

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, and the Attorney General of the State of Michigan, under existing law, (i) the Bonds and the interest thereon are exempt from all state, city, county or other taxation provided by the laws of the State of Michigan, except for inheritance, estate and gift taxes and taxes on transfers, (ii) interest on the Bonds is excluded from gross income for Federal income tax purposes to the extent and subject to the conditions described herein and (iii) interest on the Bonds is not an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals and corporations; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of computing the Federal alternative minimum tax imposed on such corporations. See "TAX EXEMPTION" herein.

**NEW ISSUE — BOOK-ENTRY-ONLY**

Rating: Standard & Poor's: AAA  
(See "RATING" herein.)

**\$12,645,000**

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
LIMITED OBLIGATION REVENUE BONDS  
(Green Hill Project), Series 1994**

Dated: February 15, 1994

Due: as shown below

Interest on the Bonds (the "Bonds") is payable on July 15, 1994 and thereafter on January 15 and July 15 of each year. The Bonds are issuable as fully registered bonds in the denomination of \$5,000 principal amount and integral multiples thereof. The Bonds, 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. Purchases of beneficial interests in the Bonds will be made in book-entry-only form. Accordingly, principal of and interest on the Bonds will be paid by Comerica Bank, as trustee (the "Trustee"), directly to DTC as the registered owner thereof. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants, as more fully described herein. Any purchaser as a beneficial owner of a Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Bond. So long as Cede & Co. is the registered owner of the Bonds, references herein to the holders or registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds. See "THE BONDS — Book-Entry-Only System."

Except to the extent payable from amounts on deposit in a Reserve Fund, Principal of, premium (if any) and interest on the Bonds are payable from payments to be made by BGC-II Nonprofit Housing Corporation, a Michigan nonprofit housing corporation (the "Owner") pursuant to a Loan Agreement between the Michigan State Housing Development Authority (the "Issuer") and the Owner.

The Bonds are being issued to provide funds (i) to be loaned by the Issuer to the Owner (the "Mortgage Loan"), in an amount estimated to be sufficient, together with other available funds of the Issuer, to acquire a multifamily housing residential project located in the City of Midland, Midland County, Michigan (the "Project") for occupancy by persons of low income who are eligible for assistance under Section 8 of the United States Housing Act of 1937, (ii) to establish a Reserve Fund and (iii) to pay certain costs of issuing the Bonds and certain other related costs and fees. Occupants of the Project are required to be eligible for rent subsidies pursuant to a housing assistance payments contract between HUD and the Owner (the "HAP Contract").

Payment of Principal of and interest on the Bonds will be secured to the extent described herein by the Mortgage Loan, by the obligation of the Federal National Mortgage Association ("Fannie Mae") to make certain payments under the Collateral Agreement (described herein) and by certain other resources and assets constituting the trust estate under the Indenture described herein.

THE BONDS AND THE INTEREST DUE THEREON ARE NOT AN OBLIGATION, DEBT OR LIABILITY OF THE STATE OF MICHIGAN AND DO NOT CONSTITUTE OR GIVE RISE TO ANY PECUNIARY LIABILITY OR CHARGE AGAINST THE CREDIT OR TAXING POWER OF THE STATE OF MICHIGAN. THE BONDS AND INTEREST DUE THEREON ARE NOT A GENERAL OBLIGATION, DEBT OR LIABILITY OF THE ISSUER AND DO NOT CONSTITUTE OR GIVE RISE TO ANY PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT ARE A LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM AND SECURED BY THE "SECURITY" AS DEFINED IN THE INDENTURE FOR THE EQUAL AND RATABLE BENEFIT OF THE HOLDERS, FROM TIME TO TIME, OF THE BONDS.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY THEREOF, OR OF FANNIE MAE AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR FANNIE MAE. THE OBLIGATIONS OF FANNIE MAE ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA, BUT BY THE CORPORATE CREDIT OF FANNIE MAE, A FEDERALLY CHARTERED, PRIVATELY OWNED CORPORATION.

**MATURITIES, INTEREST RATES AND PRICES**

**\$3,185,000 4.50% Term Bonds Due July 15, 2003 Price: 100%**  
**\$2,440,000 5.125% Term Bonds Due July 15, 2008 Price: 98.742%**  
**\$1,835,000 5.45% Term Bonds Due July 15, 2011 Price: 99.750%**  
**\$5,185,000 5.50% Term Bonds Due January 15, 2018 Price: 99.625%**

(Accrued interest to be added)

The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS — Redemption."

This cover page contains certain information for quick reference only. It is not a summary of the Bonds or the provisions relating thereto. Prospective purchasers of Bonds must read this Official Statement in its entirety to obtain the information essential to making an informed investment decision.

The Bonds are offered when, as and if issued and received by the Underwriter subject to the approval of legality by Miller, Canfield, Paddock and Stone, P.L.C., Ann Arbor, Michigan, Bond Counsel, and the Attorney General of the State of Michigan. Certain legal matters will be passed upon for the Underwriter by its counsel, Kutak Rock and co-counsel Arnelle & Hastie, the Owner by its counsel, Hubbard, Fox, Thomas, White & Bengtson, the Trustee by its counsel, Bodman, Longley & Dahling, and Fannie Mae by its counsel, Powell, Goldstein, Frazer & Murphy. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about February 16, 1994.

**M ♦ R ♦ BEAL & COMPANY**

Dated: February 7, 1994