Massachusetts Housing Finance Agency

One Beacon Street
Boston, MA 02108

REQUEST FOR PROPOSAL

FOR

Investment Management and Advisory Services

TABLE OF CONTENTS

Section

I. STATEMENT OF PURPOSE

MassHousing is requesting proposals pursuant to this Request for Proposals ("RFP") for a consultant to enter into a 3-year contract with the option of (2) one-year extensions for a total of 5 years. The services for which MassHousing is requesting proposals consist of investment management and advisory services to actively manage its Multi-Family and Single-Family bond resolutions, Mortgage Insurance Fund and Working Capital Accounts.

II. BACKGROUND

MassHousing is a self-supporting, independent state agency established in 1966 to provide mortgage financing and related services for affordable housing in Massachusetts. The agency raises capital through the issuance of taxable and tax-exempt bonds and is structured around six main business lines: Rental Business Development, Rental Underwriting, Rental Management, Home Ownership Lending, Home Ownership Production, and Home Ownership Servicing & Operations. Support functions include legal, IT, and finance.

Key Business Areas

- **Rental Management** oversees multifamily portfolios, ensuring regulatory and subsidy compliance, and provides contract administration services, including for HUD.
- **Home Ownership Servicing & Operations** manages a portfolio of loans for first-time and qualified homebuyers originated through MassHousing's network of lenders.
- **Mortgage Insurance Fund (MIF)** serves as a primary mortgage insurer for MassHousing loans and is recognized by Fannie Mae, Freddie Mac, and local financial institutions.
- **Massachusetts Community Climate Bank (MCCB)** supports decarbonization in the residential housing sector, focusing on low- and moderate-income multifamily and single-family properties.

For more, visit www.MassHousing.com or MassClimateBank.com. Key financial documents and reports are available on the MassHousing Investor Page.

III. SCOPE OF WORK

Specific responsibilities of the selected firm(s) shall include, but not be limited to the following:

- Assist in the daily management of MassHousing's investment portfolio pursuant to the specific, stated investment objectives. Place all orders for the purchase and sale of the securities, communicate settlement information to

MassHousing staff AND its reporting consultants and assist in coordinating security settlement.

- Serve as a general resource to MassHousing staff for information, advice, and training regarding fixed income securities and investments.

- Work with MassHousing staff and its cash flow consultants to ensure that the investment strategy is consistent with MassHousing's cash requirements.

- Provide monthly and quarterly statements of investment activity, earnings and the value of the investment portfolio.

- Provide investment strategies to improve return performance and suggest changes as needed to investment strategy.

- Provide MassHousing with standardized electronic trade files for all executed transactions (See Exhibit C for Details)

IV. CONTENT OF PROPOSALS

This RFP is designed to elicit all information considered essential to evaluating each proposal. There is no intent to limit the content of the proposals. Respondents may include such additional information as may be appropriate, or offer alternate solutions, but should not exclude any information requested in this RFP.

In support of MassHousing's longstanding commitment to confront the housing challenges facing the Commonwealth to improve the lives of its people, MassHousing will prioritize organizations who align with the Agency's mission and values.

All proposals should contain the following information:

A. Transmittal Letter/Firm Description/Executive Summary

Proposals must be accompanied with a transmittal letter on company stationery or letterhead and signed by an individual legally authorized to bind the company. The transmittal letter should identify the individual(s) involved in preparing the proposal, as well as a single point of contact for the company. The transmittal should contain or be accompanied by a detailed description of the firm (including background on the firm's financial stability) as well as a summary of the contents of the proposal.

MassHousing is an equal opportunity employer and seeks to provide procurement, contracting and employment opportunities for all. It is MassHousing's mission to confront the housing challenges facing the Commonwealth to improve the lives of its people. The Commonwealth faces an unprecedented challenge in housing supply and seeks to expand the affordable housing delivery system. We encourage responses from entities which describe strategies to actively promote and recruit vendors, workers, and contractors that have not previously had access to such opportunities. Responses that describe the benefits of direct, specific, and measurable access to employment and contracting opportunities created by the proposed project will be favorably reviewed.

B. Experience and Qualifications

Proposals should describe the relevant experience of the firm and of the key personnel that will be providing the services. Relevant experience includes not only services similar to those being sought by MassHousing but also any past experience with entities similar to MassHousing.

C. Culture and Values

Please provide the following information about your organization's culture and values.

Your Company

1. Describe your own organization's activities that reflect your commitment to equal opportunity and fairness, and the impact, if any, it has on your organization's competitive position.
2. Provide a summary of your organization's leadership and governance structure, including how your leadership team and board composition reflect or support the broader goals of your organization.
3. Describe how your employees engage in volunteerism, community service, or charitable efforts. Include any organizational support or recognition for such involvement.
4. Share any partnerships or collaborations your organization maintains with local businesses, local nonprofits, public agencies, or community-based organizations aligned with housing, economic development, or social impact.
5. Outline any sustainability or environmental stewardship policies your organization follows (e.g., energy-efficient practices, green construction, environmental certifications).
6. Highlight any measurable impacts your organization has had in promoting positive social or community outcomes, including client feedback, external recognitions, or internal reporting processes.

Your Vendors/Consultants/Suppliers

1. Describe any strategies you employ to expand the number and/or variety of vendors you utilize in your own business.

2. Provide a breakdown of your ten largest categories of vendor, consultant, or supplier purchases over the past three years. For each category, include:
    - Total dollar amount or percentage of spend

- Percentage of vendors that represent first-time engagements

Example:

Category	Total $ / % Spend	% First-Time Engagements
Example	$500,000 / 15%	40%

3. Identify any spending goals, new partnerships, underutilized and/or underrepresented vendors or procurement strategies your organization is pursuing to increase opportunities for new or underutilized vendors, consultants, or suppliers.

D. References

Please provide a list of at least three (3) companies that MassHousing can contact as references for which the respondent has provided similar services within the past three years, including:

1. Name, address, phone number and website address of each company.

2. General description of the engagement; and

3. Contact name and telephone number(s) of those who can talk knowledgeably about their experience with the respondent and any system issues that arose during the implementation of their project.

E. Project Plan

Provide a step-by-step project plan for performing and completing the solicited services as described in our SOW. Your Project Plan should include:

1. Key personnel and their roles in providing the service.
2. Your general approach and methodology in providing the services. You may provide suggestions or alternatives to any approach described in the SOW as long as you also respond to the described approach.
3. Details about the project phases, including a list of deliverables, sign-off points, timelines, milestones, software components (if any), subcontractors, and training.
4. Past performance records and metrics. Show how portfolios like MassHousing's have performed under your management. Focus on accounts similar to this one:

short-term, high-quality bond portfolios, ideally for housing finance agencies or other government clients. Please include:

a. Your historical returns for these similar accounts, shown both before and after fees, compared against a benchmark, for the past 1, 3, 5, and 10 years and since you began managing the strategy. Report these returns on a Global Investment Performance Standards (GIPS)-compliant basis (an industry standard that requires firms to show all comparable accounts, not just their best ones).
b. The benchmark you measured against, and why it's a fair comparison for a portfolio like MassHousing's.
c. For one representative account, a breakdown of what drove the returns - for example, how much came from the maturity/duration of the holdings, from which sectors you chose, and from picking specific securities.
d. Your firm's total assets under management, how much of that is in the type of strategy relevant to this engagement, and how many similar government or housing finance agency accounts you currently manage.
e. Indicate how many comparable clients your firm has retained or lost over the past five years and, to the extent possible, provide the reasons for any client losses.

5. Expectations of MassHousing’s staff to assist with the process.

F. Support

Please describe whether there is typically an on-going relationship with respondent and its clients after implementation. Please describe the way respondent communicates with clients after implementation, whether through industry-related newsletters published by respondent, continuing educational workshops, etc.

G. Adverse Actions

Please include a description of any insurance claim, criminal investigation or material litigation against your firm or members of your firm in the last ten (10) years, any instances in which your firm has been debarred by state or federal government and the circumstances for the debarment, as well as a summary of any formal complaints filed against your firm or members of your firm containing allegations of discrimination in the last ten (10) years.

H. Conflicts of Interest

Please describe any facts you are aware of that would result in a conflict of interest with MassHousing if a contract was awarded to your firm.

I. Pricing

Please provide a detailed pricing structure for delivering the services (use a matrix or chart if necessary).

V. METHOD OF SELECTION/AWARD

A. Contract Award

Contract will be awarded to the respondent whose proposal is determined to be the most advantageous to MassHousing, in its sole discretion, taking into account price and other evaluation criteria as set forth in this RFP.

MassHousing reserves the right to negotiate the terms of the contract(s), including the contract amount(s), with the selected respondent prior to entering into a contract. The contents of the respondent's proposal and this RFP, and any amendments thereto, shall become contractual obligations if an engagement of services ensues. Contract selections should be distinguished from a contract award. Contracts will not be considered awarded until negotiation of terms is final. Failure of a successful respondent to accept these obligations in contractual agreement may result in cancellation of a respondent's selection. If contract negotiations cannot be concluded successfully with any selected respondent(s), MassHousing may, in its sole discretion, negotiate a contract with the next ranked respondent.

One or more contracts may be awarded as a result of proposals submitted in response to this RFP. MassHousing reserves the right to award contracts for individual deliverables if that is advantageous to MassHousing. By submitting a proposal pursuant to this RFP, the selected respondent agrees to enter into an agreement with MassHousing in substantially the same form as MassHousing's Standard Services Agreement provided upon request.

B. Evaluation of Proposals

Proposals submitted in accordance with this RFP will be evaluated by a selection committee composed of MassHousing staff. All respondents will be notified of the outcome of the review of their proposal. Proposals will be evaluated pursuant to the following criteria:

- Responsiveness to requirements of RFP
- Financial and organizational stability of respondent
- Understanding of proposed scope of services and approach in addressing MassHousing's specific needs and objectives
- Quality and timeliness of proposed work plan

- Technical capabilities (in terms of personnel, equipment, and materials) and management plan including staffing of key positions, method of assigning work, change management, program oversight, and procedures for maintaining level of service
- Alignment of Culture and Values
- Demonstrated experience and qualifications of respondent and respondent's staff assigned to perform the solicited services
- Ability to provide a cost-effective solution to meet the needs of MassHousing; and
- Demonstrated successful past performance based on metrics and references.

VI. SCHEDULE AND INSTRUCTIONS

A. Proposals and Due Dates

All proposals must be submitted electronically by **5:00 PM Eastern Time on Thursday, September 24, 2026.**

Please email your response to **Waseem Arshad** at **warshad@masshousing.com**

Late submissions may, at MassHousing's discretion, be rejected. **Please note that hard copy submissions will not be accepted and will be returned without review.**

B. Summary Project Timetable

Following initial review of the proposals, MassHousing will identify those respondents it elects to interview. Interviews will be scheduled after the response deadline and MassHousing will attempt to provide respondents with at least one week's notice before scheduling an interview.

The anticipated timetable for the evaluation process and subsequent project activities is summarized below:

Date	Task
08/04/2026	Distribute RFP
08/05/2026	RFP Response Period Begins
08/26/2026	Submit all questions in writing by this date

09/09/2026	MH will publish answers to questions on our website
N/A	Bidders Conference Date and Link if applicable
09/24/2026	RFP Response Deadline
10/14/2026	RFP Evaluation and Selection of Candidates for Further Review
12/03/2026	Complete Follow-up and Reference Calls
12/15/2026	Final Selection

This anticipated timetable is for reference purposes only and is subject to change at MassHousing's sole discretion. A copy of this RFP, as well as any addenda thereto, will be posted on www.masshousing.com/rfp. Schedule changes and/or other RFP revisions, including date, time, and place changes, if any, will be posted on the website on a weekly basis. In addition, after the RFP Response Deadline, changes may be sent directly to Respondents at the contact information provided.

C. Single Point of Contact

All inquiries, communications, and requests for clarification regarding this Request for Proposals (RFP) must be submitted via email only to the following Single Point of Contact (SPOC):

Waseem Arshad
Senior Director of Finance
MassHousing
Email: warshad@masshousing.com

In order to maintain a fair and impartial competitive process, MassHousing will only answer questions or comments regarding the RFP that are submitted in accordance with the terms of this section. MassHousing will determine, in its sole discretion, whether any inquiry requires a formal response which, if required, may take the form of an addendum to this RFP. Respondents who initiate private communications with other MassHousing personnel regarding material issues involving this RFP may be disqualified.

D. Bidder's Conference

No formal bidder's conference is scheduled.

Participants are encouraged to review the RFP in advance and submit any questions by **08/26/2026** to **warshad@masshousing.com.** Written responses to all questions will be shared with all attendees and/or posted to the **MassHousing website on 09/09/2026.**

VII. ADDITIONAL PROVISIONS

A. Confidentiality

By accepting to respond to this RFP, respondent expressly acknowledges that MassHousing's business procedures, ideas, inventions, plans, financial data, contents of this RFP, and other MassHousing information are the sole and exclusive property of MassHousing. The Respondent also agrees that it will safeguard such information to the same extent it safeguards its own confidential material or data relating to its own business information that is of a confidential or proprietary nature. Federal and state laws require that MassHousing maintain an information security program to protect certain personal information related to individuals who are customers, business partners, vendors, or employees of MassHousing. This information includes the following: (1) nonpublic personal information protected by the Safeguards Rule of the Gramm-Leach-Bliley Act (15 U.S.C. § 6801 et. seq.) and implementing regulations (16 C.F.R. Part 314); 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. If MassHousing grants respondent access to its networks or otherwise allows respondent to view personal information related to individuals who are customers, business partners, vendors, or employees of MassHousing, respondent shall comply with all federal and state laws protecting such information while working at MassHousing's facility, while using MassHousing's protected information, and while connected to MassHousing's network. It is MassHousing's policy to employ the services of outside investigative agencies to conduct background checks on individuals with access to its networks. In submitting its proposal, respondent acknowledges that it will be required to submit to such background checks of its impacted employees at MassHousing's request. If awarded the contract, respondent shall comply with MassHousing'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 the contract; and (3) providing MassHousing with copies of the results of any internal and external audits or tests of the effectiveness of MassHousing's information security measures.

B. Non-Discrimination

In connection with the performance of work under this contract, the respondent agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, disability, sex, marital status, familial status, sexual orientation, gender identity or expression, pregnancy, genetic information, veteran status, alienage or citizenship status, ancestry, national origin, or any other characteristic protected by applicable federal, state, or local laws. 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. The respondent further agrees to take all action necessary to ensure equal employment opportunities in compliance with applicable federal, state, and local law. The respondent agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause.

C. Rights of MassHousing

MassHousing is soliciting competitive proposals pursuant to a determination that such a process best serves the interests of MassHousing and not because of any legal requirement to do so. MassHousing accordingly reserves the right to accept any proposal; to withdraw or cancel this RFP; to modify or amend, with the consent of the proponent, any proposal prior to acceptance; to reject any or all proposals or waive any informality and otherwise to affect any agreement that MassHousing in its sole judgment, deems to be in its best interest.

D. Use of Respondent Proposal

All material submitted becomes the property of MassHousing and will not be returned. If the respondent intends to submit confidential or proprietary information as part of the proposal, any limits on the use or distribution of that material should be clearly delineated in writing. Respondent should be aware that MassHousing is a quasi-public governmental agency subject to Massachusetts General Laws, Chapter 66, sections 1-18, therefore, any information submitted to MassHousing (even if marked as confidential or proprietary) may be subject to disclosure under the Massachusetts Public Records Law.

MassHousing reserves the unrestricted right to copy and disseminate the respondent materials for internal review.

E. Respondent Proposal Costs

All respondent proposal related costs, including but not limited to, proposal preparation and presentation, system demonstrations, documentation, site visits, in-depth briefing for MassHousing, and negotiation meetings are entirely the responsibility of the respondent and shall not be chargeable in any manner to MassHousing. MassHousing will bear the costs of sending its own staff to respondent headquarters and respondent client sites if such meetings are required.

Exhibit A

<u>Permitted Investments/Investment Obligation under MassHousing Multi-Family and Single-Family Bond Resolutions</u>:

Housing Bond Resolution adopted December 10, 2002

"Permitted Investment" shall mean and include any of the following securities, if and to the extent the same are at the time of investment legal for investment of MassHousing funds; provided, however, that MassHousing shall not invest in any such security if the investment in any such security would adversely affect the then current unenhanced ratings on the Bonds assigned by the Credit Rating Agencies:

direct general obligations of the United States of America and obligations (including obligations of any federal agency or corporation) the payment of the principal and interest on which, by act of the Congress of the United States or in the opinion of the Attorney General of the United States in office at the time such obligations were issued, are unconditionally guaranteed by the full faith and credit of the United States of America, or so long as at the time of their purchase such investments will not adversely affect the then-current ratings, if any, assigned to the Bonds by each Rating Agency, any other evidences of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this clause (i);

any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are not callable at option of the obligor or otherwise prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, (b) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) hereof which fund may be applied only to the payment of interest when due, principal of and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) hereof which have been deposited in such fund along with any cash on deposit in such fund is sufficient to pay interest when due, principal of and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, and (d) which at the time of their purchase under this Resolution bear the highest rating available from each Credit Rating Agency; bonds, debentures, participation certificates (representing a timely guaranty of principal and interest), notes or similar evidence of indebtedness of any of the following: Financing Corporation, Federal Home Loan Bank System, Federal Farm Credit Bank, Fannie Mae (excluding "stripped" securities), Federal Home Loan Mortgage Corporation (excluding "stripped" securities), Resolution Funding Corporation, Government National Mortgage Association or Student Loan Marketing Association;

obligations of any state of the United States of America or of any political subdivision or public agency or instrumentality thereof, provided that at the time of their purchase under this Resolution such obligations are rated by each Credit Rating Agency no lower than the then current rating assigned to the Bonds by each Credit Rating Agency;

prime commercial paper of a corporation incorporated under the laws of any state of the United States of America, having at the time of their purchase under this Resolution the highest rating available from each Credit Rating Agency;

interest-bearing time deposits, certificates of deposit or other similar banking arrangements with banks (which may include any fiduciary), provided such deposits are made with banks rated by each Credit Rating Agency at the time the deposit is made no lower than the then current rating assigned to the Bonds by such Credit Rating Agency;

shares of a diversified open-end management investment company as defined in the Investment Company Act of 1940, which is a money market fund, which are rated (which rating shall, in the case of Standard and Poor's, have a subscript of "m" or "m-G") at the time of their purchase by each Credit Rating Agency no lower than the then current rating assigned to the Bonds by such Credit Rating Agency;

shares of a diversified open-end management investment company as defined in the Investment Company Act of 1940, which is a mutual fund that invests in the Investment Securities described in clauses (i), (ii) and (iii) above, provided that such fund shall have at the time of investment in such fund the highest rating available from each Credit Rating Agency or that the investment in such fund will not adversely affect the then current ratings on the Bonds assigned by the Credit Rating Agencies;

repurchase agreements for obligations of the type specified in clauses (i) and (iii) above, provided either (a) the repurchase agreement is an unconditional of the counterparty and such counterparty (or an affiliated guarantor) is rated at the time of its purchase by each Credit Rating Agency no lower than the rating assigned to the Bonds by such Credit Rating Agency, or (b) the repurchase agreement is an obligation of a counterparty that is rated at the time of its purchase by each Credit Rating Agency in an investment grade category and is collateralized by obligations which (i) are marked to market at intervals, (ii) have a value equal to not less than the percentage of the amount thereby secured, and (iii) have such additional legal requirements specified by each Credit Rating Agency, taking into account the maturity of such obligations;

Investment Agreements: and any other investment obligation or deposit, provided such investment or deposit will not, at the time such investment is made, adversely affect the then current unenhanced ratings on the Bonds assigned by the Credit Rating Agencies.

Permitted Investments must be limited to those instruments that have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change. If a Permitted Investment is rated, it should not have a "r" highlighter affixed to its rating. Interest should be tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with that index.

Single Family Housing Revenue Bond Resolution adopted September 12, 1985

"Investment Obligation" means any of the following which at the time are legal investments for moneys of the Agency: (1) direct general obligations of the United States of America and obligations (including obligations of any federal agency or corporation) the payment of the principal and interest on which, by Act of the Congress of the United States or in the opinion of the Attorney General of the United States in office at the time such obligations were issued, are unconditionally guaranteed by the United States of America, or any other evidences of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this clause (1), (2) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are not callable at the option of the obligor or otherwise prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, (b) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (1) hereof which fund may be applied only to the payment of interest when due, principal of and redemption premium, if any, on such bonds or other obligations on the maturity date or dates hereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (1) hereof which have been deposited in such fund along with any cash on deposit in such fund is sufficient to pay interest when due, principal of and redemption premium, if any, on the bonds or other obligations described in this clause (2) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause 2, as appropriate, and (d) which at their time of purchase under the Resolution are rated in the highest rating category by each Nationally Recognized Credit Rating Agency then maintaining a credit rating on the Bonds (3) bonds, debentures, participation certificates, notes or similar evidences of indebtedness of any of the following: Bank for Cooperatives, Federal Intermediate Credit Banks, Federal Financing Bank, Federal Land Banks, Federal Home Loan Bank System, Federal Farm Credit Bank, Federal National Mortgage Association, Export-Import Bank of the United States, Farmers Home Administration, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Student Loan Marketing Association, Tennessee Valley Authority, or United States Postal Service, (4) public housing bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or temporary notes, preliminary notes or project notes issued by public agencies or municipalities, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America, (5) direct and general obligations of any state of the United States to the payment of the principal of and interest on which the full faith and credit of such state is pledged, provided that at the time of their purchase under the Resolution such obligations are rated in either of the two highest rating categories by each Nationally Recognized Credit Rating Agency then maintaining a credit rating on the Bonds and any other obligations issued by any such state or by any municipality or public agency thereof which at the time of purchase under the Resolution are rated in the highest rating category by each Nationally Recognized Credit Rating Agency then maintaining a credit rating on the Bonds, (6) direct obligations of or obligations guaranteed by the Commonwealth, provided that at the time of their purchase under the Resolution such obligations are rated in either of the two highest rating categories by each Nationally Recognized Credit Rating Agency then maintaining a credit rating on the Bonds, (7) prime commercial paper of a corporation incorporated under the laws of any state of the United States of America, rated at the time of their purchase in the highest rating category by each Nationally Recognized Credit Rating Agency then maintaining a credit rating on the Bonds, (8) interest bearing time deposits, certificates of deposit or other similar banking arrangements with banks (which may include any Fiduciary) which are members of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, provided that, to the extent such deposits exceed available federal deposit insurance, such deposits are fully collateralized and secured (in such manner as will not adversely affect the credit ratings then assigned to the Bonds by any Nationally Recognized Credit Rating Agency) by obligations described in clauses (1), (2) or (3) above which at all times have a market value (exclusive of accrued interest) at least equal to such deposits so secured, including interest, (9) shares of a diversified open-end management investment company as defined in the Investment Company Act of 1940, which is a money market fund, which has been rated in either of the two highest rating categories by each Nationally Recognized Credit Rating Agency then maintaining a credit rating on the Bonds, (10) repurchase agreements for obligations of the type specified in clauses (1), (2) and (3) above, provided such repurchase agreements are fully collateralized and secured (in such manner as will not adversely affect the credit ratings then assigned to the Bonds by any Nationally Recognized Credit Rating Agency) by such obligations which have a market value (exclusive of accrued interest) at least equal to the purchase price of such repurchase agreements and provided further that such obligations are held by the Trustee or a depository satisfactory to the Trustee in such manner as may be required to provide a perfected first security interest in such obligations, and (11) investment agreements with banks, bank holding companies, insurance

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Exhibit B

Massachusetts Housing Finance Agency

INVESTMENT POLICY

Adopted April 13, 2021

Massachusetts Housing Finance Agency

INVESTMENT POLICY

I. Introduction

The intent of this Investment Policy (this "Policy") of the Massachusetts Housing Finance Agency ("MassHousing") is to establish guidelines and parameters for the investment of the funds governed by the Policy. The Policy is designed to ensure the prudent management of funds, and the availability of operating and capital funds when required, while earning a competitive return within the Policy framework. The guidelines are intended to allow MassHousing to function properly within the parameters of responsibility and authority and to adequately safeguard investments. The Policy will serve as a source of information for the Board of Directors, the Executive Director, credit rating agencies, and financial institutions.

II. Governing Authority

Investment activity shall be conducted in conformance with federal, state, and other legal requirements.

The MassHousing Statute, Section 1-4 (i), General Grant of Powers, authorizes MassHousing to "Invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement in such investments as may be lawful for fiduciaries in the Commonwealth."

Massachusetts General Laws Chapter 203C, the "Massachusetts Prudent Investor Act," broadly defines the standards for investments by trustees and other fiduciaries.

The Investment and Audit Committee shall periodically review the investment performance and policies of MassHousing. Authority to invest funds (including money in the Mortgage Insurance Fund and other moneys entrusted to MassHousing) is delegated by MassHousing's Board of Directors to the Financial Director and such other officials as may be designated by Board resolution (including bond resolutions), subject to (i) the governing authority noted above, (ii) this Policy and (iii) contracts with MassHousing bondholders. Personnel of the Finance Division are responsible for managing the investment plans and providing necessary reports as required.

III. Scope

This Policy applies to the investment of all funds, excluding the investment of employee retirement funds. Where applicable, this Policy will also apply generally to the investment of funds held under MassHousing's bond resolutions and other security agreements. However, investment of such funds is also governed by the provisions of such resolutions and agreements which define the permissible investments for such funds and required rating agency, bond insurer, and other reviews and approvals and, in the event of conflict, the bond related documents shall control.

Except for cash in restricted and special funds, MassHousing will consolidate cash and reserve balances to maximize investment earnings and to increase efficiency with regard to investment pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles. Cash held in separate funds and accounts established under a specific bond resolution or other security agreement may also be consolidated for investment to the extent permitted by the resolution or other agreement. Investment income earned on such consolidated funds or accounts will be allocated and deposited as provided in the bond resolution or other agreement.

IV. Objectives

The MassHousing portfolio shall be structured with the objective of maximizing return on investments considering the risk constraints and the cash flow requirements of MassHousing. Preservation of principal is the foremost objective of this Policy where investment safety is defined as the certainty of receiving principal plus accrued interest at a security's maturity.

Funds are invested in vehicles that provide the liquidity necessary to enable MassHousing to meet operating, debt service, and other cash flow requirements. Liquidity is defined as the ability to sell a security on short notice near the security's market value. An adequate amount of funds will be kept in short-term money market investments or the Massachusetts Municipal Depository Trust ("MMDT") Cash Portfolio to accommodate the reasonable cash needs of MassHousing.

The primary objectives, in order of priority, of investment activity shall be safety, liquidity, and yield.

1. **Safety:** Preservation of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the safety of capital in the overall portfolio, including mitigation of credit risk and interest rate risk.

   a) **Credit Risk**. MassHousing will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

      i) Limiting investments to securities listed in Section VII of this Policy, subject, where applicable, to the provisions of any bond resolution or other security agreement.

      ii) Ensuring that financial institutions, trustees, brokers/dealers, intermediaries, and advisors meet the requirements of this Policy.

      iii) Diversifying the investment portfolio to minimize the impact of potential losses from one type of security or individual issuer.

b) **Interest Rate Risk.** MassHousing will limit exposure to interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

i) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity;

ii) Investing operating funds in money market funds that meet the requirements set forth in Section VII of this Policy.

iii) Investing in the MMDT Cash Portfolio.

2. **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating, debt service, and other cash flow requirements that may be reasonably anticipated.

3. **Yield:** The investment portfolio shall be designed with the objective of attaining a market rate of return considering the investment risk constraints and liquidity needs described in this Policy. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. A security with declining credit may be sold early to minimize loss of principal. A security may also be sold to meet the liquidity needs of the portfolio. With respect to the investment of funds under MassHousing's bond resolutions, such investment portfolios should be designed with the objective of maintaining compliance with all applicable yield restrictions imposed under applicable federal tax law.

a) Investment **Strategy**

Bond resolutions generally require that bond money be invested to ensure that principal and interest are paid no later than the dates on which the trustee needs such money for debt service and other disbursements provided by the bond resolution. Staff will strive to maximize investment income within the restrictions of the bond resolutions, including federal tax law, and guidelines of this Policy without speculation on future interest rates or market trends.

Derivative products are purchased as interest rate hedges. MassHousing enters into swap agreements and other derivative investments to hedge against rising interest rates in conjunction with the issuance of variable rate bonds or to produce a "synthetic" fixed-rate or variable-rate debt instrument. Except as authorized by the Board of Directors, the Executive Director, or the Financial Director for a particular financial transaction, MassHousing does not invest cash required to meet operating, debt service, and other cash flow requirements in derivatives such as swaps, caps, collars, warrants, options, or futures.

The Finance Division shall direct any security sales. Such sales may be for the purpose of preserving capital, obtaining liquid funds for authorized disbursements such as loans, bond calls, or the semi-annual payment of bondholders as required by bond resolutions, federal tax law, and other security agreements.

b) Cash **Management**

The Finance Division has the operational responsibilities for cash management, including all disbursements, transfers of funds, and deposits of receipts. In addition, the Finance Division is responsible for ensuring that receipts of bond money are handled in accordance with the applicable bond resolution, or other security agreement and federal tax law.

V. Standards of Care

All participants in the investment process shall act responsibly and professionally. The MassHousing portfolio shall be invested and managed in accordance with the "Prudent Investor Rule" set forth in MGL Ch. 203C. In general, MassHousing will invest and manage the assets under its control as a prudent investor would, considering the purposes of MassHousing and the terms under which such assets are held by MassHousing, exercising reasonable care, skill, and caution.

1. Ethics

Employees involved in the investment process shall comply with all applicable statutory limits and the MassHousing Standards of Conduct. In addition, such employees shall refrain from personal business activity that may conflict with the proper management of the investment program or impair their ability to make impartial decisions. No employee shall use their position to secure anything of value or the promise or offer of anything of value that would create an improper influence upon the employee with respect to his/her duties. Each employee involved in investment decisions files a Statement of Financial Interests with the State Ethics Commission annually.

2. Delegation of Authority

The Financial Director is authorized by the Board of Directors to transact investments and may delegate authority to the Comptroller and Finance Division personnel, except with respect to derivative instruments which shall require authorization of the Board of Directors, Executive Director or Financial Director as set forth in IV.3(a) hereof. Staff must consider all applicable factors for each investment under consideration within the framework of the investment objectives, the restriction, if any, imposed by the applicable bond resolution or other security agreement, including federal tax law, and the basic characteristics of the investment. Personnel of the Finance Division are responsible for executing the investment plans and providing necessary reports as required. As directed, bond trustees and depository banks are responsible for the execution of MassHousing's investment decisions regarding funds held under bond resolutions or other security agreements, the safekeeping of investment securities and providing necessary reports as required to comply with arbitrage restrictions applicable to MassHousing bonds and notes.

MassHousing may engage the services of external investment advisors to assist in management of its investment portfolio in accordance with this Policy. Such advisors must be registered under the Investment Advisors Act of 1940.

3. Indemnification of Employees

Employees of MassHousing are indemnified under Section 1-16A of the MassHousing statute, Chapter 708 of the Acts of 1966, as amended, and Article VII of the Bylaws of MassHousing. Section 1-16A provides, in part:

"No person shall be liable to the Commonwealth of Massachusetts, to MassHousing, or to any other person as a result of [such person's] activities, whether ministerial or discretionary, as a member, officer or employee of MassHousing except for willful dishonesty or intentional violation of the law; provided, however, that such person shall provide reasonable cooperation to MassHousing in the defense of any claim. Failure of such person to provide reasonable cooperation shall cause [such person] to be jointly liable with MassHousing, to the extent that such failure prejudiced the defense of the action.

MassHousing may indemnify or reimburse any person, or [such person's] personal representative, for losses or expenses, including legal fees and costs, arising from any claim, action, proceeding, award, compromise, settlement, or judgment resulting from such person's activities, whether ministerial or discretionary, as a member, officer, or employee of MassHousing; provided that the defense or settlement thereof shall have been made by counsel approved by MassHousing."

VI. Authorized Financial Institutions

Commercial Banks: MassHousing shall maintain accounts with commercial banks that have an IDC rating of 150 or better. IDC rates banks based on several criteria such as capitalization, profitability, and loan loss expense. MassHousing can make exceptions with deposits in banks with an IDC rating below 150 if there is acceptable collateral to cover the deposit.

Trustees: MassHousing shall select trustees among banks, national banking associations, or trust companies doing business in the Commonwealth of Massachusetts, with trust power, in good standing, that have a reported capital and surplus of not less than $50,000,000 (or such greater amount as may be provided in the applicable bond resolution or other security agreement).

VII. Authorized Investments

The MassHousing Statute, Section 1-4 (i), General Grant of Powers, authorizes MassHousing to "Invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement in such investments as may be lawful for fiduciaries in the Commonwealth." MGL Ch. 203C(3)(e) provides that a trustee or other fiduciary may invest in any kind of property or type of investment consistent with the standards of that chapter. Each bond resolution or other security agreement sets forth specific deposits and investments that are authorized for investment of funds held under such bond resolution or other security agreement. Cash held by MassHousing may be invested with the approval of the Financial Director in the following deposits and investments, subject to this Policy and the standards set forth in MGL Ch. 203C, and provided that funds subject to bond resolutions or other security agreements remain subject to the specific provisions thereof:

1) **U.S. Treasury/U.S. Government Guaranteed Obligations** – U.S. Treasury obligations, and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the U.S. Government.

2) **Federal Agency or U.S. government sponsored enterprises (GSE) obligations –** Debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal Agency or Government Sponsored Enterprise.

3) **Agency or GSE Mortgage-Backed Securities -** Mortgage-backed securities (MBS), backed by residential, multi-family or commercial mortgages, that are issued or fully guaranteed as to principal and interest by a U.S. Federal agency or government sponsored enterprise, including but not limited to pass-throughs, collateralized mortgage obligations (CMOs) and REMICs.

4) **U.S. Instrumentalities** (**"Supranationals") –** U.S. dollar denominated debt obligations of a multilateral organization of governments for which the United States government is a participant, shareholder, and/or voting member with minimum ratings of AAA/Aaa (or the equivalent) or A-1/P-1 (or the equivalent) by any one rating agency, including but not limited to: the Inter-American Development Bank, International Bank for Reconstruction & Development, African Development Bank, Asian Development Bank, and the International Finance Corporation.

5) **Municipal Bonds –** Obligations issued or guaranteed by any state, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality or other unit of local government of any U.S. state or with minimum ratings of A-/A3 (or the equivalent) or SP-1/MIG 1 (or the equivalent) by anyone rating agency.

6) **Corporates and Other Debt Obligations –** U.S. dollar denominated corporate notes, bonds or other debt obligations issued or guaranteed by a U.S. or foreign corporation,

financial institution, non-profit, or other entity with minimum ratings of A-/A3 (or the equivalent) or A-1/P-1 (or the equivalent) by any one rating agency.

7) **Commercial Paper –** U.S. dollar denominated commercial paper issued or guaranteed by a U.S. or foreign corporation, company, financial institution, trust or other entity, including both unsecured debt and asset-backed programs with minimum ratings of A-1/P-1 (or the equivalent) by any one rating agency.

8) **Asset-Backed Securities** - Asset-backed securities (ABS) whose underlying collateral consists of loans, leases or receivables, including but not limited to auto loans/leases, credit card receivables, student loans, equipment loans/leases, or home-equity loans, with minimum ratings of AAA/Aaa (or the equivalent) or A-1+/P-1 (or the equivalent) by any one rating agency.

9) **Bankers' Acceptances** - Bankers' acceptances issued, drawn on, or guaranteed by a U.S. bank or U.S. branch of a foreign bank with minimum ratings of A-1/P-1 (or the equivalent) by anyone rating agency.

10) **Negotiable Bank Deposit Obligations -** Negotiable bank certificates of deposit, deposit notes or other deposit obligations issued by a nationally or state chartered bank, credit union or savings association, or by a federally or state-licensed branch of a foreign bank or financial institution with minimum ratings of A-/A3 (or the equivalent) or A-1/P-1 (or the equivalent) by any one rating agency.

11) **Collateralized Bank Deposits -** Non-negotiable interest-bearing time certificates of deposit, savings accounts or deposit accounts in banks organized under the laws of this state or in national banks organized under the laws of the United States and doing business in this state, provided that any such deposits are secured or collateralized, if required by state or Federal law.

12) **Insured Bank Deposits -** Interest bearing time certificates of deposit, savings accounts or deposit accounts fully insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).

13) **Money Market Funds** – Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940, operate in accordance with Securities and Exchange Commission Rule 2a-7, and maintain the highest rating at the time of investment from Standard & Poor's or Moody's, or the equivalent from a nationally-recognized statistical rating organization (NRSRO).

14) **Participation units of the Massachusetts Municipal Depository Trust** established under General Laws, Chapter 29, Section 38A.

15) **Repurchase agreements,** provided a Master Repurchase Agreement or specific written Repurchase Agreement governs the transaction and the following conditions are satisfied:

a) The agreement is fully collateralized by U.S. Treasury obligations or obligations issued by U.S. Federal Agencies or GSE's having a market value at all times of at least one hundred and two percent (102%) of the amount of the contract.

b) The securities are free and clear of any lien and held by an independent third-party custodian acting solely as agent for MassHousing, provided such third party is not the seller under the repurchase agreement.

c) A perfected first security interest under the Uniform Commercial Code in accordance with book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of MassHousing.

d) For repurchase agreements with terms to maturity of greater than one (1) day, the collateral securities will be valued daily. If additional collateral is required, then that collateral must be delivered within one business day (if a collateral deficiency is not corrected within this time frame, the collateral securities will be liquidated);

e) The counterparty is a primary government securities dealer that reports daily to the Federal Reserve Bank of New York, or a bank, savings and loan association, or diversified securities broker-dealer having at least \$50 billion in assets and \$500 million in capital subject to regulation of capital standards by any state or federal regulatory agency. The counterparty maintains a short-term credit rating of at least A-1/P-1 (or the equivalent) by anyone rating agency and has been in operation for at least five years.

16) **Investment agreements or guaranteed investment contracts** for investment durations of three or more years entered into with companies that have a rating of at least AA-/Aa3 (or the equivalent) from anyone rating agency. Short-term investment agreements with durations of less than three years may be entered into with companies that have a short-term rating of at least SP-1/VMIG1/F1 (or the equivalent) from anyone rating agency.

17) **Any other investments expressly permitted** by Commonwealth statute and authorized by MassHousing.

VIII. Investment Diversification Parameters

It is MassHousing's policy to diversify its investment portfolio to minimize risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or class of securities. For all funds governed by this Policy, including funds managed by an external investment advisor, MassHousing shall establish written sector and issuer allocation limits and maturity limits for Authorized Investments, as appropriate.

IX. Internal Controls

The Financial Director shall establish a system of internal controls, which shall be documented in writing. The Comptroller and the independent auditor shall review and periodically test the controls. The controls shall be designed to prevent the loss of funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees and officers of MassHousing.

Internal controls shall address the following points:

1) Clear delegation of authority to staff members
2) Separation of transaction authority from financial reporting
3) Dual authorizations of wire transfers
4) Written confirmation of transactions for investments and wire transfers
5) Timely reconciliation of transactions
6) Avoidance of physical delivery of securities

Authorized signatories for the purchase and sale of investments shall be designated by the Board of Directors and may include the Executive Director, Financial Director, Comptroller or such other officials as may be designated by Board resolution (including bond resolutions).

X. Reporting

Investment Committee Report: The Financial Director shall periodically report on the status of the investment portfolio to the Investment and Audit Committee of the Board of Directors.

XI. Approval of Policy

The Policy shall be reviewed periodically by the Financial Director and the Investment and Audit Committee of the Board of Directors. The Investment and Audit Committee of the Board of Directors may recommend changes for adoption by the Board of Directors. Any changes to the Policy may only be adopted by the Board of Directors.

Exhibit C

Trade File Reporting Requirements

The selected Investment Manager ("Manager") shall be required to provide Mass Housing with standardized electronic trade files for all executed transactions. These files must contain complete and accurate trade level and security level data as outlined below. The Manager shall be responsible for ensuring that all required fields are populated to the extent applicable to the specific security type.

1) Required Trade File Format

The Manager shall deliver trade files in a machine-readable, delimited format, preferably **.csv** or **.txt**. All fields must be clearly labeled in the header row.

2) Market Data

Daily, Weekly, or Monthly data files that include - market values, market rates, weighted average values or rates associated to managed investments.

3) Required Data Elements

The trade file must include, at minimum, the following data fields when applicable to the security type:

a. Security & Instrument Details
    i. Trade ID
    ii. Bank Account
    iii. Bank Account Name
    iv. CUSIP or Security Identifier
    v. Description (Security Name)
    vi. Coupon Rate (if applicable)
    vii. Discount Rate (if applicable)
    viii. Maturity Date
    ix. First Coupon Payment Date
    x. Security Dated Date
    xi. Pool Number (if applicable)
    xii. Weighted Average Life (WAL), if applicable
    xiii. Duration, if applicable
    xiv. Factor (if applicable)
    xv. Day Count/Basis (e.g., 30/360, Actual/Actual)
    xvi. Payment Frequency (e.g., Semiannual, Monthly)
    xvii. Cash Flow Model (e.g., Bullet, Level P&I)
    xviii. Payment Accrual Month (e.g., January–July)
    xix. Payment Accrual Day

xx. Coupon Type (Fixed or Adjustable)
xxi. Payment Delay (for MBS, if applicable)

b. Transaction Details
   i. Transaction Type (Buy or Sell)
   ii. Trade Date
   iii. Settlement Date
   iv. Price
   v. Yield
   vi. Original Face
   vii. Current Face
   viii. Quantity/Par Amount (if applicable)
   ix. Principal
   x. Interest
   xi. Net Amount

Note: Not all securities will contain all fields. For example, securities will have either a coupon rate or a discount rate, but not both. Non-MBS securities will not include MBS-specific fields such as WAC or payment delay.

1. Delivery Requirements

The Manager shall support one of the following secure file transfer methods, as determined by MassHousing:

Option A: FTP Delivery (Push)

1) MassHousing will provide FTP credentials.
2) The Manager will be responsible for securely pushing the trade file to MassHousing's FTP location.

Option B: FTP Pickup (Pull)

1) The Manager will provide MassHousing with FTP credentials and directory information.
2) MassHousing will securely pull the trade file from the Manager's FTP server.

All transmissions must use secure protocols and comply with MassHousing's information security standards.

2. Frequency and Timeliness

The Manager shall deliver trade files daily, or on another mutually agreed upon schedule, ensuring that all trades executed on a given business day are included in that day's file.