



NATIONAL COUNCIL OF STATE HOUSING AGENCIES

More for the Mission: Tips for Managing Costs
and Securing Better Pricing

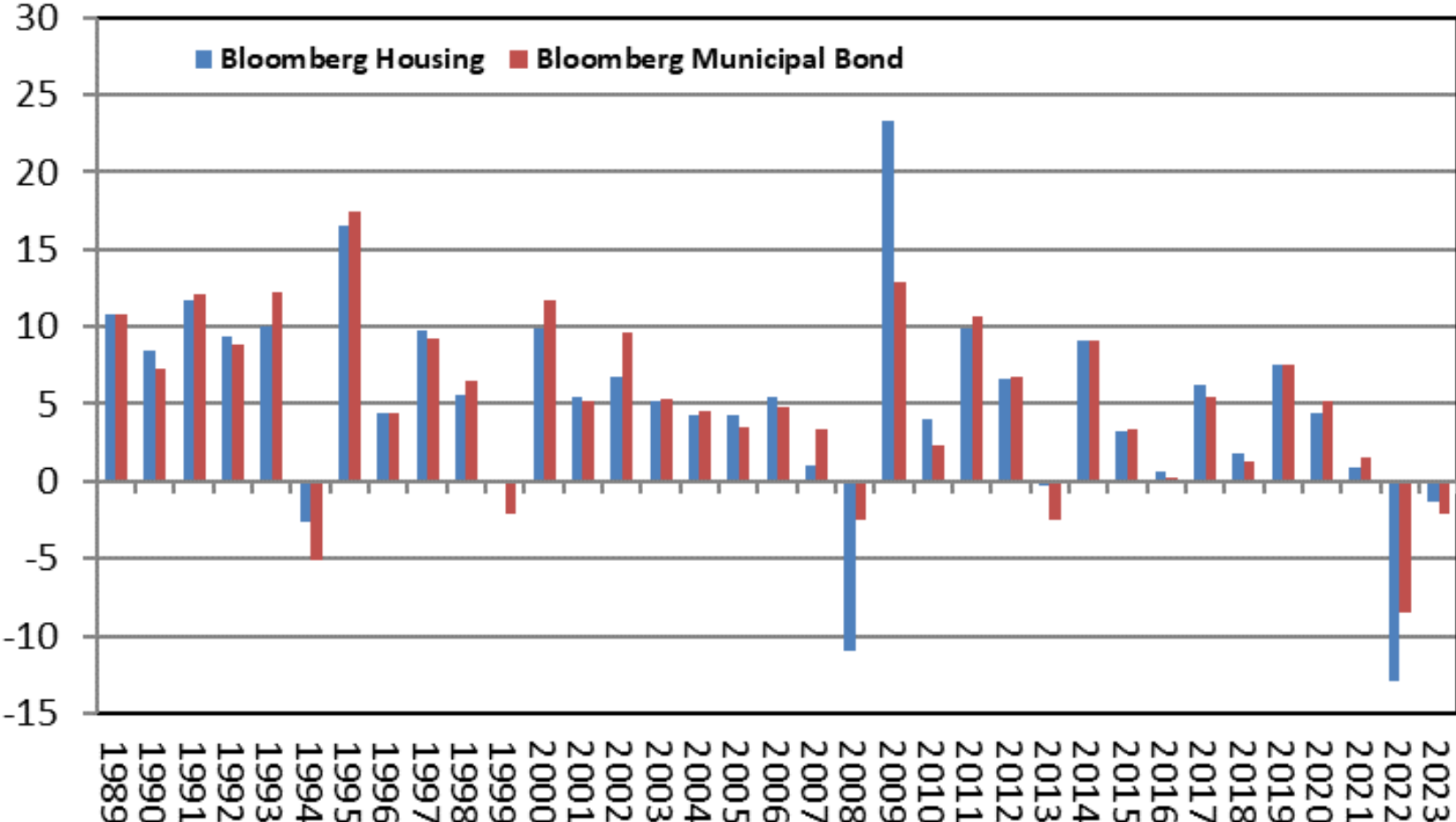
Tuesday, October 17, 2023
Boston, MA

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Annual Total Returns of Bloomberg Housing Index and Municipal Index 1989 to YTD 9/30/2023



Source: Bloomberg

BLOOMBERG MUNICIPAL INDICES
YTD RETURNS and CHARACTERISTICS as of 9/30/2023

Bloomberg INDEX	YTD TOTAL RETURN (%)	DURATION (Years)	YIELD (%)	COUPON (%)
MUNICIPAL BOND	-1.38	6.37	4.32	4.52
GO BOND	-2.01	6.10	4.10	4.45
REVENUE BOND	-1.16	6.69	4.44	4.55
MUNI ELECTRIC	-1.11	5.95	4.24	4.67
MUNI HOSPITAL	-1.55	7.40	4.80	4.56
MUNI HOUSING	-2.12	9.23	4.77	3.72
MUNI HIGH YIELD	0.00	7.93	6.25	4.58
MUNI: LONG BOND (22+)	-2.03	10.72	4.97	4.45

Source: Bloomberg

UNDERSTANDING HOUSING BOND SPREADS **(non-AMT bonds)**

NEW ISSUE PRICING 10/4/23
TENNESSEE HDA RESIDENTIAL DEVELOPMENT AA1/AA+

1) COUPON: 5.40% MATURITY: 2053 term bond YIELD: 5.40%

SPREAD:

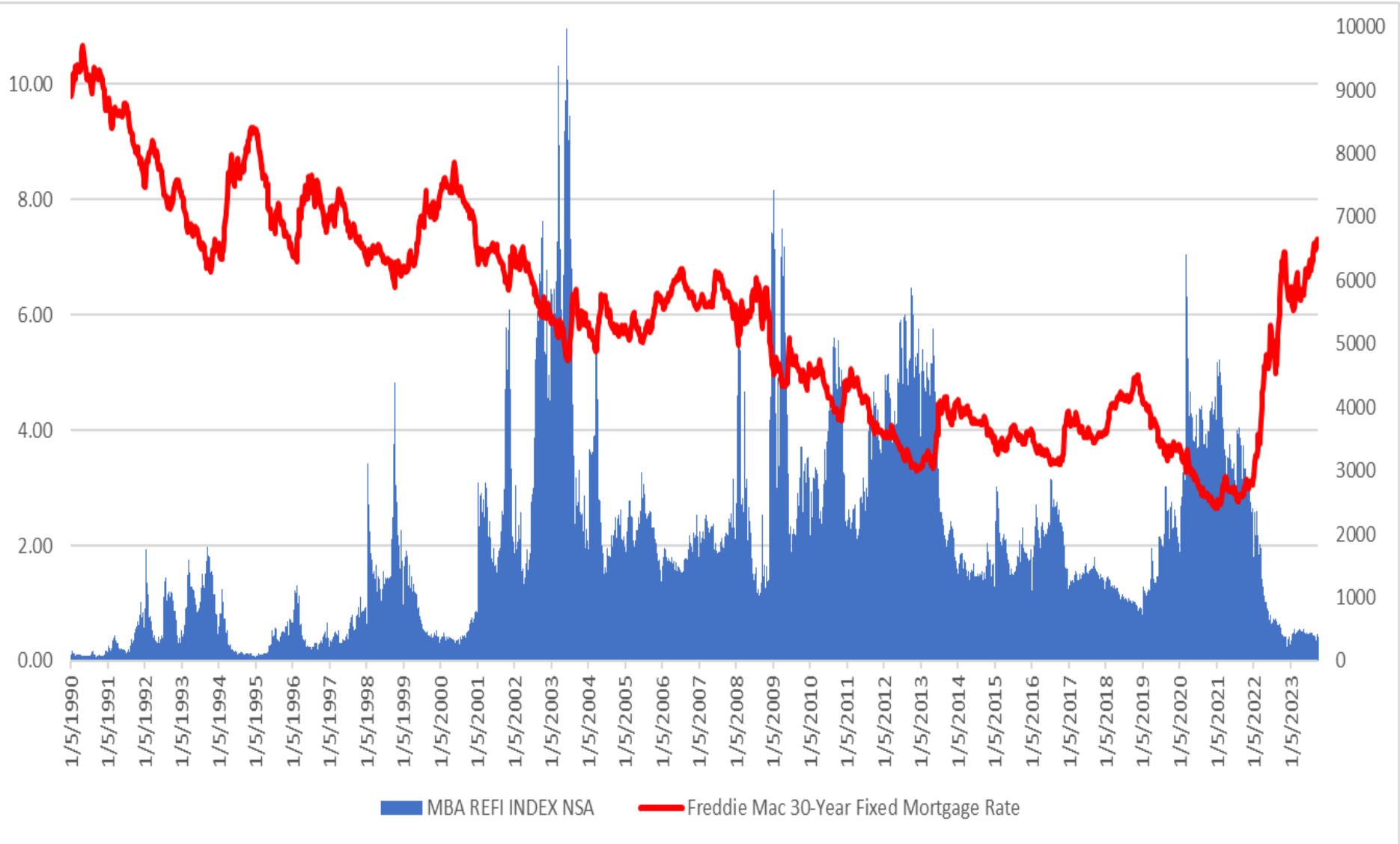
- +101 to AAA MMD 5% coupon yield curve
- +117 to AAA MMD 5.50% coupon yield curve
- +71 to AAA MMD 4% coupon yield curve
- -5 to BBB MMD 5% coupon yield curve

2) PAC BOND with 5.0-year average life COUPON:6.25% YIELD: 5.00%

SPREAD:

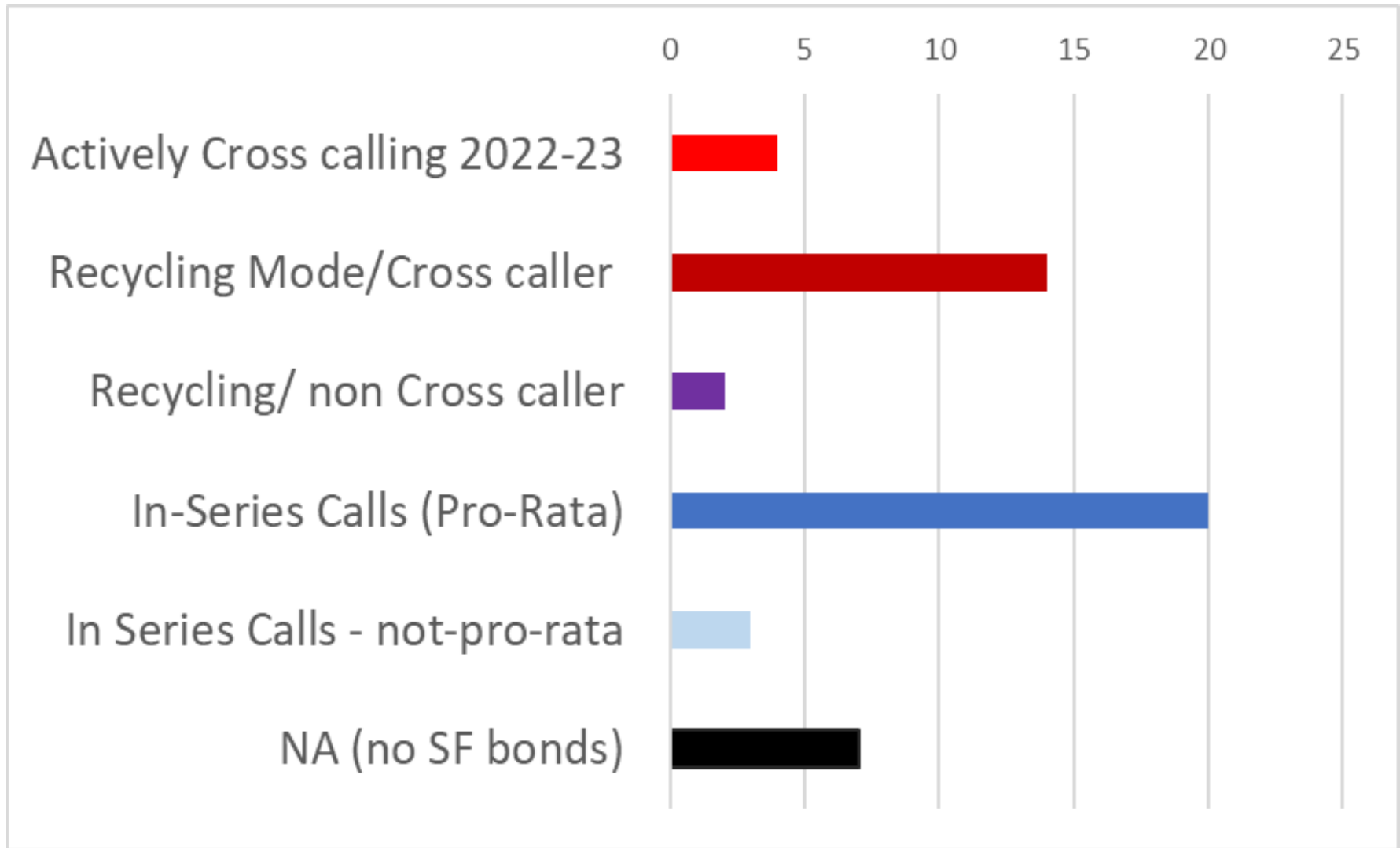
- +155 to AAA MMD 5% coupon yield curve
- +155 to AAA MMD 5.50% coupon yield curve
- +93 to BBB MMD 5% coupon yield curve

30-Year Fixed Conventional Mortgage Rates and MBA Refi Index NSA, 1/1990-10/23



Source: MBA, FHLMC

STATE HFA SINGLE FAMILY BOND PREPAYMENT REDEMPTION METHOD (10/2023)



Source: Compiled by Sit Investment Associates

Single Family Bond Secondary Market Pricing Examples

ISSUER: MIDWEST STATE HFA SINGLE FAMILY MRB SERIES 2021A
DATED: 4/22/2021 COUPON: 2.45% MATURITY: 9/1/2051
(PAC BOND IN SERIES RECEIVES FIRST 100% PSA)

PRICED TO MATURITY (RECYCLING/CROSS CALLING)

<u>Current Price</u>	<u>YTM</u>
60	5.11%

<u>AVE LIFE YIELD @ 200%PSA (PRO-RATA CALLS)</u>	<u>AVE LIFE 9/1/2031</u>
60	9.10%
81.2	5.10%
86.4	4.30%

<u>AVE LIFE YIELD @ 300%PSA (PRO-RATA CALLS)</u>	<u>AVE LIFE 9/1/2028</u>
60	12.12%
86.6	5.10%
91.2	4.10%

HOUSING BOND LEADERSHIP IN ESG INVESTING

Issuance of Labeled ESG Bonds by Municipal Bond Sector, YTD 2023

Borrower name	Issuance	% of total
Single-Family Housing	\$6,536	21.0%
Water and Sewer	5,913	19.0%
Multi-Family Housing	4,775	15.3%
Gas Forward	4,256	13.7%
Appropriation	1,945	6.3%
Miscellaneous Tax	1,365	4.4%
Airports	1,294	4.2%
Economic and Industrial Development	588	1.9%
Other	447	1.4%
Sales Tax	435	1.4%

Source: Bloomberg, BoA Global Research