

In the opinion of Bond Counsel to Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”), (1) under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2019 Series 1-A Bonds (Sustainability Bonds) (the “2019 Series 1-A Bonds”) and the 2019 Series 1-B Bonds (Sustainability Bonds) (the “2019 Series 1-B Bonds”) and, together with the 2019 Series 1-A Bonds, the “2019 Series 1 Bonds”) is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except that no opinion is expressed as to such exclusion of interest on any 2019 Series 1-A Bond or 2019 Series 1-B Bond for any period during which such 2019 Series 1-A Bond or 2019 Series 1-B Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of facilities financed with the proceeds of the 2019 Series 1-A Bonds or the 2019 Series 1-B Bonds, respectively, or a “related person” and (ii) interest on the 2019 Series 1 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, and (2) interest on the 2019 Series 2-T Bonds (Federally Taxable) (Sustainability Bonds) (the “2019 Series 2-T Bonds”) is included in gross income for Federal income tax purposes. In addition, in the opinion of Bond Counsel to RIHousing, pursuant to the provisions of the Rhode Island Housing and Mortgage Finance Corporation Act, income on the 2019 Series 1 Bonds and the 2019 Series 2-T Bonds (together, the “2019 Series 1 and 2 Bonds” or the “Series Bonds”) (including any profit on the sale thereof), is free from Rhode Island personal income taxes. (See “TAX MATTERS” herein.)

\$73,600,000

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION

Multi-Family Development Bonds

\$25,900,000 2019 Series 1-A (Non-AMT) (Sustainability Bonds)

\$36,000,000 2019 Series 1-B (Non-AMT) (Sustainability Bonds)

\$11,700,000 2019 Series 2-T (Federally Taxable) (Sustainability Bonds)

Dated: Date of Delivery

Due: As shown on the inside cover

The Series Bonds are being issued as fixed rate bonds and will bear interest from their date of delivery, payable semi-annually on each April 1 and October 1, commencing April 1, 2020, at the rates set forth in the inside cover.

The Series Bonds will be issued in denominations of \$5,000 principal amount or any integral multiple thereof (the “Authorized Denominations”). The Series Bonds will mature on the dates and in the principal amounts shown on the inside cover hereof and the Series Bonds will be subject to redemption as described herein.

The Series Bonds have been designated as “Sustainability Bonds.” See “DESIGNATION OF THE 2019 SERIES 1 AND 2 BONDS AS SUSTAINABILITY BONDS” herein.

The 2019 Series 1-A Bonds are subject to mandatory tender as described herein under the caption “**DESCRIPTION OF THE SERIES BONDS—Mandatory Tender of 2019 Series 1-A Bonds.**” The Series Bonds are subject to optional, mandatory and special redemption as described herein under the caption “**DESCRIPTION OF THE SERIES BONDS—Redemption Provisions.**”

The Series Bonds are issuable only as fully registered bonds, without coupons, and when issued, are expected to be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. Individual purchases will be made in book-entry only form, in Authorized Denominations. Investors will not receive certificates representing their interest in the Series Bonds purchased. See “**DESCRIPTION OF THE SERIES BONDS—Book-Entry Only System**” herein. Interest on the Series Bonds is payable by check mailed to the registered owner. The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida acts as Trustee for the Series Bonds. The principal of and redemption premium, if any, on the Series Bonds are payable at the corporate trust office of the Trustee in its capacity of Paying Agent at its corporate trust office in Dallas, Texas. So long as Cede & Co. or another nominee of DTC is the registered owner of the Series Bonds, payments of the principal of, premium, if any, and interest on the Obligations will be made directly to DTC. Disbursement of such payments to Direct Participants (as herein defined) is the responsibility of DTC and disbursement of such payments to the Beneficial Owners (as herein defined) is the responsibility of Direct Participants and Indirect Participants (as herein defined).

The Series Bonds, together with any additional Bonds hereafter issued, will not constitute general obligations of RIHousing, but will constitute special revenue obligations of RIHousing and will be secured by and payable solely from a pledge of the Mortgage Loans and certain Revenues and Accounts established under the Resolution, all as more fully set forth herein. RIHousing has no taxing power. The Series Bonds are not a debt or liability or obligation of the State of Rhode Island or of any political subdivision thereof.

The Series Bonds are offered when, as and if issued and received by the Underwriters, and subject to the approval of legality by Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to RIHousing. Certain legal matters will be passed upon for the Underwriters by Kutak Rock LLP, Atlanta, Georgia and for RIHousing by its General Counsel, Nixon Peabody LLP, Providence, Rhode Island. It is expected that the Series Bonds in definitive form will be available for delivery in New York, New York on or about October 28, 2019.

Morgan Stanley
BofA Merrill Lynch
Jefferies

J.P. Morgan
Barclays
Loop Capital Markets
Roosevelt & Cross, Inc.

RBC Capital Markets
Janney Montgomery Scott
Oppenheimer & Co.

Dated: October 3, 2019

MATURITY SCHEDULE

Rhode Island Housing and Mortgage Finance Corporation Multi-Family Development Bonds

\$25,900,000 2019 Series 1-A (Non-AMT) (Sustainability Bonds)

<u>Maturity</u>	<u>Mandatory Tender Date</u> [†]	<u>Optional Redemption Date</u>	<u>Interest Rate</u>	<u>Maximum Interest Rate</u> [†]	<u>CUSIP</u> ^{††}
October 1, 2049	October 1, 2022	October 1, 2020	1.70%	9.00%	76221TKC2

\$36,000,000 2019 Series 1-B (Non-AMT) (Sustainability Bonds)

2019 Series 1-B Serial Bonds

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u> ^{††}	<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u> ^{††}
October 1, 2022	\$155,000	1.550%	76221TKD0	October 1, 2027	\$185,000	2.000%	76221TKP3
April 1, 2023	145,000	1.600	76221TKE8	April 1, 2028	190,000	2.050	76221TKQ1
October 1, 2023	150,000	1.625	76221TKF5	October 1, 2028	195,000	2.100	76221TKR9
April 1, 2024	150,000	1.650	76221TKG3	April 1, 2029	195,000	2.150	76221TKS7
October 1, 2024	160,000	1.700	76221TKH1	October 1, 2029	205,000	2.200	76221TKT5
April 1, 2025	165,000	1.750	76221TKJ7	April 1, 2030	210,000	2.250	76221TKU2
October 1, 2025	165,000	1.800	76221TKK4	October 1, 2030	215,000	2.300	76221TKV0
April 1, 2026	170,000	1.850	76221TKL2	April 1, 2031	215,000	2.350	76221TKW8
October 1, 2026	175,000	1.900	76221TKM0	October 1, 2031	225,000	2.400	76221TKX6
April 1, 2027	175,000	1.950	76221TKN8				

\$1,470,000 2.750% 2019 Series 1-B Term Bonds due October 1, 2034 CUSIP^{††}: 76221TKY4
 \$4,185,000 3.000% 2019 Series 1-B Term Bonds due October 1, 2039 CUSIP^{††}: 76221TKZ1
 \$3,695,000 3.100% 2019 Series 1-B Term Bonds due October 1, 2044 CUSIP^{††}: 76221TLA5
 \$4,735,000 3.200% 2019 Series 1-B Term Bonds due October 1, 2049 CUSIP^{††}: 76221TLB3
 \$6,075,000 3.300% 2019 Series 1-B Term Bonds due October 1, 2054 CUSIP^{††}: 76221TLC1
 \$12,395,000 3.400% 2019 Series 1-B Term Bonds due October 1, 2059 CUSIP^{††}: 76221TLD9

[†] Subject to mandatory tender as described herein under the caption “DESCRIPTION OF THE SERIES BONDS—Mandatory Tender of 2019 Series 1-A Bonds.”

^{††} CUSIP numbers have been assigned by an organization not affiliated with RIHousing and are included for the convenience of the owners of the Series Bonds. RIHousing is not responsible for the selection of uses of these CUSIP numbers, nor is any representation made as to their correctness on the Series Bonds or as indicated above. A CUSIP number for a specific maturity may be changed after the issuance date. CUSIP[®] is a registered trademark of the American Bankers Associations.

\$11,700,000 2019 Series 2-T (Federally Taxable) (Sustainability Bonds)

2019 Series 2-T Serial Bonds

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP^{††}</u>	<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP^{††}</u>
October 1, 2020	\$ 75,000	1.900%	76221TLE7	October 1, 2026	\$205,000	2.500%	76221TLL1
October 1, 2021	105,000	1.950	76221TLF4	October 1, 2027	285,000	2.600	76221TLM9
October 1, 2022	115,000	2.000	76221TLG2	October 1, 2028	220,000	2.700	76221TLN7
October 1, 2023	175,000	2.200	76221TLH0	October 1, 2029	240,000	2.800	76221TLP2
October 1, 2024	245,000	2.250	76221TLJ6	October 1, 2030	165,000	2.900	76221TLQ0
October 1, 2025	130,000	2.400	76221TLK3	October 1, 2031	170,000	2.950	76221TLR8

\$1,145,000 3.300% 2019 Series 2-T Term Bonds due October 1, 2039 CUSIP^{††}: 76221TLS6

\$1,450,000 3.400% 2019 Series 2-T Term Bonds due October 1, 2044 CUSIP^{††}: 76221TLT4

\$6,975,000 3.500% 2019 Series 2-T Term Bonds due October 1, 2051 CUSIP^{††}: 76221TLU1

Price of all Series Bonds: 100.00%

^{††} CUSIP numbers have been assigned by an organization not affiliated with RIHousing and are included for the convenience of the owners of the Series Bonds. RIHousing is not responsible for the selection of uses of these CUSIP numbers, nor is any representation made as to their correctness on the Series Bonds or as indicated above. A CUSIP number for a specific maturity may be changed after the issuance date. CUSIP® is a registered trademark of the American Bankers Associations.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Series Bonds, and, if given or made, such information or representations must not be relied upon as having been authorized by RIHousing. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy, nor shall there be any sale of the Series Bonds, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information set forth herein has been furnished by RIHousing and obtained from other sources that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of RIHousing since the date hereof.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute “forward-looking statements.” In this respect, the words “estimate,” “intend,” “expect,” and similar expressions are intended to identify forward-looking statements. A number of important factors affecting RIHousing, its Program and the Series Bonds could cause actual results to differ materially from those contemplated in the forward-looking statements.

The Series Bonds may be offered and sold by the Underwriters to certain dealers at prices lower than the initial public offering prices set forth on the inside cover page, and such public offering prices may be changed from time to time by the Underwriters. The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING OF THE SERIES BONDS, THE UNDERWRITERS MAY OVER-ALLOT AND EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF RIHOUSING AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

\$73,600,000

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION

Multi-Family Development Bonds

2019 Series 1-A (Non-AMT) (Sustainability Bonds)

2019 Series 1-B (Non-AMT) (Sustainability Bonds)

2019 Series 2-T (Federally Taxable) (Sustainability Bonds)

This Official Statement sets forth certain information concerning the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) in connection with the issuance of its \$25,900,000 Multi-Family Development Bonds, 2019 Series 1-A (Non-AMT) (Sustainability Bonds) (the “2019 Series 1-A Bonds”), its \$36,000,000 Multi-Family Development Bonds, 2019 Series 1-B (Non-AMT) (Sustainability Bonds) (the “2019 Series 1-B Bonds” and, together with the 2019 Series 1-A Bonds, the “2019 Series 1 Bonds”), and its \$11,700,000 Multi-Family Development Bonds, 2019 Series 2-T (Federally Taxable) (Sustainability Bonds) (the “2019 Series 2-T Bonds” and, together with the 2019 Series 1 Bonds, the “2019 Series 1 and 2 Bonds” or the “Series Bonds”). RIHousing is a public corporation and an instrumentality and agency of the State of Rhode Island and Providence Plantations (the “State”), created by the Rhode Island Housing and Mortgage Finance Corporation Act, constituting Chapter 55 of Title 42 of the General Laws of Rhode Island, 1956 (2006 Reenactment), as amended and supplemented (the “Act”). The Series Bonds are being issued pursuant to the Act, the General Multi-Family Development Program Resolution, adopted on November 19, 2009 (the “General Resolution”), and the Multi-Family Development Program Supplemental Resolution, adopted on October 26, 2017, as supplemented by a Certificate of Determination delivered pursuant thereto (as so supplemented, the “Supplemental Resolution”). The General Resolution and the Supplemental Resolution are collectively referred to herein as the “Resolution.” Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed thereto in the Resolution. See “**APPENDIX D—CERTAIN DEFINITIONS.**”

The General Resolution authorizes RIHousing to issue and secure Bonds for the purposes of financing its operations relating to housing pursuant to the Act. The Series Bonds, the presently Outstanding (as of March 31, 2019) Multi-Family Development Bonds in an aggregate amount of \$233,198,716 previously issued under the General Resolution and any Multi-Family Development Bonds hereafter issued (collectively, the “Bonds”) are equally and ratably secured by a pledge of the Mortgage Loans, the Revenues derived from the Mortgage Loans financed by the Bonds and other moneys or property pledged therefor under the General Resolution.

RIHousing has financed 75 rental housing developments under the General Resolution, as of March 31, 2019, all but 16 of which continue to be financed under the General Resolution (the “Prior Developments”), and is continually reviewing additional rental housing developments for future financing under the General Resolution. For a description of the Prior Developments, see “**APPENDIX A—DESCRIPTION OF THE DEVELOPMENTS.**”

The proceeds of the Series Bonds are expected to be used to fund the financing of qualified mortgage loans for the acquisition and rehabilitation or development of five rental housing developments for low and moderate income persons and families (the “2019 Series 1 and 2 Developments” or the “Developments”) to three for-profit developers and two non-profit developers (collectively, the “Series Developers”); the four Developments financed with proceeds of the 2019 Series 1 Bonds are the “2019 Series 1 Developments” and the single Development financed with proceeds of the 2019 Series 2-T Bonds is the “2019 Series 2-T Development.” The proceeds of the 2019 Series 1-A Bonds will be used to fund construction loans relating to all of the 2019 Series 1 Developments, the proceeds of the 2019 Series 1-B Bonds will be used to provide long-term financing to three of the 2019 Series 1 Developments and the 2019 Series 2-T Bonds will be used to provide long-term financing to the 2019 Series 2 Development. The Mortgage Loans financed with the proceeds of the 2019 Series 1-A Bonds are referred to herein as

the “2019 Series 1-A Mortgage Loans,” the Mortgage Loans financed with the proceeds of the 2019 Series 1-B Bonds are referred to herein as the “2019 Series 1-B Mortgage Loans” and the Mortgage Loan financed with the proceeds of the 2019 Series 2-T Bonds is referred to herein as the 2019 Series 2-T Mortgage Loan; collectively, the 2019 Series 1-A Mortgage Loans, the 2019 Series 1-B Mortgage Loans and the 2019 Series 2-T Mortgage Loan are the “Series Mortgage Loans.” For a description of the 2019 Series 1 and 2 Developments, see “**PLAN OF FINANCING**” and “**APPENDIX A—DESCRIPTION OF THE DEVELOPMENTS.**”

All of the 2019 Series 1 and 2 Developments are expected to receive rental assistance payments under the federal Section 8 program; provided, however, only a portion of the units in Harbor House and Trio Partners will receive rental assistance payments. Under the Section 8 program, the United States Department of Housing and Urban Development (“HUD”) provides housing assistance payments to or for the account of the owners of developments assisted under such program (collectively, the “Section 8 Developments”). The housing assistance payments represent the difference between the total contract rents for such units and the eligible tenants’ rental payments, which are 30% of each such tenant’s income. The contract rents, as adjusted from time to time by HUD to reflect changing economic conditions (including increases in operating and maintenance costs) but subject to the limitations of the Section 8 program, together with the tenant’s rental payments, are used to pay debt service on the related Mortgage Loan and operating costs for the related Section 8 Development. Section 8 subsidy payments, which are paid directly to RIHousing and are pledged as security for Bonds, are subject to suspension under certain circumstances including vacancy of a subsidized unit. Such reduction or suspension is dependent upon the length of time of the vacancy. See “**APPENDIX E—FEDERAL AND STATE HOUSING ASSISTANCE PROGRAMS.**”

The Section 8 subsidy payments are funded by HUD pursuant to Section 8 of the United States Housing Act of 1937, as amended (the “Housing Act”), through its obligations under certain Annual Contributions Contracts (the “ACCs”) with RIHousing and certain Housing Assistance Payments Contracts between RIHousing and the owner of the Section 8 Development or, in the case of Prospect Heights III (as hereinafter described), a Project Based Rental Assistance Contract between HUD and the owner of the development; collectively, each of these agreements with HUD and RIHousing or between HUD and an owner of a development, as applicable, are the “HAP Contracts.” The maximum terms of the HAP Contracts relating to Section 8 Developments, including the initial terms and all permitted renewals, are 20 years, with renewals in terms of five years. See “**APPENDIX A—DESCRIPTION OF THE DEVELOPMENTS.**” The Bonds are not to be construed as a debt or indebtedness of HUD or the United States and payment of the Series Bonds is not guaranteed by the United States.

All but one (Harbor House) of the first Mortgage Loans relating to the 2019 Series 1 and 2 Developments are or will be insured by the Federal Housing Administration (“FHA”) under its risk sharing program (“FHA Risk Share”); the Mortgage Loan related to Harbor House is expected to be paid in full upon completion of construction. See “**APPENDIX A — DESCRIPTION OF THE DEVELOPMENTS.**” The risk sharing program, established under Section 542(c) of the Housing and Community Development Act of 1992, as amended (the “Risk Sharing Act”), allows state and local housing finance agencies that have entered into risk sharing agreements with HUD to carry out certain HUD functions in connection with the origination of FHA-insured mortgage loans, including, without limitation, assumption of loan underwriting, loan management and property disposition. Under the risk sharing agreement, the state or local housing finance agency must agree to reimburse HUD for a portion of the losses from any defaults that occur while the contract of mortgage insurance is in effect. See “**APPENDIX E—FEDERAL AND STATE HOUSING ASSISTANCE PROGRAMS.**”

Under various construction and regulatory agreements, RIHousing will oversee, or has overseen, the construction, rehabilitation and management of the 2019 Series 1 and 2 Developments. See “**THE PROGRAM.**” In accordance with the Internal Revenue Code of 1986, as amended (the “Code”), certain low and moderate income rental requirements will be imposed on the 2019 Series 1 Developments which must be met in order for interest on the 2019 Series 1 Bonds to be excluded from gross income for federal income tax purposes. See “**TAX MATTERS.**” Failure to meet such requirements could result in all interest accruing on the 2019 Series 1 Bonds since their date of issue becoming subject to federal income tax.

THE BONDS ARE SPECIAL REVENUE OBLIGATIONS OF RIHOUSING, PAYABLE SOLELY FROM THE MORTGAGE LOANS, THE REVENUES, MONEYS, FUNDS OR PROPERTY OF RIHOUSING PLEDGED THEREFOR UNDER THE RESOLUTION. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR THE INTEREST ON, THE BONDS. THE STATE IS NOT LIABLE FOR THE BONDS, AND THE BONDS ARE NOT A DEBT OF THE STATE. RIHOUSING HAS NO TAXING POWER.

Following is a brief description of RIHousing and the financing provided by the Series Bonds, together with summaries of the terms of the Series Bonds, the Resolution and certain provisions of the Act. Such summaries do not purport to be comprehensive, and all such summaries and references to the Act and the Resolution are qualified in their entirety by reference to each such document, copies of which are available from RIHousing.

RIHOUSING

General

RIHousing was created in 1973 as a public corporation and instrumentality and agency of the State, but does not constitute a department of State government. Under the Act, the purpose of RIHousing is to encourage the investment of private capital and stimulate the construction and rehabilitation of housing for persons and families of low and moderate income, to provide construction and mortgage loans, and to make provision for the purchase of mortgage loans and otherwise as is necessary to accomplish its purposes.

RIHousing has the authority to create subsidiaries and currently has several such subsidiaries (collectively, the “Subsidiaries”). Generally, the Subsidiaries were formed to invest in or hold title to various residential real estate developments, currently or previously financed by RIHousing.

The address and telephone number of RIHousing are, respectively, 44 Washington Street, Providence, RI 02903-1721 and (401) 457-1234.

Other Programs of RIHousing

The following information with respect to other programs of RIHousing authorized by the Act is supplied for background information purposes, and obligations issued with respect thereto are not secured by the Resolution, nor are they payable from the assets or revenue sources pledged to the payment of the Bonds.

RIHousing has issued bonds under two single family programs to finance the purchase of single family mortgage loans or securities comprised of pools of such single family mortgage loans. As of March 31, 2019, RIHousing had approximately \$637,168,496 of such single family housing bonds outstanding.

In addition to the Resolution, RIHousing has three additional programs to assist in making multifamily housing available for occupancy by persons and families of low and moderate income. As March 31, 2019, RIHousing had approximately \$236,032,155 of such additional multifamily housing bonds outstanding.

RIHousing has funded all or a portion of the State's obligations under a state rental assistance program (the "Assistance Program") which provided Rental Subsidy Payments to certain entities which acquire, construct or substantially rehabilitate housing developments in the State of Rhode Island affordable by individuals or families of low or moderate income for most years since fiscal 1990. The State's obligation to make Rental Subsidy Payments under the Assistance Program was subject to annual appropriation by the Rhode Island General Assembly. From fiscal 1994 through fiscal 2018, RIHousing has made the annual payment on behalf of the State in amounts ranging from approximately \$4.2 million (in fiscal 2003) to \$300,000 (in fiscal 2018). Such Rental Subsidy Payments were determined pursuant to contracts, the last of which expired in 2012. While for policy purposes RIHousing continues to make Rental Subsidy Payments on behalf of tenants residing in a certain diminishing number of rental units at this time, RIHousing has implemented a variety of plans to reduce its annual funding under the Assistance Program, with the goal of reducing, upon tenant turnover, the number of rental units subsidized under the Assistance Program to zero. Accordingly, RIHousing expects that any future payments it makes in connection with the Assistance Program will diminish each fiscal year, and there can be no assurance that RIHousing will continue to make any payments related to the Assistance Program in the future, on behalf of the State or otherwise.

In 1998, the State passed legislation that created a Housing Resources Commission (the "Commission") to provide policy direction and funding for housing-related programs and initiatives. RIHousing provides administrative support with regards to certain Commission activities.

Potential State Initiatives

State leadership is considering certain initiatives with respect to the deployment of housing resources in the State, including the establishment of a housing task force charged with developing a strategic plan for addressing the housing needs of the State's workforce, low-income individuals and families, and vulnerable populations. These initiatives are in a very early conceptual stage. Such initiatives may or may not include a reconfiguration of the Executive Director position at RIHousing and/or other changes in RIHousing programs. It is unknown at this time whether or not the State will move forward with any such initiatives, including the timeframe for doing so.

Assistance to the State

The State, from time to time, has sought financial assistance from RIHousing to finance State housing programs and for the State's general use. For instance, RIHousing has provided funds to the State to fund the Rhode Island Rental Assistance Program each year since the inception of such Program in 1989. See "**—Other Programs of RIHousing**" herein. Further, in fiscal year 1996 RIHousing transferred \$1,500,000 to the State, without consideration, for the State's general use. In fiscal year 2008, RIHousing was required by the State's budget bill to transfer \$26 million to the State for the State's general use. During fiscal year 2018, RIHousing transferred \$1,000,000 to the State at its request, without consideration, for the State's general use. From fiscal year 2012 through fiscal year 2019, pursuant to the State's budget bills, RIHousing provided \$4,600,000 in support of the Neighborhood Opportunities Program, which had previously been funded by the State. All amounts transferred to the State were from RIHousing's operating fund. In 2019 the General Assembly passed a State budget bill that includes a transfer from RIHousing to the State in the amount of \$1,500,000 for fiscal year 2020.

Commissioners of RIHousing

The powers of RIHousing are vested in seven commissioners, consisting of the Director of the Department of Administration, the General Treasurer, the Director of Business Regulation, or the designees thereof, and four members appointed by the Governor with the advice and consent of the State Senate, who among them are to be experienced in all aspects of housing design, development, finance, management and state and municipal finance. The appointed commissioners serve for terms of four years and until they are reappointed or their respective successors are appointed and qualified. The Chairman is designated by the Governor; the Vice Chairman and Treasurer are elected by the members from among their number. The commissioners do not receive compensation. Meetings are held at the call of the Chairman or whenever two commissioners so request. Four commissioners constitute a quorum, and any action taken by RIHousing may be authorized by a resolution approved by a majority but not less than three of the commissioners. The Act provides that if any commissioner of RIHousing is a director, officer or employee of, or has an ownership interest in any entity interested directly or indirectly in a contract with RIHousing, such commissioner must disclose such interest to RIHousing and shall not participate in the authorization of any such contract.

The present commissioners of RIHousing are:

Nicolas P. Retsinas, Chairman. Mr. Retsinas was appointed as Chairman of the Board of Commissioners on June 30, 2015. Mr. Retsinas was a Senior Lecturer in Real Estate at the Harvard Business School where he taught courses in housing finance and real estate in frontier markets. Mr. Retsinas is Director Emeritus of Harvard University's Joint Center for Housing Studies, a collaborative venture of the Graduate School of Design and the Harvard Kennedy School, and a Lecturer in Housing Studies at the Graduate School of Design.

Prior to his Harvard appointment, Mr. Retsinas served as Assistant Secretary for Housing-Federal Housing Commissioner at the United States Department of Housing and Urban Development and as Director of the Office of Thrift Supervision. Mr. Retsinas also served on the Board of the Federal Deposit Insurance Corporation, the Federal Housing Finance Board and the Neighborhood Reinvestment Corporation. Mr. Retsinas served as Executive Director of RIHousing from 1987 to 1993. He received his master's degree in city planning from Harvard University and his AB in economics from New York University. His term expired on July 1, 2019. Under the Act, he continues to serve until a successor is appointed and qualified.

Maria Barry. Ms. Barry was appointed to the Board of Commissioners by Governor Gina Raimondo on March 8, 2016. She is the Community Development Banking National Executive of Bank of America Merrill Lynch (BAML)[†]. Ms. Barry began her career at Ernst & Young and joined BAML in 1987 in the Commercial Credit department. She went on to hold several risk management roles related to training, technology, and asset quality reporting for the Board of Directors. She was promoted to Director of Community Reinvestment Act in 1999, also serving as chair to the Fair Lending Policy Committee. In 2003, she joined BAML's commercial Real Estate Team as Director of Regional Relationship Management where she was responsible for launching a new business to meet the needs of small-to-mid-sized developers. She became the Community Development Banking Market Executive for the Northeast in 2004 and National Executive in February, 2009. Ms. Barry majored in accounting and has a Bachelor of Science degree from the University of Connecticut. Her term expires on July 1, 2020.

Michael DiBiase. Mr. DiBiase was appointed by Governor Gina Raimondo on January 11, 2015 to serve as the Director of the Department of Administration. Before joining the Administration, Mr. DiBiase was a 14-year veteran of Fidelity Investments, serving in various senior government relations and

[†] BofA Securities, Inc., an affiliate of Merrill, Lynch, Pierce & Fenner, Inc., is acting as one of the Underwriters of the Series Bonds (see "UNDERWRITING" herein).

public affairs roles. In his last position with Fidelity, DiBiase served as Senior Vice President for State Government Relations and Public Affairs, overseeing state and local government relations for the financial services company. Prior to joining Fidelity, he served for six years as a senior aide to Governor Lincoln Almond, holding positions of Chief of Staff and Director of Policy and Legislative Affairs. Mr. DiBiase is a graduate of Boston College and University of Pennsylvania Law School.

Elizabeth M. Tanner, Esq. Ms. Tanner was appointed by Governor Gina Raimondo on October 27, 2017, to serve as the Director of the Department of Business Regulation. As Director of the Department of Business Regulation, Ms. Tanner directly oversees the implementation of state laws mandating the regulation and licensing of designated businesses, professions and occupations, among other activities. Previously, Ms. Tanner was Executive Vice President of Client Services at the Rhode Island Commerce Corporation and oversaw the Business Navigation Center and the Stateside Action Team (STAT) as well as all interactions between the agency and the public. Ms. Tanner also worked on special projects with an aim to have the agency be the pre-eminent source in Rhode Island for all business needs. Her early career focused in the areas of title insurance and real estate law as well as corporate transactional work, focusing on small businesses. While at the Rhode Island Commerce Corporation, Ms. Tanner oversaw business retention for all in-state businesses and led an effort to streamline and simplify businesses' interactions with government. Ms. Tanner is a graduate of the University of Rhode Island with a B.A. in Political Science, and received her Juris Doctor from Western New England University. A native of Pennsylvania, she lives in Bristol with her family.

Seth Magaziner. Mr. Magaziner joined the Board on January 6, 2015, upon being sworn in as General Treasurer of the State of Rhode Island. Prior to his election, Mr. Magaziner served as Vice President of Trillium Asset Management, a socially responsible investment firm, where he oversaw the firm's investment strategy for the energy, banking and diversified financials industries. Previously, he worked as a school teacher in rural Louisiana during the aftermath of Hurricane Katrina. He currently serves on the board of Crossroads Rhode Island and has previously served on the boards of Common Cause of Rhode Island, Serve Rhode Island, Marriage Equality Rhode Island and the Bristol 4th of July Committee. Mr. Magaziner is also one of three state treasurers to serve on the executive board of the State Debt Management Network. He is a graduate of Brown University and the Yale School of Management.

Stephen P. McAllister. Mr. McAllister was appointed to the Board of Commissioners on April 3, 2014. Mr. McAllister is Senior Manager of the Eastern Region for the U.S. Chamber of Commerce. The eastern region covers the six New England states, New York, New Jersey, Delaware, West Virginia and Maryland. Mr. McAllister works with chambers of commerce, members of Congress in each state, their staffs, trade associations and the media across the region to support the US Chamber's agenda. The US Chamber's goal is "to generate stronger, more robust economic growth, create jobs, and expand opportunity for all Americas." Mr. McAllister has experience working in both federal and state government. Mr. McAllister was Director of Advance for Rhode Island Governor Lincoln Chafee (D-RI), and also a Constituent and Community Liaison for United States Senator John E. Sununu (R-NH). Mr. McAllister was elected to the Warwick City Council in November, 2016. His term expired on July 1, 2017. Under the Act, he continues to serve until a successor is appointed and qualified.

Kevin D. Orth. Mr. Orth was appointed to the Board of Commissioners on June 30, 2015. Mr. Orth is co-Founder and Managing Member of Atlantic American Partners, LLC, a for-profit affordable housing development company based in Providence, RI. Prior to forming Atlantic American in 2001, Mr. Orth was Vice President in charge of acquisitions for Pacific American Properties, Inc. of Sausalito, California and prior to that position was an acquisitions associate at Leggat McCall Properties in Boston. Mr. Orth received a Master of City Planning degree from the University of California, Berkeley and a Bachelor of Arts degree from the University of Maryland. Mr. Orth has been reappointed to the Board of Commissioners with a term expiring July 1, 2021.

Staff

The corporate staff, under the direction of the Executive Director, includes professionals and staff members working in RIHousing's six divisions: executive, finance, homeownership, development, loan servicing and leased housing and rental services. Senior professional staff members of RIHousing include the following:

Carol A. Ventura – Executive Director. Ms. Ventura was appointed Executive Director of RIHousing effective on September 11, 2019. Ms. Ventura previously held the positions of Deputy Director (2014-2019), Director of Development (2005-2014), overseeing all aspects of development financing activities, and Assistant Director of the Policy Division (2001-2005). Prior to joining the staff of RIHousing, Ms. Ventura worked as the Executive Director of a community development organization in northern Rhode Island. Ms. Ventura received a Master of Business Administration from Bryant University and a Bachelor of Science degree from Bryant College.

Kara L. Lachapelle – Chief Financial Officer. Ms. Lachapelle joined RIHousing in October, 2001 and served as Assistant Controller from 2001 to 2007. She was appointed Controller in January, 2007, appointed Director of Finance in September 2010 and appointed Chief Financial Officer in December, 2013. From 1997 to 2001, Ms. Lachapelle held various positions in public accounting at Rooney, Plotkin & Willey, specializing in governmental and non-profit audit clients. Ms. Lachapelle also worked in the Trust Department at Durfee Attleboro Bank. She is a member of the American Institute of Certified Public Accountants and received a Bachelor of Science degree from Bryant College.

Nicole R. Clement – General Counsel. Ms. Clement joined RIHousing as General Counsel on March 1, 2016. Prior to joining RIHousing, Ms. Clement was Senior Counsel at Klein Hornig LLP, an affordable housing and community development law firm in Boston, Massachusetts. From 2003 to 2011, Ms. Clement was Senior Counsel in the tax credit syndication group at Holland and Knight LLP. In 2000, Ms. Clement served as law clerk to the Honorable Joseph F. Rodgers, Jr., Chief Judge of the Rhode Island Superior Court. Ms. Clement received a Bachelor of Arts degree in Organizational Behavior and Management from Brown University and a Juris Doctor from the Duke University School of Law.

Christine Hunsinger – Assistant Deputy Director of Policy and Research. Ms. Hunsinger joined RIHousing in October, 2017, as Assistant Deputy Director of Policy and Research, responsible for providing strategic guidance and leadership to RIHousing in the development of its goals and initiatives. Prior to joining RIHousing, Ms. Hunsinger was CEO of the strategic communications/public affairs firm BGP Strategies. She has served in several academic and public positions within the State of Rhode Island, including faculty roles at Rhode Island College and Brown University, and as Director of Legislative Affairs in the Lincoln Chaffee administration. Ms. Hunsinger holds a Bachelor's degree from St. Anselm, and a Master's degree of Public Affairs from Brown University.

Lisa Primiano – Chief Operating Officer. Ms. Primiano joined RIHousing as Chief Operating Officer in October 2017, assuming responsibility for the day-to-day operations within RIHousing and overseeing the Information Technology, Human Resources, Facilities and Quality Control departments. Prior to joining RIHousing, Ms. Primiano served in various capacities for the Rhode Island Department of Environmental Management, most recently as the Chief of the Division of Planning and Development. She has served as Town Planner for the town of Jamestown. Ms. Primiano holds a Bachelor of Arts degree from University of Rhode Island and a Master of Urban Planning degree from Hunter College.

Bernadette Lynch – Director of Finance. Ms. Lynch was appointed Director of Finance in April 2019. She joined RIHousing in 2015 as a Finance Analyst, and led the implementation of the in-house Secondary Marketing Department beginning in May 2017. Prior to joining RIHousing, Ms. Lynch worked for Citizens Bank, N.A. in the treasury group, where she was responsible for commercial loan forecasting and liquidity analysis. Ms. Lynch received a Bachelor of Science in Business Administration with a concentration in Finance from the University of Rhode Island.

Thomas McNulty – Manager of Treasury and Capital Planning. Mr. McNulty joined RIHousing as Manager of Treasury and Capital Planning in April of 2017. Prior to joining RIHousing, Mr. McNulty worked for Bank of America, N.A. and its predecessor FleetBoston Financial, in the treasury group, where he was responsible for the management of the fixed income portfolio with an emphasis on mortgage backed securities (MBS). Mr. McNulty received a Bachelor of Arts in Economics from the University of Massachusetts at Amherst.

Leslie McKnight – Assistant Deputy Director of Loan Servicing. Ms. McKnight was appointed Director of Loan Servicing in September, 2003 and was appointed Assistant Deputy Director of Loan Servicing in January, 2017. She joined RIHousing in June, 1995 as the Default Manager. She was appointed Assistant Director of Loan Servicing in July, 2000. Prior to her employment at RIHousing, Ms. McKnight worked as a Loan Workout Specialist for Plymouth Mortgage Company from 1991 to 1995. Between 1982 and 1991, she held various positions in Retail Banking and Mortgage Lending including Assistant Branch Manager at Citizens Bank. Ms. McKnight received her Bachelor of Science degree in Business Administration from Bryant College.

Peter C. Pagonis – Director of Homeownership. Mr. Pagonis joined RIHousing in October, 2013 as Lender Services Manager and was appointed Director of Homeownership in August, 2015. Prior to joining RIHousing, Mr. Pagonis worked as a Business Development Advisor with the Peace Corps in León, Nicaragua. From 2000 to 2010, Mr. Pagonis was a Corporate Banking Associate at FleetBoston Financial, a Loan Officer at Bank of America, and an Assistant Vice President at Bank Rhode Island. Mr. Pagonis received a Master of Business Administration degree from Boston University Questrom School of Business and a Bachelor of Arts degree from St. Lawrence University.

Claribel Shavers – Director of Leased Housing and Rental Services. Ms. Shavers was appointed Director of Leased Housing and Rental Services in December, 2015. Prior to joining RIHousing, Ms. Shavers worked at HUD’s Office of Housing in Boston where she served as a supervisory project manager and chief of asset management since 2012. Prior to HUD, she worked at RIHousing for five years as a housing choice voucher program manager. She has worked in the affordable housing industry, primarily in property management, since 1996. She is fluent in Spanish and received a Bachelor of Science degree in management from Boston University and an MBA from the University of Rhode Island.

Eric Shorter – Director of Development. Mr. Shorter joined RIHousing in July, 2015. Prior to returning to RIHousing, Mr. Shorter held senior level positions at Omni Development Corporation, Next Street Financial and the Rhode Island office of LISC. He also served as a senior development officer at RIHousing from 1999 to 2003. Mr. Shorter received a Bachelor of Arts degree from Boston College.

DESIGNATION OF THE 2019 SERIES 1 AND 2 BONDS AS SUSTAINABILITY BONDS

RIHousing is designating the 2019 Series 1 and 2 Bonds as Sustainability Bonds based on the intended use of proceeds of the 2019 Series 1 and 2 Bonds to finance multi-family rental housing projects that are expected to provide affordable housing and are expected to include energy efficiency standards and features. RIHousing’s Sustainability Bonds designation reflects the use of the proceeds of the 2019 Series 1 and 2 Bonds in a manner that is consistent with the “Green Bond Principles,” “Social Bond Principles,” and “Sustainability Bond Guidelines” as promulgated by the International Capital Markets Association (“ICMA”), and updated most recently in June 2018. By reference to the ICMA’s “Green and Social Bonds: A High-Level Mapping to the Sustainable Development Goals” (June 2018), RIHousing has determined that RIHousing’s Sustainability Bonds designation reflects the use of the proceeds of the 2019 Series 1 and 2 Bonds in a manner that is consistent with “Goal 1: No Poverty,” “Goal 7: Affordable and Clean Energy” and “Goal 11: Sustainable Cities and Communities” of the United Nations 17 Sustainable Development Goals (referred to as “UNSDGs” generally and “SDG 1,” “SDG 7” and “SDG 11” specifically). According to the United Nations, the UNSDGs were adopted by the United Nations General Assembly in September 2015 as part of its 2030 Agenda for Sustainable Development.

According to the United Nations, SDG 1 is focused on ending poverty in all its forms everywhere, SDG 7 is focused on ensuring access to affordable, reliable, sustainable, and modern energy for all and SDG 11 is focused on making cities and human settlements inclusive, safe, resilient and sustainable.

Use of Proceeds. The proceeds of the 2019 Series 1 and 2 Bonds will be used to (i) fund the preservation of existing affordable rental housing, and (ii) fund the creation of new affordable rental housing, collectively known as the 2019 Series 1 and 2 Developments (as defined above and below). The holders of Sustainability Bonds do not assume any specific risk with respect to the funded projects and the security and sources of payment for Sustainability Bonds (including the 2019 Series 1 and 2 Bonds) are the same as any other Bonds.

The 2019 Series 1 and 2 Developments are comprised of five rental housing developments for low and moderate income persons and families, and will result in the acquisition and rehabilitation of 752 residential rental units across 18 buildings in the cities of Newport, North Providence, Providence, Pawtucket and Woonsocket. Of the 752 units in the 2019 Series 1 and 2 Developments, 745 units (99.07%) are currently occupied by extremely low income households with incomes at or below 60% of AMI, of which 549 units (73.0%) are expected to be required to be set aside for extremely low income households with incomes at or below 30% of AMI. Additionally, with exception of 33 units in Harbor House and 9 units in Trio Partners which will not receive rental assistance payments, all of the 2019 Series 1 and 2 Developments are expected to receive subsidy payments under the federal Housing Assistance Payment Program (Section 8). Additionally, 100% of the units across the Harbor House, Mineral Spring Gardens, Trio Partners, and Centerdale Manor developments are expected to be occupied exclusively by elderly or disabled tenants or tenants of age 62 or older. Lastly, the 2019 Series 1 and 2 Developments are expected to include energy efficiency standards consistent with the RIHousing Green Standards found in “APPENDIX H—Green Standards.” See “2019 Series 1 and 2 Developments” and “APPENDIX A—DESCRIPTION OF THE DEVELOPMENTS.”

Project Evaluation and Selection. As part of its process for approving a 2019 Series 1 and 2 Development for financing through the issuance of the 2019 Series 1 and 2 Bonds, RIHousing reviewed whether or not such 2019 Series 1 and 2 Development is expected to provide safe, quality housing at rent levels which low and moderate income individuals and families can afford. In addition, the project applicants demonstrated that the applicable 2019 Series 1 and 2 Development will include one or more energy efficiency standards and features. See “APPENDIX H—GREEN STANDARDS—RIHousing Green Standards.”

Management of Proceeds. Net of certain transaction costs, the proceeds of the 2019 Series 1 and 2 Bonds will be invested in Investment Securities until disbursed to finance the 2019 Series 1 and 2 Developments. Such disbursements will be tracked by RIHousing. See “SUMMARY OF CERTAIN PROVISION OF THE RESOLUTION—Deposits and Investments,” “CONTINUING DISCLOSURE” and “APPENDIX H—GREEN STANDARDS—RIHousing Green Standards.”

Post-Issuance Reporting. With respect to the 2019 Series 1 and 2 Bonds, RIHousing will prepare an annual update on the 2019 Series 1 and 2 Developments, as of the last day of such fiscal year (the specific form and content of which are in the absolute discretion of RIHousing). RIHousing expects that such annual update will consist of the information outlined in the Form of Sustainability Bonds Annual Reporting in “APPENDIX G” in this Official Statement (i.e., Project names and Mortgage Loan amounts advanced for all projects funded with proceeds of the 2019 Series 1 and 2 Bonds). Once all the financed projects have been completed and all related bond proceeds disbursed, no further updates will be provided.

RIHousing expects to post such annual updates as a voluntary filing on the Electronic Municipal Market Access System (“EMMA”) of the MSRB. Although RIHousing intends to provide such annual update, RIHousing is not required to provide such annual update pursuant to the Continuing Disclosure

Agreement (as hereinafter defined) or any other agreement to provide continuing disclosure and the failure to do so will not constitute an event default thereunder or under the Resolution.

PLAN OF FINANCING

The 2019 Series 1 and 2 Bonds are being issued to finance Mortgage Loans made for the purpose of funding acquisition and rehabilitation of the related Developments (see the description of the 2019 Series 1 and 2 Developments below); the Mortgage Loans funded with proceeds of the 2019 Series 1-A Bonds are expected to be repaid with tax credit equity proceeds upon completion of rehabilitation and/or construction, as applicable, for each respective 2019 Series 1 Development. In the event any such Mortgage Loan repayment occurs later than expected, RIHousing may not be able to purchase the 2019 Series 1-A Bonds on the related Mandatory Tender Date (as hereinafter defined). See “**DESCRIPTION OF THE SERIES BONDS—Mandatory Tender of 2019 Series 1-A Bonds**” herein.

Proceeds of the Series Bonds not used for the Developments described below may be used to fund other similar projects at the direction of RIHousing; provided, however, that there can be no assurances that the mortgage collateral on such future projects funded by the Series Bonds or additional future Bonds will not be materially different from that of the Developments described below and in **APPENDIX A** hereto. See “**THE PROGRAM**” herein for a description of the guidelines used by RIHousing for its multi-family lending program.

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2019 Series 1 and 2 and Developments

All of the following 2019 Series 1 Developments (Mineral Spring Gardens, Prospect Heights III, Harbor House and Trio) are expected to be financed with the proceeds of the 2019 Series 1-A Bonds; three of the below 2019 Series 1 Developments (Mineral Spring Gardens, Prospect Heights III and Trio) are expected to be financed with proceeds of the 2019 Series 1-B Bonds; the 2019 Series 2-T Bonds are expected to finance the 2019 Series 2-T Development (Centerdale Manor).

2019 Series 1 and 2 Development Descriptions									
Development Name (Construction/ Rehabilitation)	Bond Series	Address and County	Estimated Total Development Cost (TDC)	Expected completion time of construction or rehabilitation	Anticipated Supplemental Security after construction or rehabilitation ⁽¹⁾	Mortgage Loan Amount during construction or rehabilitation	Mortgage Loan Repayment	Permanent Mortgage Loan Amount	Amortization Period ⁽²⁾
Mineral Spring Gardens (Rehabilitation)	2019 Series 1-A 2019 Series 1-B	1905 Mineral Spring Avenue, North Providence, RI 02904; Providence County	\$21,650,074 (\$155,756 per unit)	16 months	FHA Risk Share	\$16,800,000	\$3,300,000	\$13,500,000	40 years
Prospect Heights III (Rehabilitation)	2019 Series 1-A 2019 Series 1-B	560 Prospect Street, Pawtucket, RI 02860; Providence County	\$15,370,750 (\$160,112 per unit)	24 months	FHA Risk Share	\$7,800,000	\$6,300,000	\$1,500,000 ⁽³⁾	40 years
Harbor House (Construction/ Rehabilitation))	2019 Series 1-B	111 Washington Street, Newport, RI 02840; Newport County	\$8,317,243 (\$202,860 per unit)	24 months	N/A	\$4,300,000	\$4,300,000	N/A	N/A
Trio Partners (Rehabilitation)	2019 Series 1-A 2019 Series 1-B	300 Privilege Street, Woonsocket, RI 02895; 1 Valley Street, Providence, RI 02909; 20 McGuire Road, North Providence, RI 02904; all in Providence County	\$60,732,551 (\$171,561 per unit)	24 months	FHA Risk Share	\$33,000,000	\$12,000,000	\$21,000,000	40 years
Centerdale Manor (Rehabilitation)	2019 Series 2-T	2074 Smith Street, North Providence, RI 02911; Providence County	\$13,186,641 (\$108,087 per unit)	6 months	FHA Risk Share	N/A	N/A	\$12,200,000 ⁽⁴⁾⁽⁵⁾	40 years

⁽¹⁾ For a description of FHA Risk Share, see “APPENDIX E—FEDERAL AND STATE HOUSING ASSISTANCE PROGRAMS—The FHA Insurance Program—The FHA Risk-Sharing Program.”.

⁽²⁾ The principal amount of each Series Mortgage Loan is calculated to amortize over the period set forth in this column, commencing at the completion of construction. If the amortization period is longer than the maturity of the loan, then any amount amortizing after the maturity date is payable on the maturity date. The amortization period of each Series Mortgage Loan is not longer than the maturity of the loan.

⁽³⁾ The loan on Prospect Heights III has a balloon payment anticipated to be due in month 215.

⁽⁴⁾ The loan on Centerdale Manor can be prepaid in year 30.

⁽⁵⁾ \$500,000 principal amount of the Centerdale Manor loan is being funded with an alternate funding source of RIHousing.

2019 Series 1 and 2 Development Summaries														
Development Name	Bond Series	Physical Structure	Revenue Generating Units	Expected Unit Set-Aside Breakdown at or Below ⁽¹⁾								Allocation of LIHTC	Subsidy Programs ⁽²⁾	Expected Green Building Standard(s) ⁽³⁾
				30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	90% AMI	100% AMI	110% AMI			
Prospect Heights III	2019 Series 1-A 2019 Series 1-B	12 two-story buildings	96	62	20	9	5	-	-	-	-	Yes	PBRA (RAD) 20 Years	Water conserving fixtures; LED lighting; high efficiency hot water boilers and hot water; programmable thermostats; Energy Star appliances; hi-efficiency windows; air sealing
Mineral Spring Gardens ⁽⁴⁾	2019 Series 1-A 2019 Series 1-B	1 four-story building	139	94	17	20	8	-	-	-	-	Yes	HAP 20 Years	Water conserving fixtures; high efficiency boilers, new Energy Star fiberglass low-E windows; LED lighting and Energy Star appliances; upgraded unit and common area ventilation and exhaust
Trio Partners	2019 Series 1-A 2019 Series 1-B	1 thirteen-story building; 1 three-story building; 1 five-story building	354	291	32	31	-	-	-	-	-	Yes	3 HAP Contracts 20 Years	Water conserving fixtures; high efficiency boilers and/or heat pumps; new Energy Star low-E windows; LED lighting and Energy Star appliances; upgraded unit and common area ventilation and exhaust; high efficiency transformers
Harbor House ⁽⁵⁾⁽⁶⁾	2019 Series 1-A	1 three-story building	41	10	7	13	1	-	3	4	-	Yes	PBV on 8 Units	Water conserving fixtures; high efficiency condensing boilers and hot water and high efficiency mini splits for AC; Energy Star appliances; Virtual Net Metering to offset 100% of building's electric costs
Centerdale Manor	2019 Series 2-T	1 eight-story building	122	92	11	11	5	-	-	-	-	No	PBRA 20 Years	Transit Oriented Development; Rhode Island Growth Center

- ⁽¹⁾ Each 2019 Series 1 and 2 Mortgagor will enter into a Regulatory Agreement with RIHousing that requires a certain number of units in the applicable 2019 Series 1 and 2 Development to be occupied by households with incomes at or below a specified percentage of AMI.
- ⁽²⁾ Subsidy programs that provide ongoing subsidy payments for the applicable 2019 Series 1 and 2 Development include Project-Based Rental Assistance (“PBRA”), Rental Assistance Demonstration (“RAD”), Housing Assistance Payments (“HAP”), Project Based Vouchers (“PBV”). For a description of such subsidy programs, see “APPENDIX E —FEDERAL AND STATE HOUSING ASSISTANCE PROGRAMS—Section 8 Housing Assistance Payments Programs.”
- ⁽³⁾ For a description of the green standards, see “APPENDIX H—GREEN STANDARDS—RIHousing Green Standards.” The failure to meet (or exceed) a particular standard is not a default under the applicable 2019 Series 1 and 2 Mortgage Loan.
- ⁽⁴⁾ Mineral Spring Gardens assumes full occupancy - 3 units currently vacant.
- ⁽⁵⁾ Harbor House based on existing 38 units with 3 new units not yet constructed.
- ⁽⁶⁾ The developer is offsetting 100% of the project’s energy with solar and wind renewable sources through a Net Meter Credit Arrangement with Wind Energy Development. The property is on the National Historic Register and within a local historic district and therefore cannot install solar or wind on site.

Additional Information

The 2019 Series 1 and 2 Developments are being financed pursuant to RIHousing's Multi-Family Development Program. Each owner of a 2019 Series 1 and 2 Development has entered, or will enter prior to the receipt of funds from RIHousing, into a Regulatory Agreement with respect to the related Development under which the owner covenants that subsequent to the expiration of any HAP Contract, all of the units in the Development will be restricted to individuals earning not more than 60% of area median income (as adjusted for household size) (the "Median Family Income"). In the event that project-based rental assistance is made available to the owner of a 2019 Series 1 and 2 Development financed under the Multi-Family Development Program, during the term of the related Regulatory Agreement, the owner shall, to the extent economically feasible, endeavor to lease at least forty percent (40%) of the units to tenants with aggregate family income not in excess of forty percent (40%) of the Median Family Income. Notwithstanding the foregoing, Harbor House, Mineral Spring Gardens, Trio and Centerdale Manor are expected to be occupied exclusively by elderly or disabled tenants or tenants of age 62 or older (each an "Elder Development"), and such Developments may admit tenants with incomes up to eighty percent (80%) of Median Family Income subject to the income limitations imposed by the Code (see "**TAX MATTERS**"); and provided, however, that to the extent an Elder Development has received low-income housing tax credits as described below, the occupancy restrictions mandated by the tax credit program shall govern. Subsequent to the expiration of any HAP Contract, tenant contribution of rental charges for each unit, including utility payments, may not exceed the maximum tenant contribution in effect for the tax credit program below.

In addition, all of the 2019 Series 1 Developments have been awarded low income housing tax credits ("Tax Credits"). It is anticipated that such Tax Credits will be syndicated by the developers resulting in equity contributions with respect to such 2019 Series 1 Developments. In connection with the use of Tax Credits, restrictive covenant agreements will be executed with respect to each Development receiving such Tax Credits which will require that either (i) 20% of the units must be rented to persons earning 50% or less of area median income at an annual rent equal to or less than 30% of the income of a person earning 50% of area median income (after adjusting for utility provisions and family size), (ii) 40% of the units must be rented to persons earning 60% or less of area median income at an annual rent equal to or less than 30% of the income of a person earning 60% of area median income (after adjusting for utility provisions and family size), or (iii) income averaging, whereby at least 40% of the residential units (or floor space fraction, as applicable) in the Development are both rent-restricted and occupied by individuals whose income is 80% or less of area median gross income, so long as the average income and rent restriction of the Low-Income Units is 58% or less of area median gross income, which is more restrictive than the Code requirement of 60%. In the event option (iii) above is chosen, the Development owner (the "Owner") irrevocably agrees to rent the certain numbers of residential units in the Development to households at or below certain levels of area median gross income as set forth in the Development Owner's management plan provided by Owner and approved by RIHousing. The rent and income restrictions of the Multi-Family Development Program and the Tax Credit program are co-extensive; satisfaction of the Multi-Family Development Program requirements for developments will result in compliance with the Tax Credit requirements and the income and rental restrictions which must be met with respect to the 2019 Series 1 Developments in connection with the 2019 Series 1 Bonds. See "**TAX MATTERS**" herein.

Risks Attending any Investment in Real Estate

Risks attending any investment in real estate include, without limitation, possible adverse use of adjoining land, fire or other casualty, condemnation, increased taxes, changes in demand for such facilities, increases in utility rates, adverse general and local economic conditions, energy shortages, a decline in property value in the 2019 Series 1 and 2 Developments, increases in operating costs due to inflation, non-compliance of tenants with the terms of their leases, unfavorable governmental regulation (such as enactment of rent controls), force majeure and uninsurable risks, construction strikes and decrease in the relative popularity of real estate investments as contrasted with other investments. These

risks and many others cannot be controlled by RIHousing and may have a substantial bearing on the profitability and financial feasibility of the 2019 Series 1 and 2 Developments, and which may affect the realizable value of the real estate and other collateral securing payment of the Series Bonds.

Additionally, legislation or regulations affecting the Series Bonds and Series Mortgage Loans may be considered and enacted by the United States Congress, the Rhode Island State legislature or federal or state regulatory bodies. No assurance can be given that the consideration or enactment of any such legislation will not have an adverse effect on the value of, the timing or amount of revenues available to pay, or the security for the Series Bonds or other risks to the Bondholders.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds from the sale of the Series Bonds and a contribution from RIHousing are as follows:

Sources of Funds:	
Principal Amount of 2019 Series 1-A Bonds	\$25,900,000
Principal Amount of 2019 Series 1-B Bonds	36,000,000
Principal Amount of 2019 Series 2-T Bonds	11,700,000
Available Funds of the Resolution	2,687,119
RIHousing Contribution	<u>500,000</u>
Total Sources	\$76,787,119
Uses of Funds:	
Deposit to Series Bond Proceeds Account	\$74,100,000
Deposit to Debt Service Reserve Account	1,950,000
Underwriters' Fee	476,829
Other Costs of Issuance	<u>260,290</u>
Total Uses	\$76,787,119

SECURITY FOR THE BONDS

Pledge of the Resolution

The Mortgage Loans and the Revenues and all amounts held in any Account established under the Resolution (except the Rebate Account) including investments thereof, have been pledged and assigned to secure the payment of the Bonds (including the Sinking Fund Payments for the retirement thereof) in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application, disposition or exercise thereof for or to the purposes and on the terms and conditions therein set forth. To the fullest extent provided by the Act and other applicable laws, the money and property pledged and assigned pursuant to the Resolution are subject to the lien of such pledge and assignment without any physical delivery thereof or further act, and such lien is valid and binding against all parties having claims of any kind in tort, contract or otherwise, irrespective of whether such parties have notice thereof.

The pledges made in the Resolution for the security of the Bonds may be released upon provision for payment of the Bonds, as further described in “**SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION—Defeasance.**”

Mortgage Loans permitted to be financed pursuant to the Resolution include first lien, coordinate first lien and second lien mortgage loans as well as participations therein with other investors or with other funds of RIHousing. Mortgage Loans may only be financed in connection with RIHousing’s activities permitted under the Act.

Debt Service Reserve Account

Upon the issuance and delivery of a Series of Bonds, there is required to be on deposit in the Debt Service Reserve Account an amount at least equal to the aggregate amounts for all Series established under the Supplemental Resolution authorizing such Series (the “Debt Service Reserve Account Requirement”). The Supplemental Resolution for the Series Bonds establishes the amount for each such Series of the Series Bonds as one half of the greatest amount required in the then current or any future calendar year to pay Debt Service with respect to such Series in such Fiscal Year, excluding with respect to (i) the 2019 Series 1-B Bonds in calendar years 2039 and 2059, the principal components of the Sinking Fund Payments due thereon on April 1, 2039 and October 1, 2059, and (ii) the 2019 Series 2-T Bonds in calendar year 2051 the final principal component of the Sinking Fund Payment due thereon on October 1, 2051. Such amounts established for other Series of Bonds shall be set forth in the Supplemental Resolution authorizing such Bonds. Upon the issuance and delivery of the Series Bonds, the amount on deposit in the Debt Service Reserve Account will be at least equal to the Debt Service Reserve Account Requirement.

Deposits to the Debt Service Reserve Account may be made either in the form of (a) a cash deposit of proceeds of a Series of Bonds or amounts available under the Resolution or (b) Cash Equivalents. Prior to the issuance of the Series Bonds, the aggregate Debt Service Reserve Account Requirement was \$9,845,537. In connection with the issuance of the Series Bonds, a deposit will be made to the Debt Service Reserve Account from amounts available under the Resolution. See **“SOURCES AND USES OF FUNDS.”**

If on any Interest Payment Date or Redemption Date, the amount in the Redemption Account, if applicable, and the Revenue Account shall be less than the amount required for the payment of the principal or Redemption Price and interest due on the Bonds to be paid or redeemed on such date, the Trustee shall apply amounts from the Debt Service Reserve Account to the extent necessary to make good the deficiency. If, after payment of amounts due under the Resolution for interest, principal, redemptions and Program Expenses, the amount in the Debt Service Reserve Account is in excess of the Debt Service Reserve Requirement, the Trustee shall transfer moneys from the Debt Service Reserve Account to the Revenue Account, but only to the extent necessary to meet the payments required to be made from the Revenue Account. Additionally, amounts in the Debt Service Reserve Account in excess of the Debt Service Reserve Account Requirement shall, upon receipt by the Trustee of the written instructions of an Authorized Officer determining to withdraw such amount, be paid to and deposited in the Revenue Account.

Additional Bonds

Additional Series of Bonds may be issued as provided in the General Resolution on a parity with the Bonds and secured by an equal charge and lien on the revenues and assets pledged under the General Resolution and payable equally therefrom so long as (i) no Event of Default shall be existing and continuing and (ii) written notice from each rating agency then rating the Outstanding Bonds is received, confirming that the issuance of such additional Bonds will not result in a reduction of the rating then applicable to such Bonds, or cause such rating agency to suspend or withdraw its rating then applicable to the Outstanding Bonds, but no Series of Bonds may be issued if the principal amount of all Bonds issued or to be issued will exceed any limitation imposed by law nor if, upon the issuance and delivery of such Bonds, the amount credited to the Debt Service Reserve Account will be less than the Debt Service Reserve Account Requirement. See **“SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION—Provisions for Issuance of Bonds, Provisions for Refunding Issues.”**

DESCRIPTION OF THE SERIES BONDS

The Series Bonds are being issued as fixed rate bonds in denominations of \$5,000 principal amount or any integral multiple thereof. The Series Bonds will be dated and will bear interest from their date of delivery, at the rates set forth on the inside cover page hereof, payable on each April 1 and October 1 thereafter, commencing April 1, 2020. Calculations of interest on the Series Bonds will be based on a 360-day year consisting of twelve 30-day months.

Mandatory Tender of 2019 Series 1-A Bonds

The 2019 Series 1-A Bonds are subject to mandatory tender for purchase (with no right to retain) on October 1, 2022 (the “Mandatory Tender Date”), at a price equal to 100% of the principal amount thereof plus accrued interest (the “Purchase Price”). The Trustee will deliver a notice of mandatory tender to Bondholders, at least 15 days prior to the Mandatory Tender Date, stating the Mandatory Tender Date, the Purchase Price, and that all Bondholders of the 2019 Series 1-A Bonds will be deemed to have tendered their 2019 Series 1-A Bonds upon the Mandatory Tender Date. 2019 Series 1-A Bonds purchased on the Mandatory Tender Date will be cancelled.

It is anticipated that the Purchase Price for the 2019 Series 1-A Bonds will be derived from the payment of the Mortgage Loans relating to the 2019 Series 1-A Bonds upon the completion of rehabilitation and/or construction, as applicable, of each related 2019 Series 1 Development (see “**PLAN OF FINANCING**” herein). The 2019 Series 1-A Bonds do not, nor is there currently any requirement or assurance that the 2019 Series 1-A Bonds will, have the benefit of a liquidity or other credit facility to pay the Purchase Price of the 2019 Series 1-A Bonds on the Mandatory Tender Date.

In the event that prior to the Mandatory Tender Date of October 1, 2022, the Mortgage Loans relating to the 2019 Series 1-A Bonds have not been paid in full and there are no other funds available to purchase the 2019 Series 1-A Bonds on the Mandatory Tender Date, (i) the Trustee will deliver a notice to Bondholders that the 2019 Series 1-A Bonds shall not be subject to mandatory tender on the Mandatory Tender Date, (ii) such Outstanding 2019 Series 1-A Bonds will be retained by the Bondholders, (iii) any 2019 Series 1-A Bonds that remain Outstanding after the related Mandatory Tender Date shall bear interest at a rate of 9% per annum, from the date of the Mandatory Tender Date to but not including the date of redemption of such 2019 Series 1-A Bonds, and (iv) such 2019 Series 1-A Bonds will remain subject to optional and special redemption as described below under the headings “—**Redemption Provisions**—*Optional Redemption*,” “—*Mandatory Sinking Fund Redemption*” and “—*Special Redemption*.” Failure to purchase 2019 Series 1-A Bonds on a Mandatory Tender Date as described above is not an Event of Default under the Resolution.

Redemption Provisions

The Series Bonds are subject to redemption as described below.

Optional Redemption

The 2019 Series 1-A Bonds are redeemable, at the option of RIHousing, on or after October 1, 2020 in whole or in part on any date upon not less than twenty days notice, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date fixed for redemption.

The 2019 Series 1-B Bonds and the 2019 Series 2-T Bonds are redeemable, at the option of RIHousing, on or after April 1, 2029, in whole or in part on any date upon not less than twenty days notice, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The 2019 Series 1-A Bonds, the 2019 Series 1-B Bonds maturing on October 1, 2034, October 1, 2039, October 1, 2044, October 1, 2049, October 1, 2054, and October 1, 2059 and the 2019 Series 2-T Bonds maturing on October 1, 2039, October 1, 2044, and October 1, 2051 are subject to mandatory redemption, in part, by lot, at a Redemption Price equal to the principal amount thereof plus accrued interest to the date fixed for redemption, by application of Sinking Fund Payments which are required to be made to redeem such Bonds in the respective amounts on each of the dates shown below:

2019 Series 1-A Term Bonds Due October 1, 2049

Date	Principal Amount	Date	Principal Amount
October 1, 2025	\$435,000	April 1, 2038	\$530,000
April 1, 2026	445,000	October 1, 2038	530,000
October 1, 2026	445,000	April 1, 2039	540,000
April 1, 2027	450,000	October 1, 2039	540,000
October 1, 2027	450,000	April 1, 2040	545,000
April 1, 2028	455,000	October 1, 2040	550,000
October 1, 2028	460,000	April 1, 2041	555,000
April 1, 2029	465,000	October 1, 2041	560,000
October 1, 2029	465,000	April 1, 2042	560,000
April 1, 2030	470,000	October 1, 2042	565,000
October 1, 2030	475,000	April 1, 2043	570,000
April 1, 2031	475,000	October 1, 2043	575,000
October 1, 2031	480,000	April 1, 2044	580,000
April 1, 2032	485,000	October 1, 2044	585,000
October 1, 2032	490,000	April 1, 2045	590,000
April 1, 2033	490,000	October 1, 2045	590,000
October 1, 2033	495,000	April 1, 2046	595,000
April 1, 2034	500,000	October 1, 2046	605,000
October 1, 2034	500,000	April 1, 2047	605,000
April 1, 2035	510,000	October 1, 2047	610,000
October 1, 2035	510,000	April 1, 2048	615,000
April 1, 2036	515,000	October 1, 2048	620,000
October 1, 2036	515,000	April 1, 2049	625,000
April 1, 2037	520,000	October 1, 2049 [†]	630,000
October 1, 2037	530,000		

[†]Final Maturity

2019 Series 1-B Term Bonds Due October 1, 2034

Date	Principal Amount	Date	Principal Amount
April 1, 2032	\$230,000	October 1, 2033	\$250,000
October 1, 2032	235,000	April 1, 2034	255,000
April 1, 2033	240,000	October 1, 2034 [†]	260,000

[†]Final Maturity

2019 Series 1-B Term Bonds Due October 1, 2039

Date	Principal Amount	Date	Principal Amount
April 1, 2035	\$265,000	October 1, 2037	\$ 300,000
October 1, 2035	275,000	April 1, 2038	310,000
April 1, 2036	280,000	October 1, 2038	320,000
October 1, 2036	290,000	April 1, 2039	1,530,000
April 1, 2037	295,000	October 1, 2039 [†]	320,000

[†] Final Maturity

2019 Series 1-B Term Bonds Due October 1, 2044

Date	Principal Amount	Date	Principal Amount
April 1, 2040	\$330,000	October 1, 2042	\$375,000
October 1, 2040	340,000	April 1, 2043	385,000
April 1, 2041	345,000	October 1, 2043	390,000
October 1, 2041	355,000	April 1, 2044	400,000
April 1, 2042	360,000	October 1, 2044 [†]	415,000

[†] Final Maturity

2019 Series 1-B Term Bonds Due October 1, 2049

Date	Principal Amount	Date	Principal Amount
April 1, 2045	\$420,000	October 1, 2047	\$475,000
October 1, 2045	435,000	April 1, 2048	490,000
April 1, 2046	445,000	October 1, 2048	505,000
October 1, 2046	455,000	April 1, 2049	515,000
April 1, 2047	465,000	October 1, 2049 [†]	530,000

[†] Final Maturity

2019 Series 1-B Term Bonds Due October 1, 2054

Date	Principal Amount	Date	Principal Amount
April 1, 2050	\$540,000	October 1, 2052	\$615,000
October 1, 2050	555,000	April 1, 2053	625,000
April 1, 2051	570,000	October 1, 2053	645,000
October 1, 2051	585,000	April 1, 2054	660,000
April 1, 2052	600,000	October 1, 2054 [†]	680,000

[†] Final Maturity

2019 Series 1-B Term Bonds Due October 1, 2059

Date	Principal Amount	Date	Principal Amount
April 1, 2055	\$695,000	October 1, 2057	\$ 790,000
October 1, 2055	715,000	April 1, 2058	805,000
April 1, 2056	730,000	October 1, 2058	825,000
October 1, 2056	750,000	April 1, 2059	850,000
April 1, 2057	765,000	October 1, 2059 [†]	5,470,000

[†] Final Maturity

2019 Series 2-T Term Bonds Due October 1, 2039

Date	Principal Amount	Date	Principal Amount
April 1, 2035	\$100,000	October 1, 2037	\$120,000
October 1, 2035	105,000	April 1, 2038	115,000
April 1, 2036	110,000	October 1, 2038	125,000
October 1, 2036	110,000	April 1, 2039	120,000
April 1, 2037	110,000	October 1, 2039 [†]	130,000

[†] Final Maturity

2019 Series 2-T Term Bonds Due October 1, 2044

Date	Principal Amount	Date	Principal Amount
April 1, 2040	\$130,000	October 1, 2042	\$145,000
October 1, 2040	135,000	April 1, 2043	150,000
April 1, 2041	135,000	October 1, 2043	155,000
October 1, 2041	140,000	April 1, 2044	155,000
April 1, 2042	145,000	October 1, 2044 [†]	160,000

[†] Final Maturity

2019 Series 2-T Term Bonds Due October 1, 2051

Date	Principal Amount	Date	Principal Amount
April 1, 2045	\$165,000	October 1, 2048	\$ 195,000
October 1, 2045	170,000	April 1, 2049	200,000
April 1, 2046	175,000	October 1, 2049	205,000
October 1, 2046	175,000	April 1, 2050	210,000
April 1, 2047	185,000	October 1, 2050	215,000
October 1, 2047	185,000	April 1, 2051	220,000
April 1, 2048	190,000	October 1, 2051 [†]	4,485,000

[†] Final Maturity

Special Redemption

Except as otherwise provided below, all Series Bonds are subject to redemption, in whole or in part on any date, at the option of RIHousing, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium, from moneys deposited in the Redemption Account, on account of (a) the optional prepayment of a Mortgage Loan, if any (see “**THE PROGRAM—Prepayment of Mortgage Loans**”); (b) the sale or other disposition of property financed by a Mortgage Loan which RIHousing has taken title to or possession of as a result of an event of default under the Mortgage Loan with respect thereto; (c) condemnation of property financed by a Mortgage Loan or part thereof; (d) other proceedings taken in the event of default under a Mortgage Loan; (e) moneys deposited in the Redemption Account on account of Series Bond proceeds remaining on deposit in the Bond Proceeds Account which have not been used to make or fund the Series Mortgage Loans; (f) Revenues (including Mortgage Loan prepayments) under the General Resolution in excess of the amount required to meet Debt Service requirements, the Debt Service Reserve Account Requirement and Program Expenses with respect to all Bonds outstanding under the General Resolution; or (g) mortgage insurance or guaranty or hazard insurance proceeds.

General Provisions

In the case of any redemption of Bonds at the election or direction of RIHousing, RIHousing shall give written notice to the Trustee of its election or direction so to redeem, of the Redemption Date, of the principal amounts of the Bonds of such Series (and subseries, if applicable) and maturities to be redeemed (which Redemption Date, Series (and subseries, if applicable), maturities and principal amounts thereof to be redeemed shall be determined by RIHousing in its sole discretion, subject to any limitations with respect thereto contained in or permitted by the Resolution) and of any moneys to be applied to the payment of the Redemption Price.

If less than all of the Outstanding Bonds of a like Series and maturity are to be redeemed, the Trustee shall select increments of \$5,000 maturity amount of such Series and maturity to be redeemed on a proportionate basis.

Notice of Redemption

Notice of redemption of Bonds shall be given by the Trustee in the name of RIHousing. Such notice shall specify the complete official name, the Series (and subseries, if applicable), the maturities, the interest rate, and the CUSIP number of the Bonds to be redeemed, the Redemption Date and the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at such place(s)) and, if less than all the Bonds of any like maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the Redemption Date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be given by mailing a copy thereof, first class postage prepaid, not less than 20 days nor more than 30 days prior to the Redemption Date, to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books. Notices to Bondholders of at least \$1,000,000 principal amount of Bonds, national information services, and any Depositaries, upon written request, shall also be sent by certified mail, return receipt requested. Bondholders of at least \$1,000,000 principal amount of Bonds may request that notices also be sent to an additional address. If the Bonds to be redeemed are fully registered, then mailing of notice of redemption to the holders thereof shall be

sufficient, and RIHousing may elect to dispense with the publication of such notice. A Bondholder may waive its right to receive notice pursuant to this section.

A copy of any notice sent pursuant to the preceding paragraph shall be sent by the Trustee to at least two of the national information services that disseminate redemption notices or redemption notice information (so long as two such services exist).

A second notice must be sent by the Trustee to any Bondholder whose Bonds have been redeemed but who has not delivered its Bonds for redemption by the sixtieth day following the applicable Redemption Date. Such notice shall be sent in the manner and shall include the same information described in the first paragraph of this section.

Book-Entry Only System

When the Series Bonds are issued, ownership interests will be available to purchasers only through a book-entry system (the “Book-Entry System”) maintained by The Depository Trust Company (“DTC”), New York, New York, or such other depository institution designated by RIHousing pursuant to the Resolution. Purchasers of beneficial interests in the Series Bonds will not receive certificates reflecting their interests in the Series Bonds.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES BONDS AS NOMINEE FOR DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE BONDHOLDERS OR REGISTERED OWNERS OR OWNERS OF THE SERIES BONDS (EXCEPT UNDER “TAX MATTERS”) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES BONDS.

The following information included under this caption (except for the last two paragraphs) concerning DTC and DTC’s book-entry system has been obtained from DTC, but no representation is made by RIHousing, the Underwriters or the Trustee as to the accuracy or adequacy thereof.

DTC will act as securities depository for the Series Bonds. The Series Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series Bond certificate will be issued for each maturity of the Series Bonds in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and Non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s Direct Participants deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the “Indirect Participants”). DTC has a Standard &

Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series Bonds on DTC's records. The ownership interest of each actual purchaser of each Series Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series Bonds, except in the event that use of the book-entry system for the Series Bonds is discontinued.

To facilitate subsequent transfers, all Series Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co or such other name as may be requested by an authorized representative of DTC. The deposit of Series Bonds with DTC and their registration in the name of Cede & Co do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping account of their holdings on behalf of their customers.

Conveyances of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series Bonds of a Series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series Bonds of such Series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to RIHousing as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption, principal, interest and purchase price payments on the Series Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from RIHousing or the Trustee, Bond Registrar or Tender Agent, on payable date in accordance with their respective holdings shown on DTC's record. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the Bond Registrar, the Tender Agent or RIHousing, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption, principal, interest and purchase price payments to Cede & Co. (or such other nominees as may be requested by an authorized representative of DTC) is the responsibility of the RIHousing or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

The requirement for physical delivery of Series Bonds in connection with a mandatory purchase will be deemed satisfied when the ownership rights in such Series Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Series Bonds at any time by giving reasonable notice to RIHousing or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series Bond certificates are required to be printed and delivered. RIHousing may decide to discontinue the use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series Bond certificates will be printed and delivered to DTC.

In the event such Series Bond certificates are issued, the Beneficial Owner, upon registration of the Series Bonds held in such Beneficial Owner's name, shall become the Owner for purposes of the Resolution and the provisions of the Resolution shall apply to, among other things, the transfer and exchange of certificates and the method of payment of principal of and interest on the Series Bonds.

NEITHER RIHOUSING, NOR THE TRUSTEE, NOR THE BOND REGISTRAR, NOR THE TENDER AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS, TO THE INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) THE TIMELY PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PRICE OR PURCHASE PRICE OF OR INTEREST ON THE SERIES BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS BY DTC UNDER THE RESOLUTION; (IV) THE SELECTION BY DTC OF ANY DIRECT OR INDIRECT PARTICIPANT AND THE SELECTION BY SUCH DIRECT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

THE PROGRAM

Under RIHousing's Multi-Family Development Program (the "Multi-Family Development Program" or the "Program"), RIHousing may finance only developments in which (i) at least 20% of the rental units are occupied or are to be occupied by persons and families whose income is 50% or less of the Area Median Gross Income or (ii) at least 40% of the rental units are occupied or are to be occupied by persons and families whose income is 60% or less of the Area Median Gross Income as that term is defined in Section 142(d) of the Code, or (iii) income averaging is applied, whereby at least 40% of the residential units (or floor space fraction, as applicable) in the Development are both rent-restricted and occupied by individuals whose income is 80% or less of area median gross income, so long as the average income and rent restriction of the Low-Income Units is 58% or less of area median gross income, which is more restrictive than the Code requirement of 60%. In the event option (iii) above is chosen, the Development irrevocably agrees to rent the certain numbers of residential units in the Owner of the Development to households at or below certain levels of area median gross income as set forth in the Development Owner's management plan provided by Owner and approved by RIHousing

To encourage the development of such low-income rental units, the Board of Commissioners has established a "Special Loan Fund" from reserve funds of RIHousing from which below market rate loans can be made for developments to either fund capital costs or fund operating and debt service costs of a development.

Under the Program, RIHousing gives priority to proposals which: (a) utilize other available funding sources such as federal, state, local and private grants; (b) request less than the maximum amount

from the Special Loan Fund; (c) utilize federal tax credits in a cost-effective manner; (d) creatively respond to the needs of persons and families that are physically handicapped; (e) provide rental housing to families rather than individuals; and (f) preserve the affordability of the existing housing stock throughout the State.

Mortgage Loan Processing For Developments

RIHousing is authorized under the Act to provide financing for developments for low and moderate income persons and families, and, in providing financing, RIHousing is required to follow provisions of the Act and State and federal laws and regulations.

RIHousing's review of proposals from housing developers typically occurs through a two-stage process, preliminary and loan commitment review as described below.

The Preliminary Review Process

When a housing developer contacts RIHousing in contemplation of seeking financing for a development from RIHousing, RIHousing's Housing Development Division evaluates the suitability of the site and adequacy of the market for rental housing in the area. This review may include a preliminary financial analysis and analysis of the site characteristics, surrounding land uses, available utilities, transportation, employment and recreation opportunities, and shopping facilities.

If the preliminary review is satisfactory the developer is requested to submit a formal proposal which is evaluated by staff of RIHousing. This evaluation includes a preliminary analysis of the development costs and operating expenses, marketing and management information, schematic and preliminary drawings and site plans, information about the developer and development team and the economic feasibility of the development, including an examination of external or environmental factors of the industry which may affect the long-term viability of the development. An evaluation is also completed by RIHousing's Loan Servicing Division to determine if the proposed managing agent is qualified to manage the development in conformity with the management standards and procedures established by RIHousing. A review of the financial statements of the developer and other development team members is made to determine their financial capability. With respect to a prospective acquisition of an existing development, RIHousing also reviews prior years' financial statements and operating history of such developments. The conclusions of the preliminary evaluation are presented to the Board of Commissioners, and upon the Board's approval of the proposed development, the developer is issued a reservation letter that details the additional requirements that must be met in order for a loan commitment to be issued.

The Loan Commitment Review Process

Upon the completion of the preliminary review process, a more detailed review of all aspects of a development proposal is completed. A developer must submit working drawings and specifications, detailed operating and expense budgets, financial statements for the developer and general contractor, prior years' financial statements and operating history for the development, if applicable, and any additional documentation requested for commitment processing. RIHousing will commission an appraisal, and, if required, a market study to ensure appropriate loan to value ratio. A review of the management and marketing plan is made with attention to marketing strategies, operating budgets and affirmative marketing. Concurrently, the Housing Development Division makes a cost estimate for the development and evaluates cost projections. Once RIHousing is satisfied that all reviews are in order, a loan commitment presentation is made to the Board of Commissioners, and, if accepted, a commitment letter is issued to the mortgagor.

Initial Closing

At the initial closing of a mortgage loan, a regulatory agreement (the “Regulatory Agreement”) is executed by RIHousing and the mortgagor. The Regulatory Agreement regulates tenant eligibility and rent levels in accordance with pertinent regulations of the Program and the Code. The Regulatory Agreement also regulates management and operation of the development, and disbursement of development income.

In addition to the Regulatory Agreement, major documents executed at or before the initial loan closing include a loan agreement, mortgage note, mortgage, and security agreement. Some developments also require the execution of rental assistance contracts with either the federal or State government. A “cost plus not-to exceed” construction contract is typically executed by the mortgagor and the contractor in connection with the construction that is to be completed in a development. The loan agreement provides that upon occupancy of the development, a reserve fund for repairs and replacements will be established with RIHousing and funded monthly from rental income. In addition, the mortgagor will, at the end of the construction period, fund an operating reserve fund, or equivalent reserve acceptable to RIHousing for operating expenses.

As assurance for completion of construction, the mortgagor typically must deliver payment and performance bonds issued by a surety company acceptable to RIHousing in the amount of 100% of the construction cost under the construction contract between the mortgagor and the contractor. An acceptable alternative is a letter of credit in the amount of 25% of the construction contract amount. If the construction contract amount is greater than amounts provided therefor in RIHousing’s mortgage loan commitment, the mortgagor may be required to deposit with RIHousing additional cash or an irrevocable letter of credit in the amount of such difference. RIHousing may draw upon such amounts to fully fund construction. In addition, an agreement guaranteeing completion of the construction by a principal, or other related person or entity may be required by RIHousing. Where the acquisition of an existing development is financed under the Program and a determination is made by RIHousing that the nature of the rehabilitation work to be financed does not warrant payment and performance bonds or a letter of credit as described above, such requirements may be waived.

Construction

During construction or renovation of a development, the Development Division field inspectors make frequent on-site inspections of the progress of construction to determine compliance with the approved drawings, plans and specifications.

Upon completion of construction, RIHousing makes a final inspection to determine that (a) construction of the development has been completed in accordance with the approved plans and specifications and other terms of the mortgage loan, (b) the development has been constructed in accordance with any applicable building, housing and other codes and ordinances, and (c) the development is in good and tenantable condition. If the inspection is satisfactory, the general contractor and the mortgagor submit cost certifications of all actual costs of the construction and the development, respectively.

The construction of the developments is subject to certain RIHousing procedures and requirements. Among these are the following:

- Builder’s risk property insurance in excess of the construction cost under the construction contract is obtained for each of the developments.
- RIHousing conducts field inspections of construction progress for each development on a weekly or monthly basis, as necessary.

Prior to the execution of the construction contract, either (i) the general contractor for each development posts a payment and performance bond, in the amount of 100% of the construction contract, in dual obligee form (RIHousing and mortgagor) or (ii) the general contractor for each development posts a letter of credit for 25% of the construction price. Additionally, the developer, or a principal of the developer, must also provide a completion guaranty in the amount of the construction contract. RIHousing must approve the surety company selected for each development.

With respect to each development, a Construction Loan Agreement is entered into between the mortgagor and RIHousing and a construction contract approved by RIHousing is entered into between the mortgagor and the general contractor. Each such contract generally provides:

- A total amount payable equal to the general contractor's estimated cost of construction;
- Monthly payments to be made to the contractor by the mortgagor based upon the percentage of the work completed as work is approved by RIHousing;
- A retainage of 5% of each approved construction advance which is typically held until substantial completion of construction. In certain instances, RIHousing may exercise its discretion and reduce the retainage after the development is 50% completed;
- Payments due the contractor to be made only after a title insurance company, licensed to do business in the State, certifies to RIHousing in writing that the mortgage will continue to constitute a first or second lien on the development;
- All change orders must receive the written approval of RIHousing; and
- Certification of the contractor's expenses to be provided to RIHousing.

Permanent Financing

Upon satisfactory completion of a final cost certification audit, the loan shifts from a construction loan to the permanent financing. Level monthly mortgage loan payments of principal and interest commence on the earlier of the first day of the month following the month in which construction is completed or the first day of the 24th month after closing in amounts sufficient to amortize the principal amount of the mortgage loan over its term, and, if applicable, FHA Mortgage Loan Insurance or any other applicable mortgage insurance policy takes effect.

Resident Selection, Marketing and Management

In addition to the Regulatory Agreement, the management of the development is governed by a Housing Management Agreement between the mortgagor, the management agent and RIHousing. RIHousing has the right to terminate the Housing Management Agreement for just cause as determined by RIHousing's Development Division and its Leased Housing Division, which are responsible for establishing the standards and procedures for management of the development. Contact with the management agent is initiated by the Leased Housing Division at the commitment stage. Prior to a loan commitment, the management agent submits a comprehensive Management Plan for the development for RIHousing's review and approval. The Plan details the form of resident lease, principles of landlord-resident relations, standards for eligibility for initial occupancy, marketing plans, affirmative marketing plans, budgets, operations reporting systems and accounting systems.

After completion of construction and occupancy, the Leased Housing Division inspects developments and conducts audits of the management agent's verification of resident eligibility, development accounts, resident waiting lists, accounts payable and receivable, and development bank accounts, including all escrow and reserve accounts and generally observes all management operations. The management agent is required to submit quarterly reports to the Leased Housing Division which include information on the aging of all accounts payable and receivable for the development, a listing of

all occupancies by unit size and rental rate, a summary of marketing activity for the preceding month, a cash reconciliation and budget review. RIHousing utilizes warning and exception reporting systems designed to identify potential problems at an early stage. Maintenance problems found during inspections are noted and the owners and managing agents have thirty days in which to respond to such findings and make corrections.

Prepayment of Mortgage Loans

The Mortgage Loans financed under the Program provide that the developer may voluntarily prepay such mortgage loan only with the consent of RIHousing. RIHousing has consented to the voluntary prepayment of Mortgage Loans financed under its other multi-family programs in conjunction with its Multi-Family Development Program, and RIHousing may consent to the voluntary prepayment of additional Mortgage Loans under the Program and its other multi-family programs in conjunction with the Multi-Family Development Program where prepayment will not result in a material escalation of rents charged to residents of the developments financed with such Mortgage Loans, as required by applicable statutes and regulations governing prepayment of Mortgage Loans. See “**PLAN OF FINANCING**” herein for a description of the Multi-Family Development Program. Any exercised prepayment option or voluntary prepayment of a mortgage loan could result in the redemption of Series Bonds at par as described herein under the heading “**REDEMPTION PROVISIONS—Special Redemption.**”

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The Resolution contains various covenants and security provisions certain of which are summarized below.

Contract with Bondholders

The Resolution is a contract among RIHousing, the Trustee and the holders of the Bonds and its provisions are for the equal benefit, protection and security of the holders of any and all of such Bonds each of which shall be of equal rank.

Provisions for Issuance of Bonds

The Resolution authorizes Bonds to be issued from time to time in accordance with its terms without limitation as to amount except as provided by law. The Bonds of a Series may be authenticated and delivered only upon receipt by the Trustee of, among other things:

- A Bond Counsel’s Opinion to the effect that the Bonds of such Series upon delivery will have been duly and validly authorized and issued in accordance with the constitution and statutes of the State, including the Act as amended to the date of such opinion, and in accordance with the Resolution;
- The amount of the proceeds of such Series to be deposited in any Account held by the Trustee pursuant to the Resolution;
- Except in the case of any refunding issue, a Certificate of an Authorized Officer stating that RIHousing is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Resolution; and
- A Certificate of an Authorized Officer stating that the Revenues expected to be received by RIHousing from Mortgage Loans expected to be financed from amounts in the Bond Proceeds Account are estimated to be received at times and in amounts sufficient, when added to amounts otherwise available therefor, to provide for the payment of all Outstanding Bonds and the interest thereon in full.

Provisions for Refunding Issues

One or more Series of Refunding Bonds may be issued to refund any Outstanding Bonds. Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee of, among other things, irrevocable instructions to give notice of the pendency of such redemption and to give notice of the call for redemption of such Bonds and either (a) moneys sufficient to effect payment or redemption at the applicable Redemption Price of the Bonds to be refunded, together with interest accrued to the Redemption Date, or (b) direct obligations of, or obligations guaranteed by, the United States of America, or any bond, debenture, note, participation certificate or other similar obligation issued by Fannie Mae (but only to the extent such obligations are guaranteed by the Government National Mortgage Association) or issued by another federal agency and backed by the full faith and credit of the United States of America, or obligations secured by such obligations through an irrevocable trust, which by their terms will provide moneys sufficient to provide for the payment when due of the applicable principal or Redemption Price of the Bonds to be refunded, together with accrued interest. Any such moneys, obligations or certificates are required to be held irrevocably in trust under the Resolution.

Application of Bond Proceeds

As soon as practicable upon the delivery of each Series of Bonds, other than Refunding Bonds, the amount necessary to cause the amount on deposit in the Debt Service Reserve Account to equal the Debt Service Reserve Account Requirement so specified in the Supplemental Resolution authorizing such Bonds are required to be deposited in the Debt Service Reserve Account. The balance remaining after such deposits have been made is required to be deposited in the Bond Proceeds Account.

Deposits and Investments

Except as otherwise provided in the Resolution, moneys in any account shall be continuously invested and reinvested or deposited and redeposited by the Trustee, at the direction of an Authorized Officer, promptly confirmed in writing, in the highest yield Investment Securities that may be reasonably known, with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds. RIHousing may direct the Trustee to invest and reinvest the moneys in any account in Investment Securities so that the maturity date or date of redemption at the option of the holder thereof shall coincide as nearly as practicable with the times at which moneys are needed to be expended. The Investment Securities purchased shall be held by the Trustee, or for its account as Trustee, and shall be deemed at all times to be part of such Account, and the Trustee shall keep RIHousing advised as to the details of all such investments. Except as otherwise expressly provided, in computing the amount in any Account, obligations purchased as an investment of moneys therein shall be valued at par if purchased at par value or at amortized value if purchased at other than par value. Valuation shall be made on each January 1 and July 1 and as otherwise required under the Resolution and on any particular date shall not include the amount of interest then earned or accrued to such date on any such moneys or investment.

Establishment of Accounts

The Resolution established the following Accounts which are to be held by the Trustee:

- (a) Bond Proceeds Account.
- (b) Revenue Account.
- (c) Redemption Account.
- (d) Debt Service Reserve Account
- (e) Rebate Account.

In addition to the foregoing accounts, Supplemental Indentures authorizing a Series of Bonds may establish additional accounts as deemed necessary or desirable by RIHousing as additional security for such Series of Bonds, and any funds on deposit in such other accounts may be pledged and held in trust, invested and disbursed by the Trustee solely for the uses and purposes therein provided.

Bond Proceeds Account

In addition to the proceeds of a Series of Bonds, Recoveries of Principal are required to be deposited in the Bond Proceeds Account established for such Series. Amounts in the Bond Proceeds Account may be expended only to finance Mortgage Loans, to pay Costs of Issuance, to make deposits in the Revenue Account representing capitalized interest, to redeem Bonds, to pay notes of RIHousing, including interest thereon, and to provide amounts for deposit in the Revenue Account upon delivery to the Trustee of a Certificate of an Authorized Officer satisfying the conditions for the issuance of Bonds.

Amounts in the Bond Proceeds Account may not be disbursed for the financing of a Mortgage Loan (except to the extent that a variance is permitted by the insurer or guarantor of any Mortgage Loan) unless, among other things:

(a) the mortgagor has warranted generally the title to the premises, subject to Permitted Encumbrances, and has agreed to execute such further assurances as may be requisite;

(b) the mortgagor has entered into a binding agreement with or for the benefit of RIHousing that it will pay or escrow all taxes, assessments, water rates, sewer rents and municipal and other charges and fees and that it will discharge any prior liens levied against the Premises or any part thereof, and that the mortgagor will at the request of RIHousing deliver appropriate proof of the payment of such items;

(c) the mortgagor covenants that it will keep buildings on the premises insured against loss by fire and other hazards as required by RIHousing and that it will maintain the premises in good repair and comply with all requirements of governmental authority relating thereto; and

(d) the mortgagor has obtained the approval of all governmental entities having jurisdiction over the proposed residential housing.

Revenue Account

All Pledged Receipts are to be deposited in the Revenue Account. On or before each Interest Payment Date the Trustee is required to pay to the Paying Agent the amounts required for the payment of the Principal Installments, if any, and interest due on the Outstanding Bonds on such date. On or before each Redemption Date or date of purchase the Trustee is required to pay the Paying Agent the amounts required for the redemption or purchase price of Bonds redeemed or purchased for retirement and accrued interest thereon, unless the accrued interest has been otherwise provided for.

The amount accumulated in the Revenue Account for each Sinking Fund Payment may be applied either (a) to the purchase of Bonds for which such Sinking Fund Payment was established, at prices (including any brokerage and other charges) not exceeding the applicable Redemption Price, plus accrued interest, or (b) to the redemption of such Bonds, if then redeemable by their terms, at the Redemption Prices referred to above.

Upon the purchase or redemption of Bonds from amounts in the Revenue Account an amount equal to the principal amount of the Bonds so purchased or redeemed is required to be credited toward the next Sinking Fund Payment thereafter to become due and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Payment is to be credited against future Sinking Fund Payments in direct chronological order unless otherwise instructed in writing by an Authorized Officer.

RIHousing is permitted to direct the transfer of amounts from the Revenue Account at any time to the Bond Proceeds Account, Debt Service Reserve Account or Redemption Account, or to the general operating accounts of RIHousing for the purpose of paying Program Expenses for the then current Fiscal Year. Except for the payment of reasonable and necessary Program Expenses, no such transfer is permitted, however, unless the Debt Service Reserve Account Requirement is met and a Certificate of an Authorized Officer is delivered to the Trustee.

Redemption Account

There are to be deposited in the Redemption Account any amounts required by the General Resolution or a Supplemental Resolution to be so deposited and any other amounts available therefor and determined by RIHousing to be deposited therein. Subject to the provisions of the respective Series of Bonds and those of any Supplemental Resolutions authorizing the issuance thereof and authorizing the issuance of Refunding Bonds, the Trustee is required to apply the amounts deposited in the Redemption Account to the payment, purchase or redemption of Bonds at the earliest practicable Redemption Date. At any time prior to the forty-fifth day upon which Bonds are to be paid or redeemed from such amounts, the Trustee may apply amounts in any Account within the Redemption Account to the purchase of any of such Bonds, except that RIHousing may require or prohibit such purchases. The purchase price paid may not exceed the principal amount of such Bonds unless such Bonds may be redeemed within thirteen months after such purchase in which event such price shall not exceed the applicable Redemption Price. If the Trustee is able to purchase Bonds at a price less than the applicable Redemption Price, the Trustee is required to deposit in the Revenue Account the difference between such purchase price and such Redemption Price.

Upon the purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Payments have been established from amounts in the Redemption Account, each future Sinking Fund Payment for such Bonds will be credited by an amount bearing the same ratio to such Sinking Fund.

Payment as the total principal amount of such Bonds so purchased or redeemed bears to the total amount of all such Sinking Fund Payments, unless a different method for crediting Sinking Fund Payments is otherwise directed by RIHousing.

Debt Service Reserve Account

There are to be deposited in the Debt Service Reserve Account all amounts required to be deposited therein pursuant to the Resolution and any other amounts received and determined by RIHousing to be deposited therein.

Amounts on deposit in the Debt Service Reserve Account are to be applied, to the extent other funds are not available therefor, to pay the Bonds when due, whether by call for redemption or otherwise. Whenever the amount in the Debt Service Reserve Account exceeds the Debt Service Reserve Account Requirement, the Trustee, if directed by RIHousing, is required to withdraw from the Debt Service Reserve Account the amount of such excess and deposit such amount into the Revenue Account, but only to the extent necessary to meet payments required from the Revenue Account.

Whenever the amount in the Debt Service Reserve Account, together with the amount in the Revenue Account, is sufficient to fully pay all Outstanding Bonds in accordance with their terms (including the Sinking Fund Payments for the retirement thereof), amounts on deposit in the Revenue

Account shall be transferred to the Debt Service Reserve Account. Prior to said transfer, any Bonds constituting a part of the Revenue Account shall be deemed paid and cancelled.

Subject to any limitation in the Act, a Supplemental Resolution may provide that the Debt Service Reserve Account Requirement with respect to the applicable Series of Bonds may be funded through Cash Equivalents. For purposes of determining whether the Debt Service Reserve Account Requirement has been met, the amount in the Debt Service Reserve Account shall be deemed to include any amount payable thereunder on the demand of the Trustee without material conditions.

Rebate Account

There are to be deposited in the Rebate Account all amounts required to be deposited therein pursuant to the Supplemental Resolution authorizing each Series of Bonds and any other amounts received and determined to be deposited therein by RIHousing. Amounts on deposit in the Rebate Account are to be applied in accordance with such Supplemental Resolution.

Payment of Bonds

RIHousing covenants that it will duly and punctually pay or cause to be paid the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds, according to the true intent and meaning thereof, and shall duly and punctually pay or cause to be paid all Sinking Fund Payments, if any, becoming payable with respect to any Series of Bonds.

Tax Covenants

RIHousing covenants that (a) it will at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds (excluding certain Bonds RIHousing elects to issue as federal taxable bonds) shall, for the purposes of federal income taxation, be excludable from the gross income of the owners thereof and exempt from such taxation, except in the event that such recipient is a “substantial user” or “related person” within the meaning of Section 147(a) of the Code, (b) it will not permit at any time any of the proceeds of the Bonds or other funds of RIHousing to be used directly or indirectly to acquire any investment property, the acquisition of which would cause any Bond to be an “arbitrage bond” as defined in Section 148 of the Code, and (c) it will not permit such proceeds or other funds to be used in such manner as would result in the exclusion of any Bond from the treatment afforded by Section 103(a) of such Code by reason of the classification of such Bond as a “private activity bond which is not a qualified bond” within the meaning of the Code. The residential housing being financed by any Mortgage Loan will be either a “qualified residential rental project” within the meaning of the Code or a residence eligible to be financed with the proceeds of “qualified mortgage bonds” within the meaning of the Code. Notwithstanding the foregoing, RIHousing may elect to issue obligations the interest on which is not exempt from federal income taxation so long as such election is made prior to the issuance of such obligations. The covenants contained in this Section shall not apply to Bonds issued pursuant to such an election.

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The Program

RIHousing covenants from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the provisions of the Resolution and sound banking practices and principles, to use and apply the proceeds of the Bonds, to the extent not reasonably or otherwise required for other purposes of the Program, to finance the Mortgage Loans pursuant to the Act and the Resolution, to do all such acts and things as shall be necessary to receive and collect Revenues (including diligent enforcement of the prompt collection of all arrears on Mortgage Loans) sufficient to pay the expenses of the Program, and to diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of RIHousing to protect, its rights with respect to or to maintain any insurance on Mortgage Loans and to enforce all terms, covenants and conditions of the Mortgage Loans including the collection, custody and prompt application of all Escrow Payments required by the terms of the Mortgage Loans for the purposes for which they were made.

Subject to the first paragraph of this section, whenever necessary in order to protect and enforce the interests and security of the holders of the Bonds, RIHousing shall commence foreclosure or pursue other appropriate remedies with respect to any Mortgage Loan which is in default. In the event that RIHousing shall, in its discretion, determine such action to be in the best interests of the holders of the Bonds, RIHousing may bid for and purchase the residential housing securing any such Mortgage Loan at any foreclosure sale thereof or may otherwise take possession of or acquire such residential housing (herein in this Section called an “Acquired Development”) prior to the foreclosure of any such residential housing.

Subject to the first paragraph of this Section, RIHousing may at any time sell, assign or otherwise dispose of a Mortgage Loan (or the Acquired Development to which such Mortgage Loan relates):

- (a) in order to realize the benefits of insurance, if any, with respect to such Mortgage Loan or Acquired Development;
- (b) in order to provide funds to finance another Mortgage Loan having substantially equivalent terms as the remainder of such Mortgage Loan; or
- (c) in order to provide funds for the redemption or purchase of a principal amount of Bonds corresponding to the unpaid principal amount of such Mortgage Loan plus the unamortized portion of the Costs of Issuance and original issue discount allocable to such Mortgage Loan.

In addition, RIHousing may sell any Acquired Development if there shall be filed with the Trustee a Certificate of an Authorized Officer to the effect that, in the judgment of RIHousing, (a) the proposed sale and the terms thereof are in the best interests of the Bondholders and (b) either (i) the loss of revenues available for the payment or retirement of Bonds as a result of such sale is less than that estimated to result if the Acquired Development were not so sold or (ii) the risk of such a loss in the event that the Acquired Development is not so sold is substantial.

Accounts and Reports

RIHousing covenants that it will keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the Mortgage Loans and all Accounts established by the Resolution which books of record and account shall at all reasonable times be subject to the inspection of the Trustee and the holders of an aggregate of not less than 5% in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

Within 120 days after the close of each Fiscal Year, RIHousing is required to file with the Trustee a copy of an annual report as to the operations and accomplishments of RIHousing during such Fiscal

Year, and financial statements for such Fiscal Year, setting forth in reasonable detail, among other things, the balance sheet for RIHousing and its programs, showing the assets and liabilities of the Program at the end of such Fiscal Year.

If at any time during any Fiscal Year there shall have occurred an Event of Default or an Event of Default shall have continued, then RIHousing shall file with the Trustee, within 45 days after the close of such Fiscal Year, a special report accompanied by an Accountant's Certificate as to the fair presentation of the financial statements contained therein, setting forth in reasonable detail the individual balances and receipts and disbursements for each Account under the Resolution.

Budgets

RIHousing shall adopt an annual budget covering its fiscal operations for the succeeding Fiscal Year not later than the first day of each such Fiscal Year, and file the same with the Trustee. The annual budget shall set forth for such Fiscal Year the estimated Revenues, the Principal Installments and the amount of interest due and payable or estimated to become due and payable during such Fiscal Year and estimated Program Expenses. RIHousing at any time may adopt and file with the Trustee an amended annual budget for the remainder of the then current Fiscal Year in the manner provided in the Resolution for the adoption of the annual budget. Copies of the annual budget and any amended annual budget must be made available by the Trustee for inspection by any Bondholder.

Powers of Amendment

Any modification or amendment of any provision of the Resolution and of the rights and obligations of RIHousing and of the holders of the Bonds may be made by a Supplemental Resolution, with the written consent given as provided in the Resolution (a) of the holders of at least two-thirds in principal amount of the Outstanding Bonds, (b) in case less than all of the several Series of Bonds would be affected by such modification or amendment, of the holders of at least two-thirds in principal amount of the Outstanding Bonds of each Series so affected, or (c) in case the modification or amendment changes the terms of any Sinking Fund Payment, of the holders of at least two-thirds in principal amount of the Outstanding Bonds of the particular Series and maturity entitled to such Sinking Fund Payment, except that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the holders of such Bonds shall not be required. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the holder of such Bond or shall reduce the percentage of Bonds, the consent of the holders of which is required to effect any such modification or amendment.

Events of Default

It is an "Event of Default" if: (a) RIHousing defaults in the payment of the principal or Redemption Price of any Bonds when due, whether at maturity or upon call for redemption or otherwise; (b) payment of any installment of interest on any of the Bonds is not made within 30 days after becoming due; or (c) RIHousing fails or refuses to comply with the provisions of the Resolution, or defaults in the performance or observance of any of the covenants, agreements or conditions contained therein, in any Supplemental Resolution, or in the Bonds, and such failure, refusal or default continues for a period of 90 days after written notice thereof by the Trustee or by the holders of not less than 5% in principal amount of the Outstanding Bonds.

Remedies

Upon the happening and continuance of any Event of Default specified in clauses(a) and (b) above, the Trustee will proceed, or upon the happening and continuance of any Event of Default specified

in clause (c) above, the Trustee may proceed, and upon the written request of the holders of not less than 25% in principal amount of the Outstanding Bonds must proceed, in its own name, subject to the Resolution, to protect and enforce the rights of the Bondholders by such of the following remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights: (a) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bondholders, including the right to require RIHousing to receive and collect Revenues and to carry out the covenants and agreements as to the Mortgage Loans and to require RIHousing to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act; (b) by bringing suit upon the Bonds; (c) by action or suit in equity, to require RIHousing to account as if it were the trustee of an express trust for the holders of the Bonds; (d) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds; (e) by declaring all Bonds due and payable, and if all defaults shall be made good, then, with the written consent of the holders of not less than 25% in principal amount of the Outstanding Bonds, by annulling such declaration and its consequences; or (f) in the event that all Bonds are declared due and payable, by selling such Mortgage Loans and Investment Securities securing the Bonds.

Priority of Payment After Default

In the event that during the continuance of an Event of Default, the funds held by the Trustee and Paying Agent are insufficient for the payment of principal or Redemption Price, if any, and interest then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and any other moneys received or collected by the Trustee acting pursuant to the Act and the Resolution, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the holders of the Bonds and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or the Paying Agent in the performance of their respective duties under the Resolution, are to be applied as follows:

(a) Unless the principal of all of the Bonds has become or been declared due and payable:

FIRST: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amounts available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price, if any, due on such date, to the persons entitled thereto, without any discrimination or preference; and

(b) If the principal of all the Bonds has become or been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

Compensation of Trustee

RIHousing is required to pay to the Trustee, to any Depositary and to the Paying Agent from time to time reasonable compensation for all services rendered under the Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Resolution, and the Trustee, any Depositary and the Paying Agent shall have a lien therefor on any and all funds at any time held by them under the Resolution.

Defeasance

If RIHousing pays or causes to be paid to the holders of the Bonds, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then the pledge of any revenues and assets thereby pledged and all other rights granted thereby will be discharged and satisfied.

Bonds or interest installments for the payment or redemption of which moneys have been set aside and held in trust by Fiduciaries (through deposit by RIHousing of funds for such payment or redemption or otherwise) at the maturity or Redemption Date thereof will be deemed to have been paid within the meaning and with the effect expressed in the above paragraph. Any outstanding Bonds will, prior to maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect so expressed if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, RIHousing has given to the Trustee in form satisfactory to it irrevocable instructions to give, as provided in the Resolution, notice of redemption on said date of such Bonds, and (b) there has been deposited with the Trustee either moneys in an amount which are sufficient, or direct obligations of, or obligations guaranteed by, the United States of America, or any bond, debenture, note, participation certificate or other similar obligation issued by Fannie Mae (but only to the extent such obligations are guaranteed by the Government National Mortgage Association) or issued by another federal agency and backed by the full faith and credit of the United States of America, or obligations secured by such obligations, the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, will be sufficient to pay when due the principal or Redemption Price, if applicable, of and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be.

TRUSTEE

The Trustee for the Series Bonds will be The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida. The Trustee also serves as bond trustee for other outstanding bonds of RIHousing. The Trustee also acts as Paying Agent for the Bonds. Principal, premium, if any, and interest on the Bonds will be payable at the Paying Agent's corporate trust office in Dallas, Texas.

Pursuant to the Resolution, RIHousing agrees to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or default. Any Fiduciary may become the owner of any Bonds and coupons, with the same rights it would have if it were not a Fiduciary. Any Fiduciary may act as Depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Resolution, whether or not any such committee shall represent the holders of a majority in principal amount of the Bonds then Outstanding. Any Fiduciary may be an underwriter in connection with the sale of the Bonds or of any other securities offered or issued by RIHousing.

No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified.

AGREEMENT OF THE STATE

Pursuant to the Act, the State has pledged to and agreed with the owners of any Bonds that the State will not limit or alter the rights vested in RIHousing to fulfill the terms of any agreements made with them, or in any way impair the right and remedies of such owners until the Bonds, together with the interest thereon and on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such owners, are fully met and discharged.

STATE NOT LIABLE ON BONDS

The Bonds of RIHousing shall not be in any way a debt or liability of the State or of any political subdivision thereof and shall not create or constitute an indebtedness, liability or obligation of the State or of any such political subdivision or be or constitute a pledge of the faith and credit of the State or of any such political subdivision, but such Bonds shall be payable solely from revenues or funds of RIHousing pledged for their payment.

LEGALITY FOR INVESTMENT

The Act provides that the Bonds shall be legal investments in which all public officers and public bodies of the State, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, banking institutions including savings and loan associations, building and loan associations, trust companies, savings banks and savings associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or in other obligations of the State, may properly and legally invest funds, including capital, in their control or belonging to them. The Bonds are securities which may properly and legally be deposited with and received by all public officers and bodies of the State or any agency or political subdivision of the State and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized by law.

LITIGATION

RIHousing is party to certain claims and lawsuits which are being contested. In the opinion of management, the ultimate liability with respect to these actions and claims will not have a material adverse effect on either RIHousing's financial position or the result of its operations.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, issuance, sale and delivery of the Series Bonds are subject to the approval of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to RIHousing, whose approving opinion in substantially the form of **APPENDIX I** hereto will be delivered with such Series Bonds.

Certain legal matters in connection with Series Bonds are subject to the approval of Nixon Peabody LLP, Providence, Rhode Island, Issuer's Counsel to RIHousing and to the approval of Kutak Rock LLP, Atlanta, Georgia, Counsel to the Underwriters.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to RIHousing, (1) under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2019 Series 1 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except that no opinion is expressed as to such exclusion of interest on any 2019 Series 1-A Bond or 2019 Series 1-B Bond for any period during which such 2019 Series 1-A Bond or 2019 Series 1-B Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of facilities financed with the proceeds of the 2019 Series 1-A Bonds or 2019 Series 1-B Bonds, respectively, or a “related person” and (ii) interest on the 2019 Series 1 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code and (2) interest on the 2019 Series 2-T Bonds is included in gross income for federal income tax purposes. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by RIHousing, the Series Developers and others in connection with the 2019 Series 1 Bonds, and Bond Counsel has assumed compliance by RIHousing and the Series Developers with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2019 Series 1 Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to RIHousing, pursuant to the provisions of the Act, income on the Series Bonds (including any profit on the sale thereof), is free from Rhode Island personal income taxes.

Bond Counsel expresses no opinion regarding any other federal, state or local tax consequences arising with respect to the 2019 Series 1 Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date of the 2019 Series 1 Bonds, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the 2019 Series 1 Bonds.

Certain Ongoing Federal Tax Requirements Applicable to the 2019 Series 1 Bonds

The Code requires that at all times during the “qualified project period” (as defined below), each 2019 Series 1 Development financed with the proceeds of the 2019 Series 1 Bonds satisfy one of two set-aside requirements and constitutes rental property. Under these set-aside requirements, the developers of such 2019 Series 1 Developments must elect that either (a) 40% or more of the residential units in such 2019 Series 1 Developments are occupied by individuals whose income is 60% or less of area median gross income or (b) 20% or more of residential units in such 2019 Series 1 Developments are occupied by individuals whose income is 50% or less of area median gross income. Under the Code, the income of tenants of a development and area median gross income must be determined pursuant to Section 8 of the United States Housing Act of 1937, as amended. Income determinations under the Code, therefore, are subject to adjustments for family size. The “qualified project period” is defined by the Code as the period beginning on the first day upon which 10% of the units in the related development are occupied and ending on the latest of (a) the date which is 15 years after the date upon which 50% of the units in such development are first occupied, (b) the first day upon which no tax-exempt private activity bonds issued with respect to that development remain outstanding or (c) the date upon which any assistance provided under Section 8 of the United States Housing Act of 1937, as amended, terminates. The Code also

requires that the low income occupancy requirement and the continuous rental requirement be continuously satisfied during the qualified project period. Determination of income qualification must be made on a continuing basis, except for a residential rental project in which all residential units in the residential rental project that become available are occupied by new residents that meet the applicable income limit. Otherwise, a tenant that is determined to be a person of low income for purposes of satisfying the low income requirement may continue to be treated as a person of low income for purposes of satisfying the income requirement so long as that tenant's income does not increase more than 140% of the applicable income limit (as adjusted for family size). In the event that a tenant's income increases to a level which is greater than 140% of the applicable limit (or if the tenant's family size decreases so that a lower maximum income applies), that tenant may no longer be treated as a person of low income for purposes of satisfying the low income requirement. Thereafter, if a 2019 Series 1 Development does not otherwise satisfy the applicable occupancy requirement based on other tenants, any unit of comparable or smaller size in such 2019 Series 1 Development which subsequently becomes vacant must be rented to an income qualifying tenant until such 2019 Series 1 Development again is in compliance. The Series Developers will have a minimum of 60 days to cure any noncompliance with the income requirement.

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the 2019 Series 1 Bonds in order that interest on the 2019 Series 1 Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the 2019 Series 1 Bonds, yield and other restrictions on investments of gross proceeds and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the 2019 Series 1 Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. RIHousing and the Series Developers have or will have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the 2019 Series 1 Bonds from gross income under Section 103 of the Code.

RIHousing's Tax Certification, which will be delivered concurrently with the delivery of the 2019 Series 1 Bonds, will contain provisions and procedures relating to compliance with the requirements of the Code. RIHousing, in executing its Tax Certification, will certify to the effect that it expects to be able to and will comply with the provisions and procedures set forth therein. RIHousing has also covenanted in the Resolution that it shall at all times do and perform all acts and things permitted by law necessary or desirable in order to assure that interest paid on the 2019 Series 1 Bonds is not included in gross income for federal income tax purposes. In furtherance thereof, RIHousing has required the Series Developer with respect to the Series Mortgage Loans to be financed by the 2019 Series 1 Bonds to make certain covenants in the Series Mortgage Loan documents in order to satisfy the above-described requirements of applicable federal tax law. However, no assurance can be given that in the event of a breach of any such covenants, the remedies available to RIHousing and/or owners of the 2019 Series 1 Bonds can be judicially enforced in such manner as to assure compliance with the requirements of applicable federal tax law and therefore to prevent the loss of the exclusion of interest on the 2019 Series 1 Bonds under applicable federal tax law. Any loss of the exclusion of interest on the 2019 Series 1 Bonds may be retroactive to the delivery date of the 2019 Series 1 Bonds irrespective of when an event of noncompliance may occur or be ascertained.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the 2019 Series 1 Bonds. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of a 2019 Series 1 Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the 2019 Series 1 Bonds.

Prospective owners of 2019 Series 1 Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and certain foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the 2019 Series 1 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the 2019 Series 1 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a 2019 Series 1 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the 2019 Series 1 Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a 2019 Series 1 Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the 2019 Series 1 Bonds. In general, the issue price for each maturity of the 2019 Series 1 Bonds is expected to be the initial public offering price set forth on the inside cover page of the Official Statement. Bond Counsel to RIHousing further is of the opinion that, for any 2019 Series 1 Bonds having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the 2019 Series 1 Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner’s adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a 2019 Series 1 Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the 2019 Series 1 Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that 2019 Series 1 Bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the 2019 Series 1 Bonds under federal or state law or otherwise prevent beneficial owners of the 2019 Series 1 Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series Bonds.

Prospective purchasers of the 2019 Series 1 Bonds should consult their own tax advisors regarding the foregoing matters.

Summary of Certain Federal Tax Requirements Applicable to the 2019 Series 2-T Bonds

The following discussion is a brief summary of certain United States federal income tax consequences of the acquisition, ownership and disposition of 2019 Series 2-T Bonds (the “Taxable Bonds”) by original purchasers of the Taxable Bonds who are “U.S. Holders”, as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Taxable Bonds will be held as “capital assets”; and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. holder in light of its particular circumstances or to U.S. holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Taxable Bonds as a position in a “hedge” or “straddle”, holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, holders who acquire Taxable Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Owners of Taxable Bonds should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Taxable Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Certain taxpayers that are required to prepare certified financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Taxable Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

Original Issue Discount

In general, if Original Issue Discount (“OID”) is greater than a statutorily defined de minimis amount, a holder of a Taxable Bond having a maturity of more than one year from its date of issue must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such holder holds such Taxable Bond) the daily portion of OID, as it accrues (generally on a constant yield method) and regardless of the holder’s method of accounting. “OID” is the excess of (i) the “stated redemption price at maturity” over (ii) the “issue price.” For purposes of the foregoing: “issue price” means the first price at which a substantial amount of the Taxable Bond is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); “stated redemption price at maturity” means the sum of all payments, other than “qualified stated interest”, provided by such Taxable Bond; “qualified stated interest” is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate; and “de minimis amount” is an amount equal to 0.25 percent of the Taxable Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity. A holder may irrevocably elect to include in gross income all interest that accrues on a Taxable Bond using the constant-yield method, subject to certain modifications.

Acquisition Discount on Short-Term Taxable Bonds

Each holder of a Taxable Bond with a maturity not longer than one year (a “Short-Term Taxable Bond”) is subject to rules of Sections 1281 through 1283 of the Code, if such holder is an accrual method taxpayer, bank, regulated investment company, common trust fund or among certain types of pass-through entities, or if the Short-Term Taxable Bond is held primarily for sale to customers, is identified under Section 1256(e)(2) of the Code as part of a hedging transaction, or is a stripped bond or coupon held by the person responsible for the underlying stripping transaction. In any such instance, interest on, and “acquisition discount” with respect to, the Short-Term Taxable Bond accrue on a ratable (straight-line) basis, subject to an election to accrue such interest and acquisition discount on a constant interest rate basis using daily compounding. “Acquisition discount” means the excess of the stated redemption price of a Short-Term Taxable Bond at maturity over the holder’s tax basis therefor.

A holder of a Short-Term Taxable Note not described in the preceding paragraph, including a cash-method taxpayer, must report interest income in accordance with the holder’s regular method of tax accounting, unless such holder irrevocably elects to accrue acquisition discount currently.

Bond Premium

In general, if a Taxable Bond is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the Taxable Bond other than “qualified stated interest” (a “Taxable Premium Bond”), that Taxable Premium Bond will be subject to Section 171 of the Code, relating to bond premium. In general, if the holder of a Taxable Premium Bond elects to amortize the premium as “amortizable bond premium” over the remaining term of the Taxable Premium Bond, determined based on constant yield principles (in certain cases involving a Taxable Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be

determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the holder will make a corresponding adjustment to the holder's basis in the Taxable Premium Bond. Any such election is generally irrevocable and applies to all debt instruments of the holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the holder of a Taxable Premium Bond may realize a taxable gain upon disposition of the Taxable Premium Bond even though it is sold or redeemed for an amount less than or equal to the holder's original acquisition cost.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Taxable Bond, a U.S. holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. holder's adjusted tax basis in the Taxable Bond.

RIHousing may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Taxable Bonds to be deemed to be no longer outstanding under the resolution of the Taxable Bonds (a "defeasance"). (See "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" herein). For federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such U.S. holder of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Taxable Bonds subsequent to any such defeasance could also be affected.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate U.S. holders with respect to payments of principal, payments of interest, and the accrual of OID on a Taxable Bond and the proceeds of the sale of a Taxable Bond before maturity within the United States. Backup withholding may apply to U.S. holders of Taxable Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a U.S. holder, and which constitutes over-withholding, would be allowed as a refund or a credit against such U.S. holder's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders

The term "U.S. Holder" means a beneficial owner of a Taxable Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Taxable Bonds under state law and could affect the market price or marketability of the Taxable Bonds.

Prospective purchasers of the Taxable Bonds should consult their own tax advisors regarding the foregoing matters.

FINANCIAL STATEMENTS OF RIHOUSING

The financial statements of RIHousing as of and for the years ended June 30, 2019 and 2018 are included in **APPENDIX C** hereto. The financial statements of RIHousing as of and for the year ended June 30, 2019 have been audited by Blum, Shapiro & Company, P.C. (“Blum Shapiro”), Providence, Rhode Island, independent certified public accountants, to the extent indicated in their report thereon. Blum Shapiro has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report, nor has Blum Shapiro audited any of RIHousing’s financial statements subsequent to the completion of the audit of the financial statements as of and for the year ended June 30, 2019.

UNDERWRITING

Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC, RBC Capital Markets, LLC, BofA Securities, Inc., Barclays Capital Inc., Janney Montgomery Scott, LLC, Jefferies LLC, Loop Capital Markets, LLC, Oppenheimer & Co., Inc. and Roosevelt & Cross, Inc. (collectively, the “Underwriters”) have jointly and severally agreed, subject to certain conditions, to purchase the Series Bonds at a purchase price of \$73,600,000.00. The Underwriters will be paid a fee in connection with their purchase of the Series Bonds, in an amount of \$476,828.83. The obligation of the Underwriters to purchase the Series Bonds is subject to certain terms and conditions set forth in the Purchase Contract with respect to the Series Bonds. The Series Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial public offering prices, and such initial offering prices may be changed from time to time, by the applicable underwriters.

Morgan Stanley & Co. LLC, one of the Underwriters of the Series Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series Bonds.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the Series Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series Bonds that such firm sells.

BofA Securities, Inc., one of the Underwriters of the Series Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series Bonds.

Maria Barry, an employee of an affiliate of BofA Securities, Inc., one of the Underwriters, is a commissioner of RIHousing.

Jefferies LLC, one of the Underwriters of the Series Bonds, has entered into an agreement (the “Agreement”) with E*TRADE Securities LLC (“E*TRADE”) for the retail distribution of municipal securities. Pursuant to the Agreement, Jefferies LLC will sell the Series Bonds to E*TRADE and will share a portion of its selling concession compensation with E*TRADE.

Loop Capital Markets LLC (“Loop Capital Markets”), one of the Underwriters of the Series Bonds, has entered into distribution agreements (each, a “Distribution Agreement”) with each of UBS Financial Services Inc. (“UBSFS”) and Deutsche Bank Securities Inc. (“DBS”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Distribution Agreement (if applicable to this transaction), each of UBSFS and DBS may purchase Series Bonds from Loop Capital Markets at the original issue prices less a negotiated portion of the selling concession applicable to any Series Bonds that such firm sells.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Each of the Underwriters and their respective affiliates may have, from time to time, performed and may in the future perform, various investment banking services for RIHousing, for which they may have received or will receive customary fees and expenses. In the ordinary course of their various business activities, each of the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of RIHousing. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. Without limiting the generality of the foregoing, each of the Underwriters and their affiliates may hold bonds that RIHousing is refunding through the issuance of the Series Bonds and, as a result, may receive proceeds from such refunding.

RATING

Moody’s Investors Service, Inc. (“Moody’s”) assigned a rating of “Aa2” to the Series Bonds. Any explanation of the significance of such ratings should be obtained directly from Moody’s. There is no assurance that a particular rating will pertain for any given period of time or that it will not be lowered or withdrawn entirely, if, in the judgment of the rating service, circumstances so warrant. Any downward revision or withdrawal of any such ratings will have an adverse effect on the market price of the Series Bonds.

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

RIHousing will enter into a continuing disclosure agreement (the “Continuing Disclosure Agreement”), a form of which is attached hereto as Appendix F, for the benefit of the holders and beneficial owners of the Series Bonds. Under this Continuing Disclosure Agreement, RIHousing will be obligated while any Series Bonds remain Outstanding to provide certain updated financial information and operating data annually, and timely notice of specified listed events, to certain information vendors.

Filings made in accordance with the Disclosure Agreement will be made by filing with the Electronic Municipal Market Access System (“EMMA”) of the MSRB.

The Annual Financial Information (as defined in the Continuing Disclosure Agreement) may be provided in one document or multiple documents, and at one time or in part from time to time. In addition, such Annual Financial Information may be provided by specific reference to documents available to the public on EMMA or filed with the SEC.

Any failure by RIHousing or the Trustee to perform in accordance with the Disclosure Agreement does not constitute a default or an Event of Default under the Resolution, and the rights and remedies provided by the Resolution upon the occurrence of a default or an Event of Default do not apply to any such failure.

MISCELLANEOUS

The references herein to the Act and the Resolution are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made to the Act and the Resolution for full and complete statements of such provisions. The agreements of RIHousing with the holders of the Series Bonds are fully set forth in the Resolution, and this Official Statement is not to be construed as a contract with the purchasers of the Series Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

Copies of the Act, the General Resolution and the Supplemental Resolution are on file at the office of RIHousing.

The execution and delivery of this Official Statement by the Manager of Treasury and Capital Planning have been duly authorized by RIHousing.

RHODE ISLAND HOUSING AND MORTGAGE
FINANCE CORPORATION

/s/ Thomas McNulty

Thomas McNulty
Manager of Treasury and Capital Planning

**SUMMARY OF OUTSTANDING BOND INDEBTEDNESS
OF RIHOUSING**

The following table sets forth the original and outstanding amounts of RIHousing's bonds as of March 31, 2019:

APPENDIX C

**AUDITED FINANCIAL STATEMENTS OF RIHOUSING
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

CERTAIN DEFINITIONS

“*Account*” means one of the special accounts created and established pursuant to the Resolution.

“*Accountant*” means such reputable and experienced independent certified public accountant or firm of independent certified public accountants as may be selected by RIHousing and may be the accountant or firm of accountants who regularly audits the books and accounts of RIHousing.

“*Act*” means Chapter 55 of Title 42 of the General Laws of Rhode Island 1956 (2006 Reenactment), as amended.

“*Aggregate Debt Service*” means, with respect to any particular Fiscal Year and as of any particular date of computation, the sum of the individual amounts of Debt Service for such Fiscal Year with respect to all Series.

“*Appreciation Bond*” means any Bond whose Issuance Amount is less than 97.5% of the Maturity Amount.

“*Authorized Officer*” means the Chairman, Executive Director, Deputy Director—Finance, Controller, Treasurer and Portfolio Manager of RIHousing and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of RIHousing then authorized to perform such act or discharge such duty.

“*Bond*” means one of the Bonds to be authenticated and delivered pursuant to the Resolution, including any additional or Refunding Bonds to be issued pursuant to the Resolution.

“*Bond Counsel’s Opinion*” means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by RIHousing and satisfactory to the Trustee.

“*Bond Proceeds Account*” means the Bond Proceeds Account established pursuant to the Resolution.

“*Bondholder*” or “*holder*” or words of similar import, when used with reference to a Bond, means any person who shall be the registered owner of any Outstanding Bond.

“*Cash Equivalent*” means a Letter of Credit, Insurance Policy, Surety, Guarantee or other Security Arrangement (as defined and provided for in a Supplemental Resolution authorizing the issuance of Bonds), or which is provided by an institution whose unsecured debt securities are assigned to a rating category which does not have an adverse impact on the rating category to which the Bonds are assigned by a nationally recognized rating agency at the time of the issuance of such Letter of Credit, Insurance Policy, Surety, Guarantee or other Security Arrangement (or the highest rating of short-term obligations if the Cash Equivalent is a short-term instrument).

“*Certificate*” means (a) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to the Resolution or (b) the report of an Accountant as to audit or other procedures called for by the Resolution.

“*Compounded Amount*” means as of any particular date of calculation with reference to any Appreciation Bond, either (a) the applicable Compounded Amount for such date established by RIHousing in a written schedule of specific Compounded Amounts delivered to the Trustee upon delivery of such Bond pursuant to the Resolution or (b) in the event such schedule is not delivered, the Issuance Amount, plus the amount which would have been produced as of such calculation date if the Issuance Amount had been invested at the Internal Rate of Return for such Bond on the date of delivery of such Bond pursuant to the Resolution. Any determination of Compounded Amount shall assume straight line amortization during interim periods and be otherwise made in accordance with standard securities calculation methods.

“*Costs of Issuance*” means all items of expense, directly or indirectly payable or reimbursable by or to RIHousing and related to the authorization, sale or issuance of Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, costs and expenses of refunding, premiums for the insurance of the payment of Bonds, initial fees for letters of credit and any other costs, charges or fees in connection with the original issuance of Bonds.

“*Debt Service*” means, with respect to payments to be made during any particular Fiscal Year and, where appropriate, to the Bonds of any particular Series, an amount equal to the sum of (a) all interest payable on such Bonds during such Fiscal Year, plus (b) any Principal Installments of such Bonds during such Fiscal Year.

“*Debt Service Reserve Account*” means the Debt Service Reserve Account established pursuant to the Resolution.

“*Debt Service Reserve Account Requirement*” means an amount equal to the aggregate amounts for each Series established in the Supplemental Resolution authorizing such Series of Bonds. In evaluating compliance with the Debt Service Reserve Fund Requirement, there shall be taken into account any amount provided in a Supplemental Resolution to be deposited in the Debt Service Reserve Account from amounts on deposit in the Bond Proceeds Account.

“*Depository*” means any bank or trust company or national banking association selected by RIHousing or the Trustee (with the consent of RIHousing) as a depository of moneys or securities held under the provisions of this Resolution and may include the Trustee or any Paying Agent.

“*Escrow Payments*” means and includes all amounts paid directly to RIHousing or to the servicer of any Mortgage Loan representing payments to obtain or maintain mortgage insurance or any subsidy with respect to a Mortgage Loan or the mortgaged premises or payments required by any Mortgage Loan in connection with real estate taxes, assessments, water charges, sewer rents, casualty or other insurance, replacement or operating reserves or other like payments in connection therewith.

“*Event of Default*” means any of the events specified in the Resolution.

“*FHA*” means the Federal Housing Administration within the United States Department of Housing and Urban Development.

“*Fiduciary*” means the Trustee, the Paying Agent, and any Depository or any or all of them as may be appropriate.

“*Final Compounding Date*” means either the maturity date of an Appreciation Bond or such earlier Interest Payment Date, if any, as may be specified in an Appreciation Bond upon which the Compounded Amount shall be equal to the amount payable on such Bond at maturity, exclusive of interest on such Bond which is payable on a periodic basis.

“*Fiscal Year*” means a twelve-month period commencing on the first day of July of any year.

“*HUD*” means the United States Department of Housing and Urban Development.

“*Interest Payment Date*” means, with respect to a Series of Bonds, each date on which interest, if any, is payable pursuant to the Supplemental Resolution authorizing such Bonds.

“*Internal Rate of Return,*” when used with respect to an Appreciation Bond, means the yield which, when applied to Issuance Amount as of the date of delivery of a Bond pursuant to the Resolution and compounded on each Interest Payment Date therefor, results in an amount, as of the Final Compounding Date, equal to the amount payable on such Bond at maturity exclusive of interest, if any, on each Interest Payment Date therefor on such Bond which is payable on the Interest Payment Dates therefor.

“*Investment Securities*” means and includes any of the following obligations, to the extent the same are at the time legal for investment of funds of RIHousing under the Act, including the amendments thereto hereafter made, or under other applicable law:

direct obligations of or obligations guaranteed by the United States of America;

[intentionally omitted];

any bond, debenture, note, participation certificate or other similar obligation issued by a federal agency and backed by the full faith and credit of the United States of America;

Public Housing Bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America or temporary notes, preliminary loan notes issued by public agencies or municipalities, in each case, fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

direct and general obligations of or obligations guaranteed by the State, to the payment of the principal of and interest on which the full faith and credit of the State is pledged provided that such obligations are rated at least A1/P1;

deposits in interest-bearing time or demand deposits, certificates of deposit, repurchase agreements or similar banking arrangements made, acquired or entered into in accordance with the section of the Resolution regarding deposits, and, if longer than 90 days, rated at least A1/P1;

money market funds which invest in Government Obligations or federal agency securities and which funds have been rated in either of the two highest rating categories by the Rating Agency; and

any investments authorized in a Supplemental Resolution.

Provided that, it is expressly understood that the definition of Investment Securities shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to this Resolution by a Supplemental Resolution, thus permitting investments with different characteristics from those permitted which RIHousing deems from time to time to be in the interests of RIHousing to include as Investment Securities if at the time of inclusion such inclusion will not, in and of itself, impair, or cause the Bonds to fail to retain, the then existing rating or ratings assigned to them by any nationally recognized rating agency which maintains a rating on the Bonds.

“*Issuance Amount*” means the price, exclusive of accrued interest (if any) which is payable within the next twelve months, at which a Bond was offered for sale to the public (or the price of such Bond to the initial Purchaser if not publicly sold) at the time of issuance thereof by RIHousing pursuant to the Resolution, which shall be set forth or provided for in a Supplemental Resolution, irrespective of underwriter’s compensation, commissions, placement agent’s fees, concessions, costs of issuance, or similar costs.

“*Maturity Amount*” means the amount payable on an Appreciation Bond at maturity of such Bond, exclusive of interest, if any, on such Bond which is payable on the Interest Payment Dates therefor.

“*Mortgage*” means a mortgage deed, deed of trust or other instrument securing a Mortgage Loan.

“*Mortgage Loan*” means loans for multi-family housing financed from amounts in the Bond Proceeds Account, and includes the Mortgage and the promissory note or notes securing such Mortgage, evidencing any such Mortgage Loan.

“*Outstanding,*” when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Resolution except:

(a) any Bond cancelled by a Fiduciary or delivered to a Fiduciary for cancellation at or prior to such date;

(b) any Bond (or portion of a Bond) for the payment or redemption of which there have been separately set aside and held in the Redemption Account either:

moneys in an amount sufficient to effect payment of the principal or applicable Redemption Price thereof, when due, together with accrued interest on such Bond to the payment date or Redemption Date, which payment date or Redemption Date shall be specified in irrevocable instructions to the Trustee to apply such moneys to such payment or redemption on the date so specified; or

Investment Securities, as described in the Resolution, in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, when due, together with accrued interest on such Bond to the payment date or Redemption Date, which payment or Redemption Date shall be specified in irrevocable instructions to the Trustee to apply such moneys to such payment or redemption on the date so specified; or

any combination of (i) and (ii) above;

(c) any bond in lieu of or in substitution or exchange for which other Bonds shall have been authenticated and delivered pursuant to the Resolution; and

(d) any bond deemed to have been paid as provided in the Resolution.

“*Paying Agent*” means any bank or trust company designated as paying agent for the Bonds, and its successor or successors hereafter appointed in the manner herein provided.

“*Permitted Encumbrances*” means (a) intervening liens of contractors, subcontractors, suppliers of materials and equipment and laborers as to which, by a bond or letter of credit or other lawful means acceptable to RIHousing, indemnity has been provided or similar steps to secure the interest of RIHousing have been taken, (b) ad valorem property taxes ratably accrued but not yet due and payable, (c) severed mineral estates or interests owned by others, and (d) such other liens, encumbrances, reservations, easements, rights of way and other clouds on title as RIHousing determines will not impair the habitability or value of the premises or the ability to realize the benefits of any insurance.

“*Pledged Receipts*” means (a) the scheduled or other payments required by any Mortgage Loan and paid to RIHousing from any source, including both timely and delinquent payments with late charges, (b) any extension privilege payment required in connection with delays in construction, cost certification or initial occupancy of the residential housing being financed by any Mortgage Loan, (c) all income earned or gain realized in excess of losses suffered on any investment or deposit of monies in the Accounts established and maintained pursuant to the Resolution (except the Rebate Account), (d) net income received with respect to any Acquired Development as provided in the section of the Resolution regarding RIHousing’s covenant with respect to the Program and (e) any other amounts set forth in the Supplemental Resolution authorizing a Series of Bonds, but shall not mean or include Recoveries of Principal, any payments with respect to any Mortgage Loan received or accrued prior to the date that Revenues therefrom are pledged under the Resolution, Escrow Payments or any amount retained by the servicer of any Mortgage Loan, if there be one other than RIHousing, as financing or settlement fees payable at the time of initial disbursement of a Mortgage Loan.

“*Principal Installment*” means, as of any date of calculation, (a) the aggregate principal amount of Outstanding Bonds due on a certain future date, reduced by the aggregate principal amount of such Bonds which would be retired by reason of the payment when due and application in accordance with the Resolution of Sinking Fund Payments payable before such future date plus (b) the unsatisfied balance, determined as provided in the Resolution, of any Sinking Fund Payments due on such certain future date, together with the aggregate amount of the premiums, if any, applicable on such future date upon the redemption of such Bonds by application of such Sinking Fund Payments in a principal amount equal to said unsatisfied balance.

“*Program*” means the program for the financing of loans for multi-family housing and related purposes permitted pursuant to the Act, as the same may be amended from time to time consistent with the Resolution, but only to the extent that such program is financed through the issuance of Bonds or from amounts otherwise available out of the moneys and assets held or pledged pursuant to the Resolution.

“*Program Expenses*” means all RIHousing’s expenses in carrying out and administering its Program under the Resolution and shall include, without limiting the generality of the foregoing, salaries, supplies, utilities, mailing, labor, materials, office rent, maintenance, furnishing, equipment, machinery and apparatus, telephone, insurance premiums, legal, accounting, management, consulting and banking services and expenses, fees and expenses of the Fiduciaries, Costs of Issuance not paid from the proceeds of Bonds, travel, payments for pension, retirement, health and hospitalization and life and disability insurance benefits, all to the extent properly allocable to the Program. Program Expenses may also include amounts for establishing and maintaining a two-month reserve to pay operating costs, a reasonable reserve for losses and expenses estimated to be incurred by RIHousing and amounts appropriated to reimburse RIHousing for Program Expenses paid from other sources.

“*Rebate Account*” means the Rebate Account established pursuant to the Resolution.

“*Record Date*” means the date ten days (i) next preceding on Interest Payment Date, or (ii) in the case of any proposed redemption of Bonds, next preceding the date of the first redemption of Bonds.

“*Recoveries of Principal*” means all amounts received by RIHousing as a recovery of the principal amount disbursed by RIHousing in connection with any Mortgage Loan including any premium or penalty with respect thereto, on account of (a) the advance payment of amounts to become due pursuant to such Mortgage Loan, (b) the sale, assignment, endorsement or other disposition thereof, (c) the acceleration of payments due thereunder or other remedial proceedings taken in the event of the default thereon, (d) proceeds of mortgage insurance or the net proceeds of hazard or title insurance or (e) proceeds of condemnation.

“*Redemption Account*” means the Redemption Account established pursuant to the Resolution.

“*Redemption Date*” means the date upon which Bonds are to be called for redemption pursuant to the Resolution.

“*Redemption Price*” means, with respect to any Bonds, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof.

“*Refunding Bond*” means any Bond authenticated and delivered on original issuance pursuant to the Resolution or thereafter authenticated and delivered in lieu of or in substitution for any such Bond pursuant to the Resolution.

“*Resolution*” means the General Multi-Family Development Program Resolution, adopted by RIHousing on November 19, 2009, and any amendments or supplements made in accordance with its terms.

“*Revenue Account*” means the Revenue Account established pursuant to the Resolution.

“*Revenues*” means the Pledged Receipts and Recoveries of Principal.

“*RIHousing*” means the Rhode Island Housing and Mortgage Finance Corporation, a public corporation and instrumentality and agency, created and existing under the laws of the State, or any body, agency or instrumentality of the State which shall hereafter succeed to the powers, duties and functions of RIHousing.

“*Series*” means all Bonds authenticated and delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate, Sinking Fund Payments or other provisions, and any Bonds thereafter authenticated and delivered in lieu of or in substitution or exchange for (but not to refund) such Bonds as provided in the Resolution.

“*Sinking Fund Payment*” means, as of any particular date of calculation, the amount required to be paid at all events by RIHousing on a single future date for the retirement of Outstanding Bonds which mature after said future date, but does not include any amount payable by RIHousing by reason of the maturity of a Bond or by call for redemption at the election or direction of RIHousing.

“*State*” means the State of Rhode Island and Providence Plantations.

“*Supplemental Resolution*” means any resolution supplemental to or amendatory of the Resolution, adopted by RIHousing and effective in accordance with the Resolution.

“*Trustee*” means the trustee designated in the Resolution and its successor or successors and any other person at any time substituted in its place pursuant to the Resolution.

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FEDERAL AND STATE HOUSING ASSISTANCE PROGRAMS**The FHA Insurance Program – The FHA Risk-Sharing Program**

The following is a brief description of the multi-family mortgage insurance program administered by HUD, acting through FHA, pursuant to Section 542(c) of the Housing and Community Development Act of 1992, as amended, (the “Risk-Sharing Act”) of Title II of the National Housing Act, as amended, and is qualified in its entirety by reference to the National Housing Act and the Risk-Sharing Act and the regulations thereunder.

The Risk-Sharing Act authorizes the Secretary of HUD to enter into risk-sharing agreements with qualified state or local housing finance agencies (“HFAs”) to enable those HFAs to underwrite and process loans for which HUD, acting through FHA, will provide full mortgage insurance for eligible projects. HUD has promulgated regulations at 24 C.F.R. Part 266 (the “Regulations”) pursuant to the Housing Act. The FHA Risk-Sharing Program established by the Risk-Sharing Act allows HFAs to carry out certain HUD functions, including the assumption of underwriting, loan management and property disposition functions and responsibility for defaulted loans, including reimbursement of HUD for a portion of the loss from any defaults that occur while the HUD contract of mortgage insurance is in effect. The FHA Risk-Sharing Program is designed to increase the supply of affordable multifamily units by allowing HFAs to originate and service mortgage loans that are fully insured by FHA.

This mortgage insurance program requires that an interested HFA first be approved as a qualified HFA. Upon notification of approval as a qualified HFA, the HFA must execute a risk-sharing agreement with the Commissioner of FHA. The risk-sharing agreement must state the agreed upon risk apportionment between HUD and the HFA, a description of the HFA’s standards and procedures for underwriting and servicing loans and a list of HFA certifications designed to assure its proper performance.

Projects eligible to be insured under the FHA Risk-Sharing Program include new construction projects, substantial rehabilitation projects, acquisition of existing projects, projects receiving Section 8 or other rental subsidies, single room occupancy projects, board and care/assisted living facilities and elderly projects. Transient housing or hotels, projects in military impact areas, retirement service centers, and nursing homes or intermediate care facilities are specifically excluded from eligibility for insurance under the program. Risk-sharing projects must constitute “affordable housing,” which means that either 20% or more of the units are rent-restricted (as defined below) and occupied by families whose income is 50% or less of the area median income as determined by HUD, with adjustments to income based on household size, or that 40% or more of the units are rent-restricted and occupied by families whose income is 60 percent or less of the area median income as determined by HUD, with adjustments to income based on household size. A residential unit is rent-restricted if the gross rent with respect to such unit does not exceed 30% of the income limitation applicable to the unit as published from time to time by HUD.

RIHousing has been designated by HUD as a “qualified HFA” under the Risk Sharing Act. RIHousing has entered into a risk-sharing agreement with HUD dated as of June 27, 1994 (the “Risk Sharing Agreement”). RIHousing has received both “Level I” and “Level II” approvals under the Regulations. A Level I approval requires RIHousing to reimburse HUD for up to 50% of any loss incurred as a result of a default under a mortgage loan but permits RIHousing to use its own underwriting standards and loan terms and conditions (as disclosed and submitted with its application). A Level II approval permits RIHousing to insure less than 50% of any losses on the mortgage loan and HUD has agreed to allow RIHousing to use its own underwriting standards and loan terms and conditions for Level II loans. For all of the Mortgage Loans financed by prior

Bonds (other than Cornplanter Row, Newport Heights 3B, 60 King Street and the second Mortgage Loans for Coddington Point and Hillcrest Manor), RIHousing is assuming 50% of the risk; RIHousing is assuming 100% of the risk for the Mortgage Loans relating to the 2019 Series 1 Developments expected to be funded with proceeds of the 2019 Series 1-A Bonds, the Mortgage Loan relating to Cornplanter Row, Newport Heights 3B, 60 King Street and the second Mortgage Loans relating to Coddington Point and Hillcrest Manor (see **APPENDIX A—DESCRIPTION OF THE DEVELOPMENTS** herein).

RIHousing will authorize the use of the FHA Risk-Sharing Program in connection with new Mortgage Loans financed by Bonds on a case-by-case basis.

FHA Insurance under the FHA Risk-Sharing Program with respect to any mortgage loan may be terminated upon the occurrence of certain events, including the following: (1) the corresponding mortgage is paid in full; (2) RIHousing acquires mortgaged property and notifies the Commissioner that it will not file an insurance claim; (3) a party other than RIHousing acquires property at a foreclosure sale; (4) RIHousing notifies the Commissioner of a voluntary termination; (5) RIHousing or its successors commit fraud or make a material misrepresentation to the Commissioner with respect to certain information; (6) the receipt by the Commissioner of an application for final claims settlement by RIHousing; or (7) RIHousing acquires the mortgaged property and fails to make an initial claim.

During its participation in the program, the HFA must take responsibility for certain functions, including those relating to the Affirmative Fair Housing Marketing Plan, labor standards, insurance of advances, cost certification, and lead-based paint requirements. A mortgagor must certify to the HFA that it is in compliance with certain enumerated discrimination and civil rights statutes and executive orders. HUD has specifically retained certain functions, including monitoring compliance with the Davis-Bacon Act, environmental laws, enforcement of certain fair housing and equal opportunity laws and other program criteria. Certain HUD requirements may only be applicable when construction advances are insured.

Upon completion of construction, presentation of a closing docket, including an executed regulatory agreement between the HFA and the mortgagor, and certifications required by the Regulations, FHA issues a final endorsement of the mortgage note for the costs related to the project which have been certified by an independent certified public accountant and have been approved by RIHousing. Although RIHousing has been given authority to approve cost certifications by a mortgagor, HUD has the authority, in its sole discretion, at any time prior to and including final endorsement, to adjust the amount of mortgage insurance.

The Regulations define an event of default under an FHA-insured mortgage as (1) a failure to make any payment due under the mortgage or (2) a failure to perform any other mortgage covenant (which include covenants in the related regulatory agreement, which is incorporated by reference in the applicable mortgage) if the mortgagee, because of such failure, has accelerated the debt. A mortgagee is entitled to receive the benefits of insurance after the mortgagor has defaulted and such default continues for a period of 30 days. If the default continues to exist at the end of the 30-day grace period, the mortgagee is required to give HUD written notice of the default within 10 days after such grace period and monthly thereafter, unless waived by HUD, until such default has been cured or RIHousing has filed an application for an initial claim payment. Unless a written extension is granted by HUD, RIHousing must file an application for initial claim payment (or, if appropriate, for partial claim payment) within 75 days from the date of default. Such claim may be made as early as the first day of the month following the month for which a payment was missed. Upon request of RIHousing, HUD may extend, up to 180 days from the date of default, the deadline for filing a claim. In those cases where RIHousing certifies that the project owner is in the process of transacting a bond refunding, refinancing the mortgage, or changing the ownership for the purpose of curing the default and bringing the mortgage current, HUD may extend the deadline for filing a claim beyond 180 days but not exceed 360 days from the date of default.

The initial claim amount is based on the unpaid principal balance of the mortgage note as of the date of default, plus interest at the mortgage note rate from the date of default to the date of initial claim payment. The mortgage note interest component of the initial claim amount is subject to curtailment as described below. HUD must make all claim payments in cash. The initial claim payment to RIHousing is equal to the initial claim amount, less any delinquent mortgage insurance premiums, late charges and interest assessment under the Regulations. **RIHousing must use the proceeds of the initial claim payment to retire any bonds or any other financing mechanisms for the mortgages within 30 days of the initial claim payment.** Any excess funds resulting from such retirement or repayment shall be returned to HUD within 30 days of the retirement. Within 30 days of the initial claim payment, RIHousing must also issue to HUD a debenture, payable in five years unless extended, in an amount equal to the amount of the initial claim payment, representing RIHousing's obligation to HUD under its Risk-Sharing Agreement.

In determining the mortgage note interest component of the initial claim amount, if RIHousing fails to meet any of the requirements of the Regulations within the specified time (including any granted extension of time), HUD shall curtail the accrual of mortgage note interest by the number of days by which the required action was late. Losses sustained as a consequence of the sole negligence of RIHousing will be the sole obligation of RIHousing, notwithstanding the risk apportionment otherwise agreed to by HUD and RIHousing.

When FHA pays a claim, the Risk-Sharing Agreement provides that RIHousing will issue a debenture (each, a "Debenture") to HUD for the full amount of the claim, which shall be supported by the full faith and credit of RIHousing. Each Debenture will have a term of five years, will bear interest at HUD's published debenture rate, and interest will be payable annually. The Risk-Sharing Act contemplates that during the five year term of each Debenture, RIHousing would work toward curing the default, foreclosure or resale of the related development. Upon the due date of each Debenture, the total loss to be shared by RIHousing and HUD shall be computed pursuant to the Risk-Sharing Agreement.

The Regulations provide that not later than 30 days after either (1) foreclosure sale or sale after acceptance of a deed in lieu of foreclosure or (2) expiration of the term of the Debenture, loss on the mortgaged property is determined and allocated between HUD and the HFA in accordance with their respective percentages of risk specified in the mortgage note and risk-sharing agreement.

Information on project management and servicing will be required after endorsement. Additionally, the HFA must submit semiannual reports, annual financial statements and must maintain its eligibility by continued compliance with the risk-sharing agreement, the regulatory agreement, and all the requirements for initial program eligibility.

Section 8 Housing Assistance Payments Program

Section 8 of the Housing Act, as amended by the Housing and Community Development Act of 1974, established a federal housing assistance program of federal assistance for multifamily housing developments of the type that RIHousing finances under its Program (each, a "Section 8 Development"). The Section 8 program involves the distribution of housing assistance payments to the owners of housing developments assisted under such program. The Section 8 program is administered on the federal level by HUD. The housing assistance payments program for each Section 8 Development currently is administered at the state level by RIHousing (in such role, the "Contract Administrator"); no assurances can be given that RIHousing will continue to administer such housing assistance payments program at the state level.

Pursuant to regulations issued by HUD under the Section 8 program during the period 1975-1984, HUD granted "set-asides" for state housing agencies (i.e., reservations of annual housing assistance payments under the Section 8 program) which an agency, with HUD approval, can allocate to developments according to its

own housing program. As provided in the regulations, HUD reserved a portion of such set-asides for the State of Rhode Island to be used in connection with the new construction or substantial rehabilitation of housing.

In the case of developments that are permanently financed by RIHousing and that utilize a portion of the Contract Administrator’s annual set-asides of Section 8 contract authority, Section 8 housing assistance payments are provided through an Annual Contributions Contract (“ACC”) between HUD and the Contract Administrator and a Housing Assistance Payment Contract (“HAP Contract”) between the Contract Administrator and the owner of the assisted development. Pursuant to the ACC, the Contract Administrator will receive an annual contribution from HUD, payable monthly in advance, with respect to each assisted dwelling unit and will, in turn, disburse monthly housing assistance payments to the owner of the development under the HAP Contract. However, each year of rental assistance is subject to annual appropriation and spending authorization in the federal budget.

In the case of developments which have been allocated project-based housing assistance payments by HUD, subsidy payments are made pursuant to a Housing Assistance Payments contract (“HAP Contract”) between HUD and the project owner, a contract administrator on behalf of HUD, or a public housing authority (“PHA”). Under the HAP contract, a monthly HAP payment is made to the project owner with respect to units under the HAP contract occupied by an eligible tenant (the “Assisted Units”). The HAP contract and applicable laws and regulations also provide for certain adjustments to rents for Assisted Units. No assurance can be given, however, that any rent increases will be sufficient to compensate for any increased operating expenses for the development.

The amount of the subsidy payable by HUD to the project owner or to the Contract Administrator for the account of the owner under the HAP Contract, as applicable, is the applicable contract rent less the payment, if any, required to be made to the owner by the tenant as determined by HUD. The tenant payment is generally equal to 30% of family income, with a minimum rent for all tenants. HUD has implemented a \$25 minimum rent for most families (HUD Notice H 96-89). Thus, the total rental income from Section 8 housing units payable to or for the account of the owner is equal to the contract rent, part being paid by the tenants directly to the owner and the remainder being paid by HUD, through the Contract Administrator as applicable, to the owner in the form of HAP Contract Payments. The proportion of the contract rent actually paid by HUD and that actually paid by tenants will vary depending upon tenant income.

Eligible tenants for rental units assisted under the Section 8 program, as implemented by the Contract Administrator, are families with family income not in excess of 50% of the median income for the area in which the development is located, as determined by HUD and adjusted for family size. HUD regulations define the term “family” to include elderly, disabled, handicapped or displaced single persons and, under certain limited conditions, other single persons. In the State of Rhode Island, 50% of median income ranges vary among geographic location and family size; a sample of such income ranges is below.

Location	Low (1 Person)	High (Family of 8)
Providence	\$28,700	\$54,100
Westerly	\$29,050	\$54,750
Newport	\$33,500	\$61,850

If a vacancy exists, other than as a result of action by the owner which is in violation of the lease, the owner will be entitled to housing assistance payments equal to 80% of the contract rent for a vacancy period not exceeding 60 days, so long as the owner diligently endeavors to fill the vacancy with an eligible tenant. Such payments for vacancies will be reduced to the extent the owner receives payment from the tenant for such

vacancy period or the owner is otherwise entitled to payments from any other source, including a security deposit, for the vacant unit. In addition, if a unit continues to be vacant after this 60-day period, the owner may receive additional payments of up to one year for each vacancy equal to the principal and interest payments required to amortize the debt attributable to that unit, provided that (a) the unit is in decent, safe and sanitary condition during the vacancy period, (b) the owner has taken and continues to take all feasible actions to fill the vacancy, (c) the development is not providing the owner with revenues equal to costs incurred and the amount of the payments do not exceed the deficiency and (d) the owner submits a statement with supporting evidence satisfactory to HUD (or the Contract Administrator) that the development can achieve financial soundness within a reasonable time. HUD (or the Contract Administrator) may deny any claim for additional payments if it determines that, based on the owner's statement and other evidence, there is not a reasonable prospect that the development can achieve financial soundness within a reasonable time. Housing assistance payments are not payable with respect to units that are occupied by tenants who are not eligible for Section 8 assistance. However, if the dwelling unit is subsequently reoccupied by an eligible tenant, housing assistance payments will again become available to the owner unless the HAP Contract has been modified in the interim by deleting that dwelling unit from its coverage.

HUD or the Contract Administrator, as applicable, is permitted, but not required, to delete from the HAP Contract any units that the owner fails, for substantial periods of time, to lease or make available for lease by eligible tenants. RIHousing mortgage loan documents prohibit the owner from leasing more than 20% of the dwelling units to ineligible tenants without prior approval from RIHousing

HUD's Section 8 regulations and the ACCs provide that the initial contract rents for the assisted dwelling units in each development may be adjusted annually pursuant to a HUD-established automatic annual adjustment factor. Under the Housing Act, the annual adjustment factor is applied on the anniversary date of each HAP Contract, resulting in upward or downward adjustment, except that contract rents may not be reduced below the contract rents in effect on or after April 15, 1987, for newly constructed or substantially rehabilitated projects, unless the project has been refinanced in a manner that reduces the periodic payment of the owner. However, pursuant to federal legislation enacted in 1997, contract rents may not be increased beyond HUD Fair Market Rents (as described below) plus the differential between the initial contract rent and comparable rents at the time of execution of the HAP Contract (the "Initial Difference"), unless the owner submits evidence of higher comparable market rents as determined by independent appraisals of at least three comparable local developments. Special additional adjustments may be approved by HUD to reflect actual and necessary expenses of owning and maintaining the development that have resulted from substantial general increases in real property taxes, utility rates or similar costs (i.e., assessments and utilities not covered by regulated rates), but only to the extent that such general increases are not compensated for by the automatic annual adjustment. Adjustments, however, are limited to 120% of the HUD Fair Market Rents plus the Initial Difference. Present HUD policy also provides that the annual adjustment factors for Section 8 units which experienced no turnover in tenants since the preceding HAP Contract anniversary date will be one percentage point less than the annual adjustment factors that would otherwise apply. Consequently, there can be no assurance that increases in contract rents, if any, will result in revenues sufficient to compensate for increased operating expenses of the Section 8 Developments.

Each year, HUD publishes its determination of fair market rents ("HUD Fair Market Rents"). Such HUD Fair Market Rents constitute HUD's determination of the rents, including utilities (except telephone), ranges and refrigerators, parking and all maintenance, management and other essential housing services, which would be required to obtain, in a particular market area, privately developed and owned rental housing of modest design with suitable amenities.

The following table sets forth the approximate range of monthly rents for the Section 8 Developments effective as of spring 2019 based on unit size and the current range of HUD Fair Market Rents in Rhode Island:

**Range of Section 8 Development Monthly Rents and HUD Fair Market Rents
for the Program Developments**

	Efficiency	One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms
Section 8 Developments	\$775-\$1,377	\$803-\$1,600	\$1,097-\$2,100	\$1,316-\$2,086	\$1,643-\$2,627
HUD Fair Market Rents	\$786	\$889	\$1,060	\$1,328	\$1,565
LHITC/Non-Section 8	\$861-\$1,005	\$984-\$1,149	\$1,107-\$1,293	\$1,228-\$1,435	\$1,327-\$1,551

In the last decade there have been several court decisions with respect to the Section 8 program and the limitations on contract rent adjustments. Generally, the courts have upheld HUD’s right to use comparability studies to decrease contract rents to eliminate material differences between rents charged for assisted and comparable unassisted units which are greater than the Initial Difference.

At this time, RIHousing is unable to predict what actions, if any, HUD or the Congress will take in the future with respect to such rent adjustments. Actions by HUD in the future could have the effect of limiting upward adjustments in contract rents or of decreasing contract rents currently in effect to eliminate any material difference between the contract rents and rents charged for comparable unassisted units, except to the extent of the Initial Differences. Such actions, if taken, could adversely affect the ability of the owners of the Developments to pay principal and interest on the Mortgage Loans, which in turn could adversely affect the ability of RIHousing to make timely payments of interest and principal on the Bonds with amounts pledged under the Resolutions. Congress has passed legislation and HUD has implemented procedures to restrict contract rent increases above fair market rents for each fiscal year since 1995. Any of the actions mentioned above could adversely affect the ratings on, and the market price of, the 2019 Series 1 and 2 Bonds.

The maximum total annual contribution that may be contracted for in an ACC will equal the initial gross rents for all assisted units in the development. If the amount of housing assistance payments actually disbursed under an ACC in any given year is less than the total available amount, the excess (initially an amount equal to the portion of the gross rents payable by the tenants) is available to be set aside by HUD in an account (the “project account”) for the particular development and will be available for future years to fund increases in contract rents for the development or decreases in family incomes. If and when a project account falls below 40% of the maximum annual commitment, HUD undertakes in the ACC to provide additional funding, to the extent permitted by law, in order to increase the maximum annual contribution payable under the ACC.

Subsection (c)(6) of Section 8 provides:

The Secretary [of HUD] shall take steps as may be necessary, including the making of contracts for assistance payments in amounts in excess of the amounts required at the time of the initial renting of dwelling units, the reservation of annual contributions authority for the purpose of amending housing assistance contracts, or the allocation of a portion of new authorizations for the purpose of amending housing assistance contracts, to assure that assistance payments are increased on a timely basis to cover increases in maximum monthly rents or decreases in family incomes.

In practice, HUD has not been replenishing the project accounts when the amounts in such project accounts have fallen below 40% of the maximum annual commitment, but has sought and received amendment authority from the Congress to enable it to discharge its obligations under the HAP Contracts and the ACCs.

Although the Section 8 housing assistance payments are made directly or indirectly to the owner and, in effect, represent rental income, the HAP Contract may, with HUD's approval, be pledged by the owner to RIHousing as mortgage lender on the development. All of the HAP Contracts covering RIHousing's Section 8 Developments have been so pledged. However, the owner will retain the right to collect such payments so long as the owner is in compliance with the provisions of the HAP Contract and RIHousing Mortgage Loan documents. RIHousing's rights to receive Section 8 subsidy payments with respect to the developments have been pledged and assigned to the Trustee as part of the security for the Bonds. Under federal laws, the United States government may have the right to set off liabilities of RIHousing to the United States against the payments under ACCs. Housing assistance payments by HUD do not terminate if the mortgage on the development goes into default, so long as the owner has not breached any of its obligations under the HAP Contract, including, among other responsibilities, its obligation to maintain and operate the development so as to provide decent, safe and sanitary housing. In the event of breach by the owner, HUD may abate or terminate housing assistance payments after giving the owner and the Contract Administrator an opportunity to take corrective action.

Portfolio Restructuring

In the late 1990's there were numerous pronouncements from HUD and various elected officials as to the future of HUD and the various programs operating pursuant to Section 8. These pronouncements primarily concerned those projects which have mortgages insured by the Federal Housing Administration ("FHA") with terms ranging from 30 to 40 years and which have HAP Contracts with terms of approximately 20 years. In 1998 HUD was authorized to initiate a permanent program to restructure FHA-insured mortgage loans with expiring HAP Contracts; in 2000, federal legislation was enacted to permit such mortgages financed by state housing agencies (like RIHousing) to also be restructured but only if the same is not contrary to the terms of the mortgage agreements.

At this time, RIHousing cannot predict the terms of further legislation, if any, which may be enacted which may restructure and change HUD, its administration or its programs (including the Section 8 program) and the funding of HUD and its programs. RIHousing cannot predict whether any such legislation, if enacted, would adversely affect the ability of RIHousing to make timely payments of principal and interest on the 2019 Series 1 and 2 Bonds, with amounts pledged under the Resolution.

U.S. Department of Agriculture Rural Rental Assistance Program

The U.S. Department of Agriculture's ("USDA") Rural Rental Assistance program (the "USDA Rural Rental Assistance Program") is project-based rental subsidy assistance available to selected developments financed at least in part by the USDA's Rural Rental Housing (Section 515) or Farm Labor Housing (Section 514) mortgage lending programs. Housing and Community Facilities Programs ("HCFP"), an agency of the USDA, administers the USDA Rural Rental Assistance Program. Under the USDA Rural Rental Assistance Program, HCFP pays the owner of a multi-family development the difference between eligible tenants' contribution (30% of tenant adjusted income) and the monthly rental rate. The subsidy is available to eligible tenants on a designated number or percentage of units in participating developments. Eligible tenants include persons of very low and low incomes, the elderly and persons with disabilities, if such persons are unable to pay the basic monthly rent with 30% of their adjusted monthly income. Once approved for an eligible development, USDA Rural Rental Assistance is renewable as many times as funds are available.

U.S. Department of Agriculture Section 538 Guaranteed Rural Rental Housing Loan Program

USDA's Section 538 Guaranteed Rural Rental Housing Program ("Section 538 Program") provides a loan note guarantee to the lender of the permanent loan amount for qualifying residential rental properties, serving low

or moderate-income families. Generally, properties must be located in areas with population of less than 10,000 (and in some cases up to 20,000 or 25,000).

Section 538 Program loans may have a loan and amortization term of up to 40 years. In addition to the 90% loan note guarantee, the Section 538 Program may also provide an interest credit on the first \$1,500,000 of the permanent loan (funneled through the lender) to the property owner to buy down the interest rate to the applicable federal rate.

At initial occupancy, each tenant household's income cannot exceed 115% of the area median income as adjusted for family size. On an annual basis, the monthly rent cannot exceed 30% of the area median income as adjusted for family size.

Servicing procedures are defined under Section IV. Servicing, Section V. Default and Section VI. Liquidation of the Lender's Agreement Business and Industry Guaranteed Loan Program and Section 9006 Program Form 4279-4. The lender will notify USDA of any loan 30 days past due on form FmHA 1980-44 and all actions taken will be with the written concurrence of USDA.

If the lender concludes pursuant to USDA regulations that liquidation of a guaranteed loan account is necessary the lender will pursue actions in concurrence with USDA and prepare a liquidation plan. If USDA concurs with the liquidation plan the Lender will ordinarily conduct the liquidation. The Lender will transmit to the USDA their pro rata share of any payments received from the Borrower and of liquidation and any other proceeds, using FmHA form 449-30.

STATE OF RHODE ISLAND RENTAL ASSISTANCE PROGRAM

The Rhode Island Rental Assistance Program (the "Assistance Program") is a state rental assistance program, which provides rental assistance payments to certain persons and entities which acquire, construct or substantially rehabilitate housing developments in the State of Rhode Island ("Owners"), 50% of the units of which are available to and affordable by individuals or families ("Low-income Tenants") whose total income does not exceed 60% of the median family income adjusted for family size for the area in which the development is located, as determined annually by HUD. Units for which rent charged does not exceed the maximum Fair Market Rents established by HUD for the Section 8 Existing Housing Program are considered available for occupancy by Low-income Tenants.

The Assistance Program, which began in 1989, is subject to an annual appropriation by the Rhode Island General Assembly.

Monthly rental assistance payments made under the Assistance Program are equal to the difference between an amount equal to 30% of the tenants adjusted income and an amount equal to the sum of (a) the fair market rent for the assisted unit plus (b) a utility allowance determined by the Department.

RIHousing has funded all or a portion of the State's obligations for Rental Subsidy Payments for most years since fiscal 1990. From fiscal 1994 through fiscal 2018, RIHousing has made the annual payment on behalf of the State in amounts ranging from approximately \$4.2 million (in fiscal 2003) to \$300,000 (in fiscal 2018). Such Rental Subsidy Payments were determined pursuant to contracts, the last of which expired in 2012. While for policy purposes RIHousing continues to make Rental Subsidy Payments on behalf of tenants residing in a certain diminishing number of rental units at this time, RIHousing has implemented a variety of plans to reduce its annual funding under the Assistance Program, with the goal of reducing, upon tenant turnover, the number of rental units subsidized under the Assistance Program to zero. Accordingly, RIHousing expects that any future payments it makes in connection with the Assistance Program will diminish each fiscal year, and

there can be no assurance that RIHousing will continue to make any payments related to the Assistance Program in the future, on behalf of the State or otherwise.

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this “Agreement”), dated as October 1, 2019, by and between Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) and The Bank of New York Mellon Trust Company, N.A., as Trustee (the “Trustee”), under its Multi-Family Development Program Resolution, adopted on November 19, 2009 (the “General Resolution”) and the Multi-Family Development Program Supplemental Resolution, adopted on October 26, 2017 (the “Supplemental Resolution,” together with the General Resolution, the “Resolution”), is executed and delivered in connection with the issuance of RIHousing’s Multi-Family Development Bonds, 2019 Series 1-A, its Multi-Family Development Bonds, 2019 Series 1-B, and its Multi-Family Development Bonds, 2019 Series 2-T (together, the “Series Bonds”). Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Resolution.

Section 1. Purpose of this Agreement. This Agreement is executed and delivered by RIHousing as of the date set forth below, for the benefit of the holders and owners (the “Bondholders”) of the Series Bonds and in order to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below). RIHousing represents that it will be the only obligated person (as defined in the Rule) with respect to the Series Bonds at the time the Series Bonds are delivered to the purchasers thereof and that no other person is expected to become an obligated person at any time after the issuance of the Series Bonds.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

“*Annual Financial Information*” means the financial information and operating data described in Exhibit I.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“*Audited Financial Statements*” means the audited consolidated financial statements of RIHousing, prepared pursuant to the standards and as described in Exhibit I.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by RIHousing and which has filed with RIHousing a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Financial Obligation*” means, for the purposes of the events identified in clauses (15) and (16) in Exhibit II hereto, the term “financial obligation” means: (A) a debt obligation; (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned

debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”).

“*Listed Event*” means the occurrence of any of the events with respect to the Series Bonds set forth in Exhibit II.

“*Listed Events Disclosure*” means dissemination of a notice of a Listed Event as set forth in Section 5.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series Bonds.

“*Prescribed Form*” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Listed Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“*Rule*” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*State*” means the State of Rhode Island and Providence Plantations.

“*Undertaking*” means the obligations of RIHousing pursuant to Sections 4 and 5.

Section 3. CUSIP Numbers/Final Official Statement. The CUSIP Numbers of the Series Bonds are as listed in Exhibit III hereof. The final Official Statement relating to the Series Bonds is dated October 3, 2019 (the “Final Official Statement”).

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, RIHousing hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) by one of the following methods: (i) RIHousing may deliver such Annual Financial Information and the Audited Financial Statements to the MSRB within 180 days of the completion of RIHousing’s fiscal year or (ii) delivery of an Official Statement of RIHousing to the MSRB within 180 days of the completion of RIHousing’s fiscal year, but only to the extent such Official Statement includes such Annual Financial Information and Audited Financial Statements.

RIHousing is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, RIHousing will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a

narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Listed Events Disclosure. Subject to Section 9 of this Agreement, RIHousing hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Listed Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series Bonds or defeasance of any Series Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series Bonds pursuant to the Resolution.

Section 6. Duty To Update EMMA/MSRB. RIHousing shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of RIHousing to Provide Information. RIHousing shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of RIHousing to comply with any provision of this Agreement, the Bondholder of any Series Bond may seek specific performance by court order to cause RIHousing to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Resolution or any other agreement, and the sole remedy under this Agreement in the event of any failure of RIHousing to comply with this Agreement shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Agreement, RIHousing may amend this Agreement, and any provision of this Agreement may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of RIHousing or type of business conducted;

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Bondholders of the Series Bonds, as determined either by parties unaffiliated with RIHousing (such as the Trustee) or by an approving vote of the Bondholders of the Series Bonds holding a majority of the aggregate principal amount of the Series Bonds (excluding Series Bonds held by or on behalf of RIHousing or its affiliates) pursuant to the terms of the Resolution at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. The Undertaking of RIHousing shall be terminated hereunder when RIHousing shall no longer have any legal liability for any obligation on or relating to the repayment of the Series Bonds. RIHousing shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. RIHousing may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Agreement shall be deemed to prevent RIHousing from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If RIHousing chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, RIHousing shall not have any obligation under this Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Listed Event.

Section 12. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of RIHousing, the Dissemination Agent, if any, the Trustee and the Bondholders of the Series Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. RIHousing shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Assignment. RIHousing shall not transfer its obligations under the Financing Agreement unless the transferee agrees to assume all obligations of RIHousing under this Agreement or to execute a continuing disclosure undertaking under the Rule.

Section 15. Governing Law. This Agreement shall be governed by the laws of the State.

Section 16. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

[Remainder of page intentionally left blank]

RHODE ISLAND HOUSING AND MORTGAGE
FINANCE CORPORATION

By _____
Name: _____
Title: _____

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.

By _____
Name: _____
Title: _____

Dated: October 28, 2019

EXHIBIT I

**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS**

“*Annual Financial Information*” means financial information and operating data exclusive of Audited Financial Statements as set forth below:

The Series Bonds

- *Outstanding Principal Amount*
- *Fund Balances*

The Mortgage Loans

- *Information of the type provided in Appendix A of the Final Official Statement*

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission. RIHousing shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 180 days after the last day of RIHousing’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to RIHousing.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, including for this purpose a change made to the fiscal year-end of RIHousing, RIHousing will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE SERIES BONDS FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Nonpayment-related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of RIHousing*
13. The consummation of a merger, consolidation or acquisition involving RIHousing or the sale of all or substantially all of the assets of RIHousing, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a financial obligation of RIHousing, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of RIHousing, any of which affect Bondholders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of RIHousing, any of which reflect financial difficulties

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for RIHousing in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of RIHousing, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of RIHousing.

APPENDIX G

FORM OF SUSTAINABILITY BONDS ANNUAL REPORTING⁽¹⁾

Amount of proceeds of the 2019 Series 1 and 2 Bonds (Sustainability Bonds) deposited to Program Fund at issuance: \$73,600,000

Project Name	Project Location	Project Sponsor	4% LIHTC Allocated	Population Served or %AMI	Environmental Attributes	Population Targeted (Services)	2019 Series 1-A Proceeds Spent (\$) as of June 30, ___	2019 Series 1-B Proceeds Spent (%) as of June 30, ___	2019 Series 2-T Proceeds Spent (%) as of June 30, ___
Prospect Heights III	Pawtucket	Prospect Redevelopment III Limited Partnership	Yes	≤ 60% AMI	Water conservation; Energy efficiency; LED lighting; Air sealing	Families	\$___	___%	
Mineral Spring Gardens	North Providence	North Dartmouth Properties, Inc.	Yes	≤ 60% AMI	Water conservation; Energy efficiency; LED lighting; Air ventilation	Elderly or Disabled	\$___	___%	
Trio Partners	North Providence, Woonsocket	Trio Partners Owner, LLC	Yes	≤ 50% AMI	Water conservation; Energy efficiency; LED lighting; Air ventilation	Elderly or Disabled	\$___	___%	
Harbor House	Newport	Harbor House Owner LLC	Yes	75.6% ≤ 60% AMI	Water conservation; Energy efficiency; LED lighting; Virtual net metering	Elderly or Disabled	\$___	___%	
Centerdale Manor	North Providence	Cornerstone Corporation	N/A	50% AMI	Transit Oriented Development; Rhode Island Growth Center	Elderly or Disabled	\$___	___%	

⁽¹⁾ As described herein under the heading “DESIGNATION OF THE 2019 SERIES 1 AND 2 BONDS AS SUSTAINABILITY BONDS—Post-Issuance Reporting,” once all the financed projects have been completed and all related bond proceeds disbursed, no further annual updates will be provided.

GREEN STANDARDS

RIHousing Green Standards

Energy Efficiency and Sustainability

Currently, National Grid's Rhode Island Residential New Construction (RNC) Tier I standards are the baseline requirement of RIHousing's current Design and Construction Standards. These standards are slightly more stringent than the current Rhode Island State Energy Code Standards. RIHousing strives to ensure that developments are as energy efficient as possible, and, to the extent financially feasible, incorporates many of the Healthy Home, Green Building, Defensible Spaces, and Universal Design principles.

Projects undertaking substantial rehabilitation rather than new construction are encouraged to achieve the National Grid's RNC Tier II standards.

RIHousing has been working with National Grid and the Office of Energy Resources to develop strategies for improving energy efficiency in existing and new Rhode Island affordable housing, and to incentivize the use of renewable resources. A 2017 change in state legislation to allow Virtual Net Metering in affordable housing (Chapter 26.4 of Title 39 of the General Laws of Rhode Island (RIGL), entitled "Net Metering" and more specifically "Community Remote Net Metering" as defined at RIGL Sec. 39-26.4-2(1)) is an additional opportunity to leverage these resources. Virtual net metering allows National Grid customers to access renewable energy sources like solar or wind, without having to put solar panels or wind turbines on their property. Instead, the renewable generation equipment is located offsite, but the customer receives credits that net against their energy bill (hence the name "virtual net metering") just as does a customer with rooftop or on-site solar.

Utility Benchmarking is becoming an industry best practice to monitor the performance of properties and all utilities, including tenant paid utilities, to build a database of information to inform future funding decisions. New production developments receive points under the State's Qualified Allocation Plan when signing up for a Utility Benchmarking Service and incorporating the cost into their operating budget. Existing developments are encouraged to incorporate benchmarking as well.

Design and Construction Standards

RIHousing developed its Design and Construction Standards (the "Standards") to ensure the long-term viability of housing developed under the RIHousing's Rental Housing Production Program. These Standards are based on experience from managing rental housing and are designed to ensure that the housing units developed are economical, comfortable, durable, healthy, energy efficient, and attractive. These Standards are in addition to the Building Code requirements and any applicable federal, state and local ordinances or regulations.

RIHousing values and promotes healthy, durable, high quality, affordable construction, and ultimately, RIHousing strives to cost effectively combine sustainable building processes and affordable housing construction. Sustainable means long lasting, high performance housing. The goal is to use resources wisely to help establish a continuous cycle of use and renewal within the carrying capacity of the environment. Each developer of projects financed by RIHousing is encouraged, and, in the case of

new construction, incentivized, to consider long term impacts and cost to the development as well as the environment.

The overall goal of these Standards is to produce affordable and attractive housing that is also:

1. **Durable:** Materials should be long-lasting and able to withstand heavy use with minimal maintenance. Buildings should be designed and built to keep water and pests out.
2. **Energy efficient:** A modest upfront investment in materials and systems can result in lower operating costs over the life of a building while conserving natural resources.
3. **Healthy:** Significant aspects of health and quality of the indoor environment are to reduce conditions that can trigger asthma and other respiratory problems.
4. **Safe:** RIHousing encourages building and site designs that create defensible space inside and outside. Defensible spaces are areas that discourage unhealthy behavior and make transgressors feel observed and uncomfortable.

Comprehensive Community Development Standards

Since 2008, RIHousing has incorporated “smart growth” standards into its multifamily development funding decisions. Identified as Comprehensive Community Development (CCD) in the State’s Qualified Allocation Plan, CCD is a holistic strategy for efficient use of land and other resources that maximizes open space and discourages sprawl. This strategy includes directing development and reinvestment to existing communities as well as redevelopment and growth in and around planned or existing growth or town centers where higher densities can be supported by public and alternative-technology infrastructure. The CCD prioritizes development at higher densities and includes award points for compact building designs, infill development, redevelopment and the adaptive re-use of existing buildings. The CCD also includes conservation-minded development guidelines for rural communities that result in a more efficient use of land and other resources through the creation of more traditional, compact neighborhoods. These communities have many of the following “Smart Growth” features: mixed land use; part of an overall municipal plan with community stakeholder collaboration; compact design; economically sustainable; aesthetically pleasing; includes a diversity of people, incomes and housing types; is distinctive in character; and is healthy and energy efficient. RIHousing’s CCD standards include the assessments for various green criteria such as a project’s proximity to a state proposed Growth Center or mass transportation, along with public water and utility usage, and crime prevention through environmental design principles.

PROPOSED FORM OF BOND COUNSEL OPINION

October ____, 2019

Rhode Island Housing and Mortgage
Finance Corporation
44 Washington Street
Providence, Rhode Island 02903

Dear Commissioners:

We have examined the Constitution and the laws of the State of Rhode Island and Providence Plantations (the “State”) and a record of proceedings relating to the issuance of \$25,900,000 aggregate principal amount of Multi-Family Development Bonds, 2019 Series 1-A (Non-AMT) (Sustainability Bonds) (the “2019 Series 1-A Bonds”), \$36,000,000 aggregate principal amount of Multi-Family Development Bonds, 2019 Series 1-B (Non-AMT) (Sustainability Bonds) (the “2019 Series 1-B Bonds”) and, together with the 2019 Series 1-A Bonds, the “2019 Series 1 Bonds”), and \$11,700,000 aggregate principal amount of Multi-Family Development Bonds, 2019 Series 2-T Federally Taxable) (Sustainability Bonds) (the “2019 Series 2-T Bonds”) of Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”), a public corporation and instrumentality and agency of the State created by and pursuant to Chapter 55 of Title 42 of the General Laws of Rhode Island, 1956 (2006 Reenactment), as amended (the “Act”), and organized and existing under the Act and the laws of the State.

The 2019 Series 1 Bonds and the 2019 Series 2-T Bonds (the “2019 Series 1 & 2-T Bonds”) are issued pursuant to the Act and a resolution adopted by RIHousing on November 19, 2009, entitled “Multi-Family Development Program General Bond Resolution” (the “General Resolution”), as supplemented by a supplemental resolution adopted by RIHousing on October 26, 2017 and a Certificate of Determination dated the date hereof, delivered pursuant thereto and incorporated therein (the General Resolution, as so supplemented, is herein called the “Resolution”). The 2019 Series 1 & 2-T Bonds, the bonds currently outstanding under the General Resolution and any additional bonds which may be issued under the General Resolution are herein called the “Bonds.”

The 2019 Series 1 & 2-T Bonds are dated, will mature on the dates and in the principal amounts, bear interest at the rates per annum, are subject to redemption prior to maturity and are otherwise as described in the Resolution.

The 2019 Series 1 & 2-T Bonds are issued for the principal purpose of providing funds to carry out the Program as described in the Resolution by financing Mortgage Loans (as defined in the Resolution). RIHousing is authorized to issue Bonds, in addition to the 2019 Series 1 & 2-T Bonds, upon the terms and conditions set forth in the Resolution, and such Bonds, when issued, shall, with the 2019 Series 1 & 2-T Bonds and with all other such Bonds heretofore and theretofore issued, be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Resolution. Any capitalized terms used and not otherwise defined herein are used as defined in the Resolution.

Upon the basis of the foregoing, we are of the opinion that:

1. Under the Constitution and laws of the State, RIHousing has been duly created and validly exists, and RIHousing has good, right and lawful authority, among other things, to carry out its Program, to provide sufficient funds therefor by the adoption of the Resolution and the issuance and sale of the 2019 Series 1 & 2-T Bonds, and to perform its obligations under the terms and conditions of the Resolution.

2. The Resolution has been duly adopted by RIHousing, is in full force and effect, and is valid and binding upon RIHousing and enforceable in accordance with its terms.

3. The 2019 Series 1 & 2-T Bonds are valid and legally binding special revenue obligations of RIHousing payable solely from the revenues, funds or moneys pledged for the payment thereof pursuant to the Resolution, are enforceable in accordance with their terms and the terms of the Resolution, and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution.

4. The 2019 Series 1 & 2-T Bonds are secured by a pledge in the manner and to the extent set forth in the Resolution. The Resolution creates a valid pledge of and lien on the Mortgage Loans, the Revenues and all amounts held in any Account established by the Resolution (except the Rebate Account), including investments thereof, as such terms are used in the Resolution, which the Resolution purports to create, subject only to the provisions of the Resolution permitting the application, disposition or exercise thereof for or to the purposes and on the terms and conditions set forth in the Resolution.

5. The State is not liable on the 2019 Series 1 & 2-T Bonds and the 2019 Series 1 & 2-T Bonds are not a debt of the State. Neither the faith, credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the 2019 Series 1 & 2-T Bonds.

6. Under existing statutes and court decisions, (i) interest on the 2019 Series 1 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except that no opinion is expressed as to such exclusion of interest on any 2019 Series 1-A Bond or 2019 Series 1-B Bond for any period during which such 2019 Series 1-A Bond or 2019 Series 1-B Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of facilities financed with the proceeds of the 2019 Series 1-A Bonds or 2019 Series 1-B Bonds, respectively, or a "related person" and (ii) interest on the 2019 Series 1 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In rendering our opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by RIHousing, the developers of the projects financed with the proceeds of the 2019 Series 1 Bonds (the "Series Developers") and others in connection with the 2019 Series 1 Bonds, and we have assumed compliance by RIHousing and the Series Developers with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2019 Series 1 Bonds from gross income under Section 103 of the Code.

7. Interest, if any, on the 2019 Series 2-T Bonds is included in gross income for federal income tax purposes.

8. Pursuant to the provisions of the Act, income on the 2019 Series 1 & 2-T Bonds (including any profit on the sale thereof) is free from State personal income taxes.

The opinions expressed in paragraphs 2, 3 and 4 above are subject to applicable bankruptcy, moratorium, reorganization insolvency or other laws heretofore or hereafter enacted affecting creditors' rights or remedies and are subject to application of principles of equity relating to or affecting the

enforcement of contractual obligations, whether such enforceability is considered in a proceeding in equity or at law. We have examined an executed 2019 Series 1-A Bond, an executed 2019 Series 1-B Bond and an executed 2019 Series 2-T Bond, and, in our opinion, the forms of such 2019 Series 1 & 2-T Bonds and their execution are regular and proper.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the 2019 Series 1 & 2-T Bonds, or the ownership or disposition thereof, except as stated in paragraphs 6, 7 and 8 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the 2019 Series 1 Bonds.

We express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the 2019 Series 1 & 2-T Bonds.

This opinion is issued as of the date hereof, as we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever.

Very truly yours,