents you have already signed electronically.

Advising PwC of changes to your e-mail address

To let us know of a change in your e-mail address where we should send Documents electronically to you, please contact your PwC engagement team member.

Required hardware and software

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista® Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

** These minimum requirements are subject to change. If these requirements change, you will be asked to re-accept the disclosure. Pre-release (e.g. beta) versions of operating systems and browsers are not supported.

Acknowledging your access and consent to receive Documents electronically through DocuSign

By checking the “I consent to use Electronic Records and Signatures” box, I confirm that:

- I can access and read this ELECTRONIC RECORD AND SIGNATURE DISCLOSURE;

- I can print on paper this disclosure or save or send it to a place where I can print it, for future reference and access;
- Until or unless I notify PwC as described above, I consent to receive this Document through DocuSign; and
- I agree that signing this Document electronically through DocuSign has the same force and effect as a written signature



December 21, 2023

Ms. Chrystal Kornegay
Executive Director
Massachusetts Housing Finance Agency
One Beacon Street
Boston, Massachusetts 02108

Dear Ms. Kornegay:

The purpose of this letter is to confirm our understanding of the terms of our engagement as independent accountants of Massachusetts Housing Finance Agency (the "Agency").

Services and related report

Pursuant to a separate engagement letter dated December 21, 2023, we will perform, in accordance with auditing standards generally accepted in the United States of America ("US GAAS") and generally accepted government auditing standards published by the Comptroller General of the United States ("Government Auditing Standards"), an audit of the financial statements of the Agency at June 30, 2024 and for the year then ending. In connection therewith, we will perform an audit of the Agency's compliance with the specific program requirements (the "Specific Program Requirements"), for the compliance areas listed in Appendix A and described in the Consolidated Audit Guide for Audits of U.S. Department of Housing and Urban Development ("HUD") Programs issued by the HUD Office of Inspector General (the "Guide"), that could have a direct and material effect on the Agency's participation in this major HUD program ("Program"), for the year ending June 30, 2024.

Upon completion of our audit, we will provide the Agency with our written reports on the audit referred to above, as identified in Appendix B. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion(s) or add an emphasis-of-matter paragraph(s) or other matter paragraph(s). We estimate that we will issue our reports on or about September 20, 2024, subject to successful completion of the audit procedures in accordance with the terms and conditions of this engagement letter. In addition, as required by the Guide, we will communicate to management in writing all nonmaterial instances of noncompliance disclosed during the audit process.

Our responsibilities and limitations

We will be responsible for performing the audit of compliance with the Specific Program Requirements described in the Guide for the compliance areas listed in Appendix A that are applicable to the Agency in accordance with US GAAS, Government Auditing Standards, and the Guide. The objectives of our audit of compliance, for the year ending June 30, 2024, are to obtain reasonable assurance about whether material noncompliance with those requirements occurred, whether due to fraud or error and to express an opinion on the Agency's compliance with those requirements. As part of an audit of compliance in accordance with US GAAS, Government Auditing Standards, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Agency's compliance with the requirements referred to above and performing such other



procedures as we consider necessary in the circumstances. Our audit does not provide a legal determination of the Agency's compliance with those requirements.

- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. We will include in our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards and in the Schedule of Findings any significant deficiencies and material weaknesses, in addition to any material instances of noncompliance.

If, in the course of performing our audit, we become aware of noncompliance with provisions of laws, regulations, contracts, grant agreements or fraud that has occurred or is likely to occur, as required by the Guide, we will bring such acts to the attention of the appropriate level of management and will detail report any instances of material noncompliance in the separate Schedule of Findings, Questioned Costs, and Recommendations (the "Schedule of Findings") as required by the Guide. In addition, we will evaluate management's corrective action plan describing the corrective action taken or planned in response to findings identified in the Schedule of Findings as required by the Guide.

We will design our audit to obtain reasonable assurance of detecting material noncompliance, whether due to error or fraud. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the applicable Specific Program Requirements as a whole. Absolute assurance is not attainable due to the nature of audit evidence and the characteristics of fraud. Our audit will not include a detailed audit of transactions, such as would be necessary to disclose noncompliance or fraud that did not cause material noncompliance with the Program or other illegal acts having an indirect or immaterial impact on compliance with the Program. It is important to recognize that there are inherent limitations in the auditing process. An audit is based on the concept of selective testing of the data underlying the Specific Program Requirements, which involves judgment regarding the nature, timing, extent and results of the tests to be performed. An audit is, therefore, subject to the limitation that material noncompliance or fraud or other illegal acts having a direct and material impact on the Program, if they exist, may not be detected. Because of the characteristics of fraud, particularly those involving concealment through collusion, falsified documentation, and management's ability to override controls, an audit designed and executed in accordance with US GAAS, Government Auditing Standards, and the Guide may not detect a material fraud. Further, while effective internal control reduces the likelihood that noncompliance, fraud, or other illegal acts will occur and remain undetected, it does not eliminate that possibility. For these reasons, we cannot ensure that noncompliance, fraud, or other illegal acts, if present, will be detected. Additionally, we are unable to, nor are we expected to, design our audit to obtain reasonable assurance of detecting abuse (as that term is defined in Government Auditing Standards), because the determination of abuse is subjective.

As required by the Guide, we will follow up on prior audit findings that directly relate to the objectives of the audit being undertaken, including those related to significant deficiencies and material weaknesses of the financial statement audit and noncompliance with Specific Program Requirements, to determine whether the Agency has taken timely corrective actions. In addition, the Guide requires us to perform procedures to assess the



reasonableness of the Schedule of the Status of Prior Audit Findings, Questioned Costs, and Recommendations (“Schedule of Prior Findings”) prepared by management, and report, as a current year audit finding, if we conclude that this Schedule of Prior Findings materially misrepresents the status of any prior audit finding.

In addition, as required by Chapter 2 of the Guide, we may be required to contact the HUD single audit coordinator to discuss matters relating to fraud or equity skimming. Based on that discussion, we may be requested to prepare a written report on all known or likely fraud that has occurred. Acceptance of this engagement letter grants us permission to contact the HUD single audit coordinator and discuss the conditions noted.

Aside from HUD, the audit will not be planned or conducted in contemplation of reliance by any other specific third party or with respect to any specific transaction. Therefore, items of possible interest to any other third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

As required by Chapter 1 of the Guide, we will separately provide a list of the information necessary for the audit and the requested delivery date(s) for those items.

If for any reason relating to the affairs or management of the Agency we are unable to complete the audit, we may decline to issue any reports as a result of this engagement.

Government Auditing Standards require that we communicate the results of our Firm's most recent external quality control review to you which is for the year ended June 30, 2021. This review resulted in an unqualified opinion on the Firm's system of quality control. A copy of that report is appended to this letter.

Management's responsibilities

The Agency's management is responsible for identifying the Program and understanding and complying with the applicable Specific Program Requirements. In this regard, management is responsible for establishing policies and procedures that provide reasonable assurance that the Agency administers the Program in accordance with the Specific Program Requirements. Management is responsible for evaluating and monitoring the Agency's compliance with the Specific Program Requirements. Management also is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us (i) about all known or suspected fraud affecting the Agency involving (a) management, (b) employees who have significant roles in internal control over financial reporting, and (c) others where the fraud could have a material effect on the financial statements; and (ii) of its knowledge of any allegations of fraud or suspected fraud affecting the Agency received in communications from employees, former employees, analysts, regulators, short sellers, or others.

As part of management's responsibility for complying with the Specific Program Requirements, management is responsible for making available to us, on a timely basis, (i) all of the Agency's original accounting records and information related to the services covered by this engagement letter, (ii) documentation of compliance matters, and (iii) Agency personnel to whom we may direct inquiries. As required by US GAAS, Government Auditing Standards, and by the Guide, we will make specific inquiries of management and others about the Agency's compliance with the Specific Program Requirements applicable to the Program. The Guide requires us to obtain written representations from management that include matters concerning compliance with program laws and regulations that have a material effect on the financial statements and the Program and all compliance violations or issues regardless of their materiality, as well as management's responsibilities for establishing and maintaining effective control over financial reporting and internal control over compliance. The results of our audit tests, the responses to our inquiries and the written representations comprise the evidential matter we intend to rely upon in forming our opinion on the compliance with the Specific Program Requirements applicable to the Program.

Management acknowledges that internal auditors providing direct assistance to support our audit will be allowed to follow our instructions and management will not intervene in the



work the internal auditors perform for us in a direct assistance capacity.

Management is responsible for (i) resolving audit findings and recommendations directed to them and for having a process to track their status, including preparation of the Schedule of Prior Findings; (ii) taking timely and appropriate steps to remedy fraud, illegal acts, or abuse and instances of noncompliance that may be identified in our reports; and (iii) providing its views on our reported findings and recommendations, as well as management's planned corrective actions, the timing of such planned actions, and the Agency official responsible for such actions. Management is also responsible for ensuring that the reporting package (including the reports described in Appendix B) is distributed to the appropriate parties.

Release and indemnification

Because of the importance of oral and written management representations to an effective audit, the Agency releases and indemnifies PricewaterhouseCoopers LLP and its personnel from any and all claims, liabilities, costs, and expenses attributable to any knowing misrepresentation by management.

In no event shall PricewaterhouseCoopers LLP be liable to the Agency, whether a claim be in tort, contract or otherwise, for any consequential, indirect, lost profit or similar damages relating to PricewaterhouseCoopers LLP's services provided under this engagement letter, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent behavior of PricewaterhouseCoopers LLP relating to such services.

Dispute resolution procedures

Any controversy or claim between the parties arising out of or relating to this engagement letter, the services provided hereunder, or any prior audit engagement letters or services (a "Dispute") shall be submitted first to non-binding, confidential mediation. If not resolved by mediation, any controversy or claim asserted against PwC shall be resolved by binding arbitration as described herein, and any controversy or claim asserted against the Agency shall be submitted to the Massachusetts Superior Court, the Massachusetts District Court or the Supreme Judicial Court, as applicable, and adjudicated in accordance with its procedures. Notwithstanding the foregoing, either party shall have the right to seek from any state or federal court in the Commonwealth of Massachusetts equitable relief to obtain the return of property, to enforce its intellectual property rights and/or to protect the confidentiality of its confidential information.

Any Dispute between the parties, including any claims or defenses asserted, and the interpretation of the engagement letter shall be governed by the law of New York State, without giving effect to its choice-of-law rules, except that issues relating to the Agency's sovereign immunity shall be governed by the laws of the Commonwealth of Massachusetts. The mediation shall be conducted in accordance with these procedures and, except to the extent inconsistent with these procedures, the Mediation Procedure of International Institute for Conflict Prevention and Resolution ("CPR") then in effect.

A party shall submit a Dispute to mediation by written notice to the other party or parties. The mediator shall be selected by mutual agreement of the parties. If the parties cannot agree on a mediator, the CPR shall designate a mediator in accordance with its Mediation Procedure. Any mediator must be acceptable to all parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director, or substantial equity owner of PricewaterhouseCoopers LLP or any PricewaterhouseCoopers LLP audit client.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The mediation shall be conducted at a location mutually agreed to by the parties. If the parties cannot mutually agree on the location of the mediation, the mediation shall be conducted in the Commonwealth of Massachusetts. The mediation shall be treated as compromise and settlement negotiations under the standards set forth in the Federal Rules of Evidence and all applicable state counterparts, together with any applicable statutes protecting the confidentiality of mediations or settlement discussions. The mediator may not testify for either party in any later proceeding relating to the Dispute. The mediation



proceeding shall not be recorded or transcribed. Each party shall bear its own costs (including attorneys' fees) of the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a Dispute within 90 days after the written notice beginning the mediation process is served (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the Dispute shall be settled by binding arbitration as to claims asserted against PwC and by the Massachusetts Superior Court, the Massachusetts District Court or the Supreme Judicial Court, as applicable, as to claims asserted against the Agency. The arbitration shall be conducted in accordance with these procedures and, except to the extent inconsistent with these procedures, the Rules for Non-Administered Arbitration of the International Institute for Conflict Prevention and Resolution ("Rules") then in effect.

The arbitration shall be conducted before a panel of three arbitrators selected using the screened process provided in the Rules. The arbitration shall be conducted at a location mutually agreed to by the parties. If the parties cannot mutually agree on the location of the arbitration, the arbitration shall be conducted in the Commonwealth of Massachusetts. The arbitration panel, and not any federal, state or local court or agency, shall have exclusive authority to resolve any dispute regarding the extent to which a Dispute is subject to arbitration, or relating to the interpretation, applicability, enforceability or formation of the engagement letter.

The arbitrators may render early or summary disposition of some or all issues, after the parties have had a reasonable opportunity to make submissions on those issues. Discovery shall be conducted in accordance with the Rules. Upon a showing that the evidence sought is material to the Dispute, hearing sessions attended by one or more panel members may be convened to secure (i) documents from third-party witnesses, if the production cannot reasonably be obtained by other means; and/or (ii) testimony from third-party witnesses who could not be compelled to attend the arbitration hearing at its scheduled location.

Judgment on an arbitration award may be entered in any court having jurisdiction. All aspects of the arbitration shall be treated as confidential, except to the limited extent necessary to obtain entry of the award by a court. The arbitration panel shall have no power to award non-monetary or equitable relief of any sort.

The arbitration panel shall have no power to award damages that are punitive in nature, that do not measure a party's actual damages, or that are inconsistent with the Release and Indemnification provisions or any other terms of the engagement letter. The parties further agree that if the arbitration panel determines to award pre- or post-judgment interest, any such interest shall be computed on a simple basis at a rate of three percent. The parties accept and acknowledge that any demand for arbitration must be issued within one year from the date the demanding party becomes aware or should reasonably have become aware of the facts that give rise to the alleged liability and, in any event, no later than two years after the cause of action accrued.

Timing and fees

Completion of our work is subject to, among other things, 1) appropriate cooperation from the Agency's personnel, including timely preparation of necessary schedules; 2) timely responses to our inquiries; and 3) timely communication of all significant matters relating to compliance with the Guide. When and if for any reason the Agency is unable to provide such schedules, information and assistance, PricewaterhouseCoopers LLP and you will mutually revise the fee to reflect additional services, if any, required of us to complete our work.

Our fees for this engagement will be \$93,600, subject to terms and conditions above. We will advise you should any circumstances arise which may require a change in scope and/or fee.

We also will bill the Agency for our reasonable out-of-pocket expenses, any applicable sales, use or value added tax, and our internal per ticket charges for booking travel. Amounts billed for services performed by PricewaterhouseCoopers LLP or PwC Subcontractors shall be considered fees and not expenses.



Invoices rendered are due and payable upon receipt.

This agreement may be terminated for any reason by the Agency or PricewaterhouseCoopers LLP upon thirty (30) calendar days' prior written notice to the other party; provided, however, that PricewaterhouseCoopers LLP shall have the right to terminate this agreement immediately, with notice thereof to the Agency, in circumstances under which PricewaterhouseCoopers LLP reasonably believes that immediate termination is required pursuant to GAO, SEC or AICPA independence guidelines.

Any additional services that may be requested and we agree to provide will be the subject of separate arrangements.

Information Security Program

- a. Federal and state laws require that the Agency maintain an information security program to protect certain personal information related to individuals who are customers, business partners, vendors, or employees of the Agency. This information includes, without limitation, the following: (1) Personal Information protected by Massachusetts General Laws, c. 93H and its implementing regulations promulgated at 201 C.M.R. 17; (2) nonpublic personal information protected by the Safeguards Rule of the Gramm-Leach-Bliley Act (15 U.S.C. § 6801 et. seq.) and its implementing regulations promulgated at 16 C.F.R. Part 314; (3) consumer reports protected under the federal Fair Credit Reporting Act, as amended by the 2004 FACT Act (15 U.S.C. § 1681 et. seq.); and any other information pertaining to individuals subject to data security, data security breach notification, and identity theft prevention laws.

- b. If the Agency grants PricewaterhouseCoopers LLP access to its information technology networks or otherwise allows PricewaterhouseCoopers LLP to view personal information related to individuals who are customers, business partners, vendors, or employees of the Agency, PricewaterhouseCoopers LLP shall comply with all federal and state laws protecting such information while working at the Agency's facility, while using the Agency's protected information, and while connected to the Agency's network. PricewaterhouseCoopers LLP acknowledges that it is the Agency's policy to employ the services of outside investigative agencies to conduct background checks on individuals with access to its networks and agrees to submit to such background checks of its impacted employees at the Agency's request. For the avoidance of doubt, PricewaterhouseCoopers LLP employees are not provided access to the Agency's technology networks in the execution of its services described herein. The Agency maintains the strict confidentiality of all reports and records related to such investigations.

Non-Discrimination

There shall be no discrimination against an employee who is employed in the work covered by this agreement, or against any applicants for such employment, because of race, color, religious creed, national origin, sex, sexual orientation, or ancestry. This provision shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. PricewaterhouseCoopers LLP shall insert a similar provision in all subcontracts for services covered by this agreement.

Conflict of Interest

No officer, member or employee of The Agency and no member of its governing body and no other public official of the governing body of the locality or localities in which this agreement is situated or being carried out who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this agreement, shall (a) participate in any decision relating to this agreement which affects its personal interest or the interest of any corporation, partnership, or association in which it is directly or indirectly interested; or (b) have any interest, direct or indirect in this agreement or the proceeds thereof.



Other PricewaterhouseCoopers firms and subcontractors

PricewaterhouseCoopers LLP is a U.S. firm of the global network of separate and independent PricewaterhouseCoopers firms (exclusive of PricewaterhouseCoopers LLP, the "Other PwC Firms"). PricewaterhouseCoopers LLP may, in its discretion, draw on the resources of and/or subcontract to its subsidiaries and affiliates, the Other PwC Firms and/or third party contractors and subcontractors (each, a "PwC Subcontractor"), in each case within or outside the United States in connection with the provision of the services and/or for internal, administrative and/or regulatory compliance purposes. Except for internal administrative, regulatory compliance, or back-office technology solutions, the use of subcontractors which are not PricewaterhouseCoopers LLP subsidiaries or other PwC Firms shall be approved by the Agency. The Agency agrees that PricewaterhouseCoopers LLP may provide information PricewaterhouseCoopers LLP receives in connection with this agreement to the PwC Subcontractors for such purposes.

PricewaterhouseCoopers LLP will be solely responsible for the provision of the services (including those performed by the PwC Subcontractors) and for the protection of the information provided to the PwC Subcontractors

You agree that neither you nor any group entity will bring any claim, whether in contract, tort (including negligence) or otherwise against any PwC Subcontractor in respect of this engagement letter or in connection with the services herein.

Other matters

PricewaterhouseCoopers LLP is owned by professionals who hold CPA licenses as well as by professionals who are not licensed CPAs. Depending on the nature of the services we provide, non-CPA owners may be involved in providing services to you now or in the future. PricewaterhouseCoopers LLP is not presently disbarred, suspended, or proposed for disbarment from participating, partially or in full, by any agency or instrumentality of the United States Government or the Commonwealth of Massachusetts.

Compliance with the auditor independence rules is a shared responsibility between the Agency and its independent auditor. The independence rules encompass not only the Agency but also its affiliates, as defined in AICPA Code of Professional Conduct, and individuals with a beneficial ownership interest (known through reasonable inquiry) that gives the individual significant influence over the Agency, as provided in the AICPA Code of Professional Conduct. Therefore, the Agency agrees to inform us periodically about the identity of each such affiliate or beneficial owner and will notify us in advance regarding any expected addition or removal of such an affiliate or beneficial owner, including, for example, due to (i) acquisition of a new affiliate, (ii) disposition or change in control of, or additional investment in, an existing affiliate, or (iii) the identification of a new beneficial ownership interest that gives the individual significant influence over the Agency. The Agency acknowledges that we will use this information confidentially to assess and/or reassess independence.

We are required upon request to make certain working papers available to the Secretary of Housing and Urban Development, the HUD Inspector General, and/or the GAO (or their representatives) pursuant to authority given to them by law or regulation. If requested, access to such working papers will be provided under the supervision of PricewaterhouseCoopers LLP personnel. Furthermore, upon request, we may provide copies of selected working papers to the above regulators. These parties may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies. We will bill the Agency based on actual hours incurred responding to requests of those parties.

In the event we are requested or authorized by the Agency or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for the Agency, the Agency will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such a request.



The Agency agrees that it will not, directly or indirectly, agree to assign or transfer this engagement letter or any rights, obligations, claims or proceeds from claims against PricewaterhouseCoopers LLP arising out of or in any way relating to this engagement letter, any services provided hereunder, or any fees for this engagement or such services, to anyone, except to an entity with which the Agency merges or an entity which acquires all or substantially all of the assets of the Agency and where, in either case, the assignee entity agrees to be bound by this provision. Any assignment or transfer by the Agency in violation of this paragraph shall be void and invalid. PricewaterhouseCoopers LLP shall not assign any interest in this contract, and shall not transfer any interest in the same without the prior written consent of the Agency.

This engagement letter reflects the entire agreement between us relating to the services covered by this letter. It replaces and supersedes any previous proposals, correspondence and understandings, whether written or oral. The agreements contained in this engagement letter shall survive the completion or termination of this engagement. Because our services are often recurring, and due to the timing of when an engagement letter may be signed for the 2025 services ("2025 Engagement Letter"), we may perform procedures and gather information for the 2025 services before the 2025 Engagement Letter is executed. To the extent that such work occurs before the 2025 Engagement Letter is executed, the terms of this engagement letter shall continue to apply to that work until such time as either (1) the Agency or PricewaterhouseCoopers LLP informs the other party that the engagement is terminated or (2) the 2025 Engagement Letter is executed, whichever is earlier. For the avoidance of doubt, fees for any work performed in support of the 2025 services will be billed according to what is ultimately agreed in the 2025 Engagement Letter.

Notwithstanding any other provision of this engagement letter, PwC and the Other PwC Firms may use the information received under this engagement letter, to develop, enhance, modify and improve technologies, tools, methodologies, services and offerings, and/or for development or performance of data analysis or other insight generation. Information developed in connection with these purposes may be used or disclosed to you or current or prospective clients to provide them services or offerings. PwC and the Other PwC Firms will not use or disclose the information in a way that would permit the Agency to be identified by third parties without the Agency's consent.

The provisions of the Data Protection Addendum hereto shall apply to the extent that PwC processes Personal Information (as that term is defined in the Data Protection Addendum) in connection with its performance of services hereunder.



* * * * *

We are pleased to have the opportunity to provide services to the Massachusetts Housing Finance Agency. If you have any questions about this letter, please discuss them with Nipa Patel at (310) 498-0242. If the services and terms outlined in this letter are acceptable, please sign one copy of this letter in the space provided and return it to me. You may return the signed copy by hand, by mail or by air courier, attached to an email as a pdf, jpeg or similar file type sent to me at nipa.patel@pwc.com, or by electronic signature.

Very truly yours:

DocuSigned by:
PricewaterhouseCoopers LLP
9D44ED46C492409...
PricewaterhouseCoopers LLP

Date:

December 21, 2023

cc: Jeanne Pinado, Chair of the Investment and Audit

Committee cc: Rachel C. Madden, Financial Director

cc: Stephen E. Vickery, Comptroller



The services and terms as set forth in this letter are agreed to.

Massachusetts Housing Finance Agency

By:

DocuSigned by:
Chrystal Kornegay
C98738E774304FC...

Chrystal Kornegay
Chief Executive Officer

Date:

December 21, 2023



Appendix A

Compliance Areas in Scope of Audit

Chapter 6 - Ginnie Mae Issuers of Mortgage-Backed Securities Audit Guidance

- Federal Financial Reports
- Eligibility to Issue Mortgage-Backed Securities
- Review of Custodial Documents
- Issuer's Administration of Pooled Mortgages
- Review of Monthly Accounting Reporting and Quarterly Submissions
- Securities Marketing and Trading Practices
- Adjusted Net Worth

Appendix B

HUD Compliance Audit Reports

1. Report on Audited Financial Statements and Supplementary Information Required by the Consolidated HUD Audit Guide
2. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
3. Report on Compliance For Each Major HUD Program and Report on Internal Control Over Compliance Required by the Consolidated Audit Guide for Audits of HUD Programs
4. Schedule of Findings, Questioned Costs, and Recommendations
5. Management letter, if applicable

FHLMC Compliance

1. Letter addressed to Massachusetts Housing Finance Agency related to internal control deficiencies



Data Protection Addendum

This Data Protection Addendum (this “DPA”), effective as of December 21, 2023, is made a part of the engagement letter (“Engagement Letter”) or the Statement of Work (“SOW”), as applicable, to which it is attached or in which it is expressly incorporated by reference, by and between such US member firm of the PricewaterhouseCoopers network that is party to the Engagement Letter or SOW (“PwC”) and the counterparty(ies) defined as “Client,” “Agency,” or similar in, and that are receiving Services under and bound by the terms of, such Engagement Letter or SOW (“Client”) (the Engagement Letter together with the applicable SOW (if any), the “Agreement”). As used in this DPA, capitalized terms have the meanings set forth herein or in the Agreement, provided that, if the Agreement does not define “Services”, “Services” means the professional services to be performed by PwC as set forth in and pursuant to the Agreement; “including” or “include(s)” means “including but not limited to”; and “or” is not exclusive.

1. **Personal Information.** “Personal Information” means information provided by or on behalf of Client to PwC in connection with PwC’s performance of the Services that relates to an identified or identifiable household or living individual and is defined as “personal data”, “personal information”, or similar term(s) by applicable data protection laws, rules, and regulations (“Data Protection Laws”).
2. **Description of Processing.** The categories of data subjects and types of Personal Information to be provided to PwC in connection with its performance of the Services are set forth in the attached Schedule A (Description of Processing), provided that, in the event the parties execute a SOW pursuant to the Engagement Letter, such SOW may describe the Personal Information to be provided thereunder. Client shall not provide PwC with Personal Information except as agreed by the parties and set forth in Schedule A or the applicable SOW. Without limiting the foregoing, the parties acknowledge and agree that: (i) PwC is not subject to and does not maintain compliance with the Payment Card Industry Data Security Standard, and Client will not provide PwC with access to any payment card information except to the extent such access is expressly agreed upon in the Agreement and occurs solely at a Client facility using Client computing devices; and (ii) Client will not provide PwC with access to Protected Health Information (as defined in the Health Insurance Portability and Accountability Act of 1996) unless and until a Business Associate Agreement, in a form acceptable to both parties, has been mutually executed.
3. **Processing Obligations.** Both parties will process Personal Information in compliance with the Agreement and Data Protection Laws, and PwC will process Personal Information in accordance with Client’s documented instructions as established in or provided in accordance with the Agreement. In addition, PwC will comply with the following jurisdiction-specific terms, as applicable:
 - (a) To the extent PwC processes Personal Information that is subject to certain Data Protection Laws of jurisdictions outside the United States, including European Data Protection Laws, the International Data Processing Terms set forth at <https://www.pwc.com/us/en/about-us/international-data-processing-terms.html> are incorporated herein. PwC shall process such Personal Information in compliance with the relevant provision(s) thereof.
 - (b) To the extent PwC processes Personal Information that is subject to certain United States Data Protection Laws, the United States Data Processing Terms set forth at <https://www.pwc.com/us/en/about-us/us-data-processing-terms.html> are incorporated herein. PwC shall process such Personal Information in compliance with the relevant provision(s) thereof.
4. **Access Restriction.** Except as otherwise permitted under the Agreement, PwC shall limit access to Personal Information to persons who require it to perform the Services or to comply with applicable law, regulation, or professional standards. PwC shall require that such persons have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality.
 - (a) “Sub-Processor” means a PwC Subcontractor engaged to process Personal Information on Client’s behalf in connection with such PwC Subcontractor’s performance of Services.



Client hereby grants PwC general written authorization to engage the Sub-Processors set forth in Schedule A. PwC shall inform Client of: (i) any addition or replacement of Other PwC Firms by updating the hyperlink set forth in Schedule A; and (ii) any intended changes to the list of Sub-Processors (other than Other PwC Firms) set forth in Schedule A in writing at least 10 days in advance. If Client objects to such changes, PwC will work with Client in good faith to find a mutually agreeable resolution.

- (b) Without limiting the foregoing, PwC may provide Personal Information to the PwC Subcontractors in accordance with the Agreement, including for internal, administrative, or regulatory compliance purposes. For additional information about how PwC processes personal data, including information about PwC Subcontractors who provide back-office and administrative support to PwC, please visit <https://www.pwc.com/us/en/site/privacy.html>.
 - (c) PwC shall require all PwC Subcontractors, including Sub-Processors, who are provided access to Personal Information to protect it according to terms substantially similar to the terms of this DPA. PwC will be solely responsible for the protection of any Personal Information provided by PwC to the PwC Subcontractors, including Sub-Processors, and for compliance with this DPA.
- 5. Information Security; Incident Notification.** PwC will maintain the technical and organizational measures (“TOMs”) described at <https://www.pwc.com/us/en/site/assets/pwc-isp-security-statement.pdf>. Client acknowledges that PwC may change such TOMs through the adoption of new or enhanced security technologies, provided that such changes do not diminish the level of security of Personal Information in PwC’s environment. PwC will notify Client without undue delay upon learning of the unlawful or unauthorized destruction, loss, alteration, disclosure of, or access to such Personal Information in breach of this DPA (a “Security Incident”) and take reasonable steps to mitigate the effects of, and minimize damage resulting from, such Security Incident. On Client’s reasonable request and subject to applicable law and PwC’s confidentiality obligations, PwC will meet with Client to discuss, as applicable, procedures followed during the investigation of any Security Incident, chain of custody information, forensic analysis of event logs used to determine the root cause, any restoration of data that may be required, and remedial/corrective actions to be taken to prevent the Security Incident from occurring again.
- 6. Cooperation.** On Client’s reasonable written request, PwC will provide information reasonably required to assist with Client’s compliance obligations under Data Protection Laws with respect to Personal Information processed by PwC.
- (a) PwC will, to the extent legally permissible, notify Client if PwC confirms it has received a request from a data subject of Personal Information seeking to exercise their rights under Data Protection Laws, and will, on Client’s request, provide reasonable assistance in connection with Client’s response to such request.
 - (b) PwC will make available to Client information necessary to demonstrate PwC’s compliance with its obligations set forth in this DPA and allow for and contribute to audits conducted by Client or another auditor mandated by Client that is not a PwC competitor. Such provision of information and audits shall be conducted solely as follows: on Client’s written request, not more than once annually (or more often if required to comply with Data Protection Laws) during the term of the Agreement, PwC will: (i) accurately complete a written security and privacy assessment questionnaire related to the Services (provided that doing so does not violate applicable law or PwC’s confidentiality obligations), meet with Client to discuss the results of the assessment and answer questions regarding PwC’s information security program, and reasonably treat any noted assessment deficiencies based on risk severity; or (ii) provide to Client a copy of PwC’s then-current SOC3 audit report for its U.S. data center around AICPA trust principles of security and availability.
 - (c) As between the parties, Client is responsible for its own compliance with Data Protection Laws, including for providing required notices to, or obtaining required consents or authorizations from, data subjects or regulatory authorities, as applicable, in connection



with Personal Information provided to PwC. PwC's assistance under this DPA will be limited to specific Client requests and carried out under Client's direction, subject to applicable law and professional standards.

7. **Termination.** This DPA shall survive for so long as PwC processes Personal Information pursuant to the Agreement. On Client's written request at termination of the Agreement or during the term of the Agreement, PwC will: (i) promptly and securely destroy and confirm such destruction of Personal Information in its possession; or (ii) at Client's request and cost, return such Personal Information, delete existing copies thereof, and confirm such destruction. Notwithstanding the foregoing, PwC may retain copies of Personal Information consistent with its document retention policies or as required by applicable law, regulation, or professional standards.



Schedule A

Description of Processing

1. Categories of data subjects whose Personal Information is provided to PwC in connection with its performance of Services under the Agreement:
 - Individuals who do business with our clients (e.g. individual customers or contractors of this client)
2. Categories of Personal Information provided to PwC in connection with its performance of Services under the Agreement:
 - Personal financial information (financial accounts of parties, such as bank accounts, investment accounts, payroll records, credit check/score etc.)
 - Details of race, ethnic origin, nationality or citizenship
 - Resume (a bio that depicts a person's work experience and education background)
3. Sensitive data transferred (if applicable): None, except to the extent expressly agreed by the parties in this Schedule A or the applicable SOW (if any). For this purpose, "sensitive data" means Personal Information revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, genetic data or biometric data for the purpose of uniquely identifying a natural person, data concerning health or a person's sex life or sexual orientation, or data relating to criminal convictions or offenses.
4. Frequency of the transfer (e.g., whether the Personal Information is transferred on a one-off or continuous basis): As needed to facilitate performance of the Services in accordance with the Agreement.
5. Nature and purpose(s) of the processing: PwC may process Personal Information for the purposes permitted under the Agreement or permitted by applicable law, including as necessary to perform the Services or comply with applicable law, regulation, or professional standards.
6. Duration of the processing: Personal Information shall be processed and retained until it is returned or destroyed in accordance with and subject to the terms of this DPA.
7. PwC may engage the following Sub-Processors in accordance with the terms of this DPA and the Agreement:
 - (a) PwC's subsidiaries and affiliates and the Other PwC Firms, including those listed at <https://www.pwc.com/gx/en/about/office-locations.html>.
 - (b) Third-party personnel who are natural persons engaged by PwC to assist the PwC engagement team (in which case PwC is still responsible for overseeing the Services performed by such third-party personnel).
 - (c) Additional PwC Subcontractors engaged to perform Services as permitted under the Agreement.



Report on the Firm's System of Quality Control

GRANT THORNTON LLP

1100 Peachtree St. NE, Suite 1200
Atlanta, GA 30309

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November 22, 2021

To the Partners of PricewaterhouseCoopers LLP and the National Peer Review Committee:

We have reviewed the system of quality control for the accounting and auditing practice of PricewaterhouseCoopers LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, a compliance audit under the Single Audit Act, audits of employee benefit plans, an audit performed under FDICIA, audits of broker-dealers, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.



Opinion

In our opinion, the system of quality control for the accounting and auditing practice of PricewaterhouseCoopers LLP, applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. PricewaterhouseCoopers LLP has received a peer review rating of *pass*.

Grant Thornton LLP

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Chrystal Kornegay
CKornegay@masshousing.com
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, PricewaterhouseCoopers LLP (PwC, we, or us) may provide to you certain written documents (Document or Documents). Described below are the terms and conditions for providing to you such Documents electronically through the DocuSign, Inc. (DocuSign) electronic signing system. Please read the information below carefully and thoroughly. By checking the “I consent to use Electronic Records and Signatures” box, you acknowledge that you can access this information electronically to your satisfaction and agree to these terms and conditions.

Getting paper copies

At any time, you may request from us a paper copy of any Document provided or made available electronically to you by us. Please contact your PwC engagement team member to request delivery of paper copies of the Documents previously provided by us to you electronically through DocuSign.

Withdrawing your consent

If you decide to receive this Document from us electronically through DocuSign, you may, prior to signing, indicate to us that you are changing your mind, and withdraw your consent using the DocuSign “Decline to Sign” option on the signing page of a DocuSign envelope instead of signing it. This will indicate to us that you have withdrawn your consent to receive this Document electronically through DocuSign or to sign this Document from us electronically. The consequences of your withdrawing consent could be that this transaction may take a longer time to process. This process does not, however, withdraw your consent with regard to Documents you have already signed electronically.

Advising PwC of changes to your e-mail address

To let us know of a change in your e-mail address where we should send Documents electronically to you, please contact your PwC engagement team member.

Required hardware and software

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista® Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

** These minimum requirements are subject to change. If these requirements change, you will be asked to re-accept the disclosure. Pre-release (e.g. beta) versions of operating systems and browsers are not supported.

Acknowledging your access and consent to receive Documents electronically through DocuSign

By checking the “I consent to use Electronic Records and Signatures” box, I confirm that:

- I can access and read this ELECTRONIC RECORD AND SIGNATURE DISCLOSURE;

- I can print on paper this disclosure or save or send it to a place where I can print it, for future reference and access;
- Until or unless I notify PwC as described above, I consent to receive this Document through DocuSign; and
- I agree that signing this Document electronically through DocuSign has the same force and effect as a written signature



December 19, 2023

Ms. Chrystal Kornegay
Executive Director
Massachusetts Housing Finance Agency
One Beacon Street
Boston, Massachusetts 02108

Dear Ms. Kornegay:

The purpose of this letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide to Massachusetts Housing Finance Agency and Affiliates (the "Agency").

Services and related report

We will perform a review of the Agency's unaudited interim financial information as of September 30, 2023, December 31, 2023, and March 31, 2024 and for the three-month, six-month, and nine-month periods then ending. Upon completion of our review, we will provide the Agency with our review report on the interim financial information referred to above. If for any reason we are unable to complete the review, we may decline to issue a report as a result of this engagement.

PricewaterhouseCoopers LLP's "Report of Independent Auditors" is intended solely for the information and use of the Agency, and is not intended to be and should not be used by anyone other than the Agency. You agree not to disclose or distribute our report to any other parties without our prior written consent. Notwithstanding the foregoing, you may disclose our report (i) where compelled by subpoena, a public records request under M.G.L. c. 4, §7(26) or other similar form of legal process, of which you shall promptly inform us so that we may have an opportunity to object and/or seek an appropriate protective order; or (ii) to a governmental agency or regulatory authority (including a self-regulatory organization) having or claiming to have the authority to compel such disclosure, upon such agency or authority's request, provided that you promptly inform us of any such request you have knowledge of if you are lawfully permitted to do so.

We will also perform certain limited procedures over the Management's Discussion and Analysis ("MD&A") for each of the quarters ending September 30, 2023, December 31, 2023, and March 31, 2024. The MD&A is not a required part of the interim financial information but is supplemental information required by the Government Accounting Standards Board. These limited procedures do not provide us with evidence sufficient to express an opinion or any other form of assurance on the MD&A.

We will also perform review procedures related to the quarterly information statements and debt offerings (which may include the issuance of applicable letter of inclusion and agreed upon procedures report).

Our responsibilities and limitations

The objective of a review of interim financial information is to provide us with a basis for reporting whether we are aware of any material modifications that should be made to the interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America. A review includes obtaining sufficient knowledge of the Agency's business and internal control, as it relates to the preparation and fair presentation of both annual and interim financial information, to enable us to (i) identify the types of potential material misstatements in the interim financial information and consider the likelihood of their occurrence; and (ii) select the inquiries and analytical procedures that will provide us with a basis for reporting whether we are aware of any material modifications that should be made to the interim financial information for it to conform with accounting principles generally accepted in the United States of America.



We are responsible for conducting our review in accordance with the auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. The review will consist principally of performing analytical procedures and making inquiries of Agency personnel responsible for financial and accounting matters. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we will not express such an opinion on the interim financial information.

A review does not provide a basis for expressing an opinion about whether the interim financial information is presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. A review does not provide a basis for obtaining reasonable assurance that we will become aware of all significant findings or issues that would be identified in an audit. A review is not designed to provide us with a basis for obtaining reasonable assurance on internal control or to identify significant deficiencies or material weaknesses in internal control. However, we are responsible for communicating to management and those charged with governance any significant deficiencies or material weaknesses in internal control that we identify during the performance of review procedures.

Our engagement cannot ensure that errors, fraud or other illegal acts, if present, will be detected. However, we will communicate to the Agency, as appropriate, any illegal acts, material errors, or evidence that fraud may exist that come to our attention, unless they are clearly inconsequential.

The review will not be planned or conducted in contemplation of reliance by any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

Management's responsibilities

The Agency's management is responsible for preparing and presenting the interim financial information and MD&A in accordance with accounting principles generally accepted in the United States of America. Management is responsible for designing, implementing and maintaining internal control sufficient to provide a reasonable basis for the preparation and fair presentation of the interim financial information and MD&A in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for providing us with (a) access to all information of which management is aware that is relevant to the preparation and fair presentation of the interim financial information, such as records, documentation, and other matters; (b) additional information that we may request from management for the purpose of the review; and (c) unrestricted access to persons within the entity of whom we determine it necessary to make inquiries. Management is also responsible for identifying and ensuring that the Agency complies with the laws and regulations applicable to its activities.

Management is responsible for providing us, at the conclusion of the review, with a letter confirming certain representations made during the review. Management is also responsible for (i) adjusting the interim financial information to correct material misstatements; (ii) affirming in its representation letter to us that the effects of any uncorrected misstatements aggregated by us during the current review and pertaining to the current year period(s) under review are immaterial, both individually and in the aggregate, to the interim financial information taken as a whole; and (iii) notifying us of all material weaknesses, including other significant deficiencies, in the design or operation of the Agency's internal control over financial reporting that are reasonably likely to adversely affect the Agency's ability to record, process, summarize and report external financial data reliably in accordance with generally accepted accounting principles.



Other documents

Management should not represent in a report, document, or written communication containing the reviewed interim financial information that we have reviewed the interim financial information.

If management intends to publish or otherwise reproduce the interim financial information in a document that contains other information, management agrees to provide us in a timely manner with a draft document so that we may perform our professional responsibilities before the document is finalized and distributed.

Release and indemnification

Because of the importance of oral and written management representations to an effective review, the Agency releases and indemnifies PricewaterhouseCoopers LLP and its personnel from any and all claims, liabilities, costs and expenses attributable to any knowing misrepresentation by management.

In no event shall PricewaterhouseCoopers LLP be liable to the Agency, whether a claim be in tort, contract or otherwise, for any consequential, indirect, lost profit or similar damages relating to PricewaterhouseCoopers LLP's services provided under this engagement letter, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent behavior of PricewaterhouseCoopers LLP relating to such services.

In the event that the interim financial information is subsequently included in a filing with the Securities and Exchange Commission (unless our report is included as a result of Rule 3-05, Rule 3-14, Rule 6-11, Rule 8-04, or Rule 8-06 of Regulation S-X), we and the Agency hereby agree that the preceding two paragraphs in this "Release and Indemnification" section of this letter and any paragraphs covering the same issues in our previous engagement letters for previously issued reports included in the filing will be null and void and will no longer confer any rights or obligations on the parties. Such engagement letters will be deemed to be amended accordingly at the time of such filing, without further action by either party. Any letters so amended will remain in full force and effect unless otherwise amended by the parties.

Dispute resolution procedures

Any controversy or claim between the parties arising out of or relating to this engagement letter, the services provided hereunder (a "Dispute") shall be submitted first to non-binding, confidential mediation. If not resolved by mediation, any controversy or claim asserted against PwC shall be resolved by binding arbitration as described herein, and any controversy or claim asserted against the Agency shall be submitted to the Massachusetts Superior Court, the Massachusetts District Court or the Supreme Judicial Court, as applicable, and adjudicated in accordance with its procedures. Notwithstanding the foregoing, either party shall have the right to seek from any state or federal court in the Commonwealth of Massachusetts equitable relief to obtain the return of property, to enforce its intellectual property rights and/or to protect the confidentiality of its confidential information.

Any Dispute between the parties, including any claims or defenses asserted, and the interpretation of the engagement letter shall be governed by the law of New York State, without giving effect to its choice-of-law rules, except that issues relating to the Agency's sovereign immunity shall be governed by the laws of the Commonwealth of Massachusetts. The mediation shall be conducted in accordance with these procedures and, except to the extent inconsistent with these procedures, the Mediation Procedure of International Institute for Conflict Prevention and Resolution ("CPR") then in effect.

A party shall submit a Dispute to mediation by written notice to the other party or parties. The mediator shall be selected by mutual agreement of the parties. If the parties cannot agree on a mediator, the CPR shall designate a mediator in accordance with its Mediation Procedure. Any mediator must be acceptable to all parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director, or substantial equity owner of



PricewaterhouseCoopers LLP or any PricewaterhouseCoopers LLP audit client.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The mediation shall be conducted at a location mutually agreed to by the parties. If the parties cannot mutually agree on the location of the mediation, the mediation shall be conducted in the Commonwealth of Massachusetts. The mediation shall be treated as compromise and settlement negotiations under the standards set forth in the Federal Rules of Evidence and all applicable state counterparts, together with any applicable statutes protecting the confidentiality of mediations or settlement discussions. The mediator may not testify for either party in any later proceeding relating to the Dispute. The mediation proceeding shall not be recorded or transcribed. Each party shall bear its own costs (including attorneys' fees) of the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a Dispute within 90 days after the written notice beginning the mediation process is served (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the Dispute shall be settled by binding arbitration as to claims asserted against PwC and by the Massachusetts Superior Court, the Massachusetts District Court or the Supreme Judicial Court, as applicable, as to claims asserted against the Agency. The arbitration shall be conducted in accordance with these procedures and, except to the extent inconsistent with these procedures, the Rules for Non-Administered Arbitration of the International Institute for Conflict Prevention and Resolution ("Rules") then in effect. The arbitration shall be conducted before a panel of three arbitrators selected using the screened process provided in the Rules. The arbitration shall be conducted at a location mutually agreed to by the parties. If the parties cannot mutually agree on the location of the arbitration, the arbitration shall be conducted in the Commonwealth of Massachusetts. The arbitration panel, and not any federal, state or local court or agency, shall have exclusive authority to resolve any dispute regarding the extent to which a Dispute is subject to arbitration, or relating to the interpretation, applicability, enforceability or formation of the engagement letter.

The arbitrators may render early or summary disposition of some or all issues, after the parties have had a reasonable opportunity to make submissions on those issues. Discovery shall be conducted in accordance with the Rules. Upon a showing that the evidence sought is material to the Dispute, hearing sessions attended by one or more panel members may be convened to secure (i) documents from third-party witnesses, if the production cannot reasonably be obtained by other means; and/or (ii) testimony from third-party witnesses who could not be compelled to attend the arbitration hearing at its scheduled location.

Judgment on an arbitration award may be entered in any court having jurisdiction. All aspects of the arbitration shall be treated as confidential, except to the limited extent necessary to obtain entry of the award by a court. The arbitration panel shall have no power to award non-monetary or equitable relief of any sort.

The arbitration panel shall have no power to award damages that are punitive in nature, that do not measure a party's actual damages, or that are inconsistent with the Release and Indemnification provisions or any other terms of the engagement letter. The parties further agree that if the arbitration panel determines to award pre- or post-judgment interest, any such interest shall be computed on a simple basis at a rate of three percent. The parties accept and acknowledge that any demand for arbitration must be issued within one year from the date the demanding party becomes aware or should reasonably have become aware of the facts that give rise to the alleged liability and, in any event, no later than two years after the cause of action accrued.

In the event that our report is subsequently included in a filing with the Securities and Exchange Commission (unless our report is included as a result of Rule 3-05, Rule 3-14, Rule 6-11, Rule 8-04, or Rule 8-06 of Regulation S-X), we and the Agency hereby agree that the preceding paragraph in this "Dispute Resolution Procedures" section of this letter and any paragraphs covering the same issues in our previous engagement letters for previously issued reports included in the filing will be null and void and will no longer confer any rights or obligations on the parties. Such engagement letters will be deemed to be amended



accordingly at the time of such filing, without further action by either party. Any letters so amended will remain in full force and effect unless otherwise amended by the parties.

Other PricewaterhouseCoopers firms and subcontractors

PricewaterhouseCoopers LLP is a U.S. firm of the global network of separate and independent PricewaterhouseCoopers firms (exclusive of PricewaterhouseCoopers LLP, the "Other PwC Firms"). PricewaterhouseCoopers LLP may, in its discretion, draw on the resources of and/or subcontract to its subsidiaries and affiliates, the Other PwC Firms and/or third party contractors and subcontractors (each, a "PwC Subcontractor"), in each case within or outside the United States in connection with the provision of the services and/or for internal, administrative and/or regulatory compliance purposes. Except for internal administrative, regulatory compliance, or back-office technology solutions, the use of subcontractors which are not PricewaterhouseCoopers LLP subsidiaries or Other PwC Firms shall be approved by the Agency. The Agency agrees that PricewaterhouseCoopers LLP may provide information PricewaterhouseCoopers LLP receives in connection with this agreement to the PwC Subcontractors for such purposes.

PricewaterhouseCoopers LLP will be solely responsible for the provision of the services (including those performed by the PwC Subcontractors) and for the protection of the information provided to the PwC Subcontractors.

You agree that neither you nor any group entity will bring any claim, whether in contract, tort (including negligence) or otherwise against any PwC Subcontractor in respect of this engagement letter or in connection with the services herein. In the event that our report is subsequently included in a filing with the Securities and Exchange Commission (unless our report is included as a result of Rule 3-05, Rule 3-14, Rule 6-11, Rule 8-04, or Rule 8-06 of Regulation S-X), for independence purposes we and the Agency hereby agree that the immediately preceding sentence will be null and void and will no longer confer any rights or obligations on the parties. This letter will be deemed to be amended accordingly at the time of such filing, without further action by either party. The amended letter will remain in full force and effect unless otherwise amended by the parties.

Timing and fees

Completion of our work is subject to, among other things, 1) appropriate cooperation from the Agency's personnel, including timely preparation of necessary schedules, 2) timely responses to our inquiries, and 3) timely communication of all significant accounting and financial reporting matters. When and if for any reason the Agency is unable to provide such schedules, information and assistance, PricewaterhouseCoopers LLP and you will mutually revise the fee to reflect additional services, if any, required of us to complete the review. Should the Agency be acquired, PricewaterhouseCoopers LLP will reserve the right to renegotiate the fees.

Our fees for this audit engagement will be \$132,600, subject to the terms and conditions above. We will advise you should any circumstances arise which may require a change in scope and/or fee.

We also will bill the Agency for our reasonable out-of-pocket expenses, any applicable sales, use or value added tax, and our internal per ticket charges for booking travel. Amounts billed for services performed by PricewaterhouseCoopers LLP or PwC Subcontractors shall be considered fees and not expenses.

Invoices rendered are due and payable upon receipt.

Services related to the information statements and debt offerings will be billed based on the fees estimate included in Appendix A. Additionally, services related to accounting and reporting matters arising from proposed and/or completed offerings or transactions will be billed monthly based upon time and costs incurred based on our standard applicable rates for the specific service provided. We will provide management with estimated rates and fees in advance of performing the types of services referred to in this paragraph.

This agreement may be terminated for any reason by the Agency or PricewaterhouseCoopers



LLP upon thirty (30) calendar days' prior written notice to the other party; provided, however, that PricewaterhouseCoopers LLP shall have the right to terminate this agreement immediately, with notice thereof to the Agency, in circumstances under which PricewaterhouseCoopers LLP reasonably believes that immediate termination is required pursuant to GAO, SEC or AICPA independence guidelines.

Any additional services that may be requested and we agree to provide will be the subject of separate arrangements.

Information Security Program

- a. Federal and state laws require that the Agency maintain an information security program to protect certain personal information related to individuals who are customers, business partners, vendors, or employees of The Agency. This information includes, without limitation, the following: (1) Personal Information protected by Massachusetts General Laws, c. 93H and its implementing regulations promulgated at 201 C.M.R. 17; (2) nonpublic personal information protected by the Safeguards Rule of the Gramm-Leach-Bliley Act (15 U.S.C. § 6801 et. seq.) and its implementing regulations promulgated at 16 C.F.R. Part 314; (3) consumer reports protected under the federal Fair Credit Reporting Act, as amended by the 2004 FACT Act (15 U.S.C. § 1681 et. seq.); and any other information pertaining to individuals subject to data security, data security breach notification, and identity theft prevention laws.
- b. If The Agency grants PricewaterhouseCoopers LLP access to its information technology networks or otherwise allows PricewaterhouseCoopers LLP to view personal information related to individuals who are customers, business partners, vendors, or employees of The Agency, PricewaterhouseCoopers LLP shall comply with all federal and state laws protecting such information while working at the The Agency's facility, while using The Agency's protected information, and while connected to The Agency's network. Contractor acknowledges that it is The Agency's policy to employ the services of outside investigative agencies to conduct background checks on individuals with access to its networks and agrees to submit to such background checks of its impacted employees at The Agency's request. For the avoidance of doubt, this background check requirement applies only to PricewaterhouseCoopers LLP's employees, if any, who are granted access to The Agency's information technology networks. The Agency maintains the strict confidentiality of all reports and records related to such investigations.
- c. PricewaterhouseCoopers LLP shall comply with The Agency's information security program by (1) implementing and maintaining measures designed to meet the information security objectives of federal and state laws; (2) using and disclosing customer information solely for the purposes of performing under this engagement letter; and (3) PricewaterhouseCoopers LLP shall make available to the Agency all information necessary to demonstrate PwC's compliance with obligations laid down in this engagement letter and allow for and contribute to audits, including inspections, conducted by the Agency or another auditor mandated by the Agency that is not a PwC competitor. For the avoidance of doubt, the audits and inspections described in the preceding sentence shall be conducted solely as follows: on the Agency's written request, not more than once annually or if there are indications of non-compliance, in each case during the term of the engagement letter, PwC will: (i) accurately complete a written security and privacy assessment questionnaire related to the Services, provided that doing so does not violate applicable law or PwC's confidentiality obligations, meet with the Agency to discuss the results of the assessment and answer questions regarding PwC's information security program, and reasonably treat any noted assessment deficiencies based upon risk severity; and/or (ii) provide PwC's then-current SOC3 audit report for its



U.S. data center around AICPA trust principles of security and availability. To the extent SCC Module(s) Two and/or Three apply(ies), the parties hereby acknowledge and agree that such audits and inspections shall satisfy the audit-related requirements set forth in SCC Clause 8.9

Non-Discrimination

There shall be no discrimination against an employee who is employed in the work covered by this agreement, or against any applicants for such employment, because of race, color, religious creed, national origin, sex, sexual orientation, or ancestry. This provision shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. PricewaterhouseCoopers LLP shall insert a similar provision in all subcontracts for services covered by this agreement.

Conflict of Interest

No officer, member or employee of The Agency and no member of its governing body and no other public official of the governing body of the locality or localities in which this agreement is situated or being carried out who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this agreement, shall (a) participate in any decision relating to this agreement which affects its personal interest or the interest of any corporation, partnership, or association in which it is directly or indirectly interested; or (b) have any interest, direct or indirect in this agreement or the proceeds thereof.

Other matters

PricewaterhouseCoopers LLP is owned by professionals who hold CPA licenses as well as by professionals who are not licensed CPAs. Depending on the nature of the services we provide, non-CPA owners may be involved in providing services to you now or in the future. PricewaterhouseCoopers LLP is not presently disbarred, suspended, or proposed for disbarment from participating, partially or in full, by any agency or instrumentality of the United States Government or the Commonwealth of Massachusetts.

Compliance with the auditor independence rules is a shared responsibility between a company and its independent auditor. The independence rules encompass not only the Agency but also its affiliates, as defined in AICPA Code of Professional Conduct, and individuals with a beneficial ownership interest (known through reasonable inquiry) that gives the individual significant influence over the Agency as provided in the AICPA Code of Professional Conduct. Therefore, the Agency agrees to inform us periodically about the identity of each such affiliate or beneficial owner and will notify us in advance regarding any expected addition or removal of such an affiliate or beneficial owner, including, for example, due to (i) acquisition of a new affiliate, (ii) disposition or change in control of, or additional investment in, an existing affiliate, or (iii) the identification of a new beneficial ownership interest that gives the individual significant influence over the Agency. The Agency acknowledges that we will use this information confidentially to assess and/or reassess independence.

In the event we are requested or authorized by the Agency or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for the Agency, the Agency will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such a request.

The Agency agrees that it will not, directly or indirectly, agree to assign or transfer this engagement letter or any rights, obligations, claims or proceeds from claims against PricewaterhouseCoopers LLP arising out of or in any way relating to this engagement letter, any services provided hereunder, or any fees for this engagement or such services, to anyone, except to an entity with which the Agency merges or an entity which acquires all or substantially all of the assets of the Agency and where, in either case, the assignee entity



agrees to be bound by this provision. Any assignment or transfer by the Agency in violation of this paragraph shall be void and invalid. PricewaterhouseCoopers LLP shall not assign any interest in this contract, and shall not transfer any interest in the same without the prior written consent of the Agency.

This engagement letter reflects the entire agreement between us relating to the services covered by this letter. It replaces and supersedes any previous proposals, correspondence and understandings, whether written or oral. The agreements contained in this engagement letter shall survive the completion or termination of this engagement. Because our services are often recurring, and due to the timing of when an engagement letter may be signed for the 2025 services ("2025 Engagement Letter"), we may perform procedures and gather information for the 2025 services before the 2025 Engagement Letter is executed. To the extent that such work occurs before the 2025 Engagement Letter is executed, the terms of this engagement letter shall continue to apply to that work until such time as either (1) the Agency or PricewaterhouseCoopers LLP informs the other party that the engagement is terminated or (2) the 2025 Engagement Letter is executed, whichever is earlier. For the avoidance of doubt, fees for any work performed in support of the 2025 services will be billed according to what is ultimately agreed in the 2025 Engagement Letter.

Notwithstanding any other provision of this engagement letter, PwC and the Other PwC Firms may use the information received under this engagement letter, to develop, enhance, modify and improve technologies, tools, methodologies, services and offerings, and/or for development or performance of data analysis or other insight generation. Information developed in connection with these purposes may be used or disclosed to you or current or prospective clients to provide them services or offerings. PwC and the Other PwC Firms will not use or disclose the information in a way that would permit the Agency to be identified by third parties without the Agency's consent.



* * * * *

We are pleased to have the opportunity to provide services to the Massachusetts Housing Finance Agency. If you have any questions about this letter, please discuss them with Nipa Patel at (310) 498-0242. If the services and terms outlined in this letter are acceptable, please sign one copy of this letter in the space provided and return it to me. You may return the signed copy by hand, by mail or by air courier, attached to an email as a pdf, jpeg or similar file type sent to me at nipa.patel@pwc.com, or by electronic signature.

Very truly yours:

DocuSigned by:
PricewaterhouseCoopers LLP
9D44ED46C492409...
PricewaterhouseCoopers LLP

Date:

December 19, 2023



The services and terms as set forth in this letter are agreed to.

Massachusetts Housing Finance Agency

By:

DocuSigned by:
Chrystal Kornegay
C98738E774304FC...

Chrystal Kornegay
Executive Director

Date:

December 19, 2023

cc: Jeanne Pinado, Chair of the Investment and Audit Committee

cc: Rachel C. Madden, Financial Director

cc: Stephen E. Vickery, Comptroller



Appendix A

Other Services

Quarterly Information Statement reviews*	\$55,120
Debt Offerings requiring PwC Comfort and Inclusion Letters	\$8,220

*The fee established for the quarterly information statement reviews above includes one debt offering per quarter related to the professional services rendered in connection with the offering procedures performed. Each additional offering will be billed at \$8,220 as incurred.



Report on the Firm's System of Quality Control

GRANT THORNTON LLP

1100 Peachtree St. NE, Suite 1200
Atlanta, GA 30309

D +1 404 330 2000
F +1 404 330 2047

November 22, 2021

To the Partners of PricewaterhouseCoopers LLP and the National Peer Review Committee:

We have reviewed the system of quality control for the accounting and auditing practice of PricewaterhouseCoopers LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, a compliance audit under the Single Audit Act, audits of employee benefit plans, an audit performed under FDICIA, audits of broker-dealers, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.



Opinion

In our opinion, the system of quality control for the accounting and auditing practice of PricewaterhouseCoopers LLP, applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. PricewaterhouseCoopers LLP has received a peer review rating of *pass*.

Grant Thornton LLP

Certificate Of Completion

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Subject: Complete with DocuSign: MFHA EL Interim Review FY24 (For Signing).pdf	
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Document Pages: 13	Signatures: 2
Certificate Pages: 4	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelope Stamping: Enabled	Joseph Beaudoin
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	PO Box 30004
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Chrystal Kornegay
 CKornegay@masshousing.com
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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	12/19/2023 11:32:03 AM

Envelope Summary Events	Status	Timestamps
Signing Complete	Security Checked	12/19/2023 11:32:29 AM
Completed	Security Checked	12/19/2023 11:32:29 AM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, PricewaterhouseCoopers LLP (PwC, we, or us) may provide to you certain written documents (Document or Documents). Described below are the terms and conditions for providing to you such Documents electronically through the DocuSign, Inc. (DocuSign) electronic signing system. Please read the information below carefully and thoroughly. By checking the “I consent to use Electronic Records and Signatures” box, you acknowledge that you can access this information electronically to your satisfaction and agree to these terms and conditions.

Getting paper copies

At any time, you may request from us a paper copy of any Document provided or made available electronically to you by us. Please contact your PwC engagement team member to request delivery of paper copies of the Documents previously provided by us to you electronically through DocuSign.

Withdrawing your consent

If you decide to receive this Document from us electronically through DocuSign, you may, prior to signing, indicate to us that you are changing your mind, and withdraw your consent using the DocuSign “Decline to Sign” option on the signing page of a DocuSign envelope instead of signing it. This will indicate to us that you have withdrawn your consent to receive this Document electronically through DocuSign or to sign this Document from us electronically. The consequences of your withdrawing consent could be that this transaction may take a longer time to process. This process does not, however, withdraw your consent with regard to Documents you have already signed electronically.

Advising PwC of changes to your e-mail address

To let us know of a change in your e-mail address where we should send Documents electronically to you, please contact your PwC engagement team member.

Required hardware and software

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista® Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

** These minimum requirements are subject to change. If these requirements change, you will be asked to re-accept the disclosure. Pre-release (e.g. beta) versions of operating systems and browsers are not supported.

Acknowledging your access and consent to receive Documents electronically through DocuSign

By checking the “I consent to use Electronic Records and Signatures” box, I confirm that:

- I can access and read this ELECTRONIC RECORD AND SIGNATURE DISCLOSURE;

- I can print on paper this disclosure or save or send it to a place where I can print it, for future reference and access;
- Until or unless I notify PwC as described above, I consent to receive this Document through DocuSign; and
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Glossary (1 of 2)

Direct assistance

The use of internal auditors to perform audit procedures under the direction, supervision, and review of the external auditor.

Fraud

An intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in the financial statements that are the subject of an audit. Two types of intentional misstatements are relevant: misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets.

Risk assessment procedures

The procedures performed by the auditor to obtain information for identifying and assessing the risks of material misstatement in the financial statements whether due to fraud or error.

Overall materiality

Materiality determined for the financial statements as a whole.

SUM de minimis

The amount below which potential audit adjustments are clearly trivial and need not be accumulated and posted to the summary of uncorrected misstatements (SUM). The amount is set so that any misstatements below that amount would not be material to the financial statements, individually or in combination with other misstatements, considering the possibility of undetected misstatement.



Glossary (2 of 2)

Related parties

Related parties include:

- a. Affiliates of the entity
- b. Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of ASC 825-10-15, to be accounted for by the equity method by the investing entity
- c. Trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
- d. Principal owners of the entity and members of their immediate families
- e. Management of the entity and members of their immediate families
- f. Other parties with which the entity may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests
- g. Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

Related party transactions

The transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a price is charged.

Significant risk

An identified and assessed risk of material misstatement that, in our professional judgment, requires special audit consideration.

For when trust matters

Report to the **Investment and Audit Committee**



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