

PRELIMINARY SUPPLEMENT DATED JULY 12, 2017

TO

OFFICIAL STATEMENT DATED JULY 29, 2014

with respect to

\$200,000,000



THE COMMONWEALTH OF MASSACHUSETTS

General Obligation Bonds
Consolidated Loan of 2014, Series D
(Multi-Modal Bonds)
Subseries D-2 (the "D-2 Bonds")

The following information supplements the Official Statement dated July 29, 2014 (the "Official Statement") for the D-2 Bonds. Except as expressly provided herein, this Supplement dated July __, 2017 (the "Supplement") does not modify, update, replace or "bring-down" the Official Statement, which speaks only as of its date, July 29, 2014 or provide any information pertaining to the D-1 Bonds referenced therein. Terms used but not otherwise defined in this Supplement shall have the respective meanings as used in the Official Statement.

On August 1, 2017, The Commonwealth of Massachusetts (the "Commonwealth") intends to convert the D-2 Bonds to bear interest in the Term Mode, with an initial Term Rate Period that will expire on August 1, 2022, at which time the D-2 Bonds will be subject to mandatory tender for purchase, as described herein. During the initial Term Rate Period, interest on the D-2 Bonds will be payable on February 1 and August 1, commencing February 1, 2018.

The Official Statement relating to the Series D-2 Bonds has been filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System ("EMMA"), and can be found at www.massbondholder.com or at <http://emma.msrb.org/EA626079-EA489986-EA886528.pdf>. The most recent Commonwealth Information Statement dated May 19, 2017 as supplemented on June 16, 2017 has been filed with EMMA, is incorporated by reference in this Supplement and can be found at www.massbondholder.com. The Information Statement may also be found at <https://emma.msrb.org/EP998377-EP774013-EP1175774.pdf>, and the June 16, 2017 supplement may be found at <https://emma.msrb.org/EP1180938.pdf>.

During the Term Rate Period, the D-2 Bonds will not be secured by or have the benefit of any liquidity facility and will be payable solely from funds provided by the Commonwealth from the remarketing of the D-2 bonds or other available moneys of the Commonwealth.

The D-2 Bonds will not be subject to redemption prior to August 1, 2022. The D-2 Bonds will not be subject to optional or mandatory tender, other than mandatory tender by the Commonwealth on August 1, 2022.

U.S. Bank National Association is serving as Tender Agent for the D-2 Bonds pursuant to a Tender Agent Agreement dated June 30, 2017, by and between the Commonwealth and the Tender Agent. **Barclays Capital Inc.** ("Barclays") is serving as the initial Remarketing Agent with respect to the remarketing of the D-2 Bonds on August 1, 2017 pursuant to a Remarketing Agreement dated June 30, 2017, by and between the Commonwealth and Barclays Capital Inc. (the "Remarketing Agreement"). Barclays has agreed to use its best efforts to remarket the D-2 Bonds and will determine the interest rate payable on the D-2 Bonds no later than July 19, 2017*. See "REMARKETING" herein.

Except as expressly set forth herein, this Supplement does not update, modify or replace the information contained in the Official Statement, which contains information only as of its date. Capitalized terms not otherwise defined herein have the same meanings as in the Official Statement.

Barclays

Loop Capital

RBC Capital Markets

TD Securities

* Preliminary, subject to change.

THE COMMONWEALTH OF MASSACHUSETTS

**\$200,000,000
General Obligation Bonds
Consolidated Loan of 2014, Series D
(Multi-Modal Bonds)
Subseries D-2**

Price: 100%

Maturity Date:	August 1, 2043
Mode as of August 1, 2017:	Term Mode
First Interest Payment Date:	February 1, 2018
Interest Rate:	___%
Mandatory Tender Date:	August 1, 2022
CUSIP [†] :	57582P5Q9

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. The CUSIP number is included solely for the convenience of owners of the D-2 Bonds and the Commonwealth is not responsible for the selection or the correctness of the CUSIP number printed herein. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors, including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financial products.

INTRODUCTION

Purpose and Content of Supplement

This Supplement describes the terms of the D-2 Bonds following Conversion on August 1, 2017 to the Term Mode with an initial Term Rate Period ending August 1, 2022. This introduction is subject in all respects to the additional information contained in this Supplement and, to the extent applicable, the information set forth in the Official Statement. The Official Statement has been filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System (“EMMA”), and can be found at www.massbondholder.com or at the website address set forth on the cover page hereof. Any descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document.

Specific reference is made to the Commonwealth’s Information Statement dated May 19, 2017, as supplemented on June 16, 2017 (the “Information Statement”), which is incorporated herein by reference. The Information Statement has been filed with the MSRB through its EMMA system and is available at www.massbondholder.com or at the website addresses set forth on the cover page hereof. Subsequent filings by the Commonwealth to the EMMA system, prior to the remarketing of the D-2 Bonds, of continuing disclosure documents identified as “other financial/operating data” are hereby deemed to be included by reference in the Information Statement. The Information Statement contains certain fiscal, budgetary, financial and other general information concerning the Commonwealth. Exhibit A to the Information Statement contains certain economic information concerning the Commonwealth. Exhibit B to the Information Statement contains the financial statements of the Commonwealth for the fiscal year ended June 30, 2016, prepared on a statutory basis. Exhibit C to the Information Statement contains the financial statements of the Commonwealth for the fiscal year ended June 30, 2016, prepared on a GAAP basis.

This Supplement should be read together with the Official Statement. To the extent the information in this Supplement conflicts with the information in the Official Statement, this Supplement governs. Except as otherwise supplemented by this Supplement, there are no other supplements or amendments to the Official Statement with respect to the D-2 Bonds.

THE BONDS

General

The D-2 Bonds are general obligations of the Commonwealth, and the full faith and credit of the Commonwealth are pledged to the payment of the principal of and interest on the D-2 Bonds. Upon Conversion to the Term Mode on August 1, 2017, the D-2 Bonds will bear interest in the Term Mode at a rate to be determined by the initial Remarketing Agent, Barclays Capital Inc. (“Barclays”), on the Rate Determination Date. The interest rate on the D-2 Bonds shall be the lowest rate which, in the judgment of Barclays, would cause the D-2 Bonds to have a market value equal to 100% of the principal amount thereof (exclusive of accrued interest), taking into account prevailing market conditions as of the Rate Determination Date.

The D-2 Bonds shall bear interest from and including August 1, 2017 at the Term Rate determined prior to August 1 until (i) the D-2 Bonds are remarketed following a mandatory tender for purchase on the first day of the succeeding Term Rate Period of the same duration or due to a Conversion to another Mode or a Term Rate Period of a different duration, or (ii) payment of the principal or redemption price thereof shall have been made or provided for, whether at maturity, upon redemption or otherwise. See “Redemption” and “Mandatory Tender” below.

While in the Term Mode, interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months, and will be payable on February 1 and August 1 of each year commencing February 1, 2018 (each such date, an “Interest Payment Date”) to the registered owner as of the record date. The record date for the Bonds will be the 15th day of the month immediately preceding the Interest Payment Date. The Commonwealth will act as its own paying agent with respect to the Bonds. The Commonwealth reserves the right to appoint from time to time a paying agent or agents, or bond registrar for the Bonds.

The D-2 Bonds may be converted in whole to other Modes, including the Daily Mode, Weekly Mode, Flexible Mode, Index Floating Mode or Term Mode. Any such Conversion would result in a mandatory tender of the Bonds being so converted. See “Mandatory Tender” below.

This Supplement only describes the D-2 Bonds while bearing interest at the Term Index Rate effective as of August 1, 2017. If the Commonwealth determines to convert the Bonds to another Mode or to a new Term Rate Period, the D-2 Bonds to be so converted will be subject to mandatory tender and in connection with the remarketing of the D-2 Bonds, a supplement to this Supplement will be distributed describing the new Term Rate Period or Mode.

Additional Information Related to Term Mode

Definitions. In addition to the capitalized terms defined elsewhere in this Supplement, the following words and terms as used in this Supplement have the following meanings with respect to D-2 Bonds in the Term Mode, unless the context or use indicates another or different meaning or intent:

“*Bondholder*” or “*Bondowner*” or “*Holder*” or “*Owner*” means a registered owner of any of the D-2 Bonds.

“*Business Day*” means for the D-2 Bonds a day other than (i) a day on which the business offices of the Commonwealth are closed, (ii) a Saturday, Sunday, legal holiday or day on which banking institutions in Boston, Massachusetts are authorized or required by law or executive order to close, or (iii) a day on which the New York Stock Exchange is closed.

“*Conversion*” means a change to a Mode other than the Term Mode or a change to a new Term Rate Period of a different duration.

“*Conversion Date*” means for any D-2 Bond in the Term Mode the date upon which Conversion to another Mode or a change to a new Term Rate Period takes effect.

“*DTC*” means The Depository Trust Company, New York, New York, or any substitute securities depository appointed by the Commonwealth.

“*Favorable Opinion of Bond Counsel*” shall mean an opinion or opinions of nationally recognized bond counsel to the effect that the action proposed to be taken is authorized or permitted by the D-2 Bonds and will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

“*Interest Index*” means the interest rate or rates determined by the Remarketing Agent to be equal to (a) the index rate compiled from the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specific criteria established from time to time by the Securities Industry and Financial Markets Association (the “SIFMA Index”), or (b) if the SIFMA Index is no longer published, the level of the “S&P Weekly High Grade Index” maintained by Standard & Poor’s Securities Evaluations Inc. for a 7-day maturity, or (c) if neither of the SIFMA Index nor the S&P Weekly High Grade Index are published, the index determined by the Remarketing Agent to most closely approximate the SIFMA Index. The Tender Agent shall make the determinations required by this definition, upon notification from the Commonwealth, if there is no Remarketing Agent or if the Remarketing Agent fails make any such determination.

“*Maximum Rate*” means, with respect to the D-2 Bonds, an interest rate per annum equal to the lesser of the maximum rate permitted by law and 12%.

“*Mode*” means the Daily Mode, the Weekly Mode, the Flexible Mode, the Index Floating Mode, the Term Mode or the SIFMA Mode, as the context may require.

“*Mode Change Date*” means the date one Mode terminates and another Mode begins.

“*Purchase Price*” means 100% of the principal amount of any tendered bond, plus (if not otherwise provided for) accrued and unpaid interest thereon to the date of purchase.

“*Rate Determination Date*” means the date on which the interest rate on a D-2 Bond shall be determined, which (i) in the case of the Daily Mode, shall be each Business Day, (ii) in the case of the Weekly Mode, shall be each Wednesday, or the preceding Business Day if Wednesday is not a Business Day, (iii) in the case of the Flexible Mode, shall be the first day of a Flexible Rate Period, and (iv) in the case of the Term Mode, shall be a Business Day determined by the Remarketing Agent which shall be at least one Business Day prior to the Mode Change Date.

“*Rate Period*” means a period during which a particular rate of interest determined for D-2 Bonds is to remain in effect until a subsequently determined rate of interest becomes effective pursuant to the terms hereof. In any case, the final Rate Period shall end on (and include) the date immediately preceding the Maturity Date.

“*Remarketing Agent*” means any firm or firms designated by the Commonwealth to remarket tendered D-2 Bonds pursuant to a remarketing agreement to be entered into by the Commonwealth and such firm or firms. The Commonwealth is obligated to designate a Remarketing Agent for the D-2 Bonds at least 30 days prior to any proposed Conversion or mandatory tender of the D-2 Bonds. The Commonwealth has designated Barclays as the initial Remarketing Agent with respect to the Conversion of the D-2 Bonds to the Term Mode on August 1, 2017.

“*Tender Agent*” means the bank designated by the Commonwealth to perform the duties of tender agent pursuant to the D-2 Bonds, and as set forth in a tender agent agreement to be entered into by the Commonwealth and such bank. The Commonwealth is obligated to designate a Tender Agent for the D-2 Bonds at least 30 days prior to any proposed Conversion or mandatory tender of the D-2 Bonds. The Commonwealth has designated U.S. Bank National Association as the Tender Agent for the D-2 Bonds.

“*Term Mode*” means the Mode in which the D-2 Bonds bear interest at a Term Rate.

“*Term Rate*” means for or on any D-2 Bond in a Term Mode, the rate of interest thereon for a term of one or more whole years or for a term to maturity determined in accordance with the provisions hereof.

“*Term Rate Period*” means a period during which the D-2 Bonds bear interest at a particular Term Rate.

“*Term Rate Period of a different duration*” means a Conversion to a Term Rate Period of a different duration than the then current Term Rate Period and, if the Conversion is occurring on a date other than that originally scheduled as the last Interest Payment Date of the then current Term Rate Period, a Conversion to a Term Rate Period of the same duration as the then current Term Rate Period.

Redemption

The D-2 Bonds are not subject to optional redemption prior to August 1, 2022.

Mandatory Tender

Tender of Bonds While in Term Mode. The D-2 Bonds, while in Term Mode, are not subject to tender for purchase at the option of the Bondholders.

The D-2 Bonds are subject to mandatory tender for purchase at the option of the Commonwealth, on the first day of the succeeding Term Rate Period of the same duration (in this case, August 1, 2022) and on the effective date of any Conversion to a new Term Rate Period of a different duration or to a new Mode (which Conversion Date shall be August 1, 2022) at a Purchase Price equal to 100% of the principal amount of the D-2 Bonds, plus accrued interest, if any.

The Commonwealth or the Tender Agent, as applicable, shall give written notice of such mandatory tender and Conversion, if any, to the D-2 Bondholders at least 20 days prior to the mandatory tender date.

Conversion from one Term Rate Period to another Term Rate Period or to another Mode. Subject to the conditions in the D-2 Bonds, the Commonwealth may convert all of the D-2 Bonds from one Term Rate Period to another Term Rate Period or from the Term Mode to a different Mode by delivering a Conversion notice to the applicable Remarketing Agent and the Tender Agent specifying the Conversion Date and the Term Rate Period or Mode, as applicable, that will be effective on the Conversion Date. The Commonwealth must deliver such Conversion notice not less than 25 days prior to the Conversion Date, which shall be August 1, 2022.

The Tender Agent must give written notice of such Conversion to the holders of the D-2 Bonds by first class mail (or, so long as the D-2 Bonds remain in book-entry-only form and registered in the name of Cede & Co., or other nominee name of DTC, in such fashion, including electronic delivery, as shall be acceptable to DTC) at least 20 days prior to the Conversion Date, setting forth, among other things: (a) the proposed Conversion Date, (b) that the D-2 Bonds shall be subject to mandatory tender for purchase on the Conversion Date and the purchase price of the D-2 Bonds; (c) if the D-2 Bonds are no longer in book-entry form and are therefore in certificated form, information with respect to required delivery of bond certificates and payment of the purchase price, (d) that the Conversion to a new Term Rate Period or to another Mode will not become effective unless the Commonwealth, the Tender Agent and the Remarketing Agent shall have received no later than one day before the proposed Conversion Date a Favorable Opinion of Bond Counsel.

If for any reason a condition precedent to a Conversion of the D-2 Bonds is not met, the Conversion shall not be effective (although any mandatory tender shall be made on such date if notice has been sent to Holders stating that such D-2 Bonds would be subject to mandatory purchase on that date), and the D-2 Bonds shall be converted to a Weekly Rate Period and bear interest at the Weekly Rate determined by the Remarketing Agent as of the date on which the Conversion was to occur so long as a Favorable Opinion of Bond Counsel has been delivered to the Tender Agent; provided, that if such Favorable Opinion of Bond Counsel has not been delivered, the Bonds shall automatically be converted to a Weekly Rate, and shall bear interest at a Weekly Rate equal to a Weekly Rate for such period determined by the Remarketing Agent as of the date on which the Conversion was to occur, or if in that instance the Remarketing Agent fails to determine that rate, then at a rate of interest equal to 100% of the most recently published Interest Index.

Any failure to pay the Purchase Price of the D-2 Bonds to the holders thereof on any mandatory tender date while bearing interest in the Term Mode shall be a default by the Commonwealth.

RATINGS

The D-2 Bonds have been assigned long-term ratings of “AA+” (stable outlook), “Aa1” (stable outlook) and “AA” (stable outlook) by Fitch Ratings, Moody’s Investor Service, Inc. and S&P Global Ratings, respectively.

Such ratings reflect only the respective views of such organizations, and an explanation of the significance of such ratings may be obtained from the rating agency furnishing the same. There is no assurance that a rating will continue for any given period of time or that a rating will not be revised or withdrawn entirely by any or all of such rating agencies, if, in its or their judgment, circumstances so warrant. Any downward revision or withdrawal of a rating could have an adverse effect on the market prices of the D-2 Bonds.

FINANCIAL ADVISOR

PFM Financial Advisors LLC (“PFM”) has served as financial advisor to the Commonwealth with respect to the remarketing of the D-2 Bonds and has assisted in various matters related to the structuring and remarketing of the D-2 Bonds. PFM is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Supplement. PFM is an independent registered municipal advisor and is not engaged in the business of underwriting, trading or distributing securities.

REMARKETING

Subject to the terms and conditions set forth in the Remarketing Agreement dated June 30, 2017, by and between Barclays and the Commonwealth, Barclays has agreed to perform certain duties and obligations as initial Remarketing Agent for the D-2 Bonds including, among other things, establishing the interest rate to be borne by the D-2 Bonds and using its best efforts to remarket the Bonds tendered or deemed tendered for purchase, subject to the terms of the D-2 Bonds and the Remarketing Agreement. Barclays will accomplish the remarketing of the D-2 Bonds together with the other dealers listed on the cover page of this Supplement. Barclays, in its individual capacity or for its own account, at its sole discretion and for any one or more reasons, may in good faith buy, sell, own, hold and deal in any of the D-2 Bonds, including, without limitation, any D-2 Bonds offered and sold by Barclays pursuant to the Remarketing Agreement. As compensation for its services under the Remarketing Agreement, the Commonwealth shall pay Barclays a one-time fee of \$508,980.71 payable on August 1, 2017.

THE COMMONWEALTH OF MASSACHUSETTS

July __, 2017

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]



Printed by: ImageMaster, LLC
www.imagemaster.com