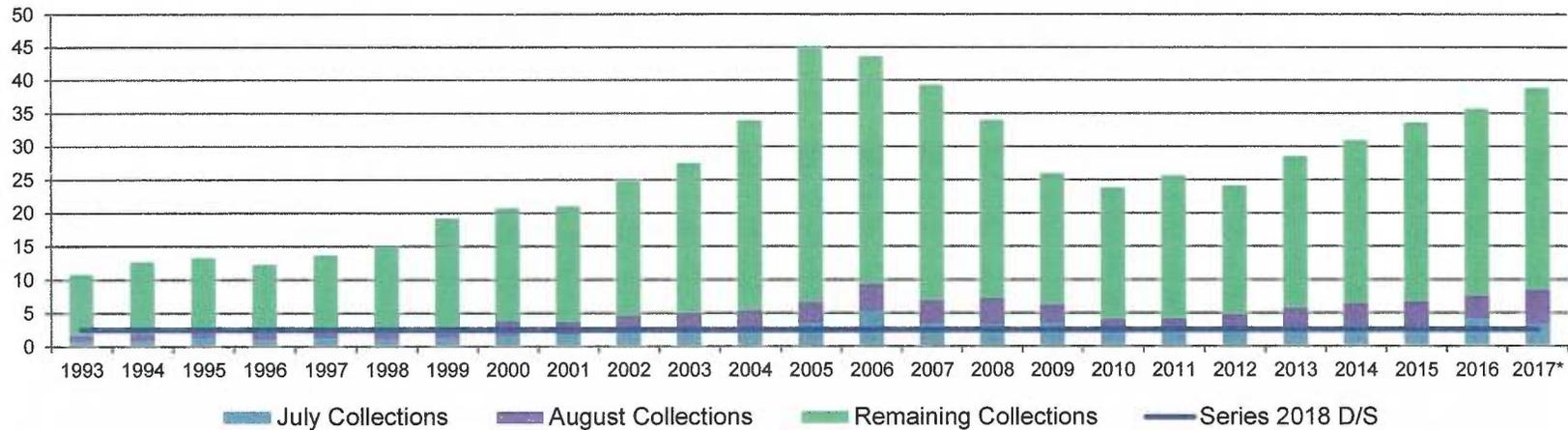


# VT Property Transfer Tax and Lock Box Agreement

- In 2017, the Vermont Legislature passed V.S.A. §9610(d), which dedicated the first \$2,500,000 of revenue received from the Vermont Property Transfer Tax (“VPTT”) to be transferred to VHFA to pay debt service on Bonds issued to create affordable housing via VHCB
- VHFA entered into a Lock Box Agreement with the State (through the Vermont Department of Taxes) so that that the first \$2,500,000 of the VPTT would directly flow to the bond Trustee in order to pay debt service on the Bonds
- Vermont Property Transfer Tax (“VPTT”)
  - Annual collections of this tax have been over \$23,000,000 each year since 2008
  - Vermont Legislature has also statutorily agreed that the VPTT shall not be reduced below a rate that would be expected to generate at least \$12,000,000
  - Issuance of additional bonds, if any, would require additional pledged VPTT Revenues

## Property Transfer Tax Revenues by Fiscal Year Since 1993

(\$MM)



Source: VHFA Official Statement

Please see additional important information and qualifications at the end of this material.

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## Transaction Summary

<b>Issuer</b>	Vermont Housing Finance Agency (“VHFA” or the “Agency”)
<b>Issue Description</b>	Vermont Property Transfer Tax Revenue Bonds Series 2018 (Federally Taxable) (Sustainability Bonds)
<b>Par Amount</b>	\$37,825,000
<b>Security</b>	Statutory right to first \$2,500,000 of VT Property Transfer Taxes through Lock Box structure
<b>Purpose</b>	Develop and rehabilitate 550 - 650 units of affordable housing statewide through the Vermont Housing & Conservation Board (“VHCB”): <ul style="list-style-type: none"><li>- 25% to households with income below 50% AMI</li><li>- 25% to households with income between 80% to 120% AMI</li><li>- Majority of proceeds targeting households below 80% AMI</li></ul>
<b>Credit Rating</b>	Aa2 (Moody’s)
<b>Structure</b>	Serial Bonds: 2018 - 2029; Term Bond: 2037
<b>Redemption</b>	Optional Make Whole Redemption and Mandatory Sinking Fund Redemption
<b>Pricing / Closing Dates</b>	Pricing: Tuesday, January 9, 2018; Closing: Thursday, January 25, 2018

Source: VHFA Official Statement  
Please see additional important information and qualifications at the end of this material.