

MassHousing Offers to Purchase for Cash Certain of Its Outstanding Bonds

New York, September 25 /PRNewswire-First Call/ -- Massachusetts Housing Finance Agency (MassHousing), announced today that it is offering to purchase for cash certain of its outstanding Single Family Housing Revenue Bonds and Housing Bonds (collectively, the "Bonds") upon the terms and subject to the conditions set forth in MassHousing's Invitation to Bondholders dated September 25, 2009 (the "Invitation"). The relevant Bonds are specified in the Invitation.

The offer will expire at 5:00 p.m. New York City time on October 23, 2009 (the "Expiration Time"), unless extended or earlier terminated, in either case by MassHousing in its sole discretion. Bondholders who validly tender and do not withdraw their offers on or prior to 5:00 p.m., New York City time, on October 16, 2009 (the "Early Tender Deadline"), will be eligible to receive a Premium Purchase Price, as described below. Bondholders wishing to sell must follow the instructions set forth in the Invitation.

MassHousing invites Bondholders to offer to sell their Bonds, upon the terms and subject to the conditions set forth in the Invitation, at purchase prices to be determined by a modified Dutch Auction. Under the modified Dutch Auction, MassHousing will consider offers to sell Bonds of each resolution, series and maturity in the order of lowest to highest prices specified by Bondholders and will, in its sole discretion, select a single price for each resolution, series and maturity to be accepted (the "Purchase Price"). Bondholders who tender and do not withdraw their offers prior to the Early Tender Deadline will be eligible to receive a Premium Purchase Price equal to the Purchase Price plus five (5) dollars per \$1000 of principal.

The offer is made upon the terms and subject to the conditions set forth in the Invitation, including the Issuer's successful issuance and sale of refunding bonds. Copies of the Invitation can be obtained from D.F. King & Co., Inc., the Depository and Information Agent, toll free at (800) 967-4612 and at www.dfking.com/masshousing.

Barclays Capital is the Dealer Manager for the offer. Questions concerning the terms of the offer may be directed to Barclays Capital toll-free at (800) 438-3242 or collect at (212) 528-7581.

This news release is neither an offer to purchase nor a solicitation of an offer to sell Bonds. The offer is made solely by MassHousing's Invitation dated September 25, 2009. The offer is not being made to holders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the blue sky or other laws of such jurisdiction. In any jurisdiction in which the offer is required to be made by a licensed broker or dealer, it shall be deemed to be made on behalf of MassHousing by the Dealer Manager.

Neither MassHousing, the Dealer Manager, or the Depository and Information Agent makes any recommendation as to whether or not holders should sell Bonds pursuant to the Invitation, and no one has been authorized by any of them to make such a recommendation. Holders must make their own decisions as to whether to sell Bonds, and if so, the principal amount of Bonds to sell.