

MASSACHUSETTS HOUSING FINANCE AGENCY

45 SCHOOL STREET
BOSTON, MASSACHUSETTS 02108
723-9770

see 76 x 74
COMPOSITE STATUTE, as of January 1, 1971

CONSISTING OF CHAPTER 708 OF THE ACTS OF 1966 AS AMENDED
BY CHAPTERS 671, 709 AND 761 OF THE ACTS OF 1968, AND
CHAPTER 855 OF THE ACTS OF 1970.

SECTION 1. *Definitions.*—As used in this act the following words and terms shall have the following meanings unless a contrary intent is clearly indicated:—

(a) “earned surplus” shall have the same meaning as in generally accepted accounting standards;

(b) “FHA” shall mean the Federal Housing Administration, United States Department of Housing and Urban Development, and any successor to its functions;

(c) “Secretary of housing and urban development” shall mean the principal executive officer of the United States Department of Housing and Urban Development;

(d) “low income persons or families” shall mean those persons and families whose annual income is less than the amount necessary to enable them to obtain and maintain decent, safe and sanitary housing without the expenditure of over twenty-five per cent of such income for basic shelter rent plus the additional cost, if any, of heat and hot water;

(e) “Annual income” shall mean a family’s or person’s gross annual income less such reasonable allowances for dependents (other than spouse) and for medical expenses as MHFA determines;

(f) “MHFA” shall mean the Massachusetts Housing Finance Agency; and

(g) “project” shall mean a number of dwelling units constructed, rehabilitated or converted to a cooperative or condominium with the assistance of a mortgage loan from the MHFA.

Amended by
C. 855 of the
Acts of 1970.

SECTION 2. *Declaration of Public Necessity.*—It is hereby declared that as a result of public actions involving highways, public facilities and urban renewal programs, and as a result of the spread of slum conditions and blight to formerly sound neighborhoods, there now exists in many cities and towns in the commonwealth an acute shortage of decent, safe and sanitary housing available at low rentals which persons and families of low income, elderly persons and veterans who will be returning from Vietnam can afford. This shortage is inimical to the safety, health, morals and welfare of the residents of the commonwealth and the sound growth of the

communities therein. The continued inadequacy of the supply of such housing inhibits the carrying out of needed slum clearance projects and results in the continued existence and proliferation of substandard and decadent housing, with all its attendant consequences of disease, crime, injuries, retardation of education, and high costs for municipal services, such as welfare, police and fire protection. This public exigency, emergency and distress has not been met in any way by private agencies. Private enterprise, without the assistance contemplated in this act, cannot achieve the construction of decent, safe and sanitary housing at rentals which persons and families of low income can afford in situations where permanent betterment of living conditions is to be hoped for. Moreover, experience has demonstrated that concentration of low income persons and families even in standard structures built with public subsidy does not eliminate undesirable social conditions and does not permanently eliminate slum conditions. It is therefore imperative that the cost of mortgage financing, which materially affects rental levels in units built by private enterprise, be made lower so as to reduce rental levels for these low income persons and families, that the supply of housing for persons and families displaced by public action or natural disaster be increased, and that private enterprise be encouraged to build housing which will prevent the recurrence of slum conditions and assist in their permanent elimination by housing persons of varied economic means in the same projects and neighborhoods.

Sec. 21, C. 701,
Acts of 1968.

SECTION 3. *Massachusetts Housing Finance Agency*.—There is hereby created and placed in the department of community affairs a body politic and corporate to be known as the Massachusetts Housing Finance Agency, which shall not be subject to the supervision or control of the department of community affairs or of any department, commission, board, bureau or agency of the commonwealth except to the extent and in the manner provided in this act. The MHFA is hereby constituted a public instrumentality and the exercise by the MHFA of the powers conferred by this act shall be deemed and held to be the performance of an essential governmental function.

Sec. 1, C. 709,
Acts of 1968.
Sec. 21, C. 761,
Acts of 1968.

The MHFA shall consist of the commissioner of the department of community affairs or his designated representative and the commissioner of corporations and taxation or his designated representative ex officio, and five persons to be appointed by the governor, of whom one shall be experienced in mortgage banking, one shall be trained in architecture or city or regional planning, and one shall be experienced in real estate transactions. Each appointive member shall be appointed for a term of seven years, except that in making his initial appointments, the governor shall appoint three members to serve for terms of three, five and six years, respectively, as he may designate. Any person appointed to fill a

vacancy shall serve only for the unexpired term. Any member shall be eligible for reappointment.

The governor shall designate one of the members of the MHFA as chairman, who shall serve at the pleasure of the governor, and the MHFA shall annually elect one of its members as vice-chairman and shall also annually elect a secretary, a treasurer and such other officers as it may determine, none of whom need be members of the MHFA. The secretary shall keep a record of the proceedings of the MHFA and shall be custodian of all books, documents, and papers filed with the MHFA and of its minute book and seal. He shall have authority to cause to be made copies of all minutes and other records and documents of the MHFA and to give certificates under the seal of the MHFA to the effect that such copies are true copies and all persons dealing with the MHFA may rely upon such certificates. The treasurer shall be the chief financial and accounting officer of the MHFA and shall be in charge of its funds, books of account and accounting records.

Sec. 1, C. 709,
Acts of 1968.

Four members of the MHFA shall constitute a quorum and the affirmative vote of four members shall be necessary for any action taken by the MHFA. No vacancy in the membership of the MHFA shall impair the right of a quorum to exercise all the rights and perform all the duties of the MHFA.

The members of the MHFA shall serve without compensation, but each member shall be reimbursed for his necessary expenses incurred in the discharge of his official duties.

SECTION 4. *General Grant of Powers.*—The MHFA is hereby authorized to:

(a) Make first mortgage loans, including mortgages insured by the secretary of housing and urban development, to finance the building or rehabilitation of housing designed and planned to be available at low and moderate rentals for low income persons and families and others upon the terms set forth in section five.

(b) Adopt by-laws for the regulation of its affairs and the conduct of its business.

(c) Adopt an official seal.

(d) Sue and be sued in its own name.

(e) Make and execute contracts and all other instruments necessary or convenient for the exercise of its power and functions.

(f) Acquire, hold and dispose of personal property for its corporate purposes.

(g) Enter into agreements or other transactions with any federal or state agency.

(h) Acquire real property, or an interest therein, by purchase or foreclosure, where such acquisition is necessary or appropriate to protect any loan in which the agency has an interest; to sell, transfer and convey any such property to a

buyer and in the event such sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, to lease such property to a tenant.

(i) 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.

(j) Borrow money by the making of notes and the issuance of bonds and secure such bonds by the pledge of revenues, mortgages and notes of others.

(k) Employ an executive director and such other agents, employees, professional and business advisers as may from time to time be necessary in its judgment and to fix their compensation. The executive director, professional advisers and business advisers shall not be subject to the provision of chapter thirty-one or section nine A of chapter thirty.

(l) Appear in its own behalf before boards, commissions, departments or other agencies of government, municipal, state, or federal.

(m) Sell, at public or private sale, any mortgage or other obligation securing a mortgage loan, including sales of mortgages to the Federal National Mortgage Association, United States Department of Housing and Urban Development.

(n) Procure insurance against any loss in connection with its property in such amounts, and from such insurers, as may be necessary or desirable.

(o) Consent, subject to the provisions of any contract with noteholders or bondholders, whenever it deems it necessary or desirable in the fulfillment of the purposes of this act, to the modification, with respect to rate of interest, time of payment or any installment of principal or interest, or any other terms, of any mortgage, mortgage loan, mortgage loan commitment, contract or agreement of any kind to which the MHFA is a party.

(p) Make and publish rules and regulations respecting the grant of mortgage loans under this act, the regulation of borrowers, the delineation of general housing market areas and the setting of dependency and medical expense allowances.

(q) Do any and all things necessary or convenient to carry out its purposes and exercise the powers expressly given and granted in this act.

(r) Accept gifts or grants or loans of funds or property or financial or other aid from any federal or state agency or private fund.

(s) Establish a special financing program to enable low-income families or persons to own one, two and three family homes, provided that the total number of low-income families eligible hereunder shall not exceed one per cent of the total number of families resident in a city or town, provided that the structures acquired hereunder may be newly built, existing

or rehabilitated, provided such structures conform to the local building code and the State Sanitary Code, and provided that the MHFA shall find that making of such loan shall not create or contribute to an undue concentration of low-income families in any one neighborhood. The MHFA may purchase such structures in its own name or authorize the purchase of the same by low-income families. Any structure so purchased by the MHFA shall be conveyed to a low-income family within one year from the date of such purchase. A down payment or equity investment of not less than two per cent of the purchase price shall be required of each prospective buyer which may be made in the form of a money payment or in any other form approved by the MHFA.

(t) Establish a program to finance the building or rehabilitation of housing designed for condominium or cooperative ownership, convert existing housing however financed to such form of ownership, and finance the ownership of individual shares of cooperative housing, and individual units of condominium housing, and in connection therewith to make first mortgage loans to finance the organization and the construction or rehabilitation of cooperative or condominium housing projects, to assist and advise tenants and owners during a period of conversion from ownership to cooperative or condominium ownership, and to make first mortgage loans to finance the ownership of cooperative shares or condominium units in existing as well as newly built or rehabilitated buildings for low-income persons and families and others on the terms set forth in section five, except that in the case of loans to individual owner-occupants the loan value ratio shall not exceed ninety-eight per cent of the project cost or value as determined by the MHFA and clauses (2), (3) and (4) of paragraph (g) of section five need not be made, and provided that in the case of loans with respect to occupied, existing housing to be converted to cooperative or condominium ownership, MHFA shall determine, prior to any loan commitment, pursuant to rules and regulations promulgated by it, that a sufficient number of the persons and families who are tenants before such a conversion shall have agreed to purchase units after conversion to ensure the economic feasibility of the conversion and to ensure that the conversion will not create undue hardship through the displacement of such tenants.

Added by
Sec. 3 C. 855
of the Acts
of 1970.

SECTION 5. *Mortgage Loans.*—(a) *Purpose.*—The MHFA may make mortgage loans to sponsors of such housing projects containing two or more dwelling units as in the judgment of the MHFA have promise of supplying well planned, well designed apartment units which will provide housing for low income persons or families in locations where there is a need for such housing. Such loans may include construction loans and permanent loans. Such projects may include ancillary commercial facilities to the extent permitted by the then applicable MHFA regulations. On all construction loans for the construc-

Amended by
Sec. 8, C. 855
of the Acts of
1970.

tion of eleven or more dwelling units the MHFA shall require (1) the payment of prevailing wages as determined by the commissioner of labor and industries as provided in sections twenty-six to twenty-seven D of chapter one hundred and forty-nine of the General Laws and (2) a bond furnished by the sponsor or an equivalent escrow arrangement with the sponsor and supervised by the MHFA to assure payment out of the construction loan funds for all labor and materials eligible for payment protection under the provisions of chapter two hundred and fifty-four of the General Laws.

(b) *Eligible Mortgagor.*—The MHFA may make loans to individuals, joint ventures, partnerships, limited partnerships, trusts, corporations, cooperatives and condominiums, whether nonprofit or organized for profit.

Sec. 2, C. 709,
Acts of 1963.

(c) *Interest and Charges.*—The MHFA shall have authority to set from time to time the interest rates at which it shall make loans. In connection with the making of mortgage loans and commitments therefor, and in addition to such interest charges, the MHFA may make and collect such fees and charges, including but not limited to reimbursement of the MHFA's financing costs, service charges, insurance premiums and mortgage insurance premiums, as the MHFA determines to be reasonable.

(d) *Limited Profit.*—A mortgagor may not make distributions in any one year with respect to a project financed by the MHFA in excess of six per cent of the mortgagor's equity in such project. The mortgagor's equity in a project shall consist of the difference between the mortgage and the total project cost. "Total project cost" shall include construction costs including job overhead and a builder's and sponsor's profit and risk fee, architectural, engineering, legal and accounting costs, organizational expenses, land value, interest and financing charges paid during construction, the cost of landscaping and offsite improvements, whether or not such costs have been paid in cash or in a form other than cash. With respect to every project, the MHFA shall, pursuant to regulations adopted by it, establish the mortgagor's equity at the time of the making of the final mortgage advance and for purposes of this paragraph, that figure shall remain constant during the life of the MHFA's mortgage on such project.

(e) *Use of Nondistributed Profits.*—Whenever a mortgagor accumulates earned surplus in addition to such reserves for replacement as the MHFA may require in excess of ten per cent of the initial annual rent roll for the project, rents in the project shall be reduced to the extent necessary to lower the earned surplus accumulation to such ten per cent figure in the following fiscal year. Every ten years the mortgagor may seek the approval of the MHFA to an increase in the replacement reserves to the extent warranted, in the judgment of the MHFA, by increased price levels or unusual maintenance and repair requirements.

(f) *Amortization and Refinancing.*—The ratio of loan to project value and the amortization period of loans made under this act which are insured by FHA shall be governed by the FHA mortgage insurance commitment for each project concerned, but shall not exceed fifty years. In the case of a mortgage loan not insured by FHA, the ratio of loan to project value and the amortization period of loans shall be determined in accordance with regulations formulated and published by the MHFA, but in no event shall such loan value ratio exceed ninety per cent of project cost as determined by the MHFA, except that in the case of loans to nonprofit sponsors, such loan shall not exceed one hundred per cent of the project cost, nor shall the amortization period exceed fifty years. A loan hereunder may be prepaid after a period of twenty years or sooner with the permission of MHFA for the purpose of conversion of the project to cooperative or condominium ownership or ownership by an occupant; provided, however, that nonprofit sponsors may prepay their loans prior to maturity only with the consent of MHFA. The MHFA shall grant such consent if it finds: (1) that it may reasonably be expected that the prepayment of the loan will not result in a material escalation of rents charged to tenants in the project; and (2) the need for low rental housing in the area concerned is no longer acute.

Amended by
Sec. 4, C. 855
of the Acts of
1970.

(g) *Findings.*—Prior to making a loan commitment or loan under this act, the MHFA shall find (1) that low income persons and families can afford the adjusted rentals set for twenty-five per cent of the units in the proposed project on the basis of the use of not more than twenty-five per cent of annual income, (2) that there exists a shortage of decent, safe and sanitary housing at low rents available to persons and families of low income within the general housing market area to be served by the proposed project, (3) that private enterprise without the assistance contemplated by this act cannot supply such housing, (4) that such project either is itself designed to house persons and families of varied economic means or will not create or contribute to an undue concentration of low-income families in any one neighborhood, and (5) that programs of public agencies within the general housing market area to be served by the project have accomplished or will accomplish within the next five years the elimination by demolition, condemnation, effective closing or compulsory repair or improvement of unsafe or unsanitary dwelling units situated within such market area substantially equal in number to the number of units to be provided by such project provided that the accomplishment of such elimination may be deferred beyond the five-year period in any general housing market area where there continues to be an acute shortage of decent, safe and sanitary housing available to persons and families of low income. Where more than one family is living in an unsafe or unsanitary dwelling unit, the

Amended by
Sec. 5, C. 855
of the Acts of
1970.

elimination of such unit shall count as the elimination of units equal to the number of families accommodated therein. The finding as to the elimination of unsafe and unsanitary dwelling units need not be made in the case of any project located in a rural, nonfarm area, or of any project developed on the site of a substandard area or of any project undertaken within an urban renewal or land assembly and redevelopment area.

SECTION 6. *Rental Levels and Schedules.*—(a) The MHFA shall, pursuant to regulations adopted by it, make the following rental determinations for each housing unit located in a project to which MHFA has made a mortgage loan hereunder: (1) the market rate rental, which is the rental which would be appropriate if the project had been originally financed at then current market interest rates; (2) the below-market rate rental, which is the market rate rental adjusted for the extent to which the applicable MHFA loan interest rate is below such then current interest rates; and (3) the adjusted rental, which is the below-market rate rental, further adjusted downward at least ten per cent to make available units to low-income persons and families who could not otherwise rent units at the below-market rental without expending more than one-fourth of their annual income for such housing. These rental determinations may be reviewed and adjusted by MHFA from time to time.

(b) Subject only to the rights of FHA, if any, the rents to be charged for housing units which receive loans hereunder must be approved by the MHFA. In each project financed under this act not less than twenty-five per cent of the units in the project shall be rented at all times to low income persons or families at the adjusted rental. The remaining units not made available to such low income persons or families shall be made available at rentals not lower than the below-market rental for the unit and sufficiently high as determined by MHFA to achieve and maintain a fiscally sound project. Such determinations may be reviewed and adjusted by MHFA from time to time.

(c) All rentals received by the mortgagor in excess of the below-market rental established for each unit shall be applied, pursuant to such regulations as MHFA shall make and publish from time to time and subject to any applicable requirements of FHA or any other public agency providing rental assistance, supplement, subsidy or other similar payments, to reduce rentals so as to make units more available to low-income persons and families.

SECTION 7. *Tenants.*—(a) Prior to making a loan commitment under this act, the MHFA shall approve a tenant selection plan submitted by the applicant for such a loan. The MHFA shall make and publish regulations from time to time governing the terms of such tenant selection plans. Such plans shall include criteria for tenant selection which establish

Amended by
Sec. 6, C. 855
of the Acts of
1970.

income limits for eligible tenants which may vary with the size and circumstances of the person or family. For the purpose of initial selection, the annual income of the applicants shall not exceed six times the annual rental for the unit to be occupied. Tenant selection plans shall provide that as between applicants equally in need and eligible for occupancy of the unit, preference shall be given to persons displaced by public action or natural disaster, pursuant to such regulations as the department of community affairs may formulate. Tenant selection plans shall also provide with respect to apartment units designated for rent at the adjusted rental that the housing authority in the city or town in which the project is located, or such other agency as the department of community affairs may from time to time designate, shall have the right to designate tenants, who are otherwise eligible, for such units as they become available, either in the initial renting of the projects or as vacancies thereafter occur.

Amended by
Sec. 7, C. 855
of the Acts of
1970.

(b) At least once every two years, tenants whose annual incomes subsequently increase to the point where such incomes exceed seven times the rental then being charged for the unit occupied shall have the rental for that unit increased to a figure, not in excess of the market rate rental, which will equal one seventh of the tenant's then net annual income.

Amended by
Sec. 8, C. 855
of the Acts of
1970.

SECTION 8. Issuance of Bonds and Notes.—(a) The MHFA shall have power and is hereby authorized from time to time to issue its negotiable bonds and notes in such principal amount as, in the opinion of the MHFA, shall be necessary to provide sufficient funds for achieving its corporate purposes, including the making of mortgage loans, the payment of interest on bonds and notes of the agency, establishment of reserves to secure such bonds and notes, and all other expenditures of the MHFA incident to and necessary or convenient to carry out its corporate purposes and powers. The MHFA shall have power, from time to time, to issue renewal notes, to issue bonds to pay notes and whenever it deems refunding expedient to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and to issue bonds partly to refund bonds then outstanding and partly for any other purpose. The refunding bonds shall be sold and the proceeds applied to the purchase, redemption or payment of the bonds to be refunded.

(b) The notes and bonds shall be authorized by resolution of the members, shall bear such date or dates, and shall mature at such time or times, in the case of any such note, or any renewals thereof, not exceeding five years from the date of issue of such original note, and in the case of any such bond not exceeding fifty years from the date of issue, as such resolution or resolutions may provide. The notes and bonds shall bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such

registration privileges, contain such terms and provisions relating to, but not limited to, pledges of the MHFA's assets, setting aside of reserves, limitations on additional notes and bonds, and such other matters as may affect the security or protection of the notes and bonds, be executed in such manner, be payable in such medium of payment, at such place or places and be subject to such terms of redemption as such resolution or resolutions may provide. The notes and bonds of the MHFA may be sold at public or private sale, at such price or prices as the MHFA shall determine. No notes or bonds of the MHFA shall be sold by the MHFA at private sale, however, unless such sale and the terms thereof have been approved by the treasurer and receiver-general. The aggregate principal amount of notes and bonds of the MHFA outstanding at any one time shall not exceed the sum of five hundred million dollars of which one hundred million dollars shall be used only to make mortgage loans in cities or towns which have been found to have a rate of unemployment of at least six per centum in the issue of "Area Trends in Employment and Unemployment" published by the United States Department of Labor for the October preceeding the making of any such loan.

(c) Neither the members of the MHFA nor any person executing the notes or bonds shall be liable personally on the notes or bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(d) The MHFA, subject to such agreement with note-holders or bondholders as may then exist, shall have power out of any funds available therefor to purchase its notes or bonds, which shall thereupon be cancelled, at a price not exceeding (1) if the notes or bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereupon, or (2) if the notes or bonds are not then redeemable, the redemption price applicable on the first date after such purchase upon which the notes or bonds become subject to redemption plus accrued interest to such date.

SECTION 9. *Credit of Commonwealth or any Subdivision Thereof Not Pledged.*—Bonds and notes issued under the provisions of this act shall not be deemed to constitute a debt of the commonwealth or of any political subdivision thereof or a pledge of the faith and credit of the commonwealth or of any such political subdivision, but such bonds and notes shall be payable solely from the proceeds of mortgage loans made under this act, reserve funds created therefor by the MHFA, and any mortgage insurance contracts pertaining thereto. All such bonds and notes shall contain on the face thereof a statement to the effect that neither the MHFA nor the commonwealth nor any political subdivision thereof shall be obligated to pay the same or the interest thereon except from such proceeds, reserve fund or mortgage insurance contracts

Amended by
Sec. 9, C. 855
of the Acts of
1970.

and that neither the faith and credit nor the taxing power of the commonwealth or any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds.

SECTION 9A. *Working Capital Fund.*—(a) MHFA shall create and establish a general fund, herein referred to as the “Working Capital Fund”, and shall pay into such Working Capital Fund any monies appropriated and made available by the commonwealth for the purposes of such Working Capital Fund, and any other monies which may be available to the MHFA for its general purposes from any source or sources other than proceeds from the issuance and sale of notes or bonds by the MHFA.

Added by
Sec. 4, C. 709,
Acts of 1968.

All monies held in the Working Capital Fund, including without limitation any income or interest earned by, or increment to such Fund, shall be used by the MHFA for its general purposes, and to the extent authorized by MHFA, any such monies in excess of the amount required to make and keep MHFA self-supporting shall be made available for the purposes of the Capital Reserve Fund.

(b) To provide for the organizational and administrative overhead incident to the inception and early operations of the MHFA, the sum of three hundred thousand dollars is hereby appropriated from the General Fund of the commonwealth and made available to the MHFA for the purposes of the Working Capital Fund, which sum shall be paid to the MHFA and which sum the MHFA shall repay the commonwealth in ten annual installments beginning with the commencement of the sixth full year after the receipt of such funds.

SECTION 9B. *Capital Reserve Fund.*—(a) MHFA shall create and establish a special fund, herein referred to as the “Capital Reserve Fund”, and shall pay into such Capital Reserve Fund any monies appropriated and made available by the commonwealth for the purposes of such Fund, any proceeds of sale of notes or bonds to the extent provided in the resolution of the MHFA authorizing issuance thereof, and any other monies which may be available to the MHFA for the purpose of such fund from any other source or sources. All monies held in the Capital Reserve Fund, except as herein-after provided, shall be used solely for the payment of the principal of bonds of the MHFA as the same mature, the purchase of bonds of the MHFA, the payment of interest on such bonds of the MHFA or the payment of any redemption premium required to be paid when such bonds are redeemed prior to maturity; provided, however, that monies in such Fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of such fund to less than the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on all bonds of the MHFA then outstanding, except for the purpose of paying

Added by
Sec. 4, C. 709,
Acts of 1968.

the principal of and interest on such bonds of the MHFA maturing and becoming due and for the payment of which other monies of the MHFA are not available. Any income or interest earned by, or increment to, the Capital Reserve Fund due to the investment thereof shall be used by the MHFA for the purposes of the Capital Reserve Fund.

(b) The MHFA shall not issue bonds at any time if the maximum amount of principal and interest maturing or becoming due in a succeeding calendar year or such bonds then to be issued and on all other bonds of the MHFA then outstanding will exceed the amount of the Capital Reserve Fund at the time of issuance unless the MHFA, at the time of issuance of such bonds, shall deposit in such fund from the proceeds of the bonds so to be issued, or otherwise, an amount which, together with the amount then in such fund, will be not less than the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on such bonds then to be issued and on all other bonds of the MHFA then outstanding.

(c) To assure the continued operation and solvency of the MHFA for the carrying out of the public purposes of this act, provision is made in paragraph (a) for the accumulation in the Capital Reserve Fund of an amount equal to the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on all bonds of the MHFA then outstanding. In order further to assure such maintenance of the Capital Reserve Fund there shall be annually appropriated and paid to the MHFA for deposit in the Capital Reserve Fund such sum, if any, as shall be certified by the chairman of the MHFA to the governor as necessary to restore the Capital Reserve Fund to an amount equal to the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on the bonds of the MHFA then outstanding. The chairman of the MHFA shall annually, on or before December first, make and deliver to the governor his certificate stating the amount, if any, required to restore the Capital Reserve Fund to the amount aforesaid and the amount so stated, if any, shall be appropriated and paid to the MHFA during the then current fiscal year of the commonwealth. Such amount, if any, shall be repaid to the commonwealth as soon as possible by the MHFA from monies in the working capital fund in excess of the amount required to make and keep MHFA self-supporting.

(d) In computing the amount of the Capital Reserve Fund for the purposes of this section, securities in which all or a portion of such fund are invested shall be valued at par, or if purchased at less than par, at their cost to the MHFA.

SECTION 10. *Trust Agreement.*—In the discretion of the MHFA bonds and notes issued by it shall be secured by a trust agreement by and between the MHFA and a trustee,

which may be any trust company or bank within the commonwealth having the powers of a trust company. Either the resolution providing for the issuance of bonds and notes or such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the MHFA in relation to the custody, safeguarding and application of all monies.

It shall be lawful for any bank or trust company incorporated under the laws of the commonwealth to act as depository of the proceeds of bonds and notes or of revenues and to furnish such indemnifying bonds or to pledge such securities as may be required by the MHFA. Such trust agreement may set forth the rights and remedies of the bondholders and noteholders and of the trustee, and may restrict the individual right of action by bondholders and noteholders. In addition to the foregoing, such trust agreement may contain such other provision as the MHFA may deem reasonable and proper for the security of the bondholders and noteholders. All expenses incurred in carrying out the provisions of such trust agreement may be treated as a part of the cost of the operation of the MHFA.

SECTION 11. *Advisory Committee.*—To assist the MHFA in the discharge of its duties, the governor shall appoint from among interested citizens of the commonwealth an advisory committee of fifteen persons, including persons with experience or training in urban renewal, building, social work, mortgage financing, the municipal bond market, architecture, land use planning, and municipal government. It shall be the role of the advisory committee to assist the MHFA and its staff in formulating policies and procedures dealing with site selection, tenant selection, rent levels, design objectives, and such other questions relevant to the MHFA's underlying goal of providing housing for low income families and attaining balanced, attractive communities.

Members of the advisory committee shall receive no compensation. They shall not be subject to the provisions of chapter thirty-one or chapter two hundred and sixty-eight A.

SECTION 12. *Bonds and Notes Tax Exempt.*—The creation of the MHFA is in all respects for the benefit of the people of the commonwealth and for the improvement of their health, safety, welfare, comfort and security, and its purposes are public purposes and the MHFA will be performing an essential governmental function. The commonwealth covenants with the purchasers and all subsequent holders and transferees of the notes and bonds issued by the MHFA, in consideration of the acceptance of any payment for the notes and bonds, that the notes and bonds of the MHFA, issued pursuant to this act and the income therefrom shall at all times be free from taxation.

SECTION 13. *Bonds and Notes Eligible for Investment.*

—Bonds and notes issued under the provisions of this act are hereby made securities in which all public officers and public bodies of the commonwealth and its political subdivisions, all insurance companies, trust companies in their commercial departments and within the limits set by section forty of chapter one hundred and seventy-two of the General Laws, banking associations, investment companies, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of the commonwealth may properly and legally invest funds, including capital in their control or belonging to them, and such bonds and notes are hereby made obligations which may properly and legally be made eligible for the investment of savings deposits and the income thereof in the manner provided by section fifty of chapter one hundred and sixty-eight. Such bonds and notes are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the commonwealth for any purpose for which the deposit of bonds or other obligations of the commonwealth now or may hereafter be authorized by law.

Added by
Sec. 10, C. 855
of the Acts of
1970.

SECTION 13A. *Interest Subsidy Program.*—In addition to its other powers and to the extent of appropriations or grants or other financial aid directed to the purpose, the MHFA may operate an interest subsidy program. Such program shall, pursuant to regulations adopted by the MHFA, provide, on behalf of the low-income persons and families living in projects financed under this act and renting units at or below the adjusted rental, an additional rental subsidy not to exceed the difference between that portion of the rental of such units which is attributable to the mortgagor's interest payments and the amount which would have been attributable if the interest rate for the financing of the project were one per cent per annum.

SECTION 13B. *Resident Ownership Subsidy Program.*
—MHFA shall create and establish a special fund, herein referred to as the Resident Ownership Fund, and shall pay into such fund any monies appropriated and made available by the commonwealth and any grants or financial aids received from others for the purposes of such fund. All monies held in the Resident Ownership Fund shall be used solely to assist low-income families or persons to own homes or co-operative housing shares or condominium units the purchase and rehabilitation of which are financed under this act by providing, as designated by appropriation, (a) a subsidy to such families or persons not to exceed the difference between the amount required annually to pay interest and debt service, real property taxes, fire insurance, reasonable management costs and reasonable maintenance costs on such a

home share, or unit, and twenty-five per cent of such family or person's annual income, or (b) mortgage funds on an interim basis prior to the issuance of refunding notes or bonds therefor for mortgage loans made by the MHFA pursuant to the authority granted it in clause (s) of section four, or (c) special advice and assistance to such families and persons.

SECTION 14. *Annual Report.*—The MHFA shall annually submit to the governor, the chairman of the senate ways and means committee, the chairman of the house ways and means committee, the commissioner of administration and finance, and the comptroller within ninety days after the end of its fiscal year, a complete and detailed report setting forth: (a) its operations and accomplishments; (b) its receipts and expenditures during such fiscal year in accordance with the categories and classifications established by the MHFA for its operating and capital outlay purposes; (c) its assets and liabilities at the end of its fiscal year, including a schedule of its mortgage loans and commitments and the status of reserve, special, or other funds, and (d) a schedule of its bonds and notes outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and incurred during such fiscal year.

SECTION 15. *Inspection of Books and Records.*—The books and records of the MHFA shall be subject to an annual audit by the auditor of the commonwealth.

SECTION 16. *Liberal Construction.*—This act, being necessary for the welfare of the commonwealth and its inhabitants, shall be liberally construed to effect the purposes thereof.

SECTION 17. *Severability.*—The provisions of this act are severable, and if any of its provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions.

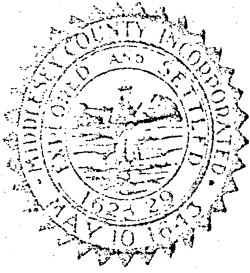
SCHEDULE PUBLIC HEARINGS MIDDLESEX COUNTY ADVISORY BOARD

March 2, 1976 Concord District Court, 305 Walden st. Concord, Mass.

6-8PM Business Meeting of MCAB
8-8:15 Treasurer #1,2,6,24,25,39
8:15-8:45 County Hospital
8:45-9:00 Newton D.C. #14-12
9:00-9:15 Woburn D.C. #14-18
9:15-9:35 Lowell D.C. #14-10
9:35-9:55 Waltham D.C. #14-16
9:55-10:10 Law Library #9
10:10-10:25 N. Reg of Deeds #8
10:25-10:45 S. Reg of Deeds #8
10:45-10:55 Multi-Service Center #17

March 6, 1976 Concord District Court, 305 Walden St. Concord, Mass.

9:00-9:30AM Maintenance #18,18-25
9:30-9:55 District Attorney #12-1, 12-2
9:55-10:15 Reg Probate #8A, 13-1,13-2
10:15-10:50 Sheriff, Camb Jail, Billerica House of Correction #7,16,12-3
10:50-11:10 Concord D.C. #14-21
11:10-11:25 Marlboro D.C. #14-13
11:25-11:40 Ayer D.C. #14-19
11:40-12-10 Clerk of Courts #5
12:10-1:10 Break
1:10-1:40PM County Commissioners #3,4,26,27,28,15
1:40-2:00 Central Purchasing #46
2:00-2:30 Cambridge D.C. #14-17
2:30-2:45 Juvenile Probation #14-22
2:45-3:05 Framingham D.C. #14-20
3:05-3:20 Natick D.C. # 14-14
3:20-3:40 Malden D.C. #14-15
3:40-4:10 Somerville D.C. #14-11
4:10-4:25 Highway #10
4:25-4:40 Cooperative Extension #20
4:40-5:00 Tourism #29



Commonwealth of Massachusetts

County of Middlesex
MIDDLESEX COUNTY ADVISORY BOARD
% OFFICE OF THE COUNTY COMMISSIONERS
SUPERIOR COURTHOUSE
EAST CAMBRIDGE, MASSACHUSETTS 02141

NOTICE TO MUNICIPAL CLERKS

PLEASE POST

NOTICE OF BUSINESS MEETING AND PUBLIC HEARINGS ON THE FISCAL 1977 COUNTY BUDGET TO BE HELD BY THE MIDDLESEX COUNTY ADVISORY BOARD IN CONJUNCTION WITH CHAPTER 35, SECTION 28B.

Business Meeting and Public Hearings will be held at the Concord District Court, 305 Walden St., Concord. March 2, 6-11PM and March 6, 9-5PM. See Enclosed Schedule.

Your community paid \$1,390,288.33 for the fiscal 1976 County budget last year. Please encourage your MCAB member and other interested citizens to participate in our activities.

11. 573

Comm. from the Middlesex County Advisory Board re: to the assessment of \$1,390,288.33 for the fiscal 1976 County Budget last year together with a schedule of public hearings to be held re: to the fiscal 1977 County budget.

In City Council,
Feb. 23, 1976

2/23/76

FILE MEETING-

Mr Hooley will attend-