Pennsylvania Housing Finance Agency

1993 ANNUAL REPORT

ON THE COVER:
Melissa Rosa, Katherine Rosa and Omayra Crespo reside at Somerset Townhouses, a rental housing development for single parent families in Philadelphia. Stable home environments are some of the benefits enjoyed by thousands of other Pennsylvania children who live in Agency-financed apartments.

MISSION OF THE PENNSYLVANIA HOUSING FINANCE AGENCY

Helping to improve living conditions for citizens residing in unsafe, overcrowded, inadequate or expensive homes and apartments is the mission of the Pennsylvania Housing Finance Agency. It is a large and important job that has gotten no easier during the twenty years of the Agency's existence.

In the face of declining resources, increasing family dysfunction, rapidly aging housing stock, the ravages of past inflation, neglect, discrimination, overburdened cities and inadequately served rural areas, the Agency's task becomes more formidable and demands ever greater creativity. Performing well has never been so difficult or more important.

The Pennsylvania Housing Finance Agency has implemented programs in response to needs for funding home mortgage loans, preventing foreclosures, developing supportive services and subsidizing affordable rental units for families of low and moderate income, older adults, individuals who are disabled and those with special housing needs. With a dedication to the principal that all citizens have a right to decent, safe and affordable places to live, the Agency will commit all its resources and talents toward fulfilling this purpose.

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1993 Annual Report Message

Nine-and-a-half million Pennsylvanians, about 80 percent of the population, live in housing that is adequate, reasonably priced, relatively secure and pleasant.

But for two-and-a-half million citizens, 20 percent of the Commonwealth, housing is inadequate: it is too expensive, unaffordable, overcrowded, dilapidated, dangerous, or even denied to some for reasons other than money. And, for some 60,000 individuals, it doesn't exist at all.

The Pennsylvania Housing Finance Agency is concerned with that 20 percent, those two-and-a-half million Pennsylvanians.

PHFA was chartered in 1972, primarily to take advantage of then-existing federal housing production programs that stimulated the development of low income rental apartments, at no cost to state taxpayers.

The Agency did that, financing 35,000 rental units over the last 20 years. That work continues to this day.

In 1981 the Legislature gave the Agency an additional task, that of stimulating homeownership for moderate income families.

PHFA did that too, financing 50,000 mortgages for first-time homebuyers whose incomes have averaged about $26,000.

In 1983 the Housing Finance Agency law was again amended giving PHFA broadened responsibilities, this time in the form of the Homeowners' Emergency Mortgage Assistance Program, the only Agency initiative operated with state appropriations.

HEMAP, as it was called, has been a salvation for over 15,000 families, and has been achieved at modest cost.

The Legislature's wisdom in authorizing this effort has meant that PHFA can provide last-chance mortgage loans to families threatened with foreclosure. For an average loan of $9,300, the program eliminates untold other public costs, avoids incalculable emotional strain on the affected families and, for a significant number of them, prevents homelessness.

This report briefly reviews PHFA's programs and outlines what it takes to produce affordable housing and homeownership opportunities for Pennsylvanians.

RENTAL HOUSING

The cornerstone of the Agency's assistance for the last six years has been the HOMES program. This multifamily rental housing initiative provides project sponsors with soft second loans, at one percent interest with repayment deferred for up to 15 years. The cost of providing HOMES loans has been borne by the Agency's unrestricted reserve fund. By year's end, $93,000,000 has been committed.

A proposal that successfully works its way through the development process can benefit from a PHFA construction loan at two points under prime with no points up front. The funds come from a line of credit financed by the State Treasurer. PHFA also provides permanent financing through an arrangement with the State Workers Insurance Fund.

Finally, PHFA provides federal low income housing tax credits that are sold to investors and used as the developer's equity in a project. That equity usually covers at least a third of total project costs, so it is a very important piece of the development pie.

But, if low income people are to be served, even all these resources aren't enough.

A typical project now combines an additional two or three sources: Community Development Block Grants or loans, free land, other loans or grants from foundations, the Federal Home Loan Bank and a widening variety of local sources.

It's a difficult job for any sponsor, private, public, for-profit or nonprofit, to assemble all these components. Nevertheless, the combining of efforts between private companies and nonprofit groups is increasingly more in evidence in Agency-financed developments. Successful sponsors demonstrate patience, fortitude, knowledge and expertise in putting together a workable, affordable proposal.

PHFA has dedicated $15,000,000 a year over the last few years to the HOMES program. Unfortunately, that money is running out.

Next year, the amount that can be set aside for the HOMES program will probably be about one-half of that, so the Agency is seeking other resources, a task that will be at least equivalent to the one undertaken to create the program in the first place.

It is PHFA's challenge to find new affordable rental housing resources and make them available as quickly as possible.

HOMEOWNERSHIP

Eleven years after starting the single family program, PHFA has financed more than two billion dollars worth of homes for families in every one of the Commonwealth's 67 counties. By increasing the overall amount of mortgage capital available to lenders, the Agency has expanded homeownership opportunities dramatically for thousands of families who would otherwise have been unable to afford homes of their own.

Indeed, a major investment banker cited PHFA's homeownership programs, funded with mortgage revenue bonds, as the reason for a dramatic increase in homeownership rates during an otherwise stagnant growth period. During the last decade, PHFA's single family program was a major factor in pushing the state's overall rate from 16th in the nation in 1980 to fifth in 1990.

This increase has come about because of the Agency's ability to reach more would-be homebuyers at the lower end of the economic spectrum. In 1993, the income of a typical user of Agency-financed home mortgage loans was $28,600, about 74 percent of the statewide median family income. These families purchased modest houses, with an average sales price of $61,000 and a home mortgage loan of $54,000.

For another 3,000 Pennsylvania families, PHFA's activities have made the difference between being renters for life and owning homes. Under a special program set-aside for very low income families, the Agency has made loans available to households with an average income of $19,000, who bought houses selling for an average of $37,000.

To accomplish this, PHFA has instituted a closing cost assistance program, counseling when needed for prospective homebuyers and an Agency-funded mortgage insurance plan for high risk loans that don't qualify for private or FHA mortgage insurance. These factors have stimulated interest in buying homes in many families who previously believed it beyond their capability. Along with a $15 million lease-purchase program funded by the State Treasurer, more families are being served than ever before.

With a solidly established program, the next step for the Agency is to develop it into a full-fledged secondary mortgage market that will benefit even more Commonwealth homebuyers.

MORTGAGE ASSISTANCE

In 1993, PHFA paid out nearly $20,000,000 in Homeowners' Emergency Mortgage Assistance loans. No other state in the nation has such a program, one specifically designed to prevent foreclosures on the homes of families who, through no fault of their own, are unable to make their mortgage payments.

Late last year the General Assembly passed legislation that made the program a permanent part of the Agency's charter. With this measure, the unique initiative will continue to benefit Commonwealth families, and offer that vital second chance that so often makes the difference between success and failure. It is one of the best uses of taxpayer dollars, and one of the biggest bargains in homelessness prevention in America.

The permanent extension by Congress of Mortgage Revenue Bonds for homeownership and Low Income Housing Tax Credits for rental housing and HEMAP approval by the State legislature have given PHFA the valuable legal tools it needs to carry on its work of financing affordable houses and apartments. Because there is no replacement for money, the Agency's role remains clear: to channel private and public funding into housing in order to meet the goal of offering decent, safe and affordable places to live for every Pennsylvanian.

This report is submitted to the citizens of the Commonwealth, the General Assembly, Congress and the Governor by the Board and Staff of the Agency.

Karen Miller
Chairperson

Karl Smith
Executive Director

Middletown Borough Councilwoman Barbara Layne's persistence resulted in the rehabilitation of an abandoned factory into housing for local families. She found the site, the developer and the support necessary to make the project a reality.

Woodlayne Court

Woodlayne Court in Middletown, Dauphin County, was originally built in 1909 as a clothing factory. It produced leather flying jackets for American aircrew members during the second World War, but by the late 1980's was abandoned and decaying.

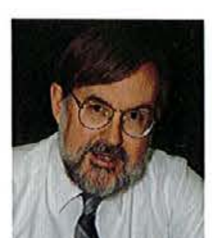
Barbara Layne, President of the Middletown Borough Council, was the principal supporter of the building's rehabilitation into apartments. "I always envisioned the building as a prime candidate for affordable housing, whether for families, or for senior citizens," Layne said. "The Borough Council has been unanimously behind the project, as are most Middletown residents and the local business community."

Mrs. Layne has been able to marshal considerable backing for her project. She enlisted a regional social service agency to provide community outreach services for residents. Job training, childrens' pre-school programs, adult education and recreation programs are all available at Woodlayne Court.

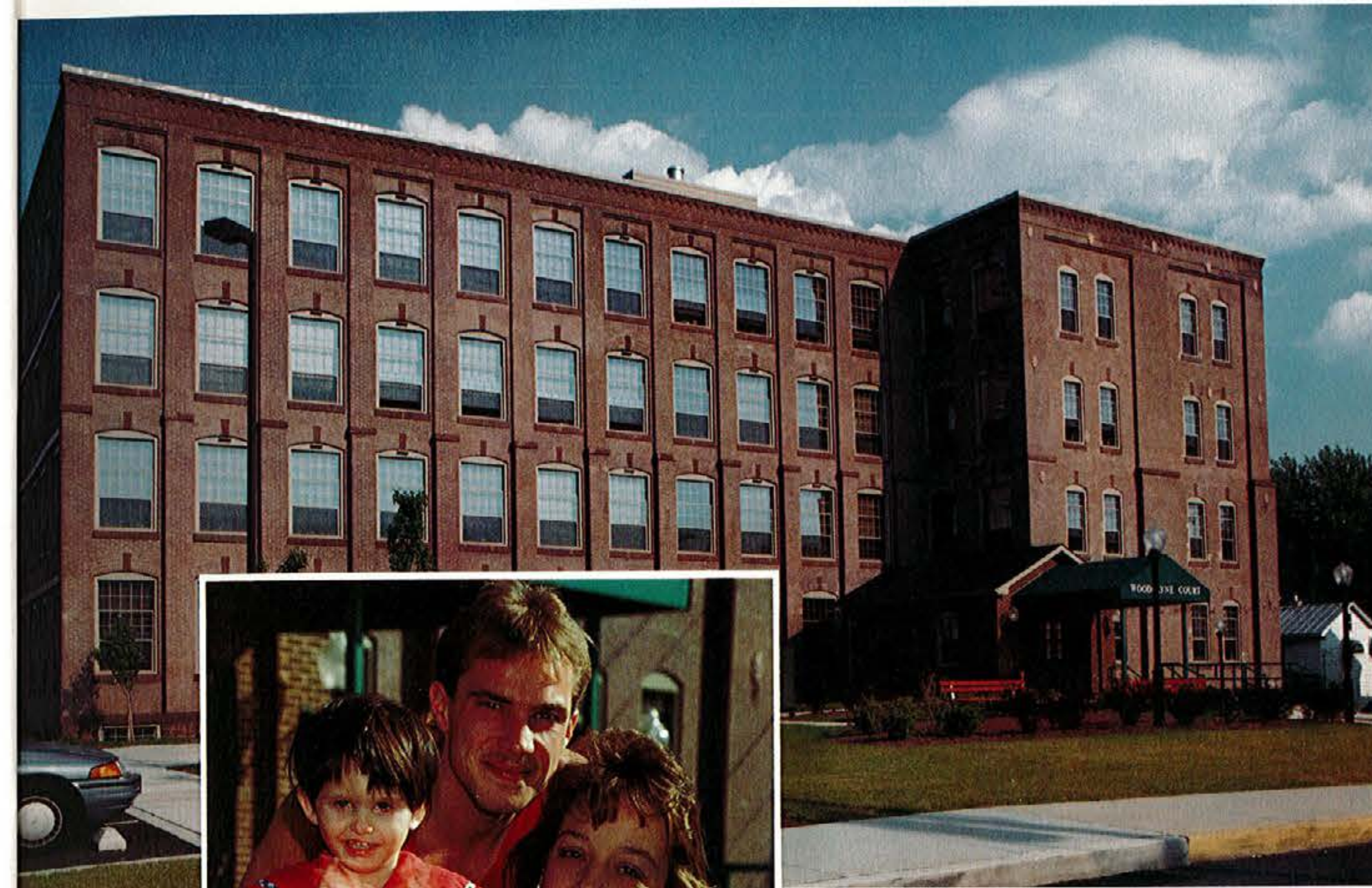
While she was in the process of seeing her beloved project become reality, Barbara Layne received a serious setback. She was diagnosed with a potentially fatal cancer. Through hospital stays, radiation and chemotherapy treatments she persisted in her development efforts. "I fought for this place just as I fought for my life," she said. Her determination paid off with a successful cure and a completed apartment building for 44 families.

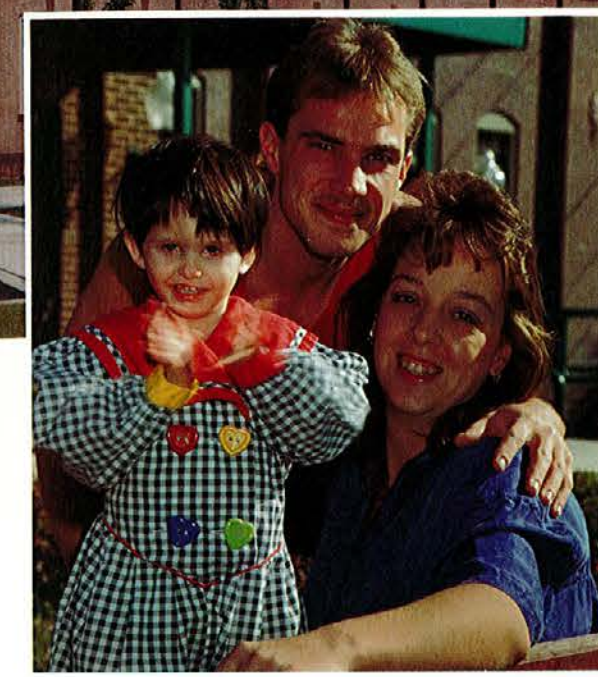
PHFA invested $1,200,000 of the $2,700,000 total project cost for Woodlayne Court.

Barb Conjar is a 15 year PHFA veteran. As a management representative, Barb is responsible for monitoring multifamily rental developments to ensure that they are properly run. Her work promotes the Agency's goal of making quality housing available to all Commonwealth citizens.



John Richards brings more than 20 years of experience to his accounting responsibilities for the Agency's multifamily projects. John approves the financial statements from developers and contractors who submit proposals to build rental housing under the HOMES program.





Melissa Basehore, and her three-year-old daughter Tameka, and Tony Bartraw are able to take advantage of the affordable rents at Woodlayne. Tameka has a hearing impairment requiring extra attention.

Prior to moving here, Melissa and her daughter lived with Melissa's grandfather. His deteriorating health meant that they needed to find another home.

"Woodlayne is wonderful. It provides a quiet, safe place for us to live. It's helped me give Tameka the special care she needs because its an apartment we can afford. If we didn't have it, we'd be nowhere."

Middletown mayor Robert Reid's mother retired from the clothing factory after working there for 35 years. When he became mayor he worried that, before the building was restored, it might burn down. A doubter at first, Mayor Reid now believes that Woodlayne Court is a genuine community asset.

John Goryl was on the staff of the Pennsylvania Senate as an associate council prior to coming to PHFA. He helped write the legislation that created the Homeowners' Emergency Mortgage Assistance Program and the Single Family Program.

Kate Mehalko's work as development coordinator is an important part of PHFA's multifamily efforts. She manages the data base of rental units financed by the Agency. Kate also handles the preliminary processing of all multifamily applications.

The Stewarts: Stephanie, Cornell, Melissa and Cornell, Jr. "Thanks to Pennsylvania Housing we were able to purchase our first home. We love it."

The Stewarts

Melissa and Cornell Stewart were able to buy their first house with a loan financed by PHFA-issued mortgage revenue bonds. The Stewarts purchased a brand new three bedroom, one-and-a-half bath home in Lancaster.

Melissa, who served in the Army for four years, relied on her status as a veteran to receive a VA guarantee on her mortgage.

Before buying, Cornell, who installs appliances for a local company, and Melissa, who works for an orthopedic doctor in Lancaster, rented an apartment. Owning a home has given the Stewarts additional space they wanted to raise their two children, Stephanie and Cornell, Jr.

They plan to install a fence and add a deck to their home next summer.

When **Diana Franklin** is not underwriting single family mortgage loans received at the Agency, she is busy at home learning the joys of motherhood. Diane recently adopted a seven-month old baby boy. "This is what it's all about," she said. "Kids make everything worthwhile."

Cliff Morton manages the mortgage hotline, a vital link for prospective homebuyers looking for information about PHFA's homeownership programs. Cliff combines this with his duties as loan officer and computer expert for the Single Family division.

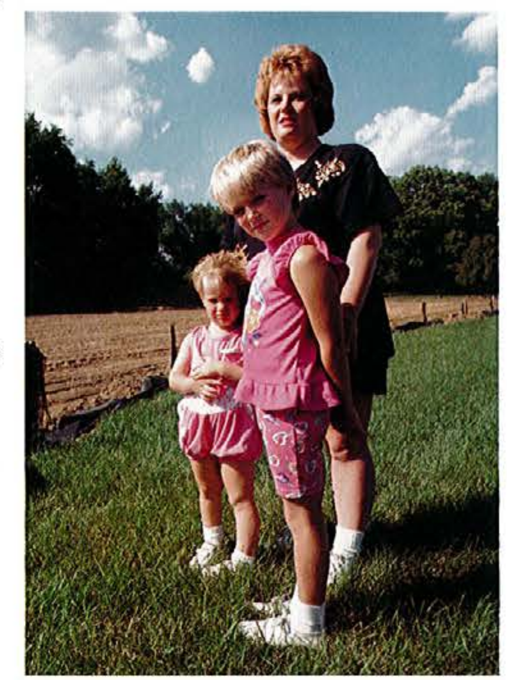
Saint Barnabas Circle

Catherine Washington is the executive director of the Interfaith Housing Development Corporation of Bucks County, in eastern Pennsylvania. Her group, comprised of 26 churches and several community organizations, is participating in a $15,000,000 lease-purchase homeownership program jointly operated by PHFA and the State Treasurer. Interfaith is the sponsor of Saint Barnabas Circle, a project that will make five new homes available this year to qualifying residents.

Many families have the financial ability to make monthly mortgage payments, but, because of the need to pay rent, can't save enough for a downpayment and closing costs. Under the lease-purchase agreement, the buyer actually rents for three years, with part of each payment going into forced savings. This continues until enough has been escrowed to cover a five percent down-payment.

Ms. Washington feels strongly about the benefits of the Saint Barnabas endeavor. "Many Bucks County families work hard every day to meet their obligations, but still have trouble saving a downpayment. Now they can get the money because of the lease-purchase program."

Catherine Washington



Donna Hollis and her daughters, Nichole Renee, three, and Heather Anne, eight, at the site of their home-to-be in Saint Barnabas Circle. "I always told my girls that some day we'll have our own home with a back yard and a swing set. Interfaith has opened doors for me that I always thought would be closed."

Sue Belles came to PHFA more than ten years ago as a staff auditor in the Management division. She later worked as a development officer. This kind of experience is valuable in her current position as a staff accountant in Finance.

Jennifer Smallwood works in the Single Family division as an assistant mortgage servicing representative. Jennifer is responsible for insurance and tax payments on more than 14,000 loans in the Agency's homeownership portfolio.

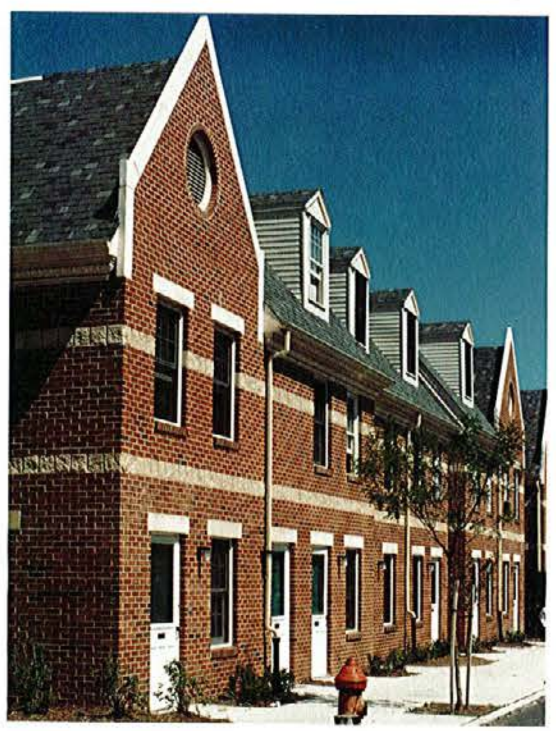
Somerset

The HOMES program not only provides financial support to sponsors of multifamily developments but it helps families with special needs find safe, decent and affordable housing.

Such is the case at Somerset Apartments, a 24-unit townhouse development for single parent families in Philadelphia.

The Women's Community Revitalization Project, Somerset's sponsor, has been providing affordable housing since 1987. Somerset was their first major undertaking with a total project cost of $2,066,250. A $720,000 loan from PHFA helped the organization receive the additional financing needed to make their proposal a reality.

A child development center located next door gives Somerset residents ready access to day care. Recently approved funding will increase the center's capacity from 51 to 75 children. In addition, an array of social services is provided to help the residents become self-sufficient, active members in the community.



Somerset Apartments offers 24 affordable rental units for single parents and their families. A $720,000 HOMES loan helped make these attractive townhouses possible.

Wendy Klinger is one of the first persons a new employee will meet at PHFA. Most of her 14 years at the Agency has been spent working as a personnel assistant, handling benefit and payroll matters for 200 employees.

As an assistant financial officer, **Penny Mullins** relies on 13 years of experience at PHFA to handle the varied requirements of her job. When she is not processing mortgage payments, Penny keys in reports and processes loan payoffs.

There may be budding Georgia O'Keefes, Mary Cassats and Thomas Eakinses among the young painters who helped decorate the walls of the child development center at Somerset apartments. Artist Tony Sonnenberg, who participates in such community development activities, provided technical assistance and creative guidance to these young painters.

Kathy Deitzler has been in the data processing field for 22 years. She is a senior programmer analyst in the Agency's Computer Service division. Kathy is experiencing the excitement of being a first year college student's mother: her son is a starter on the Franklin and Marshall varsity basketball team.

Mildred Minter translated the Agency's single family homeownership brochure into Spanish, her native tongue. As an administrative assistant in the Homeowners' Emergency Mortgage Assistance Program, Mildred helps hundreds of families each year.

Historic Lafayette Apartments in Butler was once one of the more ornate banks in western Pennsylvania. Later the county government used it for business, and the building was rehabilitated with the help of a $1,000,000 HOMES multifamily rental development loan from the Pennsylvania Housing Finance Agency. Sixty-two older adults now call the place their home.

Having worked in the building industry since he was 16, **Douglas Houghton** uses his experience as the Agency's cost estimator and contract reviewer. Doug goes over construction budgets and contracts for multifamily projects, providing valuable input to the Agency's development team.

FINANCIAL REVIEW

CONTENTS

REPORT OF INDEPENDENT ACCOUNTANTS
ON FINANCIAL STATEMENTS
for the years ended June 30, 1993 and 1992
AND REQUIRED SUPPLEMENTAL INFORMATION

Coopers & Lybrand | certified public accountants

To the Members of the
Pennsylvania Housing Finance Agency
Harrisburg, Pennsylvania:

We have audited the accompanying balance sheets of the Pennsylvania Housing Finance Agency (Agency) as of June 30, 1993 and 1992, the related statements of revenues, expenses and changes in fund balances and cash flows for the years then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 1993 and 1992, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Analysis of Funding Progress and Revenues by Source and Expenses by Type, on pages 39 and 40, are not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

Coopers & Lybrand

One South Market Square
Harrisburg, Pennsylvania
September 24, 1993, except for
Note O, as to which, the date
is September 29, 1993.

BALANCE SHEETS

as of June 30, 1993 and 1992

(in thousands)	1993 General Fund	1993 Multi-Family Program	1993 Single Family Program	1993 Totals (Memorandum Only)	1992 General Fund	1992 Multi-Family Program	1992 Single Family Program	1992 Totals (Memorandum Only)
ASSETS								
Deposits and investments (Note E)	$73,075	269,822	315,898	658,795	43,654	340,885	600,710	985,249
Mortgage loans receivable (Note F)	703	618,728	1,208,933	1,828,364	760	616,849	1,154,880	1,772,489
Construction advances (Note F)	—	14,496	—	14,496	—	14,027	—	14,027
Deferred and other assets	2,315	10,054	4,448	16,817	2,915	8,669	4,807	16,391
Due from other funds	8,624	—	—	8,624	40,882	—	—	40,882
	$84,717	913,100	1,529,279	2,527,096	88,211	980,430	1,760,397	2,829,038
LIABILITIES AND FUND BALANCES								
Bonds payable (Note I)	$ —	646,689	1,404,552	2,051,241	—	737,803	1,536,830	2,274,633
Notes payable (Note H)	—	8,000	—	8,000	—	5,000	70,637	75,637
Escrow and other liabilities	950	131,698	15,232	147,880	1,188	121,174	10,790	133,152
Accrued interest payable	—	21,534	32,197	53,731	—	20,866	35,315	56,181
Accounts payable and accrued expenses	873	—	—	873	597	—	—	597
Due to other funds	—	3,047	5,577	8,624	—	3,165	37,717	40,882
Total liabilities	1,823	810,968	1,457,558	2,270,349	1,785	888,008	1,691,289	2,581,082
Fund balances (Note K):								
Reserved	346	3,360	28,012	31,718	346	3,360	29,332	33,038
Unreserved:								
Internally designated	46,500	63,000	4,018	113,518	54,259	55,000	3,617	112,876
Undesignated	36,048	35,772	39,691	111,511	31,821	34,062	36,159	102,042
Total fund balances	82,894	102,132	71,721	256,747	86,426	92,422	69,108	247,956
	$84,717	913,100	1,529,279	2,527,096	88,211	980,430	1,760,397	2,829,038

The accompanying notes are an integral part of the financial statements.

Statements of Revenues, Expenses and Changes in Fund Balances

for the years ended June 30, 1993 and 1992

		1993				1992			
	(in thousands)	General Fund	Multi-Family Program	Single Family Program	Totals (Memorandum Only)	General Fund	Multi-Family Program	Single Family Program	Totals (Memorandum Only)
REVENUES:	Interest income:								
	Investments	$ 3,427	11,149	19,948	34,524	4,973	13,727	24,663	43,363
	Mortgage loans receivable (Note F)	67	55,414	98,005	153,486	72	55,619	93,522	149,213
	Construction advances (Note F)	—	205	—	205	—	542	—	542
	Total interest income	3,494	66,768	117,953	188,215	5,045	69,888	118,185	193,118
	Fees and charges	6,916	—	1,932	8,848	6,618	—	1,587	8,205
	Amortization of deferred gain	—	258	—	258	—	239	—	239
	Gain on sale of investments	399	210	924	1,533	3,282	1	—	3,283
	Residual receipts	—	1,414	—	1,414	—	2,145	—	2,145
	Total operating revenue	10,809	68,650	120,809	200,268	14,945	72,273	119,772	206,990
EXPENSES:	Interest on notes (Note H)	—	468	588	1,056	—	648	2,879	3,527
	Interest on bonds (Note I)	—	52,752	113,728	166,480	—	58,937	113,209	172,146
	Salaries and related benefits	6,638	—	—	6,638	5,775	—	—	5,775
	General and administrative	3,329	—	100	3,429	2,958	—	—	2,958
	Loan loss provision	—	1,400	—	1,400	—	—	400	400
	Nonrecurring expense (Note N)	129	—	1,351	1,480	—	—	—	—
	Total operating expenses	10,096	54,620	115,767	180,483	8,733	59,585	116,488	184,806
	Income before extraordinary item	713	14,030	5,042	19,785	6,212	12,688	3,284	22,184
	Extraordinary loss:								
	Early extinguishment of debt (Note I)	—	(8,567)	(2,427)	(10,994)	—	(1,340)	(1,005)	(2,345)
	Net income	713	5,463	2,615	8,791	6,212	11,348	2,279	19,839
	Fund balances at beginning of year	86,426	92,422	69,108	247,956	81,053	80,237	66,827	228,117
	Fund balance transfers, net (Note D)	(4,245)	4,247	(2)	—	(839)	837	2	—
	Fund balances at end of year	$82,894	102,132	71,721	256,747	86,426	92,422	69,108	247,956

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the years ended June 30, 1993 and 1992

	(in thousands)	1993 General Fund	1993 Multi-Family Program	1993 Single Family Program	1993 Totals (Memorandum Only)	1992 General Fund	1992 Multi-Family Program	1992 Single Family Program	1992 Totals (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES:	Net income	$ 713	5,463	2,615	8,791	6,212	11,348	2,279	19,839
	Adjustments to reconcile net income to net cash provided by (used for) operating activities:								
	Depreciation and amortization	265	1,018	1,829	3,112	237	1,681	2,504	4,422
	Loss on early extinguishment of debt	—	8,567	2,427	10,994	—	1,340	1,005	2,345
	Loan loss provision	—	1,400	—	1,400	—	—	400	400
	Interest expense on notes and bonds, excluding amortization and accretion	—	51,203	112,901	164,104	—	57,832	115,567	173,399
	Interest income on investments	(3,427)	(11,149)	(19,948)	(34,524)	(4,973)	(13,727)	(24,663)	(43,363)
	Gain on sale of investments	(399)	(210)	(924)	(1,533)	(3,282)	(1)	—	(3,283)
	Amortization of deferred gain	—	(258)	—	(258)	—	(239)	—	(239)
	Increase (decrease) due to changes in operating assets and liabilities:								
	Mortgage loans receivable	57	(3,279)	(54,468)	(57,690)	55	(22,765)	(100,268)	(122,978)
	Construction advances	—	(469)	—	(469)	—	9,360	—	9,360
	Deferred and other assets	335	(2,586)	(130)	(2,381)	(641)	(866)	(1,079)	(2,586)
	Escrow and other liabilities	(238)	10,781	4,442	14,985	(179)	5,169	2,917	7,907
	Accounts payable and accrued expenses	276	—	—	276	34	—	—	34
	Net cash provided by (used for) operating activities	(2,418)	60,481	48,744	106,807	(2,537)	49,132	(1,338)	45,257
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	Due (from) to other funds	$32,258	(118)	(32,140)	—	(16,535)	986	15,549	—
	Fund balance transfers from (to) other funds	(4,245)	4,247	(2)	—	(839)	837	2	—
	Proceeds from sale of bonds and notes	—	177,052	94,475	271,527	—	119,191	437,213	556,404
	Redemptions and maturities of bonds and notes	—	(273,551)	(300,742)	(574,293)	—	(59,416)	(126,226)	(185,642)
	Interest paid on bonds and notes	—	(50,534)	(116,019)	(166,553)	—	(57,990)	(125,134)	(183,124)
	Net cash provided by (used for) noncapital financing activities	28,013	(142,904)	(354,428)	(469,319)	(17,374)	3,608	201,404	187,638
CASH FLOWS FROM INVESTING ACTIVITIES:	Purchase of investments	(55,055)	(101,311)	(120,205)	(276,571)	(33,601)	(113,982)	(334,625)	(482,208)
	Interest received on investments	7,454	8,342	19,211	35,007	6,804	13,369	29,982	50,155
	Proceeds from sales and maturities of investments	37,191	121,275	281,415	439,881	44,630	134,443	267,162	446,235
	Net cash provided by (used for) investing activities	(10,410)	28,306	180,421	198,317	17,833	33,830	(37,481)	14,182
	Net increase (decrease) in cash and cash equivalents	15,185	(54,117)	(125,263)	(164,195)	(2,078)	86,570	162,585	247,077
	Cash and cash equivalents at beginning of year	(10,444)	170,868	286,314	446,738	(8,366)	84,298	123,729	199,661
	Cash and cash equivalents at end of year	**$ 4,741**	**116,751**	**161,051**	**282,543**	**(10,444)**	**170,868**	**286,314**	**446,738**
	Reconciliation of cash and cash equivalents to the balance sheets:								
	Total deposits and investments per the balance sheets	$73,075	269,822	315,898	658,795	43,654	340,885	600,710	985,249
	Less:								
	Investments not meeting the definition of cash equivalents	68,334	153,071	154,847	376,252	54,098	170,017	314,396	538,511
	Cash and cash equivalents at end of year	**$ 4,741**	**116,751**	**161,051**	**282,543**	**(10,444)**	**170,868**	**286,314**	**446,738**

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

for the years ended June 30, 1993 and 1992

(dollar amounts in thousands)

A. AUTHORIZING LEGISLATION

The Pennsylvania Housing Finance Agency (Agency) is a body corporate and politic created by the Housing Finance Agency Law, Act of December 3, 1959, P.L. 1688 (Act), as amended. Pursuant to the Act, the Agency is authorized and empowered, among other things, to finance the construction and rehabilitation of housing units for persons and families of low and moderate income or the elderly. Bonds and notes issued under the provisions of the Act are not a debt or liability of the Commonwealth of Pennsylvania or any of its political subdivisions or a pledge of the faith and credit of the Commonwealth of Pennsylvania or of any of its political subdivisions.

The Act was amended to authorize the Agency to make or purchase loans to finance the purchase, construction, improvement or rehabilitation of owner-occupied single family residences, and to finance the construction and rehabilitation of housing units without requiring the housing units to be subsidized or assisted by a federal government program.

Legislation was enacted by the Pennsylvania General Assembly to extend the operations of the Agency through December 31, 1995.

B. FUND ACCOUNTING:

The accounts of the Agency are organized on the basis of separate enterprise funds, each of which is considered to be a separate accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, and revenues and expenses. The funds used by the Agency are described below.

GENERAL FUND:
The General Fund is utilized to record certain loan origination fees, service fees and revenue from investments not specifically pledged for the repayment of notes or bonds in the other funds. All Agency expenses are recorded in this fund except interest and provisions for potential loan losses which are charged to the loan related funds.

MULTI-FAMILY PROGRAM:
The Multi-Family Program transactions relate to the construction, rehabilitation and permanent financing of multi-family rental housing developments generally designed for persons and families of low and moderate income or the elderly.

SINGLE FAMILY PROGRAM:
The Single Family Program transactions relate to the purchase of mortgage loans for owner-occupied single family residences for persons and families of low and moderate income. The Single Family Program also provides primary mortgage insurance through the Pennsylvania Housing Insurance Fund.

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared on the accrual basis. On this basis, revenues are recognized in the year in which they are earned and become measurable, and expenses are recognized in the year they are incurred.

CASH AND CASH EQUIVALENTS:
For the purpose of the statements of cash flows, the Agency considers all highly liquid investments with an original maturity of three months or less, when purchased, to be cash equivalents.

DEPOSITS AND INVESTMENTS:
Deposits are carried at cost, plus accrued interest. Investments in debt securities are carried at amortized cost, plus accrued interest. Premiums and discounts are amortized on a straight-line basis over the term of the investment.

MORTGAGE LOANS RECEIVABLE AND CONSTRUCTION ADVANCES:
Mortgage loans receivable and construction advances are carried at amounts disbursed plus accrued interest and fees, less collections, mortgage loan discounts and allowance for potential loan losses, if any.

ALLOWANCE FOR POTENTIAL LOAN LOSSES:
The allowance for potential loan losses is determined based upon management's evaluation of mortgage loans receivable and construction advances. Factors considered by management include the estimated fair market values of the properties that represent collateral, the amount of mortgage insurance to be received, if any, and the past experience and financial condition of the borrowers. Additions to the allowance are provided by charges to expense.

MORTGAGE REAL ESTATE OWNED:
During the normal course of business, the Agency purchases single family properties at foreclosure proceedings to avoid or minimize losses on mortgage loans. These properties are recorded at cost, and are held and managed by the Agency until purchasers are located. Subsequent costs directly related to the sale or improvement of the real estate is capitalized, as they are recoverable as part of the insurance claim. Losses arising from the properties are charged to the allowance for potential loan losses when incurred.

NONACCRUAL LOANS:
The Agency's policy is not to place a loan on nonaccrual status, as the accrued interest is recoverable as part of the mortgage insurance claim. There is adequate reserve in the allowance for loan losses for unrecovered accrued interest.

MORTGAGE LOAN INTEREST:
Interest income is recognized over the life of construction advances and mortgage loans receivable based upon the constant yield method.

MORTGAGE LOAN ORIGINATION FEES AND COSTS:
Loan origination fees range from .75% to 1.5% of the loan commitment for the Multi-Family Program and from 0% to 2% of the mortgage amount for the Single Family Program.

Loan origination costs relate to investigations, surveys, appraisals and other matters pertaining to the evaluation of mortgage loan proposals and construction advances.

The net difference between the loan origination fee and the related direct loan origination cost is deferred and amortized using the interest method over the life of the loan.

MORTGAGE LOAN DISCOUNT:
Discounts on mortgages purchased by the Agency are amortized over the lives of the related bond issues using the interest method.

AMORTIZATION OF NOTES AND BONDS PAYABLE DISCOUNTS:
Underwriter discounts relating to notes and bonds payable, including original issue discounts, are amortized over the lives of the related debt using the interest method.

AMORTIZATION OF DEFERRED GAIN:
The deferred gain on property conversion is amortized over the lives of the related first and second mortgage loans using the installment method.

TOTAL COLUMNS ON FINANCIAL STATEMENTS:
Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

D. FUND BALANCE TRANSFERS:

The Agency is permitted to make fund balance transfers to the extent that such fund balances and the related assets are not required to meet the Agency's debt obligations and provided that such transfers are not in violation of the terms of bond resolutions or indentures. The Single Family bond resolutions contain such restrictions on transfers. Fund balance transfers from the Multi-Family Program include earnings in excess of the note and bond interest and other related expenses. Fund balance transfers from the General Fund are used primarily to meet Self-Insurance Fund requirements for Single Family Mortgage Revenue Bonds, and to fund the HOMES program in the Multi-Family Fund.

E. DEPOSITS AND INVESTMENTS:

AUTHORITY FOR AGENCY DEPOSITS AND INVESTMENTS:
The deposit and investment policies of the Agency are governed by statutes and contractual provisions contained in the bond trust indentures. Agency deposits must be held in insured depositories satisfactory to the Agency and must be fully collateralized. Permissible investments include direct obligations of, or guaranteed by, the U.S. Treasury and U.S. Government agencies; any other obligation of the U.S. Treasury or any other U.S. Government agencies which are legal investments for savings banks, savings associations, or savings and loan associations in the Commonwealth of Pennsylvania; fully collateralized public housing bonds, temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities; direct and general obligations of, or obligations guaranteed by, the Commonwealth of Pennsylvania; direct and general obligations of any state of the United States, guaranteed by such state, provided that at the time of purchase the obligations maintain a satisfactory investment rating; fully collateralized repurchase agreements; reverse repurchase agreements; mutual or money market funds; commercial paper or finance company paper; noncollateralized certificates of deposit and various investment agreements that maintain a satisfactory investment rating; and interest-bearing time or demand deposits and certificates of deposit.

Deposits and investments consist of the following at June 30, 1993 and 1992:

	1993	1992
Deposits (overdraft)	$ 6,309	(7,226)
Investments	652,486	992,475
Total deposits and investments	$658,795	985,249

Management is not aware of any violations of statutory authority or contractual provisions for deposits and investments during the years ended June 30, 1993 and 1992.

DEPOSITS:
The following summary presents the Agency's deposits which are fully insured or collateralized with securities held by the Agency's agent in the Agency's name (Category 1), those deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Agency's name (Category 2), and those deposits which are not collateralized or those collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Agency's name (Category 3):

	Bank Balance				Carrying
	Category 1	Category 2	Category 3	Total	Amount
June 30, 1993					
Demand deposits	$200	—	10,178	10,378	6,309
June 30, 1992					
Demand deposits (overdrafts)	$200	—	1,906	2,106	(7,226)

Deposits classified as Category 3 are collateralized by pooled collateral in accordance with Act 72 of the Commonwealth of Pennsylvania. The bank balances in excess of carrying amount represent checks which have not cleared the bank, net of deposits in transit or other transactions not recorded by the bank until after year end.

INVESTMENTS:
The Agency categorizes investments according to the level of credit risk assumed by the Agency. Category 1 includes investments that are insured, registered or held by the Agency's agent in the Agency's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the Agency's name. Category 3 includes uninsured and unregistered investments held by the counterparty, its trust department or its agent, but not in the Agency's name. Certain investments have not been categorized because securities are not used as evidence of the investment. These uncategorized investments represent the Agency's ownership interests in investment agreements, mutual funds and investment in State Treasurer's investment pool. The summary below identifies the level of credit risk assumed by the Agency and the total carrying amount and market value of the Agency's investments.

	Carrying Amount				Market
	Category 1	Category 2	Category 3	Total	Value
June 30, 1993					
Corporate bonds	$ 8,556	—	—	8,556	8,530
Repurchase agreements	24,574	—	—	24,574	24,574
U.S. Government obligations	124,989	—	—	124,989	163,435
U.S. Government agency obligations	189,890	—	—	189,890	192,427
Short-term investments	159,765	—	—	159,765	159,765
Totals	$507,774	—	—	507,774	548,731
Add amounts not categorized because securities are not used as evidence of the investments:					
Investment agreements				65,082	65,082
Mutual funds				76,200	76,200
Investment in State Treasurer's investment pool				3,430	3,430
Total investments				$652,486	693,443

	Carrying Amount Category 1	Category 2	Category 3	Total	Market Value
June 30, 1992					
Corporate bonds	$ 6,788	—	—	6,788	6,856
Repurchase agreements	10,726	13,281	—	24,007	24,007
U.S. Government obligations	149,021	—	—	149,021	174,955
U.S. Government agency obligations ...	253,478	—	—	253,478	255,240
Short-term investments	251,567	—	—	251,567	251,567
Totals	$671,580	13,281	—	684,861	712,625
Add amounts not categorized because securities are not used as evidence of the investments:					
Investment agreements				132,969	132,969
Mutual funds				100,231	100,231
Investment in State Treasurer's investment pool				74,414	74,414
Total investments				$992,475	1,020,239

The amortized cost and estimated market values of investments in debt securities as of June 30, 1993 and 1992 are as follows:

1993	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
Corporate bonds	$ 8,556	5	31	8,530
Repurchase agreements..........	24,574	—	—	24,574
U.S. Government obligations ...	124,989	38,446	—	163,435
U.S. Government agency obligations	189,890	2,581	44	192,427
Short-term investments..........	159,765	—	—	159,765
Investment agreements	65,082	—	—	65,082
Mutual funds	76,200	—	—	76,200
State Treasurer's investment pool	3,430	—	—	3,430
	$652,486	41,032	75	693,443

1992	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
Corporate bonds	$ 6,788	106	38	6,856
Repurchase agreements	24,007	—	—	24,007
U.S. Government obligations ...	149,021	27,527	1,593	174,955
U.S. Government agency obligations	253,478	3,399	1,637	255,240
Short-term investments	251,567	—	—	251,567
Investment agreements..........	132,969	—	—	132,969
Mutual funds	100,231	—	—	100,231
State Treasurer's investment pool	74,414	—	—	74,414
	$992,475	31,032	3,268	1,020,239

The amortized cost and estimated market value of debt securities at June 30, 1993, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Estimated Market Value
Due in one year or less	$475,835	473,842
Due after one year through five years	53,921	57,438
Due after five years through ten years	39,719	43,261
Due after ten years	83,011	118,902
	$652,486	693,443

Proceeds from sales of investments in debt securities, prior to maturity, during 1993 and 1992 were $67,404 and $20,479, respectively. Gross gains of $1,533 and $3,283, respectively, were realized on those sales.

F. MORTGAGE LOANS RECEIVABLE AND CONSTRUCTION ADVANCES:

The mortgage loans receivable and construction advances are collateralized by first mortgages on the related properties. The federal government provides insurance for certain projects included in the Multi-Family Program as well as subsidizes certain projects through its Section 8 Program. Insurance for the Single Family Program is provided by commercial companies and self-insurance through the Agency's Pennsylvania Housing Insurance Fund. In addition, the Agency has designated a portion of fund balances for self-insurance for certain multi-family and single family loans (see Note K). A summary of multi-family mortgage loans receivable and construction advances at June 30, 1993 and 1992 is as follows:

	Mortgage Loans Receivable	Mortgage Construction Advances
June 30, 1993:		
Insured and subsidized..................................	$ 47,047	—
Insured and nonsubsidized	39,920	7,963
Uninsured and subsidized	479,790	—
Uninsured and nonsubsidized	65,671	6,533
	632,428	14,496
Allowance for potential loan losses	13,700	—
	$618,728	14,496
June 30, 1992:		
Insured and subsidized..................................	$ 48,959	—
Insured and nonsubsidized	41,020	9,532
Uninsured and subsidized	490,187	—
Uninsured and nonsubsidized	48,983	4,495
	629,149	14,027
Allowance for potential loan losses	12,300	—
	$616,849	14,027

Substantially all single family mortgage loans are subject to two levels of insurance, primary insurance and pool insurance. Primary insurance is required on all single family mortgage loans where the loan principal amount exceeds 80% of the lesser of the purchase price or the initial appraised value of the property. The amount of primary insurance coverage required, as defined in the bond resolutions, is the amount by which the loan exceeds 66.5%–72.0% (depending on single family bond issue) of the lesser of the appraised value or sales price of the residence. It is the eligible borrowers' responsibility to bear the cost of primary insurance.

The Agency has reimbursed agreements covering up to $320 million in mortgage loans with various commercial mortgage insurers in order to provide mortgagors with lower premiums for primary mortgage insurance. Under these agreements, the mortgage insurers are primarily responsible to the holders of the mortgage insurance policies, and the Agency will assume a portion of the mortgage default risk. The Agency has restricted funds to cover a portion of the potential exposure under these agreements.

The Agency provides primary mortgage insurance coverage for single family mortgage loans through the Pennsylvania Housing Insurance Fund. This self-insurance fund is part of the Single Family Program. At June 30, 1993 and 1992, the total loans covered under this program were $147,894 and $100,180, respectively.

Pool insurance covers certain losses sustained by reason of default in payments by eligible borrowers in excess of primary insurance. The Agency has elected to self-insure single family mortgage loans originating from proceeds obtained from single family bond issues Series C through 1992-35. The total principal outstanding of mortgage loans self-insured by the Agency was $1,207,608 and $1,114,202 at June 30, 1993 and 1992, respectively.

Changes in the allowance for possible loan losses for the Multi-Family and Single Family Programs are as follows:

	Multi-Family		Single Family	
	1993	1992	1993	1992
Balance, July 1	$12,300	12,300	713	571
Provision charged to income	1,400	—	—	400
Charge-offs	—	—	(73)	(258)
Balance, June 30	**$13,700**	**12,300**	**640**	**713**

The Agency has designated a portion of fund balance in both the General Fund and Single Family Program for self-insurance (see Note K).

Included in Single Family Program mortgage loans receivable at June 30, 1992 are $24,149 of mortgages pending sale to Federal National Mortgage Association.

G. SERVICING PORTFOLIO: Included in the Single Family Program are mortgage loans serviced for investors which are not included in the financial statements. The total amount of loans serviced for others was $186,359 and $120,921 at June 30, 1993 and 1992, respectively.

H. NOTES PAYABLE: The Agency maintains the following lines of credit, with the Department of Treasury of the Commonwealth of Pennsylvania, for the funding of Multi-Family Programs:

	1993	1992
$20,000 line of credit, bearing interest from the date of issuance at 2 points below the prime rate, 6.5% at June 30, 1993 and 1992	$5,000	5,000
$15,000 line of credit, bearing interest from the date of issuance at a rate equal to the current yield on two year Treasury Notes plus 20 basis points, 4.47% at June 30, 1993	3,000	—
	$8,000	**5,000**

During 1993, the Agency established a $50,000 line of credit, with the Department of the Treasury of the Commonwealth of Pennsylvania, for the funding of Multi-Family Programs, for which the Agency has not drawn any funds at June 30, 1993.

The Agency maintains the following notes payable with the Department of Treasury of the Commonwealth of Pennsylvania, for the funding of Single Family Programs:

	1993	1992
Knoll Homestart Program Note I, bearing interest at a variable rate based on a formula which reflects the reinvestment rate of the note proceeds, 4.0% at June 30, 1992	$ —	1,823
Knoll Homestart Program Note II, bearing interest at a fixed rate of 3.95%	—	68,814
	$ —	**70,637**

I. BONDS PAYABLE: Bonds have been issued to provide financing of mortgage loans under the Multi-Family and Single Family Programs. The full faith and credit of the Agency is pledged for repayment of most of the bonds issued. The bonds are collateralized by:

(1) The mortgage loans made on the related properties;

(2) Most revenues, mortgage advance amortization payments and recovery payments received by the Agency from mortgage loans; and

(3) Certain funds and accounts established pursuant to the bond indentures including investment of the bond proceeds.

The security covenants, together with covenants in the notes payable agreements, in effect, make available all assets of all funds for debt related purposes.

The most restrictive covenants require minimum capital reserve requirements for the Multi-Family and Single Family Programs. The capital reserve fund has been established by the Agency to meet this requirement.

The capital reserve requirement for Multi-Family Bonds requires that a one year debt service minimum balance be maintained at all times. The capital reserve fund at June 30, 1993 and 1992, amounted to $59,916 and $100,288, respectively, including amounts funded by bond proceeds. Such amounts were $23,909 and $44,665, respectively, in excess of the requirement.

The capital reserve requirement for Single Family Bonds must be equal to at least 3% of the aggregate principal amount of all Single Family Bonds outstanding plus one million dollars. The capital reserve fund at June 30, 1993 and 1992 amounted to $61,722 and $57,690, respectively, including amounts funded by bond proceeds. Such amounts were $17,975 and $9,910, respectively, in excess of the requirement.

Bonds issued and outstanding for the Multi-Family Program are as follows:

Issue	Interest Rate Range At Issuance	Final Maturity Date	Amount Outstanding June 30, 1993	1992
Residential Development Bonds:				
Issue A	4.50-7.60%	2019	$ 73,510	74,445
Issue B	4.00-6.60%	2020	27,610	28,020
Issue 1977 (refunding)	3.60-6.50%	2023	81,145	82,085
Issue C	4.25-6.375%	2020	20,360	20,645
Issue D	4.50-6.75%	2021	72,165	73,100
Issue E	5.50-7.25%	2022	—	19,765
Issue F	5.80-7.60%	2022	—	53,690
Issue G	7.125%	2012	6,865	7,020
Issue H	6.00-7.70%	2023	—	48,705
Issue I	5.50-9.25%	2023	—	47,635
Issue L	7.75-12.125%	2025	—	27,090
Issue M	7.25-11.00%	2014	—	19,510
Issue N	9.75%	2014	3,040	3,080
Issue O	10.375%	2015	6,620	6,690
Issue P	10.375%	2015	5,300	5,360
Issue 1990 T-1 (refunding)	8.875%	1997	1,770	1,770
Issue 1991 T-3	8.25%	1994	2,155	2,155
Issue 1991A (refunding)	6.65-7.60%	2013	43,630	45,115
Issue 1992A (refunding)	7.95%	2025	23,905	23,905
Issue 1992 (refunding)	3.65%-6.5%	2023	170,095	—
State Workers' Insurance Fund	9.8%	2014	7,490	7,680
State Workers' Insurance Fund:				
Issue 1990B	9.29%	2015	4,250	4,345
Issue 1991C	8.9%	2016	12,210	12,375
Issue 1992D	8.21%	2017	7,395	7,500
Issue 1992E	7.47%	2018	4,930	—
Section 23 Assisted Bonds:				
Issue 1977A	5.75%	1995	330	450
Multi-Family Housing Bonds:				
Issue 1980	9.80-10.00%	2023	10,990	11,055
Issue 1982A	9.75-13.50%	2024	—	61,520
Issue 1982B	9.50-10.875%	2024	4,875	13,855
Issue 1985A	6.75-9.375%	2028	5,239	14,804
Issue 1985B	8.875%	2028	1,710	1,720
Issue 1987A	7.00-8.50%	2002	500	555
Issue 1988A	10.65%	2008	1,356	1,391
Issue 1990 T-2 (refunding)	8.625%	1995	2,355	2,355
Issue FHA-1992	7.75-8.20%	2024	37,265	37,700
Limited Obligation Residential Development Bonds:				
Issue 1984A	6.50-11.25%	2006	1,097	1,217
Moderate Rehabilitation Bonds:				
Issue 1984A	6.50-10.375%	2001	2,955	3,165
Issue 1984	5.25-9.00%	2017	4,235	4,480
Multi-Family Development Bonds:				
Issue 1989B	8.25%	2015	3,475	3,515
Federal National Mortgage Association:				
Issue 1990A	7.5%	2023	3,778	3,793
			654,605	783,260
Unamortized bond discount			(7,916)	(45,457)
			$646,689	**737,803**

During the year ended June 30, 1993, the Agency redeemed prior to maturity $286,905 of Multi-Family Residential Development Bonds, Issues E, F, H, I, L, M, 1982A and 1982B. An extraordinary loss of $9,113 resulted from the redemptions.

During the year ended June 30, 1993, the Agency defeased, prior to maturity, $7,120 of Multi-Family Residential Development Bonds, Issues H and M, which resulted in an extraordinary gain of $546. The Agency defeased the bonds by depositing sufficient funds in an irrevocable trust with an escrow agency to provide for all future debt service payments. The funds were invested in U.S. Treasury strips. The defeased principal outstanding on these bonds was $7,120 at June 30, 1993.

During the year ended June 30,1992, the Agency redeemed prior to maturity $23,685 and $21,430 of Multi-Family Residential Development Bonds, Issue J and K, respectively. An extraordinary loss of $1,340 resulted from the redemptions.

Bonds issued and outstanding for the Single Family Program are as follows:

Issue	Interest Rate Range At Issuance	Final Maturity Date	Amount Outstanding June 30, 1993	1992
Single Family Mortgage Revenue Bonds:				
Series C	6.00-9.375%	2014	$ 55,794	56,874
Series D	5.75-9.75%	2014	3,545	23,325
Series G	6.00-9.625%	2016	51,605	142,615
Series H	5.50-9.875%	2016	61,255	63,835
Series I	6.00-10.00%	2016	18,915	19,840
Series J	4.50-9.0%	2013	37,767	39,152
Series K	4.50-7.90%	2013	48,627	49,952
Series L	4.00-7.125%	2014	36,745	37,440
Series N	4.60-8.25%	2014	46,520	49,915
Series O	5.75-8.20%	2018	65,200	71,915
Series P	4.75-8.00%	2016	24,295	24,620
Series Q	6.00-8.375%	2018	48,835	49,325
Series R	6.20-8.125%	2019	78,340	79,050
Series S	6.70-7.60%	2016	24,430	24,815
Series T	7.00-7.875%	2020	24,620	24,875
Series U	6.15-7.80%	2020	78,125	78,945
Series V	6.00-7.80%	2016	24,450	24,700
Series W	6.30-7.80%	2020	49,355	49,840
Series X	6.80-8.15%	2024	65,170	65,170
Series Y	6.20-7.45%	2016	34,500	34,840
Series Z	6.00-7.55%	2016	26,325	26,785
Series 1990-27	6.50-8.15%	2021	45,620	46,065
Series 1990-28	6.30-7.65%	2023	80,000	80,000
Series 1990-29	6.10-7.375%	2016	30,000	30,000
Series 1991-30	5.30-7.30%	2017	25,000	25,000
Series 1991-31	5.40-8.95%	2023	84,400	85,000
Series 1991-32	7.15%	2015	35,000	35,000
Series 1992-33	4.50-6.90%	2017	49,800	49,800
Series 1992-34	4.50-7.00%	2024	75,000	75,000
Series 1992-35	2.88-9.48%	2025	95,650	95,650
			1,424,888	1,559,343
Unamortized bond discount			(20,336)	(22,513)
			$1,404,552	**1,536,830**

During the year ended June 30, 1993, $115,160 of Single Family Mortgage Revenue Bonds, Series D, G, N and O were redeemed prior to maturity by the Agency using mortgage prepayments and undisbursed bond proceeds. Extraordinary losses of $2,427 resulted from the redemptions as unamortized bond discount and related costs of issuance for the bonds redeemed were expensed.

During the year ended June 30, 1992, $59,310 of Single Family Mortgage Revenue Bonds, Series D, E, F, H, I, N, O, X and 1990-27 were redeemed prior to maturity by the Agency using mortgage prepayments and undisbursed bond proceeds. Extraordinary losses of $1,005 resulted from the redemptions as unamortized bond discount and related costs of issuance for the bonds redeemed were expensed.

Bonds maturing ten years and thereafter from the date of issuance are redeemable at the option of the Agency at prescribed redemption prices ranging from 104% to 100% of the principal amount. Bonds may also be redeemed at par prior to the ten-year period if mortgage loan prepayments exceed prescribed levels and from undisbursed bond proceeds. Provisions of the bonds include mandatory annual sinking fund payments to provide for redemption of the term bonds.

Required principal and interest payments related to bonds payable are as follows at June 30, 1993:

Year Ending June 30:	Multi-Family Program Principal	Multi-Family Program Interest	Single Family Program Principal	Single Family Program Interest	Total Principal and Interest Maturities
1994	$227,761	38,053	126,785	102,977	495,576
1995	9,671	34,869	23,975	96,410	164,925
1996	9,809	28,604	25,435	94,429	158,277
1997	10,374	28,283	27,000	92,632	158,289
1998	10,622	27,654	26,390	85,551	150,217
Thereafter	386,368	355,443	1,195,303	1,245,520	3,182,634
	$654,605	512,906	1,424,888	1,717,519	4,309,918

The 1994 principal and interest payments for the Multi-Family Program include $202,550 and $7,817, respectively, of Issue A, B, C, D and G Bonds which were redeemed prior to maturity on September 1, 1993, and principal and interest payments of $17,610 and $890, respectively, of Issue O and 1980B Bonds, of which the Agency is planning to redeem prior to maturity on October 1, 1993.

The 1994 principal and interest payments for the Single Family Program include $104,960 and $4,831, respectively, of Series C, G, I, N, O, U, W, 1990-28 and 1990-29 Bonds, of which the Agency is planning to redeem prior to maturity on October 1, 1993.

J. OPERATING LEASES: The Agency is obligated under a noncancellable operating lease for their building. Future minimum payments under this lease at June 30, 1993 are:

1994	$ 294
1995	482
1996	489
1997	495
1998	501
Thereafter	3,226
	$5,487

Total rental expense was $499 and $462 for the years ended June 30, 1993 and 1992, respectively.

K. RESERVED AND INTERNALLY DESIGNATED FUND BALANCES:

GENERAL FUND:
The General Fund reserved fund balance of $346 represents funds required to be held in trust under the terms of the indenture of the Multi-Family Housing Bond Issue 1980.

The remaining fund balance of the General Fund is not restricted under the terms of the various bond resolutions and can be used by the Agency for any purpose authorized by the Act. The Agency has internally designated a portion of the General Fund balance as follows:

	June 30, 1993	June 30, 1992
Single Family Self-Insurance Fund	$16,500	23,709
Multi-Family Self-Insurance Fund	10,000	10,000
Additional Single Family Insurance Program	—	4,550
HOMES Program	19,000	15,000
Housing initiatives	1,000	1,000
	$46,500	54,259

The designation for the Single Family Self-Insurance Fund is to be used for any special hazard losses on single family mortgages not covered by other insurance, and losses arising out of default on mortgage loans funded with the proceeds of the Series C through 1992-35 Issues. The Single Family Self-Insurance Fund has been established at not less than 1% of anticipated mortgages to be originated on Issues I through 1992-35. In 1993, this requirement was reduced to not less than 1% of anticipated mortgages to be originated on Issues I through 1992-35, less $10,000. The Single Family Series I resolution required that a Self-Insurance Fund be held by the trustee. This was funded by the General Fund and is included in the Single Family Program's restricted fund balance.

The designation for the Multi-Family Self-Insurance Fund has been established in the event a loss occurs on any of the Multi-Family Projects for which the Agency acts as an insurer or coinsurer.

The designation for the Additional Single Family Insurance Program has been established to cover primary mortgage insurance losses in the event of default on single family mortgage loans. In 1993, this requirement was relieved.

The designation for the HOMES Program has been established to provide below market and deferred interest financing to lower development costs for apartment projects financed by the Agency.

The designation for housing initiatives has been established to provide below market financing for Multi-Family and Single Family Special Projects financed by the Agency.

MULTI-FAMILY PROGRAM:
Restrictions on the Multi-Family Program fund balance are as follows:

	June 30, 1993	June 30, 1992
Capital Reserve not funded by bond proceeds	$1,960	1,960
Development Reserve	1,400	1,400
	$3,360	3,360

The Capital Reserve and Development Reserve are required under certain trust indentures in order to establish and maintain the Agency's Multi-Family Program.

The Agency has internally designated a portion of the Multi-Family Program fund balance as follows:

	June 30, 1993	June 30, 1992
HOMES Program	**$63,000**	55,000

The designation for the HOMES Program, which was funded from unrestricted Multi-Family proceeds, has been established to lower development costs for apartment projects financed by the Agency.

SINGLE FAMILY PROGRAM:
Restrictions on the Single Family Program fund balance are as follows:

	June 30, 1993	June 30, 1992
Risk Retention	$10,000	8,000
Capital Reserve not funded by bond proceeds	1,339	5,372
Self-Insurance Fund held by trustee	16,673	15,960
	$28,012	29,332

The Risk Retention reserve was established as an alternative to private mortgage insurance. Through the Risk Retention Program the Agency retains the risk of mortgage default for mortgage loans under this program.

The Capital Reserve not funded by bond proceeds represents funding provided by the Agency to meet the capital reserve required under bond indentures in excess of amounts funded by bond proceeds.

The Self-Insurance Fund held by Trustee represents amounts to self-insure the pool insurance for Single Family mortgage loans to meet self-insurance requirements under the bond indentures.

The Agency has internally designated a portion of the Single Family Program fund balance as follows:

	June 30, 1993	June 30, 1992
Closing Cost Subsidy Program	$1,563	1,162
Additional Single Family Insurance Program	2,455	2,455
	$4,018	3,617

The Closing Cost Subsidy is a program established to assist qualified single family home buyers with the initial costs incurred at the inception of a mortgage.

The designation for the Additional Single Family Insurance Program has been established to cover risk sharing agreement primary mortgage insurance losses in the event of default on Single Family mortgage loans.

L. PENSION PLAN:

PLAN DESCRIPTION:
Eligible full-time employees participate in either the Pennsylvania Housing Finance Agency Employees' Retirement Plan (Plan), a noncontributory defined benefit, single employer plan, or the Pennsylvania State Employees' Retirement System (PSERS). Participation in PSERS is limited to those employees who were active members of PSERS at the time of their employment by PHFA. As of June 30, 1993 and 1992, substantially all eligible full-time employees are participants in the Plan. The Agency's payroll for employees covered by the Plan for the plan years ended December 31, 1992 and 1991 was approximately $4,683 and $4,411, respectively.

Full-time employees become eligible for participation in the Plan after completion of one year of service. A participant's benefits vest upon the completion of 5 years of service. Under the provisions of the Plan, participants with prior military experience may receive credit for their time of service in the military providing they contribute funds equivalent to the cost of their pension benefits accumulated during their military service. The Plan was previously amended to convert it from a contributory to a non-contributory pension plan. At the time of the amendment, participants had the option to receive a refund in the amount of their contributions, with interest, or increase their pension benefits. Substantially all employees elected to withdraw their contributions to the Plan at that time. A participant is eligible for normal retirement after attainment of age 65, or age 55 and completion of 30 years of service, or at any age after completion of 35 years of service. The Plan also provides early and late retirement provisions and death and disability benefits. The normal retirement pension is payable monthly during the participant's lifetime with payments ceasing upon the participant's death.

The amount of the monthly pension benefit is computed as follows:

1. New participants after December 31, 1981 and participants who elected refund of contributions with interest:
   a. 2% of final average monthly pay multiplied by completed years and completed months of service at retirement.
2. Participants who did not elect refund of contributions with interest:
   a. 2.35% of final average monthly pay multiplied by completed years and completed months of service through December 31, 1981, plus
   b. 2% of final average monthly pay multiplied by completed years and completed months of service beginning on or after January 1, 1982.

Average monthly pay is based upon the three plan years of highest pay.

As of January 1, 1993 and 1992, Plan membership consisted of:

	1993	1992
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	68	59
Current employees:		
Vested	106	100
Nonvested	53	54
	227	213

FUNDING STATUS AND PROGRESS:
The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the Plan on an ongoing basis; assess progress made in accumulating sufficient assets to pay benefits when due; and make comparisons among employers.

The measure is the actuarial present value of credited projected benefits and is independent of the actuarial funding method used to determine contributions to the Plan.

The pension benefit obligation was computed as part of an actuarial valuation performed as of January 1, 1993 and 1992. Significant actuarial assumptions used in the valuations include (a) a rate of return on the investment of present and future assets of 7.5% a year compounded annually, (b) projected salary increases of 4% a year compounded annually, attributable to inflation, (c) additional projected salary increases of 1% a year, attributable to merit or seniority, and (d) no post-retirement benefit increases.

Total assets in excess of pension benefit obligation at January 1, 1993 and 1992, the most recent valuation dates, were as follows:

	1993	1992
Pension benefit obligation:		
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$1,477	905
Current employees:		
Accumulated employee contributions	18	30
Employer contributions—vested	3,867	3,624
Employer contributions—nonvested	239	220
Total pension benefit obligation	5,601	4,779
Plan assets at market value	7,865	7,112
Assets in excess of pension benefit obligation	$2,264	2,333

There were no changes in actuarial assumptions used in calculating the pension benefit obligation during the Plan year ended December 31, 1992.

The following changes occurred in the benefit provisions used in calculating the pension benefit obligation during the plan year ended December 31, 1991:

- Participant eligibility for normal retirement was changed from age 65 to attainment of age 65, age 55 and completion of 30 years of service, or any age after completion of 35 years of service.
- Average monthly pay was changed from the 5 consecutive Plan years of highest pay during the last 10 years preceding retirement to the 3 Plan years of highest pay.
- Eligibility for early retirement was changed from attainment of age 55 and completion of 5 years of service to attainment of age 55 and completion of 5 years of service or any age after completion of 10 years of service. Also, the early retirement benefit was changed from the benefit accrued to the date of early retirement, reduced 1/3 of 1% for each month early to the benefit accrued to the date of early retirement, reduced 1/6 of 1% for each month early.

The effect of these changes in the benefit provisions was to increase the pension benefit obligation $147 during the plan year ended December 31, 1991. There were no changes in the benefit provisions used in calculating the pension benefit obligation during the plan year ended December 31, 1992.

CONTRIBUTION REQUIRED AND CONTRIBUTIONS MADE:
The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The contribution rate for normal cost is determined using the aggregate actuarial cost method. Significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation. The contributions to the Plan for the plan years 1992 and 1991 were $297 and $262, respectively, representing normal cost (6.3% and 5.9%, respectively, of current covered payroll) and were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of January 1, 1993 and 1992, respectively. The Agency contributed $296 and $258 (6.3% and 5.8%, respectively, of current covered payroll); employees contributed $1 and $4 (.02% and 0.10%, respectively, of current covered payroll) for plan years 1992 and 1991, respectively.

TREND INFORMATION:
Trend information designed to provide information about the Agency's progress made in accumulating sufficient assets to pay benefits when due is presented in the following schedule. Ten-year trend information is presented on pages 39 and 40.

	Plan Year Ended December 31		
	1992	1991	1990
Net assets available for benefits expressed as a percentage of the pension benefit obligation	138.93%	148.82%	150.86%
Assets in excess of pension benefit obligation expressed as a percentage of covered payroll	47.07%	52.90%	50.63%
Employer contributions expressed as a percentage of covered payroll	6.34%	5.85%	5.62%

M. COMMITMENTS AND CONTINGENCIES:

LITIGATION:
In the normal course of business there are various claims and suits pending against the Agency. In the opinion of the Agency's management and counsel, the amount of such losses that might result from these claims and suits, if any, would not materially affect the Agency's financial position.

FEDERAL GRANTS:
The Agency administers significant financial assistance payments from the federal government in the form of low income mortgage subsidies, interest reduction payments, and rental housing rehabilitation assistance. Such federal financial assistance received during the years ended June 30, 1993 and 1992 amounted approximately to $110,000 and $106,000, respectively. All federal financial assistance administered by the Agency is subject to audit and as such, any disallowances resulting from noncompliance or questioned costs may become liabilities of the Agency. The Agency's management believes disallowances, if any, would not materially affect the Agency's financial position.

COMMITMENTS:
Outstanding commitments by the Agency to make or acquire single family and multi-family mortgages aggregated approximately $87,234 and $32,839, respectively, at June 30, 1993.

N. NONRECURRING EXPENSE: Nonrecurring operating expense represents items of expense which, although required to be classified as expenses of the Agency, are unusual and nonrecurring in nature and do not relate directly to normal ongoing business activity. The nonrecurring charge includes amounts relating to the alleged embezzlement of escrow funds by a single family mortgage servicer.

O. SUBSEQUENT EVENTS: The federal legislation that empowers the Agency to issue mortgage revenue bonds expired June 30, 1992, and new legislation authorizing the issuance of mortgage revenue bonds was enacted on August 10, 1993, retroactive to July 1, 1992.

On August 11, 1993, the Agency issued $205,835 Rental Housing Refunding Bonds, Issue 1993, which are due in varying amounts from July 1, 1995 through July 1, 2022, bearing interest at rates ranging from 3.50% to 5.80%. The proceeds of these bonds will be used to refund all of the Agency's outstanding Multi-Family issues A, B, C, D, G, O, and 1980 Bonds.

On September 1, 1993, the Agency redeemed prior to maturity $202,550 of Multi-Family Residential Development Bonds Issues A, B, C, D, G and 1985A. An extraordinary loss of $7,396 resulted from the redemptions.

On September 29, 1993, the Agency issued $129,155 Single Family Mortgage Revenue Bonds, Series 1993-36 and 1993-37. The proceeds of these bonds will be used to refund all of the Agency's Single Family Series C Bonds, to partially redeem the Agency's Single Family Series G and I Bonds, to pay maturing principal on the Agency's Single Family Series C, D, G through L, N through W, Y, Z, 1990-27, 1991-30 and 1991-31 Bonds, and to fund the purchase of new Single Family Mortgage Loans.

Required Supplemental Information

ANALYSIS OF FUNDING PROGRESS

Plan Year Ended December 31	(1) Net Assets Available for Benefits*	(2) Pension Benefit Obligation	(3) Percentage Funded (1)/(2)	(4) Overfunded or (Unfunded) Pension Benefit Obligation (1)-(2)	(5) Annual Covered Payroll	(6) Overfunded or (Unfunded) Pension Benefit Obligation as a Percentage of Covered Payroll (4)/(5)
1983	$2,131,355	$1,181,157	180.45%	$ 950,198	$2,368,744	40.11%
1984	2,508,568	1,464,098	171.34	1,044,470	2,704,789	38.62
1985	3,243,211	1,834,293	176.81	1,408,918	3,030,037	46.50
1986	3,731,011	2,336,633	159.67	1,394,378	3,442,741	40.50
1987	4,010,369	3,191,584	125.65	818,785	3,419,003	23.95
1988	4,600,930	2,956,826	155.60	1,644,104	3,726,066	44.12
1989	5,523,141	3,400,294	162.43	2,122,847	3,678,877	57.70
1990	5,945,961	3,941,373	150.86	2,004,588	3,959,624	50.63
1991**	7,112,838	4,779,470	148.82	2,333,368	4,411,010	52.90
1992	7,864,913	5,600,986	138.93	2,263,927	4,682,595	47.07

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the pension plan. Trends in overfunded or unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the pension plan.

**At market value*

***In fiscal year 1991, the following changes occurred in the benefit provisions used in calculating the benefit obligation:*

Participant eligibility for normal retirement was changed from age 65, to attainment of age 65, or age 55 and completion of 30 years of service, or at any age after completion of 35 years of service.

Average monthly pay was changed from the 5 consecutive Plan years of highest pay during the last 10 years preceding retirement, to the 3 Plan years of highest pay.

Eligibility for early retirement was changed from attainment of age 55 and completion of 5 years of service, to attainment of age 55 and completion of 5 years of service, or at any age after completion of 10 years of service. Also, the early retirement benefit was changed from the benefit accrued to the date of early retirement, reduced 1/3 of 1% for each month early to the benefit accrued to the date of early retirement, reduced 1/6 of 1% for each month early.

The effect of these changes in the benefit provisions was to increase the pension benefit obligation $147,000 during the plan year ended December 31, 1991.

REVENUES BY SOURCE AND EXPENSES BY TYPE

Plan Year Ended December 31	Revenue by Source: Employee Contributions	Employer Contributions	Investment Income	Realized and Unrealized Gains and (Losses)	Total	Employer Contributions as a Percentage of Covered Payroll
1983	$1,834	$281,274	$141,353	$ 36,856	$ 461,317	11.87%
1984	1,248	229,744	216,792	(29,590)	418,194	8.49
1985	1,248	210,595	211,109	321,273	744,225	6.95
1986	486	164,281	233,608	101,040	499,415	4.77
1987	9,364	288,866	249,228	(249,296)	298,162	8.45
1988	14,982	246,955	279,604	78,353	619,894	6.63
1989	1,600	255,906	312,566	400,539	970,611	6.96
1990	919	222,719	425,721	(128,097)	521,262	5.62
1991	4,309	257,851	371,024	528,267	1,161,451	5.85
1992	700	296,773	329,098	193,626	820,197	6.34

Plan Year Ended December 31	Expenses by Type: Benefits	Administrative Expenses	Total
1983	$ 9,476	$ 51	$ 9,527
1984	40,964	17	40,981
1985	9,577	5	9,582
1986	11,597	18	11,615
1987	18,804	—	18,804
1988	29,333	—	29,333
1989	48,400	—	48,400
1990	42,763	—	42,763
1991	50,253	—	50,253
1992	65,367	2,755	68,122

Contributions were made in accordance with actuarially determined contribution requirements.

Under the provisions of the Plan, participants with prior military experience may receive credit for their time of service in the military providing they contribute funds equivalent to the cost of their pension benefits accumulated during their military service.

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Roberta A. Sheaffer, Loan Officer
Linda A. Smeltz, Loan Officer
Angela C. Smith, Secretary
Mary E. Smith, Assistant Accountant I
Carmela M. Swartz, Hearing Examiner
Lori S. Toia, Senior Loan Closing Officer
Penny L. Washington, Collections Clerk
Stephanie H. White, Administrative Assistant
Helene M. Yohn, Collections Clerk
Audrey E. Zerance, Administrative Assistant

REVENUES BY SOURCE AND EXPENSES BY TYPE

Plan Year Ended December 31	Revenue by Source: Employee Contributions	Employer Contributions	Investment Income	Realized and Unrealized Gains and (Losses)	Total	Employer Contributions as a Percentage of Covered Payroll
1983	$1,834	$281,274	$141,353	$ 36,856	$ 461,317	11.87%
1984	1,248	229,744	216,792	(29,590)	418,194	8.49
1985	1,248	210,595	211,109	321,273	744,225	6.95
1986	486	164,281	233,608	101,040	499,415	4.77
1987	9,364	288,866	249,228	(249,296)	298,162	8.45
1988	14,982	246,955	279,604	78,353	619,894	6.63
1989	1,600	255,906	312,566	400,539	970,611	6.96
1990	919	222,719	425,721	(128,097)	521,262	5.62
1991	4,309	257,851	371,024	528,267	1,161,451	5.85
1992	700	296,773	329,098	193,626	820,197	6.34

Plan Year Ended December 31	Expenses by Type: Benefits	Administrative Expenses	Total
1983	$ 9,476	$ 51	$ 9,527
1984	40,964	17	40,981
1985	9,577	5	9,582
1986	11,597	18	11,615
1987	18,804		18,804
1988	29,333		29,333
1989	48,400		48,400
1990	42,763		42,763
1991	50,253		50,253
1992	65,367	2,755	68,122

Contributions were made in accordance with actuarially determined contribution requirements.

Under the provisions of the Plan, participants with prior military experience may receive credit for their time of service in the military providing they contribute funds equivalent to the cost of their pension benefits accumulated during their military service.

STAFF MEMBERS

EXECUTIVE

Karl Smith—Executive Director

Carrie M. Barnes, Executive Assistant
George C. Bemesderfer, Jr., Manager of Insurance Fund
Robert F. Bobincheck, Director of Program Development
Paula J. Brightbill, Administrative Assistant
William W. Fogarty, Director of Government Affairs
Phillip M. Friday, Director of Information Resources
Holly J. Glauser-Abel, Assistant Counsel
John F. Goryl, Associate Counsel
Brenda Jack, Research Associate
Anne Johnson, Legal Administrator
Tonya N. Lopez, Administrative Assistant
Nancy J. Lackey, Administrative Assistant
Constance M. Mohler, Legal Administrator
W. Roy Newsome, Jr., Special Assistant
Rebecca L. Peace, Chief Counsel
Pamela S. Pryzie, Public Information Officer
JoLynn M. Stoy, Associate Counsel

FINANCE AND ADMINISTRATION

Brian A. Hudson—Assistant Executive Director

Finance Division

Susan M. Belles, Staff Accountant I
Waverly R. Dixon, Administrative Assistant
Agnes M. Enck, Assistant Finance Officer
Pamela K. Frazier, Investment Officer II
Naomi P. Garcia, Assistant Finance Officer
Kimberly Green-Jones, Finance Coordinator
Linda A. Hall, Assistant Finance Officer
Heather A. Hines, Secretary
Anthony J. Julian, Jr., Deputy Director of Finance
Joseph Knopic, Manager of Project Financing
Clinton C. Lattany, Jr., Staff Accountant I
Trudy R. Lehman, Assistant Finance Officer
Eleanor A. Matthias, Finance Officer
Penny M. Mullins, Assistant Finance Officer
Richard N. Nichols, Manager of Information Systems
Sue Ann Peck, Assistant Finance Officer
Nichole L. Proctor, Secretary
Kathleen D. Raley, Accounts Payable Coordinator
John H. Richards, Staff Accountant II
Constance M. Ross, Staff Accountant II
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Virginia B. Sheibley, Investment Coordinator

Personnel & Administration Division

Deborah A. Zlogar, Director
Arlene M. Frontz, Personnel Coordinator
Wendy K. Klinger, Personnel Assistant
Joyce M. Sheehan, Receptionist
George W. Ulrich, Micrographic Technician
Charles A. Washington, Messenger II

Computer Services Division

Stanley C. Wohler, Director
Kathleen Deitzler, Senior Computer Programmer Analyst
Kimberly A. Fernback, Computer Programmer Analyst I
Deborah A. Geary, Computer Programmer Analyst I
Shirley A. Kirk, Senior Computer Programmer Analyst
Daryl G. Martin, Senior Computer Programmer Analyst
Gladiola L. Oaks, Computer Programmer Analyst I
Edward J. Raley, Project Leader
Kevin J. Wike, Senior Computer Programmer Analyst

MULTIFAMILY OPERATIONS

David L. Evans—Assistant Executive Director

Development Division

William A. Bennett, Tax Credit Officer
Myrna Bernstein, Administrative Assistant
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Kimberly A. Brinkerhoff, Development Officer I
Eileen J. Demshock, Manager, Tax Credit Program
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Michael J. Kearney, Development Officer II
Sandra L. Klunk, Program Coordinator
William J. Koons, Deputy Director of Development
Kathy S. Levin, Development Officer II
Becky Margenau, MultiFamily Analyst
Kathleen J. Mehalko, Development Coordinator
LaVera A. Nelson, Tax Credit Coordinator
Brian L. Shull, Development Officer II
Shirley M. Stark, Development Officer I

Management Division

W. Alan Shenk, Director
Nada J. Ahearn, Financial Analyst I
Joanne C. Babaian, Secretary
John Brazen, Financial Analyst I
Carol A. Carroll, Assistant Analyst
Barbara M. Conjar, Management Representative
Carl R. Dudeck, Jr., Financial Analyst II
Susan G. Elter, Financial Analyst II
Kathy E. Esworthy, Tax Credit Analyst
Donna J. Farnham, Insurance Coordinator
Carolyn Harle, Manager of Project Operations
Stephanie L. Keich, Data Occupancy Specialist
Jill M. Manahan, Senior Certified Occupancy Specialist
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Harry E. Neuhart, Financial Analyst I
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Rajesh Thakrar, Financial Analyst I
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Joseph T. Toia, Manager of Financial Operations
Peggy A. Wedde, Data Occupancy Specialist

Management—Norristown Office

Randy Belin, Family Supportive Services Program Coordinator
Sharon Y. Carter, Management Representative
Patricia A. Coley, Management Representative
Peggy A. Colson, Secretary
Frank T. Dorwart, Management Representative
Susan R. Garthwaite, Senior Management Representative/Manager
Mary I. Johnson, Administrative Assistant
Elizabeth Sonneborn, Management Representative
Nancy Twyman, Management Representative

Management—Pittsburgh Office

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Carrie B. Emerson, Management Representative
Lucy G. Hixon, Regional Coordinator of Supportive Services
Carolyn J. James, Secretary
Imelda H. Labadie, Administrative Assistant
Barbara A. Raffaele, Secretary
Mary Ann Sipos, Management Representative
Brenda B. Wells, Senior Management Representative/Manager

Technical Services Division

Riitta M. Lukkari, Director
Donald F. Clarke, Staff Architect
Sherry J. Daniels, Administrative Assistant
Pat E. Foca, Manager of Facilities & Construction Operations
James E. Galia, Technical Services Representative
Eugene T. Garrison, Senior Technical Services Representative
Douglas S. Haughton, Jr., Cost Estimator & Contract Reviewer
Jay R. Hausher, Technical Services Representative
Carolyn W. Heatherly, Administrative Assistant
William Kvaternik, Staff Architect
Elmer C. Jones, Technical Services Representative
Robert V. Lezzer, Engineer Reviewer & Energy Coordinator
Alan K. Osborne, Technical Services Representative
John S. Paczewski, Technical Services Representative
Donna J. Rodgers, Construction Coordinator
Charles E. Swope, Technical Services Representative
Larry B. Thorn, Senior Technical Services Representative
Robert A. Wochley, Technical Services Representative

SINGLE FAMILY OPERATIONS

Donald J. Plunkett—Assistant Executive Director

Single Family Division

Edwin A. Beam, Jr., Mortgage Servicing Representative
William D. Bradley, Escrow Coordinator
Margaret A. Breech, Secretary
Rose Falco, Manager of Loan Servicing
Karen L. Fells, Assistant Mortgage Servicing Representative
Diana M. Franklin, Underwriter II
Robin M. Forester, Escrow Trainee
Shane B. Gilbert, Escrow Trainee
Thomas L. Gouker, Mortgage Servicing Representative
Thomas R. Harbaugh, Servicing Coordinator
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F. Elise Knaub, Escrow Trainee
Vikki C. Lauer, Loan Officer I
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Denise L. Mattern, Loan Officer I
Kimberly A. Maxwell, Escrow Clerk
Tammy J. Miller, Loan Officer II
Clifford S. Morton, Loan Officer II
Kimberley A. Moyer, Secretary
Leroy K. Patton, Purchasing Coordinator
Bonita M. Russell, Assistant Mortgage Servicing Representative
Jennifer L. Smallwood, Assistant Mortgage Servicing Representative
Linda A. Stewart, Loan Officer I
Jacklyn D. Stine, Escrow Coordinator
Tasha M. Thompson, Collections Clerk Trainee
Ray E. Trimmer, Manager of Single Family Loan Originations
Juanita M. Underwood, Secretary
JoAnn Wade, Assistant Mortgage Servicing Representative
Janet J. Wargo, Escrow Clerk
LuAnne F. Wiest, Escrow Coordinator
Allan R. Williamson, Loan Officer I
Karen L. Zapotosky, Loan Officer I

Homeowner's Emergency Mortgage Assistance Program

Frederick M. Reed, Director
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Elaine M. Artz, Staff Accountant I
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J. Kathleen Beane, Loan Officer
Vivian O. Beason, Administrative Assistant
Lynda A. Clark, Loan Processor
Carlene D. Cook, Administrative Assistant
Michael D. Cooper, Senior Hearing Examiner
Viktoria Copenhaver, Loan Closing Coordinator
Marguerite M. Dowling, Staff Accountant I
Robert L. Dryden, Closing Officer
Gena K. Fairfax, Secretary
Barbara A. Gilbert, Data Entry Clerk
Dollie D. Himes, Loan Officer
Resa P. Kepner, Administrative Assistant
Carolyn L. Kochenour, Loan Officer
Kathleen D. Krupa, Senior Accountant
Ann A. Mermelstein, Loan Officer
Tanyia Miller, Loan Processor
Mildred N. Minter, Administrative Assistant
Elaine P. Morris, Hearing Examiner
Tonya L. Moss, Collections Clerk
Lin C. Patch, Appeals Coordinator
W. Christine Rodgers, Hearing Examiner
Anne M. Rose, Secretary
Daryl D. Rotz, Manager of Loan Processing
Patricia E. Roussel, Senior Loan Officer
Lisa A. Rudy, Loan Officer
Roberta A. Sheaffer, Loan Officer
Linda A. Smeltz, Loan Officer
Angela C. Smith, Secretary
Mary E. Smith, Assistant Accountant I
Carmela M. Swartz, Hearing Examiner
Lori S. Toia, Senior Loan Closing Officer
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