OFFICIAL STATEMENT DATED MARCH 16, 2017

Ratings: See "Ratings" herein.
S&P Global Ratings: AA+
Moody's Investors Service: Aa2

2017 Series A Refunding Bonds

In the opinion of Locke Lord LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the 2017 Series A Refunding Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code"). Interest on the 2017 Series A Refunding Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Under existing law, interest on the 2017 Series A Refunding Bonds is exempt from the New Hampshire personal income tax on interest and dividends. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or accrual or receipt of interest on, the 2017 Series A Refunding Bonds. See "Tax Exemption" herein.

NEW HAMPSHIRE MUNICIPAL BOND BANK

$31,735,000 2017 Series A Refunding Bonds

Dated: Date of Delivery **Due: As shown on the inside cover hereof**

The 2017 Series A Refunding Bonds (the "Bonds") will be issued by means of a book-entry only system evidencing ownership and transfer of the Bonds on the records of The Depository Trust Company ("DTC"), New York, New York (the "Securities Depository"), and its participants. Purchases of the Bonds will be made in book-entry form, in denominations of $5,000 or any integral multiple thereof. See "THE BONDS - Book-Entry Only System" herein. The principal of and semi-annual interest on the Bonds are payable by People's United Bank, N.A., Bridgeport, Connecticut, as Trustee and Paying Agent, to the Securities Depository.

Interest on the Bonds will be payable semi-annually on each February 15 and August 15 until maturity, commencing August 15, 2017.

The Bonds are not subject to redemption prior to their stated dates of maturity.

The Bonds are being sold on a delayed delivery basis, with delivery of the Bonds to be made on or after May 18, 2017. The market value of the Bonds on the date of delivery may differ significantly from the purchase price due to a variety of factors. See "DELAYED DELIVERY OF THE BONDS" herein.

The Bonds are offered, when, as and if issued by the New Hampshire Municipal Bond Bank (the "Bank") and accepted by the Underwriter, as hereinafter defined, subject to prior sale, to withdrawal or modification of the offer without notice and to approval as to legality by Locke Lord LLP, Boston, Massachusetts, Bond Counsel to the Bank, and certain other conditions. Certain legal matters will be passed upon for the Underwriter by its counsel, Preti, Flaherty, Beliveau & Pachios, LLP, Concord, New Hampshire. FirstSouthwest, a Division of Hilltop Securities Inc., Boston, Massachusetts, has acted as Financial Advisor to the New Hampshire Municipal Bond Bank with respect to the Bonds. It is expected that the Bonds in definitive form will be available for delivery at DTC or its custodial agent on or about May 18, 2017.

RAYMOND JAMES

March 16, 2017

FOR NEW HAMPSHIRE RESIDENTS: THE BONDS DESCRIBED IN THIS OFFICIAL STATEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NEW HAMPSHIRE MUNICIPAL BOND BANK

$31,735,000 2017 Series A Refunding Bonds

Due	Principal Amount	Interest Rate	Price	Cusip # 64465P
8/15/2017	$ 380,000	3.00 %	1.05 %	Y69
2/15/2018	440,000	4.00	1.14	Y77
8/15/2018	900,000	4.00	1.23	Y85
2/15/2019	520,000	5.00	1.41	Y93
8/15/2019	2,985,000	5.00	1.48	Z27
2/15/2020	2,610,000	5.00	1.61	Z35
8/15/2020	3,410,000	5.00	1.69	Z43
2/15/2021	3,035,000	5.00	1.80	Z50
8/15/2021	3,870,000	5.00	1.88	Z68
2/15/2022	3,505,000	5.00	2.02	Z76
8/15/2022	3,985,000	5.00	2.10	Z84
2/15/2023	3,615,000	5.00	2.25	Z92
8/15/2023	1,430,000	5.00	2.33	2A5
2/15/2024	1,050,000	5.00	2.47	2B3

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No dealer, broker, salesperson or other person has been authorized by the New Hampshire Municipal Bond Bank, the Underwriter, or the Financial Advisor to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The Underwriter of the Bonds may offer and sell the Bonds to certain dealers and others at prices lower (or yields higher) than the offering prices (or yields) stated on the inside cover page hereof. The offering prices may be changed from time to time by the original Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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The information and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the 2017 Series A Refunding Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Bank since the date of this Official Statement.

SUMMARY STATEMENT

The information set forth below is qualified in its entirety by the information and financial statements appearing elsewhere in this Official Statement.

THE BONDS

The Issue	$31,735,000 2017 Series A Refunding Bonds (the "2017 Series A Refunding Bonds" or the "Bonds") offered by the New Hampshire Municipal Bond Bank through a negotiated sale.
Security for the Bonds	The Bonds are valid, general obligations of the New Hampshire Municipal Bond Bank and the full faith and credit of the Bank are pledged for the punctual payment of the principal of, premium, if any, and interest thereon. The Bonds, and the other bonds ranking on a parity therewith which may be issued pursuant to the 1978 Resolution, will be further secured by the pledge of the Municipal Bonds purchased by the Bank with the proceeds of the bonds previously issued pursuant to the 1978 Resolution and all funds and accounts established by the 1978 Resolution. The 1978 Resolution creates a continuing pledge and lien to secure the full and final payment of the principal of, premium, if any, and interest on all of the bonds issued pursuant to the 1978 Resolution, including a pledge of the Municipal Bonds purchased by the Bank from the Governmental Units. The Bonds are further secured by the moneys in the Bank's Reserve Fund established under the 1978 Resolution which requires that the Reserve Fund be maintained in an amount at least equal to the maximum amount of Principal Installments and interest maturing and becoming due in any succeeding calendar year on all Loan Obligations then outstanding under the 1978 Resolution. The Bonds are not guaranteed by the State of New Hampshire (the "State") and the State is not obligated to pay the principal of or interest on the Bonds, and neither the full faith and credit nor the taxing power of the State is pledged to the payment of the principal of or the interest on the Bonds.
Interest Payment Dates	Interest on the Bonds will be payable semi-annually on each February 15 and August 15 until maturity, commencing August 15, 2017.
Record Date	The record date for each payment of interest on the Bonds is the last business day of the month preceding the interest payment date.
Maturities	The Bonds mature in the amounts and on the dates shown on the inside cover page of this Official Statement.
Redemption	The Bonds are not subject to redemption prior to their stated dates of maturity.
Delayed Delivery	**The Bonds are being sold on a delayed delivery basis, with delivery of the Bonds to be made on or after May 18, 2017. The market value of the Bonds on the date of delivery may differ significantly from the purchase price due to a variety of factors. See "DELAYED DELIVERY OF THE BONDS" herein.**
Application of Proceeds	Proceeds from the sale of the Bonds will be used (i) to refund certain outstanding bonds of the Bank issued under the 1978 Resolution, (ii) to pay Underwriter's discount, and (iii) to pay certain issuance costs. See "PLAN OF REFUNDING – Application of Proceeds" and Appendix F – "Summary of Bonds Refunded", herein.
Tax Exemption	Under existing law and assuming continued compliance with the Internal Revenue Code of 1986, as amended, the interest on the Bonds is not included in gross income for federal income tax purposes and is not an item of tax preference for the purpose of computing the alternative minimum tax imposed on individuals and corporations. However, interest on the Bonds will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed upon certain corporations. The Bonds and the interest thereon are exempt from taxation imposed by the State of New Hampshire except for transfer, inheritance and estate taxes. For federal income tax purposes, interest includes original issue discount. See "TAX EXEMPTION" and "APPENDIX C - Proposed Form of Legal Opinion" herein.

THE NEW HAMPSHIRE MUNICIPAL BOND BANK

Creation	The New Hampshire Municipal Bond Bank was created in 1977 by Chapter 35-A of the New Hampshire Revised Statutes Annotated as a public body corporate and politic and an instrumentality exercising essential governmental functions of the State.
Purposes	To provide adequate markets and facilities for the borrowing of money by Governmental Units for their public improvements and other municipal purposes through the direct purchase by the Bank of the Governmental Units' Municipal Bonds with the proceeds of the sale of the Bank's bonds.
Membership and Staff	The Bank consists of five directors, including the New Hampshire State Treasurer, who is a director ex officio, and four directors appointed by the Governor and Council. The Bank's staff is managed by an Executive Director, who also serves as Secretary of the Bank.
Financial Position	The Bank has previously issued bonds on a parity with the Bonds in an aggregate amount, including refunding bonds, of $2,907,505,000 of which $621,245,000 are currently outstanding as of the date hereof. The balance in the Bank's Reserve Fund established pursuant to the 1978 Resolution has at all times been equal to or greater than the Reserve Fund requirement.

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OFFICIAL STATEMENT

of the

NEW HAMPSHIRE MUNICIPAL BOND BANK

Relating to

$31,735,000 2017 Series A Refunding Bonds

INTRODUCTION

This Official Statement is provided for the purpose of presenting information concerning the New Hampshire Municipal Bond Bank (the "Bank") in connection with the sale of $31,735,000 2017 Series A Refunding Bonds (the “2017 Series A Refunding Bonds” or the “Bonds”). The Bonds are issued pursuant to the New Hampshire Municipal Bond Bank Law, as amended, being Chapter 35-A of the New Hampshire Revised Statutes Annotated (the "Act").

The Bonds

The Bonds are to be issued under and are to be secured pursuant to the Bank's General Bond Resolution adopted December 1, 1978, as heretofore amended and supplemented (the "1978 Resolution") and its 2017 Series A Series Resolution (the “2017 Series A Series Resolution” or the “Series Resolution”) to be dated as of the sale date of the Bonds. The 1978 Resolution and the 2017 Series A Series Resolution are sometimes collectively referred to herein as the "Resolutions". The Bank has previously issued bonds pursuant to the 1978 Resolution in an aggregate amount, including refunding issues, of $2,907,505,000 of which $621,245,000 are currently outstanding. Additional series of bonds may be issued by the Bank on a parity with such bonds and the Bonds provided that each additional series will be authorized and secured pursuant to a series resolution adopted in accordance with and under the provisions of the 1978 Resolution and the Act. The currently Outstanding bonds, the Bonds and any additional bonds issued under the 1978 Resolution (referred to collectively herein as the "1978 Resolution Bonds" or the “bonds”), constitute general obligations of the Bank, and the full faith and credit of the Bank are pledged to the payment of principal, premium, if any, and interest thereon.

The Bonds are not guaranteed by the State of New Hampshire (the "State") and the State is not obligated to pay the principal of or interest on the Bonds, and neither the full faith and credit nor the taxing power of the State is pledged to the payment of the principal of or the interest on the Bonds. Attention is directed to Appendix A, which contains definitions of certain terms used in this Official Statement.

PLAN OF REFUNDING

Proceeds of the Bonds will be used: (i) to make a deposit into an escrow account established for the refunding of certain bonds issued by the Bank pursuant to the 1978 Resolution, (ii) to pay for Underwriter’s discount, and (iii) to pay costs of issuance. The bonds of the Bank to be refunded by the issuance of the Bonds are set forth in “Appendix F – Summary of Bonds Refunded”.

Refunding of Refunded Bonds

Upon delivery of the Bonds, the Bank will enter into a Refunding Escrow Agreement with People’s United Bank, N.A., Bridgeport, Connecticut, as Trustee (the “Trustee”), to provide for the refunding of certain outstanding bonds of the Bank (the “Refunded Bonds”) as set forth in “Appendix F – Summary of Bonds Refunded”. Upon receipt of the proceeds of the Bonds, the Trustee will deposit into an escrow fund (the “Escrow Fund”) established by the Refunding Escrow Agreement the amount which will be invested in direct obligations of the United States of America (“Government Obligations”) maturing in amounts and bearing interest at rates sufficient, without reinvestment, to pay, when due, interest on, and upon redemption or maturity, the outstanding principal of and redemption premium on the Refunded Bonds. The Escrow Fund, including the interest earnings on the Government Obligations, is pledged solely for the benefit of holders of the Refunded Bonds and is not available to pay the Bonds offered herein.

Application of Proceeds

The proceeds of the sale of the Bonds are expected to be applied as follows:

	2017 Series A Refunding Bonds
SOURCES OF FUNDS	
Par Amount of Bonds	$ 31,735,000.00
Net Original Issue Premium/Discount	3,692,451.30
Total Sources	$ 35,427,451.30
USES OF FUNDS	
Deposit to Escrow Fund	$ 35,159,039.88
Underwriter's Discount	116,532.46
Cost of Issuance and Qualified Administrative Expenses	151,878.96
Total Uses	$ 35,427,451.30

In accordance with the provisions of the 1978 Resolution, the amount on deposit in the Reserve Fund will be at least equal to the maximum amount of principal installments and interest maturing and becoming due in any succeeding calendar year on all Loan Obligations outstanding under the 1978 Resolution.

THE BONDS

Description

The Bonds are dated as of their delivery date and will mature on the dates and in the years and principal amounts, and bear interest at the rates per annum as set forth on the inside cover page of this Official Statement. Each of the Bonds shall bear interest from its date. Interest on the Bonds will be payable semi-annually on each February 15 and August 15 until maturity, commencing August 15, 2017.

The Bonds are issuable only in fully registered form without coupons, and, when issued will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of $5,000 or any integral multiple thereof, and purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. (See "Book-Entry Only System" herein.)

Redemption

The Bonds are not subject to redemption prior to their stated dates of maturity.

Book-Entry Only System

DTC will act as securities depository for the Bonds. The 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 certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("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 ("Indirect Participants"). DTC has a S&P Global Ratings 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 securities held by DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security held by DTC ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmations from DTC of their purchases. 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 securities held by DTC 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 securities held by DTC, except in the event that use of the book-entry system for such securities is discontinued.

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

Conveyance 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 a maturity is being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities 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 securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities held by DTC 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 the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. 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 (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The Bank may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Bank believes to be reliable, but the Bank takes no responsibility for the accuracy thereof.

DELAYED DELIVERY OF THE BONDS

The following is a summary description of certain provisions of the Contract of Purchase (the "Contract of Purchase") between the Bank and Raymond James & Associates, Inc. (the "Underwriter") and the conditions therein. This description is not to be considered a full statement of the terms of the Contract of Purchase and accordingly is qualified by reference thereto and is subject to the full text thereof.

Contract of Purchase Signing and Delivery Pre-Closing

Pursuant to the Contract of Purchase, the Underwriter will agree to purchase the Bonds on the Delivery Closing Date defined below. A delivery pre-closing will be held with respect to the Bonds on or about March 30, 2017 (the "Delivery Pre-Closing Date"). On the Delivery Pre-Closing Date, the conditions for the issuance and delivery of the Bonds and payment therefor by the Underwriter will be met, except for the confirmation of certain facts and delivery of certain certificates and opinions, including an opinion of Bond Counsel substantially in the form set forth in "APPENDIX C - Proposed Form of Legal Opinion" attached hereto (collectively, the "Delivery Closing Conditions"), which are to be delivered on the date the Bonds are issued (receipt thereof is a condition to the issuance of the Bonds). After the Delivery Pre-Closing Date, subject to compliance with the Delivery Closing Conditions described below and in the Contract of Purchase, the Bank will be obligated to issue and deliver the Bonds, and the Underwriter will be obligated to take delivery of and pay for the Bonds on the Delivery Closing Date. However, there will be no delivery of the Bonds nor any payment therefor on the Delivery Pre-Closing Date.

The Contract of Purchase provides that the Bank will be under no obligation, subsequent to the Delivery Pre-Closing Date, as a condition to the delivery of the documents or the satisfaction of any conditions specified in the Contract of Purchase to: (i) enter into or execute any amendment or supplement to the 1978 Resolution, the Contract of Purchase, the Bonds, any tax certificate or compliance agreement (except as provided in the Contract of Purchase), or any other document which has been executed and delivered by the Bank in connection with the issuance of the Bonds as of the Delivery Pre-Closing Date; (ii) except as provided in the Contract of Purchase, deliver any additional documentation (other than a tax certificate or other such documents reasonably necessary to permit Bond Counsel to deliver the opinion set forth in Appendix C hereto and certain "bring-down" certificates and opinions, which do not impose any additional material obligation upon, or materially alter any existing obligation of, the Bank under the Contract of Purchase); (iii) agree to, or to undertake, any additional material obligations; or (iv) make any changes to its organization, activities or operations.

Delivery Closing

On May 18, 2017, or at such other time or on such other date as will have been mutually agreed upon by the Bank and the Underwriter (the "Delivery Closing Date"), the Bank will, subject to the terms and conditions of the Contract of Purchase, deliver or cause to be delivered the Bonds to DTC on behalf of the Underwriter and deliver or cause to be delivered to the Underwriter the other documents, opinions, certificates and instruments required by the Contract of Purchase to be delivered, as more fully discussed below (the "Delivery Closing Documents"). Subject to the terms and conditions of the Contract of Purchase, the Underwriter will be obligated to accept such delivery and pay the purchase price for the Bonds. All of the foregoing described transactions are referred to herein as the "Delivery Closing."

Delivery Closing Conditions

General -- The Bank's obligation to issue and deliver the Bonds to the Underwriter, and the Underwriter's obligation to accept delivery of and pay for the Bonds, on the Delivery Closing Date, are contingent on certain conditions precedent, as set forth in the Contract of Purchase. This description of the Contract of Purchase is not considered a full statement of the terms of the Contract of Purchase and accordingly is qualified by reference thereto and is subject to the full text thereof. These conditions include, but are not limited to, the following:

1. There shall have been no "Change in Law," as hereinafter described; and

2. Ratings on the Bonds (without regard to the level of such ratings) are provided from S&P Global Ratings and Moody's Investors Service, Inc. (see "RATINGS" herein); provided, however, if either of such rating agencies is no longer in business and no longer provide any ratings as of the Delivery Closing Date, then the requirement to provide a rating by such rating agency shall be waived at the Delivery Closing by the Underwriter; and

3. Bond Counsel shall render its approving opinion in substantially the form attached hereto as Appendix C. It is also a condition of the Bank's obligation to sell and deliver the Bonds to the Underwriter that the entire authorized principal amount thereof be accepted and paid for by the Underwriter at the Delivery Closing. It is a condition to the Underwriter's obligation to accept delivery of and to pay for the Bonds that the entire authorized principal amount thereof be issued and delivered by the Bank at the Delivery Closing.

Although the Bank is not aware, as of the date of this Official Statement, of any information that would lead it to believe that it will be unable to satisfy its obligations under the Contract of Purchase on the Delivery Closing Date, no assurances can be made that, as of the Delivery Closing Date: (i) there will have been no Change in Law (as defined herein); (ii) the facts and circumstances that are material to the required legal opinions will not differ from the facts and circumstances as of the Delivery Pre-Closing Date, or (iii) all necessary certifications and representations can or will be delivered and made in connection with the proposed issuance and delivery of the Bonds. As a consequence of any of the foregoing, the foregoing legal opinions may not be rendered or one or more of the Delivery Closing Conditions may not be met, with the possible result that the Delivery Closing will not occur.

FAILURE TO SATISFY THE DELIVERY CLOSING CONDITIONS, INCLUDING FAILURE OF ANY PARTY TO DELIVER ANY OF THE DELIVERY CLOSING DOCUMENTS IN THE FORM AND SUBSTANCE PROVIDED FOR IN THE CONTRACT OF PURCHASE (UNLESS SUCH FAILURE IS WAIVED BY THE UNDERWRITER), WILL MEAN THAT THE BONDS WILL NOT BE ISSUED AND DELIVERED. THE UNDERWRITER HAS THE RIGHT, BUT IS UNDER NO OBLIGATION, TO WAIVE ANY SUCH FAILURE.

Change in Law -- The Underwriter may terminate its remaining obligations under the Contract of Purchase, without liability therefor, by notification to the Bank, if at any time on or after the Delivery Pre-Closing Date and on or prior to the Delivery Closing Date there is a Change in Law. A "Change in Law" means:

(i) (A) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies, (B) any law, rule or regulation enacted by any governmental body, department or agency, or (C) any judgment, ruling or order issued by any court or administrative body, which in each instance (as described in (A) through (C) above) would, (1) legally prohibit the Underwriter (or have the retroactive effect of prohibiting, if enacted, adopted, passed or finalized) from accepting delivery of and paying for the Bonds in accordance with the provisions of the Contract of Purchase or selling the Bonds or beneficial ownership interests therein to bona fide purchasers, or (2) make the sale or issuance and delivery of the Bonds illegal (or have the retroactive effect of making such sale, issuance, or delivery illegal, if enacted, adopted, passed or finalized), or (3) eliminate the exclusion from gross income of interest on the Bonds (or have the retroactive effect of eliminating such exclusion if enacted, adopted, passed, or finalized), or (4) require the Bonds to be registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, the 1978 Resolution, as amended, or the Series Resolution to be qualified under the Trust Indenture Act of 1939, as amended (or have the retroactive effect of requiring such registration or qualification if enacted, passed, finalized, or adopted); provided, however, that such change in or addition to law, legislation, rule or regulation, or judgment, ruling or order shall have become effective, been enacted or been issued, as the case may be, subsequent to the date of execution of the Contract of Purchase; or

(ii) a stop order, ruling, regulation, or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering, or sale of the Bonds, or the adoption of the Series Resolution is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended.

Issuance of Legal Opinion -- It is a condition to the issuance of the Bonds on the Delivery Closing Date that Bond Counsel deliver its final approving opinion in substantially the form attached hereto as Appendix C. The ability of Bond Counsel to deliver such an opinion on the Delivery Closing Date is subject to its review and analysis as of the Delivery Closing Date of certain matters, including, among others, pertinent provisions of statutes, regulations, rulings and court decisions, including, but not necessarily limited to, New Hampshire law and federal income tax law then in effect or proposed to be in effect. Bond Counsel has advised the Bank and the Underwriter that, subject to such review and analysis and certain assumptions, it expects to be able to issue on the Delivery Closing Date an opinion substantially in the form attached hereto as Appendix C. Issuance of the Bonds on the Delivery Closing Date is further conditioned upon the receipt of the other opinions of Bond Counsel and Underwriter's Counsel, as to the continued accuracy of their opinions as to certain additional legal matters, and relating to the continued accuracy or adequacy of this Official Statement, initially addressed in the respective opinions delivered by such counsel on the Delivery Pre-Closing Date.

The Underwriter has advised the Bank that the Bonds will be sold only to investors who execute a Delivery Contract in substantially the form of Appendix G attached hereto. The Delivery Contract restricts the ability of purchasers of the Bonds to transfer their interests in the Bonds prior to the delivery thereof and such Delivery Contract is not assignable by either party without the prior written consent of the other. No representation is made therein that any such transfer will be permitted. See "Delivery Risks - Secondary Market Risk" and "APPENDIX G - Form of Delivery Contract" herein. Should the Underwriter agree to permit the transfer of interests in the Bonds, the transferee must provide a written acknowledgement of confirmation of purchase order and a delivery contract in the same form attached hereto as Appendix G.

The proposed form of Delivery Contract is attached as Appendix G at the request and for the convenience of the Underwriter. The Bank will not be a party to the Delivery Contracts and is not in any way responsible for the performance thereof or for any representations or warranties contained therein. The rights and obligations under the Contract of Purchase are not conditioned or dependent upon the performance of any Delivery Contract.

Delivery Risks

The Bank anticipates that the Bonds will be issued and delivered on or about May 18, 2017. Delivery of the Bonds is contingent upon delivery of certain certificates, reports, documents and legal opinions and the satisfaction of certain other conditions as of the Delivery Closing Date, as provided in the Contract of Purchase and described above under the heading "DELAYED DELIVERY OF THE BONDS - Delivery Closing Conditions".

During the period of time between the date hereof and the Delivery Closing Date (the "Delivery Period"), certain information contained in this Official Statement could change in one or more material respects. The Bank has agreed to provide to purchasers of the Bonds an updated form of this Official Statement at least 11 days prior to the Delivery Closing Date if any material changes have occurred. Purchasers of the Bonds will be subject to this and other risks, some of which are described below.

Rating Risk -- The Bonds are currently rated "AA+" by S&P Global Ratings and "Aa2" by Moody's Investors Service. See "RATINGS" herein. No assurance can be given that the ratings assigned to the Bonds on the Delivery Closing Date will not be different from those currently assigned to the Bonds. If one or more of such rating agencies are no longer in business and no longer provide any ratings as of the Delivery Closing Date, then the requirement to provide a rating by such rating agency shall be waived by the Underwriter at the Delivery Closing. A rating downgrade following the Delivery Pre-Closing Date does not terminate the Contract of Purchase or release the Underwriter from its obligation to purchase the Bonds.

Secondary Market Risk -- While the Underwriter may make a secondary market in the Bonds during the Delivery Period, there can be no guarantee that the Underwriter will be successful in establishing such a secondary market, or, if a secondary market is established, that it will be maintained or that the Bonds can be sold for any particular price. Prospective purchasers of the Bonds should assume that the Bonds will be illiquid throughout the Delivery Period. See “APPENDIX G - Form of Delivery Contract” herein.

Market Value Risk -- The market value of the Bonds as of the delivery date thereof may be affected by a variety of factors including, without limitation, general market conditions, the general economic condition of the State, the ratings on the Bonds, the financial condition and business operations of the Bank, and federal and state income tax and other laws. The market value of the Bonds on the Delivery Closing Date, therefore, could be greater or less than the purchase price agreed to be paid by the initial purchasers thereof, and the difference could be substantial. The Underwriter will, nevertheless, be obligated to take delivery of and pay for the Bonds if the Delivery Closing Conditions described in the Contract of Purchase are satisfied. Neither the Bank nor the Underwriter makes any representation as to the market price of the Bonds as of the Delivery Closing Date.

Federal Tax Proposals – As stated above, delivery of the Bonds on the Delivery Closing Date is subject to delivery of an opinion of Bond Counsel substantially in the form set forth in Appendix C, which includes an opinion to the effect that interest on the Bonds is not included in the gross income of the holders thereof for federal income tax purposes as of the Delivery Closing Date. Changes in Federal tax law, while not necessarily *precluding* issuance of such an opinion by Bond Counsel, could reduce the value of the exclusion of the interest from gross income or otherwise adversely affect the market value of the Bonds. If the Bank satisfies the requirements for the delivery of the Bonds despite any changes in Federal tax law or other laws (including providing for the delivery of the opinion of Bond Counsel substantially in the form set forth in Appendix C), the purchasers would be required to accept delivery of the Bonds. In addition, to the extent enacted legislation diminishes the value of the exclusion of the interest on the Bonds from gross income and results in Bond Counsel changing its form of opinion from that set forth in Appendix C, the Delayed Delivery Contract will still obligate purchasers to accept delivery of and pay for the Bonds if the Underwriter elects in its sole discretion to accept the revised form of opinion. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood that legislation affecting the treatment of the interest on the Bonds may be enacted and the consequences of such enactment for the purchasers. See “TAX EXEMPTION” herein for a summary of certain tax matters related to the Bonds.

Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood that legislation affecting the treatment of the interest on the Bonds may be enacted and the consequences of such enactment for the purchasers. See “TAX EXEMPTION” herein for a summary of certain tax matters related to the Bonds.

SECURITY FOR THE BONDS

General Obligations of the Bank

In the opinion of Bond Counsel, the Bonds will constitute general obligations of the Bank, and the full faith and credit of the Bank are pledged for the payment of principal, redemption price, if any, and interest thereon. The Bonds and other bonds ranking on a parity therewith which are outstanding or which may be issued under the 1978 Resolution (i.e. the “1978 Resolution Bonds”) will be further secured by the pledge of the Municipal Bonds purchased by the Bank from the proceeds of the Bank’s previously issued bonds and the amount paid or required to be paid by the Governmental Units to the Bank pursuant to the Loan Agreements for principal and interest on such Municipal Bonds (the "Municipal Bonds Payments") and the investments thereof and the proceeds of such investments, if any, and all funds and accounts established by the 1978 Resolution.

Additional series of bonds may be authorized and issued by the Bank pursuant to the 1978 Resolution on a parity with the Bonds. The State is not obligated to pay the principal of, premium, if any, or interest on any Bonds and neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of, premium, if any, or the interest on any of the Bonds.

Pledge of Municipal Bonds and Municipal Bonds Payments

To secure the payment of the principal of, premium, if any, and interest on the Bonds, the Bank pledges the Municipal Bonds Payments for the benefit of the holders of the Bonds. The respective Municipal Bonds and the respective Municipal Bonds Payments, the investments thereof and the proceeds of such investments, if any, and all funds and accounts established by the 1978 Resolution are pledged for the payment of the principal of, redemption price of, if any, and interest on the Bonds in accordance with the terms and provisions of the 1978 Resolution. The pledge of such Municipal Bonds and Municipal Bonds Payments shall be valid and binding from and after the date of adoption of the 1978 Resolution, and such Municipal Bonds and Municipal Bonds Payments and all other monies and securities in the funds and accounts established by the 1978 Resolution thereby pledged shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Bank, irrespective of whether such parties have notice thereof.

The State has pledged and agreed with the holders of the bonds or notes of the Bank pursuant to the Act that it will not limit or restrict the rights vested in the Bank by the Act to purchase, acquire, hold, sell or dispose of Municipal Bonds or other investments or to make Loans to Governmental Units or to establish and collect such fees or other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of operation of the Bank, and to fulfill the term of any agreements made with the holders of the Bank's bonds or notes or in any way impair the rights or remedies of the holders of such bonds or notes until the bonds and notes, together with interest thereon, and interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders are fully met, paid and discharged.

Pursuant to the 1978 Resolution, the Bank has issued bonds in the amount of $2,907,505,000 of which $621,245,000 is currently outstanding.

All bonds issued under the 1978 Resolution (including the Bonds) are secured separately from bonds issued under the Bank's State Guaranteed Municipal Bonds Issue Resolution (the "1979 Resolution") and the Bank's General Bond Resolution adopted July 14, 2005 (the "2005 Resolution"). Bonds issued under the 1979 Resolution are secured by Municipal Bonds, the payments of which are unconditionally guaranteed by the State of New Hampshire. Pursuant to the 1979 Resolution, the Bank has issued bonds in the amount of $436,712,516 of which $610,000 is presently outstanding. Bonds issued under the 2005 Resolution are secured by Municipal Bonds, the payments of which are not guaranteed by the State of New Hampshire. Pursuant to the 2005 Resolution, the Bank has issued bonds in the amount of $377,041,000, of which $138,580,000 is presently outstanding.

All bonds issued under the 1978 Resolution (including the Bonds) are also secured separately from bonds issued under the Bank's General Bond Resolution adopted June 2, 2010 authorizing the issuance of New Hampshire Municipal Bond Bank Bonds (Qualified School Construction Bonds Issue) (the "QSCB Resolution"). Bonds issued under the QSCB Resolution are secured by Municipal Bonds that have been designated as "Qualified School Construction Bonds", within the meaning of Section 54F of the Internal Revenue Code of 1986, the payments of which are unconditionally guaranteed by the State of New Hampshire. Pursuant to the QSCB Resolution, the Bank has issued bonds in the amount of $46,812,349, of which $29,160,000 is currently outstanding.

Reserve Funds

Pursuant to the Act and the 1978 Resolution, the Bank created and established a special bond reserve fund to secure all 1978 Resolution Bonds (the "Reserve Fund"). The Act provides that there shall be deposited in the Reserve Fund:

(i) All moneys appropriated and made available by the State for the purpose of the Reserve Fund;

(ii) All proceeds of notes or bonds to the extent provided in the 1978 Resolution authorizing the issuance thereof; and,

(iii) Any other moneys which may be available to the Bank for the purpose of the Reserve Fund from any other source.

Moneys in the Reserve Fund shall be held and applied solely to the payment of the interest on, premium, if any, and principal of 1978 Resolution Bonds as they become due and payable and for the retirement of such bonds. Moneys may not be withdrawn if such withdrawal reduces the amount in the Reserve Fund to an amount less than the Required Debt Service Reserve, except for payment when due of principal, premium, if any, and interest with respect to the 1978 Resolution Bonds for the payment of which other moneys of the Bank are not available. The Required Debt Service Reserve for 1978 Resolution Bonds is equal to the maximum amount of Principal Installments and interest maturing and becoming due in any succeeding calendar year on all Loan Obligations with respect to 1978 Resolution Bonds then outstanding as of the date of calculation.

Moral Obligation to Replenish Debt Service Reserve Fund

Section 12 of the Act provides that in order to assure the continued operation and solvency of the Bank for carrying out its corporate purposes, the Chairman of the Bank shall, not later than 10 days following the failure of a Governmental Unit to make a scheduled payment of principal of or interest on its Municipal Bond or Municipal Bonds held by the Bank, which failure causes the amount in the Reserve Fund to fall below the Required Debt Service Reserve for the Reserve Fund, submit to the Chairman of the House Finance Committee a written request for an appropriation for the sum, if any, required to ensure that the amount on deposit in the Reserve Fund equals the Required Debt Service Reserve for the Reserve Fund. The Chairman of the House Finance Committee shall process the request for legislative action. The Bank has covenanted in the 1978 Resolution to comply with this provision of the Act relating to the making and delivery by the Chairman of the Bank of such written request and to deposit all moneys received pursuant to such request in the Reserve Fund. While Section 12 of the Act requires the Chairman of the House Finance Committee to process such request for legislative action, it does not bind or obligate the State legislature or the State to appropriate and pay such moneys to the Bank. Bond Counsel to the Bank is of the opinion that such provisions of the Act are constitutional and any funds appropriated thereunder would be appropriated for a proper public purpose and may be validly applied as provided in the 1978 Resolution. All amounts thus paid to the Bank by the State pursuant to Section 12 of the Act shall constitute and be accounted for as advances by the State to the Bank and, subject to the rights of the holders of any bonds or notes of the Bank, shall be repaid to the State without interest from all available operating revenues of the Bank in excess of amounts required for the payment of obligations of the Bank, maintenance of the Required Debt Service Reserve and payment of operating expenses.

State Aid Intercept

The Act provides that upon any failure by a Governmental Unit to make a scheduled payment of principal of or interest on its Municipal Bond or Municipal Bonds held by the Bank, the chairman or vice chairman of the Bank shall certify the failure of such Governmental Unit to make such scheduled payment to the State Treasurer. The chairman or vice chairman of the Bank shall also certify the amount of the overdue payment and the name of the Bank's trustee at which such Municipal Bond is payable, to the State Treasurer. Within three days after receipt of the certification of any Governmental Unit’s overdue payment from the chairman or vice chairman of the Bank, the State Treasurer shall pay to the Bank's trustee at which such unpaid Municipal Bond is payable, the amount of such certified overdue payment, to the extent amounts are appropriated from the general fund or the education trust fund of the State and are payable by the State to such Governmental Unit during the remainder of the fiscal year, together with any federal funds payable to such Governmental Unit on account of such unpaid Municipal Bond. If any portion of such certified overdue payment has not been paid at the close of the fiscal year, the State Treasurer shall pay the same as soon as practicable in the next fiscal year to the extent of amounts otherwise then appropriated by the State and payable by the State to such Governmental Unit during that fiscal year, together with any federal funds then payable to such Governmental Unit on account of such unpaid Municipal Bond.

Enforcement of Municipal Bonds

The 1978 Resolution provides that the Bank shall diligently enforce and take all reasonable action and proceedings necessary for the enforcement of all terms, covenants and conditions of all Loan Agreements, as more fully described below, and the Municipal Bonds evidencing Loans made by the Bank. These actions include the prompt collection of payments due to the Bank and the giving of notice to the State Treasurer of any failure or default of any Governmental Unit in the payment of its Municipal Bonds or of its Fees and Charges.

Section 30 of the Act provides that upon the sale and issuance of any Municipal Bonds to the Bank by any Governmental Unit such Governmental Unit shall be held and be deemed to have agreed that in the event such Governmental Unit fails to pay as and when due and payable the interest on or the principal of any such Municipal Bonds owned or held by the Bank, such Governmental Unit shall have waived all and any defenses to such nonpayment, and, upon demand, if funds are not available in its treasury to pay the same, the governing body of such Governmental Unit shall forthwith assess a tax upon the assessment roll of such Governmental Unit sufficient to pay the same with 12% interest thereon, and cause the same to be collected within 60 days and notwithstanding the provisions of any other law to the contrary, the Bank upon such nonpayment may avail itself of all other applicable rights, remedies and provisions of law.

THE NEW HAMPSHIRE MUNICIPAL BOND BANK

The New Hampshire Municipal Bond Bank was created in 1977 by the Act as a public body corporate and politic and is constituted as an instrumentality exercising public and essential governmental functions of the State. The Bank and its corporate existence shall continue until terminated by law, provided, however, that no such law shall take effect so long as the Bank shall have bonds, notes or other obligations outstanding, unless adequate provision has been made for the payment thereof. Upon termination of the existence of the Bank, all its rights and properties shall pass to and be vested in the State.

Purposes, Powers and Procedures of the Bank

The Act declares that it is the policy of the State to foster and promote by all reasonable means the provision of adequate markets and facilities for the borrowing of money by Governmental Units for their public improvements and other municipal purposes. In furtherance of this policy, the Bank is empowered to issue its bonds to make funds available to such Governmental Units through the purchase by the Bank of their Municipal Bonds. The purchase of Municipal Bonds by the Bank is administered by its municipal division.

Pursuant to the 1978 Resolution, the Bank is authorized to issue bonds for the purpose of providing funds to make loans to Governmental Units having the power to levy taxes. Such loans are made through the direct purchase by the Bank from such Governmental Units of their Municipal Bonds. Municipal Bonds purchased from the proceeds of bonds issued pursuant to the Resolutions shall be general obligations of the Governmental Units, but each Governmental Unit shall be obligated only with respect to its own Municipal Bonds and not as to any other Governmental Unit's Municipal Bonds.

Under current procedures adopted by the Bank, each Governmental Unit requesting the Bank to purchase its Municipal Bonds is required to complete an application form containing certain information concerning the Governmental Unit and the Municipal Bonds proposed to be purchased. The directors of the Bank, in consultation with the executive director, discuss and accept or reject each application in an open meeting. If its application is approved, the Governmental Unit enters into a Loan Agreement with the Bank pursuant to which the Governmental Unit issues Municipal Bonds, each payment of principal and interest on which is equal to the annual amount of principal and interest required to be paid on that portion of the Bonds issued by the Bank for the purpose of purchasing the Municipal Bonds (the "Loan Obligations").

In considering requests by Governmental Units, the directors rely on the information contained in the applications, as well as any additional information deemed relevant. The information considered by the directors includes, among other items: the amount of debt of each Governmental Unit, the amount by which such debt will be increased by the proposed purchase of the Governmental Unit's Municipal Bonds, the state and local valuation, tax levy and taxes receivable, the largest taxpayers, the largest employers in the locality, the population trends, and the economic outlook for the community. On the basis of such review, the Bank believes that each Governmental Unit whose Municipal Bonds the Bank has purchased has the ability to service such Municipal Bonds by the levy of ad valorem taxes. The directors of the Bank intend to follow similar procedures with respect to applications relating to Municipal Bonds purchased with future series of Bonds issued by the Bank. Reference is made to the section entitled "LOAN AGREEMENTS AND MUNICIPAL BONDS PAYMENTS" below.

Under the Act the Bank's powers include the following:

(1) To fix and prescribe any form of application or procedure to be required of a Governmental Unit for the purpose of any loan or the purchase of its Municipal Bonds, and to fix the terms and conditions of any such loan or purchase and to enter into agreements with Governmental Units with respect to any such loan or purchase;

(2) To purchase or hold Municipal Bonds at such prices and in such manner as the Bank shall deem advisable, and to sell Municipal Bonds acquired or held by it at such prices without relation to cost and in such manner as the Bank shall deem advisable;

(3) To borrow money and to issue its negotiable bonds or notes and to provide for and secure the payment thereof, and to provide for the rights of the holders thereof, and to purchase, hold and dispose of any of its bonds or notes;

(4) To the extent permitted under its contracts with the holders of bonds or notes of the Bank, to consent to any modification with respect to rate of interest, time and payment of any installment of principal or interest, security or any other term of bond or note, contract or agreement of any kind to which the Bank is a party;

(5) To invest any funds or moneys of the Bank not then required for loan to Governmental Units and for the purchase of Municipal Bonds, in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury, except as otherwise permitted or provided by the Act (however, the 1978 General Resolution limits investments as hereinafter set forth);

(6) To fix and revise from time to time and charge and collect fees and charges for the use of its services or facilities;

(7) To make, enter into and enforce all contracts or agreements necessary, convenient or desirable for the purposes of the Bank or pertaining to any loan to a Governmental Unit or any purchase or sale of Municipal Bonds or other investments or to the performance of its duties and execution or carrying out of any of its powers under the Act; and

(8) To do all acts and things necessary, convenient or desirable to carry out the powers expressly granted or necessarily implied in the Act.

Organization and Membership of the Bank

The membership of the Bank consists of five directors: the State Treasurer, who is a director ex officio, and four directors appointed by the Governor and Council, two of whom shall have a background in public finance and one of whom is a designee of the New Hampshire Municipal Association. The four directors appointed by the Governor and Council serve for terms of five years except that vacancies shall be filled for the unexpired term. Each director shall hold office until his or her successor has been appointed and qualified.

The directors annually elect one of their number as Chairman and another as Vice-Chairman. The directors also elect a Secretary, a Treasurer, and a full-time Executive Director, who need not be directors. The same person may be elected to serve both as Secretary and Treasurer. The powers of the Bank are vested in the directors, three of whom constitute a quorum. Action may be taken and motions and resolutions adopted at any meeting of the Bank by the affirmative vote of at least three directors. A vacancy in the directorship of the Bank does not impair the right of a quorum of the directors to exercise all the powers and perform all the duties of the Bank.

The Bank's membership is as follows:

MATTHEW D. BOUCHER, CHAIRMAN; TERM EXPIRES JULY 1, 2019.

Mr. Boucher, a resident of Manchester, New Hampshire is Vice President at Airmar Technology Corporation, responsible for production, purchasing, and finance. For ten years prior, he was a Vice President in the Investment Management Division of Goldman Sachs where he specialized in credit analysis and trading of investment grade and high yield corporate bonds and credit derivatives. Mr. Boucher constructed portfolios and helped to manage over $50 billion of securities on behalf of mutual funds, pension funds, hedge funds, insurance companies, corporations, and government entities. Mr. Boucher holds a BSE in Civil Engineering and Operations Research from Princeton University.

KEITH QUINTON, VICE-CHAIRMAN; TERM EXPIRES JULY 1, 2020.

Mr. Quinton, a resident of Hanover, New Hampshire, had over 30 years of experience in the investment industry before retiring from Fidelity Investments in 2014. Prior to joining Fidelity, Mr. Quinton was a vice president and quantitative analyst at MFS Investment Management from 2000 to 2001. From 1997 to 2000, he was a senior quantitative analyst at Santander Global Advisors, and from 1995 to 1997 Mr. Quinton was senior vice president in the quantitative equity research department at Putnam Investments. From 1988 to 1989, he was an equity strategist for Eberstadt Fleming and from 1989 to 1995 served as a vice president at Falconwood Securities Corporation, where he was responsible for all aspects of investment management for a $100 million trust fund. Mr. Quinton began his career in the investment industry as a senior quantitative analyst at Drexel Burnham Lambert in 1983. Mr. Quinton earned a Bachelor of Arts degree in Russian from Dartmouth College in 1980 and an MBA from the Amos Tuck School of Business Administration at Dartmouth College in 1982. Mr. Quinton is a Chartered Financial Analyst (CFA) charter holder.

MARK DECOTEAU, TREASURER; TERM EXPIRES OCTOBER 9, 2020.

Mr. Decoteau, a resident of Thornton, New Hampshire, brings over 20 years of experience in municipal finance and administration to the Bank. In 1995, Mr. Decoteau began his municipal career in New Hampshire as the Town Administrator for the Town of Farmington, New Hampshire. He was the Finance Director for the City of Rochester, New Hampshire, for three years and since December 2001 has served as the Town Manager for the Town of Waterville Valley, New Hampshire. In addition, Mr. Decoteau currently serves as a member of the Executive Committee and the Training Committee for the New Hampshire Government Finance Officers Association (NHGFOA). He is also a past president of the NHGFOA. Mr. Decoteau holds a Bachelor of Science in Engineering from the United States Military Academy, West Point, New York and a Master's in Public Administration from John Jay College, New York City.

MARIAN ALESE; TERM EXPIRES JULY 1, 2017.

Ms. Alese, a resident of Milford, New Hampshire, brings over two decades of public finance experience to the Bank. In 1997, Ms. Alese started as an Assistant Business Administrator for Contoocook Valley Regional School District and currently serves as the Business Administrator for the School District. In addition, Ms. Alese currently serves as a member of the Executive Board for the New Hampshire Association of School Business Administrators where her tenure includes work in the design and delivery of the curriculum required for those individuals seeking certification as a Business Administrator under the New Hampshire Department of Education's Alternative IV process. Ms. Alese completed undergraduate and graduate work in Business Administration at Southern New Hampshire University and has held Certification as a New Hampshire Business Administrator since 2002.

WILLIAM F. DWYER; STATE TREASURER, EX-OFFICIO.

Mr. Dwyer was elected State Treasurer on December 3, 2014. He previously served as Commissioner of the New Hampshire State Treasury, with responsibility for over $300 million of daily liquidity, over $1 billion of general obligation bonding, and all Treasury financial management activities (including the Division of Abandoned Property), as well as participation on several statutory commissions. Mr. Dwyer has been with the State Treasury since 2010 and served as Deputy State Treasurer prior to being appointed Commissioner in March 2014. He has over 30 years of experience in accounting, banking, finance, capital markets, strategic planning and commercial real estate tax consulting. He earned an MBA in finance with a concentration in the management of financial services from Boston University and a BS in accounting and business administration from Atlantic Union College. Mr. Dwyer also serves on the Board of Directors of Nashua Children's Home.

SHEILA M. ST. GERMAIN, EXECUTIVE DIRECTOR AND SECRETARY

Ms. St. Germain, a resident of Concord, has been with the Bank since 1988. During this time, she has worked closely with dozens of New Hampshire communities in the issuance of their bonds, bond anticipation notes and tax anticipation notes. Prior to this, she was employed by the New Hampshire Municipal Association and the Cities of Dover, Rochester and Somersworth. Ms. St. Germain received her Bachelor of Science in Accounting from Bentley College, Waltham, Massachusetts.

Ms. St. Germain has announced her retirement from the Bank, effective April 24, 2017. The Board has elected Tammy J. St. Gelais, the current Deputy Director of the Bank, as the new Executive Director, effective on such date.

Revenue Bond Programs of the Bank

Effective September 4, 1979, the State Legislature enacted the "New Hampshire Public Utility Bond Financing Chapter," the stated purpose of which is to encourage and assist the State's public utilities in the financing of facilities for the manufacture and generation of energy and the furnishing of water by making funds available at reduced interest costs. Such chapter authorizes the Bank to lend money to public utilities through the purchase by the Bank of utility bonds. The Bank, pursuant to its by-laws, has established a separate division to administer its public utilities program. The Bank, through its public utilities division, has issued public utility bonds in the aggregate amount of $6,200,000 of which none are currently outstanding.

Effective August 29, 1981, the State Legislature enacted the "New Hampshire Municipal Bond Bank Small Scale Power Facility Act," to encourage municipalities to pursue their independent development of small scale power facilities for the production of electric power by assisting them in the financing of such facilities including those which produce electrical energy solely by the use, as a primary energy source, of biomass, waste, geothermal energy, and renewable resources including but not limited to the flow of water, or any combination thereof and which have a rated capacity of not more than 80 megawatts. The act authorized the Bank to lend money to municipalities (counties, cities, towns and village districts) through the purchase by the Bank of municipal small scale power facility general obligation or revenue bonds. The act also established a separate small scale power facility division. To date, the Bank has taken no action pursuant to such act.

Effective February 19, 1982, the State Legislature enacted the "New Hampshire Municipal Bond Bank Educational Institutions Bond Financing Act," to assist certain elementary or secondary education institutions to finance the construction and improvement of their facilities. The act provides that the Bank may assist any public or other nonprofit institution within the State that is approved by the State Board of Education as a public academy and empowered to provide a program of education at the elementary or secondary level to students whose tuition costs are paid by the municipalities or school districts in that is the students reside, or any other institution that provides a program of education within the state that is preparatory for secondary, post-secondary or higher education. The Bank is authorized to issue bonds for the purpose of making loans to such education institutions through the purchase by the Bank of education institution bonds. The act established a separate education institutions division. The Bank, through its educational institutions division, has previously issued educational institution bonds in the aggregate amount of $52,420,000, of which none is currently outstanding.

The acts described in the preceding paragraphs provide that bonds or notes issued by the Bank under those acts to finance public utility projects, small scale power facilities or educational facilities must be secured separately from the Bonds or any bonds or notes issued under the Resolutions, and, in each case, from any bonds or notes issued through the separate divisions established for the other programs.

In addition, the Bank has the authority to issue bond anticipation notes under the Act pursuant to a series of special note resolutions. The proceeds of bond anticipation notes issued by the Bank are used to purchase the general obligation bond anticipation notes of individual Governmental Units. Bond anticipation notes issued by the Bank are not general obligations of the Bank and do not constitute a pledge of the faith and credit or the taxing power of the State of New Hampshire. The Bank is obligated to pay the principal of and interest on such notes solely from the revenues pledged for their payment in accordance with the respective special note resolutions and loan agreements pursuant to which they were issued. Currently, there are no such notes outstanding.

LOAN AGREEMENTS AND MUNICIPAL BONDS PAYMENTS

Each Loan Agreement, under which a Loan is to be made to a Governmental Unit, must comply with certain terms and conditions, including the following:

(i) The Governmental Unit that is a party to such Loan Agreement must be a Governmental Unit as defined by the Resolution and the Loan Agreement must be executed in accordance with existing laws;

(ii) The Governmental Unit, prior to or simultaneously with the issuance of corresponding Loan Obligations by the Bank, shall issue Municipal Bonds that are valid general obligations of the Governmental Unit;

(iii) The Municipal Bonds Interest Payments to be made by the Governmental Unit under such Loan Agreement shall not be less than the amount of interest the Bank is required to pay on the Loan Obligations and shall be scheduled by the Bank in such manner and at such times (notwithstanding the dates of payment as stated in the Municipal Bonds) as to provide funds sufficient to pay interest on the corresponding Loan Obligations as the same become due and shall be paid to the Bank at least five business days prior to the due date;

(iv) The Municipal Bonds Principal Payments to be made by the Governmental Unit under such Loan Agreement shall be scheduled by the Bank in such manner and at such times (notwithstanding the dates of payment as stated in the Municipal Bonds) as to provide funds sufficient to pay the principal of the corresponding Loan Obligations as the same mature and shall be paid to the Bank at least five business days prior to the due date;

(v) The Governmental Unit shall be obligated to pay Fees and Charges to the Bank;

(vi) The Governmental Unit shall be obligated to make the Municipal Bonds Principal and Interest Payments scheduled by the Bank on such annual or semiannual basis or upon such other basis as the Bank shall determine; and

(vii) The Loan Agreement prohibits the sale or redemption of Municipal Bonds except under certain conditions (see "SUMMARY OF CERTAIN PROVISIONS OF THE 1978 RESOLUTION - MISCELLANEOUS RESOLUTION PROVISIONS - Sale of Municipal Bonds by Bank") and states that no sale or redemption of Municipal Bonds shall be effected without the prior written agreement and consent of the parties to the Loan Agreement.

SUMMARY OF CERTAIN PROVISIONS OF THE 1978 RESOLUTION

The following is a summary of certain provisions of the 1978 Resolution, reference to each of which is made for the full and complete text of their provisions.

Funds and Accounts

The 1978 Resolution establishes the following special Funds and Accounts held by the Trustee:

(1) General Fund - comprised of the:
  (a) General Account
  (b) Operating Account
  (c) Interest Account
  (d) Principal Account
  (e) Redemption Account
(2) Reserve Fund

The General Fund (and the Accounts within such General Fund) and the Reserve Fund established under the 1978 Resolution are separate and distinct and are segregated by the Trustee from the General Funds (and the Accounts within such General Fund) and the Reserve Funds established under the 1979 Resolution and the 2005 Resolution.

General Fund

General Account - The 1978 Resolution provides for the deposit to the General Account of: (i) any income or interest earned by the Reserve Fund due to the investment thereof (provided a transfer will not reduce the amount of such Reserve Fund below the Required Debt Service Reserve); (ii) the balance of moneys remaining in the Redemption Account when the Trustee is able to purchase principal amounts of bonds at the purchase price less than an amount equal to the proceeds from the sale or redemption of Municipal Bonds; and (iii) the excess of proceeds resulting from a Governmental Unit's redemption of its Municipal Bonds.

The 1978 Resolution provides for the following withdrawals to be made from the General Account, for the following purposes:

(i) On or before each interest payment date of Bonds, the Trustee shall withdraw from the 1978 General Account and deposit in the Interest Account an amount which, when added to the amount then on deposit in the Interest Account and after giving effect to all other deposits made therein pursuant to the 1978 Resolution, will on such interest payment date be equal to all amounts necessary to pay the interest, if any, then falling due on such Bonds. On or before each principal payment date of Bonds, the Trustee shall withdraw from the General Account and deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account and after giving effect to all other deposits made therein pursuant to the 1978 Resolution, will on such principal payment date be equal to all amounts necessary to pay the principal then falling due on such Bonds.

(ii) After providing for the payment to the Interest Account and on or before each interest payment date, the Trustee shall withdraw from the General Account and deposit in the Operating Account the aggregate of the amount requisitioned by the Bank as of such interest payment date for the six-month period to and including the next succeeding interest payment date, for the purposes of paying the estimated Administrative Expenses of the Bank and the fees and expenses of the Trustee and paying agents due and to become due during such six-month period.

(iii) After providing for the aforementioned withdrawals and as of the last day of each Fiscal Year, the Trustee shall withdraw from the balance of the moneys so remaining in the General Account and deposit to the credit of the Reserve Fund such amount (or the balance of the moneys so remaining in the General Account if less than the required amount) as shall be required to bring the Reserve Fund up to the Required Debt Service Reserve.

(iv) After providing for all the aforementioned payments required to have been made during such Fiscal Year and as of the last day of each Fiscal Year, the Trustee shall not later than the twentieth day of the succeeding Fiscal Year withdraw from the General Account and pay to the Bank for any of its lawfully authorized purposes the balance of the moneys remaining in the General Account, provided, however, that the Bank, in its absolute discretion may direct the Trustee to deposit any or all of the balance to be withdrawn from such General Account to the credit of the Redemption Account and the payment to the Bank of such balance shall be reduced accordingly.

The Operating Account - The 1978 Resolution provides that all Fees and Charges received by the Trustee shall be deposited upon receipt in the Operating Account. Such Fees and Charges collected from Governmental Units shall be used, together with the deposits made to the Operating Account from the General Account, as described above, and any other moneys which may be made available to the Bank for the purposes of the Operating Account from any source or sources, including the amount received as a premium over the principal amount of a series of bonds, to pay: (i) Administrative Expenses of the Bank and the fees and expenses of the Trustee and paying agents, and (ii) financing costs with respect to a series of bonds. Moneys at any time held for the credit of the Operating Account shall be used for and applied solely to such purposes. The 1978 Resolution further provides that payments from the Operating Account shall be made (i) by the Trustee upon receipt of a requisition signed by an authorized officer, describing each payment and specifying that each item is a proper charge against the moneys in the Operating Account, or (ii) by the Bank from a revolving fund established from payments from the Operating Account for the purpose of paying certain expenses.

The Interest Account and Principal Account – The 1978 Resolution provides that the Trustee shall credit to the Interest Account such portion of the Municipal Bonds Payments as shall represent Municipal Bonds Interest Payments, and to the Principal Account such portion of the Municipal Bonds Payments as shall represent Municipal Bonds Principal Payments, subject to certain exceptions. In addition, accrued interest received from the proceeds of the sale of Bonds shall be deposited to the Interest Account. The moneys in the Interest Account and the Principal Account shall be used solely for the purposes of paying the principal of, redemption price of, Sinking Fund Installments, if any, and interest on, the 1978 Resolution Bonds.

The 1978 Resolution further provides that in the event there shall be, on any interest payment date, a deficiency in the Interest Account, or in the event there shall be, on any principal payment date, a deficiency in the Principal Account, the Trustee shall make up such deficiencies from the Reserve Fund by the withdrawal of moneys therefrom for that purpose.

The Redemption Account – The 1978 Resolution provides that the Trustee shall establish in the Redemption Account a separate sub-account for the bonds of each series outstanding. Moneys held in each such separate sub-account by the Trustee shall be applied to the purpose of retirement of the bonds of the series in respect of which such sub-account was created. Moneys for the redemption of bonds may be deposited in the Redemption Account from the General Account at the direction of the Bank as provided above in Paragraph (iv), under the caption "General Account," and, if at any time upon the payment or retirement of bonds at maturity or upon the purchase or redemption of bonds, the moneys and securities in the Reserve Fund are in excess of the Required Debt Service Reserve and the use or transfer of such excess is not otherwise provided for in the 1978 Resolution, the Trustee, upon the request of the Bank, shall transfer such excess to the sub-account in the Redemption Account. In the event Municipal Bonds or other obligations securing a Loan shall be sold by the Bank in accordance with the terms of the Loan Agreement, or redeemed by the Governmental Unit, the Bank shall deposit the proceeds from such sale or redemption, except an amount therefor equal to the cost and expenses of the Bank in effectuating the redemption of the Bonds to be redeemed upon such sale by the Bank or redemption by the Governmental Unit, into the sub-account in the Redemption Account; and the Trustee, upon the written request of the Bank signed by an Authorized Officer, further shall, in connection with each such event, withdraw from the Reserve Fund and deposit in the sub-account in the Redemption Account an amount of moneys equal to the amount of the reduction of the Required Debt Service Reserve which would result upon the redemption of such Bonds upon the next succeeding redemption date.

If at any time the moneys on deposit to the credit of the Reserve Fund, or the investments thereof, are less than the Required Debt Service Reserve, and there are then moneys on deposit in any sub-account in the Redemption Account resulting from moneys credited thereto from the General Account at the direction of the Bank or from excess moneys which have been previously transferred from the Reserve Fund to the Redemption Account resulting from the retirement of Bonds, there shall be withdrawn from such sub-accounts and deposited to the credit of the Reserve Fund an amount sufficient (or all of the moneys in said sub-accounts if less than the amount sufficient) to make up such deficiency.

Reserve Fund

The Reserve Fund securing 1978 Resolution Bonds shall be held by the Trustee. The Bank shall pay into the Reserve Fund: (i) such portion of the moneys appropriated and made available by the State and paid to the Bank for the purposes of the Reserve Fund; (ii) all moneys paid to the Bank pursuant to the Act for the purpose of restoring the Reserve Fund to the amount of the Required Debt Service Reserve; (iii) such portion of the proceeds of the sale of bonds, if any, as shall be provided by the series resolution authorizing the issuance thereof; (iv) such portion of the proceeds of the sale of notes, if any, as shall be provided by the resolution of the Bank authorizing the issuance thereof; and (v) any other moneys which may be made available to the Bank for the purposes of the Reserve Fund from any other source or sources. The Trustee shall deposit in and credit to the Reserve Fund all moneys transferred from the General Account and all moneys transferred from the Redemption Account as above provided.

Moneys and securities held for the credit of the Reserve Fund shall be transferred by the Trustee to the Interest Account and Principal Account at the times and in the amounts required in the event there shall be, on any interest payment date, a deficiency in the Interest Account, or in the event there shall be, on any principal payment date, a deficiency in the Principal Account. On or before each principal payment date of 1978 Resolution Bonds, the Trustee shall transfer from the Reserve Fund to the Principal Account an amount equal to the principal amount of such bonds representing Reserve Fund Obligations falling due on such principal payment date. Any income or interest earned by the Reserve Fund due to the investment thereof shall be transferred by the Trustee promptly to the General Account, but only to the extent that any such transfer will not reduce the amount of such Reserve Fund below the Required Debt Service Reserve. If, at any time upon the payment or retirement of bonds at maturity or upon purchase or redemption, the moneys and securities in the Reserve Fund are in excess of the Required Debt Service Reserve, and the use or transfer of such excess is not otherwise provided for in the 1978 Resolution, the Trustee, upon the written request of the Bank signed by an authorized officer, shall transfer such excess to and deposit the same in the sub-account in the Redemption Account. Whenever the Bank shall sell, or whenever a Governmental Unit shall redeem, Municipal Bonds requiring the purchase or redemption of 1978 Resolution Bonds that would result in the reduction of the Required Debt Service Reserve upon the purchase or redemption of such 1978 Resolution Bonds, the Trustee, upon the written request of the Bank signed by an authorized officer, shall, in connection with each such event, withdraw from the Reserve Fund and deposit in the sub-account in the Redemption Account an amount of moneys equal to the amount of the reduction of the Required Debt Service Reserve which would result upon the redemption of such 1978 Resolution Bonds upon the next succeeding redemption date.

Investment of Funds

The 1978 Resolution provides that all moneys held by the Trustee shall be continuously and fully secured, for the benefit of the Bank and the holders of the 1978 Resolution Bonds. Moneys in the Funds and Accounts held by the Trustee shall be invested upon the direction of the Bank in Investment Securities the maturity or redemption date at the option of the holder of which shall coincide as nearly as practicable with the times at which moneys in such Funds and Accounts will be required for the purposes provided in the 1978 Resolution.

"Investment Securities" shall mean any of the following obligations: (a) direct obligations of the United States of America or direct obligations of the State or obligations for which the faith and credit of the United States of America or the State is pledged to provide for the payment of the principal and interest, (b) any bond, debenture, note, participation or other similar obligation issued by the Federal National Mortgage Association, to the extent such obligations are guaranteed by the Government National Mortgage Association, and (c) any other obligation of the United States of America or any Federal agencies which may then be purchased with funds belonging to the State or held in the State Treasury.

In lieu of the investment of moneys in Investment Securities, the Trustee shall upon direction of the Bank deposit moneys from any Fund or Account held by the Trustee under the terms of the 1978 Resolution in, to the extent permitted by law, interest-bearing deposits, or shall make other similar banking arrangements, with itself or a member bank or banks of the Federal Reserve System or banks the deposits of which are insured by the Federal Deposit Insurance Corporation; provided, that all moneys in each such interest-bearing deposit or other similar banking arrangement shall be continuously and fully secured by direct obligations of the United States of America or of the

State or the Bank or obligations for which the faith and credit of the United States of America or the State is pledged to provide for the payment of principal and interest, of a market value equal at all times to the amount of the deposit or of the other similar banking arrangement.

Additional Bonds

The 1978 Resolution provides that the Bank shall not hereafter create or permit the creating of or issue any obligations or create any additional indebtedness that will be secured by a charge or lien on the Municipal Bonds and the Municipal Bonds Payments or that will be payable from the General Fund or Reserve Fund, except that additional series of bonds may be issued from time to time pursuant to a series resolution and secured by an equal charge and lien on the respective Municipal Bonds and the respective Municipal Bonds Payments, and payable equally and ratably from the General Fund and Reserve Fund for the purposes of (i) making Loans to Governmental Units, (ii) making payments into the Interest Account, Operating Account or Reserve Fund, (iii) the funding of notes theretofore issued by the Bank to provide funds to make Loans, and (iv) subject to the provisions and limitations on the issuance of refunding bonds, the refunding of any bonds then Outstanding, under the conditions and subject to the limitations stated below.

No additional series of bonds shall be issued under the 1978 Resolution unless:

(i) the principal amount of the additional bonds then to be issued, together with the principal amount of the bonds and notes of the Bank theretofore issued, will not exceed in aggregate principal amount any limitation thereon imposed by law;

(ii) there is at the time of the issuance of such additional bonds no deficiency in the amounts required by the 1978 Resolution or any applicable Series Resolution to be paid into the General Fund and into the Reserve Fund;

(iii) the amount of the Reserve Fund, upon the issuance and delivery of such additional bonds and the deposit in such Reserve Fund of any amount provided therefor in the series resolution authorizing the issuance of such additional bonds, shall not be less than the Required Debt Service Reserve;

(iv) the provisions of Section 12 of the Act providing for the maintenance of the Reserve Fund in an amount equal to the Required Debt Service Reserve by the appropriation and payment of moneys by the State for such purpose shall not have been repealed or amended to the detriment of bondholders; and

(v) the maturities of the additional bonds then being issued representing Loan Obligations, unless such additional bonds are being issued to refund Outstanding Bonds, shall be not less than the scheduled applicable Municipal Bonds Principal Payments to be made in respect of the Loans with respect to which such additional bonds are to be issued.

The Bank expressly reserves the right to adopt one or more other general bond resolutions and reserves the right to issue notes and any other obligations as long as the same are not a charge or lien on the Municipal Bonds, the Municipal Bonds Payments and the Fees and Charges, or payable from the General Fund created pursuant to the 1978 Resolution.

Refunding Bonds

All or part of one or more series of refunding bonds may be issued to refund all Outstanding Bonds or all or any part of one or more series of 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 redemption and either (i) moneys sufficient to effect payment at the applicable redemption price of the Bonds to be refunded, together with interest accrued to the Redemption Date, or (ii) direct obligations of the United States of America which by their terms will comply with the provisions of the 1978 Resolution relative to defeasance of bonds, together with any other moneys, if required.

If the principal amount of the refunding bonds of a series shall exceed the principal amount of the Outstanding Bonds refunded thereby, from and after the delivery of such series of refunding bonds, the Trustee shall make appropriate adjustment between the Interest Account and the Principal Account when disbursing and applying Municipal Bonds Payments deposited in the General Fund pursuant to the provisions of the 1978 Resolution to the end that such portion of the Municipal Bonds Payments as shall represent Municipal Bond Interest Payments not required for deposit in the Interest Account for the purpose of paying interest accruing upon the Bonds shall be deposited in the Principal Account. Any surplus which might result upon and after such deposit shall be disposed of in the manner specified in the series resolution authorizing such refunding bonds.

Miscellaneous Resolution Provisions

Modification of Loan Agreement Terms - The Bank shall not consent to the modification of, or modify, the rate or rates of interest of, or the amount or time of payment of any installment of principal or interest of any Municipal Bonds evidencing a Loan, or the amount or time of payment of any Fees and Charges payable with respect to such Loans, or the security for or any terms or provisions of such Loans or the Municipal Bonds evidencing the same, in a manner which adversely affects or diminishes the rights of the bondholders; provided, however, that, in the event the Loan Obligations are being or have been refunded and the refunding bonds therefor are in a principal amount in excess of or less than the principal amount of the bonds refunded, the Bank may consent to the modification of and modify the Loan Agreement relating to such Loan and the Municipal Bonds evidencing the same, and the Municipal Bonds Payments to be made thereunder so long as such Municipal Bonds Payments are sufficient in amount and payable at the times required for the payment of the principal of and interest on such refunding bonds.

Sale of Municipal Bonds by Bank - The Bank shall not sell any Municipal Bonds prior to the date on which all Outstanding Bonds issued with respect to the applicable Loan are redeemable, and shall not after such date sell any such Municipal Bonds unless the sales price thereof received by the Bank shall not be less than the aggregate of (i) the principal amount of the Loan Obligation so to be redeemed, (ii) the interest to accrue on the Loan Obligation so to be redeemed to the next redemption date thereof not previously paid, (iii) the applicable premium, if any, payable on the Loan Obligation so to be redeemed, (iv) the costs and expenses of the Bank in effecting the redemption of the Loan Obligation so to be redeemed, if any, and (v) at the direction of the Bank, an amount equal to the proportionate amount of Reserve Fund Obligations so to be redeemed, if any, which were issued by the Bank with respect to such Loan Obligation, less the amount of moneys or investments available for withdrawal from the Reserve Fund and for application to the redemption of such bonds in accordance with the terms and provisions of the 1978 Resolution, as determined by the Bank; provided, however, that, in the event the Loan Obligation has been refunded and the refunding bonds therefor were issued in a principal amount in excess of or less than the Loan Obligation remaining unpaid at the date of issuance of such refunding bonds, the required amount to be included in such sales price under item (i) above shall be the principal amount of such refunding bonds Outstanding. In the event the Loan Obligation has been refunded and the interest the Bank is required to pay on the refunding bonds thereafter is less than the interest the Bank was required to pay on the Loan Obligation, the required amount to be included in such sales price in item (ii) above shall be the amount of interest to accrue on such refunding bonds Outstanding. Each Loan Agreement states that no sale or redemption of Municipal Bonds shall be effected without the prior written agreement and consent of the parties to such Loan Agreement.

Certain Other Covenants

Certain other covenants made by the Bank in the 1978 Resolution are those related to the following matters:

Accounts and Reports - The Bank shall keep, or cause to be kept, proper books of record and account in which complete and correct entries shall be made of its transactions relating to all Municipal Bonds Payments, Municipal Bonds, the Fees and Charges and all Funds and Accounts established by the 1978 Resolution, which shall at all reasonable times be subject to the inspection of the Trustee and the holders of an aggregate of not less than five per centum (5%) in principal amount of bonds then outstanding under the 1978 Resolution or their representatives duly authorized in writing.

The Bank shall annually, on or before the last day of December in each year, file with the Trustee a copy of an annual report for the preceding Fiscal Year, accompanied by an Accountant's Certificate, setting forth in complete and reasonable detail: (a) its operations and accomplishments; (b) its receipts and expenditures during such Fiscal Year in accordance with the categories or classifications established by the Bank for its operating and capital outlay purposes; (c) its assets and liabilities at the end of such Fiscal Year, including a schedule of its Municipal Bonds Payments, Municipal Bonds, Fees and Charges and the status of reserve, special or other funds and the Funds and Accounts established by the 1978 Resolution; and (d) a schedule of its Outstanding Bonds and other obligations outstanding at the end of such Fiscal Year, together with a statement of the amount paid, redeemed and issued during such Fiscal Year.

Budgets - The Bank shall, at least sixty (60) days prior to the beginning of each Fiscal Year, prepare and file in the office of the Trustee a preliminary budget covering its fiscal operations for the succeeding Fiscal Year which shall be open to inspection by any bondholder. The Bank shall also prepare a summary of such preliminary budget and on or before forty-five (45) days prior to the beginning of each Fiscal Year mail a copy thereof to any bondholder who shall have filed his name and address with the Bank for such purpose.

The Bank shall adopt and file an annual budget covering its fiscal operations for the succeeding Fiscal Year not later than June 1 of each year, which budget shall be open to inspection by any bondholder. In the event the Bank shall not adopt an annual budget of the succeeding Fiscal Year on or before June 1, the budget for the preceding Fiscal Year shall be deemed to have been adopted and be in effect for such fiscal year until the annual budget for such fiscal year shall have been adopted as above provided. The Bank may at any time adopt an amended annual budget in the manner provided in the Act as then amended.

Personnel and Servicing of Programs - The Bank shall at all times appoint, retain and employ competent personnel for the purposes of carrying out its respective programs and shall establish and enforce reasonable rules, regulations, tests and standards governing the employment of such personnel at reasonable compensation, salaries, fees and charges and all persons employed by the Bank shall be qualified for their respective positions.

The Bank may pay to the respective State agency, municipality or political subdivision of the State from the applicable Operating Account such amounts as are necessary to reimburse the respective State agency, municipality or political subdivision of the State for the reasonable costs of any services performed for the Bank.

Defaults and Remedies

Defaults - The Trustee shall be and by the 1978 Resolution is vested with all of the rights, powers and duties of a trustee appointed by bondholders pursuant to Section 15 of the Act, and the right of bondholders to appoint a trustee pursuant to subsection I of Section 15 of the Act is abrogated in accordance with the provisions of subsection XVIII of Section 9 of the Act.

The 1978 Resolution declares each of the following events an "event of default":

(i) if the Bank shall default in the payment of the principal or Redemption Price of, or Sinking Fund Installment for, or interest on, any 1978 Resolution Bond when and as the same shall become due, whether at maturity or upon such call for redemption, and such default shall continue for a period of thirty (30) days; or,

(ii) if the Bank shall fail or refuse to comply with the provisions of Section 12 of the Act, or such amounts as shall be requested by the Chairman of the Bank to the Chairman of the House Appropriations Committee of the General Court pursuant to such provisions of the Act shall not be appropriated and paid to the Bank prior to the termination of the then current State fiscal year; or,

(iii) if the Bank shall fail or refuse to comply with the provisions of the Act, other than as provided in (ii) above, or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part in the 1978 Resolution, any related series resolution, any related supplemental resolution, or contained in the applicable 1978 Resolution Bonds, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Trustee or the holders of not less than five per centum (5%) in principal amount of the Outstanding Bonds under the 1978 Resolution; provided, however, that an event of default shall not be deemed to exist under the provisions of this clause (iii) upon the failure of the Bank to make and collect Fees and Charges required to be made and collected by the provisions of the 1978 Resolution or upon the failure of the Bank to enforce any obligation undertaken by a Governmental Unit pursuant to a Loan Agreement including the making of the stipulated Municipal Bonds Payments so long as the Bank may be otherwise directed by law and so long as the Bank shall be provided with moneys from the State or otherwise, other than withdrawals from or reimbursements of the Reserve Fund, sufficient in amount to pay the principal of and interest on all 1978 Resolution Bonds as the same shall become due during the period for which the Bank shall be directed by law to abstain from making and collecting such Fees and Charges and from enforcing the obligations of a Governmental Unit under the Loan Agreement.

An event of default under the 1978 Resolution does not constitute an event of default under the 1979 Resolution, the 2005 Resolution or the QSCB Resolution, and vice versa.

Remedies - Upon the happening and continuance of any event of default specified in paragraph (i) above, the Trustee shall proceed, or upon the happening and continuance of any event of default specified in paragraphs (ii) and (iii) above, the Trustee may proceed, and upon the written request of the holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds under the 1978 Resolution with respect to which such event of default has occurred shall proceed, in its own name, to protect and enforce its right and the rights of the bondholders under the 1978 Resolution by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(i) by mandamus or other suit, action or proceedings at law or in equity, enforce all rights of such bondholders, including the right to require the Bank to make and collect Fees and Charges and Municipal Bonds Payments adequate to carry out the covenants and agreements as to, and pledge of, such Fees and Charges and Municipal Bonds Payments, and other properties and to require the Bank to carry out any other covenant or agreement with bondholders and to perform its duties under the Act;

(ii) by bringing suit upon such bonds;

(iii) by action or suit, to require the Bank to account as if it were the trustee of the express trust for the holders of such bonds;

(iv) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds; and,

(v) in accordance with the provisions of the Act, declare, upon the occurrence of an event of default under paragraph (i) above, all such bonds due and payable, and if all defaults shall be made good, then, with the written consent of the holders of not less than twenty-five per centum (25%) in principal amount of such Outstanding bonds, to annul such declaration and its consequences, provided, however, that as required by subsection V of Section 15 of the Act, before declaring the principal of the bonds due and payable, the Trustee shall first give thirty (30) days notice in writing to the Governor, to the Bank, to the State Treasurer and to the Attorney General of the State.

In the enforcement of any remedy under the 1978 Resolution, the Trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and any time remaining, due from the Bank for principal, redemption price, interest or otherwise, under any provision of the 1978 Resolution or a series resolution or of the bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such bonds, together with any and all costs and expenses of collection and of all proceedings thereunder and under such bonds, without prejudice to any other right or remedy of the Trustee or of the bondholders, and to recover and enforce a judgment or decree against the Bank for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

Priority of Payments after Default - In the event that the funds held by the Trustee and paying agents shall be insufficient for the payment of interest and principal or redemption price then due on the bonds, such funds (other than funds held for the payment or redemption of particular bonds or coupons 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, 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 any paying agent in the performance of their respective duties under the 1978 Resolution, shall be applied as follows:

(i) Unless the principal of all of the bonds issued under the 1978 Resolution shall have become or have 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 amount 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 1978 Resolution Bonds that 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 due on such bonds to the persons entitled thereto, without any discrimination or preference.

(ii) If the principal of all the 1978 Resolution Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon such 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 and coupons.

Modifications of Resolutions and Outstanding Bonds

The 1978 Resolution provides procedures whereby the Bank may amend the 1978 Resolution or a series resolution by adoption of a supplemental resolution. Amendments that may be made without the consent of bondholders must be for purposes of further securing the bonds issued pursuant to the 1978 Resolution, imposing further limitations on or surrendering rights of the Bank or curing ambiguities.

Amendments of the respective rights and obligations of the Bank and the bondholders may be made with the written consent of the holders of at least two-thirds in principal amount of the Outstanding bonds to which the amendment applies; but no such amendment shall permit a change in the term of redemption or maturity of the principal of any bond or of any installment of interest thereon or Sinking Fund Installment therefore, or a reduction in the principal amount or redemption price thereof, or the rate of interest thereon or reduce the percentages or otherwise affect the classes of bonds the consent of the holders of which is required to effect such amendment.

Amendments may be made in any respect with the written consent of the holders of all of the 1978 Resolution Bonds then Outstanding.

Defeasance

1) If the Bank shall pay or cause to be paid to the holders of all Outstanding 1978 Resolution Bonds, the principal or redemption price, if any, and interest to become due thereon, at the times and in the manner stipulated therein and in the 1978 Resolution, then, at the option of the Bank, expressed in an instrument in writing signed by an authorized officer of the Bank and delivered to the Trustee, the covenants, agreements and other obligations of the Bank to the bondholders under the 1978 Resolution shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Bank, execute and deliver to the Bank all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Bank all money, securities and funds held by them pursuant to the 1978 Resolution which are not required for the payment or redemption of 1978 Resolution Bonds not theretofore surrendered for such payment or redemption.

2) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Fiduciaries (through deposit by the Bank of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph 1 above. All outstanding bonds of any series shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in paragraph 1 above (a) in case of said bonds are to be redeemed on any date prior to their maturity, the Bank shall have given to the Trustee in form satisfactory to it, irrevocable instructions to publish as provided in the 1978 Resolution notice of redemption on said date of such bonds, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or direct obligations of the United States of America or the State or obligations for which the faith and credit of the United States of America or the State is pledged to provide for the payment of principal and interest, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or redemption price, if applicable, 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, and (c) in the event said bonds are not by their terms subject to redemption within the next succeeding 60 days, the Bank shall have given the Trustee in form satisfactory to it irrevocable instructions to publish, as soon as practicable, at least twice, at an interval of not less than seven days between publications, in an Authorized Newspaper, as defined in the 1978 Resolution, notice to the holders of such bonds that the deposit required by (b) above has been made with the Trustee and that said bonds are deemed to have been paid as provided herein and stating such maturity of redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said bonds. Neither direct obligations of the United States of America or moneys deposited with the Trustee pursuant to the provisions in the 1978 Resolution providing for defeasance nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest on said bonds; provided, however, that any cash received from such principal or interest payments on such direct obligations of the United States of America deposited with the Trustee, if not then needed for such purpose, shall, to the extent

practicable, be reinvested in direct obligations of the United States of America maturing at times and in amounts sufficient to pay when due the principal or redemption price, if applicable, and interest to become due on said bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Bank, as received by the Trustee, free and clear of any trust, lien or pledge.

3) Anything in the 1978 Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust of the payment and discharge of any of the bonds that remain unclaimed for six years after the date when such bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such bonds become due and payable, shall, at the written request of the Bank, be repaid by the Fiduciary to the Bank, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the bondholders shall look only to the Bank for the payment of such bonds; provided, however, that before being required to make any such payment to the Bank, the Fiduciary shall, at the expense of the Bank, cause to be published at least twice, at an interval of not less than seven days between publications, in an Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Bank.

CONTINUING DISCLOSURE

Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended, and officially interpreted from time to time (the "Rule"), provides that an underwriter may not purchase or sell municipal securities unless the issuer of the municipal securities, or another obligated person undertakes to provide continuing disclosure with respect to those securities, subject to certain exemptions. The Bank will covenant to provide continuing disclosure consistent with the terms of the Rule substantially in the form of the Continuing Disclosure Certificate set forth in Appendix E hereof. Other than the Bank, there are no obligated persons with respect to the Bonds within the meaning of the Rule.

The Bank is not aware of any failure to comply in the past five years, in any material respect, with any prior undertaking to provide continuing disclosure in accordance with the Rule. It should be noted, however, that with respect to the bonds issued under the 1979 Resolution (the “1979 Resolution Bonds”), as of August 2011, due to scheduled amortization of the 1979 Resolution Bonds, the outstanding debt of one Governmental Unit became more than 20% of the total outstanding debt issued pursuant to the 1979 Resolution, and accordingly, such Governmental Unit became an obligated person with respect to the 1979 Resolution Bonds. Annual financial information with respect to this Governmental Unit was not included in the Bank’s annual continuing disclosure filing until March 2014, the first filing after the Bank discovered this event. Such filing included the annual reports and audited financial statements of this Governmental Unit dating back to the year ended December 31, 2010.

The Bank has determined that any Governmental Unit obligated to pay, from time to time, 20 percent or more of the total outstanding debt service due on all bonds issued by the Bank under the 1978 Resolution will constitute an obligated person with respect to the Bonds as long as such Governmental Unit remains obligated to pay at least 20 percent of all debt service for bonds issued pursuant to the 1978 Resolution. The loan agreement with each Governmental Unit provides that to the extent a Governmental Unit becomes an obligated person with respect to the Bonds, it agrees to provide the Bank with the information necessary to enable the Bank to comply with the rule as in effect from time to time. At the present time, no Governmental Units are obligated persons with respect to the Bonds.

TAX EXEMPTION

In the opinion of Locke Lord LLP, Bond Counsel to the Bank (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, however, such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. Failure to comply with these requirements may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The Bank has covenanted to comply with such requirements to ensure that interest on the Bonds will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these covenants.

Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from the New Hampshire personal income tax on interest and dividends. Bond Counsel expresses no opinion regarding any other New Hampshire tax consequences arising with respect to the Bonds. Bond Counsel has not opined as to the taxability of the Bonds or the income therefrom under the laws of any state other than New Hampshire. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and is exempt from the New Hampshire personal income tax on interest and dividends. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Bondholders should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Bonds, or, in some cases, at the earlier redemption date of such Bonds ("Premium Bonds"), will be treated as having amortizable bond premium for federal income tax purposes and for purposes of the New Hampshire personal income tax on interest and dividends. No deduction is allowable for the amortizable bond premium in the case of obligations, such as the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, a Bondholder's basis in a Premium Bond will be reduced by the amount of amortizable bond premium properly allocable to such Bondholder. Holders of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Prospective Bondholders should be aware that certain requirements and procedures contained or referred to in the Resolutions and other relevant documents may be changed and certain actions (including, without limitation, defeasance of Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Prospective Bondholders should be aware that from time to time legislation is or may be proposed which, if enacted into law, could result in interest on the Bonds being subject directly or indirectly to federal income taxation, or otherwise prevent Bondholders from realizing the full benefit provided under current federal tax law of the exclusion of interest on the Bonds from gross income. To date, no such legislation has been enacted into law. However, it is not possible to predict whether any such legislation will be enacted into law. Further, no assurance can be given that any pending or future legislation, including amendments to the Code, if enacted into law, or any proposed legislation, including amendments to the Code, or any future judicial, regulatory or administrative interpretation or development with respect to existing law, will not adversely affect the market value and marketability of, or the tax status of interest on, the Bonds. Prospective Bondholders are urged to consult their own tax advisors with respect to any such legislation, interpretation or development.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from the New Hampshire personal income tax on interest and dividends, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondholder's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Bondholder or the Bondholder's other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Bondholders should consult with their own tax advisors with respect to such consequences.

RATINGS

S&P Global Ratings has assigned a rating of AA+ to the Bonds and Moody's Investors Service has assigned a rating of Aa2 to the Bonds. Said ratings only reflect the respective rating agency's views and are subject to revision or withdrawal, which could affect the market price of the Bonds.

BONDS AS LEGAL INVESTMENTS

Under the provisions of Section 19 of the Act, the Bonds are made securities in which the State and all public officers, Governmental Units and agencies thereof, all banks, trust companies, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries, may legally invest any sinking funds, moneys or other funds belonging to them or within their control. Bonds or notes of the Bank are authorized security for any and all public deposits in the State of New Hampshire.

UNDERWRITING

Raymond James & Associates, Inc. has agreed, subject to certain conditions, to purchase from the Bank the Bonds described in this Official Statement at a purchase price, of $35,310,918.84 and to reoffer the Bonds at no greater than the initial public offering prices, or to produce yields no less than the initial yields, set forth on the inside cover page hereof, reflecting an Underwriter's discount of $116,532.46 including expenses. The Bonds may be offered and sold to certain dealers (including dealers depositing the Bonds into investment trusts) and other investors at prices lower than such public offering prices, and such prices may be changed from time to time, by the Underwriter. The Underwriter will be obligated to purchase all of the Bonds if any such Bonds are purchased.

LITIGATION

There is no controversy or litigation of any nature now pending against the Bank, or to the knowledge of the Bank, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceeding of the Bank taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security for the payment of the Bonds or the existence or powers of the Bank.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Grant Thornton LLP, a firm of independent certified public accountants, will deliver to the Bank, on or before the settlement date of the Bonds, its verification report indicating that it has verified, in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the escrow securities, to pay, when due, the maturing principal of, interest on and related call premium requirements of the Refunded Bonds and (b) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the Bonds will be excluded from gross income for federal income tax purposes.

Grant Thornton relied on the accuracy, completeness and reliability of all information provided by, and on all decisions and approvals of, the Bank and its retained advisors, consultants or legal counsel. Grant Thornton was not engaged to perform audit or attest services under AICPA auditing or attestation standards or to provide any form of attest report or opinion under such standards in conjunction with this engagement.

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APPROVAL OF LEGALITY

Legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Locke Lord LLP, Boston, Massachusetts, Bond Counsel to the Bank.

MISCELLANEOUS

The Bank's offices are located at 25 Triangle Park Drive, Suite 102, Concord, NH 03301, telephone (603) 271-2595. The financial statements of the Bank's municipal division for the year ended June 30, 2016 are included in "APPENDIX D - Audited Financial Statements of the Bank".

All quotations from, and summaries and explanations of, the Act, the 1978 Resolution and the Loan Agreements contained herein do not purport to be complete and reference is made to the Act, the 1978 Resolution and the Loan Agreements for full and complete statements of their provisions. The Appendices attached hereto are part of this Official Statement. Copies, in reasonable quantity, of the Act, the 1978 Resolution and the Loan Agreements, and the loan applications and supplemental material furnished to the Bank by the Governmental Units, may be obtained upon request directed to the Bank.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Bank and the purchasers or holders of any of the Bonds.

FirstSouthwest, a Division of Hilltop Securities Inc., Boston, Massachusetts has acted as Financial Advisor to the Bank with respect to the issuance of the Bonds.

The distribution of this Official Statement and its execution have been duly authorized by the Bank.

NEW HAMPSHIRE MUNICIPAL BOND BANK

By: Matthew D. Boucher
/s/ Matthew D. Boucher, Chairman

March 16, 2017

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APPENDIX A

DEFINITIONS

The following are definitions of certain of the terms that are used in either the Act and/or the 1978 Resolution and used in this Official Statement (but not otherwise defined herein) and have the following meanings unless the context shall clearly indicate some other meaning. In all instances, reference is made to the original documents, and definitions and usage contained therein.

"Accountant's Certificate" shall mean a certificate signed by a certified public accountant or a firm of certified public accountants of recognized standing selected by the Bank and satisfactory to the Trustee.

"Administrative Expenses" shall mean the Bank's expenses of carrying out and administering its powers, duties and functions, as authorized by the Act, and shall include, without limiting the generality of the foregoing: administrative and operating expenses, legal, accounting and consultant's services and expenses, payments to pension, retirement, health and hospitalization funds, and any other expenses required or permitted to be paid by the Bank under the provisions of the Act or the Resolutions or otherwise.

"Aggregate Debt Service" for any period shall mean, as of any date of calculation and with respect to all Bonds issued under the Resolution the sum of the amounts of Debt Service for such period.

"Debt Service" for any period shall mean, as of any date of calculation and with respect to any Series, and amount equal to the sum of (i) interest accruing during such period on Bonds of such Series, and (ii) that portion of Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, if there shall be no such preceding Principal Installment due date, from a date one year preceding the due date of such Principal Installment or from the date of delivery of such Series of Bonds if such date occurred less than one year prior to the date of such Principal Installment). Such interest and Principal Installments for such Series shall be calculated on the assumption that no Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof.

"Fees and Charges" shall mean all fees and charges authorized to be charged by the Bank pursuant to the terms and provisions of Loan Agreements.

"Fiduciary or Fiduciaries" shall mean the Trustee, any Paying Agent, or any or all of them as may be appropriate.

"Fiscal Year" shall mean any twelve (12) consecutive calendar months commencing with the first day of July and ending on the last day of the following June.

"Governmental Unit" shall mean any county, city, town, school district, village district or other body corporate and politic having the power to levy taxes.

"Governmental Unit's Allocable Proportion" shall mean the proportionate amount of the total requirement in respect of which the term is used determined by the ratio that the Loan then outstanding bears to the total of all Loans then outstanding under the Resolution.

"Loan" shall mean a loan heretofore or hereafter made by the Bank to a Governmental Unit pursuant to the Act and the applicable Series Resolution.

"Loan Agreement" shall mean an agreement heretofore or hereafter entered into pursuant to the applicable Series Resolution between the Bank and a Governmental Unit setting forth the terms and conditions of a Loan.

"Loan Obligation" shall mean that amount of Bonds issued by the Bank which shall be equal to the principal amount of Municipal Bonds outstanding of a Governmental Unit, as certified to the Trustee by the Bank.

"Municipal Bonds" shall mean the bonds or other evidence of debt issued by any Governmental Unit and payable from taxes but shall not include any bond or other evidence of debt issued by any other state or any public body or municipal corporation thereof. In the case of Municipal Bonds purchased from the proceeds of a State Guaranteed Municipal Bonds Issue series of Bonds, Municipal Bonds shall mean the bonds or other evidence of debt issued by any Governmental Unit payment of the principal and interest of which shall be guaranteed unconditionally by a pledge of the full faith and credit of the State, which bonds or other evidence of debt are authorized pursuant to the Act and other laws of the State and which have heretofore been or will hereafter be acquired by the Bank as evidence of indebtedness of a Loan to the Governmental Unit pursuant to the Act.

"Municipal Bonds Interest Payment" shall mean that portion of a Municipal Bonds Payment made or required to be made by a Governmental Unit to the Bank which represents the interest due or to become due on the Governmental Unit's Municipal Bonds.

"Municipal Bonds Principal Payment" shall mean that portion of a Municipal Bonds Payment made or required to be made by a Governmental Unit to the Bank which represents the principal due or to become due on the Governmental Unit's Municipal Bonds.

"Outstanding" shall mean Bonds theretofore or then being delivered under the provisions of a particular Resolution except: (i) any Bond canceled by the Trustee or any Paying Agent at or prior to such date, (ii) any Bonds for the payment or redemption of which moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held by the Trustee or the Paying Agents in trust (whether at or prior to the maturity or redemption date), provided that if such Bonds are to be redeemed, notice of such redemption shall have been given as provided in the applicable Resolution, (iii) any Bonds in lieu of or in substitution for which other Bonds shall have been delivered and (iv) Bonds deemed to have been paid as provided in subsection 2 of Section 1401 of the applicable Resolution.

"Principal Installment" shall mean, as of the date of calculation and with respect to any series so long as any bonds thereof are Outstanding, (i) the principal amount of Bonds of such Series due on a future date for which no sinking Fund Installments have been established, or (ii) the Sinking Funds Installment due on a future date for Bonds of such Series, or (iii) if such future dates coincide, the sum of such principal amount of Bonds and of such Sinking Fund Installment due on such future date, as provided in the applicable Series Resolution authorizing such Series of Bonds.

"Required Debt Service Reserve" shall mean, as of any date of calculation, the amount required to be on deposit in the respective Reserve Fund which amount shall be equal to the maximum amount of Principal Installments and interest maturing and becoming due in any succeeding calendar year on all Loan Obligations with respect to said Resolution then Outstanding as of such date of calculation.

"Reserve Fund Obligations" shall mean, with respect to a particular Resolution, the proportionate amount of Bonds issued by the Bank to obtain funds with which to establish and maintain the applicable Reserve.

GOVERNMENTAL UNITS AND THEIR MUNICIPAL BONDS

The Governmental Units named in 1994 Series B through 2016 Series C previously sold Municipal Bonds to the Bank.

Each loan agreement provides that, simultaneously with the delivery of the Governmental Unit's bond or bonds to the Bank, the Governmental Unit shall furnish to the Bank an opinion of bond counsel satisfactory to the Bank which shall set forth amoung other things that said Governmental Unit's bond or bonds will constitute valid general obligations of the Governmental Unit.

GOVERNMENTAL UNIT	PRINCIPAL AMOUNT	BALANCE OUTSTANDING 5/18/2017	SERIES MUNICIPAL BONDS FINAL MATURITY	NUMBER OF LOANS
1997 SERIES A - ISSUED ON JULY 10, 1997				
(Due August 15 and February 15)				
City of Franklin	3,089,000	100,000	2017	1
Town of Fremont	940,000	45,000	2017	1
Town of Milford	764,000	35,000	2017	1
City of Rochester	1,320,000	65,000	2017	1
Stewartstown School District	249,438	10,000	2017	1
	6,362,438	255,000		5
1998 SERIES A - ISSUED ON JULY 22, 1998				
(Due August 15)				
Town of Chester	499,000	50,000	2018	1
Town of Derry	1,840,000	100,000	2018	1
Hampton School District	1,770,000	265,000	2018	1
Town of Henniker	150,000	10,000	2018	1
City of Rochester	2,650,000	260,000	2018	1
Town of Salem	2,193,354	175,000	2018	1
	9,102,354	860,000		6
1999 SERIES A - ISSUED ON FEBRUARY 24, 1999				
(Due January 15)				
Central Hooksett Water Precinct	950,000	90,000	2019	1
Town of Derry	1,735,000	50,000	2019	1
Town of Peterborough	1,500,000	150,000	2019	1
Town of Hanover	5,100,000	2,920,000	2029	1
	9,285,000	3,210,000		4
1999 SERIES B - ISSUED ON JULY 22, 1999				
(Due August 15, July 15 and February 15)				
Town of New London	250,000	20,000	2018	1
Brookline School District	5,367,912	469,948	2019	1
City of Franklin	5,010,376	750,000	2019	1
Keene Union School District	17,500,000	2,625,000	2019	1
Town of New London	1,000,000	225,000	2019	1
Plainfield Village Water District	450,000	60,000	2019	1
City of Somersworth	1,610,000	240,000	2019	1
Timberlane Regional School District	32,000,000	4,800,000	2019	1
Wilton-Lyndeborough Cooperative	6,476,775	960,000	2019	1
	69,665,063	10,149,948		9

1999 SERIES C - ISSUED ON DECEMBER 16, 1999				
(Due January 15 and July 15)				
Town of Derry	1,890,000	275,000	2020	1
City of Dover	15,741,027	1,354,884	2019	1
Milford School District	10,895,000	1,630,000	2020	1
Pittsfield School District	5,300,000	795,000	2020	1
	33,826,027	4,054,884		4
2000 SERIES A - ISSUED ON JULY 20, 2000				
(Due August 15 and February 15)				
City of Lebanon	5,273,904	960,000	2020	1
Merrimack School District	5,915,851	1,180,000	2020	1
Town of Wolfeboro	1,113,500	220,000	2020	1
	12,303,255	2,360,000		3
2000 SERIES B - ISSUED ON DECEMBER 14, 2000				
(Due January 15 and December 15)				
Town of Derry	489,605	90,000	2021	1
Town of Jaffrey	1,500,000	300,000	2021	1
City of Somersworth	1,875,000	280,000	2021	1
	3,864,605	670,000		3
2001 SERIES A - ISSUED ON July 19, 2001				
(Due August 15 and February 15)				
Brentwood School District	4,410,000	731,177	2021	1
Dresden School District	1,100,000	275,000	2021	1
Town of Fremont	995,500	245,000	2021	1
Town of Henniker	575,000	125,000	2021	1
Hill School District	1,423,750	485,000	2021	1
Town of Jaffrey	750,000	175,000	2021	1
City of Laconia	9,788,000	2,435,000	2021	1
City of Lebanon	3,297,982	725,000	2021	1
	22,340,232	5,196,177		8
2002 SERIES A - ISSUED ON March 14, 2002				
(Due June 15)				
City of Dover	2,240,600	260,000	2022	1
	2,240,600	260,000		1
2002 SERIES B - ISSUED ON July 18, 2002				
(Due August 15)				
Chichester School District	1,600,000	105,000	2017	1
Town of Merrimack	4,075,000	270,000	2017	1
Town of Nottingham	474,000	30,000	2017	1
Town of Alexandria	500,000	150,000	2022	1
Town of Boscawen	1,200,000	360,000	2022	1
Gilford School District	16,997,033	5,095,000	2022	1
Town of Greenfield	1,306,000	385,000	2022	1
Greenland School District	6,473,415	1,920,000	2022	1
Hillsboro-Deering Coop. School District	14,750,000	4,410,000	2022	1
City of Laconia	2,783,375	600,000	2022	1
City of Lebanon	3,099,870	620,000	2022	1
Merrimack Village District	1,500,000	450,000	2022	1
Town of Webster	805,000	240,000	2022	1
Town of Whitefield	595,000	175,000	2022	1
	56,158,693	14,810,000		14

2002 SERIES C - ISSUED ON September 12, 2002				
(Due August 15)				
Town of Conway	1,178,250	75,000	2017	1
Barnstead School District	9,633,125	2,880,000	2022	1
Littleton Union School District	6,000,000	1,800,000	2022	1
	16,811,375	4,755,000		3
2002 SERIES E - ISSUED ON December 19, 2002				
(Due January 15)				
Town of Hanover	1,500,000	450,000	2023	1
Town of Hinsdale	862,620	165,000	2023	1
City of Laconia	4,123,300	1,230,000	2023	1
Town of Newmarket	3,500,000	1,050,000	2023	1
	9,985,920	2,895,000		4
2003 SERIES C - ISSUED ON July 17, 2003				
(Due August 15 and February 15)				
Town of Brookline	1,915,000	440,000	2023	1
Town of Canterbury	2,305,735	805,000	2023	1
Exeter Reg. Coop. School District	42,695,000	10,561,826	2023	1
City of Lebanon	2,887,830	525,000	2023	1
Town of Lee	600,000	210,000	2023	1
Merrimack School District	15,525,000	5,425,000	2023	1
Winchester School District	3,504,725	1,225,000	2023	1
	69,433,290	19,191,826		7
2003 SERIES D - ISSUED ON July 17, 2003				
(Due August 15)				
Androscoggin Valley Reg. Refuse District	14,000,000	4,900,000	2023	1
2003 SERIES E - ISSUED ON August 20, 2003				
(Due August 15 and February 15)				
Town of Brentwood	565,000	175,000	2023	1
Dresden School District	37,775,000	9,317,029	2023	1
	38,340,000	9,492,029		2
2003 SERIES F - ISSUED ON December 18, 2003				
(Due January 15)				
Town of Hollis	1,800,500	225,000	2019	1
Conway School District	42,120,000	12,910,000	2024	1
City of Laconia	2,244,000	770,000	2024	1
Town of Rindge	215,500	70,000	2023	1
	46,380,000	13,975,000		4

2004 SERIES B - ISSUED ON July 22, 2004				
(Due August 15 and February 15)				
Town of Carroll	544,300	200,000	2024	1
Town of Deering	527,500	200,000	2024	1
Town of Grantham	1,219,000	480,000	2024	1
Hampton Falls School District	1,168,000	610,000	2024	1
Hollis-Brookline School District	7,703,400	4,010,000	2024	1
Town of Jaffrey	287,500	110,000	2024	1
City of Lebanon	4,788,000	1,600,000	2024	1
Town of Lyme	508,900	200,000	2024	1
Town of New Durham	248,600	80,000	2024	1
Town of Salem	695,900	280,000	2024	1
Sanborn Regional School District	29,770,200	8,317,839	2024	1
Winnacunnet Cooperative School District	25,484,800	13,260,000	2024	1
	72,946,100	29,347,839		12
2004 SERIES C - ISSUED ON December 22, 2004				
(Due January 15 and July 15)				
Town of Hopkinton	761,500	150,000	2020	1
Town of Brentwood	500,000	200,000	2025	1
Dresden School District	4,000,000	1,192,313	2025	1
	5,261,500	1,542,313		3
2005 SERIES B - ISSUED ON July 21, 2005				
(Due August 15)				
Milton School District	4,097,790	1,080,000	2020	1
Fall Mountain Regional School District	1,911,965	800,000	2024	1
Town of Henniker	793,740	240,000	2024	1
Town of Canterbury	764,900	325,000	2025	1
Epping School District	12,072,350	6,830,000	2025	1
Town of Fremont	795,300	360,000	2025	1
Town of Hampton Falls	3,036,970	1,080,000	2025	1
Hinsdale School District	13,032,960	5,850,000	2025	1
Town of Hopkinton	467,990	195,000	2025	1
City of Lebanon	5,837,475	2,565,000	2025	1
Raymond School District	13,402,490	4,471,579	2025	1
	56,213,930	23,796,579		11
2005 SERIES C - ISSUED ON July 21, 2005				
(Due August 15)				
Town of Hudson	2,272,337	895,000	2025	1
Town of Hudson	18,872,663	9,940,000	2028	1
	21,145,000	10,835,000		2
2008 SERIES B - ISSUED ON December 18, 2008				
(Due January 15)				
Grafton County	972,800	190,000	2019	1
Town of East Kingston	941,400	545,000	2029	1
Grantham School District	7,092,100	4,255,000	2029	1
Plymouth Village Water & Sewer District	1,086,200	775,000	2029	1
	10,092,500	5,765,000		4

2009 SERIES D - ISSUED ON July 16, 2009				
(Due August 15)				
Governor Wentworth Regional School District	25,000,000	15,846,331	2039	1
2010 SERIES B - ISSUED ON July 22, 2010				
(Due August 15)				
Town of Lincoln	1,084,000	425,000	2020	1
Town of Rye	942,500	375,000	2020	1
Town of Wolfeboro	1,408,000	540,000	2020	1
Salem School District	6,986,000	4,350,000	2026	1
Town of Brentwood	1,551,000	1,075,000	2030	1
Town of Durham	1,384,000	750,000	2030	1
City of Lebanon	7,101,000	4,945,000	2030	1
Merrimack Village District	2,620,000	1,820,000	2030	1
Strafford School District	5,234,500	4,100,000	2030	1
Governor Wentworth Regional School District	32,508,500	21,084,846	2039	1
Union School District of Keene	36,933,500	24,041,004	2039	1
	97,753,000	63,505,849		11
2010 SERIES D - ISSUED ON DECEMBER 16, 2010				
(Due January 15)				
Town of Marlborough	200,000	80,000	2021	1
Plainfield School District	314,800	120,000	2021	1
Merrimack Village District	811,400	480,000	2026	1
Town of Jackson	735,250	500,000	2031	1
	2,061,450	1,180,000		4
2011 SERIES A - ISSUED ON MARCH 03, 2011				
(Due August 15)				
Winnisquam Regional School District	8,625,000	4,080,000	2021	1
2011 SERIES B - ISSUED ON JULY 21, 2011				
(Due August 15)				
Town of Exeter	2,896,200	1,445,000	2021	1
Town of Freedom	737,000	365,000	2021	1
Town of Bow	9,805,300	6,530,000	2026	1
City of Lebanon	8,372,500	6,170,000	2031	1
Town of North Hampton	715,000	580,000	2031	1
	22,526,000	15,090,000		5
2011 SERIES C - ISSUED ON SEPTEMBER 21, 2011				
(Due January 1)				
City of Somersworth	7,810,000	4,490,000	2026	1
2011 SERIES E - ISSUED ON DECEMBER 15, 2011				
(Due January 15)				
Pembroke School District	465,700	225,000	2022	1
Town of Wolfeboro	823,000	400,000	2022	1
Town of Brentwood	268,300	195,000	2032	1
Lebanon School District	23,650,600	17,730,000	2032	1
City of Claremont	7,452,400	6,705,000	2041	1
	32,660,000	25,255,000		5

2011 SERIES F - ISSUED ON DECEMBER 29, 2011				
(Due July 15)				
Chester School District	2,076,000	545,000	2018	1
City of Claremont	1,212,000	510,000	2020	1
Town of Epping	610,000	250,000	2020	1
Amherst School District	1,717,000	910,000	2021	1
	5,615,000	2,215,000		4
2012 SERIES B - ISSUED ON JULY 19, 2012				
(Due August 15)				
Brookline School District	386,400	225,000	2022	1
Plainfield School District	543,500	320,000	2022	1
Town of Brookline	1,362,400	1,160,000	2032	1
Town of Exeter	3,544,950	2,450,000	2032	1
City of Lebanon	4,734,900	3,270,000	2032	1
Town of Seabrook	971,000	770,000	2032	1
Unity School District	4,571,850	3,650,000	2032	1
	16,115,000	11,845,000		7
2012 SERIES C - ISSUED ON SEPTEMBER 26, 2012				
(Due February 15 and August 15)				
Town of Whitefield	317,900	127,500	2020	1
Town of Lincoln	1,390,600	724,500	2022	1
Town of Ossipee	502,000	330,000	2023	1
Town of Hillsborough	1,124,000	713,000	2024	1
Penacook Boascawen Water Precinct	816,000	591,000	2025	1
Town of Meredith	1,007,150	778,000	2027	1
Town of Sunapee	1,248,260	927,000	2027	1
Town of Greenville	782,900	519,000	2029	1
Town of Ashland	944,000	800,000	2029	1
Plymouth Village Water & Sewer District	652,800	515,000	2031	1
Town of Boscawen	1,182,175	904,000	2031	1
Town of Charlestown	1,395,550	1,127,000	2031	1
Town of Lisbon	742,000	529,000	2032	1
Rollinsford Water & Sewer District	738,950	629,000	2033	1
Town of Belmont	432,000	372,000	2033	1
Town of Swanzey	1,275,400	1,008,000	2033	1
Town of Wolfeboro	2,410,360	1,571,000	2033	1
Town of Lancaster	3,446,550	2,791,000	2036	1
Town of Peterborough	1,557,200	1,359,000	2036	1
Town of Tilton	2,569,750	2,136,000	2036	1
North Conway Water Precinct	6,733,500	5,209,000	2037	1
Town of Hill	415,600	365,000	2037	1
Lower Barlett Water Precinct	4,819,455	4,239,500	2038	1
Town of Bristol	515,900	455,500	2039	1
	37,020,000	28,720,000		24
2012 SERIES D - ISSUED ON DECEMBER 20, 2012				
(Due February 15 and August 15)				
Contoocook Valley Reg. School District	3,575,000	2,135,000	2023	1
Town of Stratham	2,375,000	1,895,000	2033	1
Town of Wolfeboro	1,665,000	1,225,000	2033	1
	7,615,000	5,255,000		3

2013 SERIES C - ISSUED ON JULY 18, 2013				
(Due August 15)				
Town of Raymond	459,000	110,000	2017	1
Town of Epping	452,000	180,000	2018	1
Souhegan Coop School District	1,090,000	620,000	2020	1
Milford School District	1,404,300	980,000	2023	1
North Hampton School District	1,044,000	785,000	2023	1
Town of Exeter	980,700	680,000	2023	1
City of Berlin	3,971,500	3,205,000	2025	1
City of Somersworth	4,114,000	3,285,000	2028	1
Town of Hampton	5,116,800	4,305,000	2032	1
City of Lebanon	2,207,000	1,865,000	2033	1
Claremont School District	11,195,000	9,510,000	2033	1
Salem School District	14,426,200	12,245,000	2033	1
Town of Jaffrey	739,500	620,000	2033	1
Town of Wilton	1,025,000	905,000	2033	1
	48,225,000	39,295,000		14
2014 SERIES A - ISSUED ON JULY 14, 2014				
(Due August 15)				
Alton School District	3,535,000	2,115,000	2019	1
Town of Durham	3,735,000	3,185,000	2034	1
Town of Epping	2,120,000	1,890,000	2033	1
Town of Exeter	2,965,000	2,360,000	2024	1
Town of Gilford	1,130,000	1,060,000	2034	1
Town of Hinsdale	725,000	645,000	2034	1
City of Lebanon	655,000	520,000	2024	1
Lyme School District	2,637,500	2,475,000	2034	1
Middleton School District	6,037,500	5,430,000	2034	1
Pelham School District	20,745,000	18,665,000	2034	1
Town of Peterborough	2,435,000	2,185,000	2034	1
Raymond School District	1,060,000	840,000	2024	1
City of Somersworth	1,960,000	1,620,000	2029	1
Unity School District	1,840,000	1,650,000	2034	1
Wilton-Lyndeborough School District	7,640,000	7,640,000	2034	1
Town of Wolfeboro	1,240,000	1,090,000	2034	1
	60,460,000	53,370,000		16
2014 SERIES B - ISSUED ON DECEMBER 23, 2014				
(Due February 15)				
Town of Pembroke	832,000	270,000	2018	1
Town of Rye	1,122,000	890,000	2025	1
Hanover School District	5,391,000	5,075,000	2035	1
	7,345,000	6,235,000		3
2015 SERIES C - ISSUED ON JULY 16, 2015				
(Due August 15)				
Westmoreland School District	412,000	327,000	2020	1
Town of Exeter	1,252,400	1,122,400	2025	1
Town of Grantham	479,600	429,600	2025	1
Town of Wolfeboro	4,101,000	3,856,000	2033	1
	6,245,000	5,735,000		4

2016 SERIES A - ISSUED ON FEBRUARY 3, 2016				
(Due February 15)				
Town of Marlborough	41,000	40,000	2025	1
City of Somersworth	3,193,000	2,995,000	2028	1
City of Claremont	1,400,000	1,305,000	2031	1
New Hampton Village Precinct	381,000	360,000	2036	1
	5,015,000	4,700,000		4
2016 SERIES B - ISSUED ON JULY 14, 2016				
(Due August 15)				
Barnstead School District	435,000	435,000	2021	1
Exeter School District	4,663,225	4,663,225	2026	1
Town of Freedom	1,260,750	1,260,750	2026	1
Town of Lyndeborough	1,439,500	1,439,500	2026	1
Town of Bow	3,571,850	3,571,850	2031	1
Town of Farmington	2,115,050	2,115,050	2031	1
Gilford School District	2,005,600	2,005,600	2031	1
City of Somersworth	1,453,925	1,453,925	2031	1
Town of Northumberland	1,562,100	1,562,100	2033	1
Conway School District	1,837,700	1,837,700	2036	1
Conway Village Fire District	6,502,900	6,502,900	2036	1
Town of Goffstown	2,116,400	2,116,400	2036	1
City of Lebanon	1,819,100	1,819,100	2036	1
Town of Lincoln	2,243,200	2,243,200	2036	1
Town of Peterborough	1,049,100	1,049,100	2036	1
Town of Plaistow	8,119,600	8,119,600	2045	1
	42,195,000	42,195,000		16
2016 SERIES C - ISSUED ON JULY 21, 2016				
(Due August 15)				
City of Berlin	3,670,000	3,670,000	2032	1
Town of Jaffrey	6,170,000	6,170,000	2035	1
	9,840,000	9,840,000		2
Total- Non State Guaranteed Issues after 2016 B & C	**$ 1,027,883,332**	**$ 507,173,775**		**235**

NEW HAMPSHIRE MUNICIPAL BOND BANK

NON-GUARANTEED 1978 RESOLUTION

OUTSTANDING DEBT BY GOVERNMENTAL UNIT

Borrower	Balance Outstanding at 5/18/2017	Percent of Total Outstanding Debt: (includes Reserve Bonds) $621,245,000	Percent of Outstanding Muni Debt: $507,173,775
GOV WENTWORTH SCHOOL DIST	$36,931,176	5.945%	7.282%
KEENE SCHOOL DISTRICT	26,666,004	4.292%	5.258%
LEBANON, CITY	25,584,100	4.118%	5.044%
PELHAM SCHOOL DISTRICT	18,665,000	3.004%	3.680%
LEBANON SCHOOL DISTRICT	17,730,000	2.854%	3.496%
SALEM SCHOOL DISTRICT	16,595,000	2.671%	3.272%
CONWAY SCHOOL DISTRICT	14,747,700	2.374%	2.908%
SOMERSWORTH, CITY	14,363,925	2.312%	2.832%
WINNACUNNET COOP. SCHOOL DIST.	13,260,000	2.134%	2.614%
HUDSON, TOWN	10,835,000	1.744%	2.136%
DRESDEN SCHOOL DISTRICT	10,784,341	1.736%	2.126%
EXETER REGION COOPERATIVE	10,561,826	1.700%	2.082%
BOW, TOWN	10,101,850	1.626%	1.992%
CLAREMONT SCHOOL DISTRICT	9,510,000	1.531%	1.875%
WOLFEBORO, TOWN	8,902,000	1.433%	1.755%
WILTON-LYNDEBOROUGH SCHOOL	8,600,000	1.384%	1.696%
CLAREMONT, CITY	8,520,000	1.371%	1.680%
SANBORN REG. SCHOOL DISTRICT	8,317,839	1.339%	1.640%
PLAISTOW, TOWN	8,119,600	1.307%	1.601%
EXETER, TOWN	8,057,400	1.297%	1.589%
JAFFREY, TOWN	7,375,000	1.187%	1.454%
GILFORD SCHOOL DISTRICT	7,100,600	1.143%	1.400%
BERLIN, CITY	6,875,000	1.107%	1.356%
EPPING SCHOOL DISTRICT	6,830,000	1.099%	1.347%
MERRIMACK SCHOOL DISTRICT	6,605,000	1.063%	1.302%
CONWAY VILLAGE FIRE PRECINCT	6,502,900	1.047%	1.282%
HINSDALE SCHOOL DISTRICT	5,850,000	0.942%	1.153%
MIDDLETON SCHOOL DISTRICT	5,430,000	0.874%	1.071%
RAYMOND SCHOOL DISTRICT	5,311,579	0.855%	1.047%
UNITY SCHOOL DISTRICT	5,300,000	0.853%	1.045%
NORTH CONWAY WATER PRECINCT	5,209,000	0.838%	1.027%
HANOVER SCHOOL DISTRICT	5,075,000	0.817%	1.001%
LACONIA, CITY	5,035,000	0.810%	0.993%
ANDROSCOGGIN VALLEY DISTRICT	4,900,000	0.789%	0.966%
TIMBERLANE REGIONAL SCH. DIST	4,800,000	0.773%	0.946%
PETERBOROUGH, TOWN	4,743,100	0.763%	0.935%
EXETER SCHOOL DISTRICT	4,663,225	0.751%	0.919%
HILLSBORO-DEERING SCHOOL	4,410,000	0.710%	0.870%
HAMPTON, TOWN	4,305,000	0.693%	0.849%
GRANTHAM SCHOOL DISTRICT	4,255,000	0.685%	0.839%
LOWER BARTLETT WATER PRECINCT	4,239,500	0.682%	0.836%
STRAFFORD SCHOOL DISTRICT	4,100,000	0.660%	0.808%
WINNISQUAM REG. SCHOOL DISTRICT	4,080,000	0.657%	0.804%
HOLLIS-BROOKLINE SCHOOL DIST	4,010,000	0.645%	0.791%
DURHAM, TOWN	3,935,000	0.633%	0.776%
LINCOLN, TOWN	3,392,700	0.546%	0.669%
HANOVER, TOWN	3,370,000	0.542%	0.664%
BARNSTEAD SCHOOL DISTRICT	3,315,000	0.534%	0.654%
LANCASTER, TOWN	2,791,000	0.449%	0.550%
MERRIMACK VILLAGE DISTRICT	2,750,000	0.443%	0.542%
MILFORD SCHOOL DISTRICT	2,610,000	0.420%	0.515%
LYME SCHOOL DISTRICT	2,475,000	0.398%	0.488%
EPPING, TOWN	2,320,000	0.373%	0.457%
TILTON, TOWN	2,136,000	0.344%	0.421%
CONTOOCOOK VALLEY SCHOOL DISTRICT	2,135,000	0.344%	0.421%
GOFFSTOWN, TOWN	2,116,400	0.341%	0.417%
FARMINGTON, TOWN	2,115,050	0.340%	0.417%
ALTON SCHOOL DISTRICT	2,115,000	0.340%	0.417%
GREENLAND SCHOOL DISTRICT	1,920,000	0.309%	0.379%
STRATHAM, TOWN	1,895,000	0.305%	0.374%
LITTLETON SCHOOL DISTRICT	1,800,000	0.290%	0.355%
BRENTWOOD, TOWN	1,645,000	0.265%	0.324%
FREEDOM, TOWN	1,625,750	0.262%	0.321%
DOVER, CITY	1,614,884	0.260%	0.318%
BROOKLINE, TOWN	1,600,000	0.258%	0.315%
NORTHUMBERLAND, TOWN	1,562,100	0.251%	0.308%
LYNDEBOROUGH, TOWN	1,439,500	0.232%	0.284%
PLYMOUTH VILLAGE WATER & SEWER	1,290,000	0.208%	0.254%
RYE, TOWN	1,265,000	0.204%	0.249%
BOSCAWEN, TOWN	1,264,000	0.203%	0.249%
WINCHESTER SCHOOL DISTRICT	1,225,000	0.197%	0.242%
CANTERBURY, TOWN	1,130,000	0.182%	0.223%
CHARLESTOWN, TOWN	1,127,000	0.181%	0.222%
HAMPTON FALLS, TOWN	1,080,000	0.174%	0.213%
MILTON SCHOOL DISTRICT	1,080,000	0.174%	0.213%
GILFORD, TOWN	1,060,000	0.171%	0.209%
NEWMARKET, TOWN	1,050,000	0.169%	0.207%
SWANZEY, TOWN	1,008,000	0.162%	0.199%
SUNAPEE, TOWN	927,000	0.149%	0.183%
AMHERST SCHOOL DISTRICT	910,000	0.146%	0.179%

NEW HAMPSHIRE MUNICIPAL BOND BANK

NON-GUARANTEED 1978 RESOLUTION

OUTSTANDING DEBT BY GOVERNMENTAL UNIT

Borrower	Balance Outstanding at 5/18/2017	Percent of Total Outstanding Debt: (includes Reserve Bonds) $621,245,000	Percent of Outstanding Muni Debt: $507,173,775
GRANTHAM, TOWN	909,600	0.146%	0.179%
WILTON, TOWN	905,000	0.146%	0.178%
FRANKLIN, CITY	850,000	0.137%	0.168%
HINSDALE, TOWN	810,000	0.130%	0.160%
ASHLAND, TOWN	800,000	0.129%	0.158%
FALL MNT REG. SCHOOL DISTRICT	800,000	0.129%	0.158%
PITTSFIELD SCHOOL DISTRICT	795,000	0.128%	0.157%
NORTH HAMPTON SCHOOL	785,000	0.126%	0.155%
MEREDITH, TOWN	778,000	0.125%	0.153%
SEABROOK, TOWN	770,000	0.124%	0.152%
BRENTWOOD SCHOOL DISTRICT	731,177	0.118%	0.144%
HILLSBOROUGH, TOWN	713,000	0.115%	0.141%
BROOKLINE SCHOOL DISTRICT	694,948	0.112%	0.137%
FREMONT, TOWN	650,000	0.105%	0.128%
ROLLINSFORD WATER & SEWER	629,000	0.101%	0.124%
SOUHEGAN COOPERATIVE SCHOOL	620,000	0.100%	0.122%
HAMPTON FALLS SCHOOL DISTRICT	610,000	0.098%	0.120%
PENACOOK BOSCAWEN WATER PRECINCT	591,000	0.095%	0.117%
NORTH HAMPTON, TOWN	580,000	0.093%	0.114%
CHESTER SCHOOL DISTRICT	545,000	0.088%	0.107%
EAST KINGSTON, TOWN	545,000	0.088%	0.107%
LISBON, TOWN	529,000	0.085%	0.104%
GREENVILLE, TOWN	519,000	0.084%	0.102%
DERRY, TOWN	515,000	0.083%	0.102%
JACKSON, TOWN	500,000	0.080%	0.099%
HILL SCHOOL DISTRICT	485,000	0.078%	0.096%
BRISTOL, TOWN	455,500	0.073%	0.090%
SALEM, TOWN	455,000	0.073%	0.090%
PLAINFIELD SCHOOL DISTRICT	440,000	0.071%	0.087%
GREENFIELD, TOWN	385,000	0.062%	0.076%
HENNIKER, TOWN	375,000	0.060%	0.074%
BELMONT, TOWN	372,000	0.060%	0.073%
HILL, TOWN	365,000	0.059%	0.072%
NEW HAMPTON VILLAGE PRECINCT	360,000	0.058%	0.071%
HOPKINTON, TOWN	345,000	0.056%	0.068%
OSSIPEE, TOWN	330,000	0.053%	0.065%
WESTMORELAND SCHOOL DISTRICT	327,000	0.053%	0.064%
ROCHESTER, CITY	325,000	0.052%	0.064%
WHITEFIELD, TOWN	302,500	0.049%	0.060%
MERRIMACK, TOWN	270,000	0.043%	0.053%
PEMBROKE, TOWN	270,000	0.043%	0.053%
HAMPTON SCHOOL DISTRICT	265,000	0.043%	0.052%
NEW LONDON, TOWN	245,000	0.039%	0.048%
WEBSTER, TOWN	240,000	0.039%	0.047%
HOLLIS, TOWN	225,000	0.036%	0.044%
PEMBROKE SCHOOL DISTRICT	225,000	0.036%	0.044%
LEE, TOWN	210,000	0.034%	0.041%
CARROLL, TOWN	200,000	0.032%	0.039%
DEERING, TOWN	200,000	0.032%	0.039%
LYME, TOWN	200,000	0.032%	0.039%
GRAFTON COUNTY	190,000	0.031%	0.037%
ALEXANDRIA, TOWN	150,000	0.024%	0.030%
MARLBOROUGH, TOWN	120,000	0.019%	0.024%
RAYMOND, TOWN	110,000	0.018%	0.022%
CHICHESTER SCHOOL DISTRICT	105,000	0.017%	0.021%
CENTRAL HOOKSETT WATER PREC.	90,000	0.014%	0.018%
NEW DURHAM, TOWN	80,000	0.013%	0.016%
CONWAY, TOWN	75,000	0.012%	0.015%
RINDGE, TOWN	70,000	0.011%	0.014%
PLAINFIELD VILLAGE WATER DIST	60,000	0.010%	0.012%
CHESTER, TOWN	50,000	0.008%	0.010%
MILFORD, TOWN	35,000	0.006%	0.007%
NOTTINGHAM, TOWN	30,000	0.005%	0.006%
STEWARTSTOWN SCHOOL DISTRICT	10,000	0.002%	0.002%
Totals	$507,173,775	82%	100%

New Hampshire Municipal Bond Bank
1978 Resolution
Outstanding Principal Balance as of May 18, 2017

Series	NHMBB Total Bonds	Bond Bank Bonds Issued to make Municipal Loans	Bond Bank Bonds Issued to Fund Reserve	Bonds Needed to Size Refundings	Total Muni Loans, Reserve Bonds & Bonds Needed to Size Refundings	Partially refunded by the refunding series listed below:
1997A	$ -	$ 255,000	$ 400,000	$ -	$ 655,000	2004 A and 2013 B
1998A	-	860,000	460,000	-	1,320,000	2005 A, 2009 A and 2015 B
1999 A	-	3,210,000	480,000	-	3,690,000	2007 A, 2009 A and 2010 A
1999B	-	10,880,000	3,935,000	-	14,815,000	2004 A, 2005 A, 2013 B and 2015 B
1999 C	-	6,280,000	2,670,000	-	8,950,000	2004 A and 2013 B
2000A	-	2,360,000	2,795,000	-	5,155,000	2004 A, 2005 A, 2013 B and 2015 B
2000B	-	670,000	555,000	-	1,225,000	2005 A, 2007 A, 2009 A, 2010 A and 2015 B
2001A	-	5,975,000	1,425,000	-	7,400,000	2007 A, 2009 A and 2010 A
2002A	-	260,000	-	-	260,000	2010 A
2002B	-	14,810,000	2,585,000	-	17,395,000	2007 A and 2010 A
2002C	-	4,755,000	-	-	4,755,000	2010 A
2002E	-	2,895,000	-	-	2,895,000	2007 A and 2010 A
2003C	-	28,245,000	-	-	28,245,000	2010 A, 2011 D and 2012 A
2003D	4,900,000	4,900,000	-	-	4,900,000	
2003E	-	17,450,000	-	-	17,450,000	2007 A and 2010 A
2003F	-	13,975,000	-	-	13,975,000	2010 A and 2011 D
2004B	-	36,525,000	14,100,000	-	50,625,000	2010 A, 2011 D and 2012 A
2004C	-	2,370,000	575,000	-	2,945,000	2012 A
2005B	-	26,905,000	6,620,000	-	33,525,000	2010 A and 2013 A
2005C	-	10,835,000	1,365,000	-	12,200,000	2014 B
2007A Refunding	835,000	-	-	(330,000)	(330,000)	
2008B	1,095,000	5,765,000	-	-	5,765,000	2016 D
2009A Refunding	1,620,000	-	-	(510,000)	(510,000)	
2009D	1,755,000	21,595,000	2,845,000	-	24,440,000	2016 D
2010A Refunding	50,035,000	-	-	(2,550,000)	(2,550,000)	
2010B	13,020,000	79,855,000	6,600,000	-	86,455,000	2016 D
2010D	1,180,000	1,180,000	-	-	1,180,000	
2011A	4,080,000	4,080,000	-	-	4,080,000	
2011B	16,385,000	15,090,000	1,295,000	-	16,385,000	
2011C	4,490,000	4,490,000	-	-	4,490,000	
2011D Refunding	39,025,000	-	-	(1,055,000)	(1,055,000)	
2011E	28,020,000	25,255,000	2,765,000	-	28,020,000	
2011F	2,215,000	2,215,000	-	-	2,215,000	
2012A Refunding	22,535,000	-	-	(1,445,000)	(1,445,000)	
2012B	13,385,000	11,845,000	1,540,000	-	13,385,000	
2012C	30,165,000	28,720,000	1,445,000	-	30,165,000	
2012D	5,795,000	5,255,000	540,000	-	5,795,000	
2013A Refunding	29,090,000	-	-	(1,535,000)	(1,535,000)	
2013B Refunding	9,540,000	-	-	(65,000)	(65,000)	
2013C	44,460,000	39,295,000	5,165,000	-	44,460,000	
2014A	58,605,000	53,370,000	5,235,000	-	58,605,000	
2014 B Refunding & New	17,245,000	6,235,000	-	(1,190,000)	5,045,000	
2015 B Refunding	20,160,000	-	-	(1,155,000)	(1,155,000)	
2015C	5,735,000	5,735,000	-	-	5,735,000	
2016A	4,700,000	4,700,000	-	-	4,700,000	
2016B	46,420,000	42,195,000	4,225,000	-	46,420,000	
2016C	9,840,000	9,840,000	-	-	9,840,000	
2016 D Refunding	100,455,000	-	-	(335,000)	(335,000)	
2017 A Refunding - settlement 5-18-17	31,735,000	-	-	(2,060,000)	(2,060,000)	
Total Outstanding after 2017 A	**$ 618,520,000**	**$ 561,130,000**	**$ 69,620,000**	**$ (12,230,000)**	**$ 618,520,000**	

Municipal Loans With Capital Appreciation Bond Structure Mirroring NH Municipal Bond Bank Level Debt Structure

	Municipal Loans - CABs Outstanding at 5/18/17			Bond Bank Level Debt Outstanding at 5/18/17			Variance Municipal CAB Principal vs
Series	Principal	Interest	Total	Principal	Interest	Total	BB Level Debt Principal
1999 B	$ 10,149,948	$ 1,588,952	$ 11,738,900	$ 10,880,000	$ 858,900	$ 11,738,900	$ (730,052)
1999 C	4,054,884	2,951,672	7,006,556	6,280,000	726,556	7,006,556	(2,225,116)
2001 A	5,196,177	1,533,116	6,729,293	5,975,000	754,293	6,729,293	(778,823)
2003 C	19,191,826	13,202,247	32,394,073	28,245,000	4,149,073	32,394,073	(9,053,174)
2003 E	9,492,029	11,214,790	20,706,818	17,450,000	3,256,818	20,706,818	(7,957,971)
2004 B	29,347,839	14,390,960	43,738,799	36,525,000	7,213,799	43,738,799	(7,177,161)
2004 C	1,542,313	1,416,129	2,958,441	2,370,000	588,441	2,958,441	(827,687)
2005 B	23,796,579	8,511,938	32,308,518	26,905,000	5,403,518	32,308,518	(3,108,421)
2009 D	15,846,331	18,584,743	34,431,074	21,595,000	12,836,074	34,431,074	(5,748,669)
2010 B	63,505,849	63,356,407	126,862,256	79,855,000	47,007,256	126,862,256	(16,349,151)
Totals	**$ 182,123,775**	**$ 136,750,953**	**$ 318,874,728**	**$ 236,080,000**	**$ 82,794,728**	**$ 318,874,728**	**$ (53,956,225)**

Note: The municipal loans listed above were issued to the New Hampshire Municipal Bond Bank (NHMBB) as Capital Appreciation Bonds (CABs). The NHMBB issued bonds in the market with a level debt structure to match the total debt service of the CAB loans.

Reconciliation of Municipal Loans Outstanding after 2017 A

Outstanding Debt By Borrower (Appendix B Subtotal)	$ 507,173,775
Variance between Muni CAB and Bond Bank LD	53,956,225
Total Municipal Loans Bond Bank Structure	$ 561,130,000

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APPENDIX C

PROPOSED FORM OF LEGAL OPINION

(Date of Delivery)

New Hampshire Municipal Bond Bank
25 Triangle Park Drive, Suite 102
Concord, New Hampshire 03301

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $31,735,000 2017 Series A Refunding Bonds (the “Bonds”) of the New Hampshire Municipal Bond Bank (herein called the “Bank”), a public body corporate and politic, constituted as an instrumentality of the State of New Hampshire (the “State”).

The Bonds are dated as of their date of delivery, if authenticated prior to the first interest payment date, and otherwise shall be dated as provided in the Series Resolution, as hereinafter defined. The Bonds will mature and pay interest on February 15 and August 15 in each year until maturity, commencing August 15, 2017.

The Bonds are issued under and pursuant to the Act (as hereinafter defined) and under and pursuant to the General Bond Resolution of the Bank adopted December 1, 1978, as supplemented from time to time (the “General Bond Resolution”), and a Series Resolution of the Bank dated March 16, 2017 (the “Series Resolution”). The General Bond Resolution and the Series Resolution are herein sometimes collectively referred to as the “Resolutions.”

The Bonds are not subject to redemption prior to maturity.

The Bonds are issued in registered form by means of a book-entry system evidencing ownership and transfer of Bonds on the records of The Depository Trust Company and its participants. The Bonds are lettered AR- and are numbered from one (1) upwards.

Pursuant to the Resolutions, the Bank is authorized to issue additional series of bonds from time to time upon the terms and conditions therein set forth, and any such bonds will be on a parity with the Bonds and all other bonds issued pursuant to the General Bond Resolution.

We are of the opinion that:

1. The Bank has been duly created and validly exists as a public body corporate and politic, constituted as an instrumentality of the State, under and pursuant to the laws of the State (including the New Hampshire Municipal Bond Bank Law, being Chapter 35-A of the New Hampshire Revised Statutes Annotated, as amended (the "Act")), with the right and power to adopt the Resolutions which have been duly and lawfully adopted by the Bank, are in full force and effect and are valid and binding upon the Bank and enforceable in accordance with their terms and no other authorization for the Resolutions is required.

2. The Bank is duly authorized to issue the Bonds, which have been duly and validly authorized and issued in accordance with law, including the Act, and in accordance with the Resolutions, and the Bonds constitute valid, binding general obligations of the Bank as provided in the Resolutions, payable and enforceable in accordance with their terms and the terms of the Resolutions and entitled to the benefits of the Resolutions and of the Act and for the payment of the principal and premium of and interest on which, pursuant to the Resolutions, the full faith and credit of the Bank are pledged.

3. The Bonds are secured by a pledge in the manner and to the extent set forth in the Resolutions. The Resolutions create the valid pledge which they purport to create of the Municipal Bonds and Municipal Bonds Payments, Funds and Accounts established and defined in the Resolutions and other moneys and securities held or set aside thereunder, subject to the purposes and on the conditions permitted by the Resolutions.

4. Obligations of the Bank, including its obligations under the Resolutions and the Bonds are subject to bankruptcy, insolvency and other laws affecting the rights and remedies of creditors.

5. The Bonds are not a debt or liability nor do they constitute a pledge of the faith and credit of the State, nor shall the Bonds be payable out of any revenues or funds other than those of the Bank.

6. The Bank is authorized and under the General Bond Resolution has covenanted and is obligated to cause to be made by its Chairman and delivered to the Chairman of the House Appropriations Committee not later than the twentieth day of each session of the General Court, his or her written request as provided for by the Act, stating the amount, if any, required to restore the Reserve Fund to the amount of the Required Debt Service Reserve established under the Act and the Resolutions.

7. Section 12 of the Act (i) does not bind or obligate the State to appropriate and pay to the Bank in any future year the amount duly certified to the Chairman of the House Appropriations Committee by the Chairman of the Bank as necessary to restore the Reserve Fund to the Required Debt Service Reserve, the language of such Section being permissive only, but there is no constitutional bar to future Legislatures making such appropriations for such

purposes if they elect to do so, and (ii) does not constitute a loan of credit of the State or create an indebtedness on the part of the State and is not otherwise in violation of provisions of the Constitution of the State. Any funds so appropriated would be appropriated for a proper public purpose and may be validly applied as provided in the General Bond Resolution.

8. Interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes. In addition, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. In rendering the opinions set forth in this paragraph, we have assumed compliance by the Bank and each Governmental Unit (as defined in the Act) with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The Bank and each Governmental Unit have covenanted to comply with all such requirements. Failure by the Bank or a Governmental Unit to comply with certain of such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Bonds.

9. Under existing New Hampshire statutes, the Bonds and the interest thereon and the income therefrom are exempt from taxation imposed by the State, except for transfer, inheritance and estate taxes.

10. We have examined a photocopy of executed Bond No. AR-1 and, in our opinion, the form of such Bond and its execution are regular and proper.

LOCKE LORD LLP

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APPENDIX D

General Purpose
and
Combining Financial Statements

New Hampshire Municipal Bond Bank

YEAR ENDED JUNE 30, 2016
with REPORT OF INDEPENDENT AUDITORS

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BAKER NEWMAN NOYES

New Hampshire Municipal Bond Bank

Basic Financial Statements, Management's Discussion and Analysis and Required Supplementary Information

Year Ended June 30, 2016
With Independent Auditors' Report

Baker Newman & Noyes, LLC
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NEW HAMPSHIRE MUNICIPAL BOND BANK

BASIC FINANCIAL STATEMENTS,
MANAGEMENT'S DISCUSSION AND ANALYSIS
AND REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2016

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INDEPENDENT AUDITORS' REPORT

Board of Directors
New Hampshire Municipal Bond Bank

We have audited the accompanying financial statements, consisting of the General Operating Fund Group, State Guaranteed Fund Group, Qualified School Construction Fund Group, and Non-State Guaranteed Fund Group of New Hampshire Municipal Bond Bank, which comprise the statements of net position as of June 30, 2016, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hampshire Municipal Bond Bank, as well as the individual fund groups referred to above, as of June 30, 2016, and the respective changes in net position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors
New Hampshire Municipal Bond Bank

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Baker Newman & Noyes LLC

Manchester, New Hampshire
October 21, 2016

NEW HAMPSHIRE MUNICIPAL BOND BANK

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

As financial management of the New Hampshire Municipal Bond Bank (the Bond Bank), we offer readers of these financial statements this narrative, overview and analysis of the financial activities of the Bond Bank for the fiscal year ended June 30, 2016. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities of the Bond Bank and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the basic financial statements as a whole.

Financial Highlights

- Revenues for the Bond Bank were $39,879,667 for fiscal year 2016, a decrease of $176,208 or 0.44% from fiscal year 2015.

Increase (decrease) in account balances from fiscal year 2015	
Interest on loans receivable from governmental units	$(2,701,842)
Interest income from investments	12,366
Net increase in the fair value of investments	2,752,335
Other income	(239,067)
Total net decrease	$ (176,208)

- Investments are recorded at fair value to comply with the Governmental Accounting Standards Board's rules. The Bond Bank generally holds investments until maturity to pay reserve fund bonds as they become due, so fluctuations in the fair value of the investments have a minimal long-term effect.

Operating income for 2016	$ 4,328,429
Less net increase in the fair value of investments	(1,847,355)
Operating income for 2016 (excluding net increase in fair value of investments)	$ 2,481,074

- The provisions of Governmental Accounting Standards Board Statement No. 72 were adopted in fiscal year ended June 30, 2016. Approximately ten percent of the Bond Bank's investments held by trustee have been categorized as level one and the remaining ninety percent have been categorized as level two. See note 5 to the accompanying financial statements.

- Net position of the Bond Bank increased $4,328,429 in fiscal year 2016. At June 30, 2016, the Bond Bank had a net position of $23,263,442, an increase of 22.86% from the prior year.

- The Bond Bank's bonds outstanding at June 30, 2016 of $856,479,606 represents a net decrease of $68,117,902 from the balance at June 30, 2015. This decrease was the result of the following activity in fiscal year 2016:

Issued 2015 C and 2016 A bonds totaling	$ 11,260,000
Capitalized premiums	226,994
Amortization of premiums	(4,624,896)
2016 principal paid	(74,980,000)
Total net decrease	$(68,117,902)

- The Bond Bank provided $11,260,000 in new loans to local governmental units during fiscal year 2016 resulting in a net decrease of $56,545,000, which was a 83.39% decrease from the loans provided in fiscal year 2015. No reserve bonds were issued in fiscal year 2016.

Overview of the Bond Bank

The Bond Bank was created in 1977 by an Act of the New Hampshire Legislature, RSA:35-A, is a public body corporate and politic and is constituted as an instrumentality exercising public and essential governmental functions of the State. The Bond Bank was established to issue bonds for the purpose, among other things, of providing funds to enable it to lend money to counties, cities, towns, school districts or other districts (the governmental units) within the State of New Hampshire. The provision of funds is accomplished by the direct purchase from such governmental units of their bonds, notes or evidence of debt payable from taxes, charges for services or assessments.

As the result of the Bond Bank issuing tax-exempt debt, it is required to prepare arbitrage rebate calculations for each series of bonds outstanding and remit payment to the Internal Revenue Service every five years. The Bond Bank's policy is to review the calculations annually for financial statement purposes. The Bond Bank has hired an outside firm to calculate arbitrage rebate liability and required payments.

Since its inception, the Bond Bank has issued bonds for its non-guaranteed program pursuant to a General Resolution adopted on December 1, 1978, as amended from time to time (the 1978 Resolution). On July 14, 2005, the Bond Bank adopted a new General Resolution (the 2005 Resolution). While substantially similar to the 1978 Resolution, the 2005 Resolution contained a number of improvements, including a flexible reserve fund sizing requirement, wholesale changes in permitted investments, the ability to meet its reserve fund requirement with surety bond policies and other credit facilities, and a streamlined approach to calling bonds for early redemption. The Bond Bank has issued eight series of new money bonds under the terms of the 2005 Resolution, totaling $295,571,000 and one refunding issue in 2015 in the amount of $81,470,000. Series 2015 A refunded the callable bonds for 2006 A, B and 2007 B, C, issued per the 2005 Resolution. Reserve fund bonds in the amount of $5,410,000 were included in the 2015 A refunding to replace the surety policies. The policies will terminate when all of the non-callable maturities have matured. Bonds issued under the 2005 Resolution are separately secured from all other bonds of the Bond Bank, including those issued under the 1978 Resolution. The adoption of the 2005 Resolution has not resulted in any substantive change to the Bond Bank's overall program.

The Bond Bank analyzes the cost effectiveness of the 1978 Resolution and the 2005 Resolution whenever a new issue of bonds is being considered. Due to the downgrades of the surety bond providers, this is no longer a viable method of funding the reserve fund. Depending on the structure of the new bonds and the reserve fund requirements, we analyze the best alternative by comparing the availability of investments in the market and the possibility of purchasing State of New Hampshire bonds. In fiscal year 2016, 2015 C and 2016 A bonds were issued per the 1978 Resolution. No bonds were issued per the 2005 Resolution.

The Bond Bank has purchased surety bond policies to meet the reserve fund requirements for bonds issued under the terms of the 2005 Resolution. Several downgrades of the surety providers occurred between September 2009 and December 2011. The table below summarizes the surety policies purchased by the Bond Bank:

Surety Provider	Amount of Surety Policy	Termination Date of Surety Policy	Ratings as of September 28, 2009			Ratings as of June 30, 2015			Ratings as of June 30, 2016		
			Moody's	S&P	Fitch	Moody's	S&P	Fitch	Moody's	S&P	Fitch
Assured Guaranty Municipal (formerly FSA)	$2,720,665	8/15/37	Aa3	AAA	AA+	A2	AA	With-drawn	A2	AA	With-drawn
Assured Guaranty Municipal (formerly FSA)	$476,325*	1/15/18	Aa3	AAA	AA+	A2	AA	With-drawn	A2	AA	With-drawn
National Public Finance (formerly MBIA)	$3,137,875*	8/15/17	Baa1	A	With-drawn	A3	AA-	With-drawn	A3	AA-	With-drawn
National Public Finance (formerly FGIC)	$2,962,250*	8/15/16	With-drawn	With-drawn	With-drawn	A3	AA-	With-drawn	A3	AA-	With-drawn
National Public Finance (formerly FGIC)	$960,750*	1/15/17	With-drawn	With-drawn	With-drawn	A3	AA-	With-drawn	A3	AA-	With-drawn

* Amount remaining in this policy is to insure non-callable maturities.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Bond Bank's financial statements, which is comprised of the basic financial statements and the notes to the financial statements. Since the Bond Bank operates under four separate bond resolutions, the financial statements reflect individual fund activity.

Basic Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the Bond Bank's finances, in a manner similar to a private-sector business.

The financial statements present information on all of the Bond Bank's assets, deferred outflows of resources, deferred inflows of resources and liabilities, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Bond Bank is improving or deteriorating. Net position increases when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities, result in increased net position, which may indicate an improved financial position.

The statements of revenues, expenses, and changes in net position present information showing how the Bond Bank's net position changed during the fiscal year. Changes in net position are generally reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Supplemental Information

In addition to the financial statements and the accompanying notes, this report also presents certain required supplementary information, as listed in the table of contents, to provide readers with a broader insight into the financial standing of the Bond Bank.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Bond Bank, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $23,263,442 at June 30, 2016. This represents an increase of $4,328,429 or 22.86% from the previous fiscal year.

By far, the largest portion of the Bond Bank's net position is its investment in loans to governmental units plus bond proceeds remaining in investments held by trustee, less any related debt used to acquire those assets.

The Bond Bank's financial position and operations for the past two years are summarized below based on information included in the financial statements.

ASSETS	2016	2015	Percentage Change
Current assets:			
Cash	$ 136,433	$ 25,881	427.16%
Investments held by trustee, at fair value	29,730,039	23,398,673	27.06
Loans receivable from governmental units	69,037,000	69,790,400	(1.08)
Accrued investment income receivable	895,331	870,064	2.90
Accrued interest receivable from governmental units	12,092,697	12,787,928	(5.44)
Unamortized bond insurance costs	33,281	43,936	(24.25)
Other current assets	1,767	12,462	(85.82)
Total current assets	111,926,548	106,929,344	4.67
Noncurrent assets:			
Investments held by trustee, at fair value	85,819,686	93,078,459	(7.80)
Loans receivable from governmental units	675,030,000	734,030,000	(8.04)
Unamortized bond insurance costs	357,923	391,204	(8.51)
Total noncurrent assets	761,207,609	827,499,663	(8.01)
Total assets	873,134,157	934,429,007	(6.56)
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized rebates to governmental units	1,069,071	1,472,751	(27.41)
Unamortized deferred loss on refundings	19,842,174	22,252,777	(10.83)
Pension contributions	19,563	16,523	18.40
Total deferred outflows of resources	20,930,808	23,742,051	(11.84)
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	26,771	23,441	14.21
Accrued interest payable	13,936,655	14,060,648	(0.88)
Accrued interest rebate payable to U.S. Government	–	252,047	(100.00)
Bonds payable	79,748,794	79,594,802	0.19
Total current liabilities	93,712,220	93,930,938	(0.23)
Noncurrent liabilities:			
Accrued interest rebate payable to U.S. Government	147,046	85,169	72.65
Bonds payable	776,730,812	845,002,706	(8.08)
Accrued pension liability	195,102	185,468	5.19
Total noncurrent liabilities	777,072,960	845,273,343	(8.07)
Total liabilities	870,785,180	939,204,281	(7.28)
DEFERRED INFLOWS OF RESOURCES:			
Pension adjustments	16,343	31,764	(48.55)
Total deferred inflows of resources	16,343	31,764	(48.55)
NET POSITION			
Total net position	$ 23,263,442	$ 18,935,013	22.86%

Total cash and investments held by trustee decreased $816,855 or 0.70% at June 30, 2016 compared to June 30, 2015. The Bond Bank's investment portfolio is comprised of cash and cash equivalents, U.S. Government obligations (including treasury bills, notes, and bonds), U.S. Treasury strips, U.S. Government sponsored enterprise strips, NH G.O. Capital Improvement Bonds, certificates of deposit and fixed income mutual funds. The Bond Bank's investments are carried at fair value. Unrealized gains and losses (primarily due to fluctuations in market values) are recognized in the statements of revenues, expenses and changes in net position.

The Bond Bank's loans receivable from governmental units decreased $59,753,400 in fiscal year 2016. The Bond Bank's total new loan originations in 2016 of $11,260,000 were 83.39% lower than 2015 originations of $67,805,000. Principal repayments in 2016 of $74,980,000 were 30.33% lower than 2015 principal repayments of $107,627,000 due to the Bedford School District refinancing its outstanding loan balance of $35,330,000 in 2015. Net bonds payable decreased 7.37%.

Net position increased 22.86% in fiscal year 2016. The Bond Bank continued to maintain a positive spread of income from investments and loans to governmental units over bond interest and operating expenses.

	2016	2015	Percentage Change
Interest on loans receivable from governmental units	$34,023,931	$36,725,773	(7.36)%
Interest income from investments	3,936,606	3,924,240	0.32
Net increase (decrease) in the fair value of investments	1,847,355	(904,980)	(304.13)
Other income	71,775	310,842	(76.91)
Total operating revenues	39,879,667	40,055,875	(0.44)
Interest expense	34,829,179	37,479,212	(7.07)
Operating expenses	412,973	356,395	15.88
Other expense	309,086	1,238,631	(75.05)
Total operating expenses	35,551,238	39,074,238	(9.02)
Operating income	4,328,429	981,637	340.94
Net position, beginning of year	18,935,013	17,953,376	5.47
Net position, end of year	$23,263,442	$18,935,013	22.86%

Operating revenues are generated principally from interest earned on investments and from fees and interest received from governmental units. The Bond Bank's annual operating budget is approved by the Board of Directors.

The net increase in the fair value of investments in 2016 of $1,847,355 (versus a net decrease in the fair value of investments in 2015 of $904,980, which equates to a total change in this account of $2,752,335) was caused by movements in market values of the Bond Bank's investment portfolio.

The decrease in other income and other expense was mainly due to the fact that two new money bonds were issued in fiscal year 2016 versus the issuance of four bonds, one new money bond, one combined new money refunding bond and two refunding bonds in fiscal year 2015.

Requests for Information

This financial report is designed to provide a general overview of the Bond Bank's financial statements for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Executive Director, New Hampshire Municipal Bond Bank, 25 Triangle Park Drive, Suite 102, Concord, New Hampshire 03301.

NEW HAMPSHIRE MUNICIPAL BOND BANK

STATEMENTS OF NET POSITION

June 30, 2016

ASSETS	General Operating Fund Group	Municipal Division: State Guaranteed Fund Group	Municipal Division: Qualified School Construction Fund Group	Municipal Division: Non-State Guaranteed Fund Group	Total
Current assets:					
Cash (note 3)	$ 136,433	$ –	$ –	$ –	$ 136,433
Investments held by trustee, at fair value (notes 3 and 5):					
Cash equivalents	169,588	133,313	69	6,693,007	6,995,977
Investments	3,955,016	–	–	8,000,000	11,955,016
Reserve Fund investments (note 4)	–	33,965	–	10,745,081	10,779,046
Loans receivable from governmental units (note 4)	–	325,000	2,925,000	65,787,000	69,037,000
Accrued investment income receivable	3,965	–	–	891,366	895,331
Accrued interest receivable from governmental units	–	12,769	514,011	11,565,917	12,092,697
Unamortized bond insurance costs	–	–	–	33,281	33,281
Other current assets	1,767	–	–	–	1,767
Total current assets	4,266,769	505,047	3,439,080	103,715,652	111,926,548
Noncurrent assets:					
Reserve Fund investments held by trustee, at fair value (notes 3, 4 and 5):					
Cash equivalents	–	–	–	355,418	355,418
Investments	–	351,823	–	85,112,445	85,464,268
Loans receivable from governmental units (note 4)	–	325,000	29,160,000	645,545,000	675,030,000
Unamortized bond insurance costs	–	–	–	357,923	357,923
Total noncurrent assets	–	676,823	29,160,000	731,370,786	761,207,609
Total assets	4,266,769	1,181,870	32,599,080	835,086,438	873,134,157
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized rebates to governmental units	–	24,480	–	1,044,591	1,069,071
Unamortized deferred loss on refundings	–	12,942	–	19,829,232	19,842,174
Pension contributions (note 6)	19,563	–	–	–	19,563
Total deferred outflows of resources	19,563	37,422	–	20,873,823	20,930,808

LIABILITIES	General Operating Fund Group	Municipal Division: State Guaranteed Fund Group	Municipal Division: Qualified School Construction Fund Group	Municipal Division: Non-State Guaranteed Fund Group	Total
Current liabilities:					
Accounts payable and accrued liabilities	$ 26,771	$ –	$ –	$ –	$ 26,771
Accrued interest payable	–	13,524	514,011	13,409,120	13,936,655
Bonds payable (note 4)	–	319,320	2,925,000	76,504,474	79,748,794
Total current liabilities	26,771	332,844	3,439,011	89,913,594	93,712,220
Noncurrent liabilities:					
Accrued interest rebate payable to U.S. Government	–	61,100	–	85,946	147,046
Bonds payable (note 4)	–	614,310	29,160,000	746,956,502	776,730,812
Accrued pension liability (note 6)	195,102	–	–	–	195,102
Total noncurrent liabilities	195,102	675,410	29,160,000	747,042,448	777,072,960
Total liabilities	221,873	1,008,254	32,599,011	836,956,042	870,785,180
DEFERRED INFLOWS OF RESOURCES					
Pension adjustments (note 6)	16,343	–	–	–	16,343
Total deferred inflows of resources	16,343	–	–	–	16,343
NET POSITION					
Total net position	$4,048,116	$ 211,038	$ 69	$ 19,004,219	$ 23,263,442

See accompanying notes to the financial statements.

NEW HAMPSHIRE MUNICIPAL BOND BANK

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the Year Ended June 30, 2016

		Municipal Division			
	General Operating Fund Group	State Guaranteed Fund Group	Qualified School Construction Fund Group	Non-State Guaranteed Fund Group	Total
Operating revenues:					
Interest on loans receivable from governmental units	$ –	$ 11,526	$1,761,516	$32,250,889	$34,023,931
Interest income from investments	151,042	8,114	28	3,777,422	3,936,606
Net (decrease) increase in the fair value of investments	(114,521)	(20,962)	–	1,982,838	1,847,355
Other income	71,463	–	–	312	71,775
Total operating revenues (losses)	107,984	(1,322)	1,761,544	38,011,461	39,879,667
Operating expenses:					
Interest expense (note 4)	–	14,229	1,761,516	33,053,434	34,829,179
Operating expenses (note 6)	412,973	–	–	–	412,973
Other expense	–	–	–	309,086	309,086
Total operating expenses	412,973	14,229	1,761,516	33,362,520	35,551,238
Operating (loss) income	(304,989)	(15,551)	28	4,648,941	4,328,429
Net position, beginning of year	4,353,105	226,589	41	14,355,278	18,935,013
Net position, end of year	$4,048,116	$ 211,038	$ 69	$19,004,219	$23,263,442

See accompanying notes to the financial statements.

NEW HAMPSHIRE MUNICIPAL BOND BANK

STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2016

	General Operating Fund Group	Municipal Division: State Guaranteed Fund Group	Municipal Division: Qualified School Construction Fund Group	Municipal Division: Non-State Guaranteed Fund Group	Total
Operating activities:					
Cash received from governmental units	$ –	$ 367,250	$ 4,748,615	$ 101,020,377	$ 106,136,242
Cash payments to governmental units	–	–	–	(11,260,000)	(11,260,000)
Cash received (paid) from other income	71,463	–	–	(166)	71,297
Cash paid for operating expenses	(417,992)	–	–	–	(417,992)
Cash payments for bond issuance costs	–	–	–	(309,086)	(309,086)
Cash received for other assets	10,668	–	–	27	10,695
Net cash (used) provided by operating activities	(335,861)	367,250	4,748,615	89,451,152	94,231,156
Investing activities:					
Purchases of investments	–	–	–	(11,500,000)	(11,500,000)
Proceeds from sale and maturities of investments	–	15,754	–	14,591,026	14,606,780
Interest received on investments	152,869	24,260	28	3,790,704	3,967,861
Interest rebate paid to U.S. Government	–	–	–	(246,692)	(246,692)
Net cash provided by investing activities	152,869	40,014	28	6,635,038	6,827,949
Noncapital financing activities:					
Proceeds from bonds payable	–	–	–	11,486,994	11,486,994
Principal paid on bonds payable	–	(295,000)	(2,940,000)	(71,745,000)	(74,980,000)
Interest paid on bonds payable	–	(40,224)	(1,808,615)	(35,274,690)	(37,123,529)
Net cash used by noncapital financing activities	–	(335,224)	(4,748,615)	(95,532,696)	(100,616,535)
(Decrease) increase in cash and cash equivalents	(182,992)	72,040	28	553,494	442,570
Cash and cash equivalents, beginning of year	489,013	61,273	41	6,494,931	7,045,258
Cash and cash equivalents, end of year	$ 306,021	$ 133,313	$ 69	$ 7,048,425	$ 7,487,828

NEW HAMPSHIRE MUNICIPAL BOND BANK

STATEMENTS OF CASH FLOWS (CONTINUED)

For the Year Ended June 30, 2016

		Municipal Division			
	General Operating Fund Group	State Guaranteed Fund Group	Qualified School Construction Fund Group	Non-State Guaranteed Fund Group	Total
Statement of net position classification:					
Cash	$ 136,433	$ –	$ –	$ –	$ 136,433
Cash equivalents – investments held by trustee	169,588	133,313	69	6,693,007	6,995,977
Cash equivalents – reserve fund investments held by trustee	–	–	–	355,418	355,418
	$ 306,021	$ 133,313	$ 69	$ 7,048,425	$ 7,487,828
Reconciliation of operating (loss) income to net cash (used) provided by operating activities:					
Operating (loss) income	$(304,989)	$ (15,551)	$ 28	$ 4,648,941	$ 4,328,429
Adjustments to reconcile operating (loss) income to net cash (used) provided by operating activities:					
Interest income from investments	(151,042)	(8,114)	(28)	(3,777,422)	(3,936,606)
Net decrease (increase) in the fair value of investments	114,521	20,962	–	(1,982,838)	(1,847,355)
Amortization of rebates to governmental units	–	24,480	–	379,200	403,680
Interest expense on bonds payable	–	14,229	1,761,516	33,053,434	34,829,179
Change in assets and liabilities:					
Loans receivable from governmental units	–	325,000	2,940,000	56,488,400	59,753,400
Accrued interest receivable from governmental units	–	6,244	47,099	641,888	695,231
Other assets	10,668	–	–	27	10,695
Accrued pension liability	(8,827)	–	–	–	(8,827)
Accounts payable and accrued liabilities	3,808	–	–	(478)	3,330
Net cash (used) provided by operating activities	$(335,861)	$ 367,250	$ 4,748,615	$ 89,451,152	$ 94,231,156

See accompanying notes to the financial statements.

NEW HAMPSHIRE MUNICIPAL BOND BANK

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

1. Organization

The New Hampshire Municipal Bond Bank (the Bond Bank) was created in 1977 by Chapter 35-A (Act) of the State of New Hampshire (State) Revised Statutes Annotated. The Bond Bank is an instrumentality of the State, but is not a State agency and has no taxing authority. The Bond Bank has separate corporate and sovereign capacity and its Board of Directors is composed of the State Treasurer (who serves as director ex officio) and four directors appointed by the Governor and Executive Council. The Bond Bank has no oversight authority over any other entity.

Under the Act, the Bond Bank is empowered to issue its bonds to make funds available to governmental units having the power to levy taxes (county, city, town, school district, village district or other body corporate and politic), through the purchase by the Bond Bank of their municipal bonds. The governmental units enter into loan agreements with the Bond Bank pursuant to which they issue municipal bonds. Accordingly, the Bond Bank generally enables governmental units to issue debt at a lower cost of borrowing and on more favorable terms than would be possible by financing on their own. As discussed below, the Act was amended in 1982 to establish the Educational Institutions Division.

To achieve its purpose, the Bond Bank operates the following divisions and programs:

General

General Operating Fund Group consists of the operating revenues and expenses incurred by the Bond Bank in administering the resolutions under which it is operating. The resolutions have been grouped into two categories, the Municipal Division and the Educational Institution Division. The General Operating Fund Group was created in July 2011 through transfers from the State Guaranteed Fund Group and the Qualified School Construction Fund Group. No State appropriations are made to the Bond Bank. Fees and charges are received by the Bond Bank for the use of its services or facilities. These fees and charges, along with income from investments, provide for the annual operating costs of the Bond Bank. Prior to the formation of the General Operating Fund Group, the Bond Bank's operating revenues and expenses were included in the revenues and expenses of the State Guaranteed Fund Group, Non-State Guaranteed Fund Group and Coe-Brown Northwood Academy Fund Group.

Municipal Division

State Guaranteed Fund Group bonds issued are not a debt of the State of New Hampshire, and the State is not liable on such bonds. However, the municipal bonds issued through the Bond Bank are guaranteed as to payment of principal and interest by a pledge of the full faith and credit of the State of New Hampshire. The Bond Bank has issued bonds for its State Guaranteed program pursuant to a General Resolution adopted on July 19, 1979, as amended from time to time (the 1979 Resolution).

Qualified School Construction Fund Group bonds issued are not a debt of the State of New Hampshire, and the State is not liable on such bonds. However, the municipal bonds issued through the Bond Bank are guaranteed as to 75 percent of principal and interest by a pledge of the full faith and credit of the State of New Hampshire. The Bond Bank has issued bonds for its Qualified School Construction program pursuant to a General Resolution adopted on June 2, 2010 (the QSCB Resolution).

Non-State Guaranteed Fund Group bonds issued are not a debt of the State of New Hampshire, and the State is not liable on such bonds.

1. Organization (Continued)

Since its inception, the Bond Bank has issued bonds for its Non-State Guaranteed program pursuant to a General Resolution adopted on December 1, 1978, as amended from time to time (the 1978 Resolution). On July 14, 2005, the Bond Bank adopted a new General Resolution (the 2005 Resolution). While substantially similar to the 1978 Resolution, the 2005 Resolution contains a number of improvements, including a flexible reserve fund sizing requirement, some changes in permitted investments, the ability to meet its reserve fund requirement with surety bond policies and other credit facilities, and a streamlined approach to calling bonds for early redemption. The adoption of the 2005 Resolution has not resulted in any substantive change to the Bond Bank's overall program. Total bonds payable outstanding under the 2005 Resolution, which are reported under the Non-State Guaranteed Fund Group, were approximately $153,575,000 at June 30, 2016.

Bonds issued under the 2005 Resolution are separately secured from all other bonds of the Bond Bank, including those issued under the 1978 Resolution. Bonds issued under the 2005 Resolution (through 2008) have met the reserve fund requirements through the purchase of surety bond policies. Providers of these policies have been downgraded since their purchase. The table below summarizes the surety policies purchased by the Bond Bank that remain to insure non-callable maturities:

Surety Provider	Amount of Surety Policies	Ratings as of June 30, 2016	
		Moody's	S&P
Assured Guaranty Municipal	$3,196,990	A2	AA
National Public Finance (formerly MBIA)	3,137,875	A3	AA-
National Public Finance (formerly FGIC)	3,923,000	A3	AA-

2. Significant Accounting Policies

Proprietary Fund Accounting

The Bond Bank is accounted for as an Enterprise Fund. An Enterprise Fund is used to account for an operation where periodic determination, on an accrual basis, of revenues earned, expenses incurred and net income is appropriate. Accordingly, the Bond Bank recognizes revenues in the period earned and expenses in the period incurred (i.e. the accrual basis of accounting).

As discussed below, the Bond Bank complies with Governmental Accounting Standards Board (GASB) statements codified under GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB 62).

The financial statements are prepared in accordance with GASB Statements No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus – an amendment of GASB Statement No. 21* and *No. 34* and *No. 38, Certain Financial Statement Note Disclosures.*

2. Significant Accounting Policies (Continued)

Federal Income Taxes

It is the opinion of management that the Bond Bank is exempt from federal income taxes under Internal Revenue Code (IRC) Section 115, and that the Bond Bank has maintained its tax-exempt status and has no uncertain tax positions that require adjustment or disclosure in these financial statements. However, the Bond Bank is subject to the arbitrage rebate requirements of Section 148 of the IRC. Section 148 requires that any arbitrage profit earned on the proceeds of tax-exempt bonds issued after 1985 must be rebated to the federal government at least once every five years, with the balance rebated no later than 60 days after the retirement of the bonds.

Arbitrage rebate expense, which is presented as a reduction in the amount of interest income from investments, for the year ended June 30, 2016 was approximately $57,000 in total for the State Guaranteed and Non-State Guaranteed Fund Groups.

Cash and Cash Equivalents

The Bond Bank considers all checking and savings deposits and highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments

Investments are carried at fair value. See note 5. Changes in fair value are recorded as net increase or decrease in the fair value of investments on the statements of revenues, expenses and changes in net position. Interest earnings on principal-only strips within the State Guaranteed and Non-State Guaranteed Fund Groups have been recorded as interest income from investments. Reserve fund investments that are not expected to be utilized to fund bond principal and interest payments until after June 30, 2017 have been classified as long-term.

Bond Discounts, Premiums and Issuance Costs

Costs associated with issuing debt, which are generally paid by means of fees collected from governmental units, are expensed in the year incurred. However, bond insurance costs and original issue discounts or premiums associated with bond issues are deferred and are being amortized to interest expense over the life of the bond issues using the straight-line method. For each refunding, bond discounts (premiums) are presented as a reduction of (increase to) the face amount of bonds payable (note 4), whereas insurance costs are recorded as deferred charges included in unamortized bond insurance costs.

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, information about the fiduciary net position of the New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan (the Pension Plan) and additions to/deductions from the Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

2. Significant Accounting Policies (Continued)

Refundings

All advanced refundings completed subsequent to July 1, 1993 within the Bond Bank's municipal division are accounted for in accordance with the provisions of GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. Under GASB Statement No. 23, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old debt, or the life of the new debt, whichever is shorter, using the straight-line method. The unamortized portion of the deferred amount is reported as a deferred outflow of resources. Amortization for the year ended June 30, 2016 was approximately $12,000 and $2,399,000 for the State Guaranteed and Non-State Guaranteed Fund Groups, respectively.

The gains, losses and economic benefits of advance refundings completed within the Educational Institution Division inure to the respective institution and not the Bond Bank. The Board of Directors determines what percentage, if any, of the gains, losses and economic benefits of advanced refunding within the Municipal Divisions gets passed on to the respective governmental units. Refunding benefits for governmental units are distributed to the governmental units as a one-time, upfront, rebate or as reduced debt service payments allocated over the remaining life of the refunded bonds. If the refunding benefits are distributed as a one-time, upfront, rebate, the refunding benefits are deferred and amortized over the life of the refunded bonds (which is equivalent to the life of the loans receivable) using a method which approximates the effective interest method.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Bond Bank to make estimates and assumptions that affect the amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Total Columns

The "total" columns contain the totals of the similar accounts of the various funds. Since the assets of the funds are restricted, the combination of the accounts, including assets therein, is for convenience only and does not indicate that the combined assets are available in any manner other than that provided for in the separate funds.

Reclassifications

Certain cash balances within the accompanying 2015 statement of cash flows have been reclassified to investments to conform to the 2016 presentation.

2. Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015. The Bond Bank adopted this statement in its fiscal year ended June 30, 2016. See note 5.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify the hierarchy of generally accepted accounting principles (GAAP) for state and local government entities. The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015, and is applied retroactively. The Bond Bank adopted this statement in its fiscal year ended June 30, 2016. The adoption of this statement had no impact on the Bond Bank's 2016 financial statements.

3. Cash, Cash Equivalents and Investments

At June 30, 2016, the bank balance of the Bond Bank's operating cash accounts (not held by trustee) was $176,123.

Cash includes funds held in interest bearing demand deposit and savings accounts, which, at times, may exceed amounts guaranteed by the Federal Deposit Insurance Corporation. The Bond Bank has not experienced any losses in such accounts and management believes the Bond Bank is not exposed to any significant risk of loss on cash.

Investments held by trustee and Reserve Fund investments held by trustee consist primarily of U.S. Treasury obligations, U.S. Government-sponsored enterprises, New Hampshire government obligations, certificates of deposit and shares of money market funds which invest in U.S. Government and Government Agency obligations. All investments are held by a trustee in the Bond Bank's name. In addition to the above, the Bond Bank's internal investment policies allow operating investments to include fixed-income mutual funds which hold diversified portfolios in investment-grade debt securities.

3. Cash, Cash Equivalents and Investments (Continued)

The Act and each of the Municipal Division's general bond resolutions under the State Guaranteed Fund Group and the Non-State Guaranteed Fund Group require the establishment of a debt service reserve fund. These resolutions are secured separately from all other general bond resolutions of the Bond Bank. Amounts on deposit in the debt service reserve fund of each of these resolutions are held by the trustee under each of such general bond resolutions. Investment earnings on amounts held in each respective debt service reserve fund are restricted to the payment of debt service on bonds of the Bond Bank issued pursuant to each respective general bond resolution for the purpose of funding each respective debt service reserve fund. Each of these resolutions pledges its debt service reserve fund to the payment of debt service in the event of a governmental unit payment default.

The 1978 and 1979 Resolutions require their respective debt service funds be sized to meet the maximum amount of maturing municipal bond debt service in any calendar year. The 2005 Resolution requires that for each issue of bonds, the reserve fund requirement shall equal the lesser of (i) 10% of the aggregate original net proceeds of such Series of Bonds, (ii) 125% of the average annual aggregate Debt Service on such Bonds, or (iii) the maximum aggregate amount of Debt Service due on such Bonds in any succeeding bond year. This requirement is subject to change by an amendment to the 2005 Resolution under certain circumstances, but only once 100 loans have been made by the Bank under the 2005 Resolution. Through June 30, 2016, the Bank had made 78 loans under the 2005 Resolution.

As permitted by the bond resolution, any funds not required for loans to government units or deposit to reserve funds, may be held by the Bond Bank as unrestricted investments. These amounts are classified as investments within the General Operating Fund Group.

Reserve Fund investments and investments held by trustee must be invested in any of the following obligations; (a) direct obligations of the United States of America or direct obligations of the State or obligations for which the faith and credit of the United States of America or the State is pledged to provide for the payment of the principal and interest, (b) any bond, debenture, note, participation or other similar obligation issued by the Federal National Mortgage Association, and (c) any other obligation of the United States of America or any Federal agencies which may then be purchased with funds belonging to the State or held in the State Treasury.

Investments of the Bond Bank consist of short-term money market funds that are 100% collateralized by government securities, investments in U.S. Treasury securities, U.S. Government-sponsored enterprise securities, N.H. G.O. Capital improvement bonds, fixed income mutual funds and certificates of deposit. At June 30, 2016, investments are categorized as follows:

	Fair Value
General Operating Fund Group	
Investments held by trustee:	
Cash equivalents	$ 169,588
Operating investments:	
Fixed income – mutual funds	$ 3,955,016
State Guaranteed Fund Group	
Investments held by trustee:	
Cash equivalents	$ 133,313

3. Cash, Cash Equivalents and Investments (Continued)

	Fair Value
Reserve fund investments held by trustee:	
U.S. Treasury strips	$ 385,788
Qualified School Construction Fund Group	
Investments held by trustee:	
Cash equivalents	$ 69
Non-State Guaranteed Fund Group	
Investments held by trustee:	
Cash equivalents	$ 6,693,007
Certificate of deposit	8,000,000
	$14,693,007
Reserve fund investments held by trustee:	
Cash equivalents	$ 355,418
Certificates of deposit	3,500,000
U.S. Government obligations	38,603,627
U.S. Treasury strips	14,749,444
U.S. Government-sponsored enterprises strips[(1)]	14,703,184
N.H. G.O. capital improvement bonds	24,301,271
	$96,212,944

[(1)] Includes FHLMC, FNMA and REFCORP.

The investment of general operating funds is to provide income to supplement administration of current programs, provide a source of capital for new programs, reduce susceptibility to unanticipated expenditures or revenue shortfalls, and to help maintain credit ratings. Relative to the investment of bond funds, as a means of limiting its exposure to fair value losses arising from rising interest rates, the Bond Bank's investment policy provides that investment maturities be closely matched with future bond principal and interest requirements, which are the primary use of invested assets. The Bond Bank's general practice has been to hold debt securities to their maturity, at which point the funds are needed to make required bond principal and interest payments for the respective resolutions. The following table provides information on future maturities of the Bond Bank's investments as of June 30, 2016:

	Fair Value	Less than One Year	One to Five Years	Six to Ten Years	More than Ten Years
State Guaranteed Fund Group					
U.S. Treasury strips	$ 385,788	$ 33,965	$ 351,823	$ –	$ –
	$ 385,788	$ 33,965	$ 351,823	$ –	$ –

3. Cash, Cash Equivalents and Investments (Continued)

Non-State Guaranteed Fund Group	Fair Value	Less than One Year	One to Five Years	Six to Ten Years	More than Ten Years
Certificates of deposit	$ 11,500,000	$11,500,000	$ –	$ –	$ –
U.S. Government obligations	38,603,627	809,422	1,488,225	22,826,482	13,479,498
U.S. Treasury strips	14,749,444	3,820,831	9,544,857	1,383,756	–
U.S. Government-sponsored enterprises strips	14,703,184	2,614,828	3,843,817	7,211,382	1,033,157
N.H. G.O. capital improvement bonds	24,301,271	–	–	–	24,301,271
	$ 103,857,526	$18,745,081	$14,876,899	$31,421,620	$38,813,926

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Bond Bank will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Bond Bank's investments are held by People's United Bank, a state-charted and publicly traded commercial bank. Management of the Bond Bank is not aware of any issues with respect to custodial credit risk at People's United Bank at June 30, 2016.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Bond Bank. The Bond Bank's investment policy limits its investments to those with high credit quality such as U.S. Treasury Obligations and U.S. Government-sponsored enterprises.

Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are considered to have minimal credit risk.

At June 30, 2016, the Bond Bank is invested in the State of New Hampshire's general obligation capital improvement bonds within the Non-State Guaranteed Fund Group.

The Bond Bank has invested some of its long-term funds in U.S. Treasury and U.S. Government-sponsored enterprises principal-only strips in order to maximize yields coincident with cash needs for operations, debt service, and arbitrage. These securities are similar to zero coupon bonds which are purchased deeply discounted, with the Bond Bank receiving its only repayment stream at maturity; therefore, they are sensitive to interest rate changes. These securities are reported at fair value in the statement of net position. At June 30, 2016, the fair value of these investments is approximately $386,000 and $29,453,000 with the State Guaranteed and Non-State Guaranteed Fund Groups, respectively.

3. Cash, Cash Equivalents and Investments (Continued)

The fair value of individual investments that represent 5% or more of the Bond Bank's investments are as follows:

General Operating Fund Group		
Dodge & Cox Income #147	$ 2,096,643	50.8%
Goldman Sachs Strategic Income Intuitional Fund	1,858,074	45.0
State Guaranteed Fund Group		
U.S. Treasury strip, 8/15/2017	351,823	67.8
Dreyfus Treasury Agency Cash Management Fund	133,313	25.7
Non-State Guaranteed Fund Group		
Merrimack County Savings Bank Certificate of Deposit	11,500,000	10.4
U.S. Treasury State & Local Government, 8/15/2023	7,125,585	6.4
U.S. Treasury State & Local Government, 8/15/2024	6,975,419	6.3
U.S. Treasury State & Local Government, 8/15/2039	6,627,479	6.0
N.H. G.O. capital improvement bond, 8/15/2033	6,434,402	5.8

4. Bonds Payable

The carrying amounts of bonds payable at June 30, 2016, by program, are as follows:

Municipal Division:	
State Guaranteed	$ 933,630
Qualified School Construction	32,085,000
Non-State Guaranteed	823,460,976
	$ 856,479,606

Following is a comprehensive summary of bonds payable, with original interest rates, by program at June 30, 2016:

Municipal Division – State Guaranteed

Series 2009 B Refunding Bonds, maturing August 15, 2009 to August 15, 2017 with interest ranging from 2.25% to 4.00%	$ 895,000
	895,000
Net unamortized original issue premium	38,630
Bonds payable	933,630
Current portion	319,320
Noncurrent portion	$ 614,310

4. Bonds Payable (Continued)

The above bonds payable will mature as follows, with interest payable semiannually:

Fiscal year Ending June 30,	Principal	Interest	Total
2017	$285,000	$30,100	$315,100
2018	610,000	12,200	622,200
	$895,000	$42,300	$937,300

Municipal Division – Qualified School Construction Bond

Series 2010 C Bonds maturing September 15, 2011 to September 15, 2026 with interest at 5.39%	$32,085,000
Current portion	2,925,000
Noncurrent portion	$29,160,000

The above bonds payable will mature as follows, with interest payable semiannually:

Fiscal year Ending June 30,	Principal	Interest	Total
2017	$ 2,925,000	$ 1,650,553	$ 4,575,553
2018	2,925,000	1,492,895	4,417,895
2019	2,925,000	1,335,238	4,260,238
2020	2,925,000	1,177,580	4,102,580
2021	2,925,000	1,019,923	3,944,923
2022 – 2026	14,550,000	2,744,858	17,294,858
2027	2,910,000	78,424	2,988,424
	$32,085,000	$ 9,499,471	$41,584,471

Municipal Division – Non-State Guaranteed

Series 2003 D Bonds, maturing August 15, 2004 to August 15, 2023, with interest ranging from 2% to 5%	$ 5,600,000
Series 2006 A Bonds, maturing August 15, 2007 to August 15, 2016 with interest ranging from 4% to 5%	2,890,000
Series 2006 B Bonds, maturing January 15, 2008 to January 15, 2017 with interest ranging from 4.25% to 5%	915,000
Series 2007 A Refunding Bonds, maturing August 15, 2008 to February 15, 2029 with interest ranging from 3.75% to 4.50%	35,795,000
Series 2007 B Bonds, maturing August 15, 2008 to August 15, 2017 with interest ranging from 4% to 5%	6,115,000

4. Bonds Payable (Continued)

Municipal Division – Non-State Guaranteed (Continued)

Series 2007 C Bonds, maturing January 15, 2009 to January 15, 2018 with interest ranging from 4.25% to 5.25%	$ 870,000
Series 2008 A Bonds, maturing August 15, 2009 to August 15, 2037 with interest ranging from 4% to 5.25%	26,365,000
Series 2008 B Bonds, maturing January 15, 2010 to January 15, 2029 with interest ranging from 4.50% to 5.875%	6,310,000
Series 2009 A Refunding Bonds, maturing August 15, 2009 to February 15, 2026 with interest ranging from 2.50% to 4.25%	3,475,000
Series 2009 C Bonds, maturing August 15, 2010 to August 15, 2029 with interest ranging from 3.00% to 5.00%	14,550,000
Series 2009 D Bonds, maturing July 15, 2010 to July 15, 2039 with interest ranging from 2.50% to 5.50%	24,970,000
Series 2009 E Bonds, maturing January 15, 2011 to January 15, 2030 with interest ranging from 3.00% to 5.00%	20,600,000
Series 2010 A Refunding Bonds, maturing August 15, 2010 to August 15, 2022 with interest ranging from 2.00% to 5.00%	66,170,000
Series 2010 B Bonds, maturing August 15, 2011 to August 15, 2039 with interest ranging from 3.00% to 5.00%	89,545,000
Series 2010 D Bonds, maturing January 15, 2012 to January 15, 2031 with interest ranging from 3.00% to 5.00%	1,325,000
Series 2011 A Bonds, maturing August 15, 2011 to August 15, 2021 with interest ranging from 2.00% to 4.50%	4,935,000
Series 2011 B Bonds, maturing August 15, 2012 to August 15, 2031 with interest ranging from 2.00% to 4.00%	17,875,000
Series 2011 C Bonds, maturing January 1, 2012 to January 1, 2026 with interest ranging from 2.00% to 4.00%	5,010,000
Series 2011 D Bonds, maturing February 15, 2012 to February 15, 2024 with interest ranging from 2.00% to 5.00%	41,115,000
Series 2011 E Bonds, maturing January 15, 2013 to January 15, 2041 with interest ranging from 3.00% to 5.00%	29,505,000
Series 2011 F Bonds, maturing from July 15, 2012 to July 15, 2021 with interest ranging from 2.00% to 4.00%	3,395,000
Series 2012 A Refunding Bonds, maturing August 15, 2012 to February 15, 2025 with interest ranging from 2.00% to 5.00%	28,250,000
Series 2012 B Bonds, maturing August 15, 2013 to August 15, 2032 with interest ranging from 2.00% to 5.00%	14,445,000
Series 2012 C Bonds, maturing February 15, 2013 to February 15, 2039 with interest ranging from 2.00% to 5.00%	32,045,000
Series 2012 D Bonds, maturing February 15, 2014 to February 15, 2033 with interest ranging from 2.00% to 5.00%	6,385,000
Series 2013 A Refunding Bonds, maturing August 15, 2018 to August 15, 2025 with interest ranging from 3.00% to 5.00%	29,090,000
Series 2013 B Refunding Bonds, maturing August 15, 2013 to February 15, 2020 with interest ranging from 0.25% to 2.10%	16,220,000

4. Bonds Payable (Continued)

Municipal Division – Non-State Guaranteed (Continued)

Series 2013 C Bonds, maturing August 15, 2014 to August 15, 2033 with interest ranging from 4.00% to 5.50%	$ 47,445,000
Series 2014 A Bonds, maturing August 15, 2015 to August 15, 2034 with interest ranging from 3.00% to 5.00%	62,160,000
Series 2014 B Refunding Bonds, maturing February 15, 2016 to February 15, 2035 with interest ranging from 3.00% to 5.00%	18,770,000
Series 2015 A Refunding Bonds, maturing August 15, 2015 to August 15, 2036 with interest ranging from 3.00% to 5.00%	81,270,000
Series 2015 B Refunding Bonds, maturing August 15, 2015 to August 15, 2020 with interest of 5.00%	23,965,000
Series 2015 C Bonds, maturing August 15, 2016 to August 15, 2033 with interest ranging from 2.00% to 4.00%	6,245,000
Series 2016 A Bonds, maturing February 15, 2017 to February 15, 2036 with interest ranging from 2.00% to 4.00%	5,015,000
	778,635,000
Net unamortized original issue premium	44,825,976
Bonds payable	823,460,976
Current portion	76,504,474
Noncurrent portion	$ 746,956,502

The above bonds payable will mature as follows, with interest payable semiannually:

Fiscal year Ending June 30,	Principal	Interest	Total
2017	$ 71,955,000	$ 33,374,330	$ 105,329,330
2018	62,600,000	30,475,640	93,075,640
2019	61,875,000	27,723,643	89,598,643
2020	66,400,000	24,965,288	91,365,288
2021	56,355,000	22,210,678	78,565,678
2022 – 2026	244,500,000	74,146,357	318,646,357
2027 – 2031	113,845,000	34,417,157	148,262,157
2032 – 2036	65,865,000	15,341,072	81,206,072
2037 – 2041	35,240,000	4,059,156	39,299,156
	$ 778,635,000	$ 266,713,321	$ 1,045,348,321

4. Bonds Payable (Continued)

Some bonds contain provisions for prepayment at the Bond Bank's option. All bonds are secured by the payment stream of loans receivable from governmental units or institutions. The monies in the reserve funds shall be held and applied solely to the payment of the interest and principal of the reserve fund bonds as they become due and payable and for the retirement of the reserve fund bonds. In the event of a deficiency in an interest and/or principal payment from the governmental units or institutions, transfers can be made from the general reserve funds to cover the shortfall. If this transfer creates a deficiency in the required amount of the reserve funds, the State can annually appropriate and cover such deficiency through the moral obligation. Reserve funds of one division (as defined in note 1) cannot be used to cover deficiencies of another division.

In periods of declining interest rates, the Bond Bank has refunded certain bond obligations by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The Bond Bank accounts for these transactions by removing the U.S. Treasury obligations and liabilities for the in-substance defeased bonds from its records, and records a deferred amount on refunding. As of June 30, 2016, defeased bonds payable by irrevocable trusts were approximately $80,750,000.

The following summarizes bonds payable activity for the Bond Bank for the year ended June 30, 2016:

	State Guaranteed Fund Group	Qualified School Construction Fund Group	Non-State Guaranteed Fund Group
Balance, beginning of year	$1,262,950	$35,025,000	$ 888,309,558
Issuances	–	–	11,260,000
Redemptions	(295,000)	(2,940,000)	(71,745,000)
Capitalized premiums	–	–	226,994
Amortization of premiums	(34,320)	–	(4,590,576)
Balance, end of year	$ 933,630	$32,085,000	$ 823,460,976

5. Fair Value Measurements

The Bond Bank generally holds investments until maturity to pay reserve fund bonds as they become due, so fluctuations in the fair value of the investments have a minimal long-term effect. The Bond Bank categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Bond Bank has the ability to access.

5. Fair Value Measurements (Continued)

Level 2 – Inputs to the valuation method include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are as follows:

- *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- *Cost approach* – Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and
- *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques).

Each asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Cash equivalents: Fair value approximates the relative book values at June 30 as these financial instruments have short maturities.

Certificates of deposit: Fair value is based on the discounted value of contractual cash flows. The discount rate is estimated using rates currently offered for similar maturities.

Fixed income mutual funds: Fair value is based on quoted prices in active markets.

U.S. Government obligations, U.S. Treasury strips, U.S. Government-sponsored enterprises strips and N.H. G.O. capital improvement bonds: Fair value is determined based on quoted prices in active markets, or by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency.

5. Fair Value Measurements (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Bond Bank believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Bond Bank's assets at fair value as of June 30, 2016:

	Level 1	Level 2	Level 3	Total
General Operating Fund Group				
Cash equivalents	$ 169,588	$ –	$ –	169,588
Fixed income – mutual funds	3,955,016	–	–	3,955,016
	$4,124,604	$ –	$ –	$ 4,124,604
State Guaranteed Fund Group				
Cash equivalents	$ 133,313	$ –	$ –	$ 133,313
U.S. Treasury strips	–	385,788	–	385,788
	$ 133,313	$ 385,788	$ –	$ 519,101
Qualified School Construction Fund Group				
Cash equivalents	$ 69	$ –	$ –	$ 69
Non-State Guaranteed Fund Group				
Cash equivalents	$7,048,425	$ –	$ –	$ 7,048,425
Certificates of deposit	–	11,500,000	–	11,500,000
U.S. Government obligations	–	38,603,627	–	38,603,627
U.S. Treasury strips	–	14,749,444	–	14,749,444
U.S. Government-sponsored enterprises strips	–	14,703,184	–	14,703,184
N.H. G.O. capital improvement bonds	–	24,301,271	–	24,301,271
	$7,048,425	$ 103,857,526	$ –	$ 110,905,951

6. Cost-Sharing Pension Plan

General Information about the Pension Plan

Plan description – The Bond Bank participates in a Cost-Sharing Multiple Employer Defined Benefit Pension Plan (the Pension Plan) administered by the New Hampshire Retirement System (NHRS).

6. Cost-Sharing Pension Plan (Continued)

The Pension Plan was established in 1967 by RSA 100-A: 2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State of New Hampshire are eligible and required to participate in the Pension Plan. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for the Pension Plan. That report may be obtained on the NHRS website.

The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II. All assets are held in a single trust and are available to pay retirement benefits to all members. Bond Bank employees participate in Group I, which is further described below.

Benefits provided – Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service. Members may also qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

Contributions – By statute, the Board of Trustees of the NHRS is responsible for the certification of employer and employee contribution rates, which are determined through the preparation of biennial valuations of the NHRS's assets by the NHRS's actuary using the entry age normal cost method. The Bond Bank's payroll for the year ended June 30, 2016 for employees covered by the Plan was approximately $158,300, which was 79% of payroll. The Bond Bank is required to contribute at an actuarially determined rate that, when combined with the contributions of other reporting entities, will be adequate to fund the Plan.

The Bond Bank's contributions for the years ended June 30, 2016, 2015 and 2014 were $16,523, $16,030 and $12,851 (employer) and $11,078, $10,748 and $10,608 (employee), respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to the Pension Plan

At June 30, 2016, the Bond Bank reported a liability of $195,102 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Bond Bank's proportionate share of the net position liability was based on a projection of the Bond Bank's long-term share of contributions to the Pension Plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the Bond Bank's proportion was 0.0049%, which is consistent with its proportion measured as of June 30, 2014.

6. Cost-Sharing Pension Plan (Continued)

For the year ended June 30, 2016, the Bond Bank recognized pension expense of approximately $10,800 within the General Operating Fund Group. At June 30, 2016, the Bond Bank reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between Bond Bank contributions and proportionate share of contributions	$ –	$ 5,215
Net difference between projected and actual earnings on pension plan investments	–	6,847
Differences between expected and actual experience	–	4,281
Bond Bank contributions subsequent to the measurement date	19,563	–
Total	$19,563	$16,343

The above total of $19,563 reported as deferred outflows of resources related to the Pension Plan resulting from Bond Bank contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized as a (reduction) increase in pension expense as follows:

Year Ended June 30	
2017	$ (3,269)
2018	(3,269)
2019	(3,269)
2020	(3,269)
2021	(3,267)

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following methods and assumptions, applied to all periods included in the measurement:

Actuarial Cost Method – The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each member. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his/her expected future salary. The normal cost for each member is the product of his/her pay and his/her normal cost rate. The normal cost for the group is the sum of the normal costs for all members. Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

6. Cost-Sharing Pension Plan (Continued)

Asset Valuation Method – The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swing in the market value. The specific technique adopted in this valuation recognizes in a given year a five year smoothed market for funding purposes for investment return.

Amortization – The net pension liability is amortized on a closed basis over a period of 24 years.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2015 and June 30, 2014 are as follows:

Investment Rate of Return – 7.75% per annum, compounded annually

Salary Increases, Merit and Inflation – 3.75% to 5.80% per year

Mortality Rates – based on RP-2000 mortality table, projected to 2020 with Scale AA. The table includes a margin of 15% for men and 17% for women for mortality improvements.

Inflation increases – 3.00% per annum (price) and 3.75% per annum (wage)

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of June 30, 2015 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities:		
Large cap	22.50%	3.00%
Small/Mid cap	7.50	3.00
International equities:		
Unhedged	13.00	4.00
Emerging	7.00	6.00
Fixed income:		
Core bonds	4.50	(0.70)
Short duration	2.50	(1.00)
Global multi-sector	11.00	0.28
Unconstrained	7.00	0.16
Alternative investments:		
Private equity	5.00	5.50
Private debt	5.00	4.50
Real estate	10.00	3.50
Opportunistic	5.00	2.75

6. Cost-Sharing Pension Plan (Continued)

Discount Rate - The discount rate used to measure the collective total pension liability was 7.75% for 2015 and 2014. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the Bond Bank's proportionate share of the net pension liability as of June 30, 2015 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 7.75%.

	1% Decrease	Current Discount Rate	1% Increase
Bond Bank's proportionate share of the net pension liability	$256,826	$195,102	$142,482

Changes in net pension liability are recognized in pension expense for the year ended June 30, 2016 with the following exceptions.

Differences between expected and actual experience – The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. For the 2015 actuarial valuation, this was 5.4 years.

Changes in Assumptions – Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. There were no changes in assumptions for the Pension Plan in 2015.

Differences between Projected and Actual Investment Earnings – Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period.

Changes in Employer Proportionate Share and Differences between Employer Contributions and Proportionate Share of Contributions – Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. There are no differences between employer contributions and the proportionate share of contributions because the Pension Plan utilizes employer contributions as a method of allocation.

7. **Subsequent Events**

On July 14, 2016 the Bond Bank issued $46,420,000 in Non-State Guaranteed Fund Group bonds. The issue included $42,195,000 for loans to sixteen municipalities. The coupon rate ranged from 2.00% to 5.00% with a True Interest Cost (TIC) of 2.33%. On July 21, 2016 the Bond Bank issued $9,840,000 in Non-State Guaranteed Fund Group bonds. The issue included $9,840,000 for loans to two municipalities. The coupon rate ranged from 2.00% to 4.00% with a TIC of 2.04%.

REQUIRED SUPPLEMENTARY INFORMATION

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NEW HAMPSHIRE MUNICIPAL BOND BANK

SCHEDULE OF THE BOND BANK'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY

Last 3 Fiscal Years*

	2016	2015	2014
Bond Bank's proportion of the net pension liability	0.0049%	0.0049%	0.0052%
Bond Bank's proportionate share of the net pension liability	$195,102	$185,468	$222,431
Bond Bank's covered-employee payroll	$158,300	$153,500	$151,500
Bond Bank's proportionate share of the net pension liability as a percentage of its covered-employee payroll	123.2%	120.8%	146.8%
Plan fiduciary net position as a percentage of the total pension liability	65.47%	66.32%	59.81%

* The amounts presented for each fiscal year were determined as of the beginning of the fiscal year. Data has been provided for fiscal years in which the data is available.

NEW HAMPSHIRE MUNICIPAL BOND BANK

SCHEDULE OF THE BOND BANK'S PENSION CONTRIBUTIONS

Last 10 Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	$ 16,523	$ 16,030	$ 12,851	$ 13,558	$ 13,364	$ 12,762	$ 11,631	$ 11,047	$ 7,520	$ 8,498
Contributions in relation to the contractually required contribution	(16,523)	(16,030)	(12,851)	(13,558)	(13,364)	(12,762)	(11,631)	(11,047)	(7,520)	(8,498)
Contribution deficiency (excess)	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Bond Bank's covered-employee payroll	$158,300	$153,500	$151,500	$155,500	$147,000	$139,700	$133,100	$126,400	$110,400	$124,800
Contributions as a percentage of covered-employee payroll	10.44%	10.44%	8.48%	8.72%	9.09%	9.14%	8.74%	8.74%	6.81%	6.81%

NEW HAMPSHIRE MUNICIPAL BOND BANK
Proposed Form of Continuing Disclosure Certificate

In connection with the issuance by the New Hampshire Municipal Bond Bank (the "Bank") of its $31,735,000 2017 Series A Refunding Bonds dated their date of delivery (the "Bonds") and with reference to the continuing disclosure requirements of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended, and officially interpreted from time to time (the "Rule"), the Bank hereby covenants that it will engage in the undertakings described in Paragraphs 1, 2 and 3 herein for the benefit of the beneficial owners of the Bonds, subject to the conditions and limitations specified herein. The Bank reserves the right to incorporate by reference its Official Statement relating to the Bonds in any future disclosure provided hereunder.

1. Not later than 270 days after the end of each fiscal year of the Bank, the Bank will provide to the Municipal Securities Rulemaking Board (the "MSRB"):

a. financial information and operating data relating to the Bank and each obligated person with respect to the Bonds for the preceding fiscal year, of the type presented in the Official Statement regarding (i) revenues and expenditures relating to operating budgets, (ii) capital expenditures, (iii) fund balances, (iv) assessment or property tax information, as appropriate, (v) outstanding indebtedness and overlapping indebtedness, (vi) pension obligations and (vii) such other financial information, operating data and financial statements, including without limitation, unaudited financial statements, as may be required to comply with the Rule; and

b. promptly upon their public release, the audited financial statements of the Bank and any obligated person with respect to the Bonds for the most recently ended fiscal year, prepared in accordance with generally accepted accounting principles in the case of the Bank and in accordance with customary New Hampshire municipal finance accounting practices in the case of any obligated person with respect to the Bonds, to the extent any such audited financial statements have been commissioned and publicly released.

The Bank reserves the right to modify from time to time the specific types of information provided under subparagraph (a) above or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Bank; provided that any such modification will be done in a manner consistent with the Rule.

2. The Bank will provide notice to the MSRB in a timely manner, not in excess of ten (10) business days after the occurrence of the event, of the occurrence of any of the following events with respect to the Bonds:

a. Principal and interest payment delinquencies.
b. Non-payment related defaults, if material.
c. Unscheduled draws on debt service reserves reflecting financial difficulties.
d. Unscheduled draws on credit enhancements reflecting financial difficulties.
e. Substitution of credit or liquidity providers, or their failure to perform.
f. 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 Bonds, or other material events affecting the tax-exempt status of the Bonds.
g. Modifications to rights of the beneficial owners of the Bonds, if material.
h. Bond calls, if material, and tender offers.
i. Defeasance of the Bonds or any portion thereof.

j. Release, substitution or sale of property securing repayment of the Bonds, if material.
k. Rating changes.
l. Bankruptcy, insolvency, receivership or similar event of the Bank.*
m. The consummation of a merger, consolidation, or acquisition involving the Bank or the sale of all or substantially all of the assets of the Bank, 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.
n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Bank from time to time may choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the Bank, such other event is material with respect to the Bonds, but the Bank does not undertake to commit to provide any such notice of the occurrence of any event except those listed above.

3. The Bank will provide notice to the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, of a failure to satisfy the requirements of Paragraph 1 herein. Filing information relating to the MSRB is set forth in Exhibit A hereto. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

4. The intent of the Bank's undertaking in this Continuing Disclosure Certificate is to provide on a continuing basis the information described in the Rule. The provisions of the Continuing Disclosure Certificate may be amended by the Bank without the consent of, or notice to, any beneficial owners of the Bonds, (a) to comply with or conform to the provisions of the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission or its staff (whether required or optional), (b) to add a dissemination agent for the information required to be provided by such undertakings and to make any necessary or desirable provisions with respect thereto, (c) to add to the covenants of the Bank for the benefit of the beneficial owners of Bonds, (d) to modify the contents, presentation and format of the annual financial information from time to time as a result of a change in circumstances that arises from a change in legal requirements, or (e) to otherwise modify the undertakings to respond to the requirements of the Rule concerning continuing disclosure; provided, however, that in the case of any amendment pursuant to clause (d) or (e), (i) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances, and (ii) the amendment does not materially impair the interests of the beneficial owners of the Bonds, as determined either by a party unaffiliated with the Bank (such as bond counsel), or by the vote or consent of beneficial owners of a majority in outstanding principal amount of the Bonds affected thereby at or prior to the time of such amendment. Furthermore, to the extent that the Rule, as in effect from time to time, no longer requires the issuer of municipal securities to provide all or any portion of the information the Bank has agreed to provide pursuant to the Continuing Disclosure Certificate, the obligation of the Bank to provide such information also shall cease immediately.

* As noted in the Rule, this event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for the Bank in a proceeding under the U.S. Bankruptcy Code or in any 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 the Bank, 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 (ii) 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 the Bank.

5. The purpose of the Bank's undertaking is to conform to the requirements of the Rule and, except for creating the right on the part of the beneficial owners of the Bonds, from time to time, to specifically enforce the Bank's obligations hereunder, not to create new contractual or other rights for any registered owner or beneficial owner of the Bonds, any municipal securities broker or dealer, any potential purchaser of the Bonds, the Securities and Exchange Commission or any other person. The sole remedy in the event of any actual or alleged failure by the Bank to comply with any provision herein shall be an action for the specific performance of the Bank's obligations hereunder and not for money damages in any amount. Any failure by the Bank to comply with any provision of this undertaking shall not constitute an event of default with respect to the Bonds.

6. Any Governmental Unit obligated to pay, from time to time, 20 percent or more of the total outstanding debt service due on all bonds issued by the Bank under the 1978 Resolution shall be an obligated person with respect to the Bonds as long as such Governmental Unit remains obligated to pay at least 20 percent of all debt service for bonds issued pursuant to the 1978 Resolution. The loan agreement with each Governmental Unit provides that to the extent a Governmental Unit becomes an obligated person with respect to the Bonds, it agrees to provide the Bank with the information necessary to enable the Bank to comply with the rule as in effect from time to time. At the present time, no Governmental Units are obligated persons with respect to the Bonds.

7. Capitalized terms used herein and not otherwise defined shall have the meanings as set forth in the Official Statement of the Bank, dated March 16, 2017, prepared in connection with the Bonds.

8. The Executive Director of the Bank, or such official's designee from time to time, shall be the contact person on behalf of the Bank from whom the foregoing information, data and notices may be obtained. The name, address and telephone number of the initial contact person is Sheila M. St. Germain, Executive Director, New Hampshire Municipal Bond Bank, 25 Triangle Park Drive, Concord, New Hampshire 03301, Telephone (603) 271-2595.

NEW HAMPSHIRE MUNICIPAL BOND BANK

By: ______________________________________
Sheila M. St. Germain
Executive Director

Dated: ____________, 2017

EXHIBIT A

Filing information for the Municipal Securities Rulemaking Board is as follows:

Municipal Securities Rulemaking Board

http://emma.msrb.org

NEW HAMPSHIRE MUNICIPAL BOND BANK

2017 SERIES A REFUNDING BONDS

Summary of Bonds Refunded

Issue	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
2007 A					
	2/15/2018	4.000%	$ 830,000	8/15/2017	100 %
	8/15/2018	4.000%	920,000	8/15/2017	100
	2/15/2019	4.000%	920,000	8/15/2017	100
	2/15/2020	4.500%	6,020,000	8/15/2017	100
	2/15/2021	4.500%	6,860,000	8/15/2017	100
	2/15/2022	4.500%	7,775,000	8/15/2017	100
	2/15/2023	4.500%	7,980,000	8/15/2017	100
	2/15/2024	4.500%	2,850,000	8/15/2017	100
	2/15/2029	4.250%	305,000	8/15/2017	100
			$34,460,000		

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APPENDIX G

DELAYED DELIVERY CONTRACT

March 16, 2017

Raymond James & Associates,
Inc. 9th Floor
535 Madison Avenue
New York, NY 10022

Re: $31,735,000 New Hampshire Municipal Bond Bank
2017 Series A Refunding Bonds (the "Bonds")

Ladies and Gentlemen:

The undersigned (the "Purchaser") hereby agrees to purchase from Raymond James & Associates, Inc. (the "Underwriter"), when, as, and if issued and delivered to the Underwriter by the New Hampshire Municipal Bond Bank (the "Bank"), and Underwriter agrees to sell to the Purchaser:

Par Amount	Maturity Date	Interest Rate	CUSIP Number	Yield	Price

of the above-referenced Bonds offered by the Bank under the Preliminary Official Statement dated March 8, 2017 (the "Preliminary Official Statement") and the Official Statement relating to the Bonds dated March 16, 2017 (the "Official Statement"), receipt and review of copies of which (including without limitation, the section entitled "DELAYED DELIVERY OF THE BONDS" herein) is hereby acknowledged, at the purchase price and with the interest rates, principal amounts, and maturity dates shown above, and on the further terms and conditions set forth in this Delayed Delivery Contract. The Bonds are being purchased by the Underwriter pursuant to a forward delivery Contract of Purchase between the Bank and the Underwriter (the "Forward Delivery Contract of Purchase"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Preliminary Official Statement.

The Purchaser hereby purchases and agrees to accept delivery of such Bonds from the Underwriter on or about May 18, 2017 (the "Series 2017 Settlement Date").

Payment for the Bonds, which the Purchaser has agreed to purchase on the Series 2017 Settlement Date, shall be made to the Underwriter or upon its order on the Series 2017 Settlement Date upon delivery to the Purchaser of the Bonds then to be purchased by the Purchaser through the book-entry system of The Depository Trust Company. The Purchaser agrees that in no event shall the Underwriter be responsible or liable for any claim or loss, whether direct or consequential, which the Purchaser may suffer in the event the Bank does not for any reason issue and deliver the above-referenced Bonds.

The obligation of the Purchaser to take delivery hereunder shall be unconditional except in the event that between the date of this Delayed Delivery Contract and the Series 2017 Settlement Date and upon written notice from the Underwriter that: (A) the Bank has not performed or satisfied the conditions to the obligations of the Underwriter contained in the Forward Delivery Contract of Purchase; (B) the Underwriter shall have exercised the right to terminate the Forward Delivery Contract of Purchase as provided for therein, with respect to which termination the Purchaser shall be deemed to have consented; or (C) there shall have been a Change in Law (in the sole judgment of the Underwriter, as defined below) that shall not have been waived by the Underwriter. A "Change in Law" means:

(i) (A) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies, (B) any law, rule or regulation enacted by any governmental body, department or agency, or (C) any judgment, ruling or order issued by any court or administrative body, which in each instance (as described in (A) through (C) above) would, (1) legally prohibit the Underwriter (or have the retroactive effect of prohibiting, if enacted, adopted, passed or finalized) from accepting delivery of and paying for the Bonds in accordance with the provisions of the Forward Delivery Contract of Purchase or selling the Bonds or beneficial ownership interests therein to bona fide purchasers, or (2) make the sale or issuance and delivery of the Bonds illegal (or have the retroactive effect of making such sale, issuance, or delivery illegal, if enacted, adopted, passed or finalized), or (3) eliminate the exclusion from gross income of interest on the Bonds (or have the retroactive effect of eliminating such exclusion if enacted, adopted, passed, or finalized), or (4) require the Bonds to be registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, the Bank's General Bond Resolution adopted December 1, 1978, as heretofore amended and supplemented, or the Bank's 2017 Series A Series Resolution (the "Series Resolution") to be qualified under the Trust Indenture Act of 1939, as amended (or have the retroactive effect of requiring such registration or qualification if enacted, passed, finalized, or adopted); provided, however, that such change in or addition to law, legislation, rule or regulation, or judgment, ruling or order shall have become effective, been enacted or been issued, as the case may be, subsequent to the date of execution of the Forward Delivery Contract of Purchase; or

(ii) a stop order, ruling, regulation, or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering, or sale of the Bonds, or the adoption of the Series Resolution is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended.

The Purchaser acknowledges and agrees that the Bonds are being sold on a "forward" or "delayed delivery" basis for delivery on the Series 2017 Settlement Date and that the Purchaser is obligated to take up and pay for the Bonds on the Series 2017 Settlement Date unless one of the events described above shall have occurred and not been waived by the Underwriter. The Purchaser acknowledges that it will not be able to withdraw its order as described herein, and will not otherwise be excused from performance of its obligations to take up and pay for the Bonds on the Series 2017 Settlement Date because of market or credit changes, including specifically, but not limited to (a) changes in the ratings assigned to the Bonds between the date of this Delayed Purchase Contract and the Series 2017 Settlement Date or changes in the credit associated with the Bonds generally, and (b) changes in the financial condition, operations, performance, properties or prospects of the Bank from the date hereof to the Series 2017 Settlement Date. The Purchaser acknowledges and agrees that it will remain obligated to purchase the Bonds in accordance with the terms hereof, even if the Purchaser decides to sell such Bonds following the date hereof, unless the Purchaser sells such Bonds to another financial institution with the prior written consent of the Underwriter and such financial institution provides a written acknowledgment of confirmation of purchase order and a delayed delivery contract in the same respective forms as that executed by the Purchaser.

The Purchaser represents and warrants that, as of the date of this Delayed Delivery Contract, the Purchaser is not prohibited from purchasing the Bonds hereby agreed to be purchased by it under the laws of the jurisdiction to which the Purchaser is subject.

This Delayed Delivery Contract will inure to the benefit of, and be binding upon, the parties hereto and their respective successors, but will not be assignable by either party without the prior written consent of the other.

The Purchaser acknowledges that the Underwriter is entering into an agreement with the Bank to purchase the Bonds in reliance in part on the performance by the Purchaser of its obligations hereunder.

The Purchaser agrees that it will at all times satisfy the minimum initial and maintenance margin requirements of Regulation T of the Board of Governors of the Federal Reserve System, Rule 431 of the New York Governors of the Federal Reserve System, Rule 431 of the New York Stock Exchange, Inc., and any other margin regulations applicable to the Underwriter.

This Delayed Delivery Contract may be executed by either of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

It is understood that the acceptance by the Underwriter of any Delayed Delivery Contract (including this one) is in the Underwriter's sole and unfettered discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this Delayed Delivery Contract is acceptable to the Underwriter, it is requested that the Underwriter sign the form of acceptance below and mail or deliver one of the counterparts hereof to the Purchaser at its address set forth below. This will become a binding contract between the Underwriter and the Purchaser when such counterpart is so mailed or delivered by the Underwriter. This Delayed Delivery Contract does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.

The Bank shall be deemed a third party beneficiary of this Delayed Delivery Contract.

This Delayed Delivery Contract shall be construed and administered under the laws of the State of New Hampshire.

[NAME OF PURCHASER]

____
Address

____
Telephone

By:
Name: __________________________________

Title: __________________________________

Accepted:

Name:__________________________________

Title: __________________________________