



NEW ISSUE

This Official Statement has been prepared on behalf of the Iowa Finance Authority to provide information with respect to the initial issuance of its Single Family Mortgage Bonds, 2024 Series C (Social Bonds) (Mortgage-Backed Securities Program) (“2024 Series C Bonds”) and 2024 Series D (Taxable) (Mortgage-Backed Securities Program) (“2024 Series D Bonds” and, together with the 2024 Series C Bonds, the “Series Bonds”). Certain information is presented on this cover page for the convenience of the user. To make an informed decision regarding the purchase of the Series Bonds, a prospective investor should read this Official Statement in its entirety. Capitalized terms used on this cover page have the meanings given in this Official Statement.



IOWA FINANCE
AUTHORITY

IOWA FINANCE AUTHORITY
Single Family Mortgage Bonds
\$80,000,000* 2024 Series C (Non-AMT) (Social Bonds)
\$69,590,000* 2024 Series D (Taxable)
(Mortgage-Backed Securities Program)

Dated/Delivery Dates:

The Series Bonds will be dated and delivered on or about June 11, 2024.*

Purpose/Designation as Social Bonds:

The Series Bonds are being issued by the Authority for the purpose of providing the Authority with moneys (including by the refunding of certain obligations of the Authority) (i) to finance the purchase of mortgage-backed securities, guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (“GNMA”), Fannie Mae or Federal Home Loan Mortgage Corporation (“Freddie Mac”) and secured by pools of mortgage loans which have been or are expected to be made by participating lenders to qualified persons in order to finance single-family residential housing in the State of Iowa (the “State”), as more fully described herein and (ii) to finance down payment assistance. The 2024 Series C Bonds have been designated as “Social Bonds.” See “DESIGNATION OF THE 2024 SERIES C BONDS AS SOCIAL BONDS” herein.

Due Dates/Interest Payment Dates/Interest Rates:

The Series Bonds are due on January 1 and July 1, as shown on the inside cover. The interest payment dates are January 1 and July 1, commencing January 1, 2025* for the Series Bonds. The interest rates on the Series Bonds are shown on the inside front cover.

Redemption:

The Series Bonds are subject to special, optional and mandatory redemption. See “THE SERIES BONDS” herein.

Denominations/Book-Entry Only System:

The denominations are \$5,000 or any integral multiple thereof for the Series Bonds. The Depository Trust Company (“DTC”), New York, New York is the securities depository. See “APPENDIX E—BOOK-ENTRY ONLY SYSTEM.”

Tax Exemption:

In the opinion of Bond Counsel, assuming compliance with certain covenants designed to satisfy the requirements of applicable federal tax law, including certain provisions of the Internal Revenue Code of 1986, as amended, interest on the 2024 Series C Bonds is not includable, and interest on the 2024 Series D Bonds is includable, in gross income for federal income tax purposes under existing laws, statutes, regulations, rulings and decisions except as described herein. Interest on the 2024 Series C Bonds will not be treated as a preference item for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers. Interest on the 2024 Series C Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations. Interest on the Series Bonds is includable in income for State of Iowa income tax purposes. See “TAX EXEMPTION AND RELATED CONSIDERATIONS” herein.

Security:

The Series Bonds are issued on parity with other Bonds under the General Bond Resolution and are general obligations of the Authority, payable out of any of the available moneys, assets or revenues of the Authority, subject to any agreements heretofore and hereafter made with holders of particular notes or bonds pledging particular moneys, assets or revenues for the payment thereof or State or federal laws and regulations designating or appropriating particular funds for a special purpose, and are secured by a pledge of the Mortgage-Backed Securities, certain down payment assistance loans and certain other moneys, assets and revenues pledged to payment of the Bonds, including the Series Bonds, under the General Bond Resolution, as more fully described herein. The Series Bonds shall not constitute an obligation of the State and the State shall not be liable thereon, nor shall the faith, revenues, credit, general funds or taxing power of the State be pledged to the payment of the principal of or interest on the Series Bonds. The Series Bonds are not a debt of the United States of America or any agency thereof or GNMA, Fannie Mae or Freddie Mac and are not guaranteed by the full faith and credit of the United States of America. The Authority has no taxing power.

Trustee:

Computershare Trust Company, National Association.

Bond Counsel:

Dorsey & Whitney LLP, Des Moines, Iowa.

Underwriters’ Counsel:

Kutak Rock LLP, Omaha, Nebraska.

MORGAN STANLEY
BOFA SECURITIES

RBC CAPITAL MARKETS
PIPER SANDLER

WELLS FARGO SECURITIES

_____, 2024

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES*

**2024 SERIES C BONDS (Non-AMT) (Social Bonds)
\$4,845,000* Serial Bonds**

Due*	Principal Amount*	Interest Rate	CUSIP†	Price
July 1, 2034	\$ 900,000	%		%
January 1, 2035	935,000			
July 1, 2035	970,000			
January 1, 2036	1,000,000			
July 1, 2036	1,040,000			

\$7,095,000* ____% Term Bonds due July 1, 2039*

(CUSIP† _____) (Price: ____%)

\$15,810,000* ____% Term Bonds due July 1, 2044*

(CUSIP† _____) (Price: ____%)

\$24,970,000* ____% Term Bonds due July 1, 2049*

(CUSIP† _____) (Price: ____%)

\$27,280,000* ____% Term Bonds due July 1, 2054*

(CUSIP† _____) (Price: ____%)

* Preliminary; subject to change.

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**2024 SERIES D BONDS (Taxable)
\$18,390,000* Serial Bonds**

Due*	Principal Amount*	Interest Rate	CUSIP†	Price
January 1, 2025	\$ 455,000	%		%
July 1, 2025	705,000			
January 1, 2026	730,000			
July 1, 2026	755,000			
January 1, 2027	785,000			
July 1, 2027	815,000			
January 1, 2028	840,000			
July 1, 2028	875,000			
January 1, 2029	905,000			
July 1, 2029	940,000			
January 1, 2030	970,000			
July 1, 2030	1,010,000			
January 1, 2031	1,045,000			
July 1, 2031	1,080,000			
January 1, 2032	1,125,000			
July 1, 2032	1,160,000			
January 1, 2033	1,210,000			
July 1, 2033	1,245,000			
January 1, 2034	1,295,000			
July 1, 2034	445,000			

\$5,390,000* _____% Term Bonds due July 1, 2039*

(CUSIP† _____) (Price: _____%)

\$7,780,000* _____% Term Bonds due July 1, 2044*

(CUSIP† _____) (Price: _____%)

\$12,170,000* _____% Term Bonds due July 1, 2049*

(CUSIP† _____) (Price: _____%)

\$25,860,000* _____% Term PAC Bonds due July 1, 2054*

(CUSIP† _____) (Price: _____%)

* Preliminary; subject to change.

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No dealer, broker or other person has been authorized by the Iowa Finance Authority or the Underwriters 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 either of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy by any person, nor shall there be any sale of the Series Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Authority, the Servicer, The Depository Trust Company and from other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and with respect to information obtained from the Servicer, The Depository Trust Company or such other sources, is not to be construed as a representation by the Authority. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or such other parties since the date hereof.

FORWARD-LOOKING STATEMENTS

This Official Statement contains statements which should be considered “forward-looking statements,” meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as “plan,” “expect,” “estimate,” “budget,” “project” or similar words.

The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Authority does not expect or intend to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based, occur or fail to occur.

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OFFICIAL STATEMENT
OF
IOWA FINANCE AUTHORITY

Relating to:

IOWA FINANCE AUTHORITY
Single Family Mortgage Bonds
\$80,000,000* 2024 Series C (Non-AMT) (Social Bonds)
\$69,590,000* 2024 Series D (Taxable)
(Mortgage-Backed Securities Program)

INTRODUCTION

This Official Statement, including the cover page and appendices hereto (the “Official Statement”), is provided to furnish information with respect to the offer and sale by the Iowa Finance Authority (the “Authority”), a public instrumentality and agency of the State of Iowa (the “State”), of \$80,000,000* principal amount of its Single Family Mortgage Bonds, 2024 Series C (Social Bonds) (Mortgage-Backed Securities Program) (the “2024 Series C Bonds”) and \$69,590,000* principal amount of its Single Family Mortgage Bonds, 2024 Series D (Taxable) (Mortgage-Backed Securities Program) (the “2024 Series D Bonds”). The 2024 Series C Bonds and the 2024 Series D Bonds are referred to herein as the “Series Bonds.” The Series Bonds, together with any additional bonds issued prior thereto or thereafter pursuant to the General Bond Resolution (defined below), are collectively called the “Bonds.”

The 2024 Series C Bonds are being designated by the Authority as “Social Bonds” as described in “DESIGNATION OF THE 2024 SERIES C BONDS AS SOCIAL BONDS” herein.

The Series Bonds are being issued pursuant to Chapter 16 of the Code of Iowa, 2023 (as amended from time to time, the “Act”), the Single Family Mortgage Bond Resolution adopted by the Authority on July 10, 1991, as amended and supplemented (the “General Bond Resolution”), and a series resolution adopted by the Authority on April 3, 2024 authorizing the issuance of the Series Bonds (the “2024 Series CD Resolution”). The 2024 Series CD Resolution and the General Bond Resolution are herein collectively called the “2024 Resolutions.” All capitalized terms used in the Official Statement which are defined in the 2024 Resolutions and not defined herein shall have the respective meanings set forth in the 2024 Resolutions.

Each Series of the Series Bonds is equally and ratably secured with each other Series of Bonds previously issued and Outstanding pursuant to the General Bond Resolution and any additional Bonds issued hereafter pursuant to the General Bond Resolution, and will be payable from and entitled to the protection and security of Revenues (as hereinafter defined) delivered to Computershare Trust Company, National Association, as trustee (the “Trustee”). Redemption of Bonds of one series may be made without redemption of Bonds of any other series. However, a default in respect of one Series of Bonds will constitute a default in respect of all other Series of Bonds under the General Bond Resolution.

The Authority is established under the provisions of the Act and is authorized to undertake, among other things, programs which assist in the attainment of qualified housing for residents of the State. The Act authorizes the issuance of bonds by the Authority for its corporate purposes. The Iowa Supreme Court,

* Preliminary; subject to change.

in *John R. Grubb, Inc. v. Iowa Housing Finance Authority*, 255 N.W.2d 89 (1977), upheld the constitutionality of the Act. In that same case, the Iowa Supreme Court stated that the Authority is “a corporate entity, separate and distinct from the state, with the power to sue and be sued in its own name, make by-laws for its management, contract, issue bonds and notes, and exercise all those general powers specified in [the Act].” *Id.* at 97.

The Series Bonds are being issued to provide funds (including by the refunding of certain prior Bonds of the Authority, which Bonds are referred to herein as “Refunded Bonds”) to (i) finance mortgage loans (together with the DPA Loans (as defined in Appendix A), the “Mortgages” or “Mortgage Loans”) under the FirstHome program and the Homes for Iowans program through the purchase of Mortgage-Backed Securities (as defined below) and (ii) finance down payment assistance through the financing of DPA Loans and grants.

The Mortgage-Backed Securities will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (“GNMA Securities”), Fannie Mae (“Fannie Mae Securities”), Federal Home Loan Mortgage Corporation (“FHLMC PCs” or “Freddie Mac Securities”) and backed by pools of mortgage loans (i) insured by the Federal Housing Administration (the “FHA”) of the United States Department of Housing and Urban Development (“HUD”) pursuant to the National Housing Act of 1934, as amended (the “Housing Act”), (ii) guaranteed by the Veterans Administration (“VA”) pursuant to the Servicemen’s Readjustment Act of 1944, as amended, (iii) guaranteed by the USDA Rural Development (formerly Rural Economic and Community Development) (“USDA Rural Development”), under its Guaranteed Rural Housing Loan Program, or (iv) insured by private mortgage insurance issued by an entity acceptable to Fannie Mae or Freddie Mac or having certain loan-to-value ratios acceptable to the Authority and Fannie Mae or Freddie Mac, which have been or are expected to be made by certain mortgage lending institutions (the “Lenders”) to qualified persons or families of low and moderate income (the “Mortgagors”) to (a) finance the purchase of single-family residences in the State and (b) finance down payment assistance.

The GNMA Securities, Fannie Mae Securities and Freddie Mac Securities, are referred to collectively herein as the “Mortgage-Backed Securities,” and the Mortgage-Backed Securities purchased from or allocable to the proceeds of the 2024 Series C Bonds are referred to collectively herein as the “2024 Series C Mortgage-Backed Securities.” The Mortgage-Backed Securities purchased from or allocable to the proceeds of the 2024 Series D Bonds are referred to herein as the “2024 Series D Mortgage-Backed Securities.” The 2024 Series C Mortgage-Backed Securities and the 2024 Series D Mortgage-Backed Securities are referred to herein as the “2024 Series CD Mortgage-Backed Securities.” The 2024 Series CD Mortgage-Backed Securities guaranteed by Fannie Mae or Freddie Mac may also include UMBS, as defined in Appendix A. As a result of the refunding of the Refunded Bonds certain transferred assets will become allocated to the Series Bonds. See “THE SERIES BONDS—Application of Proceeds.” The down payment assistance loans financed with proceeds of the 2024 Series C Bonds are referred to herein as the “2024 Series C DPA Loans.” The down payment assistance loans financed with proceeds of the 2024 Series D Bonds are referred to herein as the “2024 Series D DPA Loans.” The 2024 Series C DPA Loans and the 2024 Series D DPA Loans are referred to herein as the “2024 Series CD DPA Loans.” The 2024 Series C Bonds will be used to finance mortgage loans originated under the FirstHome program. The 2024 Series D Bonds will be used to finance mortgage loans originated under the Homes for Iowans program and the FirstHome program.

The program of financing the acquisition of single family residences under the FirstHome program and the Homes for Iowans program (see “THE PROGRAM” herein) by purchasing Mortgage-Backed Securities and making down payment assistance loans and grants with the proceeds of the Series Bonds is referred to herein as the “Program.” Payments received from GNMA Securities, Fannie Mae Securities and/or Freddie Mac Securities and, in certain cases, the 2024 Series CD DPA Loans may be applied to

redeem the Series Bonds as described below in “THE SERIES BONDS—Mandatory Redemption, Special Redemption and Optional Redemption of the Series Bonds—Special Redemption.”

Pursuant to separate Mortgage Origination Agreements (individually, an “Origination Agreement” and, collectively, the “Origination Agreements”), the Lenders agree to assist the Authority and Idaho Housing and Finance Association (the “Servicer”) by originating Mortgages under the Program. See “SUMMARY OF CERTAIN PROVISIONS OF PROGRAM DOCUMENTS—Origination Agreements” herein.

The Bonds, including the Series Bonds, are general obligations of the Authority payable out of any of the available moneys, assets or revenues of the Authority, if any, on deposit in the Authority’s General Fund, subject only to any agreements heretofore and hereafter made with the holders of particular notes and bonds pledging particular moneys, assets or revenues for the payment thereof or State or federal laws and regulations designating or appropriating particular funds for a special purpose. Payment of the Bonds, including the Series Bonds, will be secured by a pledge of revenues generated by the Mortgage-Backed Securities, certain down payment assistance loans and certain other moneys, assets and revenues pledged to payment of the Bonds, including the Series Bonds, under the General Bond Resolution. The Authority has no taxing power. The Bonds, including the Series Bonds, are not an obligation of the State, but are payable solely from and secured by a pledge of the Mortgage-Backed Securities and certain moneys, assets and other revenues of the Authority. The Bonds, including the Series Bonds, are not a debt of the United States of America or any agency thereof or of the Government National Mortgage Association (“GNMA”), Fannie Mae or the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and are not guaranteed by the full faith and credit of the United States of America.

There follows in this Official Statement a description of the Authority, the Program, the sources of payment and security for the Bonds, a description of the Series Bonds, GNMA, Fannie Mae and Freddie Mac, together with summaries of the Program documents and the General Bond Resolution and certain provisions of the 2024 Series CD Resolution. All references herein to the General Bond Resolution, the 2024 Series CD Resolution, the Program documents are qualified in their entirety by reference to the documents themselves and all references to the Series Bonds are further qualified by reference to the information with respect to the Series Bonds contained in the General Bond Resolution. Copies of such documents are available for inspection at the corporate trust office of the Trustee.

Computershare Trust Company, National Association, serves as Trustee under the General Bond Resolution. Wells Fargo Bank, National Association (“Wells Fargo Bank”), a national banking association and a wholly-owned subsidiary of Wells Fargo & Company, a U.S. bank holding company, had previously served as the Trustee under the General Bond Resolution. See “THE TRUSTEE” herein for a description of the transfer of trustee duties to Computershare Trust Company, National Association.

THE AUTHORITY

Purpose

The Authority was created in 1975 by the Act to undertake programs which assist in the attainment of adequate housing for low and moderate income families, and to undertake various finance programs. By subsequent amendments to the Act, the Authority’s responsibilities have greatly expanded. The Authority administers numerous housing, water quality, agricultural and economic development programs. The Authority issues bonds under its Single Family and Multifamily Housing Programs, its State Revolving Fund program (defined below), the Private Activity Bond Program and its Agricultural Development Division for the beginning farmer program. Furthermore, Iowa Title Guaranty, a division within the

Authority, provides guarantees of Iowa real property titles, facilitates mortgage lenders' participation in the secondary market and helps assure the integrity of Iowa's land-title system. The Authority is also the HUD Section 8 Contract Administrator within the State of Iowa. For additional information on the Authority's programs, see "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY AS OF JUNE 30, 2023 AND UNAUDITED FINANCIAL STATEMENTS OF THE AUTHORITY AS OF MARCH 31, 2024."

The Authority has also been authorized to cooperate with other State entities and to issue its bonds to provide financing for various State needs, including for the Iowa Water Pollution Control Works Financing Program and the Iowa Drinking Water Facilities Financing Program (which comprise the "State Revolving Fund" program). The Authority has acted as a conduit issuer for State entities to fund activities related to college dormitories, juvenile housing and treatment facilities as well as correctional facilities. **THE OBLIGATIONS ISSUED AS A RESULT OF THESE PROGRAMS ARE PAYABLE ONLY FROM SPECIFIC REVENUES OR ASSETS PLEDGED THEREFOR AND ARE NOT GENERAL OBLIGATIONS OF THE AUTHORITY NOR CAN ASSETS OF THOSE PROGRAMS BE USED TO MAKE DEBT SERVICE PAYMENTS ON THE SERIES BONDS.**

Pension Information

The Authority contributes to the Iowa Public Employees' Retirement System ("IPERS"), which is a statewide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the Authority are required to participate in IPERS. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the Authority being required to make annual contributions to IPERS. Contribution amounts are set by State statute. The IPERS Annual Comprehensive Financial Report for its fiscal year ended June 30, 2023 (the "IPERS ACFR") indicates that as of June 30, 2023, the date of the most recent actuarial valuation for IPERS, the funded ratio of IPERS was 89.7% and the unfunded actuarial liability was \$4.71 billion. The IPERS ACFR identifies the IPERS net pension liability at June 30, 2023, at approximately \$4.51 billion, while its net pension liability at June 30, 2022 was approximately \$3.78 billion. The IPERS ACFR is available on the IPERS website, or by contacting IPERS at 7401 Register Drive, Des Moines, Iowa 50321. See the Authority's audited financial statements in Appendix C for additional information on IPERS.

In fiscal year 2023, the Authority's IPERS contribution totaled approximately \$771,000. See note (8) of the audited financial statements of the Authority in Appendix C for further information.

The Governmental Accounting Standards Board ("GASB") issued Statement No. 68 *Accounting and Financial Reporting for Pensions* ("Statement No. 68"), which revised and established new financial reporting requirements for most governments that provide their employees with pension benefits administered through trusts (such as IPERS). Statement No. 68 details how cost-sharing multiple-employer defined benefit plans, such as the plans administered by IPERS on behalf of the Authority, will recognize pension liabilities based upon the employer's proportionate share of the collective net pension liability of the trust. Statement No. 68 also addressed the note disclosure and required supplementary information requirements for reporting the pension liability. The Authority has no ability to affect funding, benefit or annual required contribution decisions made by IPERS or the Iowa General Assembly. Statement No. 68 is applicable to the Authority for fiscal year 2023 and the Authority's portion of the IPERS net pension liability is approximately \$3.5 million as of June 30, 2023. Information regarding IPERS's current funding status can be found in the IPERS ACFR.

Bond Counsel, the Authority, the Underwriters and counsel to the Underwriters undertake no responsibility for, and make no representations as to, the accuracy or completeness of the information available from IPERS discussed above or included on the IPERS website, including, but not limited to, updates of such information on the State Auditor’s website or links to other Internet sites accessed through the IPERS website.

Organization

The powers of the Authority are vested in and exercised by a Board of fifteen members, consisting of (i) nine voting members appointed by the Governor with the approval of two-thirds of the members of the State Senate, (ii) one ex officio voting member designated by the Agricultural Development Board of the Agricultural Development Division within the Authority, (iii) two ex officio nonvoting legislative members, comprised of one State Senator appointed by the majority leader of the State Senate and one State Senator appointed by the minority leader of the State Senate, (iv) two ex officio nonvoting legislative members, comprised of one State Representative appointed by the Speaker of the State House of Representatives and one State Representative appointed by the minority leader of the State House of Representatives and (v) the Treasurer of the State of Iowa, or the Treasurer’s Designee, as an ex officio nonvoting member. The current members and officers of the Authority and the date of expiration of their respective terms are as follows:

MICHEL NELSON:	Chair; Carroll—Retired, former Senior Vice President at Iowa Savings Bank (term expires April 30, 2029)
JENNIFER COOPER:	Vice Chair; Des Moines—Senior Vice President and Manager of Commercial Real Estate with Bankers Trust (term expires April 30, 2027)
GILBERT THOMAS:	Treasurer; Clarinda—Retired, former Regional President of Clarinda Branch, Bank Iowa (term expires April 30, 2029)
ASHLEY AUST:	Des Moines—Senior Vice President and General Counsel, Hubbell Realty Company (term expires April 30, 2029)
JOHN EISENMAN:	Clinton—Retired, former President, Abstract & Title Guaranty Company (term expires April 30, 2025)
MICHAEL VAN MILLIGEN:	City of Dubuque—City Manager for the City of Dubuque (term expires April 30, 2025)
TRACEY BALL:	Des Moines—Chief Financial Officer of Ruan Incorporated (term expires April 30, 2027)
NATE WEATON:	Fairfield—Founder and Chief Executive Officer of Weaton Companies (term expires April 30, 2029)
GRETCHEN MCLAIN:	Ex Officio, Member of the Agricultural Development Board of the Agricultural Development Division (term expires April 30, 2025)
STATE TREASURER OF IOWA ROBY SMITH:	Ex Officio (non-voting)—Treasurer, State of Iowa (term expires December 31, 2026)
REPRESENTATIVE LINDSAY JAMES:	Ex Officio (non-voting)—Democratic Representative, Iowa District 71 (term expires January 12, 2025)

REPRESENTATIVE DANIEL GEHLBACH	Ex Officio (non-voting)—Republican Representative, Iowa District 46 (term expires January 12, 2025)
SENATOR SCOTT WEBSTER:	Ex Officio (non-voting)—Republican Senator, Iowa District 47 (term expires January 12, 2025)
SENATOR ZACH WAHLS:	Ex Officio (non-voting)—Democratic Senator, Iowa District 37 (term expires January 12, 2025)

The Act provides that the Authority shall have a Director appointed by the Governor with the approval of two-thirds of the State Senate, who shall serve at the pleasure of the Governor. The Director acts as Secretary of the Authority. The staff presently consists of the Director and approximately 90 full time employees.

Principal staff members of the Authority associated with the Program are:

Debi Durham. Ms. Durham has served as Director of the Iowa Economic Development Authority (“IEDA”) since 2011, and was appointed Director of the Authority effective January 7, 2019 (while also continuing as Director of IEDA). Ms. Durham holds a B.S. Degree in Business Administration, Marketing and Management from Missouri Southern State University.

Rita Grimm. Ms. Grimm is Chief Legal Counsel to the Authority, starting in that role in November of 2019, and serves the same role for IEDA. She has been with IEDA since March of 2013. Ms. Grimm holds a B.A. Degree in History/Political Science from Doane College, and a J.D. from the University of Nebraska College of Law.

Michael Thibodeau. Mr. Thibodeau is the Authority’s Legal Counsel, having joined the Authority in September of 2020. Prior to joining the Authority, he was with the Iowa Attorney General’s office in the Revenue Division and prior to that was a private practice attorney. Mr. Thibodeau holds a B.A. Degree in English from Creighton University and a J.D. from Drake University Law School.

Aaron Smith. Mr. Smith joined the Authority as the Chief Bond Programs Director in March of 2021. Prior to joining the Authority, Mr. Smith was involved with financing infrastructure projects for municipalities in Iowa and surrounding states in his capacity as a public finance analyst and banker. Mr. Smith holds Masters degrees in Finance and Business Administration from Creighton University and a B.A. from MidAmerica Nazarene University.

Cindy Harris. Ms. Harris joined the Authority as Chief Financial Officer in September 2012, and effective November of 2019 also serves as the Chief Financial Officer for IEDA. Prior to joining the Authority, Ms. Harris served as a Senior Consultant at cfX Incorporated. Prior to cfX she was a Research Assistant for the Board of Governors of the Federal Reserve System. Ms. Harris holds a B.A. in Economics from Grinnell College and an M.S. in Economics from the University of North Carolina at Chapel Hill.

Mark S. Fairley. Mr. Fairley is the Finance and Investment Manager at the Authority. He joined the Authority in July 1997. Prior to joining the Authority, he worked at the accounting firm of Hunt Kain & Associates P.C., in Oskaloosa, Iowa. Mr. Fairley received his B.A. in Accounting from Central College and a Master of Financial Management from Drake University.

Rhonda Kimble. Ms. Kimble is the Single-Family Director at the Authority. Ms. Kimble joined the Iowa Finance Authority in 2014 as a Single-Family Compliance Officer and was then promoted to Iowa Title Guaranty Business Relationship Manager. Prior to joining the Authority, she has dedicated her entire

professional career to the mortgage industry in various capacities ranging from sales management, operations and strategic planning and owning a closing company.

Brad Benson. Mr. Benson is the Financial Analyst at the Authority and joined the Authority in December 2019. Prior to joining the Authority, he worked as an Investment Director at Principal Real Estate Investors for 35 years, and was involved with the origination of commercial mortgages for a variety of lending programs including permanent loans, construction loans, bridge loans and CMBS. Mr. Benson received his B.B.A. in Finance from the University of Iowa and an M.B.A. from Drake University.

Effective November of 2019, the Authority and IEDA implemented organizational changes to create a joint leadership team and share certain staff and functions, to increase operating efficiencies and streamline program and administrative operations. While certain Authority staff have responsibilities for oversight and administration of IEDA programs and operations, the Authority and IEDA will continue as separate legal entities. No funds and assets of the Authority will be available for operations of IEDA, and no funds of IEDA will be available for use by the Authority.

THE SERIES BONDS SHALL NOT CONSTITUTE AN OBLIGATION OF THE STATE (INCLUDING IEDA) AND THE STATE SHALL NOT BE LIABLE THEREON, NOR SHALL THE FAITH, REVENUES, CREDIT, GENERAL FUNDS OR TAXING POWER OF THE STATE BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES BONDS.

Authority Financings

The Authority has issued numerous general obligation bonds, of which \$1,484,141,634 principal amount was outstanding as of April 1, 2024. The Authority's outstanding general obligation bonds have been issued under its single family and multifamily housing programs. The amount outstanding includes \$1,453,655,849 principal amount of Bonds Outstanding as of April 1, 2024 under the General Bond Resolution. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—Outstanding Parity Bonds" for a detailed listing of Bonds Outstanding under the General Bond Resolution.

In addition to general obligation bonds issued in connection with the Authority's single family and multifamily housing programs, the Authority has issued limited obligation revenue bonds or notes in connection with certain of its other programs (see "THE AUTHORITY—Purpose" above). Such obligations do not constitute general obligations of the Authority, but are limited obligations of the Authority payable only from specific revenues pledged therefor. The Authority has issued \$297,186,249 principal amount of Single Family Mortgage Revenue Bonds, which are limited obligations, under a Single Family Mortgage Revenue Bond Resolution adopted by the Authority on November 20, 2009, as supplemented (the "Mortgage Revenue Bond Resolution"), of which \$4,469,357 principal amount was outstanding on April 1, 2024. There were no bond proceeds available for lending under the Mortgage Revenue Bond Resolution as of April 1, 2024.

The State Legislature has authorized from time to time, and may in the future authorize, additional financing programs to be undertaken by the Authority.

For additional information with respect to outstanding indebtedness of the Authority, see "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY AS OF JUNE 30, 2023 AND UNAUDITED FINANCIAL STATEMENTS OF THE AUTHORITY AS OF MARCH 31, 2024."

Financial Information

The Authority's financial statements include the Housing Agency Fund and the State Revolving Fund, its two major funds. The State Revolving Fund includes the Iowa Water Pollution Control Works Financing Program and the Iowa Drinking Water Facilities Financing Program, while the Housing Agency Fund includes all of the Authority's remaining funds and programs (including, but not limited to, the Authority's General Fund, single family programs, multifamily programs, Title Guaranty Division, Agricultural Development Division and other housing and community development programs).

The State Revolving Fund assets are available only in connection with the State Revolving Fund program, pursuant to federal law and accompanying regulations. No assets under the State Revolving Fund will be available to make payments on the Series Bonds. In addition, obligations of the Authority issued under the State Revolving Fund are not general obligations of the Authority.

The Authority has received unsecured general obligation ratings of "AA+" from S&P Global Ratings, a Standard and Poor's Financial Services LLC business ("S&P") and "Aa2" from Moody's Investors Service, Inc. ("Moody's"). As of June 30, 2023, the Authority's Housing Agency Fund assets and deferred outflows were \$1.905 billion and its liabilities and deferred inflows amounted to \$1.569 billion, resulting in net assets of \$335.7 million. Of the \$335.7 million in net Housing Agency assets, \$309.6 million is classified as restricted net assets under applicable Government Accounting Standards Board Statements. These restricted net assets include funds held under the Authority's single family and multifamily bond indentures, restricted federal and state programs, the Iowa Agricultural Development Division and the Iowa Title Guaranty Division. The State Revolving Fund and its assets are not part of the analysis by S&P and Moody's with respect to the unsecured general obligation ratings noted above, nor with respect to any ratings on the Series Bonds.

The Authority has received State appropriations for specific programs and expects to request additional appropriations for certain programs in the future. **The Authority does not, however, receive, nor does it expect in the future to receive, any appropriations for general Authority operating and administrative expenses or for debt service payments on its bonds.**

In September 2019, the Authority purchased the office building located at 1963 Bell Avenue for \$7.59 million. IEDA, an agency of the State, has executed a lease agreement with the Authority for office space at 1963 Bell Avenue, commencing in December 2019. In addition, the Iowa Department of Commerce – Iowa Insurance Division has executed a lease agreement with the Authority for office space commencing in August 2020.

For additional financial information see "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY AS OF JUNE 30, 2023 AND UNAUDITED FINANCIAL STATEMENTS OF THE AUTHORITY AS OF MARCH 31, 2024."

Derivative Financial Instruments

The Authority has used and expects to use derivative financial instruments to manage and reduce exposure to adverse fluctuations in interest rates and to lower the overall cost of financing. The Authority is currently a party to various interest rate and basis swap agreements and interest rate cap agreements related to various financings of the Authority. The use of derivative financial instruments by the Authority may cause the Authority to suffer unintended financial consequences which may negatively impact the financial health of the Authority. In any interest rate swap there are certain risks including the fact that a swap agreement is subject to periodic "mark to market" valuations and may, at any time, have a negative value to the Authority as a swap counterparty. If either party to the swap terminates a swap agreement

during a negative value situation the Authority may be subject to termination value payments to the counterparty, and such payments may be material. Negative financial consequences may include, but not be limited to, counterparty risk, termination risk, rollover risk or basis risk with respect to one or all of the Authority's derivative financial instruments.

The following table sets forth certain information relating to the Authority's derivative transactions, as of April 1, 2024:

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Interest Rate Swap Transactions ⁽⁴⁾

<u>Counterparty</u>	<u>Bond Series</u>	<u>Outstanding Notional Amount</u>	<u>Effective Date</u>	<u>Termination Date</u>	<u>Floating Rate to IFA[†]</u>	<u>Fixed or Floating Rate to Counterparty</u>	<u>Optional Early Par Termination Date</u>
The Bank of New York Mellon	SF 2016B	\$15,000,000	7/1/2021	1/1/2028	SIFMA	0.8695%	none
	SF 2018B	\$15,000,000	7/1/2018	7/1/2047	70% (SOFR + 0.11448%)	2.490%	1/1/25 and semiannually thereafter ⁽¹⁾
	SF 2019E	\$11,250,000	1/1/2020	1/1/2049	SIFMA & 67% (SOFR + 0.11448%)	1.605%	1/1/29 and semiannually thereafter ⁽¹⁾
	SF 2022B	\$15,000,000	3/1/2022	4/1/2031	SIFMA	1.5215%	none
		\$56,250,000					
Goldman Sachs Bank USA	None	\$1,925,000	9/1/2006	7/1/2036	SOFR + 0.11448% based formula	3.766%	1/1/24 and semiannually thereafter ⁽¹⁾
	None	\$1,240,000	3/8/2007	7/1/2025	SOFR + 0.11448%	5.289%	none
	None	\$1,240,000	3/8/2007	7/1/2025	SOFR + 0.11448% + 0.255%	147% SIFMA	none
	MF 2008A	\$3,150,000	4/17/2008	6/1/2024	SIFMA + 0.08%	3.971%	none
		\$7,555,000					
Royal Bank of Canada	None	\$27,765,000	1/1/2017	1/1/2046	67% (SOFR + 0.11448%)	2.518%	7/1/22 and semiannually thereafter ⁽¹⁾
	SF 2018D	\$11,250,000	7/1/2019	7/1/2048	70% (SOFR + 0.11448%)	2.638%	1/1/25 and semiannually thereafter ⁽²⁾
	SF 2021E	\$15,000,000	1/1/2022	1/1/2034	SIFMA	1.332%	1/1/31 and semiannually thereafter ⁽¹⁾
	SF 2022E	\$15,000,000	9/1/2022	7/1/2034	70% SOFR	1.9859%	7/1/32 and monthly thereafter ⁽¹⁾
		\$69,015,000					
Wells Fargo Bank, N.A.	SF 2016E	\$ 9,400,000 ⁽³⁾	1/1/2018	7/1/2046	67% (SOFR + 0.11448%)	2.292%	7/1/24 and semiannually thereafter ⁽¹⁾
	SF 2017D	\$ 13,125,000	1/1/2018	1/1/2047	67% (SOFR + 0.11448%)	2.126%	1/1/24 and semiannually thereafter ⁽¹⁾
	SF 2019B	\$ 15,000,000	7/1/2019	7/1/2030	SIFMA	1.939%	none
	SF 2020B	\$ 15,000,000	7/1/2020	7/1/2049	SIFMA & 67% (SOFR + 0.11448%)	1.691%	7/1/29 and semiannually thereafter ⁽¹⁾
	SF 2020E	\$ 11,250,000	7/1/2021	7/1/2035	SIFMA	1.051%	7/1/29 and semiannually thereafter ⁽¹⁾
	SF 2022H	\$ 15,000,000	1/1/2023	6/1/2042	70% SOFR + 0.10%	2.3570%	7/1/32 and monthly thereafter ⁽¹⁾
			\$ 78,775,000				
TOTAL		\$211,595,000					

[†] SOFR refers to Daily Compounded SOFR.

(1) Swaps are fully callable at par by IFA on any of the listed dates.

(2) Swap is partially callable IFA at par down to a \$6,250,000 notional amount beginning January 1, 2025 and the swap is fully callable starting on January 1, 2028.

(3) Swap accretes semiannually on January 1 and July 1 to a \$11,250,000 maximum amount occurring on July 1, 2025.

(4) The Authority has adhered to the ISDA Fallback Protocol and so have the swap providers for the swaps described under "Floating Rate Bonds" and therefore the fallback rates will apply to the Authority's swaps that are based on LIBOR.

Interest Rate Cap Transactions

<u>Counterparty</u>	<u>Bond Series</u>	<u>Outstanding Notional Amount</u>	<u>Effective Date</u>	<u>Termination Date</u>	<u>Cap Rate</u>
Royal Bank of Canada	MF 2007A	\$11,030,000	7/1/2021	7/1/2024	SIFMA = 3%
Bank of America, N.A.	MF 2007B	\$ 7,700,000	1/1/2024	1/1/2026	SIFMA = 5.0%
TOTAL		<u>\$18,730,000</u>			

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Liquidity Providers

The following table sets forth certain information relating to the liquidity providers for the Authority’s bonds bearing variable rates of interest, as of April 1, 2024. The bonds listed in the table under the “Single Family Mortgage Bonds” heading were issued under the General Bond Resolution, while the bonds described under the “Multifamily Housing Bonds” heading were issued under a separate multifamily indenture, but such bonds are general obligations of the Authority.

<u>Liquidity Provider</u>	<u>Single Family Mortgage Bonds</u>	<u>Outstanding Bond Principal</u>	<u>Expiration Date</u>	<u>Outstanding Bank Rate Bonds as of April 1, 2024</u>
Federal Home Loan Bank Des Moines	2016 Series B ⁽¹⁾	\$20,000,000	3/31/2027	\$ -
	2016 Series E ⁽¹⁾	\$14,690,000	10/26/2026	-
	2017 Series B ⁽¹⁾	\$ 7,500,000	5/16/2027	-
	2017 Series D ⁽¹⁾	<u>\$17,500,000</u>	9/27/2024	<u>\$ -</u>
		<u>\$59,690,000</u>		<u>\$ -</u>
Royal Bank of Canada	2018 Series D ⁽²⁾	\$15,000,000	5/19/2026	\$ -
	2022 Series B ⁽³⁾	<u>\$20,000,000</u>	2/9/2027	-
		<u>\$35,000,000</u>		
TD Bank, N.A.	2018 Series B ⁽⁴⁾	\$20,000,000	10/13/2026	-
	2019 Series E ⁽⁴⁾	\$15,000,000	10/13/2026	-
	2020 Series B ⁽⁴⁾	\$20,000,000	8/18/2025	-
	2020 Series E ⁽⁴⁾	<u>\$15,000,000</u>	8/18/2025	-
		<u>\$70,000,000</u>		<u>\$ -</u>
U.S. Bank National Association	2019 Series B ⁽⁵⁾	\$20,000,000	9/15/2027	\$ -
	2022 Series H ⁽⁵⁾	<u>\$20,000,000</u>	9/15/2027	-
		<u>\$40,000,000</u>		
<u>Liquidity Provider</u>	<u>Multifamily Housing Bonds</u>	<u>Outstanding Bond Principal</u>	<u>Expiration Date</u>	<u>Outstanding Bank Rate Bonds as of April 1, 2024</u>
Wells Fargo Bank, N.A.	2007 Series A ⁽⁶⁾	\$ 10,525,000	11/1/2024	\$ -
	2007 Series B ⁽⁶⁾	\$ 7,700,000	11/1/2024	-
	2008 Series A ⁽⁶⁾	<u>\$ 3,150,000</u>	6/10/2024	<u>\$ -</u>
		<u>\$ 21,375,000</u>		<u>\$ -</u>
	TOTAL	<u>\$226,065,000</u>		<u>\$ -</u>

(1) a) Bank Interest Rate: Days 1-60, the highest of (i) 2.00% plus the federal funds rate, or (ii) 7.50%; Days 61 forward, 1.00% plus the highest of (i) 2.00% plus the federal funds rate, or (ii) 7.50%.

b) Term-Out Provisions: repayments due semiannually over a 5-year period, commencing on the 241st day after the applicable purchase date.

(2) a) Bank Interest Rate: Days 1-366, 1 Daily Simple SOFR + 0.11448% plus 3.00%; Days 367 forward, the highest of (i) Prime Rate plus 2.50%, (ii) Federal Funds Rate plus 3.5%, or (iii) 10.00%.

b) Term-Out Provisions: repayments due semiannually over a 5-year period, commencing on the 366th day after the applicable purchase date.

(3) a) Bank Interest Rate: Days 1-366, Adjusted Daily Simple SOFR plus 3.00%; Days 367 forward, the highest of (i) Prime Rate plus 2.50%, (ii) Federal Funds Rate plus 3.5%, or (iii) 10.00%.

b) Term Out Provisions: repayments due semiannually over a 5 year period, commencing on the 366th day after the applicable purchase date.

- (4) a) **Bank Interest Rate:** Days 1-180, the highest of (i) Prime Rate plus 1.00%, (ii) 2.00% plus Federal Funds Rate, or (iii) 7.00%; Days 181 forward, 1.00% plus the highest of (i) Prime Rate plus 1.00%, (ii) 2.00% plus the Federal Funds Rate, or (iii) 7.00%.
- b) **Term-Out Provisions:** repayments due semiannually over a 5-year period, commencing on the 366th day after the applicable purchase date.
- (5) a) **Bank Interest Rate:** Days 1-60, the highest of (i) Prime Rate plus 1.00%, (ii) 2.00% plus Federal Funds Rate, or (iii) 7.50%; Days 61-120, 1.00% plus the highest of (i) Prime Rate plus 1.00%, (ii) 2.00% plus the Federal Funds Rate, or (iii) 7.50; Days 121 forward, 2.00% plus the highest of (i) Prime Rate plus 1.00%, (ii) 2.00% plus the Federal Funds Rate, or (iii) 7.50%.
- b) **Term-Out Provisions:** repayments due semiannually over a 5-year period, commencing on the 366th day after the applicable purchase date.
- (6) a) **Bank Interest Rate:** Days 1-180, the highest of (i) the prime rate plus 1.00%, (ii) 2.00% plus the federal funds rate, or (iii) 7.00%; Days 181 forward, 1.00% plus the highest of (i) the prime rate plus 1.00%, (ii) 2.00% plus the federal funds rate, or (iii) 7.00%.
- b) **Term-Out Provisions:** repayments due quarterly over a 5-year period, commencing on the 180th day after the applicable purchase date.

Floating Rate Bonds

The following table sets forth certain information relating to the Authority’s floating rate bonds bearing variable rates of interest, as of April 1, 2024. The bonds listed in the table under the “Single Family Mortgage Bonds” heading were issued under the General Bond Resolution, while the bonds described under the “Multifamily Housing Bonds” heading were issued under a separate multifamily indenture, but such bonds are general obligations of the Authority.

<u>Single Family Housing Bonds</u>	<u>Floating Rate to Bondholders</u>	<u>Outstanding Bond Principal</u>	<u>Mandatory Tender Date</u>	<u>Maximum Rate</u>	<u>Maturity Date</u>
2021 Series E	SIFMA + 0.34%	\$20,000,000	2/28/2025	25%	7/1/2051
2022 Series E	70% of SOFR + 0.80%	\$20,000,000	7/1/2025	9%	1/1/2052
<u>Multifamily Mortgage Bonds</u>	<u>Floating Rate to Bondholders</u>	<u>Outstanding Bond Principal</u>	<u>Mandatory Tender Date</u>	<u>Maximum Rate</u>	<u>Maturity Date</u>
2011 Series B-1	1M Term SOFR + 0.11448% + 1.12%	\$ <u>9,110,785</u>	n/a	n/a	2/1/2026
	Total	\$<u>49,110,785</u>			

Continuing Disclosure

In order to provide certain continuing disclosure with respect to the Series Bonds in accordance with United States Securities and Exchange Commission Rule 15c2-12, the Authority is expected to enter into a Disclosure Dissemination Agent Agreement (“Disclosure Dissemination Agreement”) for the benefit of the Holders of the Series Bonds with Digital Assurance Certification, L.L.C. (“DAC”), under which the Authority has designated DAC as Disclosure Dissemination Agent. The summary of the Disclosure Dissemination Agreement is set forth in “APPENDIX D—SUMMARY OF DISCLOSURE DISSEMINATION AGENT AGREEMENT WITH RESPECT TO THE SERIES BONDS.” Pursuant to the Disclosure Dissemination Agreement, the Authority has agreed to provide to the Municipal Securities Rulemaking Board (“MSRB”) (i) annually, not later than 180 days following the end of each fiscal year of the Authority (the Authority’s fiscal year currently ends June 30) during which Series Bonds are outstanding, certain financial and operating data, including its audited financial statements, prepared in accordance with generally accepted accounting principles, and (ii) in a timely manner, notice of the occurrence of certain enumerated events with respect to the Series Bonds, if such event is deemed by the Authority to be material.

The covenants described above have been made in order to assist the Underwriters in complying with United States Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). During the past five years, the Authority has complied in all material respects with all undertakings previously entered into under the Rule, except that the Authority failed to timely file, by approximately six business days, notice of the incurrence of a financial obligation (a \$15,000,000 Revolving Credit Agreement with U.S. Bank National Association).

DESIGNATION OF THE 2024 SERIES C BONDS AS SOCIAL BONDS

General

The Authority is designating the 2024 Series C Bonds as Social Bonds based on, among other things, the intended use of proceeds of the 2024 Series C Bonds to fund the Authority’s FirstHome program, which provides affordable housing for low and moderate income first time homebuyers throughout the State. The Social Bonds designation reflects the use of the proceeds of the 2024 Series C Bonds in a manner that is consistent with the “Social Bond Principles,” as promulgated by the International Capital Market Association (“ICMA”). The expected use of proceeds is one of the four core components of the ICMA’s Social Bond Principals. By reference to the ICMA’s “Green and Social Bonds: High-Level Mapping to the Sustainable Development Goals,” the Authority has determined that the Authority’s Social Bonds designation reflects the use of the proceeds in a manner that is consistent with “Goal 1: No Poverty,” “Goal 8: Decent Work and Economic Growth,” “Goal 10: Reduced Inequalities,” and “Goal 11: Sustainable Cities and Communities” of the United Nations 17 Sustainable Development Goals (referred to as “UNSDGs” generally and “SDG 1,” “SDG 8,” “SDG 10,” and “SDG 11,” specifically). The UNSDGs were adopted by the United Nations General Assembly in September 2015 as part of its 2030 Agenda for Sustainable Development. According to the United Nations, SDG 1 is focused on ending poverty in all its forms everywhere, SDG 8 is focused on sustainable and inclusive growth, SDG 10 is focused on the needs of disadvantaged and marginalized populations, and SDG 11 is focused on making cities and communities inclusive, safe, resilient and sustainable. The ICMA’s “Green and Social Bonds: High-Level Mapping to the Sustainable Development Goals” maps the following UNSDG targets to ICMA Social Bond Principles Categories:

UNSDG Goal	UNSDG Target	ICMA Social Bond Principles Category
Goal 1: No Poverty	1.4	<ul style="list-style-type: none"> • Affordable Housing • Socioeconomic Advancement and Empowerment • Access to Essential Services
Goal 8: Decent Work and Economic Growth	8.10	<ul style="list-style-type: none"> • Access to Essential Services
Goal 10: Reduced Inequalities	10.2	<ul style="list-style-type: none"> • Socioeconomic Advancement and Empowerment • Access to Essential Services
Goal 11: Sustainable Cities and Communities	11.1	<ul style="list-style-type: none"> • Affordable Housing • Affordable Basic Infrastructure

The ICMA Social Bond Principles include the following four core components: 1. Use of Proceeds; 2. Process for Project Evaluation and Selection; 3. Management of Proceeds; and 4. Reporting. The Authority’s determination of the Social Bonds designation is based, in summary, on the following:

Use of Proceeds. All of the 2024 Series C Bonds proceeds are expected to be used to fund the FirstHome program. See “THE PROGRAM—Single Family Program Funding” and “TAX EXEMPTION AND RELATED CONSIDERATIONS” herein.

The holders of Social Bonds do not assume any specific risk with respect to the designation of 2024 Series C Bonds as Social Bonds, as the security and sources of payment for Social Bonds (including the 2024 Series C Bonds) are the same as for other bonds that are not designated as Social Bonds.

The Authority’s designation of the 2024 Series C Bonds as Social Bonds is based upon the anticipated use of proceeds and current use of proceeds and satisfaction of the other core components of the ICMA’s Social Bond Principles; however, the Authority does not in any way guarantee that the use of proceeds will be consistent with historical loans funded from bond proceeds as described further under “Mission and Summary Statistics.”

Project Evaluation and Selection. Mortgage loans funded by 2024 Series C Bonds proceeds will be originated by participating Lenders and will be consistent with the Program, as described in “THE PROGRAM—Single Family Program Funding.”

Management of Proceeds. Net of certain transaction costs, the proceeds of the 2024 Series C Bonds will be invested in Investment Obligations until disbursed to finance the single-family program mortgage loans, down payment assistance loans and grants. Such disbursements will be tracked by the Authority and the mortgage loans are tracked for compliance with program requirements. See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION—Investments.”

Reporting. With respect to the 2024 Series C Bonds, the Authority expects to prepare a one-time report on the mortgage loans funded from the 2024 Series C Bonds proceeds, at such time as the proceeds have been fully expended (the specific form and content of which are in the absolute discretion of the Authority). The Authority expects that such report will consist of the information outlined in the Form of Social Bonds Report in “APPENDIX I—FORM OF SOCIAL BONDS REPORT” in this Official Statement. Once all the proceeds of the 2024 Series C Bonds have been disbursed from the Authority’s Program Fund, no further updates will be provided.

The Authority expects to post this report as a voluntary filing on the Electronic Municipal Market Access System (“EMMA”) of the MSRB. Although the Authority intends to provide such report, the Authority is not required to provide this report pursuant to its continuing disclosure obligations (as hereinafter defined) or any other agreement to provide continuing disclosure and the failure to do so will not constitute an event of default thereunder or under the General Bond Resolution.

Mission and Summary Statistics

The Authority’s mission is to enhance the quality of life for Iowans by making affordable financing possible for home and community. The Authority finances affordable housing through a variety of channels, one of which is its longstanding FirstHome program, which advances the Authority’s mission by financing single family mortgage loans to low and moderate income first-time home-buyers throughout the State. The Authority also provides down payment and closing costs assistance to its borrowers and offers homebuyer education through its Servicer, Fannie Mae or Freddie Mac. See “THE PROGRAM” and “TAX EXEMPTION AND RELATED CONSIDERATIONS.”

Iowa Finance Authority FirstHome Program (January 1, 2022 – December 31, 2023)		
First Lien Loans (\$)	First Lien Loans (#)	Counties
\$588,215,481	4,030	98 (99%)
Program Loan Statistics		
Average Mortgage Size		\$145,959
Average Purchase Price		\$152,178
Average Household Income		\$64,489
DPA Loans and grants provided		3,580
% of Borrowers Receiving DPA		88.8%
Average DPA Amount Provided		\$4,338
DPA Provided (% of Purchase Price)		2.85%
Rural County Loans [†]		1,355
% of Borrowers in a Rural County [†]		33.6%

[†] Counties not located in the nine Metropolitan Statistical Areas of Iowa are considered rural (77 of 99 counties are rural).

From January 1, 2022 to December 31, 2023, through its FirstHome Program, the Authority purchased approximately \$588.21 million of Mortgage-Backed Securities from bond proceeds to finance 4,030 mortgages to first time homebuyers, all of which served populations at or below 100% Area Median Income (“AMI”) and 72.8% of which served populations below 80% AMI, as broken down by AMI bands in the table below. These loans were provided to Iowans in 98 of the State’s 99 counties, with 33.6% of borrowers residing in Rural Counties. In conjunction with these mortgages, the Authority provided approximately \$17.5 million of down payment and closing cost assistance to 3,580 borrowers (88.8% of borrowers), with an average amount of \$4,338 per borrower. The average borrower household income was \$64,489 and the average purchase price was \$152,178. The Authority’s down payment and closing cost assistance programs are described in greater detail in “THE PROGRAM.”

The historical data provided below assisted the Authority in making its determination that the use of the proceeds of the 2024 Series C Bonds dedicated to financing mortgage loans and down payment assistance loans is expected to meet the goals discussed herein for their designation as Social Bonds.

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FirstHome Program Loans Originated By Borrower Income as a % of Area Median Income (“AMI”)[†]						
(SMM)	January 2022-December 2022		January 2023-December 2023		Total	
AMI Band	\$	<u>Cumulative %</u>	\$	<u>Cumulative %</u>	\$	<u>Cumulative %</u>
<50%	\$ 56.38	19.8%	\$ 45.81	15.1%	\$102.19	17.4%
50%-59%	\$ 54.86	39.1%	\$ 54.26	33.0%	\$109.12	35.9%
60%-69%	\$ 54.17	58.1%	\$ 60.36	52.9%	\$114.53	55.4%
70%-79%	\$ 46.89	74.6%	\$ 55.49	71.1%	\$102.38	72.8%
80%-89%	\$ 45.93	90.7%	\$ 55.97	89.6%	\$101.90	90.1%
90%-100%	\$ 26.48	100.0%	\$ 31.61	100.0%	\$ 58.09	100.0%
100%+	\$ -	100.0%	\$ -	100.0%	\$ -	100.0%
Total	\$284.71	100%	\$303.50	100%	\$588.21	100%

[†]The Authority calculated the borrower income from data provided by its participating lenders.

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Past uses of the Authority's bond proceeds do not guarantee that the Series Bond proceeds will be used in the same manner or with the same results. The information set forth herein concerning the designation of the 2024 Series C Bonds as "Social Bonds" has been furnished by the Authority and by other sources that are believed to be reliable but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Authority. The information and expressions of opinion related to the designation as Social Bonds herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Authority since the date hereof.

SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

General

The Bonds, including the Series Bonds, are general obligations of the Authority, payable out of any of the available moneys, assets or revenues of the Authority, subject to any agreements heretofore and hereafter made with bondholders or noteholders pledging any particular money, assets or revenues for the payment thereof or State or federal laws and regulations designating or appropriating particular funds for a special purpose. Under the Resolution, the Authority has pledged, subject only to the provisions of the Resolution permitting the application thereof on the terms and conditions permitted thereby, as security for the payment of the principal of or Redemption Price, if any, and interest on the Bonds: (i) the proceeds of the Bonds; (ii) the Revenues (other than moneys required to be deposited in the Rebate Account); (iii) all moneys and securities on deposit in the Funds and Accounts (other than in the Rebate Account) created by or pursuant to the Resolution, including the investments thereof, if any; and (iv) the rights and interests of the Authority in and to the GNMA Securities, Fannie Mae Securities and Freddie Mac Securities, and Mortgage Loans and the collections received therefrom and under each Origination Agreement and the Servicing Agreement (other than those Commitment Fees and Servicing Acquisition Fees which the Authority is permitted to retain). If an Event of Default under the Resolution occurs, the pledge described above is subject to the liens of certain Fiduciaries for reasonable compensation and expenses.

By resolution adopted October 6, 2004, the Authority created its Restricted Housing Fund within the General Bond Resolution. The Trustee shall deposit in the Restricted Housing Fund any funds, securities or other investments, loans or other property provided by the Authority and not otherwise pledged under the General Bond Resolution, including surplus funds transferred to the Restricted Housing Fund pursuant to the provisions of the General Bond Resolution. The Restricted Housing Fund may be used to make or purchase loans, make grants, and provide other subsidies and assistance in connection with the Program and other programs of the Authority that facilitate the development and maintenance of a sufficient supply of safe and affordable single family residential housing in Iowa, including but not limited to Authority programs that finance the acquisition, construction, rehabilitation, improvement and betterment of single family property, upon such terms as the Authority may determine, or may be transferred to the General Fund to be used for any purposes authorized by the Act. Any moneys held in the Restricted Housing Fund may be invested or reinvested in such securities, loans or other investments as may be authorized by law and as may be directed by the Authority, which may include Investment Obligations but is not restricted thereto. Subject to the foregoing uses, funds, securities and other investments, loans and other property held from time to time in the Restricted Housing Fund are available for, and pledged to, the payment of the Debt Service Payments with respect to the Bonds, including the Series Bonds, when due and the payment of any other amounts required to be paid from time to time from the Funds and Accounts established pursuant to the General Bond Resolution or any Series Resolution, *provided that the Authority may from time to time pledge and grant a security interest in all or any of the assets of the Restricted Housing Fund to any other Person or Persons in connection with the foregoing programmatic uses upon such terms as the Authority may determine, which pledge and security interest may be superior to, on a*

parity with, or subordinate to the pledge made under the General Bond Resolution. Unless otherwise specified in a Series Resolution or other resolution of the Authority, the Authority shall not be required to maintain any minimum balance in the Restricted Housing Fund and makes no covenant to Bondholders or any other party that funds or other assets will be available in the Restricted Housing Fund in the event of a deficiency in the Revenue Fund on a Bond Payment Date or other payment date.

By separate resolution in 1977, the Authority created a General Fund which contains unencumbered moneys and other assets of the Authority. The General Fund is not a Fund or Account created by the Resolution and is not subject to the pledge created thereby. However, the Authority has covenanted in the Resolution to use available moneys in the General Fund to cure any deficiency in the Revenue Account in the event that moneys in all other Funds and Accounts established by the Resolution (except the Rebate Account) are not sufficient therefor. The resolutions authorizing the issuance of certain prior bonds of the Authority issued for single family and multifamily purposes contain a similar covenant with respect to the use of available moneys in the General Fund to cure any deficiency with respect to such prior bonds. See “THE AUTHORITY—Authority Financings” and “APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY AS OF JUNE 30, 2023 AND UNAUDITED FINANCIAL STATEMENTS OF THE AUTHORITY AS OF MARCH 31, 2024.”

The Act provides that the lien created by the Resolution shall be binding from and after the time the pledge is made by the Authority against all parties having claims of any kind in tort, contract or otherwise against the Authority, without physical delivery or any further acts.

The Authority has no taxing power. The Bonds, including the Series Bonds, are not an obligation of the State, but are payable solely and only out of available moneys, assets or revenues of the Authority as provided in the Resolution.

Outstanding Parity Bonds and Mortgage-Backed Securities

The following tables set forth certain information, as of April 1, 2024, for the Series of Bonds Outstanding under the General Bond Resolution, and as of March 31, 2024 for certain Mortgage-Backed Securities and down payment assistance loans.

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**Information as of March 31, 2024 Concerning Outstanding Iowa Finance Authority
Mortgage-Backed Securities and Down Payment Assistance Loans under Single Family Mortgage Bond Resolution adopted July 10, 1991**

Bond Issue	Outstanding Balance 3/31/2023	Prepayments 4/2023-6/2023	Outstanding Balance 6/30/2023	Prepayments 7/2023-9/2023	Outstanding Balance 9/30/2023	Prepayments 10/2023-12/2023	Outstanding Balance 12/31/2023	Prepayments 1/2024-3/2024	Outstanding Balance 3/31/2024	Average Mortgage Rate
Retired	15,299,998	573,714	14,536,039	277,901	15,984,417	320,151	15,458,760	432,537	14,821,852	5.822%
Retired Taxable	892,976	1,127	885,852	966	1,274,501	82,263	1,184,725	1,375	1,176,158	4.370%
2014 SubSeries B 1	133,091	1,951	130,254	218	21,569,587	211	128,046	262	126,879	5.146%
2014 SubSeries B 2	2,160,547	78,035	2,051,043	52,745	1,967,645	10,155	1,926,786	8,182	1,887,599	5.745%
2015 Series A & B	30,940,170	794,116	29,868,016	272,317	-	-	-	-	-	-
2015 Series C	2,366,824	11,867	2,333,663	3,559	-	-	-	-	-	-
2016 Series A, B & C	25,926,652	483,638	25,254,276	928,381	24,138,870	587,459	23,369,190	229,099	22,958,848	4.261%
2016 Series D & E	28,645,653	640,484	27,816,923	900,805	26,731,786	506,571	26,044,368	165,701	25,699,231	3.672%
2017 Series A & B	22,673,002	141,042	22,394,696	689,603	21,569,587	483,296	20,951,759	343,252	20,476,780	4.032%
2017 Series A & B Contributed	5,238,404	115,023	5,094,145	77,988	4,987,091	75,781	4,882,084	2,359	4,850,445	4.381%
2017 Series C & D	31,554,634	931,592	30,441,474	582,479	29,679,930	543,122	28,959,145	453,915	28,328,890	4.097%
2017 Series C & D Contributed	3,120,570	1,242	3,101,520	129,054	2,954,489	1,026	2,936,119	1,999	2,916,614	3.973%
2018 Series A & B	28,622,961	785,564	27,693,812	306,916	27,244,531	268,810	26,833,183	514,529	26,176,473	4.730%
2018 Series A & B Contributed	2,787,005	979	2,772,095	102,552	2,655,814	819	2,641,290	61,443	2,565,990	4.660%
2018 Series C & D	26,458,587	564,679	25,767,449	519,818	25,122,229	536,593	24,460,741	389,373	23,948,276	4.855%
2018 Series E	3,135,678	2,506	3,118,940	2,442	3,102,100	2,471	3,085,065	3,659	3,066,672	5.036%
2019 Series A & B	42,124,630	565,832	41,335,889	1,256,357	39,859,268	447,624	39,194,835	453,871	38,524,183	4.027%
2019 Series A & B Contributed	8,126,091	272,389	7,813,188	386,687	7,386,709	222,095	7,126,482	198,478	6,890,278	4.346%
2019 Series C	14,865,064	120,657	14,671,728	391,703	14,207,616	6,533	14,129,307	157,556	13,899,662	4.358%
2019 Series D & E	58,539,660	796,593	57,420,565	1,290,097	55,811,187	610,732	54,882,853	431,536	54,134,880	3.689%
2019 Series D & E Contributed	3,521,833	215,105	3,287,297	305,595	2,963,658	2,555	2,943,967	2,044	2,924,646	3.613%
2019 Series F	4,883,080	1,912	4,857,034	126,721	4,706,362	2,033	4,680,349	2,517	4,653,607	4.345%
2020 Series A & B	65,852,893	1,145,096	64,354,588	946,875	63,057,278	1,182,032	61,526,177	325,104	60,854,011	3.683%
2020 Series C	11,759,032	310,862	11,387,501	162,557	11,165,331	252,645	10,853,158	4,909	10,789,058	3.959%
2020 Series D & E	50,535,432	836,541	49,410,951	702,149	48,423,563	605,840	47,534,140	206,709	47,044,711	3.164%
2020 Series F	6,618,955	1,784	6,583,516	1,974	6,547,562	468,955	6,044,806	161,472	5,851,135	3.983%
2021 Series A	76,394,662	950,111	74,947,746	1,072,276	73,379,958	1,288,486	71,601,949	758,259	70,356,863	2.825%
2021 Series A Contributed	5,717,006	337,595	5,342,332	6,486	5,300,070	1,288,486	5,091,547	8,193	5,048,322	3.228%
2021 Series B	85,650,378	1,404,730	83,734,801	1,476,144	81,753,979	537,866	80,714,693	1,140,208	79,074,606	2.975%
2021 Series C	3,872,902	113,461	3,736,583	217,476	3,497,416	1,219	3,474,804	1,383	3,451,891	2.700%
2021 Series C Contributed	4,447,423	2,963	4,417,613	1,235	4,389,369	94,652	4,267,921	123,225	4,118,152	2.617%
2021 Series D & E	88,550,661	831,284	87,222,329	549,493	86,176,031	389,827	85,288,750	862,434	83,929,087	2.880%
2021 Series F	13,642,406	292,196	13,273,616	527,488	12,671,689	1,584	12,596,762	154,725	12,368,146	3.040%
2022 Series A & B	80,849,715	623,541	79,824,997	746,798	78,676,201	1,132,214	77,143,189	776,771	75,966,691	3.528%
2022 Series C	13,523,891	375,662	13,058,891	311,707	12,658,829	178,526	12,393,042	142,203	12,164,038	3.630%
2022 Series D & E	81,969,386	158,132	81,506,038	1,429,393	79,769,973	336,633	79,126,288	822,448	77,994,583	5.063%
2022 Series F	14,339,812	104,484	14,180,778	199,153	13,927,195	1,688	13,870,666	320,456	13,494,857	5.027%
2022 Series G & H	84,870,365	121,662	84,457,243	545,979	83,618,760	32,412	83,291,254	458,490	82,535,040	5.473%
2022 Series I	7,830,119	4,663	12,087,682	254,494	11,797,436	111,333	11,650,321	1,190	11,612,915	6.204%
2022 Series J	43,579,049	101,173	58,285,809	144,053	57,966,266	224,801	57,563,471	298,965	57,084,465	6.088%
2022 Series K	6,079,994	1,872	7,238,803	174,508	7,046,938	295,565	6,734,407	3,304	6,714,367	7.362%
2023 Series A	-	13,470	60,398,266	51,408	74,838,001	246,740	74,365,104	557,008	73,579,473	6.074%
2023 Series B	-	-	6,253,010	1,819	7,186,432	1,384	7,166,554	677	7,147,064	6.934%
2023 Series C	-	-	-	295,601	96,362,356	446,739	104,300,986	817,241	103,558,066	6.048%
2023 Series D	-	-	-	1,941	14,197,954	184,691	14,651,292	387,647	14,229,678	7.444%
2023 Series E	-	-	-	-	1,338,503	31,665	68,010,787	31,766	71,764,250	6.913%
2023 Series F	-	-	-	-	-	4,072	19,873,595	13,638	23,268,333	7.876%
2023 Series G	-	-	-	-	-	-	13,922,681	267,570	68,798,350	6.951%
2023 Series H	-	-	-	-	-	-	-	8,576	10,190,045	7.875%
2024 Series A	-	-	-	-	-	-	-	-	11,572,887	6.435%
2024 Series B	-	-	-	-	-	-	-	-	5,140,481	7.448%
Total Mortgage-Backed Securities:	1,108,101,190	14,831,328	1,174,348,991	18,425,914	1,248,224,032	12,934,529	1,338,877,401	12,508,259	1,409,729,523	4.777%

**Information as of March 31, 2024 Concerning Outstanding Iowa Finance Authority
Mortgage-Backed Securities and Down Payment Assistance Loans under Single Family Mortgage Bond Resolution adopted July 10, 1991**

Bond Issue	Outstanding Balance 3/31/2023	Prepayments 4/2023-6/2023	Outstanding Balance 6/30/2023	Prepayments 7/2023-9/2023	Outstanding Balance 9/30/2023	Prepayments 10/2023-12/2023	Outstanding Balance 12/31/2023	Prepayments 1/2024-3/2024	Outstanding Balance 3/31/2024	Average Mortgage Rate
2015 Series C DPA	10,000	-	10,000	10,000	-	10,000	-	-	-	0.000%
2016 Series A, B & C DPA	10,000	-	10,000	-	10,000	-	10,000	-	10,000	0.000%
2016 Series D & E DPA	20,000	-	20,000	-	20,000	-	20,000	-	20,000	0.000%
2017 Series A & B DPA	15,000	-	15,000	-	15,000	-	15,000	-	15,000	0.000%
2017 Series A & B Contributed DPA	28,800	5,000	23,800	-	23,800	3,800	20,000	-	20,000	0.000%
2017 Series C & D DPA	19,250	-	19,250	-	19,250	-	19,250	-	19,250	0.000%
2017 Series C & D Contributed DPA	20,000	-	20,000	-	20,000	-	20,000	-	20,000	0.000%
2018 Series A & B DPA	50,000	-	50,000	-	50,000	-	50,000	-	45,000	0.000%
2018 Series A & B Contributed DPA	13,600	-	13,600	-	13,600	-	13,600	-	13,600	0.000%
2018 Series C & D DPA	35,000	-	35,000	-	35,000	-	35,000	5,000	30,000	0.000%
2018 Series E DPA	28,495	-	28,495	-	28,495	-	28,495	-	28,495	0.000%
2019 Series A & B DPA	463,095	1,000	462,095	15,000	447,095	5,000	442,095	3,000	439,095	0.000%
2019 Series A, B & C Contributed DPA	18,325	-	18,325	-	18,325	-	18,325	-	18,325	0.000%
2019 Series C DPA	442,672	210	442,462	15,000	427,462	300	427,162	50	427,112	0.000%
2019 Series D & E DPA	985,151	18,240	966,911	30,000	936,911	12,445	924,466	-	921,209	0.000%
2019 Series F DPA	156,975	-	156,975	5,000	151,975	-	151,975	-	151,975	0.000%
2020 Series A & B DPA	1,485,973	34,100	1,451,873	38,650	1,413,223	50,000	1,363,223	19,850	1,343,373	0.000%
2020 Series C DPA	415,176	15,000	400,176	10,000	390,176	10,000	380,176	-	380,176	0.000%
2020 Series D & E DPA	1,510,256	29,045	1,481,211	23,500	1,457,711	9,950	1,442,761	20,000	1,422,761	0.000%
2020 Series F DPA	227,225	-	227,225	-	227,225	19,000	208,225	5,000	203,225	0.000%
2021 Series A DPA	1,489,976	20,000	1,469,976	25,000	1,444,976	31,475	1,413,501	14,833	1,398,668	0.000%
2021 Series A Contributed DPA	173,950	10,000	163,950	-	163,950	5,000	158,950	-	158,950	0.000%
2021 Series B DPA	1,647,933	30,175	1,617,758	24,325	1,593,433	18,975	1,574,458	28,600	1,540,858	0.000%
2021 Series C & Contributed DPA	249,010	5,000	244,010	5,000	239,010	4,985	234,025	5,000	229,025	0.000%
2021 Series D & E DPA	1,897,225	14,275	1,882,950	5,000	1,877,950	5,000	1,872,950	20,000	1,852,950	0.000%
2021 Series F DPA	482,075	10,000	472,075	19,500	452,575	-	452,575	5,000	447,575	0.000%
2022 Series A & B DPA	1,473,539	10,000	1,463,539	10,000	1,453,539	29,231	1,424,308	5,500	1,418,808	0.000%
2022 Series D & E DPA	1,572,413	10,000	1,562,413	30,000	1,532,413	4,500	1,527,913	10,000	1,517,913	0.000%
2022 Series F DPA	490,467	5,000	485,467	8,000	477,467	-	477,467	10,000	467,467	0.000%
2022 Series G & H DPA	1,532,849	300	1,532,549	7,200	1,525,349	5,150	1,520,199	10,000	1,510,199	0.000%
2022 Series I DPA	202,150	-	202,150	5,000	197,150	5,000	192,150	-	192,150	0.000%
2022 Series J DPA	733,691	-	733,691	2,900	730,791	7,500	723,291	5,200	718,091	0.000%
2022 Series K DPA	175,000	-	175,000	5,000	170,000	10,000	160,000	-	160,000	0.000%
2023 Series A DPA	-	-	1,523,849	-	1,523,849	2,500	1,521,349	10,000	1,511,349	0.000%
2023 Series B DPA	-	-	248,667	-	248,667	-	248,667	-	248,667	0.000%
2023 Series C DPA	-	-	-	-	2,642,324	8,250	2,650,574	-	2,650,574	0.000%
2023 Series D DPA	-	-	-	-	682,229	8,925	691,154	19,950	671,204	0.000%
2023 Series E DPA	-	-	-	-	67,943	851	68,794	-	68,794	0.000%
2023 Series F DPA	-	-	-	-	-	978,589	978,589	353	978,236	0.000%
2023 Series G DPA	-	-	-	-	-	587,513	587,513	12,495	575,018	0.000%
2023 Series H DPA	-	-	-	-	-	-	-	-	527,685	0.000%
2024 Series A DPA	-	-	-	-	-	-	-	-	431,305	0.000%
2024 Series B DPA	-	-	-	-	-	-	-	-	266,069	0.000%
Total Down Payment Assistance:	18,075,270	217,345	20,096,052	294,075	23,712,896	267,837	27,830,943	209,831	31,828,999	0.000%
Grand Total	1,126,176,460	15,048,673	1,194,445,043	18,719,989	1,271,936,928	13,202,366	1,366,708,344	12,718,090	1,441,558,522	4.671%

The figures exclude Mortgage Backed Securities held in the Restricted Housing Fund Security Account and Restricted Housing Fund Program Account that have not been transferred to Retired, are based on information currently available, and are not guaranteed. Prepayment amounts are amounts in excess of the computed scheduled principal amounts. The Authority reserves the right to transfer loans between bond series subject to limitations under the Resolution and applicable federal tax law. Changes in outstanding balances from quarter to quarter may result from payments of scheduled principal and prepayments, new originations and recycling, and transfers between series. Down Payment Assistance (DPA) loans are 0% interest loans with no principal payments due until payment of sale or refinance.

**Mortgage-Backed Securities Balances
Outstanding Under the General Bond Resolution**

The following table sets forth certain information regarding the balances for Mortgage-Backed Securities held under the General Bond Resolution as of June 30 for each of the last three fiscal years and for the fiscal year 2024 through March 31, 2024.

	<u>June 30, 2021</u>		<u>June 30, 2022</u>		<u>June 30, 2023</u>		<u>March 31, 2024</u>	
	Balance	%	Balance	%	Balance	%	Balance	%
GNMA	\$408,410,834	52.0%	\$497,923,768	52.3%	\$ 621,390,755	52.9%	\$ 761,508,045	53.9%
Fannie Mac	316,519,994	40.2%	371,215,930	39.0%	427,580,048	36.3%	459,001,954	32.5%
Freddie Mac	<u>61,046,367</u>	7.8%	<u>82,612,265</u>	8.7%	<u>127,514,399</u>	10.8%	<u>191,153,042</u>	13.5%
	<u>\$785,977,195</u>		<u>\$951,751,963</u>		<u>\$1,176,485,202</u>		<u>\$1,411,663,041</u>	
Restricted Housing Fund	\$ 12,385,807	1.6%	\$ 2,318,462	0.2%	\$ 2,136,211	0.2%	\$ 1,933,518	0.1%
Retired MBS Accounts	23,481,020	3.0%	18,502,530	1.9%	15,421,891	1.3%	15,998,008	1.1%
Series Bond Accounts	<u>750,110,368</u>	95.4%	<u>930,930,971</u>	97.8%	<u>1,158,927,100</u>	98.5%	<u>1,393,731,515</u>	98.7%
	<u>\$785,977,195</u>		<u>\$951,751,963</u>		<u>\$1,176,485,202</u>		<u>\$1,411,663,041</u>	

Additional Bonds

Subject to the terms, limitations and conditions established in the General Bond Resolution, the Authority may authorize the issuance of a Series of Bonds upon adoption of a Series Resolution. Each Series Resolution authorizing the issuance of a Series of Bonds shall include a determination by the Authority to the effect that the principal amount of said Series of Bonds is necessary to provide sufficient funds to be used and expended for the Program and shall specify and determine, among other things, the authorized principal amount of said Series of Bonds; the Delivery Period for the purchase of Mortgage-Backed Securities with respect to such Series, including any provisions for the extension thereof; the purpose for which such Series of Bonds is being issued, which shall be to provide funds for the making or purchase of Mortgage Loans or Mortgage-Backed Securities or the refunding of its Outstanding Bonds or other obligations; and the date or dates of maturity and the interest rates of such Bonds. Prior to issuance of any additional Bonds, the Authority must receive a rating on such Series of Bonds, which is not lower than the rating on the Outstanding Bonds issued pursuant to the General Bond Resolution, by Moody's, S&P, or any nationally recognized rating agency then rating the Bonds and confirmation by such bond rating agency then maintaining a rating on the Bonds that the issuance of the additional Bonds will not cause the rating on the Outstanding Bonds to be reduced or withdrawn as a result of such issuance.

Additional Bonds issued under the General Bond Resolution are to be on a parity with the Series Bonds and the other Parity Bonds.

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THE SERIES BONDS

Application of Proceeds

The following is a summary of the estimated sources and uses of funds related to the Series Bonds:

Sources:

Principal Amount of 2024 Series C Bonds	\$
Principal Amount of 2024 Series D Bonds	
Premium on 2024 Series D Bonds	
Amounts available under the Resolution ¹	
Total Sources of Funds	\$ <u> </u>

Uses:

Deposit of Funds to the 2024 Series C-D FirstHome Acquisition Account ²	\$
Deposit of Funds to the 2024 Series D Homes for Iowans Acquisition Account ³	
Deposit of Funds to the 2024 Series C-D Cost of Issuance Account	
Underwriters' Fee	
Total Uses of Funds	\$ <u> </u>

¹ Estimated contribution.

² Approximately \$_____ will be used for down payment assistance.

³ Approximately \$_____ will be used for down payment assistance.

General

The Series Bonds are issuable only as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Series Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), who shall act as securities depository for such Series Bonds. So long as DTC or Cede & Co. is the registered owner of the Series Bonds, payment of principal, redemption price, purchase price and interest with respect to the Series Bonds are to be made directly to DTC by the Trustee, or its successors, as Trustee. Disbursements of such payments to DTC Participants (as defined herein) is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants as more fully described herein. See "APPENDIX E—BOOK-ENTRY ONLY SYSTEM" herein.

For every exchange or transfer of a Bond, the Trustee may impose a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. In addition, the cost, if any, of preparing each new Bond upon such exchange or transfer and any other expense, including fees of counsel to the Authority and the Trustee incurred in connection therewith, must be paid by the Holder of the Bond requesting such exchange or transfer. The Authority is not obligated to issue, exchange or transfer any Bond during certain times specified in the General Bond Resolution.

The Series Bonds shall bear interest from June 11, 2024* (the “Delivery Date”) at the rates as set forth on the inside cover page hereof, payable on each July 1 and January 1, commencing January 1, 2025,* until maturity or earlier redemption. Interest on the Series Bonds is to be computed based on a year of 360 days consisting of twelve 30-day months. The Record Date for the Series Bonds shall be the fifteenth day of the month preceding each Bond Payment Date.

Mandatory Redemption, Special Redemption and Optional Redemption of the Series Bonds*

The 2024 Series CD Resolution provides for mandatory, special and optional redemption of the Series Bonds, at certain times prior to the maturity thereof, at their principal amount plus accrued interest, without premium, except as specifically provided. In any case where the date fixed for redemption of any Series Bonds shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of the Redemption Price of the Series Bonds need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date fixed for redemption, and no interest shall accrue for the period after such date. The Authority may, in lieu of redeeming Series Bonds, purchase such Series Bonds, as provided in the Resolution.

Mandatory Redemption of 2024 Series C Bonds and 2024 Series D Bonds. The 2024 Series C Bonds and 2024 Series D Bonds which are Term Bonds are subject to mandatory redemption on certain Interest Payment Dates prior to the maturity thereof at their principal amount plus accrued interest, without premium, pursuant to mandatory Sinking Fund Installments as set forth below.

The 2024 Series C Bonds maturing July 1, 2039 are subject to mandatory redemption in part on January 1, 2037 and each July 1 and January 1 thereafter to and including July 1, 2039 at a redemption price equal to the principal amount thereof, plus accrued interest thereon, without premium, on the dates and in the amounts as follows:

<u>Date</u>	<u>Principal Amount</u>
January 1, 2037	\$1,080,000
July 1, 2037	1,120,000
January 1, 2038	1,160,000
July 1, 2038	1,200,000
January 1, 2039	1,245,000
July 1, 2039 [†]	1,290,000

[†] Maturity.

* Preliminary; subject to change.

The 2024 Series C Bonds maturing July 1, 2044 are subject to mandatory redemption in part on January 1, 2040 and each July 1 and January 1 thereafter to and including July 1, 2044 at a redemption price equal to the principal amount thereof, plus accrued interest thereon, without premium, on the dates and in the amounts as follows:

<u>Date</u>	<u>Principal Amount</u>
January 1, 2040	\$1,340,000
July 1, 2040	1,385,000
January 1, 2041	1,440,000
July 1, 2041	1,490,000
January 1, 2042	1,545,000
July 1, 2042	1,600,000
January 1, 2043	1,660,000
July 1, 2043	1,720,000
January 1, 2044	1,780,000
July 1, 2044 [†]	1,850,000

[†] Maturity.

The 2024 Series C Bonds maturing July 1, 2049 are subject to mandatory redemption in part on January 1, 2045 and each July 1 and January 1 thereafter to and including July 1, 2049 at a redemption price equal to the principal amount thereof, plus accrued interest thereon, without premium, on such dates and in the amounts as follows:

<u>Date</u>	<u>Principal Amount</u>
January 1, 2045	\$2,115,000
July 1, 2045	2,190,000
January 1, 2046	2,270,000
July 1, 2046	2,355,000
January 1, 2047	2,440,000
July 1, 2047	2,525,000
January 1, 2048	2,620,000
July 1, 2048	2,715,000
January 1, 2049	2,820,000
July 1, 2049 [†]	2,920,000

[†] Maturity.

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The 2024 Series C Bonds maturing July 1, 2054 are subject to mandatory redemption in part on January 1, 2050 and each July 1 and January 1 thereafter to and including July 1, 2054 at a redemption price equal to the principal amount thereof, plus accrued interest thereon, without premium, on the dates and in the amounts as follows:

<u>Date</u>	<u>Principal Amount</u>
January 1, 2050	\$2,315,000
July 1, 2050	2,400,000
January 1, 2051	2,480,000
July 1, 2051	2,580,000
January 1, 2052	2,665,000
July 1, 2052	2,765,000
January 1, 2053	2,870,000
July 1, 2053	2,975,000
January 1, 2054	3,080,000
July 1, 2054 [†]	3,150,000

[†] Maturity.

The 2024 Series D Bonds maturing July 1, 2039 are subject to mandatory redemption in part on January 1, 2035 and each July 1 and January 1 thereafter to and including July 1, 2039 at a redemption price equal to the principal amount thereof, plus accrued interest thereon, without premium, on the dates and in the amounts as follows:

<u>Date</u>	<u>Principal Amount</u>
January 1, 2035	\$455,000
July 1, 2035	475,000
January 1, 2036	490,000
July 1, 2036	510,000
January 1, 2037	525,000
July 1, 2037	545,000
January 1, 2038	565,000
July 1, 2038	590,000
January 1, 2039	605,000
July 1, 2039 [†]	630,000

[†] Maturity.

The 2024 Series D Bonds maturing July 1, 2044 are subject to mandatory redemption in part on January 1, 2040 and each July 1 and January 1 thereafter to and including July 1, 2044 at a redemption price equal to the principal amount thereof, plus accrued interest thereon, without premium, on the dates and in the amounts as follows:

<u>Date</u>	<u>Principal Amount</u>
January 1, 2040	\$660,000
July 1, 2040	680,000
January 1, 2041	710,000
July 1, 2041	730,000
January 1, 2042	760,000
July 1, 2042	790,000
January 1, 2043	815,000
July 1, 2043	850,000
January 1, 2044	875,000
July 1, 2044 [†]	910,000

[†] Maturity.

The 2024 Series D Bonds maturing July 1, 2049 are subject to mandatory redemption in part on January 1, 2045 and each July 1 and January 1 thereafter to and including July 1, 2049 at a redemption price equal to the principal amount thereof, plus accrued interest thereon, without premium, on the dates and in the amounts as follows:

<u>Date</u>	<u>Principal Amount</u>
January 1, 2045	\$1,030,000
July 1, 2045	1,070,000
January 1, 2046	1,105,000
July 1, 2046	1,145,000
January 1, 2047	1,190,000
July 1, 2047	1,230,000
January 1, 2048	1,280,000
July 1, 2048	1,325,000
January 1, 2049	1,375,000
July 1, 2049 [†]	1,420,000

[†] Maturity.

The 2024 Series D Bonds maturing July 1, 2054 (the “PAC Bonds”) are subject to mandatory redemption in part on January 1, 2050 and each July 1 and January 1 thereafter to and including July 1, 2054 at a redemption price equal to the principal amount thereof, plus accrued interest thereon, without premium, on the dates and in the amounts as follows:

<u>Date</u>	<u>Principal Amount</u>
January 1, 2050	\$2,185,000
July 1, 2050	2,265,000
January 1, 2051	2,355,000
July 1, 2051	2,435,000
January 1, 2052	2,530,000
July 1, 2052	2,620,000
January 1, 2053	2,715,000
July 1, 2053	2,815,000
January 1, 2054	2,915,000
July 1, 2054 [†]	3,025,000

[†] Maturity.

In the event that less than all of the 2024 Series C Bonds and 2024 Series D Bonds of a particular Series and maturity are redeemed from funds other than those attributable to the related Sinking Fund Installments, the principal amount of such Series and maturity of the 2024 Series C Bonds and 2024 Series D Bonds so redeemed shall be credited pro rata as nearly as practicable against the remaining Sinking Fund Installments applicable to such maturity of such Series Bonds (in integral multiples of \$5,000 principal amount). The portion of any Sinking Fund Installment remaining after the deductions credited to such payments shall be the unsatisfied balance of such Sinking Fund Installment with respect to such Series and maturity of 2024 Series C Bonds and 2024 Series D Bonds for the purpose of calculating the payment due on a future date.

Special Redemption. The Series Bonds are subject to special redemption prior to their respective stated maturities upon payment of a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium (except with respect to the PAC Bonds, as described below, which would include a premium as described under “Non-Origination Redemption” below), as follows:

Non-Origination Redemption. The 2024 Series C Bonds are subject to special redemption, at any time, in whole or in part, as directed by the Authority, from moneys transferred to the 2024 Series C Special Redemption Account from the 2024 Series C/D FirstHome Acquisition Account representing proceeds of such 2024 Series C Bonds not used for the purchase of Mortgage-Backed Securities and related DPA Loans. The 2024 Series D Bonds are subject to special redemption, at any time, in whole or in part, as directed by the Authority, from moneys transferred to the 2024 Series D Special Redemption Account from the 2024 Series C/D FirstHome Acquisition Account representing proceeds of the 2024 Series D Bonds not used for the purchase of Mortgage-Backed Securities or related DPA Loans or the 2024 Series D Homes for Iowans Acquisition Account representing proceeds of the 2024 Series D Bonds not used for purchase of Mortgage-Backed Securities and related 2024 Series D DPA Loans. Any PAC Bonds redeemed pursuant to this paragraph shall be redeemed at a redemption price of par, plus accrued interest, plus the unamortized premium thereon as determined by the Authority by a straight-line

amortization of the original issue premium on the PAC Bonds between the date of issue and July 1, 2033. The Outstanding PAC Bonds Amounts set forth below are to be reduced pro rata to the extent that amounts are applied to the redemption of the PAC Bonds from non-origination proceeds as described above.

To comply with certain provisions of the federal tax law, proceeds of the 2024 Series C Bonds remaining on deposit in the 2024 Series C/D FirstHome Acquisition Account (“Unexpended Proceeds”) are required to be applied to the redemption of the 2024 Series C Bonds no later than December 10, 2027 to the extent that such amount has not been applied to the purchase or financing of Mortgage Backed Securities or DPA Loans or to the earlier redemption of the 2024 Series C Bonds.

Redemption From Mortgage Prepayments, Mortgage Repayments and Excess Revenues.

The Series Bonds are subject to special redemption, in whole or in part, on any date, at the direction of the Authority, from (a) moneys representing Mortgage Prepayments and Mortgage Repayments and (b) excess Revenues. Mortgage Prepayments, Mortgage Repayments and excess Revenues include those derived by the Authority from the Series Bonds, and all other Series of Bonds to the extent not prohibited by the applicable Series Resolution. Such redemption of Series Bonds shall be directed by the Authority, provided that the PAC Bonds may not be redeemed pursuant to such redemption in an amount which would result in a reduction in the amount of such Bonds outstanding below the respective Outstanding PAC Bonds Amounts (as defined below) for each semiannual period unless, with respect to Mortgage Prepayments and Mortgage Repayments which are Directed Series 2024 CD Principal Payments, as defined below, in the case of PAC Bonds, if there are no other Series Bonds Outstanding.

Certain of the Series Resolutions for Series of Bonds previously issued under the General Bond Resolution generally permit the Authority to use Mortgage Prepayments and Mortgage Repayments and excess Revenues relating to any Series of Bonds to redeem Bonds of that or any other Series under the General Bond Resolution, among other purposes. The Authority’s decision to redeem Bonds of any particular Series of Bonds, to purchase additional Mortgage-Backed Securities or to undertake any other activity permitted under the General Bond Resolution will be affected by, among other things, redemption restrictions relating to particular Series and maturities of Bonds and the Ten-Year Rule Restriction (as defined herein) and other considerations under the Code (as defined in the General Bond Resolution) as well as the ability of the Authority to instead use such funds to purchase additional Mortgage-Backed Securities at interest rates which are both advantageous to the Authority and competitive in the then existing mortgage market relevant to the Authority or to undertake any other activity that is advantageous to the Authority and is permitted by the General Bond Resolution. (See “APPENDIX G—TEN-YEAR RULE PERCENTAGES” for a table setting forth, as of each December 31, the percentage of Mortgage Prepayments and Mortgage Repayments that are subject to the Ten-Year Rule Restriction for each Series of Bonds.)

Ten-Year Rule Redemptions. To comply with certain provisions of federal tax law (the “Ten-Year Rule Restriction”), a portion of the available Mortgage Prepayments and Mortgage Repayments allocable to the proceeds of the 2024 Series C Bonds from Mortgage-Backed Securities (i) allocated to the refunding of outstanding bonds of the Authority, received 10 years after the original issue date of the bonds refunded, or (ii) with respect to the remaining proceeds of the 2024 Series C bonds, received 10 years or more after the issue date of the 2024 Series C Bonds, including a portion of the prepayments and repayments of principal of FirstHome down payment assistance loans financed with proceeds of the 2024 Series C Bonds (collectively, the “Tax Restricted Receipts”), but only while the 2024 Series C Bonds remain outstanding, are required to be applied no later than the close of the first semiannual period beginning after the date of receipt

to the retirement of the 2024 Series C Bonds through payment thereof at maturity or redemption, subject to a *de minimis* exception and to the extent required by the Code.

The following approximate percentages of Mortgage Prepayments and Mortgage Repayments of 2024 Series C Mortgage-Backed Securities and 2024 Series C DPA Loans, received on or after the following dates are required to be applied no later than the close of the first semiannual period beginning after the date of receipt to the retirement of the 2024 Series C Bonds through payment thereof at maturity or by redemption.

<u>From</u> *	<u>To</u> *	<u>Percentage</u> *
6/11/2024	9/27/2025	0.69%
9/28/2025	3/29/2026	0.71%
3/30/2026	10/24/2026	1.73%
10/25/2026	5/15/2027	3.68%
5/16/2027	9/26/2027	5.64%
9/27/2027	5/2/2028	8.25%
5/3/2028	10/10/2028	9.77%
10/11/2028	6/5/2029	11.53%
6/6/2029	9/25/2029	14.14%
9/26/2029	2/12/2030	17.97%
2/13/2030	8/18/2030	20.77%
8/19/2030	2/17/2031	22.75%
2/18/2031	6/16/2031	25.86%
6/17/2031	9/28/2031	28.86%
9/29/2031	2/9/2032	32.05%
2/10/2032	5/2/2032	35.41%
5/3/2032	9/14/2032	37.61%
9/15/2032	12/13/2032	39.24%
12/14/2032	4/12/2033	40.18%
4/13/2033	6/26/2033	40.67%
6/27/2033	12/11/2033	41.89%
12/12/2033	6/10/2034	42.07%
6/11/2034	Maturity	100.00%

PAC Bonds Redemption. The PAC Bonds are subject to special redemption from moneys received from, and to the extent received, Directed Series 2024 CD Principal Payments, as described herein. “Directed Series 2024 CD Principal Payments” means, with respect to any redemption date, all available Mortgage Prepayments and Mortgage Repayments received from the 2024 Series CD Mortgage-Backed Securities and 2024 Series CD DPA Loans allocable to the proceeds of the Series Bonds (net of any payments needed to pay the Series Bonds at maturity or upon mandatory redemption and Tax Restricted Receipts). Such Directed Series 2024 CD Principal Payments are to be applied to the special redemption of the PAC Bonds on a cumulative basis (inclusive of PAC Bonds redeemed in prior periods, including by mandatory redemption from Sinking Fund Installments and special redemption from Mortgage Prepayments, Mortgage Repayments and excess Revenues, if any) so that the aggregate principal amount of the PAC Bonds outstanding on such redemption date is not less than the Outstanding PAC Bonds Amounts as set forth in the following table. The PAC Bonds shall be redeemed on one or more days during each semiannual period ending on January 1 or July 1, commencing with the period ending July 1, 2025, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption

* Preliminary; subject to change.

date. The Outstanding PAC Bonds Amounts are to be reduced pro rata to the extent that amounts are applied to the redemption of the PAC Bonds from non-origination proceeds as described under “Non-Origination Redemption” above.

<u>Redemption Period Ending</u>	<u>Outstanding PAC Bonds Amounts¹</u>
June 11, 2024	\$25,860,000
January 1, 2025	25,860,000
July 1, 2025	25,385,000
January 1, 2026	24,470,000
July 1, 2026	23,125,000
January 1, 2027	21,370,000
July 1, 2027	19,310,000
January 1, 2028	17,260,000
July 1, 2028	15,275,000
January 1, 2029	13,345,000
July 1, 2029	11,475,000
January 1, 2030	9,660,000
July 1, 2030	7,905,000
January 1, 2031	6,215,000
July 1, 2031	4,580,000
January 1, 2032	3,015,000
July 1, 2032	1,505,000
January 1, 2033	65,000
July 1, 2033 and thereafter	0

¹ The amount is determined by utilizing the standard prepayment model of the Securities Industry and Financial Markets Association and a Mortgage Loan prepayment rate equal to 50% of the standard prepayment model. See “Projected Weighted Average Lives of the PAC Bonds” herein.

If Directed Series 2024 CD Principal Payments described above are insufficient in any semiannual period to redeem the PAC Bonds in the amount described above, the PAC Bonds will continue to be redeemed in future semiannual periods from such Directed Series 2024 CD Principal Payments received in such future semiannual periods in the same manner as described above. If there are excess Directed Series 2024 CD Principal Payments with respect to any semiannual period after application thereof as set forth in the preceding paragraph, such excess may, to the extent permitted by federal tax law, be applied by the Authority pursuant to the General Bond Resolution, including to redeem any Outstanding Bonds or Outstanding Series Bonds (and with respect to any such redemption of the PAC Bonds, notwithstanding the table set forth above, only if no other Series Bonds remain Outstanding), then redeemable at the option of the Authority in accordance with the applicable Series Resolution or to finance Mortgage-Backed Securities.

The Authority may redeem the PAC Bonds from any amounts available under the General Bond Resolution other than Directed Series 2024 CD Principal Payments to the extent that such redemption will not reduce the outstanding principal amount of the PAC Bonds to an amount less than the Outstanding PAC Bonds Amounts shown in the table above for each applicable period, as such amounts may have been adjusted due to a redemption of the PAC Bonds from non-origination proceeds.

The Authority may redeem the PAC Bonds such that the redemption will reduce the outstanding principal amount of the PAC Bonds to an amount less than the outstanding principal amount of the PAC Bonds Amounts shown in the table above, if such amounts have been adjusted due to a redemption of the PAC Bonds from non-origination proceeds and only to the extent that there are no other Series Bonds Outstanding.

Projected Weighted Average Lives of the PAC Bonds. The following information is provided in order to enable potential investors to evaluate the PAC Bonds, which are subject to special and mandatory redemption as described above. The Outstanding PAC Bonds Amounts set forth above are based generally on certain expectations about the timing of the origination of the Mortgage Loans and the levels of prepayments expected to be received by the Authority.

The projected weighted average life of a bond refers to the projected weighted average of the length of time that will elapse from the date of issuance of such bond to the date each installment of principal is paid to the bondholder weighted by the amount of such installment. The projected weighted average life of various maturities of the Series Bonds will be influenced by, among other things, the rate at which principal payments (including scheduled payments and principal prepayments) are made on the Mortgage Loans.

Prepayments of mortgage loans are commonly projected in accordance with a prepayment standard or model. The following average life calculations are based on the standard prepayment model (the “Standard Prepayment Model”) of the Securities Industry and Financial Markets Association. The Standard Prepayment Model is based upon an assumed rate of prepayment each month of the then unpaid principal balance of the mortgage loans. The Standard Prepayment Model assumes an increasingly larger percentage of the mortgage loans prepaying each month for the first 30 months of the mortgages’ lives and thereafter assumes a constant prepayment rate of 6% per annum of the unpaid principal balance over the remaining life of each of the mortgage loans. Prepayment speeds are projected as percentages of the Standard Prepayment Model and are referred to as the Prepayment Speed Assumption (“PSA”).

The following table of Projected Average Lives for the PAC Bonds (the “Table”) is based on certain hypothetical assumptions including, among other things, that (i) all amounts deposited in the applicable Acquisition Accounts will be used to purchase or finance 2024 Series CD Mortgage-Backed Securities and 2024 Series CD DPA Loans secured by newly originated Mortgage Loans (the “New 2024 Mortgage Loans”); (ii) \$143.6 million of 2024 Series CD Mortgage-Backed Securities secured by New 2024 Mortgage Loans will be purchased from July 1, 2024 to September 1, 2024; (iii) the New 2024 Mortgage Loans that secure the 2024 Series CD Mortgage-Backed Securities will bear interest at an average rate of 7.20% per annum (the Authority has the ability to vary the interest rate at which New 2024 Mortgage Loans are originated at any time during the origination period) and have a term of 30 years; (iv) the New 2024 Mortgage Loans allocable to proceeds of the Series Bonds are prepaid at the indicated PSA; (v) all scheduled principal and interest payments on the Mortgage Loans allocable to proceeds of the Series Bonds and prepayments thereof are timely received; and (vi) Directed Series 2024 CD Principal Payments will be applied once at the end of each semiannual period first to redeem the PAC Bonds according to the Outstanding PAC Bonds Amounts, and second to redeem all other Series Bonds.

The foregoing hypothetical assumptions summarized above are referred to herein collectively as the “Average Life Assumptions.”

The actual characteristics and the performance of the New 2024 Mortgage Loans and the application of Directed Series 2024 CD Principal Payments to redeem the PAC Bonds will differ

from the Average Life Assumptions utilized in constructing the table labeled “Projected Average Lives (in years)” below, which assumptions are hypothetical in nature and are provided only to give a general sense of how the weighted average lives of the PAC Bonds might vary as such prepayment speeds vary. For example, the actual rate of prepayment of the New 2024 Mortgage Loans can be expected to differ from the Average Life Assumptions. The Authority does not expect that the New 2024 Mortgage Loans will prepay actually and consistently in conformance with any of the prepayment assumptions represented in the scenarios set forth in the table below. Any difference between such Average Life Assumptions and the actual characteristics and performance of the New 2024 Mortgage Loans will cause the actual weighted average lives of the PAC Bonds to differ (which difference could be significant) from the projected weighted average lives in the table below. The Average Life Assumptions are not necessarily consistent with the current or historical approach of the Authority to recycling and selecting Bonds to be redeemed, and they are not binding upon or necessarily indicative of future actions of the Authority with respect to the redemption of the 2024 Series C Bonds (provided that the Authority has covenanted in the 2024 Series CD Resolution to use certain amounts received by the Authority to redeem the PAC Bonds —see “Special Redemption” herein). The Authority makes no representation as to the reasonableness of the Average Life Assumptions and makes no representation that the hypothetical projected average lives set forth in the table below will reflect the actual course of events. While the Average Life Assumptions assume that the PAC Bonds are redeemed at the end of the applicable semiannual period, the Authority retains the right to redeem the PAC Bonds one or more times during the applicable semiannual period, and such redemption could shorten the average lives of the PAC Bonds.

The computation of the weighted average life of the PAC Bonds under each of the scenarios represented in the table below is based on one of two sets of indicated assumptions about the exercise of the optional redemption provisions under the 2024 Series CD Resolution: (a) in the case of scenarios labeled “Optional Redemption Exercised,” it is assumed that the Authority will exercise its right to optionally redeem all then-eligible 2024 Series C Bonds on January 1, 2033; and (b) in the case of scenarios labeled “Optional Redemption Not Exercised,” it is assumed that the Authority will not exercise its right to optionally redeem the 2024 Series C Bonds.

Based on such assumptions, some or all of which are unlikely to reflect actual experience, the following table provides certain projected weighted average life information for the PAC Bonds.

Projected Average Lives (in years)

% PSA	PAC Bonds	
	Optional Redemption not Exercised	Optional Redemption Exercised [†]
0	28.0	9.1
25	10.8	7.0
50	5.0	5.0
75	5.0	5.0
100	5.0	5.0
150	5.0	5.0
200	5.0	5.0
300	5.0	5.0
400	5.0	5.0
500	5.0	5.0

[†] Assumes July 1, 2033 optional redemption date.

No assurance can be given that prepayments of principal of the Mortgage Loans will conform to any level of a particular prepayment projection, schedule or model or that prepayments will be available to be applied to redemptions of any of the 2024 Series C Bonds. The rates of principal prepayments on mortgage loans are generally influenced by a variety of economic, geographical, social and other factors, including servicing decisions, changing property values and prevailing interest rates. In general, if prevailing interest rates fall significantly below the interest rates on the Mortgage Loans, such Mortgage Loans may be likely to prepay at higher rates than if prevailing interest rates remain at or above the interest rates on such Mortgage Loans. Conversely, if prevailing interest rates rise above the interest rates on the Mortgage Loans, the rate of prepayments might be expected to decrease. Provisions which permit, under certain conditions, the assumption of such Mortgage Loans may also affect the rate of prepayments. When the purchaser of the related property assumes a mortgage loan, the existing mortgage loan is not prepaid. The Authority cannot predict the number of Mortgage Loans that may undergo foreclosure proceedings, which would also affect the prepayment speed of the Mortgage Loans. For these reasons, the Authority cannot offer any assurances as to the rate at which the 2024 Series CD Mortgage-Backed Securities secured by the Mortgage Loans secured by Mortgage Loans will prepay and offers no assurance that the scheduled amounts will, in fact, be available to effect any redemptions described herein.

Investors owning less than all of the PAC Bonds may experience redemption at a rate that varies from the projected weighted average lives.

Optional Redemption of the 2024 Series C Bonds and 2024 Series D Bonds. The 2024 Series C Bonds and 2024 Series D Bonds maturing after July 1, 2033 may be redeemed prior to their stated maturities as a whole or in part on any date on and after July 1, 2033 at the option of the Authority, from any available moneys, at the redemption price of par, together with accrued interest to the redemption date.

General Provisions as to Redemption of Series Bonds

Any Series Bond to be redeemed from moneys in the Redemption Fund shall be redeemed by the Trustee pursuant to the terms of the Resolution.

Selection of Series Bonds for Redemption. For purposes of selecting Series Bonds for redemption, the Series Bonds shall be deemed to be composed of \$5,000 denominations of principal amount and any such denomination may be separately redeemed and any such denomination may be separately redeemed (provided the amount, if any, remaining after such redemption is itself an authorized denomination). In the event of a partial redemption of the Series Bonds pursuant to optional redemption, the Authority may direct the particular Series, maturities and interest rates and amounts thereof to be redeemed. In the event that less than all of the Series Bonds of a particular Series, interest rate and maturity are to be redeemed, the particular Series Bonds of such same Series, interest rates and maturity to be redeemed shall be selected at random. If the Authority makes no direction with respect to the particular Series, maturity or maturities and interest rates of the Series Bonds to be redeemed pursuant to optional redemption, then such Series Bonds shall be redeemed on a reasonably proportionate basis among all of the Outstanding maturities and interest rates, on a reasonably proportionate basis, in such manner as the Trustee deems fair.

In the event the Series Bonds are subject to special redemption in part, as described in “Mandatory Redemption, Special Redemption and Optional Redemption of the Series Bonds—*Special Redemption*” above, the Series Bonds to be redeemed shall be selected by the Authority as described in such section and the maturities of such Series Bonds shall be selected in accordance with the 2024 Series CD Resolution.

Notice of Redemption. The Trustee shall give notice of any redemption in the name of the Authority, such notice stating the following: (i) the complete name, including Series designation, of such Series Bonds; (ii) the date of the notice; (iii) the date of issue, the interest rate and the maturity date of the Series Bonds; (iv) the redemption date; (v) the Redemption Price; (vi) the numbers and other distinguishing marks of the Series Bond to be redeemed (except in the event that all of the Outstanding Series Bonds are to be redeemed); (vii) the CUSIP numbers (if any) of the maturities to be redeemed; (viii) the place or places where amounts due upon such redemption will be payable; (ix) in the case of the Series Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed; and (x) the name and telephone number of the contact person at the Trustee. Such notice shall further state on such date there shall become due and payable upon each Series Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue.

With respect to the Series Bonds, the Trustee shall mail a copy of such notice by certified mail, postage prepaid, not less than 30 days nor more than 45 days before the redemption date, to the registered owners of any such Series Bonds or portions thereof which are to be redeemed at their last addresses appearing upon the registration books and to one or more national services which record bond redemption data. At least two days prior to the mailing of such a notice, the Trustee shall send by certified mail a copy of such notice to DTC or to any other depository institution substituted for DTC in accordance with the provisions of the Resolution.

So long as DTC is the registered owner of the Series Bonds, further distribution of any notice of redemption to direct participants of DTC (“DTC Participants”) is an obligation of DTC and distribution to the Beneficial Owners is the responsibility of DTC Participants. See “APPENDIX E—BOOK-ENTRY ONLY SYSTEM” herein for a detailed description of the book-entry system. Failure to give any such notice in the manner prescribed in the Resolution or any defect therein shall not affect the validity of the proceedings for redemption of any Series Bonds with respect to which notice was properly given.

Purchase of Series Bonds In Lieu of Redemption

The Authority may, in lieu of redeeming Series Bonds, purchase such Series Bonds as provided in the General Bond Resolution.

THE PROGRAM

The Authority operates a continuous lending program which includes first mortgage financing combined with the option of down payment and closing cost assistance funds (“DPA”). The Authority offers financing through two programs: FirstHome and Homes for Iowans. Mortgage financing under both programs is limited to new purchases (no refinances) which must be occupied within 60 days as a primary residence. Financing is subject to a minimum credit score of 640 and a maximum debt-to-income ratio of 50%.

The *FirstHome* program is generally restricted to first time homebuyers, earning no more than 100% of Area Median Income (“AMI”), for the purchase of properties limited to 90% of the average area purchase price. Properties purchased in federally designated “Targeted Areas” are subject to increased purchase price and income limitations and are not subject to the first time homebuyer requirement. The first time homebuyer requirement is also waived for military veterans discharged other than dishonorably. Households of 3 or more persons are subject to increased income limitations as well.

<i>Program</i>	FirstHome
<i>First Time Homebuyer Requirement</i>	Yes ¹
<i>Income Limit</i>	100% AMI ²
<i>Purchase Price Limit</i>	90% of average area purchase price ³
<i>Eligible Properties</i>	1 Unit Primary Residence
<i>Permitted Transaction Types</i>	New Purchases (No Refinance)
<i>Down Payment Assistance Options</i>	\$2,500 Grant ⁴ or 5% Due on Sale

1. First time homebuyer requirement waived for Targeted Areas and military veterans, discharged other than dishonorably.
2. Income limits can be increased if the home is being purchased in a Targeted Area and for households of 3 or more persons.
3. Targeted areas are eligible for 110% of average area purchase price.
4. Grant Down Payment Assistance option not available for mortgage loans bundled into Fannie Mae Securities.

The *Homes for Iowans* program is open to non-first time homebuyers with income limits up to 140% of the Area Median Income and purchase price limits at 110% of the mortgage revenue bond safe harbor limit. The table below summarizes the two programs.

<i>Program</i>	Homes for Iowans
<i>First Time Homebuyer Requirement</i>	No
<i>Income Limit</i>	140% AMI
<i>Purchase Price Limit</i>	110% of MRB Safe Harbor Limit
<i>Eligible Properties</i>	1 Unit Primary Residence
<i>Permitted Transaction Types</i>	New Purchases (No Refinance)
<i>Down Payment Assistance Options</i>	5% Due on Sale

DPA Loan and Homebuyer Education Options

For the purposes of down payment and closing costs assistance FirstHome borrowers have the option to combine their first mortgage financing options with a “Plus” grant (other than for mortgage loans bundled into Fannie Mae Securities) or a “2nd Loan,” and Homes for Iowans borrowers have the option to combine their first mortgage with a “2nd Loan” option. Eligibility for DPA is the same as for first mortgage financing, and DPA must be combined with a FirstHome or Homes for Iowans mortgage. DPA options are offered with the first mortgage at a higher interest rate which partially offsets the cost of providing the funds to the borrower.

Plus funds are a \$2,500 grant. There is no second lien or repayment associated with the grant funds.

The 2nd Loan funds are limited to 5% of the purchase price. The 2nd Loan is offered at a 0% interest rate and is repayable at the time of sale or refinancing.

First time homebuyers using a conventional loan product under the Program are required to take a homebuyer education course prior to closing the mortgage loan. Borrowers with income under 80% AMI can take the course for free from the Authority’s Servicer. This course also includes borrower counseling for the life of the loan. The Authority’s Servicer also provides optional homebuyer education for borrowers with government loans. The Program also accepts homebuyer education through Fannie Mae or Freddie Mac or through a community program that provides a down payment assistance grant or loan and requires its own HUD approved homebuyer education.

Single Family Program Funding

Traditionally, the Authority has funded its FirstHome program through the issuance of tax-exempt Mortgage Bonds under the General Bond Resolution. In 2009 the Single Family Mortgage Revenue Bond Resolution was adopted in response to the Single Family New Issue Bond Program created by the United States Department of the Treasury. From 2009 through early 2013, the FirstHome Program was primarily funded through bonds issued within the Single Family Mortgage Revenue Bond Resolution. During 2013 and continuing through part of 2015, the FirstHome program was primarily funded through sales of mortgage-backed securities. More recently the Authority has funded its FirstHome program with Single Family Mortgage Bonds issued under the General Bond Resolution. The Authority plans to use the proceeds of the 2024 Series C Bonds to fund its FirstHome program.

From 2009 to part of 2018, the Homes for Iowans program was funded through sales of mortgage-backed securities. More recently the Authority has funded a portion of its Homes for Iowans program through the issuance of taxable Single Family Mortgage Bonds issued under the General Bond Resolution. The Authority plans to use the proceeds of the 2024 Series D Bonds to fund a portion of its Homes for Iowans program. For additional financial information see “APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY AS OF JUNE 30, 2023 AND UNAUDITED FINANCIAL STATEMENTS OF THE AUTHORITY AS OF MARCH 31, 2024.”

Single Family Volume and Mortgage Characteristics

The table below summarizes the Authority’s annual single family program volume (for both FirstHome and Homes for Iowans) from fiscal year 2021 through fiscal year 2023 and for fiscal year 2024 through March 31, 2024 (“FY 2024”). As mentioned above, currently the FirstHome program is funded through the issuance of Single Family Mortgage Bonds. The Authority plans to use the proceeds of the 2024 Series D Bonds to fund a portion of its Homes for Iowans program.

FirstHome Program

	<u>FY 2021</u>		<u>FY 2022</u>		<u>FY 2023</u>		<u>FY 2024 (Through March 31, 2024)</u>	
	# <u>Loans</u>	<u>\$ Volume</u>	# <u>Loans</u>	<u>\$ Volume</u>	# <u>Loans</u>	<u>\$ Volume</u>	# <u>Loans</u>	<u>\$ Volume</u>
Mortgages	1,917	\$231,498,259	2,218	\$295,450,480	1,951	\$283,325,742	1,633	\$257,259,076
Plus/Grant DPA	938	\$2,345,000	982	\$2,454,900	637	\$1,592,181	276	\$690,000
2nd Mtge DPA	836	\$4,086,883	1,037	\$5,048,566	1,055	5,508,923	1,209	9,845,760
% w/Plus Grant DPA	48.9%		44.3%		32.7%		16.9%	
% w/2nd Mtge DPA	43.6%		46.8%		54.0%		74.0%	

Homes for Iowans Program

	<u>FY 2021</u>		<u>FY 2022</u>		<u>FY 2023</u>		<u>FY 2024 (Through March 31, 2024)</u>	
	# <u>Loans</u>	<u>\$ Volume</u>	# <u>Loans</u>	<u>\$ Volume</u>	# <u>Loans</u>	<u>\$ Volume</u>	# <u>Loans</u>	<u>\$ Volume</u>
Mortgages	492	\$76,494,817	509	\$80,820,931	360	\$60,149,593	310	\$60,953,409
Plus/Grant DPA	161	\$402,500	153	\$382,500	72	\$180,000	1	\$2,500
2nd Mtge DPA	251	\$1,236,335	303	\$1,499,507	244	1,292,525	275	2,650,921
% w/Plus Grant DPA	32.7%		29.7%		16.1%		0.3%	
% w/2nd Mtge DPA	51.0%		60.2%		67.8%		88.7%	

Total

	<u>FY 2021</u>		<u>FY 2022</u>		<u>FY 2023</u>		<u>FY 2024 (Through March 31, 2024)</u>	
	#		#		#		#	
	Loans	\$ Volume	Loans	\$ Volume	Loans	\$ Volume	Loans	\$ Volume
Mortgages	2,409	\$307,993,076	2,727	\$376,271,411	2,311	\$343,475,335	1,943	\$318,212,485
Plus/Grant DPA	1,099	\$2,747,500	1,135	\$2,837,400	709	\$1,772,181	277	692,500
2nd Mtge DPA	1,087	\$5,323,218	1,340	\$6,548,073	1,299	\$6,801,448	1,484	\$12,496,681
% w/Plus Grant DPA	45.6%		41.6%		30.7%		14.3%	
% w/2nd Mtge DPA	45.1%		49.1%		56.2%		76.4%	

The distribution of mortgages purchased under the Authority’s FirstHome and Homes for Iowans programs in FY 2024 through March 31, 2024 is shown in the tables below.

FY 2024 Single Family Loan Type Distribution

	<u>FirstHome</u>		<u>Homes for Iowans</u>	
<u>Type</u>	<u># Loans</u>	<u>Percentage</u>	<u># Loans</u>	<u>Percentage</u>
FHA	627	38%	173	56%
VA	108	7%	18	6%
RD	116	8%	12	4%
Conventional	782	48%	107	35%
TOTAL	1,633	100%	310	100%

For the FirstHome program in FY 2024 to date, 92.59% of purchases were detached single family residences, 97.67% were existing homes, borrower incomes averaged \$70,261, the average purchase price was \$164,531 and the average loan amount was \$157,538.

For the Homes for Iowans program in FY 2024 to date, 93.55% of purchases were detached single family residences, 95.16% were existing homes, borrower incomes averaged \$109,792, the average purchase price was \$204,112 and the average loan amount was \$196,624.

SUMMARY OF CERTAIN PROVISIONS OF PROGRAM DOCUMENTS

The following summary of Program documents does not purport to be comprehensive or definitive and the procedures and criteria described may not be required by the Resolution and are subject to change pursuant to applicable federal and State law. The Authority has covenanted to take all steps necessary to preserve the exclusion from gross income for federal tax purposes of the interest payable on the Series Bonds under Sections 143 and 148 of the Code to the extent applicable.

Origination Agreements

Each participating Lender is to enter into an Origination Agreement under which the Lender agrees to originate and sell Mortgage Loans to the Servicer on behalf of the Authority. In certain instances, affiliated offices of Lenders may originate Mortgage Loans. The term Lender shall encompass such affiliated offices.

The Servicer is to purchase Mortgage Loans for new and existing residences. Each Mortgage Loan must be dated subsequent to the date of the execution and delivery by the Authority of the Origination Agreement and must be closed, recorded and insured prior to the date of its delivery to the Servicer.

Pursuant to the Origination Agreements, such Lender is to exercise due diligence during the Origination Period to process applications and issue commitment letters for, and to originate, Mortgage

Loans. Except in cases where the Authority approves exceptions, the Mortgage Loans must meet the requirements described in the following paragraphs.

Each Mortgage is required to be made to the Mortgagor whose Annual Family Income (as defined in the Origination Agreement) does not exceed limits specified by the Authority and who intends to occupy the Home as such Mortgagor's principal place of residence within sixty days after the closing date of the Mortgage. The Lender is required to exercise due diligence in determining each Mortgagor's Annual Family Income (as defined in the Origination Agreement), including verifying wage income, if any, and examining a copy of the Mortgagor's prior year's signed federal income tax return, if any.

Except in the case of a Targeted Area Home, or in the case of a veteran who has not previously received financing under the Program or a similar program and who was discharged with a status other than dishonorable, no Mortgagor may have had a present ownership interest, as defined in the Origination Agreement, in a principal residence of such Mortgagor at any time during the three-year period prior to the date on which the Mortgage is executed.

No Home may have a purchase price, computed as set forth in the Origination Agreement, which exceeds 110% of the average area purchase price in the case of a Home located in a Targeted Area or a Home located in a Disaster Area, or, in any other case, 90% of the average area purchase price. The Lender is required to compute the purchase price for each Home on the basis of the information provided in the purchase contract for the Home and in the Mortgagor's Affidavit and the Seller's Affidavit, forms of which are incorporated into the Origination Agreement.

As soon as possible after delivery to the Servicer of all required documents and acceptance of the Mortgages, the Servicer is to pay to the Lender 100% of the outstanding principal amount of the Mortgage Loans, plus accrued interest, if any, plus down payment funds, if any, less any amounts netted out of such principal amount of the Mortgage Loan for any escrow funds, which amounts the Lender shall retain and apply to the purchase price of the Mortgage Loan. The Servicer also pays the Lender the applicable Servicing Release Premium. The Lenders may charge certain reasonable and customary fees and charges as permitted by the Origination Agreement.

Any Servicing Acquisition Fees paid by the Servicer to the Authority are free and clear of the lien of the Resolution or otherwise as provided in the 2024 Series CD Resolution.

Each Mortgage Loan must be secured by a Mortgage in order to finance the purchase of a residential unit located in the State which is permanently affixed to a foundation and assessed as realty (including condominiums and townhouses) and which is designed for residential use by one family. The residential unit includes appurtenances to the residence and the real property on which it is located, which shall not exceed normal requirements, but does not include personal property which is not a fixture, provided that such appurtenances and real property reasonably maintain the basic livability of the residence and do not provide, other than incidentally, a source of income to the Mortgagor. No more than 15% of the total area of the unit shall be reasonably expected to be used primarily in a trade or business, nor shall the unit be used for investment property or as a recreational home. A residential unit does not include housing not permanently affixed to real property and not taxed as real property under State law.

The Mortgage Note and the Mortgage must all contain a "due-on-sale" provision which provides for acceleration of the Mortgage Loan in event of any sale (including sale on contract), assignment, transfer or rental of the residence, or in the event that the Mortgagor fails to occupy the residence as his principal residence or misrepresents or omits a fact in the application for the Mortgage Loan, or if the Mortgage Loan fails to qualify as an eligible Mortgage Loan under Section 143 of the Code.

An assumption of the Mortgage by a new Mortgagor may be allowed under this Program only if (i) the Authority and the Servicer consent in writing; (ii) the purchaser is an Eligible Mortgagor, subject also to the requirement of initial and continued occupancy of the Home as his or her primary residence; (iii) the purchase price of the Single-Family Residence does not exceed limits then applicable for a Single-Family Residence in the State; (iv) the Mortgage Loan continues to be insured under the insurance policies described in the Origination Agreement and approved by the Servicer; (v) the purchaser's current Annual Family Income does not exceed the then current limit; and (vi) the Mortgage Loan must continue to comply with the requirements of FHA, Fannie Mae, Freddie Mac, USDA Rural Development and VA regulations, as applicable, and the GNMA Servicer's Guide, the Fannie Mae Selling and Servicing Guides and the guidelines established by Freddie Mac.

Each Mortgage Loan must be accompanied by a title opinion to the effect that the Mortgage is a valid first and prior lien, free and clear of all other liens and encumbrances on the mortgaged property, subject only to liens, encumbrances and clouds on the legal title of a Home permitted by FHA, Fannie Mae, Freddie Mac, VA or USDA Rural Development, as applicable. The mortgaged property must be covered by standard hazard insurance covering risks customarily insured against in the geographical area. Special provisions are necessary to cover hazard insurance of condominiums. Such insurance must be in effect on the date of delivery of the Mortgage.

The Lender is required to deliver, among other things, the following to the Servicer: (1) the original note, (2) a duly executed Mortgage, (3) a duly executed assignment of mortgage, (4) a Title Guaranty Commitment or Certificate, (5) the original Mortgage Certificate, executed by the Lender, (6) a Mortgage payment schedule, (7) the Seller's executed affidavit, (8) a standard hazard insurance policy or multi-peril condominium policy and a flood insurance policy, if required, (9) the Mortgagor's executed affidavit, and (10) other documents as the Authority or the Servicer may reasonably request.

Pursuant to the Origination Agreement, the following must be delivered to the Servicer for delivery to the respective GNMA Custodian, Fannie Mae Custodian or Freddie Mac Custodian, as applicable, within 60 days of the Purchase Date or such failure will cause a Mortgage Loan to be a non-qualifying loan as described in the Origination Agreement: (1) the properly recorded Mortgage; (2) the properly recorded assignment of mortgage; (3) the final opinion of title; (4) FHA Mortgage Insurance Certificate, VA Loan Guaranty Certificate, USDA Rural Development Loan Guaranty Certificate or other private mortgage insurance certificates acceptable to Fannie Mae or Freddie Mac; and (5) any other documents required by the Servicer.

Servicing Agreement

The Authority has entered into a Servicing Agreement (the "Servicing Agreement") with the Servicer pursuant to which the Servicer is to handle the servicing of Mortgage Loans made in connection with the Series Bonds pursuant to the Mortgage Origination Agreements. The Servicing Agreement sets forth the general requirements for purchasing and servicing Mortgage Loans anywhere within the State, and the Servicing Agreement may be supplemented from time to time.

The Authority has also entered into a warehouse line of credit agreement with the Servicer, in a maximum amount of \$45 million. Under this agreement, the Authority will advance funds to the Servicer in connection with the acquisition of Mortgage Loans by the Servicer under the Servicing Agreement.

Issuance of Mortgage-Backed Securities

The Servicer is required to remit to the Trustee in the case of a GNMA I Security, to the Central Bank and Transfer Agent in the case of a GNMA II-Custom Pool Security and to Fannie Mae or

Freddie Mac in the case of a Fannie Mae Security or Freddie Mac Security, as applicable, all payments of principal, interest and any Mortgage Prepayments (less the Servicer's monthly servicing and guaranty fee) that are payable with respect to the Mortgage Loans which back the applicable GNMA Securities, Fannie Mae Securities and Freddie Mac Securities when any of the same shall be due and payable and to meet all its obligations under the GNMA Mortgage-Backed Securities Guide and GNMA guaranty agreements or contractual agreements to be entered into between the Servicer and GNMA and to meet its obligations under the Fannie Mae Single Family Selling and Servicing Guides, the Pool Contract, the Freddie Mac guidelines and pool agreement and any other contractual agreements to be entered into between the Servicer and Fannie Mae or Freddie Mac. The Servicer shall give the Trustee notice of any payments on a GNMA Security, Fannie Mae Security or Freddie Mac Security that constitute Mortgage Prepayments.

General

From and after the acquisition of a Mortgage Loan by the Servicer, the Servicer shall service such Mortgage Loan and shall have full power and authority, acting alone, to take such actions as may be necessary to perform its duties with respect to such servicing, subject to the requirements of the Program documents and FHA/VA/USDA Rural Development rules and regulations and provided that such action shall not be inconsistent with or prejudice the rights and interest of GNMA and Fannie Mae under the MBS Agreement or the rights and interest of the Trustee or Authority under the Program documents. After the purchase date, the Servicer shall be governed by the provisions of the GNMA Servicer's Guide, Fannie Mae Single Family Selling and Servicing Guide and the Freddie Mac guidelines.

The Servicer and the Authority share responsibility for administering the Program in accordance with the Servicing Agreement and the Origination Agreements. During the Delivery Period, the Authority and Servicer each review various Mortgage Loan documents to determine compliance with the terms and conditions of the eligibility guidelines of the Program and each advise the Lenders in writing on a timely basis regarding compliance of the Mortgage Loans with such eligibility guidelines and any action necessary to bring the Mortgage Loans into compliance with such guidelines.

In particular, the Servicer shall review, in accordance with the Origination Agreements, whether (A) all documents specified in the Origination Agreements as necessary for the purchase of the Mortgage Loan have been submitted and completed properly; (B) all data on the Mortgage Certificate agrees in all material respects with the appropriate underlying documents; (C) the Mortgagor is an Eligible Mortgagor; (D) the purchase price is not in excess of the applicable Maximum Purchase Price established in the Origination Agreements; (E) the Mortgage Loan is (i) insured or eligible for insurance by FHA; or (ii) guaranteed or eligible for guarantee by VA as described in the Origination Agreements; or (iii) guaranteed or eligible for guarantee by USDA Rural Development as described in the Origination Agreements; or (iv) insured by private mortgage insurance issued by an entity acceptable to Fannie Mae or Freddie Mac or having certain loan-to-value ratios acceptable to Fannie Mae or Freddie Mac; (F) all documents required to be submitted for a mortgagee's title guaranty certificate under the Iowa Title Guaranty Program have been submitted and completed properly; and (G) all of the requirements for the origination of Mortgage Loans set forth in the Origination Agreements have been satisfied.

The Servicer is responsible for loan accounting, remitting to the Trustee the principal and interest payments on the GNMA Security, Fannie Mae Security and Freddie Mac Security and any other sums paid by Mortgagors which the Authority may require to be remitted, and accounting for and management of escrows or sums paid by Mortgagors for payment of taxes, escrow deficiencies, assessments, rents, mortgage and hazard insurance premiums and other expenses.

The Servicer shall at all times be a GNMA, Fannie Mae and Freddie Mac approved seller-servicer.

The Servicer shall maintain an adequate mortgage accounting system setting forth payments received and disbursements made pursuant to the Servicing Agreement. The Servicer's accounting system must clearly state the respective interests of the Mortgagor and the Authority and must be available for examination and audit by the Authority at any time during normal business hours.

For servicing each mortgage pool, the Servicer is entitled to retain a portion of the annual servicing fee and to withhold a GNMA, Fannie Mae and Freddie Mac guaranty fee consisting of an amount based on and payable from the interest portion of each monthly installment of principal and interest actually collected by the Servicer.

The Servicer must assure that the property securing each Mortgage is covered by an appropriate standard hazard insurance policy and if applicable, an appropriate flood insurance policy.

The Servicer, so long as any Mortgage Loan remains outstanding, shall report monthly (on the basis of calendar months) to the Authority concerning the servicing of the Mortgage Loans, which shall contain the following: (A) breakdown by each GNMA Security, Fannie Mae Security and Freddie Mac Security of monthly payments to the Trustee by the amount representing scheduled interest, scheduled regular principal payments and prepayments of principal, such that under the GNMA Guide, Fannie Mae Guide and Freddie Mac guidelines such principal must be paid to the holder of the GNMA Security, Fannie Mae Security and Freddie Mac Security; (B) delinquency status of Mortgage Loans pooled under each GNMA Security, each Fannie Mae Security and each Freddie Mac Security acquired by the Trustee and an aggregate Mortgage Loan delinquent percentage for all GNMA Securities, Fannie Mae Securities and Freddie Mac Securities acquired by the Trustee; (C) monthly reconciliation with the Trustee of the outstanding number of Mortgage Loans and the outstanding principal balances on each GNMA Security, Fannie Mae Security and Freddie Mac Security; and (D) such other information as the Authority or Trustee may reasonably request, from time to time.

THE SERVICER

The Servicer must be a GNMA, Fannie Mae and Freddie Mac approved servicer experienced in servicing pools of mortgage loans for GNMA, Fannie Mae and Freddie Mac under their respective Guaranteed Mortgage-Backed Securities Programs and shall be subject to the standards set forth in the GNMA Servicer's Guide, the Fannie Mae Single Family Selling and Servicing Guide and the Freddie Mac guidelines. The 2024 Series CD Resolution provides that in the event the Servicing Agreement shall be cancelled or terminated for any reason, the Authority shall proceed with due diligence to procure appropriate successor parties, subject to the provisions of the Servicing Agreement and the requirements of GNMA under the GNMA Guide, Fannie Mae under the Fannie Mae MBS Selling and Servicing Guide and Freddie Mac under the applicable Freddie Mac guidelines.

As of January 1, 2014, the Authority entered into the Servicing Agreement, which was amended and restated as of January 1, 2024, with Idaho Housing and Finance Association, Boise, Idaho ("IHFA"), pursuant to which IHFA agrees to act as the Authority's Servicer. Pursuant to the Servicing Agreement, IHFA, instead of the Authority, purchases the Mortgage Loans from Mortgage Lenders. Pursuant to the Servicing Agreement and in accordance with the Program, IHFA has acquired or will acquire Fannie Mae Guaranteed Mortgage Securities, and has issued or will issue GNMA Guaranteed Mortgage-Backed Securities, with respect to such Mortgage Loans; such Mortgage-Backed Securities are then sold to the Authority. IHFA is expected to be the Servicer for the Authority's Mortgage-Backed Securities purchased with proceeds of the Series Bonds.

THE FOLLOWING INFORMATION ABOUT IHFA WAS SUPPLIED BY IHFA. SUCH INFORMATION HAS NOT BEEN VERIFIED BY THE AUTHORITY OR THE UNDERWRITERS, OR

COUNSEL TO EITHER OF THEM, AND IS NOT GUARANTEED AS TO COMPLETENESS OR ACCURACY BY AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE AUTHORITY OR THE UNDERWRITERS, OR COUNSEL TO EITHER OF THEM.

As of March 31, 2024, IHFA serviced 255,803 single family mortgage loans with an aggregate principal balance of approximately \$32.1 billion. IHFA currently services single family mortgage loans for housing finance authorities, mutual savings banks, nonprofit associations and commercial banks, as well as Fannie Mae, GNMA and Freddie Mac.

As of March 31, 2024, according to its unaudited quarterly financial statements, IHFA had total assets, not including deferred outflows of resources, of \$4.8 billion and net position of \$606 million. For the twelve months ending March 31, 2024, IHFA originated and purchased single family mortgage loans in a total principal amount of approximately \$1.8 billion in Idaho and another \$5.0 billion for its partnership states.

IHFA is (i) an FHA- and VA- and USDA/Rural Development-approved lender in good standing, (ii) a GNMA-approved seller and servicer of mortgage loans and an issuer of mortgage-backed securities guaranteed by GNMA, (iii) a Fannie Mae-approved seller and servicer of Fannie Mae securities and (iv) a Freddie Mac-approved seller and servicer of IHFA securities.

A Servicer is not liable for the payment of the principal of the Series Bonds or the interest or redemption premium, if any thereon.

LEGALITY OF BONDS FOR INVESTMENT

Under the Act, bonds and notes of the Authority are securities in which public officers, state departments and agencies, political subdivisions, insurance companies, and other persons carrying on an insurance business, banks, trust companies, savings and loan associations, investment companies and other persons carrying on a banking business, administrators, executors, guardians, conservators, trustees and other fiduciaries, and other persons authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them. The bonds and notes of the Authority (including the Series Bonds) are also securities which may be deposited with and may be received by public officers, state departments and agencies, and political subdivisions, for any purpose for which the deposit of bonds or other obligations of the State is authorized.

BUSINESS DISRUPTION RISK

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the Authority's ability to conduct its business. A prolonged disruption in the Authority's operations could have an adverse effect on the Authority's financial condition and results of operations. To plan for and mitigate the impact such an event may have on its operations, the Authority has developed a Continuity of Operations and Business Continuity Plan (the "Plan"). The Plan is designed to (i) provide for the continued execution of the mission-essential functions of the Authority and minimize disruption if an emergency threatens, interrupts or incapacitates the Authority's operations, (ii) provide Authority leadership with timely direction, control and coordination before, during and after an emergency, and (iii) facilitate the return to normal operating conditions as soon as practical based on the circumstances surrounding any given emergency. No assurances can be given that the Authority's efforts to mitigate the effects of an emergency or other event will be successful in preventing any and all disruptions to its operations in the event of an emergency.

CYBERSECURITY

The Authority relies on advanced technologies to conduct operations. The nature of financial entities and the finance industry make them prime targets for cyber threats and cybercrime including, hacking, viruses, malware, ransomware, phishing and other network and system threats. Varying in sophistication, cyber threats attempt to extort or exfiltrate money and information, disrupt or damage operations, or create havoc for sport and financial gain. Additionally, attacks leveraged adjacent to the Authority such as vendors or supply-chain partners are also targeted for their access and proximity to the Authority.

The Authority's cybersecurity posture continuously evolves with emerging threats. Through this evolution, policies and procedures are continually updated to reflect the everchanging cybersecurity landscape. The Authority persistently evaluates risk to identify potentially high-valued and desirable targets for threat actors and dedicates resources to system hardening and other cyber-defense strategies, including frequent security awareness training and sanctioned phishing campaigns. Extending beyond the organization, vendor and partner contracts contain cybersecurity requirements for secure and compliant integrations and data sharing agreements with the Authority's data and systems.

Committed to defense-in-depth strategies, the Authority leverages considerable investments in cybersecurity training and advanced security solutions with a dedication to secure cloud based computing. Defensive security controls are implemented at all layers. Beginning with an industry-leading Endpoint Detection and Response (EDR) solution for advanced threat and intrusion detection and compliance monitoring on each endpoint. The network is protected by hardened physical and cloud-based firewalls and network scanners to detect, analyze, and sanitize internet-based threats. Beyond the network's edge connects to the Authority's world-class enterprise cloud hosting solution, to deliver advanced, scalable, highly available, and reliable customer and citizen facing services. Utilizing a leading identity provider (IdP), access control is strictly managed and coupled with password-less phishing resistant multifactor authentication via passkeys and complex conditional access controls for unsurpassed cloud-account protection.

The Authority's secure productivity services are tightly integrated, gathering intelligence signals from all email threats, phishing attempts, fraudulent links, external content, account/login abuses, and more. These intelligence signals allow the Authority to detect, prevent, and respond to cyber security threats from across all cloud-platforms. Additional threat intelligence feeds are also consumed from trusted cyber-industry partners and state and federal agencies, to gain visibility and insights into the latest threats and cyber trends. The Authority continues to leverage the most advanced security solutions and resources to protect and secure the personal, private, and sensitive data entrusted to it. The Authority's Chief Information Security Officer focuses on and leads the efforts of the Authority to keep its cyber assets secure.

No assurances can be given that the Authority's security and operational control measures will be successful in guarding against any and each cyber threat and attack. To date, cyber-attacks have not had a material impact on the Authority's financial condition, results, or business; however, the Authority is not able to predict future attacks or their severity. The results of any attack on the Authority's computer and information technology systems could impact its operations for an unknown period, damage the Authority's digital networks and systems, and damage the Authority's reputation, financial performance, and customer or vendor relationships. Such an attack could also result in litigation or regulatory investigations or actions, including regulatory actions by state and federal governmental authorities. The costs of remedying any such damage could be substantial and such damage to the Authority's reputation and relationships could adversely affect the Authority's ability to make loans and issue Bonds in the future. Due to the volatile and pervasive nature of cyber threats and the potential impact of an unmitigated strike against the Authority's security systems, the Authority has access to the State of Iowa's 24x7 Security Operations Center and their

resources of cyber security professionals and cyber/forensic vendors, offering a holistic approach to the Authority's cybersecurity posture.

TAX EXEMPTION AND RELATED CONSIDERATIONS

General

The following is a summary of certain U.S. federal and Iowa income tax considerations relating to the purchase, ownership, and disposition of the Series Bonds. This summary is based on the U.S. Internal Revenue Code of 1986 (the "Code") and the Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service (the "IRS"), and the laws of the State of Iowa, all as of the date hereof and all of which are subject to change, possibly with retroactive effect. Any such change could adversely affect the matters discussed below, including the tax exemption of interest on the 2024 Series C Bonds for federal income tax purposes. The Authority has not sought and will not seek any rulings from the IRS regarding the matters discussed below, and there can be no assurance the IRS or a court will not take a contrary position regarding these matters.

Prospective purchasers of Series Bonds should consult their own tax advisors with respect to applicable federal, state, and local tax rules, and any pending or proposed legislation or regulatory or administrative actions, relating to the Series Bonds based on their own particular circumstances.

This summary is for general information only and is not intended to constitute a complete analysis of all tax considerations relating to the purchase, ownership, and disposition of Series Bonds. It does not address the application of the alternative minimum tax or the additional tax on net investment income, nor does it address the U.S. federal estate and gift tax or any state, local, or non-U.S. tax consequences except with respect to Iowa income tax to the extent expressly specified herein. This summary is limited to consequences to U.S. holders that purchase the Series Bonds for cash at original issue and hold the Series Bonds as "capital assets" (generally, property held for investment).

This discussion does not address all aspects of U.S. federal income or state taxation that may be relevant to particular holders of Series Bonds in light of their specific circumstances or the tax considerations applicable to holders that may be subject to special income tax rules, such as: holders subject to special tax accounting rules under Section 451(b) of the Code; insurance companies; brokers, dealers, or traders in stocks, securities, or currencies or notional principal contracts; foreign corporations subject to the branch profits tax; holders receiving payments in respect of the Series Bonds through foreign entities; and S corporations, partnerships, or other pass-through entities or investors therein.

For purposes of this discussion, the "issue price" of a maturity of Series Bonds is the first price at which a substantial amount of Series Bonds of that maturity is sold for cash to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers.

The 2024 Series C Bonds

Tax-Exempt Interest. In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the 2024 Series C Bonds (i) is excluded from gross income for federal income tax purposes, and (ii) is not an item of tax preference for federal alternative minimum tax purposes. Interest on the 2024 Series C Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations. The form of such opinion is attached hereto as Appendix B.

The Code establishes certain requirements that must be met after the issuance of the 2024 Series C Bonds in order that interest on the 2024 Series C Bonds be excluded from federal gross income. These requirements include, but are not limited to, provisions regarding the use of 2024 Series C Bond proceeds and restrictions on the investment of 2024 Series C Bond proceeds and other amounts. In addition, the loan eligibility requirements of Section 143 of the Code applicable to Mortgage Loans pooled into Mortgage-Backed Securities and down payment assistance loans purchased or financed in whole or in part with proceeds of the 2024 Series C Bonds require that (1) the residence on which the Mortgage Loan is made is a single family residence which, at the time the Mortgage Loan is made, is or can reasonably be expected within a reasonable time to become the principal residence of the Mortgagor and is located in the State; (2) except in limited circumstances, no part of the proceeds is to be used to acquire or replace any existing mortgage; (3) the “acquisition cost” of the completed residence meets certain limits; (4) the family income of the Mortgagor meets certain limits; (5) with certain exceptions, the Mortgagor shall not have had a present ownership interest in such Mortgagor’s principal residence during the preceding three years; and (6) the Mortgage Loan shall not be assumable unless the requirements of (1), (3), (4) and (5) above are met at the time of the assumption. An issue is treated as meeting the loan eligibility requirements of Section 143 of the Code if (1) the issuer in good faith attempted to meet all of the requirements before the loans were executed; (2) 95% or more of the proceeds of the issue used to finance loans were devoted to residences which met all such requirements at the time the loans were executed or assumed; and (3) any failure to comply with the loan eligibility requirements is corrected within a reasonable period after such failure is first discovered.

The Authority has made certain representations and has covenanted to comply with certain restrictions, conditions, and requirements designed to ensure interest on the 2024 Series C Bonds will not be included in federal gross income. Inaccuracy of these representations or noncompliance with these covenants may cause interest on the 2024 Series C Bonds to be included in federal gross income retroactively to their date of issue. Bond Counsel has not independently verified the accuracy of these representations and will not verify the continuing compliance with these covenants. No provision has been made for redemption of or for an increase in the interest rate on the 2024 Series C Bonds in the event that interest on the 2024 Series C Bonds is included in federal gross income.

Interest on the 2024 Series C Bonds is includable in income for State of Iowa income tax purposes.

Original Issue Discount. The 2024 Series C Bonds may be issued with original issue discount (“OID”). A 2024 Series C Bond will be treated as issued with OID (a “Discount Bond”) if its “stated redemption price at maturity” (*i.e.*, the sum of all amounts payable on the bond other than payments of qualified stated interest) exceeds its issue price. OID on a Discount Bond generally accrues pursuant to a constant-yield method and generally accrues in increasingly greater amounts over the life of the Discount Bond. OID that accrues to a holder of a Discount Bond is excluded from federal gross income to the same extent that stated interest on such Discount Bond would be so excluded. The amount of OID that accrues on a Discount Bond is added to the holder’s federal tax basis.

If a Discount Bond is purchased for a cost that exceeds the sum of the issue price plus accrued interest and accrued OID, the amount of OID that is deemed to accrue thereafter to the purchaser is reduced by an amount that reflects amortization of such excess over the remaining term of the Discount Bond. If the excess is greater than the amount of remaining OID, the basis reduction rules for amortizable bond premium may result in taxable gain upon sale or other disposition of the Discount Bonds, even if the Discount Bonds are sold, redeemed, or retired for an amount equal to or less than their cost.

It is possible under certain state and local income tax laws that original issue discount on a Discount Bond may be taxable in the year of accrual and may be deemed to accrue differently than under federal law.

Market Discount. If a 2024 Series C Bond is purchased for a cost that is less than the bond's issue price (plus accrued original issue discount, if any), the purchaser will be treated as having purchased the bond with market discount (unless a statutory *de minimis* rule applies). Market discount is treated as ordinary income and generally is recognized on the maturity or earlier disposition of the bond (to the extent that the gain realized does not exceed the accrued market discount on the bond).

Bond Premium. A holder that acquires a 2024 Series C Bond for an amount in excess of its stated redemption price at maturity generally must, from time to time, reduce the holder's federal tax basis for the bond. Premium generally is amortized for federal income tax purposes on the basis of a bondholder's constant yield to maturity or to certain call dates. Accordingly, holders who acquire 2024 Series C Bonds at a premium might recognize taxable gain upon sale of the bonds, even if such bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes.

Related Tax Considerations. Section 86 of the Code requires recipients of certain social security and railroad retirement benefits to take interest on the 2024 Series C Bonds into account in determining the taxability of such benefits.

Section 265(a) of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the 2024 Series C Bonds. In the case of a financial institution, generally no deduction is allowed under section 265(b) the Code for that portion of the holder's interest expense that is allocable to interest on tax-exempt obligations, such as the 2024 Series C Bonds, unless the obligations are "qualified tax-exempt obligations." Indebtedness may be allocated to the 2024 Series C Bonds for this purpose even though not directly traceable to the purchase of the 2024 Series C Bonds. The 2024 Series C Bonds are not "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Income (including interest) or loss on the Series Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations.

The ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2024 Series C Bonds may affect a holder's federal, state, or local tax liability in some additional circumstances. The nature and extent of these other tax consequences depends upon the particular tax status of the holder and the holder's other items of income or deduction.

Sale or Other Disposition. A holder will generally recognize gain or loss on the sale, exchange, redemption, retirement, or other disposition of a 2024 Series C Bond equal to the difference between (i) the amount realized less amounts attributable to any accrued but unpaid stated interest and (ii) the holder's adjusted tax basis in the bond. The amount realized includes the cash and the fair market value of any property received by the holder in exchange for the bond. A holder's adjusted tax basis in a 2024 Series C Bond generally will be equal to the amount that the holder paid for the bond, increased by any accrued original issue discount with respect to the bond and reduced by the amount of any amortized bond premium on the bond. Except to the extent attributable to market discount (which will be taxable as ordinary income to the extent not previously included in income), any gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holder held the bond for more than one year. Long-term capital gains recognized by certain non-corporate persons, including individuals, generally are taxable at a reduced rate. The deductibility of capital losses is subject to significant limitations.

The market value and marketability of the 2024 Series C Bonds may be adversely affected by future changes in federal tax treatment of interest on the 2024 Series C Bonds or by future reductions in income tax rates.

The 2024 Series D Bonds

Interest. Stated interest on the 2024 Series D Bonds will be taxable as ordinary income at the time it is received or accrued, in accordance with the holder's regular method of accounting for U.S. federal income tax purposes. Interest on the 2024 Series D Bonds is includable in income for State of Iowa income tax purposes.

Original Issue Discount. The 2024 Series D Bonds may be issued with original issue discount for U.S. federal income tax purposes. The 2024 Series D Bonds of a given maturity will be treated as issued with OID if their stated redemption price at maturity exceeds their issue price by at least a *de minimis* amount (0.25% of the principal amount multiplied by the number of complete years from the issue date of such 2024 Series D Bonds until their maturity). If 2024 Series D Bonds are treated as issued with OID pursuant to these rules, a holder of those 2024 Series D Bonds would be required to include OID in income as it accrues based on a constant yield to maturity method before the receipt of corresponding cash payments. The remainder of this discussion assumes that the 2024 Series D Bonds are issued with less than a *de minimis* amount of OID.

Market Discount. If a 2024 Series D Bond is purchased for a cost that is less than the 2024 Series D Bond's issue price, the purchaser will be treated as having purchased the 2024 Series D Bond with market discount (unless a statutory *de minimis* rule applies). Market discount is treated as ordinary income and generally is recognized on the maturity or earlier disposition of the 2024 Series D Bond (to the extent that the gain realized does not exceed the accrued market discount on the 2024 Series D Bond).

Bond Premium. A holder that acquires a 2024 Series D Bond for an amount in excess of its stated redemption price at maturity may elect to treat the excess as amortizable bond premium, in which case the amount to be included in the holder's income each year with respect to interest on the 2024 Series D Bond will be reduced by the amount of amortizable bond premium allocable (based on the Bond's yield to maturity) to that year and the holder's federal tax basis in the 2024 Series D Bond will be reduced by a corresponding amount. Any election to amortize bond premium will apply to all bonds (other than bonds the interest on which is excluded from gross income for U.S. federal income tax purposes) held by the holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the holder, and is irrevocable without the consent of the IRS.

Sale or Other Disposition. A holder will generally recognize gain or loss on the sale, exchange, redemption, retirement, or other disposition of a 2024 Series D Bond (including in a deemed exchange resulting from a defeasance of the 2024 Series D Bonds) equal to the difference between (i) the amount realized less amounts attributable to any accrued but unpaid stated interest (which will be taxable as ordinary income to the extent not previously included in income) and (ii) the holder's adjusted tax basis in the 2024 Series D Bond. The amount realized includes the cash and the fair market value of any property received by the holder in exchange for the 2024 Series D Bond. A holder's adjusted tax basis in a 2024 Series D Bond generally will be equal to the amount that the holder paid for the 2024 Series D Bond, reduced by the amount of any amortized bond premium on the 2024 Series D Bond. Except to the extent attributable to market discount (which will be taxable as ordinary income to the extent not previously included in income), any gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holder held the 2024 Series D Bond for more than one year. Long-term capital gains recognized by certain non-corporate persons, including individuals, generally are taxable at a reduced rate. The deductibility of capital losses is subject to significant limitations.

Other Considerations

Information Reporting and Backup Withholding. Payments of interest on the Series Bonds (including any allocable bond premium or accrued original issue discount) and proceeds from the sale or other disposition of the Series Bonds are expected to be reported to the IRS as required under applicable Treasury Regulations. Backup withholding will apply to these payments if the holder fails to provide an accurate taxpayer identification number and certification that it is not subject to backup withholding (generally on an IRS Form W-9) or otherwise fails to comply with the applicable backup withholding requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. Certain holders are exempt from information reporting. Potential holders should consult their own tax advisors regarding qualification for an exemption and the procedures for obtaining such an exemption.

Potential Changes in Law. From time to time, there are presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series Bonds or otherwise prevent holders of the 2024 Series C Bonds from realizing the full benefit of the tax exemption of interest on the 2024 Series C Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series Bonds would be impacted thereby.

Purchasers of the Series Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel in connection with the issuance of the Series Bonds were based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

RATINGS

The Series Bonds are rated “___” by Moody's, and the Series Bonds are rated “___” by S&P. Each rating reflects only the views of Moody's or S&P, respectively, and an explanation of the significance of such rating may be obtained only from Moody's or S&P, as applicable. Such ratings are not a recommendation to buy, sell or hold the Series Bonds. There can be no assurance that either such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of Moody's or S&P, as applicable, circumstances so warrant. Any such downward revision or withdrawal of either such rating may have an adverse effect on the marketability or market price of the Series Bonds. The Authority has not assumed any responsibility either to notify the owners of any proposed change in or withdrawal of any such rating subsequent to the date of the Official Statement except in connection with the reporting of events as provided in the Disclosure Dissemination Agreement or to contest any such revision or withdrawal.

LITIGATION

There is no litigation of any nature now pending, restraining or enjoining the issuance, sale, execution, or delivery of the Series Bonds or the purchase of Mortgage-Backed Securities or the financing of Mortgage Loans from the proceeds of the Series Bonds, or in any way contesting or affecting the validity

of the Series Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Series Bonds, or the existence or powers of the Authority.

The Authority is a party to various claims and litigation from time to time. While the ultimate results of such matters cannot be predicted with certainty, the Authority expects that the outcome of any such actions will not result in a material adverse effect on the financial position or results of operations of the Authority.

APPROVAL OF LEGALITY

All legal matters incident to the authorization, issuance and delivery of the Series Bonds are subject to the approval of Dorsey & Whitney LLP, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP, Omaha, Nebraska.

MUNICIPAL ADVISOR

The Authority has retained cfX Incorporated as its municipal advisor (the “Municipal Advisor”) in connection with the offering of the Series Bonds pursuant to an engagement agreement. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with continuing disclosure undertakings. The Municipal Advisor will act as an independent advisory firm and will not be engaged in the business of underwriting, trading or distributing the Series Bonds. cfX Incorporated has registered with the Securities and Exchange Commission and the Municipal Securities Rule Making Board as a Municipal Advisor.

THE TRUSTEE

Computershare Trust Company, National Association, serves as Trustee under the General Bond Resolution. Wells Fargo Bank transferred to Computershare Trust Company, National Association, its duties, obligations and rights with respect to its role as trustee. Upon the transfer of such duties, obligations and rights of Wells Fargo Bank to Computershare Trust Company, National Association, Wells Fargo Bank ceased to perform such duties.

Computershare Trust Company, National Association, is a national banking association with requisite trust powers to perform all the duties imposed upon it by the General Bond Resolution.

UNDERWRITING

The Series Bonds are being purchased by Morgan Stanley & Co. LLC, RBC Capital Markets, LLC, BofA Securities, Inc., Piper Sandler & Co. and Wells Fargo Bank, National Association (the “2024 Series CD Underwriters”). The 2024 Series CD Underwriters have jointly and severally agreed to purchase the 2024 Series C Bonds at an aggregate price of \$_____ (par amount of the 2024 Series C Bonds) and to purchase the 2024 Series D Bonds at an aggregate price of \$_____ (par amount of the 2024 Series D Bonds plus a premium of \$_____). The 2024 Series CD Underwriters will receive underwriting compensation in the amount of \$_____ with respect to the 2024 Series C Bonds and in the amount of \$_____ with respect to the 2024 Series D Bonds. The Contract of Purchase with respect to the Series Bonds (a “Purchase Contract”) provides that the respective 2024 Series CD Underwriters shall purchase all the Series Bonds if any of such respective Series are purchased, the obligation being subject to certain terms and conditions set forth in such Purchase Contract, the approval

of certain legal matters by counsel and certain other conditions. It shall be a condition of the obligations of the 2024 Series CD Underwriters to purchase and accept delivery of the Series Bonds that the entire principal amount of Series Bonds shall be issued. The initial public offering prices may be changed, from time to time, by the 2024 Series CD Underwriters. The 2024 Series CD Underwriters may offer and sell the Series Bonds to certain dealers (including dealers depositing Series Bonds into investment trusts) and certain dealer banks and banks acting as agents at prices lower than the public offering prices stated on the inside cover page hereof.

Morgan Stanley & Co. LLC, an underwriter of the Series Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series Bonds.

BofA Securities, Inc., an underwriter of the Series Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series Bonds.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association (“WFBNA”), which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA, acting through its Municipal Finance Group, has entered into an agreement (the “WFA Distribution Agreement”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”), for the distribution of certain municipal securities offerings, including the Series Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the Series Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Authority. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also

communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Authority.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representations are made that any of the estimates will be realized.

The reference herein to the Resolution, the Origination Agreements and the Servicing Agreement, and other documents referred to herein are brief summaries of certain provisions hereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions.

The audited financial statements of the Authority as of June 30, 2023, and for the year then ended included in "APPENDIX C," have been audited by Eide Bailly LLP, independent accountants, as stated in their report appearing herein. Eide Bailly LLP, the Authority's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Eide Bailly LLP also has not performed any procedures relating to this Official Statement.

The execution and delivery of this Official Statement has been duly authorized by the Authority.

IOWA FINANCE AUTHORITY

By _____
Authorized Officer

_____, 2024

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The General Bond Resolution and the 2024 Series CD Resolution contain various covenants and security provisions, some of which are summarized below. When particular provisions of the General Bond Resolution or the 2024 Series CD Resolution are referred to, such provisions are incorporated by reference as part of the statements made, and the statements made are qualified in their entirety by such reference.

Definitions of Certain Terms

“Account” or “Accounts” means one or more of the special accounts created by or pursuant to the Resolution or any Series Resolution.

“Accreted Value” means the same as such term is defined in the applicable Series Resolution.

“Acquisition Accounts” means the accounts so designated, which are created and established in the Program Fund by the General Bond Resolution.

“Act” means Chapter 16 of the Code of Iowa, as amended and supplemented from time to time.

“Amortized Value” means, when used with respect to Investment Obligations purchased at a premium above or at a discount below par, the value as of any given date obtained by dividing the total amount of the premium or the discount at which such Investment Obligations were purchased by the number of days remaining to the maturity date of such securities at the time of such purchase and by multiplying the amount so calculated by the number of days having passed from the date of such purchase; and (i) in the case of Investment Obligations purchased at a premium, by deducting the product thus obtained from the purchase price and (ii) in the case of Investment Obligations purchased at a discount, by adding the product thus obtained to the purchase price.

“Annual Debt Service” means, for any given Bond Year, the sum on the first day of such Bond Year of (1) the interest falling due on then Outstanding Bonds (assuming that all then Outstanding Serial Bonds are retired on their respective maturity dates and that all then Outstanding Term Bonds are retired at the times of and in amounts provided for by the Sinking Fund Installments applicable to such Term Bonds) in such Bond Year, (2) the principal amount or accreted value of the then Outstanding Bonds falling due by their terms in such Bond Year, and (3) the amount of the Sinking Fund Installments required in such Bond Year.

“Annual Family Income” means the same as such term is defined in the applicable Origination Agreement.

“Authenticating Agent” means, with respect to the Bonds, the Authenticating Agent, if any, appointed by the Trustee for the Bonds pursuant to and in accordance with the provisions of the General Bond Resolution, or if more than one Authenticating Agent is so appointed, then each such Authenticating Agent so appointed for the Bonds, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to the General Bond Resolution.

“Authority” means the Iowa Finance Authority, a public instrumentality and agency of the State organized and existing under the Act.

“Authority Fee” means any fee so designated in the applicable Series Resolution.

“Authority Request” means a written request or direction of the Authority signed by an Authorized Officer.

“Authority Swap Payment” means a payment due to a Swap Counterparty from the Authority pursuant to the applicable Swap Agreement (including, but not limited to, payments in respect of any early termination of such Swap Agreement).

“Authorized Officer” means the Chair, Vice Chair, Treasurer, Director or Chief Financial Officer of the Authority, and any other person authorized by resolution of the Authority to act as an Authorized Officer under the General Bond Resolution.

“Bond” or “Bonds” means any of the bonds of the Authority authorized under the General Bond Resolution and issued pursuant to a Series Resolution.

“Bond Counsel” means any attorney or firm of attorneys of nationally recognized standing in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed from time to time by the Authority.

“Bondholder” or “Holder” or “Holder of Bonds” or similar term, when used with respect to a Bond or Bonds, means the Person in whose name any Outstanding Bond is registered.

“Bond Payment Date” means an Interest Payment Date, a Principal Installment Date or a Redemption Date.

“Bond Year” means a twelve-month period ending on June 30 of any year in which Bonds are Outstanding.

“Business Day” means any day other than a Saturday or Sunday or other day on which the principal trust office of the Trustee is authorized to be closed for regular business, or a day on which banks located in the City of New York are authorized to be closed for regular business, or a day on which the New York Stock Exchange is closed.

“Capitalized Interest Accounts” means the Accounts so designated, which are created and established within the Revenue Fund by the General Bond Resolution.

“Certificate of the Authority” means, as the case may be, a document signed by an Authorized Officer either (i) attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or (ii) setting forth matters to be determined by an Authorized Officer pursuant to the General Bond Resolution.

“Chair” means the chair of the Authority.

“Code” means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and any proposed, temporary or final regulations of the United States Treasury Department promulgated thereunder and under the corresponding provisions of the Internal Revenue Code of 1954, as amended.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Authority and related to the authorization, sale and issuance of Bonds, and the making and purchasing

of Mortgage Loans or Mortgage-Backed Securities from the proceeds thereof, which may include, but are not limited to, printing costs, costs of reproducing documents, filing and recording fees, bond discounts, estimated Program Expenses for the initial Bond Year, computerization costs of the Authority, legal fees and charges, professional consultants' fees, costs of credit ratings, credit enhancement fees, fees and charges for execution, transportation and safekeeping of Bonds, costs and expenses of refunding and other costs, charges and fees in connection with the foregoing.

“Costs of Issuance Accounts” means the Accounts so designated, which are created and established within the Program Fund by the General Bond Resolution.

“Counterparty Swap Payment” means a payment due to or received by the Authority from a Swap Counterparty pursuant to a Swap Agreement (including, but not limited to, payments in respect of any early termination of such Swap Agreement) and amounts received by the Authority under any related Swap Counterparty Guarantee.

“Current Interest Bonds” means any Bonds during the time such Bonds are paying interest currently.

“Debt Service Payment” means, when used with respect to any Bond Payment Date, the sum of the (i) interest, if any, and (ii) Principal Installments, if any, and Redemption Prices, if any, due and payable on such Bond Payment Date with respect to the Bonds.

“Defeasance Obligations” means Investment Obligations that (i) are of the types described in clause (1)(i) of the definition of “Investment Obligations”; and (ii) are not subject to redemption at the option of the issuer thereof prior to their maturity.

“Delivery Date” means, as applied to any Series of Bonds, the date on which that Series of Bonds is issued, authenticated and delivered to the initial purchasers in accordance with the Series Resolution.

“Delivery Period” means the period of time specified in each Series Resolution, as the period for the purchase of Mortgage-Backed Securities from the Servicer.

“Depository” shall mean the Depository Trust Company, New York, New York, or its successors and assigns, or such substitute depository institution as shall be designated by the Issuer in accordance with the General Bond Resolution.

“DPA Loan” means singularly a FirstHome DPA Loan or a Homes for Iowans DPA Loan and, collectively, the FirstHome DPA Loans and the Homes for Iowans DPA Loans.

“Event of Default” means any of those events defined as Events of Default under the General Bond Resolution.

“FHA” means the Federal Housing Administration of the Department of Housing and Urban Development or any agency or instrumentality of the United States of America succeeding to the mortgage insurance functions thereof.

“FHA Insurance” means FHA mortgage insurance issued under one of the FHA Insurance programs pursuant to the National Housing Act, including but not limited to: (a) FHA §203(b), Home Unsubsidized; (b) FHA §234(c), Condominiums; and (c) FHA §203(b)(2), Veteran’s Status.

“FHA Insured” means insured by FHA Insurance.

“FHLMC” or “Freddie Mac” means the Federal Home Loan Mortgage Corporation, a corporate instrumentality of the United States created pursuant to the Federal Home Loan Mortgage Act (Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459), and any successor to its functions.

“FHLMC PC” or “Freddie Mac Securities” means, with respect to the Series Bonds, guaranteed mortgage securities which represent undivided interests in groups of mortgages purchased by FHLMC and shall include any UMBS issued by FHLMC.

“Fiduciary” or “Fiduciaries” means the Trustee, any Authenticating Agent, any Paying Agent, any depository, any administrator or any or all of them, as may be appropriate.

“Fiduciary Expenses” means the fees and expenses of the Fiduciaries as specified in the General Bond Resolution and any Series Resolution.

“FirstHome DPA Loan” means a second Mortgage Loan made to finance downpayment assistance related to a Mortgage Loan made under the Authority’s FirstHome Program.

“FNMA” or “Fannie Mae” means Federal National Mortgage Association, or any successor thereto.

“FNMA MBS Selling and Servicing Guide” or “Fannie Mae MBS Selling and Servicing Guide” means the FNMA MBS Selling and Servicing Guides, as amended from time to time, as modified by the Pool Purchase Contract.

“FNMA Security” or “Fannie Mae Security” means, with respect to the Series Bonds, a FNMA Security bearing interest at a rate equal to the stated interest rate on the corresponding pooled Mortgage Loans less the applicable servicing and guarantee fee and shall include any UMBS issued by FNMA.

“Fund” or “Funds” means one or more of the special trust funds created and established pursuant to the General Bond Resolution, but not including the General Fund, and the Account or Accounts established therein.

“General Bond Resolution” means the Single Family Mortgage Bond Resolution adopted by the Authority on July 10, 1991, as previously amended and as the same may be amended or supplemented from time to time in accordance with the provisions of the General Bond Resolution.

“General Fund” means the fund so designated which was established and created by a resolution of the Authority adopted August 4, 1977 which may from time to time be amended.

“GNMA” means the Government National Mortgage Association, a wholly owned corporate instrumentality of the United States within HUD, and any successor to its functions. Its powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C., §1716 et seq.).

“Homes for Iowans DPA Loan” means a second Mortgage Loan made to finance down payment assistance related to a Mortgage Loan made under the Authority’s Homes for Iowans Program.

“Homes for Iowans Program” means the program of the Authority of that name as in effect from time to time or any successor to such program.

“Interest Payment Date” means, for each Series of Bonds, the interest payment dates established by the applicable Series Resolution.

“Investment Obligations” means and includes any of the following, other than Mortgage-Backed Securities, if and to the extent the same are at the time legal for the investment of the Authority’s moneys:

(a) Direct obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States, which obligations include, but are not limited to, the following: (i) United States Treasury obligations which are direct or fully guaranteed obligations, (ii) obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by Government National Mortgage Association (“GNMA”);

(b) United States Department of Housing & Urban Development project notes and local authority bonds supported by annual contribution contracts;

(c) Federal Housing Administration debentures;

(d) Federal Home Loan Mortgage Corporation (“FHLMC”) participation certificates guaranteed by FHLMC as to timely payment of principal and interest and senior debt obligations;

(e) Federal National Mortgage Association’s (“FNMA”) mortgage-backed securities and senior debt obligations, excluding interest-only stripped securities;

(f) Federal funds, certificates of deposit, time deposits, and bankers acceptances (having maturities of not more than 365 days) of any bank the senior unsecured debt obligations of which (or, in the case of the principal bank in a bank holding company, debt obligations of the bank holding company) have been rated by Standard & Poor’s Rating Services (“S&P”) and Moody’s Investors Service (“Moody’s”) at least A-1+ and P1, respectively, for securities having a term of one year or less, at least AA-/A-1+ by S&P and Aa2/P1 by Moody’s for securities having a term of more than one year but not more than three years (during the first three years following issuance of the applicable Series of Bonds), or Aaa by Moody’s and AAA by S&P for securities having a term of three years or more or, in each case, if S&P or Moody’s no longer maintains a rating on the Bonds, the applicable rating only of the rating agency then maintaining a rating on the Bonds, or an equivalent rating by any other nationally recognized bond rating agency then maintaining a rating on the Bonds;

(g) Deposits which are fully insured by the Federal Deposit Insurance Corporation (“FDIC”) with financial institutions rated at least P1 by Moody’s;

(h) Investment agreements with financial institutions whose short-term and long-term unsecured debt obligations or claims paying ability, as the case may be, (a) for investment agreements with a term of one year or less, are rated by S&P at least A-1+ and by Moody’s at least P1, or (b) for investment agreements with a term of more than one year but less than three years (during the first three years following issuance of the applicable Series of Bonds), are rated AA-/A-1+ by S&P and Aa2/P1 by Moody’s, or (c) for investment agreements with a term of three or more years, are rated AAA by S&P’s and Aaa by Moody’s, or whose payment obligations under such investment agreements are guaranteed by an entity whose obligations or claims paying ability are so rated, or, if S&P’s or Moody’s no longer maintains a rating on the Bonds, the applicable rating only of the rating agency then maintaining a rating on the Bonds, or a like rating agency then maintaining a rating on the Bonds;

(i) units of a taxable government money market portfolio rated AAAm-G by S&P's and the highest appropriate rating category by Moody's.

(j) direct and general obligations of any state within the United States or any political subdivision of the State, provided that such obligations at the time of purchase are rated in the highest rating category by S&P's and Moody's; and

(k) such other investments as specified in a Series Resolution as shall not cause the rating on Outstanding Bonds to be lowered.

In addition to the above definition of "Investment Obligations," for purposes of the 2024 Series CD Resolution, Investment Obligations also includes any UMBS.

"Maximum Purchase Price" means the maximum purchase price for a Single-Family Residence permitted by the Program and the applicable Origination Agreement.

"Mortgage" means the written instrument securing the related Mortgage Loan and encumbering a Single-Family Residence.

"Mortgage-Backed Securities" means GNMA Securities, FNMA Securities, and/or FHLMC PC's secured by pools of Mortgage Loans issued and acquired pursuant to the Program and, when used in the 2024 Series CD Resolution, also include any UMBS.

"Mortgage Lender" means a party executing an Origination Agreement, being a home mortgage lending institution or entity approved by the Authority which (i) has been doing business on a regular basis in the State and is currently participating in the local private home lending market, (ii) is an approved mortgagee as specified in the applicable Series Resolution, (iii) can make the representations, warranties and covenants set forth in the applicable Origination Agreement, and (iv) has agreed to originate and sell Mortgage Loans with servicing released pursuant to the applicable Origination Agreement.

"Mortgage Loan" means a loan, secured by a Mortgage, for the purchase of an owner-occupied Single-Family Residence, evidenced by a Mortgage Note, made by a Mortgage Lender pursuant to and in accordance with the Act and the Program.

"Mortgage Note" means the written instrument executed to evidence the mortgagor's obligation to repay the Mortgage Loan.

"Mortgage Prepayments" means unscheduled recoveries of principal of Mortgage Loans, including (1) partial prepayments, (2) prepayments in full, (3) partial and final claim settlements of mortgage insurance or guaranty benefits, and (4) adjustments to provide the Trustee, as holder of Mortgage-Backed Securities, with any principal that remains unrecovered after any liquidation or other disposition of Mortgages.

"Mortgage Repayments" means the scheduled payments of principal on a Mortgage Loan or Mortgage-Backed Security.

"Optional Redemption Accounts" means the Accounts so designated, which are created and established in the Redemption Fund by the General Bond Resolution.

"Origination Agreement" or "Origination Agreements" means the various Mortgage Origination Agreements, entered into pursuant to the Program, by and among the Authority, the Trustee, the Servicer

and a Mortgage Lender by which the Mortgage Lender agrees to make Mortgage Loans and to sell and assign such Mortgage Loans, with servicing released, to the Servicer.

“Origination Period” means the period of time specified in each Series Resolution as the period during which the Servicer or the Authority will acquire Mortgage Loans from Mortgage Lenders.

“Outstanding,” when used with respect to Bonds, means, as of any date, all Bonds theretofore authenticated and delivered under the Resolution except:

(a) any Bond canceled or delivered to the Trustee for cancellation on or before such date;

(b) any Bond (or any portion of any Bond) (i) for the payment or redemption of which there shall be held in trust under the General Bond Resolution and set aside for such payment or redemption, moneys and/or Defeasance Obligations maturing or redeemable at the option of the holder thereof not later than such maturity or redemption date which, together with income to be earned on such Defeasance Obligations prior to such maturity or redemption date, will be sufficient to pay the principal or Redemption Price thereof, as the case may be, together with interest thereon to the date of maturity or redemption, and (ii) in the case of any Bond (or any portion of any Bond) to be redeemed prior to maturity, notice of the redemption of which shall have been given in accordance with the General Bond Resolution or provided for in a manner satisfactory to the Trustee;

(c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to the General Bond Resolution; and

(d) any Bond deemed to have been paid as provided in the General Bond Resolution.

“Person” means an individual, partnership, corporation, trust or unincorporated organization, or a government or any agency, instrumentality, program, account, fund, political subdivision or corporation thereof, including without limitation the Authority.

“Pool Purchase Contract” means any FNMA Pool Purchase Contract between the Servicer and FNMA relating to the sale by the Servicer of Mortgage Loans to FNMA and the servicing thereof.

“Principal Installment” means, as of any date of calculation, (i) the principal amount of all Outstanding Bonds due and payable on such date with respect to which no Sinking Fund Installments have been provided, plus (ii) any Sinking Fund Installments due and payable on such date.

“Principal Installment Date” means each respective date on which Principal Installments are required to be paid pursuant to the applicable Series Resolution.

“Program” means the Authority’s program to finance the acquisition of Single-Family Residences by purchasing Mortgage Loans or Mortgage-Backed Securities with proceeds of the Bonds as contemplated by the General Bond Resolution.

“Program Expenses” means, for any Bond Year, the Fiduciary Expenses payable by the Authority and any additional expenses specified in a Series Resolution with respect to such Bond Year.

“Program Fund” means the Fund so designated, which is created and established by the General Bond Resolution.

“Projected Revenue Certificate” means a Certificate of the Authority setting forth, as of any particular date:

(a) A schedule of estimated Revenues available in the current and each future Bond Year for the payment of interest and Principal Installments or Redemption Prices of Bonds, giving effect to:

(i) Scheduled payments of principal and interest on Mortgage Loans or Mortgage-Backed Securities then held in the Program Fund, except defaulted Mortgage Loans, and on any Mortgage Loans or Mortgage-Backed Securities expected to be made or purchased from cash or Investment Obligations then held in the Program Fund; assuming that such additional Mortgage Loans or Mortgage-Backed Securities bear interest at stated rates and commence amortization on one or more stated dates, and that the scheduled payments of principal and interest on Mortgage Loans or Mortgage-Backed Securities assumed to be prepaid pursuant to clause (ii) terminate on their assumed prepayment dates, respectively;

(ii) Assumed dates and amounts of Mortgage Prepayments of any of said Mortgage Loans or Mortgage-Backed Securities (which shall be consistent with the Mortgage Prepayments assumed in establishing the Principal Installment Dates of the Series of Bonds from the proceeds of which the respective Mortgage Loans or Mortgage-Backed Securities were made or purchased);

(iii) Payments of principal and interest on Mortgage Loans or Mortgage-Backed Securities, if any, anticipated to be made or purchased from Mortgage Prepayments and other Revenues received from time to time in excess of amounts required for transfers and Debt Service Payments estimated pursuant to clauses (2) and (3);

(iv) Income receivable from the investment of amounts from time to time held in all Funds pledged to the payment of the Bonds, other than the Restricted Housing Fund, except interest on Mortgage Loans or Mortgage-Backed Securities;

(v) Counterparty Swap Payments; and

(vi) Amounts, if any, other than income, which may be transferred to the Revenue Fund from any other Fund created by or pursuant to the General Bond Resolution, other than the Restricted Housing Fund, without drawing such Fund below its stated requirement, if any, and which are not expected to be transferred to the Authority or the Restricted Housing Fund pursuant to the General Bond Resolution.

(b) A schedule of amounts, if any, required to be transferred in the current and each future Bond Year to pay Program Expenses or to bring a Fund up to its requirement, if any.

(c) A schedule of interest and Principal Installments or Redemption Prices due and payable with respect to all Outstanding Bonds in the current and each future Bond Year, consistent with the dates and prices at which and the amounts in which Bonds may and are assumed to be called for redemption in accordance with their terms; provided that (i) if, pursuant to the terms of the General Bond Resolution, the Authority’s variable rate liability on all or a portion of any Bonds has been swapped to a fixed rate liability, or capped pursuant to an interest rate cap agreement or similar agreement, interest payable with respect to said Bonds shall be calculated as if the Bonds bear interest at said fixed swap rate or cap “strike rate,” as appropriate; (ii) if, pursuant to the terms

of the General Bond Resolution, the Authority's fixed rate liability on all or a portion of any Bonds has been swapped to a variable rate liability, interest payable with respect to said Bonds shall be calculated as if the Bonds bear interest at a variable rate; and (iii) the Authority's variable rate liability on Bonds bearing interest at a variable rate, or deemed to bear interest at a variable rate, shall, unless proviso (i) is applicable, be calculated as if such Bonds bear interest at the maximum rate specified therein.

(d) The amount, if any, by which Revenues estimated pursuant to clause (1) to be available in the current and each future Bond Year exceed fund transfers and Debt Service Payments estimated pursuant to clauses (2) and (3) to be required in the same Bond Year.

"Purchase Price" means with respect to a Mortgage-Backed Security, the Purchase Price specified in the applicable Series Resolution.

"Rating Services" means (a) Moody's Investors Service, Inc., and its successors and assigns, and (b) S&P Global Ratings, a division of The McGraw-Hill Companies, Inc., and its successors and assigns, or either (a) or (b) if the other no longer maintains a rating on the Bonds,; provided, however, that if either such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Rating Services" shall be deemed to also refer to any other nationally recognized securities rating agency designated by the Authority which then maintains a rating on the Bonds.

"Rebate Accounts" means the Accounts so designated, which are created and established in the Revenue Fund by the General Bond Resolution.

"Rebate Certificate" means the certificate or section of a certificate defined as such in a Series Resolution.

"Record Date" means the 15th of the month immediately preceding each Bond Payment Date, or such other date as may be specified in the applicable Series Resolution.

"Redemption Date" means the date upon which Bonds are to be called for redemption pursuant to the General Bond Resolution and applicable Series Resolution.

"Redemption Fund" means the Fund so designated, which is created and established by the General Bond Resolution.

"Redemption Price" means, when used with respect to a Bond or portion thereof to be redeemed, the principal amount (or, if applicable, the Accreted Value) of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the General Bond Resolution and the Series Resolution pursuant to which the Bond was issued.

"Resolution" means the General Bond Resolution, as the same may be amended or supplemented from time to time in accordance with the provisions of the General Bond Resolution.

"Restricted Housing Fund" means the Fund so designated, which is created and established by the General Bond Resolution.

"Retired Mortgage-Backed Securities Account" means the Account so designated, which is created and established by the General Bond Resolution.

“Revenue Accounts” means the Accounts so designated, which are created and established in the Revenue Fund by the General Bond Resolution.

“Revenue Fund” means the Fund so designated, which is created and established by the General Bond Resolution.

“Revenues” means (i) all payments of principal of and interest on Mortgage Loans or Mortgage-Backed Securities required to be deposited in the Revenue Fund (including any payments received from GNMA, FNMA or FHLMC) and all other net proceeds of such Mortgage Loans or Mortgage-Backed Securities, including proceeds from the sale of such Mortgage Loans or Mortgage-Backed Securities, (ii) all income received by the Trustee from or in connection with any Servicing Agreement or by the Trustee or the Authority from or in connection with any Origination Agreement, unless otherwise provided in a Series Resolution with respect to all or a part thereof, (iii) any Counterparty Swap Payments received from any Swap Counterparty pursuant to a Swap Agreement and (iv) any and all interest, profits, or other income derived from the investment of amounts in any Fund or Account (except the Rebate Account and, except as otherwise provided in a Series Resolution, the Restricted Housing Fund) established pursuant to the General Bond Resolution and any Series Resolution.

“Serial Bonds” means the Bonds so designated in a Series Resolution.

“Series” when used with respect to less than all of the Bonds, means and refers to all of the Bonds delivered on original issuance in a simultaneous transaction, regardless of variation in maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any such Bonds.

“Series Resolution” means any resolution of the Authority adopted and becoming effective in accordance with the terms of the General Bond Resolution, authorizing the issuance of a Series of Bonds.

“Servicer” means any Servicer as defined in any Series Resolution adopted pursuant to the General Bond Resolution, and its successors or assigns.

“Servicing Agreement” means any agreement so designated in a Series Resolution.

“Single-Family Residence” or “Home” means a single-family private detached or attached owner-occupied house, rowhouse, townhouse or condominium containing complete living facilities and facilities functionally related and subordinate thereto which is located within the State, including a condominium unit if such unit is a Qualified Condominium Unit, and land appurtenant thereto, (i) which is designed and intended primarily for residential housing (not more than fifteen percent (15%) of the total area of which is used in a trade or business) for one family, (ii) which is determined by qualified appraisal to have an expected useful life of not less than the term of the Mortgage Loan, (iii) which is reasonably expected to be occupied by the owner as his or her principal residence within a reasonable time after financing is provided but not more than sixty (60) days, (iv) which is permanently affixed to the land, (v) the purchase price of which does not exceed the Maximum Purchase Price, and (vi) which appurtenant land does not, unless specifically approved by the Authority, exceed two acres and reasonably maintains the basic livability of the residence and does not provide, other than incidentally, a source of income to the Mortgagor. A Single-Family Residence does not include mobile homes or rental houses or vacation homes, or factory-made housing where such factory-made housing is not permanently affixed to real property and not deemed real property under the laws of the State, including, if applicable, Chapter 135 of the Code of Iowa.

“Sinking Fund Installment” means the amount so designated for any particular due date required by or pursuant to a Series Resolution to be paid by the Authority on a particular due date toward the retirement of any particular Term Bonds prior to their respective stated maturities.

“Special Redemption Accounts” means the Accounts so designated, which are created and established in the Redemption Fund by the General Bond Resolution.

“State” means the State of Iowa.

“Supplemental Resolution” means any resolution adopted by the Authority in accordance with the General Bond Resolution amending or supplementing the General Bond Resolution, any Series Resolution or any Supplemental Resolution.

“Swap Agreement” means, with respect to any Series of Bonds, an interest rate exchange agreement between the Authority and a Swap Counterparty, as amended or supplemented, or other interest rate hedge agreement between the Authority and a Swap Counterparty, as amended or supplemented, entered into pursuant to the terms of the General Bond Resolution for the purpose of converting, in whole or in part, (i) the Authority’s fixed interest rate liability on all or a portion of any Series of Bonds to a variable rate liability, (ii) the Authority’s variable rate liability on all or a portion of any Series of Bonds to a fixed rate liability or (iii) the Authority’s variable rate liability on all or a portion of any Series of Bonds to a different variable rate liability.

“Swap Counterparty” means any Person with whom the Authority shall from time to time enter into a Swap Agreement, as specified in a Series Resolution.

“Swap Counterparty Guarantee” shall mean a guarantee in favor of the Authority given in connection with the execution and delivery of a Swap Agreement, as specified in a Series Resolution.

“Targeted Area” means certain census tracts in the State or “areas of chronic economic distress” as designated and approved in accordance with the Code, and as set forth in an exhibit to each Origination Agreement.

“Term Bonds” means the Bonds so designated in a Series Resolution.

“Trustee” means Computershare Trust Company, National Association, and its successor or successors, and any other corporation or association which may at any time be substituted in its place as Trustee or Paying Agent pursuant to the General Bond Resolution; provided, however, that the Trustee shall have capital and surplus of at least \$75,000,000.

“UMBS” means a single-class mortgage-backed security backed by fixed-rate mortgage loans on one-to-four unit (single family) properties issued by either FNMA or FHLMC which has the same characteristics (such as payment delay, pooling prefixes, and minimum pool submission amounts) regardless of whether FNMA or FHLMC is the issuer.

“VA” means the Veterans Administration, an agency of the United States of America, or any successor to its functions.

“VA Guaranteed” means guaranteed by the VA under the Serviceman’s Readjustment Act of 1944, as amended.

Principles of Construction

(a) Words importing the redemption of a Bond or the calling of a Bond for redemption do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond;

(b) Any Fiduciary shall be deemed to have received delivery of and to hold an Investment Obligation issuable in book entry form in which moneys are invested pursuant to the provisions of the General Bond Resolution even though such Investment Obligation is evidenced only by a book entry or similar record of investment; and

(c) Reference in the General Bond Resolution to particular sections of the Code, the Act or any other legislation shall be deemed to refer also to any successor sections thereto or other redesignations for codification purposes.

(d) The terms “receipt,” “received,” “recovery,” “recovered” and any similar terms, when used in the General Bond Resolution with respect to moneys or payments due to the Authority or the Trustee, shall be deemed to refer to the passage of physical possession and control of such moneys and payments to the Authority or the Trustee on its behalf.

Resolution Constitutes a Contract

In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under the General Bond Resolution by those who shall hold the same from time to time: (i) the General Bond Resolution is deemed to be and shall constitute a contract between the Authority, the Trustee and the Holders from time to time of the Bonds; (ii) the pledge of certain Funds, Accounts, Revenues and other moneys, rights and interests made in the General Bond Resolution and the covenants and agreements set forth in the General Bond Resolution to be performed by and on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Holders of any and all of the Bonds, all of which regardless of the time or times of their issue or maturity shall be of equal rank without preference, priority or distinction of any of such Bonds over any other thereof, except as expressly provided in or permitted by the General Bond Resolution; and (iii) the Bonds shall be general obligations of the Authority payable as provided in the General Bond Resolution.

Pledge Effected by General Bond Resolution

Pursuant to the General Bond Resolution, there are pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with their terms and the provisions of the General Bond Resolution and any Series Resolution and the Trustee is granted under the General Bond Resolution an express lien on, (i) such right, title and interest of the Authority in and to all Origination Agreements and all Servicing Agreements entered into pursuant to a Series Resolution, including all extensions and renewals of their terms, if any, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any income, revenues, receipts, issues, profits, insurance proceeds and other sums of money payable to or receivable by the Authority under such Origination Agreements or Servicing Agreements, whether payable pursuant to the Origination Agreements, the Servicing Agreements or otherwise (except for Authority Fees, unless otherwise specified in a Series Resolution, and except for the Authority’s rights to enforce and receive payment of money directly and for its own purposes under any Origination Agreements or Servicing Agreements as specified in a Series Resolution, and except for certain indemnification rights of the Authority, and rights of the Authority to give consents and receive notices), to bring actions and proceedings under such Origination Agreements and Servicing Agreements or for the enforcement thereof, and to do any and all things which the Authority is or may become entitled to do under such Origination Agreements

and such Servicing Agreements; (ii) all right, title and interest of the Authority in and to the Mortgage Loans or Mortgage-Backed Securities purchased pursuant to the General Bond Resolution and any Series Resolution and any Swap Agreement and Swap Counterparty Guarantee, including all extensions and renewals of any of the terms thereof, if any, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any income, revenues, receipts, issues and profits and other sums of money payable to or receivable by the Authority under such Mortgage Loans or Mortgage-Backed Securities, or such Swap Agreement or Swap Counterparty Guarantee, whether payable pursuant to Mortgage Loans or Mortgage-Backed Securities, or Swap Agreement or Swap Counterparty Guarantee, or otherwise, to bring actions and proceedings under such Mortgage Loans or Mortgage-Backed Securities, or Swap Agreement or Swap Counterparty Guarantee, or for the enforcement thereof, and to do any and all things which the Authority is or may become entitled to do under such Mortgage Loans or Mortgage-Backed Securities, or Swap Agreement or Swap Counterparty Guarantee; and (iii) all money and other assets on deposit in the Funds and Accounts (other than the Rebate Accounts) created by or pursuant to the General Bond Resolution or any Series Resolution, including the investments thereof, if any.

The full faith and credit of the Authority is also pledged for the security of the Bonds, including interest and redemption premiums thereon, and the Bonds are general obligations of the Authority, payable out of any of its moneys, assets or revenues, subject to the provisions of any other resolutions or indentures now or hereafter pledging or appropriating particular moneys, assets or revenues to particular bonds or other obligations, or State laws designating or appropriating particular funds for a specified purpose.

All amounts deposited in the General Fund shall be free and clear of any lien or pledge created by the General Bond Resolution and may be used by the Authority for any lawful purposes and no security interest in assets from time to time held in the General Fund is granted to the Holders of the Bonds.

**Authorization for Issuance of Bonds;
Conditions to Issuance of Bonds**

From time to time when authorized by the General Bond Resolution and subject to the terms, limitations and conditions established in the General Bond Resolution, the Authority may authorize the issuance of a Series of Bonds upon adoption of a Series Resolution.

Each Series Resolution authorizing the issuance of a Series of Bonds shall include a determination by the Authority to the effect that the principal amount of said Series of Bonds is necessary to provide sufficient funds to be used and expended for the Program and shall specify and determine, among other items:

- (1) The authorized principal amount of said Series of Bonds;
- (2) The purposes for which the proceeds of such Series of Bonds (and any funds directed by the Series Resolutions to be contributed to the Program from any other source) may be used, which shall be to provide funds for one or more of the following:
 - (i) For the making or purchase of Mortgage Loans or Mortgage-Backed Securities;
 - (ii) For the refunding of Outstanding Bonds or other obligations pursuant to the General Bond Resolution, including any or all interest and redemption premiums thereon;

- (iii) Incident to these purposes, for the funding of a discount and the deposit of amounts determined by or pursuant to the Series Resolution to be credited and paid into the Funds or Accounts referred to in the General Bond Resolution;
- (3) The date or dates of maturity of such Bonds, and the Delivery Date of such Series;
- (4) The rates of interest to be borne by or the manner of determining such rate or rates of the Bonds of such Series and the initial Bond Payment Date of such Bonds;
- (5) The Redemption Price or Redemption Prices and the Redemption Date or Redemption Dates and other terms of redemption (if any) of any such Bonds;
- (6) The amount and date of each Sinking Fund Installment, if any, required by such Series Resolution to be paid by the Authority for the retirement of any of such Bonds;
- (7) The manner in which Bonds of such Series are to be sold and provisions for the sale thereof;
- (8) The designation of any Accounts to be established pursuant to the General Bond Resolution, and specification of the sources and amounts of funds to be deposited in all such Accounts;
- (9) The Delivery Period for the purchase of Mortgage Loans or Mortgage-Backed Securities with respect to such Series, including any provisions for extensions of such period.
- (10) Any other provisions deemed advisable by the Authority, not in conflict with or in substitution for the provisions of the General Bond Resolution.

Except with respect to Bonds to be exchanged or lost, mutilated or destroyed bonds, the Trustee shall authenticate and deliver any of the Bonds authorized to be issued pursuant to the General Bond Resolution and a Series Resolution, to or upon the order of the Authority, only upon delivery to the Trustee of:

- (a) A copy of the General Bond Resolution and the applicable Series Resolution, each certified by an Authorized Officer, except that a copy of the General Bond Resolution need not be delivered for the second or any subsequent Series of Bonds unless it has been amended since the delivery of the preceding Series;
- (b) An Authority Request as to the delivery of such Bonds, designating the purchaser or purchasers to whom such Bonds are to be delivered, and stating the purchase price of such Bonds;
- (c) An Authorized Officer's certificate stating (i) the amounts to be deposited in the Funds and Accounts established by the General Bond Resolution or by any Series Resolution, and (ii) the provisions required in the General Bond Resolution in the event that the Series Resolution directs the refunding of any Outstanding Bonds or other obligations.
- (d) An opinion of Bond Counsel to the effect that the General Bond Resolution and the applicable Series Resolution have been duly and lawfully adopted by the Authority; that the General Bond Resolution and the applicable Series Resolution are in full force and effect, are valid and binding upon the Authority and enforceable in accordance with their terms, subject to State and federal bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights and to the availability of

equitable remedies; that the General Bond Resolution and the applicable Series Resolution create the valid pledge they purport to create; and that the Bonds have been duly and validly authorized and issued and constitute valid and binding obligations of the Authority, enforceable in accordance with their terms and the terms of the General Bond Resolution and the applicable Series Resolution subject to State and federal bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights and to the availability of equitable remedies, and are entitled to the benefits of the General Bond Resolution and the applicable Series Resolution;

(e) A rating on the Bonds of the applicable Series, which is not lower than the rating on the Outstanding Bonds issued pursuant to the General Bond Resolution, by the Rating Services, and confirmation by the Rating Services that the issuance of the Series will not cause the rating on the Outstanding Bonds to be reduced or withdrawn as a result of such issuance; and

(f) Any agreements, instruments, opinions, or other documents required to be delivered to the Trustee pursuant to the applicable Series Resolution.

Notice of Redemption of Bonds

When any Bonds are to be redeemed, by Sinking Fund Installments or otherwise, the Trustee shall give notice of the redemption of the Bonds in the name of the Authority specifying (i) the complete name, including series designation, of such Bonds to be redeemed, (ii) the date of such notice, (iii) the date of issue, the interest rate and the maturity date of the Bonds to be redeemed, (iv) the redemption date; (v) the Redemption Price; (vi) the numbers and other distinguishing marks of the Bonds to be redeemed (except in the event that all of the Outstanding Bonds are to be redeemed); (vii) the CUSIP number (if any) of the maturity or maturities to be redeemed; (viii) the place or places where amounts due upon such redemption will be payable (including the name and appropriate address of the Trustee); (ix) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed; and (x) the name and telephone number of the contact person at the Trustee. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. Except as otherwise provided in a Series Resolution, the Trustee shall mail a copy of such notice, by certified mail, not less than 30 days nor more than 45 days prior to the redemption date to the Holders of any Bonds or portions of Bonds which are to be redeemed at their last addresses appearing upon the registration books and to one or more national services which record bond redemption data. At least two days prior to the mailing of such a notice of redemption, the Trustee shall send by certified mail a copy of such notice to The Depository Trust Company or to any other depository institution substituted for The Depository Trust Company pursuant to the applicable Series Resolution. The obligation of the Trustee to give the notice required by the General Bond Resolution with respect as described under this heading shall not be conditioned upon the prior payment to the Trustee of moneys or Defeasance Obligations sufficient to pay the Redemption Price of the Bonds to which such notice related or the interest thereon to the redemption date.

Notice of redemption having been given as provided in the previous paragraph, the Bonds or portions thereof so to be redeemed shall become due and payable on the date fixed for redemption at the Redemption Price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or portions thereof shall be paid at the Redemption Price, plus accrued interest to the redemption date. On and after the redemption date (unless the Authority shall default in the payment of the Redemption Price and accrued interest), (i) such bonds shall cease to bear interest, and (ii) such Bonds shall no longer be considered as Outstanding under the General Bond Resolution or the Series Resolution. If moneys sufficient to pay the Redemption Price and

accrued interest have not been made available by the Authority to the Trustee on the redemption date, such Bonds shall continue to bear interest until sufficient provision is made for the redemption thereof.

The Trustee, in order to facilitate the giving of the notice of redemption in a timely manner, shall, no earlier than five (5) days prior to mailing the notice of redemption, estimate as nearly as practicable, taking into account Revenues received as of such estimation date, interest on Investment Obligations scheduled to be received prior to the redemption date and scheduled payments on Mortgage-Backed Securities to be received on or prior to such redemption date and amounts to be transferred from other funds, the amount that will be deposited in the Redemption Fund on the redemption date prior to the actual transfer of moneys to the Redemption Fund, and may give notice of redemption, by mail as set forth above, in anticipation of such transfer.

Failure by the Trustee to mail notice of redemption as described under this heading to any one or more of the respective Holders of any Bonds designated for redemption, or to any one or more national services which record bond redemption data, shall not affect the sufficiency of the proceedings for redemption with respect to the Holders to whom such notice was mailed.

In the event that any Holder to whom notice of redemption was mailed has not surrendered its Bonds or portions thereof for redemption as described under this heading on or before 60 days after the redemption date the Trustee shall mail a duplicate copy of the original notice of redemption by certified mail to such Holder; provided, however, that failure by the Trustee to mail such duplicate copy of the notice of redemption shall not affect the sufficiency of the proceedings for redemption with respect to such Holder.

Purchase in Lieu of Redemption

The Trustee may and, upon receipt of an Authority Request, shall apply moneys deposited in the Redemption Fund to purchase Bonds in such manner as the Trustee shall determine or as provided in an Authority Request, as the case may be, at any time prior to the 45th day preceding the next succeeding Bond Payment Date.

The Trustee may and, upon receipt of an Authority Request, shall apply available moneys in the Revenue Account to purchase Bonds in such manner as the Trustee shall determine or as provided in an Authority Request, as the case may be, at any time prior to the 45th day preceding the due date of the applicable Sinking Fund Installment.

The Trustee shall not purchase any Bonds at a cost or price (including any brokerage fee or commission and other charges) which exceeds the sum of the face amount of such Bonds, plus accrued interest to the date of purchase, unless the Authority shall represent to the Trustee in an Authority Request that such purchase is at least as economically beneficial to the Bondholders and the Authority as any available alternative for the use of the moneys to be applied to the purchase.

Funds and Accounts Established by the General Bond Resolution

The General Bond Resolution creates the following Funds and Accounts to be held by the Trustee in trust for application in accordance with the General Bond Resolution:

- (a) the Program Fund, consisting of:
 - (i) the Acquisition Accounts; and
 - (ii) the Costs of Issuance Accounts;

- (b) the Revenue Fund, consisting of:
 - (i) the Revenue Accounts;
 - (ii) the Rebate Accounts;
 - (iii) the Capitalized Interest Accounts; and
 - (iv) the Retired Mortgage-Backed Securities Revenue Account.
- (c) the Redemption Fund, consisting of:
 - (i) the Special Redemption Accounts; and
 - (ii) the Optional Redemption Accounts;
- (d) the Restricted Housing Fund.

Within each of the Funds (other than the Restricted Housing Fund) the Trustee shall maintain a separate Series account with respect to each Series of Bonds issued under the General Bond Resolution, for the purpose of recording the proceeds of such Bonds and any other amounts directed by a Series Resolution to be deposited therein, the Mortgage Loans or Mortgage-Backed Securities and Investment Obligations purchased therefrom, and the Revenues derived from such Mortgage Loans, Investment Obligations and Swap Agreements, if any, and from the reinvestment of the same, to the extent and in the manner required by Code Section 143 and 148 of Code.

Each Series Resolution may also establish separate Funds or Accounts and subaccounts to be held by the Trustee within any of the Funds, as specified in the Series Resolution. All Funds and Accounts shall be held by the Trustee in trust for application only in accordance with the provisions of the General Bond Resolution and the applicable Series Resolution.

**Program Fund; Acquisition Account;
Costs of Issuance Account**

Deposit of Moneys. There shall be paid into the Acquisition Accounts established within the Program Fund the respective amounts of the proceeds of the Bonds and other moneys specified by the General Bond Resolution and by the applicable Series Resolution to be deposited therein. There may also be paid into the Program Fund, and a designated Acquisition Account therein, at the option of the Authority, any moneys received by the Authority from any other source, unless required to be otherwise applied as provided by the General Bond Resolution or by the applicable Series Resolution.

Application of Acquisition Accounts. Proceeds of the Bonds and other moneys deposited in the Acquisition Accounts shall be used and withdrawn as provided in the applicable Series Resolution, but, in any event, solely for the (1) purchase of Mortgage-Backed Securities or Mortgage Loans, and (2) the purchase or redemption of Bonds.

Unexpended Bond Proceeds. Any moneys deposited in an Acquisition Account which are not used or to be used to purchase Mortgage-Backed Securities or Mortgage Loans by the end of the Delivery Period specified in such Series Resolution, or by such earlier date as may be required by the Code and specified in such Series Resolution, shall be transferred by the Trustee to the Special Redemption Account in accordance with the provisions of the applicable Series Resolution, and applied to redeem Bonds.

Costs of Issuance Account. Upon the issuance, sale and delivery of the Bonds pursuant to the General Bond Resolution and a Series Resolution, the Trustee shall deposit in the applicable Costs of Issuance Account such moneys, if any, as shall be specified in the Series Resolution. Moneys in the Costs

of Issuance Account shall be used to pay the Costs of Issuance of the Bonds and for no other purposes. Any excess remaining upon payment of all Costs of Issuance of the applicable Series of Bonds shall (i) if not proceeds of the applicable Series of Bonds, be transferred by the Trustee to another Account established for the applicable Series of Bonds, or to the Restricted Housing Fund, or to the Authority and (ii) if proceeds of the applicable Series of Bonds, be transferred by the Trustee to the Acquisition Account or Capitalized Interest Account for the applicable Series of Bonds, upon receipt by the Trustee of a Certificate of the Authority stating that such moneys are no longer needed for the payment of Costs of Issuance, whereupon the applicable Costs of Issuance Account shall be closed. In the event that the moneys deposited in the applicable Costs of Issuance Account pursuant to the General Bond Resolution and the applicable Series Resolution are not sufficient to pay all Costs of Issuance incurred with respect to the applicable Series of Bonds, or in the event that no such deposit to pay Costs of Issuance with respect to the Bonds is made, the Costs of Issuance of the Bonds may be paid from any available funds of the Authority.

Revenue Fund

All Revenues received by the Authority shall be paid to the Trustee immediately upon their receipt by the Authority. All Revenues, other than those required to be deposited in a Rebate Account as set forth in an Authority Request, shall be deposited by the Trustee in the applicable Revenue Account. There may also be deposited in the Revenue Fund, at the option of the Authority, any other moneys of the Authority, unless required to be otherwise applied as provided by the General Bond Resolution.

Upon the purchase of Mortgage-Backed Securities or Mortgage Loans from the moneys on deposit in the applicable Acquisition Account, the Trustee shall, in accordance with the provisions of the applicable Series Resolution, withdraw from the applicable Revenue Account or, if funds available in the applicable Revenue Account are not sufficient, from the applicable Capitalized Interest Account, and pay to the applicable Servicer the then accrued and unpaid interest on such Mortgage-Backed Securities or Mortgage Loans.

The Trustee shall pay or transfer from the Revenue Accounts in the Revenue Fund, Program Expenses as specified in the applicable Series Resolution upon receipt of an Authority Request.

On each Bond Payment Date or date Bonds are to be purchased in accordance with the provisions of the General Bond Resolution and any applicable Series Resolution, the Trustee shall pay or transfer from the Revenue Accounts the following amounts in the following order of priority:

First, to the respective Paying Agents for any of the Bonds, (i) on each Bond Payment Date, the amounts required for Debt Service Payments due on the Outstanding Bonds on such Bond Payment Date (less amounts, if any, applied to pay interest on the Bonds from the Capitalized Interest Accounts under the applicable Series Resolution), (ii) on the date of purchase of any Bonds, the amounts required for the payment of the purchase price of the Outstanding Bonds being purchased, and (iii) on the date of purchase of any Bonds in lieu of redemption by Sinking Fund Installment, the amount (exclusive of accrued interest) required for the purchase of such Bonds, and all such amounts shall be applied by the respective recipients to such payments;

Second, unless otherwise expressly provided in the Series Resolution in respect of a Series of Bonds to which the Swap Agreement relates in whole or in part, on or before the applicable due dates, assuming the prior transfers described in the previous paragraph have been made, to any Swap Counterparty, the Authority Swap Payments due pursuant to a Swap Agreement;

Third, to the credit of any other Fund or Account, the amount of any withdrawal previously made pursuant to the General Bond Resolution, in inverse order of such withdrawal, to the extent not previously restored;

Fourth, from the balance, if any, to the Authority the Authority Fee as specified in the applicable Series Resolution.

Capitalized Interest Account

Moneys deposited in a Capitalized Interest Account in accordance with the provisions of a Series Resolution shall be used to pay interest on the Bonds as provided in such Series Resolution, and to pay accrued interest upon the purchase of a Mortgage-Backed Security or a Mortgage Loan as provided in the General Bond Resolution. Any amounts remaining in the applicable Capitalized Interest Account on the Bond Payment Date after the end of the Delivery Period (as specified in such Series Resolution) shall be transferred by the Trustee as specified in such Series Resolution.

Rebate Account

The Trustee shall make the following, and only the following, transfers to and withdrawals from the Rebate Accounts:

(a) If the net investment earnings received with respect to any Series exceed at any time the earnings permitted under Section 148 of the Code to be retained, the excess amount shall be paid over to the United States, at the times and in the manner provided in the applicable Series Resolution and Rebate Certificate. Such excess amount may be transferred to the applicable Rebate Account in the Revenue Fund at such times and in such amounts as may be required to assure compliance with Section 148 of the Code, notwithstanding the requirements of other Funds as set forth in paragraph (c) below.

(b) Promptly upon receipt of a Certificate of the Authority to the effect that the amount on deposit in a Rebate Account exceeds the amount required to be on deposit therein for the purpose of making rebates to the United States in accordance with the applicable provisions of Section 148 of the Code, an amount equal to the amount of such excess shall be transferred for credit to the applicable Revenue Account, the applicable Special Redemption Account, or such other account or Fund as may be directed in such Certificate; and

(c) All amounts in the Rebate Accounts shall be used and withdrawn by the Trustee solely for the purposes set forth in this paragraph. In the event that the amount in any Rebate Account is for any reason insufficient to pay to the United States the amounts due as provided in this paragraph, the Trustee shall transfer to such Rebate Account the amount of such deficiency by withdrawing said amount from the following funds in the following order of priority, regardless of any other claim on such funds: (1) the Restricted Housing Fund (to the extent of cash and cash equivalents on deposit therein); (2) the Revenue Fund; or (3) from any other Fund or Account established pursuant to the General Bond Resolution or the applicable Series Resolution.

Redemption Fund

Moneys deposited in the Special Redemption Accounts shall be applied by the Trustee to the purchase or redemption of Bonds pursuant to the General Bond Resolution and the Series Resolution.

Moneys deposited in the Optional Redemption Accounts shall be used to purchase or redeem Bonds as directed by the Authority in accordance with the General Bond Resolution and the Series Resolution.

Restricted Housing Fund

The Trustee will establish such accounts within the Restricted Housing Fund as the Authority may direct by an Authority Request. Upon receipt of an Authority Request, the Trustee shall deposit in the Restricted Housing Fund any funds, securities or other investments, loans or other property provided by the Authority and not otherwise pledged under the General Bond Resolution, including surplus funds transferred to the Restricted Housing Fund pursuant to the provisions of the General Bond Resolution. Amounts on deposit in the Restricted Housing Fund may be used to make or purchase loans, make grants, and provide other subsidies and assistance in connection with (i) the Program and (ii) other programs of the Authority that facilitate the development and maintenance of a sufficient supply of safe and affordable single family residential housing in Iowa, including but not limited to Authority programs that finance the acquisition, construction, rehabilitation, improvement and betterment of single family property, upon such terms as the Authority may determine, or may be transferred to the General Fund to be used for any purposes authorized by the Act.

Any moneys held in Restricted Housing Fund may be invested or reinvested in such securities, loans or other investments as may be authorized by law and as may be directed by an Authorized Officer, which may include Investment Obligations, but is not restricted thereto. Any interest or income earned with respect to any said securities, loans or other property shall likewise be retained in the Restricted Housing Fund.

Subject to the uses permitted for funds held in the Restricted Housing Fund under the General Bond Resolution, funds, securities and other investments, loans and other property held from time to time in the Restricted Housing Fund are available for, and pledged to, the payment of the Debt Service Payment on the Bonds when due and the payment of any other amounts required to be paid from time to time from the Funds and Accounts established pursuant to the General Bond Resolution or any Series Resolution, including Authority Swap Payments; provided that the Authority may from time to time pledge and grant a security interest in all or any of the assets of the Restricted Housing Fund to any other Person or Persons in connection with the programmatic uses permitted for funds held in the Restricted Housing Fund under the General Bond Resolution upon such terms as the Authority may determine, which pledge and security interest may be superior to, on a parity with, or subordinate to the pledge made under the General Bond Resolution. Available cash and cash equivalent funds on deposit in the Restricted Housing Fund may be used to make up deficiencies in the Revenue Fund for such purposes and, unless otherwise directed by an Authorized Officer, shall be transferred to the Revenue Fund when required on any Bond Payment Date or other payment date prior to any transfer otherwise required by the General Bond Resolution. Unless otherwise specified in a Series Resolution or other resolution of the Authority, the Authority shall not be required to maintain any minimum balance in the Restricted Housing Fund and makes no covenant to Bondholders or any other party that funds or other assets will be available in the Restricted Housing Fund in the event of a deficiency in the Revenue Fund on a Bond Payment Date or other payment date.

Application of Surplus Revenues

Any amounts remaining in a Revenue Account after making the payments and deposits required by the General Bond Resolution, shall be held in the Revenue Fund until and unless directed by Authority Request to be transferred to the Program Fund, the Redemption Fund, to the Authority or to the Restricted Housing Fund, subject to the provisions of the following paragraph.

Upon submission of a Projected Revenue Certificate, the Authority may, by Authority Request, direct the transfer to (i) the Authority, free and clear of any lien or pledge created by the General Bond Resolution or (ii) the Restricted Housing Fund, of an amount which is not required to produce Revenues equal to Debt Service Payments and required fund transfers and expenses in the current and all future Bond Years as set forth in the Projected Revenue Certificate, provided that (i) prior to any such transfer the Authority shall provide the Trustee with an opinion of Bond Counsel that such transfer is permitted by the provisions of the General Bond Resolution and any applicable Series Resolutions and will not, in itself, cause the interest on the Bonds to become subject to income taxation under Section 143 of the Code, and (ii) subsequent to such transfer, total assets of the Resolution exceed total liabilities (excluding assets and liabilities of the Restricted Housing Fund) by at least two percent (2%).

Withdrawal from Funds to Prevent Default

Notwithstanding any other provision of the General Bond Resolution, if on any Bond Payment Date, the amount in the Revenue Fund (other than the Rebate Accounts) is less than the amount of the Debt Service Payment becoming due and payable on such Bond Payment Date on all Outstanding Bonds, the Trustee, after making any transfer required by the General Bond Resolution, shall transfer from the following Accounts to the Revenue Fund in the following order the amount of such deficit and apply such amount first to pay interest and then to pay Principal Installments, as necessary:

- (a) Costs of Issuance Accounts,
- (b) Optional Redemption Accounts,
- (c) Special Redemption Accounts, and
- (d) Acquisition Accounts.

Moneys in (1) the Redemption Fund which are to be used to redeem Bonds for which notice of redemption has been given or for which binding arrangements to purchase Bonds in lieu of redemption have been made by the Trustee or (2) the Acquisition Accounts against which the Authority has outstanding commitments to purchase Mortgage Loans or Mortgage-Backed Securities shall not be so applied.

The Authority covenants that it will pay to the Trustee for deposit in the Revenue Fund the amount of any remaining deficiency from the General Fund or any of the Authority's other revenues, moneys or assets, subject to the provisions of any other resolutions now or hereafter pledging or appropriating particular moneys, assets or revenues to particular bonds or other obligations or State laws designating or appropriating particular funds for a specified purpose.

Investment of Moneys Held by Trustee

The provisions described under this heading shall apply to moneys in all Funds and Accounts held by the Trustee other than moneys held in the Restricted Housing Fund. The investment of moneys held in the Restricted Housing Fund shall be governed by the investment provisions set forth above under the heading "Restricted Housing Fund."

Moneys in all Funds and Accounts held by the Trustee shall be invested by the Trustee to the fullest extent possible in such Investment Obligations as the Authority shall direct, or as shall be specified in the applicable Series Resolution. The Trustee shall notify the Authority in writing, at least monthly, of all Investment Obligations purchased by the Trustee. The maturity date or the date on which such Investment Obligations so purchased may be redeemed at the option of the holder thereof shall coincide as nearly as

practicable with (but in no event shall be later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes thereof as provided in the General Bond Resolution and the applicable Series Resolution.

Amounts credited to any Fund or Account (except the Rebate Account) may be invested, together with amounts credited to one or more other Funds or Accounts, in the same Investment Obligation or Investment Obligations, provided that each such investment complies in all respects with the provisions of the previous paragraph as they apply to each Fund or Account for which the joint investment is made and the Trustee maintains separate records for each Fund and Account and such investments are accurately reflected therein.

The Trustee may make any investment permitted by the General Bond Resolution through or with its own commercial banking or bond departments unless otherwise directed by the Authority.

In computing the amount in any Fund or Account, (i) Investment Obligations shall be valued at par or, if purchased at other than par, at their Amortized Value, in either event inclusive of accrued interest, and (ii) Mortgage-Backed Securities or Mortgage Loans shall be valued at 100% of the Outstanding principal balance thereof (inclusive of accrued interest).

Except as otherwise specifically provided in the General Bond Resolution, the income or interest earned by, or increment to, all Funds and Accounts due to the investment thereof shall be transferred by the Trustee upon receipt thereof to the appropriate Account of the Revenue Fund (including the Rebate Account) in accordance with the General Bond Resolution.

The Trustee, at the direction of the Authority, shall sell at the best price obtainable, or present for redemption, any Investment Obligation purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment from the Fund or Account for which such investment was made. The Trustee may, to the extent required to make transfers of moneys among Funds and Accounts, transfer Investment Obligations.

General Fund

All amounts deposited in the General Fund shall be free and clear of any lien or pledge created by the Bond Resolution or any Series Resolution and may be used by the Authority for any lawful purpose.

General Covenants

The Authority shall duly and punctually pay or cause to be paid the principal or Redemption Price of every Bond and the interest thereon at the dates and places and in the manner mentioned in the Bonds according to the true intent and meaning thereof and shall duly pay or cause to be paid the Sinking Fund Installments, if any, becoming payable with respect to any Bonds.

The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement. In case the maturity of any Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any Event of Default under the General Bond Resolution or the Series Resolution, to the benefit of the General Bond Resolution or the Series Resolution or to any payment out of the Revenues or Funds established by the General Bond Resolution or the Series Resolution, including Investment Obligations, if any, pledged under the General Bond Resolution or the Series Resolution or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to the

General Bond Resolution or the Series Resolution) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest.

At any and all times the Authority, so far as it may be authorized by law, shall make, do, execute, acknowledge and deliver, all and every such further acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and property, including the Mortgage Loans and Mortgage-Backed Securities and all rights therein, pledged or assigned under the General Bond Resolution, or intended so to be, or which the Authority may become bound to pledge or assign.

The Authority is duly authorized under all applicable laws to issue the Bonds and to adopt the General Bond Resolution and to pledge the Revenues and other moneys, securities, rights and interests purported to be pledged by the General Bond Resolution in the manner and to the extent provided in the General Bond Resolution. The Revenues and other moneys, securities, rights and interests so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto (other than liens of Fiduciaries) prior to, or of equal rank with, the pledge created by the General Bond Resolution and all action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of the General Bond Resolution are and will be the legal and valid general obligations of the Authority, enforceable in accordance with their terms and the terms of the General Bond Resolution. The Authority, to the extent permitted by law, at all times shall defend, preserve and protect the pledge of the Revenues and other moneys, securities, rights and interests pledged under the General Bond Resolution and all the rights of the Bondholders under the General Bond Resolution against all claims and demands of all persons whomsoever. To secure its obligation to make Agency Swap Payments to a Swap Counterparty pursuant to a Swap Agreement, the Authority may grant to the Swap Counterparty a subordinate and junior pledge and security interest (subordinate and junior to the pledge and security interest granted to the Bondholders) in all or any of the collateral pledged pursuant to the foregoing paragraph.

The Authority will use the proceeds of Bonds and any other moneys deposited in the Funds and Accounts only in accordance with the provisions of the General Bond Resolution and the Series Resolutions. All moneys deposited in the Program Fund shall be used, except as otherwise provided in the General Bond Resolution, only to purchase Mortgage-Backed Securities or Mortgage Loans.

Program Covenants

The Authority agrees that the Trustee in its name or (to the extent required by law) in the name of the Authority may enforce all rights of the Authority and all obligations of any Mortgage Lenders under and pursuant to the Origination Agreements or of the Servicer under and pursuant to the Servicing Agreement for and on behalf of the Bondholders whether or not an Event of Default under the General Bond Resolution or the Series Resolutions has occurred or is continuing.

The Authority from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act and with the provisions of the Resolution and the Series Resolutions, shall use and apply the proceeds of the Bonds and other moneys deposited in the Acquisition Accounts, to purchase Mortgage-Backed Securities or Mortgage Loans and consistent with sound banking practices and principles shall do all such acts and things necessary to receive and collect Revenues.

The terms of any Origination Agreements and any Servicing Agreements shall be reasonably designed to assure that each Mortgage Loan purchased by a Servicer pursuant thereto meets applicable

requirements under Section 143 of the Code as in effect or as otherwise applicable with respect to such Mortgage Loan and the Authority finds that Single-Family Residences meeting the safe harbor guidelines of Section 143 of the Code are Single-Family Residences suitable in the State for low and moderate income families, the financing of which serves the public purpose of the Act and the Program, by adding to the inventory of housing in the State available for low and moderate income families.

Tax Covenants

The Authority will not take any action or permit any action to be taken on its behalf, or fail to take any action or cause any action to be taken on its behalf, or cause or permit any circumstances within the Authority's control to arise, if such action, inaction or other circumstances would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

The Authority shall not use or permit the use of any proceeds of Bonds or any other funds of the Authority, directly or indirectly, to acquire any securities or obligations, and shall not permit the use of any amounts received by the Authority or Trustee with respect to the Mortgage Loans or Mortgage-Backed Securities in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code or an obligation that is "federally guaranteed" within the meaning of Section 149(b) of the Code. The Authority shall require that any person (or any "related person" as defined in Section 144(a)(3) of the Code) from whom it may acquire Mortgage-Backed Securities or Mortgage Loans shall not, pursuant to an arrangement, formal or informal, purchase Bonds in an amount related to the amount of Mortgage Loans or Mortgage-Backed Securities to be purchased from such person. The Authority specifically covenants to comply with the rebate requirement of Section 148(f) of the Code and to that end will comply with the Rebate Certificate.

The Authority shall not use or permit the use of any proceeds of Bonds, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in more than ten percent (10%) of the proceeds of the Bonds being used in the trade or business of one or more nongovernmental persons.

The Authority shall in good faith attempt to meet all the requirements of Sections 143(c) (principal residence requirements), 143(d) (3-year requirement), 143(e) (purchase price requirement), 143(f) (income requirement) and 143(i) (new mortgage requirement) of the Code before the Mortgage Loans are originated.

To the extent required by Section 143(h) of the Code, an amount equal to twenty percent (20%) of the proceeds of each Series shall be made available for purposes of owner-financing of targeted area residences (within the meaning of Section 143 of the Code) for at least one year after the date on which proceeds of the Series are first made available for owner-financing with respect to Targeted Area residences, and the Authority shall attempt with reasonable diligence to use such amounts for purposes of qualified mortgages on such residences.

The Authority shall file or cause to be filed on its behalf in a timely fashion all statements and reports required to be filed pursuant to Section 149(e) of the Code and the Treasury Regulations. The Authority shall also give to mortgagors the notice required by Section 143(m)(7) of the Code (relating to recapture in the event of disposition of the Home).

Except as provided in the Rebate Certificate, with respect to Bonds issued prior to July 8, 1997, at no time during any Bond Year shall the aggregate amount of moneys in the Funds and Accounts that are invested in Investment Obligations with a yield materially higher than the Yield on the Bonds exceed 150% of the Annual Debt Service on the Bonds for the current Bond Year. As Mortgage Loans are repaid, the amounts in the Funds and Accounts invested in non-mortgage investments with a yield materially higher

than the Yield on the Bonds shall be promptly and appropriately reduced as provided in the Rebate Certificate.

The Trustee shall make transfers to and withdrawals from the Rebate Account pursuant to written instructions delivered by the Authority in accordance with the Rebate Certificate. Transfers shall be made from such Funds or Accounts as the Authority shall designate in its written instructions and pursuant to the General Bond Resolution. Investment earnings on moneys in the Rebate Account shall be deposited into such Account. Losses on the investment of moneys in the Rebate Account shall be debited to such account. Moneys in the Rebate Account shall be paid to the United States as directed by the Authority, pursuant to the Rebate Certificate, in compliance with the timetable set forth in Section 148(f)(3) of the Code and the Rebate Certificate.

The right is reserved by the Authority to amend the provisions of the General Bond Resolution described under this heading, pursuant to the General Bond Resolution, in any manner consistent with Sections 143 and 148 of the Code and regulations thereunder in effect at the time of the amendment. Any such amendment may be made by Supplemental Bond Resolution adopted as provided in the General Bond Resolution.

Notwithstanding anything above to the contrary, the right is reserved by the Authority to issue Bonds, the interest on which is intended to be includable in gross income for federal income tax purposes, pursuant to any Series Resolution so providing. Such Bonds shall not be subject to the provisions described under this heading and any other provisions of the General Bond Resolution that are necessary solely for the purposes of compliance with Sections 143 and 148 of the Code.

Events of Default

Each of the following events is declared an “Event of Default” under the General Bond Resolution:

(a) The Authority shall fail to pay any Principal Installment or the Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise;

(b) The Authority shall fail to pay any installment of interest on any Bond when and as the same shall become due and payable.

(c) The Authority shall fail to perform or observe any other covenant, agreement or condition on its part contained in the General Bond Resolution and the Series Resolution and such failure shall continue for a period of 45 days after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than 25% in principal amount of the Bonds Outstanding; or

(d) The Authority shall file a petition seeking a composition of indebtedness under the Federal Bankruptcy Laws, or under any other applicable law or statute of the United States of America or of the State.

Remedies

(a) Upon the occurrence of an Event of Default under paragraphs (a), (b) or (d) described under the heading “Events of Default”, the Trustee may and, upon the written request of the Holders of not less than 25% in aggregate principal amount of Bonds Outstanding shall give 30 days’ notice in writing to the Authority and, if then required by law, to the governor and the Attorney General of the State, of its intention

to declare all Bonds Outstanding immediately due and payable. At the end of such 30-day period, if such Event of Default is then continuing, the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of Bonds Outstanding shall, by notice in writing to the Authority, declare all Bonds Outstanding immediately due and payable; then such Bonds shall become and be immediately due and payable, anything in the Bonds or in the General Bond Resolution to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds, an amount equal to the total principal amount of all such Bonds plus all interest accrued thereon and which will accrue thereon to the date of payment.

(b) At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the General Bond Resolution, the Trustee may annul such declaration and its consequences with respect to any Bonds not then due by their terms if (i) moneys shall have been deposited with the Trustee (other than in the Rebate Account) sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding Bonds; (ii) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agents; (iii) all other amounts then payable by the Authority under the General Bond Resolution shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Additional Remedies and Enforcement of Remedies

(a) Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Bondholders under the Act, the Bonds and the General Bond Resolution by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(i) Enforcement of the right of the Bondholders to collect and enforce the payment of principal of and interest due or becoming due on Mortgage Loans and collect and enforce any rights in respect to the Mortgages securing such Mortgage Loans and to require the Authority to carry out its duties and obligations under the terms of the General Bond Resolution, and to require the Authority to perform its duties under the Act;

(ii) Suit upon all or any part of the Bonds;

(iii) Civil action to require the Authority to account as if it were the trustee of an express trust for the Holders of Bonds;

(iv) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of Bonds; and

(v) Enforcement of any other right of the Bondholders conferred by law or by the General Bond Resolution.

(b) Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the General Bond Resolution by any acts which may be unlawful or in violation of the General Bond Resolution, or (ii) to preserve or protect the interests of the Bondholders, provided that such request is in accordance with law and the provisions of the General Bond Resolution and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Holders of Bonds not making such request.

Application of Revenues and Other Moneys After Default

(a) The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay or cause to be paid over to the Trustee (i) forthwith, all moneys and securities, if any, then held by the Authority in any Fund or Account under the General Bond Resolution, and (ii) as promptly as practicable after receipt thereof, all Revenues and other payments or receipts pledged under the General Bond Resolution.

(b) During the continuance of an Event of Default arising under paragraphs (a), (b) or (d) under the heading, "Events of Default", the Trustee shall apply such moneys, securities, Revenues (excluding amounts required to be deposited in the Rebate Account, which shall continue to be deposited in the Rebate Account) payments and receipts and the income therefrom as follows and in the following order:

(i) To the payment of the amounts required for reasonable and necessary Fiduciary Expenses;

(ii) To the payment of the interest and Principal Installments or Redemption Price then due on the Outstanding Bonds, subject to the provisions of the General Bond Resolution, as follows:

(A) Unless the principal of all the Outstanding Bonds shall 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 or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid Principal Installments or Redemption Price of any Bonds which 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 Installments or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

(B) If the principal of all the Outstanding Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the 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.

(iii) To the payment of Authority Swap Payments and any Program Expenses, to the extent determined by the Trustee.

Remedies Not Exclusive

No remedy by the terms of the General Bond Resolution conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the General Bond Resolution or existing at law or in equity or by statute (including the Act) on or after the date of adoption of the General Bond Resolution.

Remedies Vested in Trustee; Individual Bondholder Action Restricted

All rights of action (including the right to file proof of claims) under the General Bond Resolution or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds. Subject to the provisions of the General Bond Resolution, any recovery of judgment shall be for the equal benefit of the Holders of the Outstanding Bonds.

No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the General Bond Resolution or for the execution of any trust under the General Bond Resolution or for any remedy under the General Bond Resolution unless:

(a) an Event of Default described in paragraphs (a) or (b) under the heading “Events of Default” has occurred, as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing,

(b) the Holders of at least 10% in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in the General Bond Resolution or to institute such action, suit or proceeding in its own name,

(c) such Bondholders shall have offered the Trustee indemnity as provided in the General Bond Resolution, and

(d) the Trustee shall have failed or refused to exercise the powers granted to the Trustee pursuant to the General Bond Resolution or to institute such action, suit or proceeding in its own name for a period of 60 days after receipt by its of such request and offer of indemnity.

No one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the General Bond Resolution or to enforce any right under the General Bond Resolution except in the manner provided in the General Bond Resolution and for the equal benefit of the Holders of all Bonds Outstanding.

Nothing contained in the General Bond Resolution shall affect or impair, or be construed to affect or impair, the right of the Holder of any Bond (i) to receive payment of the principal of or interest on such Bond, as the case may be, on or after the due date thereof or (ii) to institute suit for the enforcement of any

such payment on or after such due date; provided, however, no Holder of any Bond may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien of the General Bond Resolution on the moneys, funds and properties pledged under the General Bond Resolution for the equal and ratable benefit of all Holders of Bonds.

Majority of Bondholders Control Proceedings

If an Event of Default shall have occurred and be continuing, notwithstanding anything in the General Bond Resolution to the contrary, the Holders of at least a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the General Bond Resolution or for the appointment of a receiver or any other proceedings under the General Bond Resolution, provided that such direction is in accordance with law and the provisions of the General Bond Resolution (including indemnity to the Trustee as provided in the General Bond Resolution) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondholders not joining in such direction and provided further that nothing described under this heading shall impair the right of the Trustee in its discretion to take any other action under the General Bond Resolution which it may deem property and which is not inconsistent with such direction by Bondholders.

Modifications of General Bond Resolution and Outstanding Bonds of a Series

Supplemental Resolutions Effective Upon Filing with the Trustee. For any one or more of the following purposes, and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon the filing with the Trustee of a copy thereof, shall be fully effective in accordance with its terms: (a) to close the Bond Resolution against, or provide limitations and restrictions in addition to the limitations and restriction contained in the Bond Resolution on, the issuance of future Bonds or of other bonds, obligations or evidences of indebtedness; (b) to add to the covenants and agreements of the Authority in the General Bond Resolution or any Series Resolution other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with the General Bond Resolution as theretofore in effect; (c) to add to the limitations and restrictions in the General Bond Resolution or any Series Resolution other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with the General Bond Resolution as theretofore in effect; (d) to amend the provisions described under the heading "Tax Covenants" in any manner consistent with Sections 143 and 148 of the Code as in effect at the time of the amendment; (e) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the General Bond Resolution or any Series Resolution of the Revenues or of any other moneys, securities or funds; or (f) to modify any of the provisions of the General Bond Resolution or any Series Resolution in any respect whatever, provided that the modification, in the sole judgment of the Authority, is reasonably necessary to assure that the interest on the Bonds remains exempt from income taxation under Section 143 of the Code to the extent applicable; and (g) to specify, determine or authorize by Series Resolution any and all matters and things relative to the Bonds of a Series or the proceeds thereof which are not contrary to or inconsistent with the General Bond Resolution as theretofore in effect.

Supplemental Resolutions Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon the filing with the Trustee of a copy thereof and the filing with the Trustee and the Authority of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms: (a) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent

provision in the General Bond Resolution or any Series Resolution; (b) to insert such provisions clarifying matters or questions arising under the General Bond Resolution or any Series Resolution as are necessary or desirable and are not contrary to or inconsistent with the General Bond Resolution theretofore in effect; (c) to provide for additional duties of the Trustee; (d) to waive any right reserved to the Authority, provided that the loss of such right shall not adversely impair the Revenues (other than amounts required to be deposited in the Rebate Account) available to pay the Outstanding Bonds; or (e) to make any other change which in the judgment of the Trustee does not materially affect the Bondholders (and the Trustee may rely upon the respective opinions of the Rating Services as to whether the underlying rating of the Bonds, determined without regard to any credit enhancement provided by a Person other than the Authority, will be adversely affected as conclusively establishing whether the change will materially adversely affect the security of the Bondholders).

Supplemental Resolutions Requiring Consent of Bondholders. Any modification or amendment of the Resolution or any Series Resolution and of the rights and obligations of the Authority and of the Bondholders under the Resolution or any Series Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the General Bond Resolution of the Holders of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Bondholders of all such Bonds, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

Defeasance; Discharge of Resolution

Defeasance of Bonds. 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 Trustee or any one or more additional Paying Agents (through deposit by the Authority or moneys 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 as described under the heading "Discharge of Resolution." Any Outstanding Bonds of a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed as described under the heading "Discharge of Resolution" if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail notice of redemption of such Bonds on said date as provided in the General Bond Resolution; (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Obligations 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 of 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 (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail a notice to the Bondholders of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid as described in this paragraph and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price of said Bonds. Neither Defeasance Obligations nor moneys deposited with the Trustee as described in this paragraph nor principal or interest payments on any such Defeasance Obligations 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, of and interest on said Bonds and any bonds or other obligations issued by the Authority the proceeds of which were used to acquire such Defeasance Obligations, in whole or in part; provided, that no such principal of or interest on such Defeasance

Obligations shall be applied to the payment of the principal or redemption price of or interest on such bonds or other obligations unless (x) the Trustee shall have received a schedule showing, for each year from the date of deposit of such Defeasance obligations until the redemption date or maturity date of said Bonds, as the case may be, the amount of principal of and interest on such Defeasance Obligations and moneys, if any, deposited with the Trustee at the same time which will be available to pay the principal or Redemption Price of and interest due on said Bonds in each such year, plus the amount of any excess in each such year, and (y) the amount of such principal of or interest on such Defeasance Obligations to be so applied to the payment of such bonds or other obligations does not exceed in any year the amount of such excess for, or accumulated and unexpended to, such year. Notwithstanding any other provision described in this paragraph, any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Trustee, if not then needed for such purpose, shall to the extent practicable and consistent with the provisions of General Bond Resolution be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, of and interest due and to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be.

Discharge of Resolution in Entirety. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, and all Fiduciary Expenses, then the pledge provided in the General Bond Resolution and all covenants, agreements and other obligations of the Authority to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Authority all moneys or securities held by them pursuant to the Resolution which are not required for the payment of principal or Redemption Price, if applicable, of or interest on Bonds not theretofore surrendered for such payment or redemption.

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**FORM OF OPINION OF BOND COUNSEL
WITH RESPECT TO THE SERIES BONDS**

[Closing Date]

Iowa Finance Authority
Des Moines, Iowa

Re: Iowa Finance Authority
Single Family Mortgage Bonds, 2024 Series C (Social Bonds) and 2024 Series D (Taxable)
(Mortgage-Backed Securities Program)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the authorization, issuance and delivery by the Iowa Finance Authority (the “Authority”) of its Single Family Mortgage Bonds, 2024 Series C (Social Bonds) (Mortgage-Backed Securities Program), in the principal amount of \$_____ (the “2024 Series C Bonds”) and its Single Family Mortgage Bonds, 2024 Series D (Taxable) (Mortgage-Backed Securities Program), in the principal amount of \$_____ (the “2024 Series D Bonds” and together with the 2024 Series C Bonds, the “Series Bonds”). The Series Bonds are issuable only as fully registered bonds of single maturities in the principal amount of \$5,000 or any integral multiple thereof.

The Series Bonds are dated, mature on the dates, in the principal amounts, bear interest at the rates and are payable as set forth in the Series Resolution referenced below. The Series Bonds are subject to mandatory, optional and/or special redemption, as applicable, prior to their maturity, as provided in said Series Resolution.

In this connection, we have examined certificates as to facts, estimates and circumstances and certified copies of resolutions and proceedings of the Authority and other documents considered necessary as the basis for this opinion, including the Authority’s Single Family Mortgage Bond Resolution, adopted July 10, 1991, as amended (the “General Bond Resolution”), and the Series Resolution relating to the Series Bonds, adopted April 3, 2024 (the “Series Resolution”). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Applicable federal tax law, including certain provisions of Sections 143 and 148 of the Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements which must be met subsequent to the delivery of the 2024 Series C Bonds in order that interest on the 2024 Series C Bonds may be excluded from gross income for federal income tax purposes. The Authority has covenanted in the General Bond Resolution, the Series Resolution and the Closing and Tax Certificate to comply with the requirements of applicable federal tax law and, for such purpose, to adopt and maintain appropriate procedures. In rendering this opinion, we have assumed compliance by the Authority with and enforcement

by the Authority of the provisions of the General Bond Resolution, the Series Resolution, the Closing and Tax Certificate and such procedures.

From such examination it is our opinion that, under state and federal laws, regulations, rulings and decisions in effect on the date hereof: (1) the Authority is a public instrumentality and agency of the State of Iowa (the "State"), having no taxing power, duly organized and existing under Chapter 16 of the Code of Iowa, as amended, (2) the General Bond Resolution and Series Resolution have been duly and validly adopted by the Authority and are valid and binding upon it in accordance with their terms, and create the valid pledge and security interest they purport to create with respect to the Mortgage-Backed Securities, Revenues, moneys, securities and Funds and Accounts (except the Rebate Accounts) held and to be set aside under the General Bond Resolution and Series Resolution; (3) the Series Bonds are duly and lawfully authorized to be issued and are valid and binding general obligations of the Authority in accordance with their terms, entitled to the benefits granted by and secured by the covenants contained in the General Bond Resolution and Series Resolution, and are further secured by the pledge of the full faith and credit of the Authority, and are payable out of any of its available moneys, assets or revenues, subject to the provisions of other resolutions or indentures now or hereafter pledging particular moneys, assets, or revenues to other bonds or notes, or state or federal laws and regulations designating or appropriating particular funds for a specified purpose, but the Series Bonds are not an obligation of the State or any political subdivision thereof other than the Authority within the meaning of any constitutional or statutory debt limitations, and are special obligations of the Authority payable solely and only from the sources previously described in this subparagraph (3), and the Authority may not pledge the credit or taxing power of the State or any political subdivision of the State other than the Authority, or make its debts payable out of any moneys except those of the Authority; (4) the interest payable on the 2024 Series C Bonds is not includable in gross income of owners thereof for federal income tax purposes; (5) interest on the 2024 Series C Bonds will not be treated as a preference item for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers; and (6) interest on the 2024 Series D Bonds is includable in gross income for federal income tax purposes.

Interest payable on the Series Bonds is includable in income for State of Iowa income tax purposes. We express no opinion regarding other federal or state tax consequences arising with respect to the Series Bonds. We note, however, that interest on the 2024 Series C Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code). All owners of Series Bonds (including, but not limited to, insurance companies, financial institutions, Subchapter S corporations, United States branches of foreign corporations and recipients of social security and railroad retirement benefits) should consult their tax advisors concerning other possible indirect tax consequences of owning and disposing of the Series Bonds.

The opinions expressed in clauses (2) and (3) above are qualified only to the extent that the enforceability of the Series Bonds, the General Bond Resolution and the Series Resolution may be limited by general principles of equity and by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting enforcement of creditors' rights.

DORSEY & WHITNEY LLP

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APPENDIX C

**AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY
AS OF JUNE 30, 2023 (WITH INDEPENDENT AUDITOR'S REPORT THEREON) AND
UNAUDITED FINANCIAL STATEMENTS OF THE AUTHORITY AS OF MARCH 31, 2024**

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

*Creating opportunities for Iowans,
communities and businesses to thrive.*



IOWA FINANCE
AUTHORITY

A Component Unit of the State of Iowa

6th Avenue Flats, Des Moines

**IOWA FINANCE AUTHORITY
(A Component Unit of the State of Iowa)**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED

JUNE 30, 2023

Debi Durham, Director

Prepared by:

Iowa Finance Authority Accounting and Finance Department

Iowa Finance Authority
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Year Ended June 30, 2023

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Introductory Section (unaudited)

October 27, 2023

TO THE CITIZENS, GOVERNOR, AND BOARD OF DIRECTORS:

The Iowa Finance Authority (the Authority) is pleased to submit this Annual Comprehensive Financial Report (Annual Report) for the fiscal year ended June 30, 2023.

The Authority issues State Revolving Fund Revenue Bonds, Single-Family Mortgage Bonds, Multi-Family Housing Bonds, and administers various federal grant programs which require annual independent financial and compliance audits. To fulfill these requirements, the Authority has prepared this Annual Report and contracted with the independent auditing firm of Eide Bailly LLP to audit the financial statements.

Generally accepted accounting principles (GAAP) require management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner designed to present fairly the Authority’s net position and changes in net position. All disclosures necessary to enable the reader to gain an understanding of the Authority’s financial activities have been included.

PROFILE OF THE AUTHORITY

The Authority was created in 1975 under Chapter 16 of the Code of Iowa (the “Act”) as a public instrumentality and agency of the State of Iowa to undertake programs that assist in attainment of adequate housing for low- and moderate-income families, and to undertake various finance programs. By subsequent amendments to the Act, the Authority’s responsibilities have been greatly expanded. The Authority administers numerous housing, agricultural, economic development, and water quality programs. The Authority has arranged financing for the Clean Water Program since its inception in 1988 and for the Drinking Water Program since its inception in 1997. Chapter 455B and Chapter 16 of the Code of Iowa authorize the Authority, jointly and in cooperation with the Iowa Department of Natural Resources (DNR), to undertake the creation, administration, and financing of the State Revolving Fund (SRF), which includes the Clean Water and Drinking Water Programs.

The Authority is presented as a component unit in the State of Iowa’s Annual Report.

INTERNAL CONTROL

The Authority assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The Authority believes the internal controls provide reasonable assurance that the financial statements are free from any material misstatement.

BUDGETARY CONTROLS

The Authority performs an annual budgetary process which serves as the foundation for the Authority's financial planning and control. Each year, the Authority's management team provides revenue, expense, and staffing plans which are used with an iterative review process to formulate the annual budget. The Board of Directors (Board) reviews and provides approval via formal Board action. The Authority's management and Board receive monthly financial reports comparing actual results to budget.

ECONOMIC CONDITION AND OUTLOOK

The United States' real GDP grew at an annual rate of 2.0% in the first quarter of 2023, compared to Iowa's GDP growth of 5.2%, which was ranked 7th in the country as reported by the U.S. Bureau of Economic Advisers (BEA).

Iowa's unemployment rate was 2.7% in July 2023, which was the same in July 2022. The average national rate of unemployment in 2022 was 3.6% compared to 5.3% the prior year. With a consistent low unemployment rate, Iowa personal income increased 10.1% at an annualized rate in the first quarter of 2023 compared to an annualized rate of 8.1% in the first quarter of 2022. Iowa ranked 4th among the other states in personal income growth during this period as reported by the BEA. The national personal income grew by 5.1% in the first quarter of 2023.

The housing market has continued to slow down due to rising inflation, increased home prices and higher mortgage rates. Iowa home median sales prices increased while home sales declined in June 2023 compared to June 2022. Median sales price slightly increased by 2.2% compared to 12.2% in June 2022, while home sales declined by 15% as of June 2023 compared to 12 months prior.

AUTHORITY'S ADMINISTRATION OF RECENT FEDERAL PROGRAMS

The Authority continued to finance projects throughout the state and help Iowans in need. The Authority wound down its Iowa Rent and Utility Assistance Program (IRUAP) in September. It assisted 4,351 households in fiscal year 2023 and served 26,581 households throughout the entire program, providing \$57.9 million for rent and utilities. The Refugee Resettlement program provided \$882 thousand to assist 188 households. The Authority also awarded \$3.9 million to subrecipients who provided assistance for rapid rehousing.

The Authority funded projects across the state through the Water Infrastructure Fund (WIF) which was funded with a portion of the state of Iowa's allocation of Coronavirus State and Local Fiscal Recovery Funds from the American Rescue Plan Act of 2021. WIF makes investments in infrastructure projects that protect, preserve, expand, and restore Iowa's water resources. The Authority disbursed \$4.5 million to fund community septic and on-site wastewater systems for 238 households in unsewered communities. In addition, WIF also funded \$4.8 million of wastewater infrastructure for two communities as well as \$2.2 million for 23 watershed protection projects in 21 communities.

AUTHORITY PROGRAM AND FINANCIAL HIGHLIGHTS

Homeownership: The single-family program assisted 2,309 home buyers by funding \$343.2 million of mortgage-backed securities in fiscal year 2023. Approximately 87% of these home buyers also benefitted from the Authority's down payment and closing cost assistance grant or loan option. Borrowers have the option of a \$2,500 grant or a second loan that provides borrowers with 5% of the sale price and is repayable at the time of sale, refinance, or the first mortgage is paid in full. There are no monthly payments on the DPA second loan. Governor Reynolds announced a historic investment in Iowa housing programs, which included \$1 million for a new Minority Down Payment Assistance Pilot Program. The initial \$1 million investment assisted in breaking barriers to homeownership by providing 193 eligible Iowa minority households with assistance purchasing a home. The program provided a \$5,000 down payment and closing costs assistance grant when used with IFA's FirstHome program.

Iowa Title Guaranty (ITG): ITG issued residential and commercial title certificates covering \$20.9 billion worth of Iowa real estate in fiscal year 2023. In addition, ITG provided \$3.575 million to support affordable housing in Iowa and adopted the new 2021 American Land Title Association policy forms and endorsements, which involved a wholistic review of all ITG coverage documents and issuance systems.

Housing Tax Credits: The Authority allocated a total of \$88.9 million in Federal Housing Tax Credits in fiscal year 2023 which will create or preserve 364 safe and affordable homes for Iowa families. These awards leveraged an additional \$12.3 million in local contributions.

State Revolving Funds (SRF): In fiscal year 2023, the Iowa SRF executed \$477 million in low-interest loans for wastewater and drinking water infrastructure. In addition, nearly \$44 million in Planning and Design loans were awarded to assist communities with the first phases of their water infrastructure projects at zero percent interest.

AWARDS & ACKNOWLEDGEMENT

Certificate of Achievement: Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Iowa Finance Authority for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the fifth consecutive year that the Authority achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We submitted the Annual Report for the fiscal year ended June 30, 2022, to GFOA but have not yet received any correspondence about the Certificate of Achievement for Excellence in Financial Reporting. Since Covid, GFOA's turnaround time for review and award decisions has lengthened. However, we believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgement: The preparation of this report on a timely basis requires the collective effort of numerous staff members throughout the Authority. The accounting and finance departments have primary responsibility for preparation of this Annual Report. We appreciate their professionalism and dedication; and it is what maintains our financial statements in conformance with the highest standards of financial accountability.

Respectfully submitted,



Cindy M. Harris
Chief Financial Officer



Jennifer Pulford
Accounting Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Iowa Finance Authority

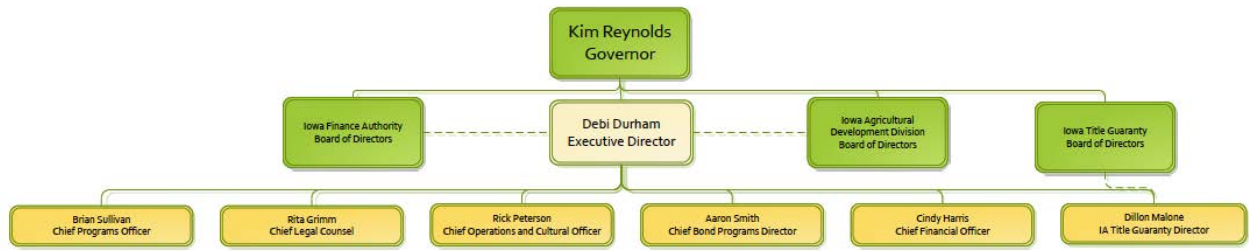
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

Table of Organization



Board of Directors

Ashley Aust (Waukee)
Tracey Ball (Des Moines)
Jennifer Cooper, Vice Chair (Des Moines)
John Eisenman (Clinton)
Gretchen McLain, ex-officio voting (Fairfield)
Michel Nelson, Chair (Carroll)
Amy Reasner (Cedar Rapids)
Gilbert Thomas, Treasurer (Clarinda)
Michael Van Milligen (Dubuque)
Nate Weaton (Fairfield)

Financial Section



Independent Auditor's Report

To the Board of Directors
Iowa Finance Authority
Des Moines, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and each major fund of Iowa Finance Authority (the Authority) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Authority, as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 24 and schedule of authority's proportionate share of the net pension liability, schedule of authority contributions, schedule of authority's proportionate share of the total OPEB liability, and notes to required supplementary information on pages 63 through 68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining financial schedules on pages 69 through 71 and schedule of expenditures of federal awards on page 85, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining financial schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section on pages 1 through 5 and statistical section on pages 72 through 84, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Aberdeen, South Dakota
October 26, 2023

This section of the Iowa Finance Authority's (the Authority) annual financial report presents management's discussion and analysis of the financial position and results of operations as of and for the fiscal year ended June 30, 2023. This section provides additional information regarding the activities of the Authority to meet the disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Please use this information in conjunction with the financial statements and accompanying notes.

The Authority was created in 1975 by the Iowa legislature through the enactment of Chapter 16 of the Code of Iowa (the Act) and constitutes a public instrumentality and agency of the State of Iowa (the State). The Authority's task was to undertake programs which assist low- and moderate-income families attain adequate housing and to undertake various finance activities. Subsequent amendments to the Act expanded the Authority's responsibilities to include the administration of numerous housing, water quality, agricultural, and economic development programs. The Authority's mission is to enhance the quality of life for Iowans by making affordable financing possible for home and community.

The Authority raises funds through the public and private sale of bonds, which are not obligations of the State. The proceeds are loaned to eligible borrowers through private lending institutions across the state or directly to municipalities to fund water quality infrastructure. As a self-sustaining entity, the Authority's operating revenues come from loan and investment income, program administration fees, loan servicing, and gains on the sale of mortgage-backed securities (MBS). The Authority is a self-supporting entity and receives no tax appropriations for its operations.

Authority Credit and General Obligation Rating

The unsecured general obligation (GO) of the Authority is rated Aa2 by Moody's Investors Service (Moody's) and AA+ by S&P Global (S&P). These ratings take into account the amount of unrestricted net position maintained by the Authority, as well as certain contingent obligations to which the general obligation of the Authority is pledged. While there is no assurance that these ratings will remain in effect for any period of time, management is committed to maintaining an investment-grade rating of its general obligation.

Overview of the Financial Statements

This annual financial report consists of four parts: the independent auditor's report, the management's discussion and analysis (this section), the basic financial statements, and supplementary schedules. The basic financial statements consist of Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows; and the accompanying Notes to the Financial Statements. The Authority follows enterprise fund accounting. Accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The Statement of Net Position includes all the Authority's assets and liabilities, presented in order of liquidity, as well as deferred outflows and deferred inflows. The organization of the statement separates assets and liabilities into current and non-current components. The resulting Net Position is displayed as either restricted or unrestricted.

Net Position is restricted when assets are subject to external limits such as bond indentures, legal agreements, federal and state statutes, or pledged in connection with the general obligation of the Authority.

The Statement of Revenues, Expenses, and Changes in Net Position accounts for the Authority's current year revenues and expenses. This statement measures the activities of the Authority's operations over the past year and presents the resulting change in net position. It is organized by separating operating revenues and expenses from non-operating revenues and expenses.

The Statement of Cash Flows primarily provides information about the net change in the Authority's cash and cash equivalents for the fiscal year. It provides information about the Authority's cash receipts, cash payments, and net changes in cash resulting from operating, noncapital financing, investing, and capital financing activities. The statement provides information regarding the sources and uses of cash and the change in the cash balance during the reporting period.

The Notes to the Financial Statements provide additional information that is essential for a fair presentation of the basic financial statements.

The basic financial statements are presented on an Authority-wide basis and by the two major funds, the Housing Agency Fund and the State Revolving Fund (SRF). Authority-wide financial statements are provided to display a comprehensive view of all Iowa Finance Authority funds. All the assets in these funds are substantially restricted as to use by the Authority and are available only in accordance with the applicable bond resolutions, federal and Iowa laws, and other outstanding agreements.

Discussion of Individual Funds

The Housing Agency Fund includes the Authority's programs that assist in providing affordable financing for Single-Family and Multi-Family housing, agricultural development for beginning farmers, and real estate title protection. These programs are funded through various ways: issuance of tax-exempt bonds, state and federal funds, tax credits, and fee income. Additionally, the General Operating Account, where program fee receipts are collected and from which Authority operations are paid, is also included within the Housing Agency Fund. See Combining Schedules of Net Position and Revenues, Expenses, and Changes in Net Position.

Single-Family

Single-Family homeownership programs include the FirstHome and Homes for Iowans Programs, which offer eligible first-time and repeat home buyers affordable fixed rate mortgages. In addition, the Authority offers a grant of up to \$2,500 or a second mortgage loan up to 5% of the sales price to help with down payment and closing costs. These loan programs are funded through the issuance of bonds under the 1991 Single-Family Mortgage Bond Resolution, 2009 Single-Family Mortgage Revenue Bond Resolution, or through the sale of MBS in the secondary market.

Multi-Family

The Authority seeks to preserve the existing supply of affordable rental units at risk of being lost and to foster the production of new affordable units through its Multi-Family loan program. These projects are funded through equity or the issuance of bonds.

Federal and State Programs

The Authority receives both state and federal resources that support affordable housing (both single and multi-family) and address homelessness. Financial activity within federal and State programs is primarily grant income and expenses as the Authority mainly passes these grants through to recipients within Iowa. These moneys are restricted for use in accordance with applicable legislation or grant agreements.

Some State programs include Home and Community Based Revolving Loan Programs that provide facilities for seniors, populations with disabilities, and those who need health, nutrition, or respite services. The State Housing Trust Fund provides grants to advance and preserve affordable Single-Family and Multi-Family housing throughout the State.

The Shelter Assistance Fund (SAF) Program supports costs of operations of shelters for the homeless and domestic violence shelters, essential services for the homeless, and evaluation and reporting services for the homeless. In addition, the Authority also administers the Military Homeownership Assistance Program which provides eligible service members and veterans with a \$5,000 grant for down payment and closing costs when purchasing a home in Iowa.

Some federal programs the Authority administers include the HOME Investment Partnerships Program (HOME), the Housing Opportunities for Persons with AIDS (HOPWA) Program, the Emergency Solutions Grant (ESG) Program, and the National Housing Trust Fund (NHTF) which are all funded by the U.S. Department of Housing and Urban Development (HUD). The HOME Program provides no-interest loans to developers to create or rehabilitate affordable rental housing. HOME also provides grants to governmental entities and non-profit organizations to assist low-income households in purchasing a home or providing rental assistance. The HOPWA Program provides housing assistance and supportive services for low-income persons with HIV/AIDS and their families. The ESG Program provides grants to agencies that assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The NHTF Program provides funds to help build, preserve, and rehabilitate housing for extremely low-income households, including homeless families.

The Authority also administered several Covid-related programs for eviction and foreclosure prevention, rent and utility assistance, refugee relocation assistance, and rapid rehousing. In addition, the Authority also administered water infrastructure programs to fund water and sewer system improvements in communities.

Iowa Agricultural Development Division

The Iowa Agricultural Development Division (IADD) administers programs to encourage beginning farmers. The Beginning Farmer Loan Program and Loan Participation Program help Iowa farmers purchase agricultural land, depreciable machinery or equipment, breeding livestock, or buildings. The Beginning Farmer Tax Credit Program allows agricultural asset owners to earn a tax credit for leasing their land to beginning farmers. The Custom Hire Tax Credit Program offers a tax credit to anyone hiring a beginning farmer to do agricultural contract work to produce crops or livestock in Iowa. As a division of the Iowa Finance Authority, the IADD is totally self-supporting.

Iowa Title Guaranty Division

Iowa Title Guaranty Division (ITG) supplements the abstract-attorney's title opinion system by providing a low-cost mechanism for guaranties of real property titles facilitating mortgage lenders' participation in the secondary market and adds to the integrity of Iowa's land-title transfer system. ITG is self-supporting.

General Operating Account

The General Operating Account is where program fee receipts are collected and from which Authority operations are paid. The Authority receives fee income from administering programs such as the Low-Income Housing Tax Credit (LIHTC), Project-Based Section 8, HOME, and various homeless assistance programs. Furthermore, the General Operating Account receives fees from the Private Activity Bond Program, which issues tax-exempt bonds on behalf of private entities or organizations for eligible purposes.

The State Revolving Fund (SRF) is a federal program jointly administered with the Department of Natural Resources (DNR) to provide low-cost financing to Iowa communities and municipalities for the design and construction of water and wastewater infrastructure projects.

The Clean Water SRF funds wastewater treatment, sewer rehabilitation, and storm water quality improvements, as well as non-point source projects. The Drinking Water SRF funds water treatment plants or improvements to existing facilities, water line extensions to existing properties, water storage facilities, wells, and source water protection efforts. The financing for these projects comes in the form of different types of loans depending on the community's need: construction, planning and design, and source water protection. Low-interest loans are also available to public and private borrowers to address storm water management, septic systems, landfill closure, soil erosion, and manure management, for example.

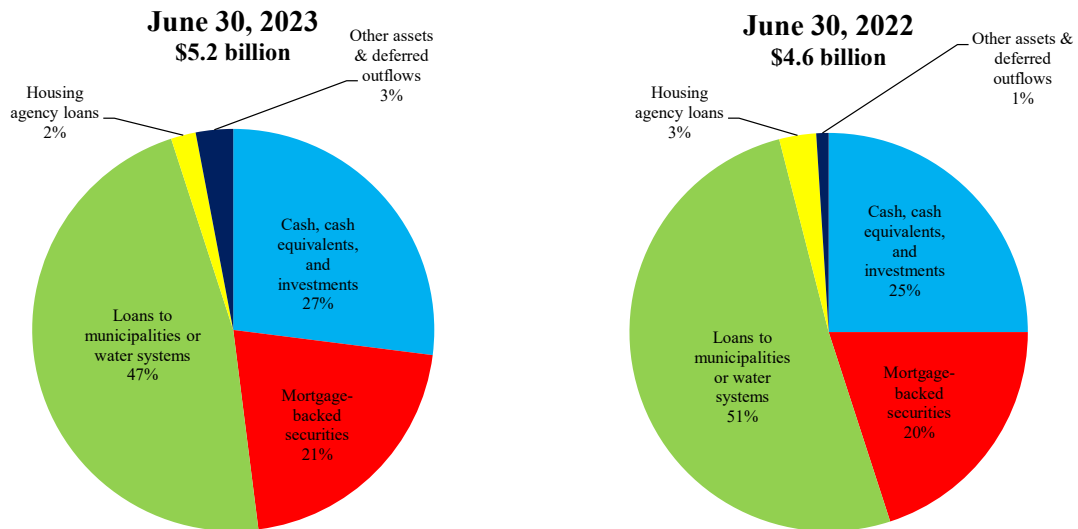
The SRF receives grants from the United States Environmental Protection Agency (EPA) and issues tax-exempt bonds in order to fund projects under the SRF. Loan interest and servicing fees also contribute to the program.

More information regarding these programs is provided in the Notes to Financial Statements.

Condensed Financial Information

The following charts and tables present condensed financial information for fiscal year 2023 and 2022.

Iowa Finance Authority Total Assets and Deferred Outflows as of:



Iowa Finance Authority
(A Component Unit of the State of Iowa)
Management's Discussion and Analysis (Unaudited)
June 30, 2023

Iowa Finance Authority Net Position (Dollars in thousands)				
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>%</u>
Assets:				
Cash and cash equivalents	\$ 1,327,796	\$ 1,071,823	\$ 255,973	23.9%
Mortgage-backed securities	1,089,412	904,935	184,477	20.4%
Investments	91,386	81,056	10,330	12.7%
Loans to municipalities or water systems	2,463,530	2,336,832	126,698	5.4%
Housing agency loans	121,721	119,484	2,237	1.9%
Line of credit receivable	19,617	23,882	(4,265)	-17.9%
Capital assets, net of accumulated depreciation	13,085	14,012	(927)	-6.6%
Other assets	59,856	46,331	13,525	29.2%
Total assets	<u>5,186,403</u>	<u>4,598,355</u>	<u>588,048</u>	<u>12.8%</u>
Deferred outflows	<u>6,668</u>	<u>9,429</u>	<u>(2,761)</u>	<u>-29.3%</u>
Total assets and deferred outflows	<u>\$ 5,193,071</u>	<u>\$ 4,607,784</u>	<u>\$ 585,287</u>	<u>12.7%</u>
Liabilities:				
Current liabilities	\$ 351,009	\$ 332,474	\$ 18,535	5.6%
Noncurrent liabilities	<u>3,365,649</u>	<u>2,868,365</u>	<u>497,284</u>	<u>17.3%</u>
Total liabilities	<u>3,716,658</u>	<u>3,200,839</u>	<u>515,819</u>	<u>16.1%</u>
Deferred inflows	<u>26,840</u>	<u>17,950</u>	<u>8,890</u>	<u>49.5%</u>
Total liabilities and deferred inflows	<u>3,743,498</u>	<u>3,218,789</u>	<u>524,709</u>	<u>16.3%</u>
Net position:				
Net investment in capital assets	13,085	14,012	(927)	-6.6%
Restricted net position	1,423,432	1,367,655	55,777	4.1%
Unrestricted net position	<u>13,056</u>	<u>7,328</u>	<u>5,728</u>	<u>78.2%</u>
Total net position	<u>1,449,573</u>	<u>1,388,995</u>	<u>60,578</u>	<u>4.4%</u>
Total liabilities, deferred inflows and net position	<u>\$ 5,193,071</u>	<u>\$ 4,607,784</u>	<u>\$ 585,287</u>	<u>12.7%</u>

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Management's Discussion and Analysis (Unaudited)
June 30, 2023

Iowa Finance Authority				
Revenues, Expenses, and Changes in Net Position				
(Dollars in thousands)				
	2023	2022	Change	%
Operating revenues:				
Interest income	\$ 107,452	\$ 73,363	\$ 34,089	46.5%
Gain on sale of mortgage-backed securities	661	3,150	(2,489)	-79.0%
Net increase (decrease) in fair value of investments and mortgage-backed securities	(39,168)	(102,650)	63,482	-61.8%
Fee income	25,527	32,468	(6,941)	-21.4%
Other income	1,707	1,707	-	0.0%
Total operating revenues	96,179	8,038	88,141	1096.6%
Operating expenses:				
Interest expense	87,144	70,495	16,649	23.6%
General and administrative	37,499	40,585	(3,086)	-7.6%
Provision (recoveries) for losses	701	(525)	1,226	233.5%
Total operating expenses	125,344	110,555	14,789	13.4%
Net operating income (loss)	(29,165)	(102,517)	73,352	-71.6%
Non-operating revenue (expense):				
Grant income	245,742	220,083	25,659	11.7%
Grants and aid	(155,999)	(162,078)	6,079	-3.8%
Net non-operating revenue	89,743	58,005	31,738	54.7%
Change in net position	60,578	(44,512)	105,090	-236.1%
Net position at beginning of year	1,388,995	1,433,507	(44,512)	-3.1%
Net position at end of year	\$ 1,449,573	\$ 1,388,995	\$ 60,578	4.4%

Financial Analysis – Iowa Finance Authority 2023 (dollars in thousands)

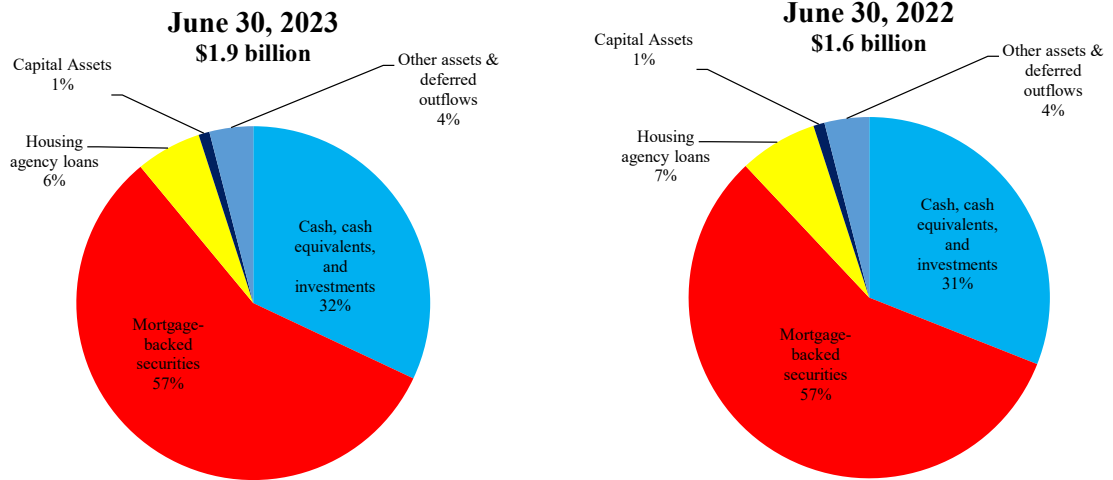
- Assets and deferred outflows increased 12.7% or \$585,287 to \$5,193,071 in fiscal year 2023 due to planned growth in mission assets, federal funds received for emergency rental assistance and homeowner assistance programs, and SRF bond proceeds received awaiting disbursement.
- Mission assets of MBS increased by 20.4%, or \$184,477; and loans to municipalities or water systems (SRF loans) increased 5.4%, or \$126,698.
- The Authority's liabilities and deferred inflows increased by 16.3% or \$524,709 to \$3,743,498 with the issuance of single-family bonds and SRF bonds.
- The Authority issued eight new bond series with proceeds totaling \$1,002,521 to purchase MBS and fund SRF loans. The Authority made bond payments of \$397,073.

Series	Date	Proceeds	Rating
SF 2022 GHI	09/15/2022	\$ 99,999	AAA by S&P; Aaa by Moody's
SF 2022 JK	12/14/2022	67,497	AAA by S&P; Aaa by Moody's
SF 2023 AB	04/13/2023	84,998	AAA by S&P; Aaa by Moody's
SF 2023 CD	06/27/2023	133,022	AAA by S&P; Aaa by Moody's
SRF 2022C	06/28/2023	36,000	No Rating (Private Placement with BofA)
SRF 2022D	09/15/2022	43,525	No Rating (Private Placement with BofA)
SRF 2023 AB	06/15/2023	390,977	Aaa by Moody's; AAA by Fitch
SRF 2023 C	06/15/2023	146,503	Aaa by Moody's; AAA by Fitch
Total		\$ 1,002,521	

See Note 5 - Bonds Payable for more detail on the Authority's debt.

- Interest income increased 46.5% to \$107,452 due to the higher interest rate environment throughout a majority of the fiscal year.
- Gain on sale of MBS decreased 79.0% to \$661 due to lower MBS sales.
- Fair value of investments and MBS increased by \$63,482 due to higher short-term and long-term interest rates.
- Fee income decreased by 21.4% to \$25,527 due to lower volume in Iowa Title Guaranty.
- Interest expense increased 23.6% to \$87,144 due to the new debt issuances mentioned above, offset by interest reductions due to bond calls.
- General and administrative expenses decreased by 7.6% or \$3,086 to \$37,499, due to decreasing costs of consultants engaged as Covid relief programs wind down.
- Grant income increased by 11.7% to \$245,742 due to the timing of various programs administered through the Authority, along with additional capitalization grant funding in the State Revolving Fund from the Environmental Protection Agency as part of the Bipartisan Infrastructure Law (BIL).
- Grants and aid expense decreased by 3.8%, a result of the timing of federal program grant receipts mentioned above.
- The Authority's net position increased 4.4% or \$60,578 to \$1,449,573.

Housing Agency Fund Assets and Deferred Outflows as of:



Iowa Finance Authority
(A Component Unit of the State of Iowa)
Management's Discussion and Analysis (Unaudited)
June 30, 2023

Housing Agency Fund Net Position (Dollars in thousands)				
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>%</u>
Assets:				
Cash and cash equivalents	\$ 605,251	\$ 474,023	\$ 131,228	27.7%
Mortgage-backed securities	1,089,412	904,935	184,477	20.4%
Investments	-	12,662	(12,662)	-100.0%
Housing agency loans	121,721	119,484	2,237	1.9%
Line of credit	19,617	23,882	(4,265)	-17.9%
Capital assets, net of accumulated depreciation	13,085	14,012	(927)	-6.6%
Other assets	52,354	41,481	10,873	26.2%
Total assets	<u>1,901,440</u>	<u>1,590,479</u>	<u>310,961</u>	<u>19.6%</u>
Deferred outflows	<u>3,562</u>	<u>3,791</u>	<u>(229)</u>	<u>-6.0%</u>
Total assets and deferred outflows	<u>\$ 1,905,002</u>	<u>\$ 1,594,270</u>	<u>\$ 310,732</u>	<u>19.5%</u>
Liabilities:				
Current liabilities	\$ 244,627	\$ 234,397	\$ 10,230	4.4%
Noncurrent liabilities	1,306,132	996,599	309,533	31.1%
Total liabilities	<u>1,550,759</u>	<u>1,230,996</u>	<u>319,763</u>	<u>26.0%</u>
Deferred inflows	<u>18,544</u>	<u>17,607</u>	<u>937</u>	<u>5.3%</u>
Total liabilities and deferred inflows	<u>1,569,303</u>	<u>1,248,603</u>	<u>320,700</u>	<u>25.7%</u>
Net position:				
Net investment in capital assets	13,085	14,012	(927)	-6.6%
Restricted net position	309,558	324,327	(14,769)	-4.6%
Unrestricted net position	13,056	7,328	5,728	78.2%
Total net position	<u>335,699</u>	<u>345,667</u>	<u>(9,968)</u>	<u>-2.9%</u>
Total liabilities, deferred inflows and net position	<u>\$ 1,905,002</u>	<u>\$ 1,594,270</u>	<u>\$ 310,732</u>	<u>19.5%</u>

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Management's Discussion and Analysis (Unaudited)
June 30, 2023

Housing Agency Fund Revenues, Expenses, and Changes in Net Position (Dollars in thousands)				
	2023	2022	Change	%
Operating revenues:				
Interest income	\$ 50,844	\$ 31,167	\$ 19,677	63.1%
Gain on sale of mortgage-backed securities	661	3,150	(2,489)	-79.0%
Net increase (decrease) in fair value of investments and mortgage-backed securities	(38,852)	(101,038)	62,186	-61.5%
Fee income	18,059	25,354	(7,295)	-28.8%
Other income	1,707	1,707	-	0.0%
Total operating revenues	32,419	(39,660)	72,079	-181.7%
Operating expenses:				
Interest expense	32,889	18,884	14,005	74.2%
General and administrative	26,283	31,609	(5,326)	-16.8%
Provision (recoveries) for losses	738	(500)	1,238	247.6%
Total operating expenses	59,910	49,993	9,917	19.8%
Net operating income (loss)	(27,491)	(89,653)	62,162	-69.3%
Non-operating revenue (expense):				
Grant income	165,937	180,492	(14,555)	-8.1%
Grants and aid	(148,414)	(159,084)	10,670	-6.7%
Net non-operating revenue (expense)	17,523	21,408	(3,885)	-18.1%
Change in net position	(9,968)	(68,245)	58,277	-85.4%
Net position at beginning of year	345,667	413,912	(68,245)	-16.5%
Net position at end of year	\$ 335,699	\$ 345,667	\$ (9,968)	-2.9%

Financial Analysis – Housing Agency Fund 2023 (dollars in thousands)

- Assets and deferred outflows increased 19.5% or \$310,732 to \$1,905,002 due to the strategic goal of increasing the amount of MBS held and the receipt of federal program funding for emergency rental assistance and homeowner assistance programs.
- Liabilities and deferred inflows increased 25.7% or \$320,700 to \$1,569,303 with the issuance of bonds to purchase MBS and unspent federal program funding mentioned above.
- The Housing Agency issued debt with proceeds totaling \$385,516 to purchase MBS; and made bond payments of \$40,533.

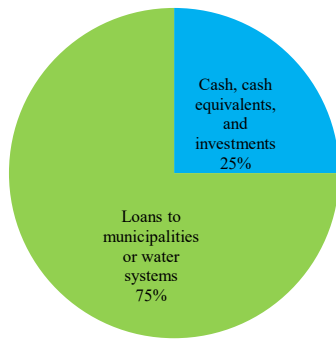
Series	Date	Proceeds	Rating
SF 2022 GHI	09/15/2022	\$ 99,999	AAA by S&P; Aaa by Moody's
SF 2022 JK	12/14/2022	67,497	AAA by S&P; Aaa by Moody's
SF 2023 AB	04/13/2023	84,998	AAA by S&P; Aaa by Moody's
SF 2023 CD	06/27/2023	133,022	AAA by S&P; Aaa by Moody's
Total		<u>\$ 385,516</u>	

See Note 5 - Bonds Payable for more detail on the Authority's debt.

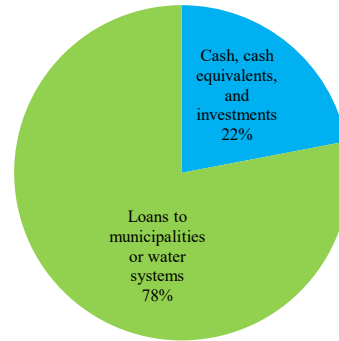
- Interest income increased by 63.1% to \$50,844 due to higher interest rates throughout the year on investments and cash balances.
- Gain on sale of MBS decreased 79.0% to \$661 due to lower MBS sales.
- Fair value of investments and MBS increased by \$62,186 due to higher short-term and long-term interest rates.
- Fee income decreased by 28.8% to \$18,059 due to lower volume in Iowa Title Guaranty.
- Interest expense increased 74.2% to \$32,889 due to the new debt issuances mentioned above, offset by interest reductions due to bond calls.
- General and administrative expenses decreased 16.8% to \$26,283 due to decreasing costs of consultants engaged as Covid relief programs wind down.
- Grant income decreased 8.1% to \$165,937 due to the timing of federal funding for various programs administered through the Authority.
- Grants and aid expense decreased 6.7%; a result of the timing of federal program grant receipts mentioned above.
- Net position decreased 2.9% or \$9,968 to \$335,699.

State Revolving Fund Assets and Deferred Outflows as of:

June 30, 2023
\$3.3 billion



June 30, 2022
\$3.0 billion



Iowa Finance Authority
(A Component Unit of the State of Iowa)
Management's Discussion and Analysis (Unaudited)
June 30, 2023

	State Revolving Fund Net Position (Dollars in thousands)			
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>%</u>
Assets:				
Cash and cash equivalents	\$ 722,545	\$ 597,800	\$ 124,745	20.9%
Investments	91,386	68,394	22,992	33.6%
Loans to municipalities or water systems	2,463,530	2,336,832	126,698	5.4%
Other assets	7,502	4,850	2,652	54.7%
Total assets	<u>3,284,963</u>	<u>3,007,876</u>	<u>277,087</u>	<u>9.2%</u>
Deferred outflows	<u>3,106</u>	<u>5,638</u>	<u>(2,532)</u>	<u>-44.9%</u>
Total assets and deferred outflows	<u>\$ 3,288,069</u>	<u>\$ 3,013,514</u>	<u>\$ 274,555</u>	<u>9.1%</u>
Liabilities:				
Current liabilities	\$ 106,382	\$ 98,077	\$ 8,305	8.5%
Noncurrent liabilities	<u>2,059,517</u>	<u>1,871,766</u>	<u>187,751</u>	<u>10.0%</u>
Total liabilities	<u>2,165,899</u>	<u>1,969,843</u>	<u>196,056</u>	<u>10.0%</u>
Deferred inflows	<u>8,296</u>	<u>343</u>	<u>7,953</u>	<u>2318.7%</u>
Total liabilities and deferred inflows	<u>2,174,195</u>	<u>1,970,186</u>	<u>204,009</u>	<u>10.4%</u>
Net position:				
Restricted net position	<u>1,113,874</u>	<u>1,043,328</u>	<u>70,546</u>	<u>6.8%</u>
Total net position	<u>1,113,874</u>	<u>1,043,328</u>	<u>70,546</u>	<u>6.8%</u>
Total liabilities, deferred inflows and net position	<u>\$ 3,288,069</u>	<u>\$ 3,013,514</u>	<u>\$ 274,555</u>	<u>9.1%</u>

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Management's Discussion and Analysis (Unaudited)
June 30, 2023

State Revolving Fund Revenues, Expenses, and Changes in Net Position (Dollars in thousands)				
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>%</u>
Operating revenues:				
Interest income	\$ 56,608	\$ 42,196	\$ 14,412	34.2%
Net (decrease) increase in fair value of investments	(316)	(1,612)	1,296	-80.4%
Fee income	7,468	7,114	354	5.0%
Total operating revenues	<u>63,760</u>	<u>47,698</u>	<u>16,062</u>	<u>33.7%</u>
Operating expenses:				
Interest expense	54,255	51,611	2,644	5.1%
General and administrative	11,216	8,976	2,240	25.0%
Recoveries of losses	(37)	(25)	(12)	48.0%
Total operating expenses	<u>65,434</u>	<u>60,562</u>	<u>4,872</u>	<u>8.0%</u>
Net operating income (loss)	<u>(1,674)</u>	<u>(12,864)</u>	<u>11,190</u>	<u>-87.0%</u>
Non-operating revenue (expense):				
Grant income	79,805	39,591	40,214	101.6%
Grants and aid	(7,585)	(2,994)	(4,591)	153.3%
Net non-operating revenue (expense)	<u>72,220</u>	<u>36,597</u>	<u>35,623</u>	<u>97.3%</u>
Change in net position	70,546	23,733	46,813	197.2%
Net position at beginning of year	1,043,328	1,019,595	23,733	2.3%
Net position at end of year	<u>\$ 1,113,874</u>	<u>\$ 1,043,328</u>	<u>\$ 70,546</u>	<u>6.8%</u>

Financial Analysis – State Revolving Fund 2023 (dollars in thousands)

- Assets and deferred outflows increased 9.1% or \$274,555 to \$3,288,069 due to the strategic goal of increasing loans to municipalities and water systems.
- Liabilities and deferred inflows increased by 10.4% or \$204,009 to \$2,174,195 in order to finance the additional loans mentioned above.
- The State Revolving Fund issued debt with proceeds totaling \$617,005; and made bond payments of \$356,540.

Series	Date	Proceeds	Rating
SRF 2022C	06/28/2023	\$ 36,000	No Rating (Private Placement with BofA)
SRF 2022D	09/15/2022	43,525	No Rating (Private Placement with BofA)
SRF 2023 AB	06/15/2023	390,977	Aaa by Moody's; AAA by Fitch
SRF 2023 C	06/15/2023	146,503	Aaa by Moody's; AAA by Fitch
Total		\$ 617,005	

See Note 5 - Bonds Payable for more detail on the Authority's debt.

- Interest income increased 34.2% to \$56,608 due to higher interest rates throughout the year on investments and cash balances.
- Fee income increased 5.0% to \$7,468 due to the higher loan balances.
- Interest expense increased 5.1% to \$54,255 due to the higher bond balances.
- General and administrative expenses increased 25.0% to \$11,216 due to additional cost of issuance on the above referenced bond issues.
- Grant income increased 101.6% to \$79,805 due to additional capitalization grant funding from the Environmental Protection Agency as part of the Bipartisan Infrastructure Law (BIL), including Clean Water General Supplemental Capitalization Grants of \$26,490 and Drinking Water General Supplemental Capitalization Grants of \$31,350.
- Grants and aid expense increased 153.3% to \$7,585 due to additional subsidization requirements related to the BIL funding described above.
- As a result, net position increased 6.8% or \$70,546 to \$1,113,874.

Currently Known Facts, Decisions, or Conditions

The Authority issued Single-Family Mortgage Bonds on September 20, 2023, in the par amount of \$99.7 million. Proceeds will be used to purchase mortgage-backed securities under the Authority's FirstHome and Homes for Iowans program and finance closing costs and down payment assistance.

The Authority executed a bond purchase agreement for a Direct Placement in the amount of \$36.0 million with Bank of America, N.A. on September 6, 2022. The bonds closed on June 28, 2023, and will refund the State Revolving Fund Series 2013 Bonds on August 1, 2023.

At this time, the Authority is not aware of any other facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

Requests for Information

This financial report is designed to provide a general overview of the Iowa Finance Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Iowa Finance Authority
ATTN: Chief Financial Officer
1963 Bell Avenue, Suite 200
Des Moines, IA 50315

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Statement of Net Position
(Dollars in thousands)
June 30, 2023

Assets	Housing Agency Fund	State Revolving Fund	Total
Current assets (substantially restricted):			
Cash and cash equivalents	\$ 605,251	\$ 722,545	\$ 1,327,796
Investments in mortgage-backed securities	28,021	-	28,021
Other investments	-	69,750	69,750
Loans to municipalities or water systems, net	-	169,163	169,163
Housing Agency loans, net	16,017	-	16,017
Line of credit receivable	19,617	-	19,617
Accrued interest receivable	4,818	5,968	10,786
Other current assets	2,271	1,534	3,805
Total current assets	<u>675,995</u>	<u>968,960</u>	<u>1,644,955</u>
Noncurrent assets (substantially restricted):			
Investments in mortgage-backed securities	1,061,391	-	1,061,391
Other investments	-	21,636	21,636
Loans to municipalities or water systems, net	-	2,294,367	2,294,367
Housing Agency loans, net	105,704	-	105,704
Capital assets, net of accumulated depreciation	13,085	-	13,085
Other noncurrent assets	45,265	-	45,265
Total noncurrent assets	<u>1,225,445</u>	<u>2,316,003</u>	<u>3,541,448</u>
Total assets	<u>1,901,440</u>	<u>3,284,963</u>	<u>5,186,403</u>
Deferred Outflows of Resources			
Other post employment benefits	385	19	404
Pension plan	1,030	80	1,110
Accumulated decrease in fair value of hedging derivatives	11	-	11
Loss on bond refunding	2,136	3,007	5,143
Total deferred outflows of resources	<u>3,562</u>	<u>3,106</u>	<u>6,668</u>
Liabilities			
Current liabilities:			
Bonds payable, net	49,992	77,195	127,187
Accrued interest payable	14,047	28,288	42,335
Escrow deposits	11,311	-	11,311
Unearned revenue	164,097	-	164,097
Accounts payable and other liabilities	5,180	899	6,079
Total current liabilities	<u>244,627</u>	<u>106,382</u>	<u>351,009</u>
Noncurrent liabilities:			
Bonds payable, net	1,298,839	2,059,218	3,358,057
Reserves for claims	1,778	-	1,778
Other liabilities	5,515	299	5,814
Total noncurrent liabilities	<u>1,306,132</u>	<u>2,059,517</u>	<u>3,365,649</u>
Total liabilities	<u>1,550,759</u>	<u>2,165,899</u>	<u>3,716,658</u>
Deferred Inflows of Resources			
Other post employment benefits	365	18	383
Pension plan	743	57	800
Accumulated increase in fair value of hedging derivatives	17,436	-	17,436
Gain on bond refunding	-	8,221	8,221
Total deferred inflows of resources	<u>18,544</u>	<u>8,296</u>	<u>26,840</u>
Net Position			
Net investment in capital assets	13,085	-	13,085
Restricted net position:			
Per bond resolutions	181,605	923,011	1,104,616
Per legislation	88,500	-	88,500
Per other agreements	39,453	190,863	230,316
Total restricted net position	<u>309,558</u>	<u>1,113,874</u>	<u>1,423,432</u>
Unrestricted net position	13,056	-	13,056
Total net position	<u>\$ 335,699</u>	<u>\$ 1,113,874</u>	<u>\$ 1,449,573</u>

Iowa Finance Authority
 (A Component Unit of the State of Iowa)
 Statement of Revenues, Expenses, and Changes in Net Position
 (Dollars in thousands)
 Year Ended June 30, 2023

	Housing Agency Fund	State Revolving Fund	Total
Operating revenues:			
Interest on mortgage-backed securities	\$ 35,209	\$ -	\$ 35,209
Interest on loans	4,688	41,501	46,189
Interest on investments	10,947	15,107	26,054
Gain on the sale of mortgage-backed securities	661	-	661
Net decrease in fair value of investments and mortgage-backed securities	(38,852)	(316)	(39,168)
Fee income	18,059	7,468	25,527
Other income	1,707	-	1,707
Total operating revenues	<u>32,419</u>	<u>63,760</u>	<u>96,179</u>
Operating expenses:			
Interest expense	32,889	54,255	87,144
General and administrative	26,283	11,216	37,499
Recoveries of losses	738	(37)	701
Total operating expenses	<u>59,910</u>	<u>65,434</u>	<u>125,344</u>
Net operating income (loss)	(27,491)	(1,674)	(29,165)
Non-operating revenue (expense):			
Grant income	165,937	79,805	245,742
Grants and aid	(148,414)	(7,585)	(155,999)
Net non-operating revenue (expense)	<u>17,523</u>	<u>72,220</u>	<u>89,743</u>
Change in net position	(9,968)	70,546	60,578
Net position at July 1, 2022	345,667	1,043,328	1,388,995
Net position at June 30, 2023	<u>\$ 335,699</u>	<u>\$ 1,113,874</u>	<u>\$ 1,449,573</u>

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Statement of Cash Flows
(Dollars in thousands)
Year Ended June 30, 2023

	Housing Agency Fund	State Revolving Fund	Totals
Cash flows from operating activities:			
Cash receipts for fees and other income	\$ 19,592	\$ 7,458	\$ 27,050
Interest received on loans and mortgage-backed securities	38,139	39,703	77,842
Principal payments on loans and mortgage-backed securities	442,965	178,870	621,835
Purchase of loans and mortgage-backed securities	(688,031)	(312,118)	(1,000,149)
Proceeds on sale of mortgage-backed securities	27,479	-	27,479
Custodial deposits received	261,461	-	261,461
Custodial deposits disbursed	(262,597)	-	(262,597)
Cash payments for salaries and related benefits	(13,876)	(1,066)	(14,942)
Cash payments to suppliers	(16,671)	(10,814)	(27,485)
Net cash used in operating activities	<u>(191,539)</u>	<u>(97,967)</u>	<u>(289,506)</u>
Cash flows from noncapital financing activities:			
Proceeds from issuance of bonds	385,516	617,005	1,002,521
Repayment of bonds	(40,533)	(356,540)	(397,073)
Interest paid	(26,256)	(66,566)	(92,822)
Payments for cost of issuance	(3,517)	(3,215)	(6,732)
Receipts for grant programs	137,782	79,040	216,822
Payments for grant programs	(153,592)	(1,037)	(154,629)
Net cash provided by noncapital and related financing activities	<u>299,400</u>	<u>268,687</u>	<u>568,087</u>
Cash flows from investing activities:			
Purchases of investments	-	(119,455)	(119,455)
Interest received on investments	10,810	15,107	25,917
Sales/maturities of investments	12,769	58,373	71,142
Net cash provided by (used in) investing activities	<u>23,579</u>	<u>(45,975)</u>	<u>(22,396)</u>
Cash flows from capital financing activities:			
Purchase of capital assets	(212)	-	(212)
Net cash used in capital financing activities	<u>(212)</u>	<u>-</u>	<u>(212)</u>
Change in cash and cash equivalents	131,228	124,745	255,973
Cash and cash equivalents, beginning of year	474,023	597,800	1,071,823
Cash and cash equivalents, end of year	<u>\$ 605,251</u>	<u>\$ 722,545</u>	<u>\$ 1,327,796</u>
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income (loss)	\$ (27,491)	\$ (1,674)	\$ (29,165)
Interest on investments	(10,947)	(15,107)	(26,054)
Interest on bonds	29,372	51,040	80,412
Payments for cost of issuance	3,517	3,215	6,732
Net decrease in fair value of investments and mortgage-backed securities	38,954	316	39,270
Provision for loan losses	2,055	-	2,055
Change in fair value of investment derivatives	(102)	-	(102)
Depreciation and loss on disposal of capital assets	1,139	-	1,139
Increase in loans and mortgage-backed securities	(218,249)	(133,248)	(351,497)
Increase in interest receivable on loans and mortgage-backed securities	(1,758)	(1,797)	(3,555)
Decrease in custodial deposits	(1,136)	-	(1,136)
Increase in other assets and deferred outflows	(9,066)	(105)	(9,171)
Increase (decrease) in accounts payable, other liabilities, and deferred inflows	2,173	(607)	1,566
Net cash used in operating activities	<u>\$ (191,539)</u>	<u>\$ (97,967)</u>	<u>\$ (289,506)</u>

See Accompanying Notes to Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

(a) Organization

The Iowa Finance Authority (the Authority) was created in 1975 under Chapter 16 of the Code of Iowa as a public instrumentality and agency of the State of Iowa (the State) to undertake programs that assist in attainment of adequate housing for low- or moderate-income families, elderly families, and families that include one or more persons with disabilities. The Authority is authorized and has issued bonds for these purposes, the proceeds of which are used to provide affordable mortgage financing. The bonds are payable, principally, from repayments of such mortgage loans. These obligations do not constitute a debt of the State and, consequently, the State is not liable for any repayments.

To further accomplish these purposes, the Authority is authorized to allocate federal low-income housing tax credits for qualified Multi-Family housing developments in the State. In addition, federal grants and certain other funds of the Authority are utilized through its various housing assistance programs to provide low-interest loans or grants to assist the homeless and low-income Iowans in obtaining adequate housing.

The Authority has contracted with the United States Department of Housing and Urban Development (HUD) to serve as contract administrator for Section 8 Housing Assistance Payment (HAP) contracts. The Authority disburses subsidy payments monthly to the Multi-Family projects and monitors the individual units and projects for compliance with HUD regulations.

Chapter 16 of the Code of Iowa authorizes the Private Activity Bond Program. The Authority is authorized and has issued revenue bonds under this program, the proceeds of which have been used to provide limited types of financing for qualified manufacturing facilities, nonprofit entities, and Multi-Family housing projects. The bonds have been assigned, without recourse, to participating financial institutions or to the trustee on behalf of bondholders. Neither the Authority nor the State is obligated to pay debt service on such bonds. Therefore, the loans and bonds are not recorded in the Authority's financial statements. For the year ended June 30, 2023, the Authority issued \$172.2 million of these conduit obligations, and \$14.9 billion since the inception of the program.

The Iowa Legislature created Iowa Title Guaranty (ITG), a division of the Iowa Finance Authority, in 1986 within Chapter 16 of the Code of Iowa. ITG offers guaranties of real property titles as an adjunct to Iowa's abstract-attorney's title opinion system, providing a low-cost mechanism for guaranties of real-property titles to facilitate mortgage lenders' participation in the secondary market. ITG's mission also includes protecting the integrity of Iowa's land-title transfer system and supporting affordable housing by transferring all revenues in excess of operating expenses and adequate reserves to the Authority's housing assistance fund.

ITG is self-supporting and charges premiums sufficient to cover the program's operating costs, including payment of administrative costs and the maintenance of an adequate reserve against claims. An ITG title certificate, closing protection letter or gap coverage is an obligation of ITG only. All ITG claims, including those related to the mortgage release program, are payable solely out of the assets and revenues of ITG and are not an indebtedness of the State of Iowa and, consequently, the State is not liable for any repayments.

Chapter 455B and Chapter 16 of the Code of Iowa authorize the Authority, jointly and in cooperation with the Iowa Department of Natural Resources (DNR), to undertake the creation, administration and financing of the Iowa Water Pollution Control Works Financing Program (the Clean Water State Revolving Fund (CWSRF) Program) and the Iowa Drinking Water Facilities Financing Program (the Drinking Water State Revolving Fund (DWSRF) Program). These programs were created to implement provisions of federal legislation. The U.S. Environmental Protection Agency (EPA) makes annual capitalization grants to states for these programs. The Authority is authorized and has issued revenue bonds to meet the 20% State match required to receive the base capitalization grants and provide additional funds to make loans to finance all or part of the construction of wastewater and drinking water facilities.

In 2021, Congress passed the Infrastructure Investment and Jobs Act (“IIJA”), otherwise known as the Bipartisan Infrastructure Law (“BIL”), allowing states to receive additional capitalization grants under the Clean Water Act and Safe Drinking Water Act. The BIL supplemental capitalization grants for federal fiscal years 2022, 2023, and 2024 are subject to a ten percent (10%) State match requirement. BIL supplemental capitalization grants for federal fiscal years 2025 and 2026 will be subject to a twenty percent (20%) State match requirement. The Authority is further authorized to issue and has issued revenue bonds to meet the State match required to receive the BIL supplemental capitalization grants. The bonds are limited obligations of the Authority payable solely from repayments of the loans and other assets and revenues pledged under the applicable bond indentures. The obligations do not constitute a debt of the State or a general obligation of the Authority.

The Iowa Agriculture Development Authority (IADA) became a division of the Authority effective July 1, 2013. It is now called the Iowa Agricultural Development Division (IADD). The Authority received all assets, liabilities and net position of the IADA. Chapter 16 of the Code of Iowa authorizes the Authority to issue bonds for the purpose of financing loans to beginning farmers. These obligations do not constitute a general obligation of the Authority or the State. Therefore, the bonds are not recorded in the Authority’s financial statements. For the year ended June 30, 2023, the IADD issued \$17.5 million of these conduit obligations, and \$656.1 million since the inception of the program.

The Authority is a component unit of the State. The Authority’s financial statements are included in the State’s annual comprehensive financial report.

(b) Basis of Presentation

The financial statements have been prepared using the economic resources measurement focus and accrual basis of accounting in accordance with the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

(c) Fund Accounting

The Authority’s accounts are organized as major funds, each of which is a separate set of self-balancing accounts for the assets, liabilities, net position, revenues, and expenses of the Authority’s programs. The Authority presents two major funds: (1) Housing Agency Fund, and (2) State Revolving Fund (SRF).

The following describes the nature of the major funds currently maintained by the Authority:

Housing Agency Fund – Consists of:

- i. General Operating Accounts – account for the administrative operations of the Authority, receipts of various program fees, HUD contract administration fees, transfers to or from various bond accounts in accordance with applicable bond resolutions, income and expenses for facility operations, and administrative expenses of the Authority.
- ii. Single-Family Bond Programs – account for the proceeds from bonds issued under the Single-Family Mortgage Bond Resolution and the Single-Family Mortgage Revenue Bond Resolution, the debt service requirements of the bonds, the investment of moneys held within the bond accounts, the related loans, and mortgage-backed securities. The bonds within the Single-Family Mortgage Bond Resolution are general obligations of the Authority but are primarily payable from assets and revenues pledged under the bond resolution. The bonds within the Single-Family Mortgage Revenue Bond Resolution are not a general obligation of the Authority but are limited obligations payable solely from the sources provided in this Resolution.

- iii. Multi-Family Bond Programs – account for the proceeds from bonds issued under the Multi-Family Housing Bonds Master Trust Indenture, the debt service requirements of the bonds, the investment of moneys held within the bond accounts, and the related loans. The bonds within the Multi-Family programs are general obligations of the Authority but are primarily payable from assets and revenues pledged under the bond resolutions.
- iv. Federal and State Programs – account for federal grants or State appropriations received and moneys transferred from ITG, all specifically restricted or committed for uses in accordance with applicable legislation or grant agreements.
- v. Iowa Agricultural Development Division – accounts for the administrative operations of IADD made up of receipts of various program fees and administrative expenses.
- vi. Iowa Title Guaranty Division – accounts for the fees charged for title guaranty certificates, endorsement, and closing protection letters and the administrative costs and claims paid by ITG. Moneys in this account, after providing for adequate reserves and operating expenses, are transferred to the Housing Assistance Program.

State Revolving Fund (SRF) – Consists of:

- i. Clean Water Program Accounts – account for the proceeds of Clean Water Program revenue bonds, the debt service requirements of the bonds, the investment of moneys held within the bond accounts and the equity account, receipt of EPA capitalization grants, the related wastewater treatment facility loans to municipalities, and administrative costs of the program. The bonds are secured by certain loan agreements and other assets and revenues pledged under the applicable bond indentures for the SRF.
- ii. Drinking Water Program Accounts – account for the proceeds of Drinking Water Program revenue bonds, the debt service requirements of the bonds, the investment of moneys held within the bond accounts and the equity account, receipt of EPA capitalization grants, the related drinking water facility loans to Iowa drinking water systems, and administrative costs of the program. The bonds are secured by certain loan agreements and other assets and revenues pledged under the applicable bond indentures for the SRF.

(d) Substantially Restricted Assets

Virtually all assets of the Authority are either specifically pledged to bondholders, held on behalf of various federal and state programs, held in escrow accounts, or pledged in connection with the general obligation of the Authority.

(e) Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments with original maturity of three months or less from the date of purchase are considered to be cash equivalents. These investments include the moneys deposited in the State’s interest-bearing pooled money funds, investment agreements associated with bond issues, and various money market funds.

(f) Investments

Under the various bond resolutions, State statutes, and the Authority’s investment policy, the Authority may invest in U.S. government and agency securities, and municipal obligations directly or through repurchase agreements secured by such obligations, certificates of deposit in qualified financial institutions, pooled money funds with the State, commercial paper with qualified corporations, and investment agreements with U.S. government agencies, qualified financial institutions, or qualified corporations.

Investments and mortgage-backed securities are recorded at fair value in the statement of net position, with the change in the fair value recorded in the statement of revenues, expenses, and changes in net position.

(g) *Loans to Municipalities or Water Systems, Net*

Loans to municipalities or water systems are recorded at their unpaid principal balance, net of allowance for loans losses, within the SRF. The loans generally have terms of 20 to 30 years and are intended to be held to maturity. The loans are pledged as collateral for the bonds outstanding. Each municipality or water system has entered into a loan agreement with the Authority and has evidenced its commitment to repay the loan by issuing a revenue obligation or a general obligation to the Authority.

(h) *Housing Agency Loans, Net*

The Authority receives federal funds to make housing loans in connection with various federal programs for the State. These funds must be repaid to the federal government in the event of failure of the project. Loan repayments must remain within the program and be immediately loaned or granted to program recipients based upon the rules of the program.

Other Housing Agency loans are recorded at their unpaid principal balance, net of allowance for loan losses. The loans are intended to be held to maturity and are secured by first or second mortgages, other types of collateral, or are unsecured.

(i) *Provision for Loan Losses*

An evaluation of possible credit losses related to housing loans made with federal funds is made and a provision for losses is charged to grant expense. An allowance for losses of \$96.2 million was netted against housing loans made with federal funds at June 30, 2023.

An evaluation of possible credit losses relating to other Housing Agency loans is made and a provision for losses is charged to provision (recoveries) of loan losses. An allowance for losses of \$3.1 million was netted against other Housing Agency loans at June 30, 2023.

An evaluation of possible credit losses relating to loans to municipalities or water systems is made and a provision for losses is charged to provision (recoveries) of loan losses or grant expense. An allowance for losses of \$13.5 million was netted against loans to municipalities or water systems at June 30, 2023.

(j) *Line of Credit Receivable*

On March 1, 2023, the Authority renewed a \$45.0 million line of credit with its master servicer, Idaho Housing and Finance Association. The master servicer will draw on the line of credit to purchase qualified mortgage loans from the Authority's participating lenders. The Authority receives a first security position on the qualified mortgage loans as collateral. Unpaid balances on the line of credit bear interest at a rate equal to that of the qualified mortgage loans purchased, less a small spread. The line of credit expires on December 31, 2023. As of June 30, 2023, the balance outstanding was \$19.6 million.

(k) *Capital Assets*

Furniture, fixtures, and office equipment that exceed \$5.0 thousand individually, or groups of similar assets less than \$5.0 thousand individually but more than \$10.0 thousand in total, are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets, which range from 3 to 10 years.

Real estate purchased is recorded at cost. Land is recorded at net tax value at the time of the purchase and is not depreciated. Reasonable estimates are used to assign cost to major components and depreciated using the straight-line method over the useful lives of the assets of 15 years. The remaining cost was assigned to the building and depreciated using the straight-line method over 40 years.

(l) *Deferred Down Payment Assistance*

Down payment grant assistance paid in connection with the Authority's Single-Family Program is deferred and amortized over 10 years. As of June 30, 2023, there was a balance of \$9.4 million included in other assets.

(m) *Deferred Service Release Premium*

Service release premium is paid to the loan originator in connection with the Authority's Single-Family Program and amortized over the life of the loan. As of June 30, 2023, there was a balance of \$19.2 million included in other assets.

(n) *Bond Issuance Costs*

Bond issuance costs are expensed in the period incurred.

(o) *Bond Premiums, Discounts, and Gains and Losses on Refunding*

Bond premiums and discounts are amortized as an adjustment to interest expense over the life of the related bond issues using the bonds outstanding method. Gains and losses on bond refunding are recorded as deferred inflows of resources or deferred outflows of resources, respectively, and are deferred and amortized as an adjustment to interest expense over the shorter of the remaining life of the refunded bonds or the new bonds using the bonds outstanding method.

(p) *Custodial Deposits*

ITG holds custodial deposits in relation to its commercial title guaranty, escrow and closing services. These funds are reported in the statement of net position of business-type activities and are expected to be held less than three months.

(q) *Escrow Deposits*

The Authority collects funds to pay property insurance, real estate taxes, and reserves in connection with certain housing loans. In addition, ITG serves as escrow agent in connection with commercial real estate transactions.

(r) *Reserves for Claims*

ITG maintains a liability for claims exposure on title guaranties due to title defects. A known claims reserve is provided for all claims in which ITG reasonably believes payment will be owed. The known claims reserve is set in the amount of the reasonably anticipated loss and expenses. In addition, an unallocated claims reserve, which includes incurred but not reported (IBNR) reserve and unallocated loss adjustment expenses (ULAE) reserve, is provided based on an annual actuarial valuation that considers coverage amounts, claims history, and other economic factors. Changes in reserves are charged or credited to operating expenses. At June 30, 2023, known claims reserve and unallocated claims reserve were \$320 thousand and \$1.46 million, respectively.

(s) *Rebates Owed*

The amount of investment income the Authority may earn and retain on the proceeds of bonds issued in 1982 and after is limited by federal legislation. Earnings in excess of the allowable amount must be rebated to either the mortgagors or the U.S. Treasury. At June 30, 2023, \$81.0 thousand of such excess earnings are recorded as other liabilities on the statement of net position.

(t) *Unearned Revenue*

Compliance monitoring fees received by the Authority at the time a Low-Income Housing Tax Credit (LIHTC) project is placed in service are deferred and used to defray the administrative expenses of the Authority for annually monitoring the project's continued compliance with federal regulations. These fees are amortized over the 15-year compliance period. At June 30, 2023, \$255.0 thousand of such unearned revenue is recorded.

In addition, grant funds received, that would revert if not spent, are recorded as unearned revenue. On June 30, 2023, the Authority held \$56.1 million of unspent Emergency Rental Assistance (ERA1) funds for a rent and utility assistance program that ended during the 2023 fiscal year. The Authority held unspent ERA2 funds of \$54.6 million for rapid rehousing, refugee resettlement and coordinated entry programs. There is an additional \$53.2 million of unspent Homeowner Assistance Funds and Water Infrastructure Funds (from American Rescue Plan Act), for a total of \$163.9 million in unearned revenue related to grant funds received.

(u) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

(v) Net Position

Restricted net position represents net position set aside, as required by the various bond resolutions, for the benefit of the respective bond owners. Assets related to such restricted net position include required reserves, loans or mortgage-backed securities (MBS), assets held for placement into loans or MBS, investments, and assets held for scheduled debt service. Restricted net position also represents net position specifically restricted for uses in accordance with applicable legislation, including ITG and the Federal and State Programs. It is the Authority's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Restricted net position also represents net position restricted for use by other agreements including loans and accounts held under the Clean Water Program accounts and the Drinking Water Program accounts, which are restricted pursuant to the Master Trust Agreement and federal laws or regulations.

Unrestricted net position provides additional security for the Authority's general obligations and coverage of the Authority's administrative costs. Unrestricted net position is available to meet commitments listed under Note 10 - Commitments and Contingencies.

(w) Classification of Revenues and Expenses

The Authority distinguishes operating revenues and expenses from non-operating items. The principal operating revenues are interest income on loans, MBS, and investments; gain on the sale of MBS; change in fair value of investments, MBS, and investment derivative instruments; and fees received in connection with ITG, administration of the U.S. Department of Housing and Urban Development's Section 8 Housing Assistance Payments program and Low-Income Housing Tax Credit programs. Operating expenses include interest expense; general and administrative expenses; and provisions for loan losses. All revenues and expenses not meeting this definition are reported as non-operating.

The Authority's non-operating revenues and expenses consist, primarily, of the U.S. Environmental Protection Agency's capitalization grants for the SRF programs; Section 8 Project HAP Program; pass-through amounts related to the Department of Housing and Urban Development's grants for the Home Investment Partnerships Program, Housing Opportunities for Persons with AIDS, Emergency Solutions Grant programs, and the National Housing Trust Fund; Department of the Treasury Covid-19-related grant programs; and pass-through grants from the Iowa legislature for down-payment assistance to returning active duty military personnel; homeless shelter operating grants; rent subsidy programs; wastewater and drinking water grants; transfers between programs; and other items incurred outside the normal operations of the Authority.

(x) Gain on Sale of Mortgage-Backed Securities (MBS)

The Authority participates in the GNMA, FNMA, and FHLMC MBS programs whereby GNMA, FNMA or FHLMC guaranties securities that are backed by pools of mortgage loans. Gains on sales of MBS are recorded at the time of settlement and represent the difference between the sale price of the MBS and the carrying value of the underlying pool of mortgages backing them.

(y) Fee Income

The Authority receives fee income from program users to cover the cost of the program administration. Fee income is recorded in the period earned. Fees collected in the current period for future services are amortized over the life of the service period. Major sources of fee income are ITG fees, SRF loan fees, Section 8 Housing Assistance Payments program administration fees, low-income housing tax credit fees, and service acquisition fees in connection with the Authority's Single-Family Programs.

(z) Grant Income

The Authority receives grant income from various sources to cover the cost of program administration and for further distribution to sub-grantees. Major sources of grant income are the Environmental Protection Agency's grants for the Authority's Clean Water Program and Drinking Water Program; the Department of Housing and Urban Development's grants for the Authority's Home Investment Partnerships Program, Housing Opportunities for Persons with AIDS, Emergency Solutions Grant Program, National Housing Trust Fund, and Section 8 Project Housing Assistance Payments Program; the U.S. Department of Treasury Covid-19-related grants; and the Iowa legislature for down-payment assistance to returning active duty military personnel, homeless shelter operating grants, water quality grants, and disaster recovery programs. Grant income is recorded when all eligibility requirements have been met. Grant funds received in advance of meeting eligibility requirements are recorded as a liability as unearned revenue.

(aa) Derivatives

The Authority uses derivative financial instruments to manage and reduce exposure to adverse fluctuations in interest rates and to lower the overall cost of financing. All derivative financial instruments are recorded at fair value. Certain of the Authority's derivatives consist of interest rate swap and interest rate cap agreements entered into in connection with its issuance of variable rate mortgage revenue bonds. These derivative financial instruments are considered hedging derivative instruments and are recorded as other assets or other liabilities on the statement of net position.

The Authority's additional derivative financial instruments are commitments to purchase mortgage-backed securities. These derivative financial instruments consist of forward sales of MBS in the To-Be-Announced (TBA) market, which hedge changes in the fair value of the mortgage loan inventory and commitments. These contracts are considered investment derivative instruments and are recorded as other assets or other liabilities on the statement of net position.

The Authority reports hedging derivative instruments' accumulated change in fair value as either deferred inflows or deferred outflows of resources. The Authority reports investment derivative instruments' accumulated changes in fair value as part of the net increase/decrease in fair value of investments within the statement of revenues, expenses, and changes in net position.

(bb) Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts 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.

(cc) Income Taxes

The Authority is a tax-exempt, quasi-governmental organization under IRC Section 115(l). Accordingly, no provision for income taxes has been included in the accompanying financial statements.

Note 2 - Cash, Cash Equivalents and Investments

The following table presents the detail of cash and cash equivalents, investments, and investments in MBS (dollars in thousands):

	June 30, 2023				Average Maturity (years)
	Housing Agency Fund	State Revolving Fund	Total	% of total	
Cash and cash equivalents					
Cash in banks	\$ 174,505	\$ 32,618	\$ 207,123	8%	
Cash in the State Treasurer's pooled money account	84,070	-	84,070	3%	
Money market funds	346,676	689,927	1,036,603	41%	
Total	<u>605,251</u>	<u>722,545</u>	<u>1,327,796</u>	<u>52%</u>	
Investments					
Certificate of deposit	-	461	461	0%	1.73
State and Local Government Series (SLGS) securities	-	36,000	36,000	1%	2.50
U.S. government agency securities	-	32,336	32,336	1%	1.12
Municipal securities	-	10,607	10,607	1%	2.23
U.S. Treasury securities	-	11,982	11,982	1%	2.50
Total	<u>-</u>	<u>91,386</u>	<u>91,386</u>	<u>4%</u>	
Investments in MBS					
GNMA mortgage-backed securities	578,891	-	578,891	23%	23.18
FNMA mortgage-backed securities	392,818	-	392,818	16%	23.24
FHLMC mortgage-backed securities	117,703	-	117,703	5%	27.78
Total	<u>1,089,412</u>	<u>-</u>	<u>1,089,412</u>	<u>44%</u>	
Total	<u>\$ 1,694,663</u>	<u>\$ 813,931</u>	<u>\$ 2,508,594</u>	<u>100%</u>	

(a) Deposits

The Housing Agency's deposits held in financial institutions throughout the year were entirely covered by the Federal Deposit Insurance Corporation or by the bank assessment provisions of Section 12C.22 of the Code of Iowa. The SRF waives the provisions of Section 12C.22 and has uninsured bank balances of \$32.6 million as of June 30, 2023.

(b) Investments

The investment of funds may be governed by the Authority’s investment policy approved by the Authority’s Board of Directors, the Authority’s various bond indentures, and the State. Permitted investments include direct obligations of, or obligations guaranteed by or issued by, certain agencies of the federal government of the United States of America; repurchase agreements fully collateralized and secured by the U.S. Treasury; corporate bonds issued or guaranteed by a domestic U.S. corporation meeting certain credit rating standards; municipal bonds backed by the full faith and credit of the municipality; pooled money funds; money market funds; certificates of deposits; commercial paper with qualified corporations; and guaranteed investment contracts with financial institutions meeting certain credit rating standards.

(c) Credit Risk

Credit risk is the risk that an issuer or counterparty will not fulfill their obligation to the Authority. Custodial credit risk is if a depository institution fails it may not return the Authority’s deposits.

The Authority minimizes credit risk by limiting securities to the credits and types of investments authorized in the investment policy or relevant bond indentures and prequalifying the financial institutions, brokers, dealers, and advisers with whom the Authority does business, as outlined in the Authority’s investment policy.

(d) Concentration Risk

Concentration risk is the risk of loss that may be attributed to the magnitude of an investment in a single type of security or single issuer. The Authority’s investment policy outlines the allowable concentrations of various investment categories. Bond indentures restrict the types of permitted investments. Portfolio maturities are staggered to avoid undue concentration of assets within a specific maturity period, which provides for stability of income and reasonable liquidity.

The table below addresses credit risk and concentration risk of investments (dollars in thousands):

Type/Provider	Credit ratings		June 30, 2023			
	S&P	Moody’s	Housing Agency Fund	% of Total	State Revolving Fund	% of Total
	Money market funds:					
Morgan Stanley	AAAm	Aaa-mf	\$ 29,390	2.0%	\$ -	0.0%
BlackRock	AAAm	Aaa-mf	-	0.0%	600,410	76.8%
Goldman Sachs Group	AAAm	Aaa-mf	317,286	22.1%	89,517	11.5%
Certificates of deposit	NR	NR	-	0.0%	461	0.1%
SLGS securities	A-1+	P-1	-	0.0%	36,000	4.6%
U.S. government agency securities	AA+	Aaa	-	0.0%	32,336	4.1%
U.S. Treasury securities	AA+	Aaa	-	0.0%	11,982	1.5%
Municipal securities	AA to AAA	Aa2 to Aaa	-	0.0%	10,607	1.4%
Mortgage-backed securities:						
GNMA	NR	NR	578,891	40.3%	-	0.0%
FNMA	NR	NR	392,818	27.4%	-	0.0%
FHLMC	NR	NR	117,703	8.2%	-	0.0%
Total			<u>\$ 1,436,088</u>	<u>100.0%</u>	<u>\$ 781,313</u>	<u>100.0%</u>

(e) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the fair value of the Authority's investments. The Authority's strategy, as discussed in its investment policy, is to minimize interest rate risk by structuring investment portfolios so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

(f) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Authority has no positions in foreign currency or any foreign currency denominated investments.

Note 3 - Loans

Loans at June 30, 2023, are as follows (dollars in thousands):

	2023		
	Cost	Allowance for losses	Net
Housing Agency Loans			
Loans secured with first mortgages	\$ 59,094	\$ (1,827)	\$ 57,267
Loans secured with second mortgages, other collateral, or unsecured	246	(12)	234
Single-Family second mortgage loans	21,475	(215)	21,260
State program loans	17,606	(1,065)	16,541
Federal program loans	122,629	(96,210)	26,419
Total Housing Agency Fund Loans	<u>\$ 221,050</u>	<u>\$ (99,329)</u>	<u>\$ 121,721</u>
State Revolving Fund Loans			
Loans backed by municipal bonds	\$ 2,420,229	\$ (1,226)	\$ 2,419,003
Unsecured planning and design loans	27,885	-	27,885
Unsecured nonpoint source loans	16,642	-	16,642
Forgivable portion of SRF loans	12,323	(12,323)	-
Total State Revolving Fund Loans	<u>\$ 2,477,079</u>	<u>\$ (13,549)</u>	<u>\$ 2,463,530</u>

Note 4 - Capital Assets

Capital assets at June 30, 2023, are as follows (dollars in thousands):

	Balance at July 1, 2022	Additions and Transfers	Disposals and Reductions	Balance at June 30, 2023
Non-depreciable assets:				
Land	\$ 886	\$ -	\$ -	\$ 886
Construction in progress	-	47	-	47
Total non-depreciable assets	<u>886</u>	<u>47</u>	<u>-</u>	<u>933</u>
Depreciable assets:				
Buildings and improvements	14,584	178	-	14,762
Land improvements	700	-	-	700
Office equipment and vehicles	605	-	(14)	591
Total depreciable assets	<u>15,889</u>	<u>178</u>	<u>(14)</u>	<u>16,053</u>
Less accumulated depreciation:	(2,763)	(1,142)	4	(3,901)
Total Capital Assets-Net	<u>\$ 14,012</u>	<u>\$ (917)</u>	<u>\$ (10)</u>	<u>\$ 13,085</u>

Note 5 - Bonds Payable

Outstanding bonds payable at June 30, 2023, are as follows (dollars in thousands)

Description	Original amount	Due dates		Interest rate		Balance 2023
		From	To	From	To	
Housing Agency Bonds and Notes:						
SF 1991 Mortgage Bonds						
SF 2014 B-1 - Term Bonds	D \$ 1,525		02/01/44		3.590	\$ 132
SF 2014 B-2 - Term Bonds	D 11,895		09/01/36		3.050	2,090
SF 2015 A - Term Bonds	40,610		01/01/40		3.500	1,090
SF 2015 B - Term Bonds	40,000		01/01/46		3.950 *	38,700
SF 2016 A - Term Bonds	20,615		07/01/46		4.000	3,540
SF 2016 B - Term Bonds	20,000		07/01/46		3.950 *	20,000
SF 2016 C - Serial Bonds	19,095	07/01/23	07/01/25	2.300	2.600	4,740
SF 2016 D - Serial Bonds	12,125	07/01/23	07/01/26	1.800	2.300	4,970
SF 2016 D - Term Bonds	17,635		07/01/46		3.500	5,045
SF 2016 E - Term Bonds	15,000		07/01/46		3.950 *	14,690
SF 2017 A - Serial Bonds	11,410	07/01/23	07/01/25	2.250	2.600	3,095
SF 2017 A - Term Bonds	17,330		07/01/47		4.000	6,120
SF 2017 B - Term Bonds	7,500		07/01/47		3.950 *	7,500
SF 2017 C - Serial Bonds	17,265	07/01/23	01/01/28	1.800	2.600	8,155
SF 2017 C - Term Bonds	22,210		01/01/47		3.500	8,880
SF 2017 D - Term Bonds	17,500		01/01/47		3.950 *	17,500
SF 2018 A - Serial Bonds	13,635	07/01/23	01/01/24	2.450	2.550	1,205
SF 2018 A - Term Bonds	19,630		07/01/47		4.000	9,495
SF 2018 B - Term Bonds	20,000		07/01/47		3.950 *	20,000
SF 2018 C - Serial Bonds	7,960	07/01/24	07/01/24	2.500	2.500	205
SF 2018 C - Term Bonds	17,425		07/01/48		4.000	9,680
SF 2018 D - Term Bonds	15,000		07/01/48		3.950 *	15,000
SF 2019 A - Serial Bonds	2,065	01/01/30	01/01/30	2.600	2.600	835
SF 2019 A - Term Bonds	35,910		07/01/47		4.000	25,150
SF 2019 B - Term Bonds	20,000		07/01/47		3.950 *	20,000
SF 2019 D - Serial Bonds	19,280	07/01/24	07/01/32	1.400	2.300	19,280
SF 2019 D - Term Bonds	4,440		07/01/34		2.450	4,440
SF 2019 D - Term Bonds	6,620		07/01/37		2.600	6,620
SF 2019 D - Term Bonds	34,055		01/01/49		3.500	25,460
SF 2019 E - Term Bonds	15,000		01/01/49		3.950 *	15,000
SF 2019 F - Serial Bonds	7,085	07/01/23	01/01/24	2.010	2.050	1,885
SF 2020 A - Serial Bonds	10,265	07/01/28	07/01/32	1.750	2.200	10,625
SF 2020 A - Term Bonds	5,070		01/01/35		2.500	5,070
SF 2020 A - Term Bonds	29,205		01/01/50		3.750	22,315
SF 2020 B - Term Bonds	20,000		07/01/49		3.950 *	20,000
SF 2020 C - Serial Bonds	15,500	07/01/23	01/01/28	1.900	2.450	10,695
SF 2020 D - Serial Bonds	10,000	01/01/27	07/01/32	1.200	1.900	10,000
SF 2020 D - Term Bonds	3,835		07/01/35		2.000	3,835
SF 2020 D - Term Bonds	8,160		07/01/40		2.200	8,160
SF 2020 D - Term Bonds	20,825		07/01/50		3.250	17,290
SF 2020 E - Term Bonds	15,000		07/01/49		3.950 *	15,000
SF 2020 F - Serial Bonds	8,000	07/01/23	01/01/27	0.875	1.550	5,205
SF 2021 A - Serial Bonds	35,160	07/01/23	07/01/33	0.300	1.750	31,135
SF 2021 A - Term Bonds	7,185		07/01/35		1.850	7,185
SF 2021 A - Term Bonds	9,395		07/01/38		1.900	7,515
SF 2021 A - Term Bonds	31,455		01/01/47		3.000	27,350
SF 2021 B - Serial Bonds	22,830	07/01/23	07/01/33	0.250	1.950	22,640
SF 2021 B - Term Bonds	8,725		07/01/36		2.000	8,725
SF 2021 B - Term Bonds	16,315		07/01/41		2.200	16,315
SF 2021 B - Term Bonds	15,125		07/01/45		2.350	13,670
SF 2021 B - Term Bonds	29,085		07/01/51		3.000	27,420
SF 2021 C - Serial Bonds	5,000	07/01/23	07/01/24	0.400	0.600	2,635
SF 2021 D - Serial Bonds	19,035	01/01/27	07/01/33	1.650	5.000	19,035
SF 2021 D - Term Bonds	8,445		07/01/36		2.000	8,445
SF 2021 D - Term Bonds	4,825		07/01/38		2.100	4,825
SF 2021 D - Term Bonds	36,765		07/01/51		3.000	35,800
SF 2021 E - Term Bonds	D 20,000		07/01/51		4.350 **	20,000
SF 2021 F - Serial Bonds	10,500	07/01/23	07/01/26	0.400	1.100	8,275

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Description	Original amount	Due dates		Interest rate		Balance 2023
		From	To	From	To	
SF 2022 A - Serial Bonds	10,025	07/01/23	07/01/33	0.450	5.000	18,910
SF 2022 A - Term Bonds	2,105		07/01/30		1.800	2,105
SF 2022 A - Term Bonds	1,585		07/01/34		2.200	1,585
SF 2022 A - Term Bonds	4,945		07/01/37		2.300	4,945
SF 2022 A - Term Bonds	4,665		07/01/40		2.450	4,665
SF 2022 A - Term Bonds	28,325		01/01/52		3.000	28,060
SF 2022 B - Term Bonds	20,000		01/01/52		3.950 *	20,000
SF 2022 C - Term Bonds	16,123		01/01/53		2.500	13,293
SF 2022 D - Serial Bonds	9,530	01/01/31	07/01/34	3.500	3.850	9,530
SF 2022 D - Term Bonds	5,960		07/01/37		3.900	5,960
SF 2022 D - Term Bonds	14,090		07/01/42		4.050	14,090
SF 2022 D - Term Bonds	33,825		07/01/52		4.000	33,825
SF 2022 E - Term Bonds	20,000		01/01/52		3.950 *	20,000
SF 2022 F - Serial Bonds	15,000	07/01/23	01/01/31	2.850	4.250	14,480
SF 2022 G - Serial Bonds	10,860	07/01/29	07/01/34	3.000	3.700	10,860
SF 2022 G - Term Bonds	5,610		07/01/37		3.850	5,610
SF 2022 G - Term Bonds	11,430		07/01/42		4.100	11,430
SF 2022 G - Term Bonds	4,830		07/01/44		4.150	4,830
SF 2022 G - Term Bonds	32,075		07/01/52		5.000	32,075
SF 2022 H - Term Bonds	20,000		01/01/52		4.000 *	20,000
SF 2022 I - Serial Bonds	12,500	07/01/23	07/01/29	3.480	4.030	12,500
SF 2022 J - Serial Bonds	4,035	07/01/31	07/01/34	4.200	4.500	4,035
SF 2022 J - Term Bonds	4,815		07/01/37		4.700	4,815
SF 2022 J - Term Bonds	10,525		07/01/42		4.950	10,525
SF 2022 J - Term Bonds	17,190		07/01/48		5.100	17,190
SF 2022 J - Term Bonds	21,950		07/01/52		6.000	21,950
SF 2022 K - Serial Bonds	7,500	07/01/23	07/01/31	4.550	5.350	7,500
SF 2023 A - Serial Bonds	5,850	01/01/30	07/01/35	3.600	4.050	5,850
SF 2023 A - Term Bonds	1,710		07/01/33		3.900	1,710
SF 2023 A - Term Bonds	1,815		07/01/34		4.000	1,815
SF 2023 A - Term Bonds	6,545		07/01/38		4.450	6,545
SF 2023 A - Term Bonds	13,940		07/01/43		4.750	13,940
SF 2023 A - Term Bonds	19,360		07/01/48		4.900	19,360
SF 2023 A - Term Bonds	26,820		07/01/53		5.250	26,820
SF 2023 B - Serial Bonds	6,415	01/01/24	01/01/30	5.010	5.320	6,415
SF 2023 B - Term Bonds	1,085		01/01/26		5.090	1,085
SF 2023 C - Serial Bonds	12,545	01/01/30	07/01/33	3.600	3.950	12,545
SF 2023 C - Term Bonds	8,065		01/01/35		4.150	8,065
SF 2023 C - Term Bonds	10,835		07/01/38		4.450	10,835
SF 2023 C - Term Bonds	20,420		07/01/43		4.850	20,420
SF 2023 C - Term Bonds	34,015		07/01/50		4.950	34,015
SF 2023 C - Term Bonds	30,415		07/01/53		5.500	30,415
SF 2023 D - Serial Bonds	15,000	07/01/24	01/01/30	4.900	5.250	15,000
Premium						33,070
Total SF 1991 Mortgage Bonds	<u>1,519,858</u>					<u>1,312,340</u>
SF 2009 Mortgage Revenue Bonds						
SF 2013 2 Term Bonds	15,000		07/01/43		2.800	3,311
SF 2013 4 Term Bonds	10,000		08/01/43		2.800	1,585
Total SF 2009 Mortgage Revenue Bonds	<u>25,000</u>					<u>4,896</u>
Multi-Family Housing Bonds						
MF 2007 A - Term Bonds	12,700		08/01/37		3.980 *	11,030
MF 2007 B - Term Bonds	9,300		08/01/37		3.980 *	8,075
MF 2008 A - Term Bond	3,750		06/01/24		4.000 *	3,150
MF FHLB B1 - Term Bonds	D <u>11,500</u>		02/01/26		6.313 **	<u>9,340</u>
Total MF Housing Bonds	<u>37,250</u>					<u>31,595</u>
Total Housing Agency	<u>1,582,108</u>					<u>1,348,831</u>

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Description	Original amount	Due dates		Interest rate		Balance 2023
		From	To	From	To	
State Revolving Fund Revenue Bonds						
2010 - Serial Bonds	215,725	08/01/23	08/01/25	2.780	2.982	41,185
2010 - Term Bonds	77,165		08/01/30		3.550	77,165
2013 - Serial Bonds	115,450	08/01/23	08/01/33	4.000	5.000	37,595
2015 - Serial Bonds	321,530	08/01/23	08/01/29	4.000	5.000	89,855
2016 - Serial Bonds	163,275	08/01/26	08/01/39		5.000	40,015
2017 - Serial Bonds	272,990	08/01/29	08/01/37		5.000	205,090
2017 - Term Bonds	54,815		08/01/42		5.000	22,370
2017 - Term Bonds	19,655		08/01/47		5.000	19,655
2019 A - Serial Bonds	215,990	08/01/23	08/01/42	2.250	5.000	132,600
2019 B - Serial Bonds	42,015	08/01/24	08/01/28	2.905	3.354	39,190
2020 - Serial Bonds	168,740	08/01/23	08/01/40		5.000	166,355
2020 - Term Bonds	15,005		08/01/44		5.000	15,005
2020 - Term Bonds	18,080		08/01/49		5.000	18,080
2021A - Serial Bonds	164,490	08/01/23	08/01/41		5.000	161,220
2021A - Term Bonds	12,745		08/01/46		5.000	12,745
2021A - Term Bonds	9,915		08/01/51		5.000	9,915
2021B - Serial Bonds	31,140	08/01/23	08/01/26	0.258	1.014	27,765
2022A - Serial Bonds	165,530	08/01/23	08/01/42		5.000	165,530
2022A - Term Bonds	15,755		08/01/47		5.000	15,755
2022A - Term Bonds	16,740		08/01/52		5.000	16,740
2022B - Serial Bonds	8,155	08/01/23	08/01/27	2.620	3.250	8,155
2022C - Term Bonds	D 36,000		08/01/33		3.540	36,000
2022D - Term Bonds	D 43,525		08/01/35		4.400	43,525
2023A - Serial Bonds	300,000	08/01/27	08/01/42		5.000	300,000
2023B - Serial Bonds	44,450	08/01/26	08/01/32	4.340	4.490	44,450
2023C - Serial Bonds	94,810	08/01/25	08/01/43	5.000	5.250	94,810
2023C - Term Bonds	17,040		08/01/48		5.250	17,820
2023C - Term Bonds	13,910		08/01/53		5.250	14,990
Premium						262,833
Total State Revolving Fund						
Revenue Bonds	<u>2,674,640</u>					<u>2,136,413</u>
Total bonds and notes	<u>\$ 4,256,748</u>					<u>\$ 3,485,244</u>

D Direct placement bonds

* Variable rate as of June 30, 2023; remarketed daily or weekly at prevailing interest rates

** Variable rate as of June 30, 2023; indices are reset weekly or monthly

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(b) Roll forward

The following tables summarize the bonds and notes payable activity for the Authority for the year ended June 30, 2023, (dollars in thousands):

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2023</u>	<u>Due within one year</u>
Housing Agency Fund					
SF 1991 mortgage bonds	\$ 945,437	\$ 385,516	\$ (40,835)	\$ 1,290,118	\$ 46,565
SF 1991 mortgage bonds direct placement	22,569	-	(347)	22,222	-
SF 2009 mortgage revenue bonds	5,691	-	(795)	4,896	-
MF bonds	22,455	-	(200)	22,255	3,150
MF bonds direct placement	10,413	-	(1,073)	9,340	277
Total Housing Agency fund	<u>1,006,565</u>	<u>385,516</u>	<u>(43,250)</u>	<u>1,348,831</u>	<u>49,992</u>
State Revolving Fund					
Revenue bonds	1,938,057	537,480	(418,649)	2,056,888	77,195
Revenue bonds direct placement	-	79,525	-	79,525	-
Total State Revolving fund	<u>1,938,057</u>	<u>617,005</u>	<u>(418,649)</u>	<u>2,136,413</u>	<u>77,195</u>
Total	<u>\$ 2,944,622</u>	<u>\$ 1,002,521</u>	<u>\$ (461,899)</u>	<u>\$ 3,485,244</u>	<u>\$ 127,187</u>

All bonds issued by the Authority are used to purchase MBS or loans; fund cost of issuance and down payment assistance; or refund prior debt.

(c) Maturity

A summary of scheduled bond maturities (excluding premium and discount) and interest payments is as follows (dollars in thousands):

Year ending June 30	Housing Agency								
	Housing Agency			Total Direct Placements			Total Housing Agency		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 49,715	\$ 42,288	\$ 92,003	\$ 277	\$ 668	\$ 945	\$ 49,992	\$ 42,956	\$ 92,948
2025	10,385	45,168	55,553	20,298	648	20,946	30,683	45,816	76,499
2026	29,056	44,415	73,471	8,765	447	9,212	37,821	44,862	82,683
2027	28,015	43,681	71,696	-	69	69	28,015	43,750	71,765
2028	28,380	42,861	71,241	-	69	69	28,380	42,930	71,310
2029-2033	157,850	200,606	358,456	-	341	341	157,850	200,947	358,797
2034-2038	219,188	171,907	391,095	2,222	230	2,452	221,410	172,137	393,547
2039-2043	234,170	131,476	365,646	-	23	23	234,170	131,499	365,669
2044-2048	278,939	81,572	360,511	-	4	4	278,939	81,576	360,515
2049-2053	238,956	29,198	268,154	-	-	-	238,956	29,198	268,154
2054-2058	9,545	257	9,802	-	-	-	9,545	257	9,802
Total	<u>\$ 1,284,199</u>	<u>\$ 833,429</u>	<u>\$ 2,117,628</u>	<u>\$ 31,562</u>	<u>\$ 2,499</u>	<u>\$ 34,061</u>	<u>\$ 1,315,761</u>	<u>\$ 835,928</u>	<u>\$ 2,151,689</u>
State Revolving Fund									
	State Revolving Fund			Total Direct Placements			Total State Revolving Fund		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 77,195	\$ 74,907	\$ 152,102	\$ -	\$ 3,393	\$ 3,393	\$ 77,195	\$ 78,300	\$ 155,495
2025	79,005	80,492	159,497	-	3,190	3,190	79,005	83,682	162,687
2026	84,885	77,170	162,055	-	3,190	3,190	84,885	80,360	165,245
2027	91,620	73,509	165,129	285	3,183	3,468	91,905	76,692	168,597
2028	93,745	69,458	163,203	295	3,170	3,465	94,040	72,628	166,668
2029-2033	479,225	280,443	759,668	44,885	13,546	58,431	524,110	293,989	818,099
2034-2038	429,125	170,016	599,141	34,060	1,699	35,759	463,185	171,715	634,900
2039-2043	323,845	69,725	393,570	-	-	-	323,845	69,725	393,570
2044-2048	83,295	24,718	108,013	-	-	-	83,295	24,718	108,013
2049-2053	50,260	7,511	57,771	-	-	-	50,260	7,511	57,771
2054-2058	1,855	47	1,902	-	-	-	1,855	47	1,902
Total	<u>\$ 1,794,055</u>	<u>\$ 927,996</u>	<u>\$ 2,722,051</u>	<u>\$ 79,525</u>	<u>\$ 31,371</u>	<u>\$ 110,896</u>	<u>\$ 1,873,580</u>	<u>\$ 959,367</u>	<u>\$ 2,832,947</u>

	Total Authority		
	Principal	Interest	Total
2024	\$ 127,187	\$ 121,256	\$ 248,443
2025	109,688	129,498	239,186
2026	122,706	125,222	247,928
2027	119,920	120,442	240,362
2028	122,420	115,558	237,978
2029-2033	681,960	494,936	1,176,896
2034-2038	684,595	343,852	1,028,447
2039-2043	558,015	201,224	759,239
2044-2048	362,234	106,294	468,528
2049-2053	289,216	36,709	325,925
2054-2058	11,400	304	11,704
Total	<u>\$ 3,189,341</u>	<u>\$ 1,795,295</u>	<u>\$ 4,984,636</u>

The Authority has the option to redeem bonds at par or, in some instances, at a premium. Generally, the redemption option cannot be exercised prior to the time the bonds have been outstanding for 10 years; however, certain special redemptions, as governed by the bond resolutions, are permitted prior to such time. Term bonds are subject to mandatory redemptions, without premium, through sinking fund installments subsequent to the scheduled completion of retirement of the serial bonds of the same issue. The schedule of bond maturities includes the sinking fund installments for the term bonds. Bond maturities and interest rates are based on those in effect as of June 30, 2023.

The bonds are secured, as described in the applicable bond resolution, by the revenues, moneys, investments, loans, and other assets in the programs and accounts established by the respective bond resolutions.

Direct placement bonds have been issued to U.S. Bank, N.A. and Federal Home Loan Bank. These bonds are secured with the mortgaged-backed securities or loans purchased with the bond proceeds and have both principal and interest receipts pledged to the bondholders in the Housing Agency Fund.

Direct placement bonds have been issued to Bank of America, N.A. These bonds are secured with loans purchased with the bond proceeds in the State Revolving Fund.

There are no unusual events of default, no unusual termination events, and no subjective acceleration clauses in these bond resolutions with financial related consequences.

The Single-Family Mortgage Bonds Resolution and the Multi-Family Housing Bonds Master Trust Indenture contain covenants that require the Authority to make payments of principal and interest from amounts available in the General Account should deficiencies occur in the accounts established for such payments by the respective bond resolutions.

(d) Variable Rate Debt

The Authority issues fixed rate and variable-rate bonds. The rate on the fixed rate bonds is set at bond pricing. The variable rate bonds bear interest at either a monthly, weekly or daily rate until maturity or earlier redemption. For bonds that pay weekly or daily rates, the remarketing agent for each bond issue establishes the rates according to the remarketing agreement. The rates are communicated to the bond trustees for preparation of debt service requirements.

The Authority has variable rate bonds that have Stand-by Purchase Agreements (SBPA), which state the issuer of the SBPA will purchase the bonds in the event the remarketing agent is unsuccessful in remarketing the bonds. In this event, the interest rate paid by the Authority will be calculated using a defined rate from the SBPA. If the bonds remain unsold for a period of 90 days, they are deemed to be “bank bonds” and the Authority is required to repurchase the bonds from the SBPA issuer. The timing of this repurchase will vary depending on the agreement, but repayments are required over a five-year period. The Authority pays annual fees for the SBPAs that range from 0.20% to 0.42% of the bonds outstanding.

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The Authority also has variable rate bonds that are tied to a financial index such as SIFMA or SOFR. The rates on these bonds are set weekly with the change in the relevant index.

Bond Issue	Maturity Date	Bonds outstanding June 30, 2023	Liquidity Provider	Liquidity Expiration	Remarketing Agent	Remarketing Expiration
SF 2015 B	1/1/2046	\$ 38,700	FHLB - Des Moines	9/28/2023	Morgan Stanley & Co. LLC	1/1/2046
SF 2016 B	7/1/2046	20,000	FHLB - Des Moines	3/30/2024	RBC Capital Markets, LLC	7/1/2046
SF 2016 E	7/1/2046	14,690	FHLB - Des Moines	10/26/2026	RBC Capital Markets, LLC	7/1/2046
SF 2017 B	7/1/2047	7,500	FHLB - Des Moines	5/16/2027	Morgan Stanley & Co. LLC	7/1/2047
SF 2017 D	1/1/2047	17,500	FHLB - Des Moines	9/27/2024	RBC Capital Markets, LLC	1/1/2047
SF 2018 B	7/1/2047	20,000	T.D. Bank, NA	10/13/2026	T.D. Securities	7/1/1947
SF 2018 D	7/1/2048	15,000	Royal Bank of Canada	5/19/2026	RBC Capital Markets, LLC	7/1/2048
SF 2019 B	7/1/2047	20,000	U.S. Bank, NA	9/15/2027	U.S. Bancorp Investments, Inc.	7/1/2047
SF 2019 E	1/1/2049	15,000	T.D. Bank, NA	10/13/2026	T.D. Securities	1/1/2049
SF 2020 B	7/1/2049	20,000	T.D. Bank, NA	8/18/2025	T.D. Securities	7/1/2049
SF 2020 E	7/1/2049	15,000	T.D. Bank, NA	8/18/2025	T.D. Securities	7/1/2049
SF 2021 E*	7/1/2051	20,000	N/A	3/28/2025	N/A	N/A
SF 2022 B	1/1/2052	20,000	Royal Bank of Canada	2/9/2027	RBC Capital Markets, LLC	1/1/2052
SF 2022 E*	1/1/2052	20,000	N/A	7/1/2025	N/A	N/A
SF 2022 H	1/1/2052	20,000	U.S. Bank, NA	9/15/2027	U.S. Bancorp Investments, Inc.	1/1/2052
Total Single-Family		<u>283,390</u>				
MF 2007 A	8/1/2037	11,030	Wells Fargo Bank, N.A.	11/1/2024	RBC Capital Markets, LLC	8/1/2037
MF 2007 B	8/1/2037	8,075	Wells Fargo Bank, N.A.	11/1/2024	RBC Capital Markets, LLC	8/1/2037
MF 2008 A	6/1/2024	3,150	Wells Fargo Bank, N.A.	6/10/2024	Morgan Stanley & Co. LLC	6/1/2024
MF FHLB B1*	2/1/2026	9,340	N/A	2/1/2026	N/A	N/A
Total Multi-Family		<u>31,595</u>				
Total Housing Agency		<u>\$ 314,985</u>				

* Index Bonds

(e) Derivative Instrument Payments and Variable-Rate Debt

As of June 30, 2023, aggregate debt service requirements of the Authority's hedged variable-rate debt and net receipts/payments on associated derivative instruments are as follows. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on hedging derivative instruments will vary. Not all variable rate debt is associated with a derivative instrument. Refer to Note 6 for information on derivative instruments (dollars in thousands).

Fiscal year ending June 30	Variable-rate bonds principal	Variable-rate bonds interest	Interest rate swaps, net	Total
2024	\$ 7,947	\$ 10,676	\$ (3,310)	\$ 12,328
2025	1,737	10,398	(3,287)	9,151
2026	10,286	10,150	(3,299)	17,441
2027	1,845	9,706	(3,293)	8,562
2028	2,195	9,635	(3,126)	9,008
2029-2033	23,940	45,846	(12,615)	58,866
2034-2038	55,659	37,855	(6,800)	90,045
2039-2043	64,585	26,433	(3,791)	90,547
2044-2048	69,729	12,996	(1,072)	84,627
2049-2053	41,117	1,955	(21)	43,041
Total	<u>\$ 279,040</u>	<u>\$ 175,650</u>	<u>\$ (40,614)</u>	<u>\$ 423,616</u>

(f) Bond Refundings

On September 15, 2022, the Authority issued SRF bonds with a face value of \$43.5 million to provide resources to purchase State and Local Government Series (SLGS) securities that were placed into an irrevocable trust to provide funds for future debt service payments on \$41.8 million of SRF bonds. The funds required for this transaction exceeded the net carrying value of the defeased debt by \$6.3 million. This refunding was undertaken to take advantage of the low interest rate environment. The aggregate difference in debt service between the refunding debt and the refunded debt was \$3.85 million. However, the refunding resulted in an economic gain of \$2.6 million.

On June 27, 2023, the Authority issued Single-Family Mortgage Bonds with a face value of \$131.3 million of which \$38 million was placed in a redemption account to refund 2015 variable rate Single-Family Bonds on July 27, 2023. The refunding of the bonds resulted in an economic loss of \$1.7 million and the aggregate difference in debt service between the refunding debt and the refunded debt was \$(6 million). This is based on the interest rates in effect at the time of the refunding but could be different depending on how interest rates change in the future. The refunding was executed to reduce \$38 million of variable rate exposure and transfer future yield subsidy to a current tax plan.

On June 28, 2023, the Authority issued SRF bonds with a face value of \$36 million to provide resources to purchase State and Local Government Series (SLGS) securities that were placed into an escrow to provide funds for a debt payment of \$36 million of 2013 SRF bonds on August 1, 2023. The aggregate difference in debt service between the refunding debt and the refunded debt was \$3.6 million. This refunding resulted in an economic gain of \$2.95 million.

The irrevocable trust account assets and the liabilities for the defeased bonds are not included in the Authority's basic financial statements.

The amount of defeased debt outstanding at June 30, 2023, is shown below (dollars in thousands):

	June 30, 2023
State Revolving Fund defeased bonds:	
Series 2013	\$ 37,560
Series 2015	41,810
Series 2016	24,160
Total defeased bonds	\$ 103,530

(g) Revolving Line of Credit

The Authority had a \$15.0 million revolving line of credit with U.S. Bank, N.A. to provide funds for the Housing Agency's Single-Family Program. The line of credit was not utilized this year and was terminated January 31, 2023.

Note 6 - Derivative Instruments

(a) Hedging Derivatives - Swaps

Swap agreements allow the Authority to raise funds at variable rates and swap them into fixed rates that are lower than those available to the Authority if fixed-rate borrowings were made directly. These contracts involve the exchange of variable-rate for fixed-rate payments between the parties, without the exchange of the underlying debt, based on a common notional amount and maturity date.

The following table displays the terms of the Authority's swap hedging derivative instruments outstanding at June 30, 2023 (dollars in thousands):

Bond series	2023 Notional amount	Effective date	Termination date	Terms		Counterparty
				Pay	Receive	
SF 2015 B	\$ 2,015	09/01/06	01/01/36	3.766%	Enhanced SOFR + 0.11448%	Goldman Sachs Bank USA
MF 2008 A	3,150	04/17/08	06/01/24	3.971%	SIFMA + 0.08%	Goldman Sachs Bank USA
SF 2015 B	27,765	01/01/17	01/01/46	2.518%	67% (SOFR + 0.11448%)	Royal Bank of Canada
SF 2016 E	8,080	01/01/18	07/01/46	2.292%	67% (SOFR + 0.11448%)	Wells Fargo Bank N.A
SF 2017 D	13,125	01/01/18	01/01/47	2.126%	67% (SOFR + 0.11448%)	Wells Fargo Bank N.A
SF 2018 B	15,000	07/01/18	07/01/47	2.490%	70% (SOFR + 0.11448%)	The Bank of New York Mellon
SF 2018 D	11,250	07/01/19	07/01/48	2.638%	70% (SOFR + 0.11448%)	Royal Bank of Canada
SF 2019 B	15,000	07/01/19	07/01/30	1.939%	SIFMA	Wells Fargo Bank N.A
SF 2019 E	11,250	01/01/20	01/01/49	1.605%	SIFMA Swap Index until 1/1/2029; 67% (SOFR + 0.11448%) thereafter	The Bank of New York Mellon
SF 2020 B	15,000	07/01/20	07/01/49	1.691%	SIFMA Swap Index until 7/1/2029; 67% (SOFR + 0.11448%) thereafter	Wells Fargo Bank N.A
SF 2020 E	11,250	07/01/21	07/01/35	1.051%	SIFMA	Wells Fargo Bank N.A
SF 2016 B	15,000	07/01/21	01/01/28	0.870%	SIFMA	The Bank of New York Mellon
SF 2021 E	15,000	01/01/22	01/01/34	1.332%	SIFMA	Royal Bank of Canada
SF 2022 B	15,000	03/01/22	01/01/31	1.522%	SIFMA	The Bank of New York Mellon
SF 2022E	15,000	09/01/22	07/01/34	1.986%	70% SOFR	Royal Bank of Canada
SF 2022H	15,000	01/03/23	07/01/42	2.357%	70% SOFR + 0.10%	Wells Fargo Bank N.A
	<u>\$ 207,885</u>					

* SOFR refers to Daily Compounded SOFR.

(b) Hedging Derivatives - Caps

Interest rate cap derivatives are where the Authority receives payments at the end of each period, based on a notional amount, when the interest rate exceeds the agreed-upon strike rate. The following table displays the terms of the Authority's cap derivative instruments outstanding at June 30, 2023 (dollars in thousands):

<u>Bond Series</u>	<u>2023 Notional amount</u>	<u>Effective date</u>	<u>Maturity date</u>	<u>Strike rate</u>	<u>Counterparty</u>
MF 2007 B	\$ 9,300	08/01/2013	01/01/2024	SIFMA = 5.5%	The Bank of New York Mellon
MF 2007 A	11,030	07/01/2021	07/01/2024	SIFMA = 3.0%	
	<u>\$ 20,330</u>				Royal Bank of Canada

(c) Ratings and Definitions

Goldman Sachs Bank USA is rated A1 by Moody's and A+ by S&P Global

The Bank of New York Mellon is rated Aa2 by Moody's and AA- by S&P Global

Royal Bank of Canada is rated Aa1 by Moody's and AA- by S&P Global

Wells Fargo Bank, N.A. is rated Aa2 by Moody's and A+ by S&P Global

SIFMA = Securities Industry and Financial Markets Association Swap Index

SOFR = Secured Overnight Financing Rate

(d) Investment Derivatives

As of June 30, 2023, the Authority had investment derivative instruments with the following maturities (dollars in thousands):

<u>Investment type</u>	<u>Notional value</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>			
			<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Investment derivative instruments - swaps	\$ 4,250	\$ 8	\$ -	\$ 8	\$ -	\$ -
Investment derivative instrument – forward MBS sales	3,135	10	10	-	-	-
Investment derivative instruments - MBS purchase commitments	116,474	223	223	-	-	-
Total	<u>\$ 123,859</u>	<u>\$ 241</u>	<u>\$ 233</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ -</u>

(e) Fair Values of Derivatives

The fair value balances of derivative instruments outstanding at June 30, 2023, classified by type, and changes in the fair value of such derivative instruments as reported in the 2023 financial statements are as follows (dollars in thousands):

Bond series	Type	Fair value 6/30/2023 asset/(liability)	Change in fair value	Fair value 6/30/2022 asset/(liability)
Hedging derivatives:				
SF 2015 B	Swap	\$ 41	\$ (18)	\$ 59
SF 2015 B	Swap	299	(269)	568
SF 2016 B	Swap	1,313	111	1,202
SF 2016 E	Swap	658	327	331
SF 2017 D	Swap	936	416	520
SF 2018 B	Swap	933	532	401
SF 2018 D	Swap	589	452	137
SF 2019 B	Swap	943	335	608
SF 2019 E	Swap	1,492	306	1,186
SF 2020 B	Swap	2,014	453	1,561
SF 2020 E	Swap	1,994	170	1,824
SF 2021 E	Swap	2,181	254	1,927
SF 2022 B	Swap	1,390	282	1,108
SF 2022 E	Swap	736	636	100
SF 2022 H	Swap	896	896	-
MF 2007 A	Cap	68	19	49
MF 2007 B	Cap	1	(1)	2
MF 2008 A	Swap	(11)	78	(89)
Total hedging derivatives		<u>\$ 16,473</u>	<u>\$ 4,979</u>	<u>\$ 11,494</u>
Investment derivatives:				
NONE	Swap	\$ (1)	\$ 92	\$ (93)
NONE	Basis Swap	9	10	(1)
Forward MBS sales	Forward	10	27	(17)
MBS purchase commitments	Commitment	223	384	(161)
Total investment derivatives		<u>\$ 241</u>	<u>\$ 513</u>	<u>\$ (272)</u>

(f) Methodology

The fair values of the interest rate derivative transactions were estimated based on an independent pricing service. The valuations provided were derived from proprietary models based upon well-recognized principles and estimates about relevant future market conditions. The expected transaction cash flows are calculated using the zero-coupon discounting method which takes into consideration the prevailing benchmark interest rate environment, the specific terms and conditions of a given transaction, and assumes that the current forward rates implied by the benchmark yield curve are the market's best estimate of future spot interest rates. The income approach is then used to obtain the fair value of the transactions, where future amounts (the expected transaction cash flows) are converted to a single current (discounted) amount, using a rate of return that takes into account the relative risk of nonperformance associated with the cash flows and time value of money. Where applicable under the income approach (which takes into consideration the risk of nonperformance), an option pricing model technique is applied such as the Black-Scholes-Merton model, the Black-Derman-Toy model, one of the short-rate models, or other market-standard models consistent with accepted practices in the market for interest rate option products. The option models would consider probabilities, volatilities, time, settlement prices, and other variables pertinent to the transactions. This valuation technique is applied consistently across all the transactions.

The fair value of the forward MBS sales is estimated based on an internal valuation model, which includes current trade pricing for similar financial instruments in active markets that the Authority has the ability to access.

The fair value of the MBS purchase commitments is estimated using an internal valuation model, which includes grouping the commitments by interest rate and terms, applying an estimated closing ratio, and then multiplying by quoted investor prices determined to be reasonably applicable to the commitment groups based on interest rate, terms, and commitment expiration dates of the commitment group. The closing ratio calculation, which represents the percentage of commitments that management estimates it will ultimately fund, takes into consideration historical data and loan-level data. The weighted average closing ratio at June 30, 2023, was 82.4%.

(g) Risks Associated with Derivative Transactions

Credit risk: The Authority is exposed to credit risk on derivative instruments that are in asset positions. The aggregate fair value of derivative instruments in asset positions at June 30, 2023, was \$16.5 million. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

Bank of New York Mellon, Goldman Sachs Bank USA, Royal Bank of Canada, and Wells Fargo Bank, N.A., are currently counterparties under the derivatives agreements with the Authority.

With respect to counterparty risk, the Authority will also manage the agreements and all transactions entered into with its counterparties to ensure that the Authority's exposure to any of its counterparties does not exceed a proper amount.

Interest rate risk: The Authority is exposed to interest rate risk on its derivatives. On its pay-fixed, receive-variable derivatives, as the SIFMA and SOFR swap index decreases, the Authority's net payment on the derivatives increases.

Basis risk: Basis risk refers to a mismatch between the interest rate received from the derivative counterparty and the interest rate actually owed on the Authority's bonds. Specifically, the Authority's basis risk is that the variable interest payment received from counterparty will be less than the actual variable interest payments owed on the Authority's variable rate bonds. The mismatch between the Authority's actual bond rate and the derivative rate is the Authority's basis risk. As of June 30, 2023, the SIFMA swap index rate is 4.01% and daily SOFR is 5.09%.

Termination risk: Termination risk is the risk that the swap could be terminated as a result of any of several events, which may include a ratings downgrade of the Authority's single-family mortgage bonds or of a derivative counterparty covenant violation, bankruptcy, swap payment default, and default events as defined in the Authority's Single-Family Mortgage Bonds Resolution; however, the Authority believes that the likelihood of any such termination event is remote.

Rollover risk: Rollover risk is the risk that the term of a particular swap contract is not coterminous with the related bonds. If an issuer entered into a swap to hedge for a specified period of time and then decides at swap maturity that it wishes to maintain the same or similar hedge position, it may incur additional costs at that time. The Authority minimizes this risk by matching the term of the swaps with the maturity of the related bonds.

Note 7 - Fair Value

GASB Statement No. 72, *Fair Value Measurement and Application*, specifies a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. The Authority categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. These classifications are summarized in the three broad levels below.

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs or significant value drivers are unobservable.

The Authority has the following recurring fair value measurements as of June 30, 2023:

	Assets Measured at Fair Value (Dollars in thousands)			
	2023	Fair Value Measurements Using:		
		(Level 1)	(Level 2)	(Level 3)
Investments by fair value level				
U.S. Treasury securities				
State Revolving Fund	\$ 11,982	\$ -	\$ 11,982	\$ -
U.S. Government Agency securities				
State Revolving Fund	32,336	-	32,336	-
SLGS securities				
State Revolving Fund	36,000	-	36,000	-
GNMA, FNMA and FHLMC mortgage-backed securities				
Housing Agency Fund	1,089,412	-	1,089,412	-
Municipal bonds				
State Revolving Fund	10,607	-	10,607	-
Negotiable certificates of deposit				
State Revolving Fund	461	-	461	-
Total investments by fair value level	<u>1,180,798</u>	<u>\$ -</u>	<u>\$ 1,180,798</u>	<u>\$ -</u>
Investments valued using cost-based measures				
Governmental money market mutual funds				
Housing Agency Fund	346,676			
State Revolving Fund	689,927			
State of Iowa Treasurer pooled money fund				
Housing Agency Fund	84,070			
Total investments valued using cost based measures	<u>1,120,673</u>			
Total investments	<u>\$ 2,301,471</u>			
Investment derivative instruments				
Basis swaps (SIFMA vs. SOFR)	\$ 9	\$ -	\$ 9	\$ -
Fixed-to-floating interest rate swaps (liability)	(1)	-	(1)	-
MBS purchase commitments	223	-	-	223
Forward MBS sales	10	-	10	-
Total investment derivative instruments	<u>\$ 241</u>	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 223</u>
Hedging derivative instruments				
Fixed-to-floating interest rate swaps	\$ 16,415	\$ -	\$ 16,415	\$ -
Fixed-to-floating interest rate swaps (liability)	(11)	-	(11)	-
Interest rate caps	69	-	69	-
Total hedging derivative instruments	<u>\$ 16,473</u>	<u>\$ -</u>	<u>\$ 16,473</u>	<u>\$ -</u>

The Authority obtains its fair value pricing on fixed-income investments from its third-party custodian. There are multiple pricing methodologies which are used to value the Authority's U.S. Treasury securities, U.S. government agency securities, SLGS securities, mortgage-backed securities, municipal bonds, corporate bonds, commercial paper, and negotiable certificates of deposit. These methods include, but are not limited to, gathering pricing from multiple market sources and vendor credit information, observed market movements, sector news into the pricing applications and models, or manual methods. Since none of the Authority's fixed income investments are actively traded on an exchange yet rely on significant observable inputs for fair value pricing, these securities are classified as Level 2.

The Authority also holds investments in governmental money market mutual funds and the State of Iowa Treasurer pooled money fund. These investments are valued using cost-based measures. The State Treasurer manages the investments and accepts all risks with respect to the investments in the pool. The pool has no limitations or restrictions on withdrawals and transacts with the Authority at a value of \$1 per share.

The Authority obtains its fair value pricing on interest rate swaps and cap derivative instruments from a third-party vendor. The fair value of the forward MBS sales and MBS purchase commitments are estimated based on internal valuation models. See Note 6(f) for further description of the fair value methodology for derivative instruments.

Note 8 - Pension Plan

(a) Plan Description

IPERS membership is mandatory for employees of the Authority, except for those covered by another retirement system. Employees of the Authority are provided with pensions through a cost-sharing, multiple-employer, defined-benefit pension plan administered by IPERS. IPERS issues a stand-alone financial report, which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

(b) Pension Benefits

A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- i. A multiplier (based on years of service).
- ii. The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

(c) Disability and Death Benefits

A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

(d) Contributions

Contribution rates are established by IPERS following the completion of the annual actuarial valuation using IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2022, pursuant to the required rate, regular members contributed 6.29 percent of pay and the Authority contributed 9.44 percent for a total rate of 15.73 percent.

The Authority's contributions to IPERS for the years ended June 30, 2023, 2022, and 2021, were \$771, \$743, and \$724 thousand, respectively.

(e) Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the Authority reported a liability of \$3.5 million for its proportionate share of the net pension liability which is recorded within other liabilities in the statement of net position, of which \$3.3 million and \$252 thousand was attributed to the Housing Agency Fund and State Revolving Fund, respectively. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2022, the Authority's collective proportion was 0.088782 percent, which was a decrease of 0.002058 from its proportion measured as of June 30, 2021.

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Notes to Financial Statements
June 30, 2023

For the year ended June 30, 2023, the Authority recognized pension expense of (\$920) thousand. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (dollars in thousands):

	Housing Agency Fund		State Revolving Fund		Total	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 145	\$ 45	\$ 11	\$ 3	\$ 156	\$ 48
Changes of assumptions	3	-	1	-	4	-
Net difference between projected and actual earnings on pension plan investments	-	350	-	27	-	377
Changes in proportion and differences between Authority contributions and proportionate share of contributions	166	348	13	27	179	375
Authority contributions subsequent to the measurement date	<u>716</u>	<u>-</u>	<u>55</u>	<u>-</u>	<u>771</u>	<u>-</u>
Total	<u>\$ 1,030</u>	<u>\$ 743</u>	<u>\$ 80</u>	<u>\$ 57</u>	<u>\$ 1,110</u>	<u>\$ 800</u>

\$771 thousand reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (dollars in thousands):

Year Ended June 30,	
2024	\$ (461)
2025	(329)
2026	(449)
2027	777
2028	1
Total	<u>\$ (461)</u>

There were no non-employer contributing entities at IPERS.

(f) Actuarial Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	2.60 percent per annum
Rate of salary increase	3.25 to 16.25 percent average, including inflation Rates vary by membership group
Long-term investment rate of return	7.00 percent, compounded annually, net of expenses
Wage growth	3.25 percent per annum, based on 2.60 percent inflation and 0.65 percent real wage inflation

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the PubG-2010 Employee and Healthy Annuitant Tables adjusted using MP-2021 generational adjustments.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Asset allocation	Long-term expected real rate of return
U.S. equity	22.0 %	3.57 %
Non-U.S. equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core-plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	100.0 %	

(g) Discount Rate

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the Authority will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

(h) Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate (dollars in thousands).

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Authority's proportionate share of the net pension liability	\$ 6,565	\$ 3,524	\$ 843

(i) Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report, which is available on IPERS’ web site at www.ipers.org.

(j) Payables to the Pension Plan

At June 30, 2023, the Authority had no legally required employer or employee contributions not yet remitted to IPERS.

Note 9 - Segment Information

The Authority issues bonds to finance the purchase of MBS and multi-family developments. The bond programs are accounted for in a single enterprise fund, but investors rely on the revenue generated by the activities within the individual bond indentures. Summary financial information as of and for the year ended June 30, 2023, is presented below (dollars in thousands):

	Single-Family 1991 MB	Single-Family 2009 MRB	Multi- Family housing bonds
Condensed Statement of Net Position			
Current assets	\$ 355,291	\$ 884	\$ 35,275
Noncurrent assets	1,123,463	4,187	51,662
Total assets	<u>1,478,754</u>	<u>5,071</u>	<u>86,937</u>
Deferred outflows of resources	2,136	-	11
Total assets and deferred outflows	<u>\$ 1,480,890</u>	<u>\$ 5,071</u>	<u>\$ 86,948</u>
Current liabilities	\$ 61,420	\$ 19	\$ 13,384
Noncurrent liabilities	1,265,969	4,896	28,180
Deferred inflows of resources	17,367	-	69
Total liabilities	<u>1,344,756</u>	<u>4,915</u>	<u>41,633</u>
Restricted Net Position	<u>136,134</u>	<u>156</u>	<u>45,315</u>
Total liabilities and net position	<u>\$ 1,480,890</u>	<u>\$ 5,071</u>	<u>\$ 86,948</u>
Condensed Statement of Revenues, Expenses, and Change in Net Position			
Operating revenues	\$ 6,092	\$ (18)	\$ 3,362
Operating expenses	34,832	163	1,957
Operating income (loss)	<u>(28,740)</u>	<u>(181)</u>	<u>1,405</u>
Non-operating revenue (expense)	538	(38)	(34)
Change in net position	<u>(28,202)</u>	<u>(219)</u>	<u>1,371</u>
Beginning net position	<u>164,336</u>	<u>375</u>	<u>43,944</u>
Ending net position	<u>\$ 136,134</u>	<u>\$ 156</u>	<u>\$ 45,315</u>
Condensed Statement of Cash Flows			
Net cash provided (used) by:			
Operating activities	\$ (192,905)	\$ 856	\$ 4,710
Noncapital financing activities	319,189	(940)	(2,505)
Investing activities	<u>16,099</u>	<u>21</u>	<u>3,117</u>
Net change	142,383	(63)	5,322
Beginning cash and cash equivalents	<u>160,847</u>	<u>754</u>	<u>24,828</u>
Ending cash and cash equivalents	<u>\$ 303,230</u>	<u>\$ 691</u>	<u>\$ 30,150</u>

Note 10 - Commitments and Contingencies

(a) Housing Agency Commitments

The Authority has made commitments to grant funds for various purposes. The Authority does not record the expense or the liability for these grants until the grantee has fulfilled all contractual requirements and the funds have actually been disbursed. A summary of those outstanding commitments as of June 30, 2023, is as follows (dollars in thousands):

Description	
Local housing trust fund grants	\$ 14,377
Project-based housing trust fund grants	250
Shelter assistance fund grants	964
Water quality grants	<u>10,240</u>
Total	<u><u>\$ 25,831</u></u>

(b) State Revolving Fund Commitments

The Authority has signed loan agreements under the SRF for which \$534.2 million have not been disbursed as of June 30, 2023.

(c) Legal

The Authority is subject to various claims or proceedings that arise in the ordinary course of its business activities including administrative actions involving the rights of employees. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Authority.

Note 11 - Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2023, the Authority managed its risks as follows:

- The Authority participated in the State of Iowa employee benefit program for health, dental, long-term disability, and life insurance coverage which are fully insured.
- The Authority is covered by the State of Iowa for:
 - Employee Theft Governmental Entity - \$2 million
 - Computer Fraud - \$2 million
 - Computer Program/Electronic Data Restoration - \$0.5 million
- The Authority participates in the State of Iowa’s self-insured Workers’ Compensation Fund. The liability for unpaid claims is estimated based on the average cost per claim-type determined from an actuarial review.

- The Authority purchases insurance for:
 - Commercial General Liability - \$2 million
 - Automobile Liability - \$1 million
 - Umbrella Liability - \$10 million
 - Building Property - 1963 Bell – \$18.5 million
 - Personal Property - 1963 Bell – \$2.2 million
 - Crime Policy, including computer fraud - \$2 million
 - Cyber Liability - \$1 million
- Iowa Title Guaranty purchases insurance for:
 - Professional Liability - \$5 million
 - Crime Coverage - \$5 million
 - Treaty Reinsurance – up to \$20 million, ITG self-insures the first \$2 million of risk
 - Facultative Reinsurance – for excess of \$20 million

Note 12 - Subsequent Events

The Authority issued Single-Family Mortgage Bonds on September 20, 2023, in the par amount of \$99.7 million. Proceeds will be used to purchase mortgage-backed securities under the Authority's FirstHome and Homes for Iowans program and finance closing costs and down payment assistance.

The Authority executed a bond purchase agreement for a Direct Placement in the amount of \$36.0 million with Bank of America, N.A., on September 6, 2022. The bonds closed on June 28, 2023, and will refund the State Revolving Fund Series 2013 Bonds on August 1, 2023.

On June 30, 2023, the Authority held \$56.1 million of unspent Emergency Rental Assistance (ERA1) funds for a rent and utility assistance program that ended during the 2023 fiscal year. The Authority was awaiting further information from Treasury regarding the return of these funds. On September 7, 2023, the \$56.1 million in unspent funds was returned to Treasury, officially closing the Authority's rent and utility assistance program.

Note 13 - Related Party Transactions

A member of the Authority's Board of Directors is a key employee for the City of Dubuque, Iowa. The Authority has \$109 million in SRF loans and \$2.8 million in Housing Agency loans outstanding with the City of Dubuque.

Note 14 - Conduit Debt

The Authority issues conduit debt under the Private Activity Bond Program. Each conduit bond is issued under, and secured by, a separate trust indenture for the project. The bond proceeds are loaned to the conduit project under a loan agreement and promissory note, where the borrower is obligated to make principal and interest payments on the conduit bonds. The conduit debt is not reported on the Authority's statement of net position. The outstanding conduit bond balance as of the balance sheet date of June 30, 2023, is approximately \$4.7 billion.

Note 15 - Other Post-Employment Benefits (OPEB)

(a) Plan Description

The Authority's employees are provided with OPEB through the State of Iowa OPEB Plan—a cost-sharing, multiple-employer, defined-benefit OPEB plan administered by the State of Iowa (State Plan). The State of Iowa provides access to post-retirement medical benefits to all retirees as required by Chapter 509A.13 of the Code of Iowa. Although the retirees generally must pay 100% of the premium rate, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75), requires that employers recognize the Implicit Rate Subsidy that exists in post-retirement medical plans provided by governmental employers.

The Implicit Rate Subsidy refers to the concept that retirees under the age of 65 (i.e. not eligible for Medicare) generate higher claims on average than active participants. When a medical plan is self-insured or fully insured through a third-party administrator, a premium is usually determined by analyzing the claims of the entire population in the plan and adjusting for administrative costs. The resulting premium is called a blended premium because it blends the claims of active and retired participants. Since individuals generally have more and higher claims as they get older, the blended premium paid for retirees is lower than their expected claims. Another way of considering this is that if the retirees were removed from the plan, the premium for the active group would be lower; therefore, the retirees' premiums are being subsidized by the active group. Since the employer generally pays a large portion or all of the premiums for the active group, this subsidy creates a liability for the employer. The difference between the expected claims for the retiree group and the blended premium is called the Implicit Rate Subsidy.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

(b) Plan Membership

There are 17,074 active and 2,045 retired participants in the plan as of January 1, 2022.

(c) Plan Benefits

The State currently offers three plans which are available to participants: Iowa Choice, National Choice, and State Police Officers Council.

The contribution requirements of the plan participants are established and may be amended by the State Legislature. The State currently finances the retiree benefit plan on a pay-as-you-go basis.

(d) OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (dollars in thousands)

At June 30, 2023, the Authority reported a liability of \$1,089 for its proportionate share of the total OPEB liability, which is recorded within other liabilities in the statement of net position. The total OPEB liability was based upon an actuarial valuation performed as of June 30, 2022. The Authority's proportion of the total OPEB liability was based on a ratio of Authority's headcount of active employees and covered spouses in relation to all active employees and covered spouses of the plan. At June 30, 2022, the Authority's proportion was 0.485%, which was an increase of 0.010% from the prior measurement date.

Iowa Finance Authority
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Notes to Financial Statements
June 30, 2023

For the year ended June 30, 2023, the Authority recognized OPEB expense of \$97. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Housing Agency Fund		State Revolving Fund		Total	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 257	\$ 45	\$ 13	\$ 2	\$ 270	\$ 47
Changes of assumptions	50	264	2	13	52	277
Change in proportionate share	78	56	4	3	82	59
Total	<u>\$ 385</u>	<u>\$ 365</u>	<u>\$ 19</u>	<u>\$ 18</u>	<u>\$ 404</u>	<u>\$ 383</u>

Amounts reported as deferred outflows and (inflows) of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ended June 30,	
2024	\$ 7
2025	7
2026	5
2027	(2)
2028+	4
Total	<u>\$ 21</u>

(e) Actuarial Assumptions

The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Rate of Inflation	2.60 percent per annum
Discount Rate	3.44 percent (as of January 1, 2018)
(based on 20-year municipal bond yield)	3.87 percent (as of June 30, 2018)
	3.50 percent (as of June 30, 2019)
	2.73 percent (as of January 1, 2020)
	2.21 percent (as of June 30, 2020)
	2.16 percent (as of June 30, 2021)
	3.54 percent (as of June 30, 2022)

Age of Spouse	Actual age or, if unavailable, males assumed to be 3 years older than females
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The majority of State of Iowa employees are participants in the Iowa Public Employees Retirement System (IPERS). For this reason, the individual salary increase, mortality, withdrawal, and retirement assumptions are based on the assumptions used for IPERS actuarial valuation report as of June 30, 2022. The plan participation assumption and other medical plan specific assumptions are based upon the recent experience of the State of Iowa Post-retirement Medical Plan.

For the June 30, 2022, valuation, the following changes were made:

- The pre-retirement and post-retirement mortality assumptions were updated to be consistent with the assumptions used for “State Employees” in the June 30, 2022, IPERS actuarial valuation.
- Salary, turnover, and retirement rates assumptions were updated to be consistent with the assumptions used for “State Employees” in the June 30, 2022, IPERS actuarial valuation.
- Medical, prescription drug, and administrative costs were updated to reflect recent experience.
- Medical, prescription drug, and administrative expense trend rates were updated to reflect recent experience and future expectations.
- The discount rate was updated from 2.16% to 3.54%.

(f) Changes in Total OPEB Liability (expressed in thousands)

	Increase (decrease)
Balance at July 1, 2022	\$ 1,017
Changes for the year:	
Service cost	84
Interest	24
Differences between expected and actual experience	27
Changes in assumptions	(27)
Benefit payments - implicit subsidy	(17)
Recognition of net current and deferred outflows/(inflows) due to changes in proportion and differences between employer's contributions and proportionate share of contributions	(19)
Net change	72
Balance at June 30, 2023	\$ 1,089

(g) Sensitivity Analysis – Changes to the Discount Rate

The proportionate share of the total OPEB liability was calculated using a discount rate of 3.54%, as well as a discount rate that is 1 percentage point lower and 1 percentage point higher than the current rate. The sensitivity of the proportionate share of the total OPEB liability to changes in the discount rate is presented below (expressed in thousands):

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Authority's proportionate share of the total OPEB liability	\$ 1,162	\$ 1,089	\$ 1,019

(h) Sensitivity Analysis – Changes to the Healthcare Cost Trend Rate

The proportionate share of the total OPEB liability was calculated using a healthcare trend rate of 7.0% to 8.0% grading down to 4.5%, as well as a discount rate that is 1 percentage point lower and 1 percentage point higher than the current rate. The sensitivity of the proportionate share of the total OPEB liability to changes in the healthcare cost trend rate is presented below (expressed in thousands):

	1% Decrease (6.00%)	Healthcare Cost Trend Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the total OPEB liability	\$ 979	\$ 1,089	\$ 1,217

(i) Payables to the OPEB Plan

The Authority makes no contributions to this plan; therefore, no payments are outstanding as of June 30, 2023.



Required Supplementary Information
June 30, 2023

Iowa Finance Authority
(A Component Unit of the State of Iowa)

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Schedule of Authority's Proportionate Share of the Net Pension Liability (Unaudited)
(Dollars in thousands)
Year Ended June 30, 2023

(1) Schedule of Authority's Proportionate Share of the Net Pension Liability (Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.088782%	0.090840%	0.086380%	0.091764%	0.101745%	0.101311%	0.098044%	0.102439%	0.105426%
Authority's proportionate share of the net pension liability	\$ 3,524	\$ 127	\$ 6,026	\$ 5,349	\$ 6,437	\$ 6,688	\$ 6,114	\$ 5,093	\$ 4,267
Authority's covered payroll	7,871	7,669	7,044	6,748	7,312	7,212	6,753	7,088	7,066
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	44.77%	1.66%	85.55%	79.27%	88.03%	92.73%	90.54%	71.85%	60.39%
Plan fiduciary net position as a percentage of the total pension liability	91.41%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

Note: GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Schedule of Authority's Contributions (Unaudited)
(Dollars in thousands)
Year Ended June 30, 2023

(2) Schedule of Authority's Contributions (Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 771	\$ 743	\$ 724	\$ 665	\$ 637	\$ 653	\$ 644	\$ 603	\$ 633	\$ 631
Contributions in relation to the statutorily required contribution	\$ (771)	\$ (743)	\$ (724)	\$ (665)	\$ (637)	\$ (653)	\$ (644)	\$ (603)	\$ (633)	\$ (631)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 8,167	\$ 7,871	\$ 7,669	\$ 7,044	\$ 6,748	\$ 7,312	\$ 7,212	\$ 6,753	\$ 7,088	\$ 7,066
Contribution as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Schedule of Authority's Proportionate Share of the Total OPEB Liability (Unaudited)
(Dollars in thousands)
Year Ended June 30, 2023

(3) Schedule of Authority's Proportionate Share of the Total OPEB Liability (Unaudited)

	2023	2022	2021	2020	2019	2018
Authority's proportion of the total OPEB liability	0.485%	0.475%	0.427%	0.427%	0.424%	0.461%
Authority's proportionate share of the total OPEB liability	\$ 1,089	\$ 1,017	\$ 909	\$ 909	\$ 848	\$ 859
Authority's covered-employee payroll	8,223	7,984	7,290	7,290	7,363	7,783
Authority's proportionate share of the total OPEB liability as a percentage of its covered-employee payroll	13.2%	12.7%	12.5%	12.5%	11.5%	11.0%

* The amounts presented were determined as of the calendar year-end that occurred within the fiscal year.

Note: GASB Statement No. 75 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

(4) Notes to Required Supplementary Information (Unaudited)

(a) Pension - Changes of Benefit Terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

(b) Pension - Changes of Assumptions:

The 2022 valuation implemented the following changes:

- Mortality assumption was changed to the family of PubG-2010 Mortality Tables for all groups, with age setbacks and set forwards, as well as other adjustments. Future mortality improvements are modeled using Scale MP-2021.
- Retirement dates were adjusted to partially reflect observed experience for Regular members only.
- Disability rates were lowered for Regular members only.
- Termination rates were adjusted to partially reflect observed experience for all groups.

The 2018 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates for all groups.
- Adjusted termination rates.
- Adjusted the probability of a vested member electing to receive a deferred benefit.
- Salary increase assumption merit component was adjusted.

The 2017 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.00 percent to 2.60 percent per year.
- Decreased the assumed rate of interest on member accounts from 3.75 percent to 3.50 percent per year.
- Decreased the long-term rate of return assumption from 7.50 percent to 7.00 percent per year.
- Decreased the wage growth and payroll growth assumption from 4.00 percent to 3.25 percent per year.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

(a) OPEB – Funding:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

(b) OPEB – Changes of Benefit Terms:

There were no significant changes in benefit terms.

(c) OPEB - Changes of Assumptions and Demographic Experience:

Effective with the June 30, 2022, actuarial valuation, the following methodology and assumption changes were made:

- The pre-retirement and post-retirement mortality assumptions were updated to be consistent with the assumptions used for "State Employees" in the June 30, 2022, IPERS actuarial valuation for the general State population and the assumptions used for "Protection Occupation" for the SPOC population.
- The salary scale was updated to be consistent with the scale used for "State Employees" in the June 30, 2022, IPERS actuarial valuation for the general State population and the scale used for "Sheriffs/Deputies and Protection Occupation" for the SPOC population.
- The turnover-rates assumption was updated to be consistent with the assumptions used for "State Employees" in the June 30, 2022, IPERS actuarial valuation for the general State population and the assumptions used for "Protection Occupation" for the SPOC population.
- The retirement-rates assumption was updated to be consistent with the assumptions used for "State Employees" in the June 30, 2022, IPERS actuarial valuation for the general State population and the assumptions used for "Protection Occupation" for the SPOC population.
- Medical, prescription drug, and administrative expense costs were updated to reflect recent experience.
- Medical, prescription drug, and administrative expense trend rates were updated to reflect recent experience and future expectations.
- The discount rate was updated from 2.16% to 3.54%.

Effective with the June 30, 2021, actuarial valuation, the following methodology and assumption changes were made:

- Medical, prescription drug, and administrative expense costs were updated to reflect recent experience.
- Medical, prescription drug, and administrative expense trend rates were updated to reflect recent experience. The discount rate was updated from 2.21% to 2.16%.

Effective with the June 30, 2020, actuarial valuation, the following methodology and assumption changes were made:

- Medical claim costs and premiums were updated based on recent experience.
- Annual medical trends were updated based on industry observations and the current SOA-Getzen model.
- The salary scale was updated to be consistent with the assumption used for "State Employees" in the June 30, 2019, IPERS actuarial valuation.

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Notes to Required Supplementary Information (Unaudited)
(Dollars in thousands)
Year Ended June 30, 2023

- The future expectation of inflation was updated from 3.00% to 2.60% to be consistent with the assumption used in the June 30, 2019 IPERS actuarial valuation.
- The discount rate methodology was updated based on a 20-year municipal bond yield as of January 1, 2020. This resulted in a change in discount rate from 3.44% to 2.73%.

Demographic Experience - Demographic experience was updated based on the current covered population of 17,448 active participants and 2,227 inactive participants as of January 1, 2020.



Other Supplementary Information
June 30, 2023

Iowa Finance Authority
(A Component Unit of the State of Iowa)

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Combining Schedules of Net Position
(Dollars in thousands)
June 30, 2023

	Housing Agency								State Revolving Fund			Combined	
	General Operating Account	Single-Family 1991 MB	Single-Family 2009 MRB	Multi-Family Housing Bonds	Federal and State Programs	Agricultural Development Division	Iowa Title Guaranty Division	Eliminations	Total Housing Agency	Clean Water Programs	Drinking Water Programs	Total SRF	Total IFA
Assets													
Current assets (substantially restricted):													
Cash and cash equivalents	\$ 15,710	\$ 303,230	\$ 691	\$ 30,150	\$ 233,181	\$ 1,095	\$ 21,194	\$ -	\$ 605,251	\$ 510,299	\$ 212,246	\$ 722,545	\$ 1,327,796
Investments in mortgage-backed securities	66	27,777	178	-	-	-	-	-	28,021	-	-	-	28,021
Other investments	-	-	-	-	-	-	-	-	-	38,400	31,350	69,750	69,750
Loans to municipalities or water systems, net	-	-	-	-	-	-	-	-	-	123,669	45,494	169,163	169,163
Housing Agency loans, net	18	255	-	4,765	10,201	778	-	-	16,017	-	-	-	16,017
Line of credit	-	19,617	-	-	-	-	-	-	19,617	-	-	-	19,617
Accrued interest receivable	51	4,353	15	350	23	26	-	-	4,818	4,214	1,754	5,968	10,786
Other current assets	2,025	59	-	10	(29)	(16)	222	-	2,271	363	1,171	1,534	3,805
Total current assets	17,870	355,291	884	35,275	243,376	1,883	21,416	-	675,995	676,945	292,015	968,960	1,644,955
Noncurrent assets (substantially restricted):													
Investments in mortgage-backed securities	743	1,056,461	4,187	-	-	-	-	-	1,061,391	-	-	-	1,061,391
Other investments	-	-	-	-	-	-	-	-	-	9,536	12,100	21,636	21,636
Loans to municipalities or water systems, net	-	-	-	-	-	-	-	-	-	1,800,631	493,736	2,294,367	2,294,367
Housing Agency loans, net	324	21,806	-	51,593	26,637	5,344	-	-	105,704	-	-	-	105,704
Capital assets, net	13,085	-	-	-	-	-	-	-	13,085	-	-	-	13,085
Other noncurrent assets	-	45,196	-	69	-	-	-	-	45,265	-	-	-	45,265
Total noncurrent assets	14,152	1,123,463	4,187	51,662	26,637	5,344	-	-	1,225,445	1,810,167	505,836	2,316,003	3,541,448
Total assets	32,022	1,478,754	5,071	86,937	270,013	7,227	21,416	-	1,901,440	2,487,112	797,851	3,284,963	5,186,403
Deferred Outflows of Resources													
Other post employment benefits	292	-	-	-	-	-	93	-	385	19	-	19	404
Pension plan	814	-	-	-	-	-	216	-	1,030	51	29	80	1,110
Accumulated decrease in fair value of hedging derivatives	-	-	-	11	-	-	-	-	11	-	-	-	11
Loss on bond refunding	-	2,136	-	-	-	-	-	-	2,136	2,044	963	3,007	5,143
Total deferred outflows	1,106	2,136	-	11	-	-	309	-	3,562	2,114	992	3,106	6,668
Total assets and deferred outflows	\$ 33,128	\$ 1,480,890	\$ 5,071	\$ 86,948	\$ 270,013	\$ 7,227	\$ 21,725	\$ -	\$ 1,905,002	\$ 2,489,226	\$ 798,843	\$ 3,288,069	\$ 5,193,071

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Combining Schedules of Net Position
(Dollars in thousands)
June 30, 2023

	Housing Agency								State Revolving Fund			Combined
	General Operating Account	Single-Family 1991 MB	Single-Family 2009 MRB	Multi-Family Housing Bonds	Federal and State Programs	Agricultural Development Division	Iowa Title Guaranty Division	Eliminations	Total Housing Agency	Clean Water Programs	Drinking Water Programs	Total SRF
Liabilities												
Current liabilities:												
Bonds payable, net	\$ -	\$ 46,565	\$ -	\$ 3,427	\$ -	\$ -	\$ -	\$ 49,992	\$ 52,090	\$ 25,105	\$ 77,195	\$ 127,187
Accrued interest payable	-	13,928	18	101	-	-	-	14,047	22,787	5,501	28,288	42,335
Escrow deposits	-	-	-	9,832	-	-	1,479	-	-	-	-	11,311
Deferred revenue	61	110	-	-	163,926	-	-	164,097	-	-	-	164,097
Accounts payable and other liabilities	2,422	817	1	24	286	1	1,629	5,180	609	290	899	6,079
Total current liabilities	2,483	61,420	19	13,384	164,212	1	3,108	244,627	75,486	30,896	106,382	351,009
Noncurrent liabilities:												
Bonds payable, net	-	1,265,775	4,896	28,168	-	-	-	1,298,839	1,680,981	378,237	2,059,218	3,358,057
Reserves for claims	-	-	-	-	-	-	1,778	-	-	-	-	1,778
Other liabilities	3,639	194	-	12	740	-	930	5,515	207	92	299	5,814
Total noncurrent liabilities	3,639	1,265,969	4,896	28,180	740	-	2,708	1,306,132	1,681,188	378,329	2,059,517	3,365,649
Total liabilities	6,122	1,327,389	4,915	41,564	164,952	1	5,816	1,550,759	1,756,674	409,225	2,165,899	3,716,658
Deferred Inflows of Resources												
Other post employment benefits	278	-	-	-	-	-	87	365	18	-	18	383
Pension plan	587	-	-	-	-	-	156	743	37	20	57	800
Accumulated increase in fair value of hedging derivatives	-	17,367	-	69	-	-	-	17,436	-	-	-	17,436
Gain on bond refunding	-	-	-	-	-	-	-	-	6,272	1,949	8,221	8,221
Total deferred inflows of resources	865	17,367	-	69	-	-	243	18,544	6,327	1,969	8,296	26,840
Net Position												
Net investment in capital assets	13,085	-	-	-	-	-	-	13,085	-	-	-	13,085
Restricted net position:												
Per bond resolutions	-	136,134	156	45,315	-	-	-	181,605	583,420	339,591	923,011	1,104,616
Per legislation	-	-	-	-	72,834	-	15,666	88,500	-	-	-	88,500
Per other agreements	-	-	-	-	32,227	7,226	-	39,453	142,805	48,058	190,863	230,316
Total restricted net position	-	136,134	156	45,315	105,061	7,226	15,666	309,558	726,225	387,649	1,113,874	1,423,432
Unrestricted net position	13,056	-	-	-	-	-	-	13,056	-	-	-	13,056
Total net position	26,141	136,134	156	45,315	105,061	7,226	15,666	335,699	726,225	387,649	1,113,874	1,449,573
Total liabilities, deferred inflows, and net position	\$ 33,128	\$ 1,480,890	\$ 5,071	\$ 86,948	\$ 270,013	\$ 7,227	\$ 21,725	\$ 1,905,002	\$ 2,489,226	\$ 798,843	\$ 3,288,069	\$ 5,193,071

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Combining Schedules of Revenues, Expenses and Changes in Net Position
(Dollars in thousands)
Year Ended June 30, 2023

	Housing Agency								State Revolving Fund			Combined
	General Operating Account	Single-Family 1991 MB	Single-Family 2009 MRB	Multi-Family Housing Bonds	Federal and State Programs	Agricultural Development Division	Iowa Title Guaranty Division	Eliminations	Total Housing Agency	Clean Water Programs	Drinking Water Programs	Total SRF
Operating revenues:												
Interest on mortgage-backed securities	\$ 38	\$ 35,014	\$ 157	\$ -	\$ -	\$ -	\$ -	\$ 35,209	\$ -	\$ -	\$ -	\$ 35,209
Interest on loans	14	1,499	-	2,787	182	206	-	4,688	31,921	9,580	41,501	46,189
Interest on investments	3,412	5,965	21	572	953	24	-	10,947	8,474	6,633	15,107	26,054
Gain on sale of mortgage-backed securities	-	661	-	-	-	-	-	661	-	-	-	661
Net (decrease) increase in fair value of investments and mortgage-backed securities	(37)	(38,622)	(196)	3	-	-	-	(38,852)	(73)	(243)	(316)	(39,168)
Fee revenue	8,567	1,575	-	-	-	376	10,330	18,059	5,750	1,718	7,468	25,527
Other revenue	1,638	-	-	-	-	-	69	1,707	-	-	-	1,707
Total operating revenues	13,632	6,092	(18)	3,362	1,135	606	10,399	32,419	46,072	17,688	63,760	96,179
Operating expenses:												
Interest expense	-	31,476	144	1,269	-	-	-	32,889	44,504	9,751	54,255	87,144
General and administrative	9,955	3,126	19	163	9,160	315	6,334	26,283	5,673	5,543	11,216	37,499
Provision (recoveries) of losses	-	230	-	525	(214)	4	193	738	1,226	(1,263)	(37)	701
Total operating expenses	9,955	34,832	163	1,957	8,946	319	6,527	59,910	51,403	14,031	65,434	125,344
Net operating income (loss)	3,677	(28,740)	(181)	1,405	(7,811)	287	3,872	(27,491)	(5,331)	3,657	(1,674)	(29,165)
Non-operating revenue (expense):												
Grant income	72,315	1,970	-	-	91,652	-	-	165,937	39,798	40,007	79,805	245,742
Grants and aid	(72,190)	(3,907)	(38)	(34)	(72,245)	-	-	(148,414)	(6,225)	(1,360)	(7,585)	(155,999)
Inter-Agency transfers	1,000	2,475	-	-	100	-	(3,575)	-	335	(335)	-	-
Net non-operating revenue (expense)	1,124	538	(38)	(34)	19,508	-	(3,575)	17,523	33,908	38,312	72,220	89,743
Change in net position	4,801	(28,202)	(219)	1,371	11,697	287	297	(9,968)	28,577	41,969	70,546	60,578
Net position at July 1, 2022	21,340	164,336	375	43,944	93,364	6,939	15,369	345,667	697,648	345,680	1,043,328	1,388,995
Net position at June 30, 2023	\$ 26,141	\$ 136,134	\$ 156	\$ 45,315	\$ 105,061	\$ 7,226	\$ 15,666	\$ 335,699	\$ 726,225	\$ 387,649	\$ 1,113,874	\$ 1,449,573

Statistical Section (unaudited)

Statistical Section (unaudited)

This part of the Iowa Finance Authority’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority’s overall financial health. This information has not been audited by the independent auditor.

Financial Trends (Pages 73-75)

These tables contain trend information to help the reader understand how the Authority’s financial performance and well-being has changed over time.

Revenue Capacity (Pages 76-78)

These tables contain information to help the reader assess the Authority’s various revenue sources.

Debt Capacity (Page 79)

This table presents information to help the reader assess the affordability of the Authority’s current levels of outstanding debt and the Authority’s ability to issue additional debt in the future.

Economic and Demographic Information (Pages 80-83)

These tables offer economic and demographic indicators to help the reader understand the environment within which the Authority’s financial activities take place.

Operating Indicators (Page 84)

This tables contains data to assist the reader in understanding how the information in the Authority’s financial report relates to the communities and services the Authority provides and the population it serves.

Iowa Finance Authority
Statistical Section (unaudited)
Year Ended June 30, 2023

		Net Position and Changes in Net Position (dollars in thousands)									
		Fiscal Year ending June 30,									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Housing Agency Fund											
Net investment in capital assets		\$ 2,946	\$ 2,791	\$ 2,685	\$ 2,431	\$ 2,332	\$ 4,664	\$ 13,568	\$ 13,956	\$ 14,012	\$ 13,085
Restricted		305,092	319,421	318,934	317,597	312,578	336,512	374,806	393,236	324,327	309,558
Unrestricted		12,968	5,149	4,491	4,520	5,348	7,835	6,741	6,720	7,328	13,056
Total Housing Agency net position		<u>\$ 321,006</u>	<u>\$ 327,361</u>	<u>\$ 326,110</u>	<u>\$ 324,548</u>	<u>\$ 320,258</u>	<u>\$ 349,011</u>	<u>\$ 395,115</u>	<u>\$ 413,912</u>	<u>\$ 345,667</u>	<u>\$ 335,699</u>
Change in net position		\$ 7,210	\$ 6,355	\$ (1,251)	\$ (1,562)	\$ (4,290)	\$ 28,753	\$ 46,104	\$ 18,797	\$ (68,245)	\$ (9,968)
State Revolving Fund											
Net investment in capital assets		\$ 70	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted		808,705	824,631	868,407	891,142	920,057	957,001	995,690	1,019,595	1,043,328	1,113,874
Total State Revolving Fund net position		<u>\$ 808,775</u>	<u>\$ 824,656</u>	<u>\$ 868,407</u>	<u>\$ 891,142</u>	<u>\$ 920,057</u>	<u>\$ 957,001</u>	<u>\$ 995,690</u>	<u>\$ 1,019,595</u>	<u>\$ 1,043,328</u>	<u>\$ 1,113,874</u>
Change in net position		\$ 32,973	\$ 15,881	\$ 43,751	\$ 22,735	\$ 28,915	\$ 36,944	\$ 38,689	\$ 23,905	\$ 23,733	\$ 70,546
Iowa Finance Authority											
Net investment in capital assets		\$ 3,016	\$ 2,816	\$ 2,685	\$ 2,431	\$ 2,332	\$ 4,664	\$ 13,568	\$ 13,956	\$ 14,012	\$ 13,085
Restricted		1,113,797	1,144,052	1,187,341	1,208,739	1,232,635	1,293,513	1,370,496	1,412,831	1,367,655	1,423,432
Unrestricted		12,968	5,149	4,491	4,520	5,348	7,835	6,741	6,720	7,328	13,056
Total Iowa Finance Authority net position		<u>\$ 1,129,781</u>	<u>\$ 1,152,017</u>	<u>\$ 1,194,517</u>	<u>\$ 1,215,690</u>	<u>\$ 1,240,315</u>	<u>\$ 1,306,012</u>	<u>\$ 1,390,805</u>	<u>\$ 1,433,507</u>	<u>\$ 1,388,995</u>	<u>\$ 1,449,573</u>
Change in net position		\$ 40,183	\$ 22,236	\$ 42,500	\$ 21,173	\$ 24,625	\$ 65,697	\$ 84,793	\$ 42,702	\$ (44,512)	\$ 60,578

Iowa Finance Authority
Statistical Section (unaudited)
Year Ended June 30, 2023

Iowa Finance Authority Expenses - Housing Agency Fund (Dollars in thousands)										
Fiscal Year ending June 30,										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating expense										
Interest expense	\$ 17,240	\$ 13,106	\$ 12,046	\$ 12,391	\$ 13,830	\$ 16,143	\$ 19,773	\$ 17,490	\$ 18,884	\$ 32,889
Employee expense	9,356	9,372	9,593	10,747	10,403	9,327	9,417	9,489	9,522	10,152
Professional services	4,660	3,973	5,114	5,078	5,073	4,766	6,091	12,129	18,920	13,089
Claims and loss expense (recoveries)	327	(4,319)	4,908	240	394	(3,562)	309	(455)	(500)	738
Other general and administrative expenses	7,852	1,785	1,879	2,051	2,564	2,969	3,261	3,818	3,167	3,042
Total operating expense*	39,435	23,917	33,540	30,507	32,264	29,643	38,851	42,471	49,993	59,910
Non-operating expense - grant expense**	88,438	90,191	93,704	86,313	82,316	87,324	93,040	222,164	159,084	148,414
Other non-operating expense	-	-	-	-	-	4,167	-	-	-	-
Total expenses	\$ 127,873	\$ 114,108	\$ 127,244	\$ 116,820	\$ 114,580	\$ 121,134	\$ 131,891	\$ 264,635	\$ 209,077	\$ 208,324

* reclassified to exclude service release expense in all periods

** reclassified to include Section 8 grant expense in periods prior to June 30, 2016

Iowa Finance Authority
Statistical Section (unaudited)
Year Ended June 30, 2023

Iowa Finance Authority Operating Expense - State Revolving Fund (Dollars in thousands)										
Fiscal Year ending June 30,										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating expense										
Interest expense	\$ 34,625	\$ 33,099	\$ 29,064	\$ 32,580	\$ 34,969	\$ 38,603	\$ 44,123	\$ 47,125	\$ 51,611	\$ 54,255
Loan loss expense (recoveries)	(25)	(5)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(37)
Iowa Finance Authority expense	1,120	1,167	1,169	1,224	1,474	1,466	1,640	1,430	1,439	1,927
Department of Natural Resources expense	8,090	7,860	7,214	8,694	7,580	8,568	7,379	7,581	7,537	9,289
Total operating expense	43,810	42,121	37,422	42,473	43,998	48,612	53,117	56,111	60,562	65,434
Non-operating expense - grant expense	5,662	6,157	8,100	7,364	4,643	3,794	4,664	3,096	2,994	7,585
Total expenses	\$ 49,472	\$ 48,278	\$ 45,522	\$ 49,837	\$ 48,641	\$ 52,406	\$ 57,781	\$ 59,207	\$ 63,556	\$ 73,019

Iowa Finance Authority
Statistical Section (unaudited)
Year Ended June 30, 2023

Iowa Finance Authority Revenue Sources - Housing Agency Fund (Dollars in thousands)										
Fiscal Year ending June 30,										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating revenue										
Interest revenue										
Mortgage backed securities	\$ 22,690	\$ 18,474	\$ 16,430	\$ 15,942	\$ 17,207	\$ 19,563	\$ 24,507	\$ 26,239	\$ 27,027	\$ 35,209
Loans	3,830	3,589	3,466	3,952	3,865	4,016	3,882	3,490	3,736	4,688
Cash equivalents and investments	3,135	4,152	3,529	3,704	4,854	6,255	4,789	2,305	404	10,947
Gain on sale of MBS	3,407	4,746	4,294	5,551	2,817	2,948	4,663	6,123	3,150	661
Net (decrease) increase in FV of investments and MI	(1,505)	(3,585)	1,119	(13,331)	(13,524)	17,603	32,883	(6,477)	(101,038)	(38,852)
Total interest revenue	31,557	27,376	28,838	15,818	15,219	50,385	70,724	31,680	(66,721)	12,653
Fee revenue										
Iowa Title Guaranty	6,457	5,434	7,265	8,084	7,628	6,600	9,823	16,569	18,583	10,330
Single-family*	(512)	87	507	539	670	859	426	(41)	537	1,576
Section 8	2,406	2,437	2,500	2,606	2,669	2,728	2,735	2,810	2,893	3,105
LIHTC	1,874	1,606	1,848	1,822	1,927	2,084	1,115	2,314	2,539	2,415
Private activity bonds	252	114	239	408	394	312	169	169	379	155
Loans	84	117	115	11	116	79	50	130	67	102
Iowa Agricultural Development Division	273	358	572	513	540	477	405	293	356	376
Total fee revenue	10,834	10,153	13,046	13,983	13,944	13,139	14,723	22,244	25,354	18,059
Other revenue	340	252	266	353	290	396	1,037	1,273	1,707	1,707
Total operating revenue	42,731	37,781	42,150	30,154	29,453	63,920	86,484	55,197	(39,660)	32,419
Non-operating revenue										
Grant revenue										
Miscellaneous	180	104	72	91	-	-	-	-	-	-
State funds	20,628	17,413	10,365	11,069	10,478	11,529	13,419	21,926	29,151	31,844
Federal funds**	67,526	70,623	73,284	73,943	71,057	74,438	78,092	206,309	151,340	134,093
Total non-operating revenue	88,334	88,140	83,721	85,103	81,535	85,967	91,511	228,235	180,491	165,937
Total Housing Agency revenues	\$ 131,065	\$ 125,921	\$ 125,871	\$ 115,257	\$ 110,988	\$ 149,887	\$ 177,995	\$ 283,432	\$ 140,831	\$ 198,356

* Reclassified to net service release expense with service acquisition revenue in all periods

** Reclassified to include Section 8 revenue in all periods

Iowa Finance Authority
Statistical Section (unaudited)
Year Ended June 30, 2023

Iowa Finance Authority Revenue Sources - State Revolving Fund (dollars in thousands)										
Fiscal Year ending June 30,										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating revenue										
Loan interest	\$ 37,106	\$ 37,001	\$ 36,919	\$ 36,944	\$ 38,052	\$ 39,151	\$ 39,911	\$ 40,831	\$ 40,896	\$ 41,501
Cash equivalents and investments interest	767	1,328	1,220	1,662	3,628	6,184	4,781	778	1,300	15,107
Net (decrease) increase in FV of investments	(357)	(86)	(582)	(789)	(519)	575	507	(351)	(1,612)	(316)
Fee revenue	3,916	4,255	4,526	4,913	5,578	5,868	6,329	6,883	7,114	7,468
Total operating revenue	41,432	42,498	42,083	42,730	46,739	51,778	51,528	48,141	47,698	63,760
Non-operating revenue										
EPA capitalization grants	31,675	21,893	46,026	29,843	30,846	37,572	44,942	35,047	39,591	79,805
Total State Revolving Fund revenues	\$ 73,107	\$ 64,391	\$ 88,109	\$ 72,573	\$ 77,585	\$ 89,350	\$ 96,470	\$ 83,188	\$ 87,289	\$ 143,565

Iowa Finance Authority
Largest SRF Borrowers
(dollars in thousands)

as of June 30, 2023		
Participant	Amount	% of Total
Wastewater Reclamation Authority	\$ 350,615	14%
City of Sioux City	127,728	5%
City of Fort Dodge	119,613	5%
City of Dubuque	108,521	4%
City of Clinton	69,736	3%
City of Grimes	62,724	3%
City of Ames	60,781	2%
City of Des Moines	57,550	2%
City of Indianola	57,201	2%
City of Cedar Rapids	42,174	2%
Total Top 10	\$ 1,056,643	43%

Total Loans Outstanding \$ 2,463,530

as of June 30, 2014		
Participant	Amount	% of Total
Wastewater Reclamation Authority	\$ 243,823	17%
City of Sioux City	146,074	10%
City of Dubuque	82,925	6%
City of Fort Dodge	73,677	5%
City of Clinton	73,604	5%
City of Cedar Rapids	45,088	3%
Council Bluffs Water Works	31,855	2%
Polk County	27,675	2%
City of Mason City	18,548	1%
City of Fort Madison	16,203	1%
Total Top 10	\$ 759,472	54%

Total Loans Outstanding \$ 1,406,311

Iowa Finance Authority
Statistical Section (unaudited)
Year Ended June 30, 2023

Iowa Finance Authority Outstanding Debt (Dollars in thousands)										
Fiscal Year ending June 30,										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Housing Agency Fund										
Single-family mortgage bonds*	\$ 209,551	\$ 152,977	\$ 196,886	\$ 287,488	\$ 396,061	\$ 513,520	\$ 654,641	\$ 780,728	\$ 968,006	\$ 1,312,340
Single-family mortgage revenue bonds*	187,419	159,768	128,399	101,231	79,002	64,799	51,424	15,297	5,691	4,896
Multi-family housing bonds*	49,086	46,864	45,022	43,238	38,146	36,492	34,634	33,129	32,768	31,595
Other debt**	654	550	-	-	46	-	-	-	-	-
Total Housing Agency debt	446,710	360,159	370,307	431,957	513,255	614,811	740,699	829,154	1,006,465	1,348,831
SRF revenue bonds*	983,648	1,002,761	942,612	1,079,407	1,192,350	1,413,502	1,587,956	1,782,751	1,938,057	2,136,413
Total debt	<u>\$ 1,430,358</u>	<u>\$ 1,362,920</u>	<u>\$ 1,312,919</u>	<u>\$ 1,511,364</u>	<u>\$ 1,705,605</u>	<u>\$ 2,028,313</u>	<u>\$ 2,328,655</u>	<u>\$ 2,611,905</u>	<u>\$ 2,944,522</u>	<u>\$ 3,485,244</u>
* Revenue bonds	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
** General obligation debt	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The Authority has no legal limitations on the amount of outstanding debt.
The Authority's debt is not considered debt of the State of Iowa, see notes 1 and 5 to the basic financial statements for more details.

The Authority has pledged the mortgage-backed securities and loans purchased with the proceeds of the revenue bonds along with the principal and interest payments.

Iowa Finance Authority
Demographic Information
as of June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Population (in thousands) ⁽¹⁾	3,109	3,121	3,131	3,142	3,149	3,155	3,164	3,193	3,200	n/a
Personal income (in millions) ⁽²⁾	\$ 139,385	\$ 143,533	\$ 144,940	\$ 148,837	\$ 157,102	\$ 164,042	\$ 174,685	\$ 182,208	\$ 188,168	n/a
Per capita personal income	\$ 44,828	\$ 45,990	\$ 46,286	\$ 47,377	\$ 49,896	\$ 51,993	\$ 55,210	\$ 57,065	\$ 58,802	n/a
Labor force (in thousands) ⁽³⁾	1,702	1,696	1,691	1,674	1,688	1,735	1,639	1,654	1,718	1,742
Employment (in thousands) ⁽³⁾	1,630	1,633	1,629	1,621	1,645	1,688	1,508	1,588	1,672	1,694
Unemployed (in thousands) ⁽³⁾	72	64	62	53	43	47	131	66	46	47
Unemployment rate ⁽³⁾	4.3%	3.7%	3.7%	3.2%	2.6%	2.7%	8.0%	4.0%	2.7%	2.7%

⁽¹⁾ Annual Estimates of the Resident Population for the United States, Regions, States, the District of Columbia, and Puerto Rico: April 1, 2020 to July 1, 2022 (NST-EST2021-POP)
Source: U.S. Census Bureau, Population Division; Release Date: December 2022

⁽²⁾ Personal Income by State, 1st Quarter 2023
Source: Bureau of Economic Analysis

⁽³⁾ Iowa Local Area Unemployment Statistics, Iowa Workforce Development
<https://www.iowalmi.gov/local-area-unemployment-statistics>

State of Iowa
 Principal Non-Governmental Employers
 Prior Calendar Year and Nine Years Ago

CALENDAR YEAR 2022

Rank	Employer	Type of Business
1	Hy-Vee Food Stores	Retail Food
2	Wal-Mart	Retail General Merchandise
3	Deere and Company	Machinery Manufacturing
4	Wells Fargo	Financial Activities
5	Mercy Health	Health Care Services
6	Tyson Fresh Meats	Food Manufacturing
7	Casey's General Store	Convenience Stores
8	Fareway Food Stores	Retail Food
9	Rockwell Collins	Equipment Manufacturing
10	Principal Financial Group	Financial Activities

CALENDAR YEAR 2013

Rank	Employer	Type of Business
1	Hy-Vee Food Stores	Retail Food
2	Wal-Mart	Retail General Merchandise
3	Wells Fargo	Financial Activities
4	Deere and Company	Machinery Manufacturing
5	Mercy Health	Health Care Services
6	Rockwell Collins	Equipment Manufacturing
7	Tyson Fresh Meats	Food Manufacturing
8	Casey's General Store	Convenience Stores
9	Fareway Food Stores	Retail Food
10	Principal Financial Group	Finance & Insurance

The Code of Iowa defines employee counts as confidential data; as such, this information is not available.

Source: Iowa Workforce Development

Iowa Finance Authority
Statistical Section (unaudited)
Year Ended June 30, 2023

Iowa Finance Authority
Capital Assets - Net Book Value
(dollars in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Land	\$ 716	\$ 716	\$ 716	\$ 716	\$ 716	\$ -	\$ 886	\$ 886	\$ 886	\$ 886
Construction in progress	-	-	-	-	-	-	1,130	322	-	47
Real estate held for sale	-	-	-	-	-	1,800	-	-	-	-
Buildings and improvements	1,685	2,410	2,410	2,437	2,751	2,911	11,515	13,291	14,584	14,762
Land improvements	18	18	18	18	18	-	700	700	700	700
Office equipment and vehicles	2,893	2,316	2,368	2,150	608	248	248	412	605	591
Gross value of assets	5,312	5,460	5,512	5,321	4,093	4,959	14,479	15,611	16,775	16,986
Accumulated depreciation	2,296	2,644	2,827	2,890	1,809	295	911	1,655	2,763	3,901
Net book value	\$ 3,016	\$ 2,816	\$ 2,685	\$ 2,431	\$ 2,284	\$ 4,664	\$ 13,568	\$ 13,956	\$ 14,012	\$ 13,085

The Authority's capital assets are related to its primary operating location.

Iowa Finance Authority
 Number of Full Time Equivalent Employees by Function
 (average number)

Fiscal Years Ending June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Accounting and Finance	12.2	11.9	8.2	8.0	7.7	7.9	7.3	7.9	8.2	8.3
Administration, Marketing, and IT	11.8	11.5	10.6	13.6	14.8	10.9	8.9	9.9	7.6	8.5
Total Administration	24.0	23.4	18.8	21.6	22.5	18.8	16.2	17.8	15.8	16.8
Single Family Programs	6.2	6.8	7.8	8.0	7.2	7.9	8.2	6.3	7.4	8.0
MF Compliance	4.5	5.3	5.1	5.1	5.0	5.0	4.9	4.1	4.4	3.9
Section 8	12.3	11.3	11.1	11.2	10.1	10.1	10.0	10.9	10.5	9.4
Low Income Housing Tax Credit	7.4	7.4	7.1	7.1	6.7	6.7	6.2	6.1	6.3	5.9
Other Multifamily	3.2	3.1	2.9	3.1	3.0	2.4	2.4	2.5	2.7	3.9
Multi-family Programs	27.4	27.1	26.2	26.5	24.8	24.2	23.5	23.6	23.9	23.1
Homelessness programs	1.5	1.8	2.9	3.3	3.1	3.4	3.3	2.3	2.4	2.0
HOME program	7.1	6.4	6.3	6.0	5.5	4.8	3.2	3.0	3.1	4.0
Other Federal and State programs	0.6	0.4	2.2	2.4	2.2	2.2	2.7	6.3	5.2	5.1
Federal and State Programs	9.2	8.6	11.4	11.7	10.8	10.4	9.2	11.6	10.7	11.1
Agricultural Development Division	2.2	2.3	2.6	3.0	2.4	2.4	2.4	2.1	2.2	2.3
Residential	16.2	16.5	14.5	15.5	16.5	13.0	12.7	17.1	17.4	17.1
Commercial	3.2	3.0	3.3	3.8	3.5	3.1	3.6	3.8	3.8	4.2
Iowa Title Guranty Division	19.4	19.5	17.8	19.3	20.0	16.1	16.3	20.9	21.2	21.3
Clean water programs	3.8	3.9	3.7	3.9	3.8	4.0	3.9	3.7	3.7	4.0
Drinking water programs	1.5	1.5	1.3	1.5	1.4	1.5	1.6	1.8	1.8	2.2
State Revolving Fund	5.3	5.4	5.0	5.4	5.2	5.5	5.5	5.5	5.5	6.2
Total Iowa Finance Authority	93.7	93.1	89.6	95.5	92.9	85.3	81.3	87.8	86.7	88.8

	Iowa Finance Authority Operating Indicators Fiscal Year ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
State Revolving Loan Program										
Number of SRF loans originated	87	90	120	126	118	124	125	167	121	132
Single-Family Program										
Number of single-family homebuyers assisted	1,544	1,542	1,959	2,300	2,058	2,012	2,970	2,413	2,717	2,309
Low Income Housing Tax Credit Program										
Number of housing units created or preserved	722	595	708	1,117	1,105	600	0*	524	799	364
Compliance Monitoring										
Section 8 project-based rental units	12,035	11,978	11,942	11,926	11,779	11,742	11,749	11,713	11,678	11,678
LIHTC & HOME program rental units	21,136	21,349	21,573	22,136	22,122	22,892	23,051	25,068	25,049	24,608
Loan Servicing										
SRF loans	961	974	1,042	1,089	1,131	1,167	1,203	1,250	1,287	1,316
Multi-family housing loans	406	413	388	377	363	347	337	321	322	310
Beginning farmer loans	21	26	31	45	57	72	68	62	63	68
Department of Soil Conservation loans	278	274	259	255	243	211	201	198	205	195
Iowa Title Guaranty										
Title guaranty certificates issued	75,309	63,881	77,639	86,074	83,913	80,076	96,349	106,080	100,701	51,421
HousingIowa Conference Attendance	445	572	551	706	709	811	674	0**	592	865

* Authority elected to move the awards for LIHTC to August 2020 to better align the anticipated loan and syndication closing dates to early spring.

** Due to COVID-19, the HousingIowa Conference was cancelled.

Compliance Section

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	Amounts Passed-Through to Subrecipients
U.S. Department of Housing and Urban Development				
Section 8 Project-Based Cluster:				
Section 8 Housing Assistance Payments Program	14.195	N/A	\$ 71,534,618	\$ -
Total Section 8 Project-Based Cluster			71,534,618	-
Emergency Solutions Grants Program	14.231	N/A	3,016,720	2,956,052
COVID-19 - Emergency Solutions Grant Program	14.231	N/A	4,274,328	4,188,369
Home Investment Partnerships Program (HOME)	14.239	N/A	5,931,315	1,892,410
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	N/A	811,593	788,788
COVID-19 Housing Opportunities for Persons with AIDS (HOPWA)	14.241	N/A	524	509
National Housing Trust Fund (NHTF)	14.275	N/A	1,423,496	1,253,486
Total United States Department of Housing and Urban Development			86,992,594	11,079,614
U.S. Department of the Treasury				
COVID-19 - Emergency Rental Assistance Program (IRUAP)	21.023	N/A	14,326,190	335,543
COVID-19 - Emergency Rental Assistance Program (RRA)	21.023	N/A	5,059,995	4,951,345
Housing Stability Counseling Program	99.U19	N/A	86,380	81,754
Passed through the State of Iowa:				
COVID-19 - Homeownership Assistance Fund	21.026	(1)	15,800,824	-
COVID-19 - State and Local Fiscal Recovery Fund (WIF)	21.027	(1)	11,643,851	-
COVID-19 - State and Local Fiscal Recovery Fund (Minority DPA)	21.027	(1)	600,000	-
Total United States Department of the Treasury			47,517,240	5,368,642
Total federal financial assistance for year ended June 30, 2023			\$ 134,509,834	\$ 16,448,256

(1) The pass-through entity has not provided an identifying number; therefore, it is not included in this schedule.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Iowa Finance Authority (the Authority) under programs of the federal government for the year ended June 30, 2023. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The schedule excludes the Clean Water and Drinking Water State Revolving Fund Clusters as they are deemed programs of the Iowa Department of Natural Resources and are included on the schedule of expenditures of federal awards for the State of Iowa. Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting, except for subrecipient expenditures, which were accounted for on the cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The Iowa Finance Authority has not elected to use the 10% *de minimis* cost rate.



**Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

To the Board of Directors
Iowa Finance Authority
Des Moines, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and each major fund of Iowa Finance Authority, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Iowa Finance Authority’s basic financial statements, and have issued our report thereon dated October 26, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iowa Finance Authority’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iowa Finance Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of Iowa Finance Authority’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa Finance Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Iowa Finance Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Iowa Finance Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Iowa Finance Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Aberdeen, South Dakota
October 26, 2023



**Independent Auditor’s Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors
Iowa Finance Authority
Des Moines, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Iowa Finance Authority’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Iowa Finance Authority’s major federal programs for the year ended June 30, 2023. Iowa Finance Authority’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Iowa Finance Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Iowa Finance Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Iowa Finance Authority’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Iowa Finance Authority’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Iowa Finance Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Iowa Finance Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Iowa Finance Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Iowa Finance Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Iowa Finance Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Iowa Finance Authority's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Iowa Finance Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Iowa Finance Authority's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Iowa Finance Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Aberdeen, South Dakota
October 26, 2023

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	Yes

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027
COVID-19 - Emergency Rental Assistance Program	21.023
COVID-19 - Homeowner Assistance Program	21.026
Section 8 Housing Assistance Payments Program	14.195
Dollar threshold used to distinguish between type A and type B programs:	\$ 3,000,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

**2023-001 Accounting for Bond Refunding Transactions
Material Weakness**

Criteria: An organization's internal control structure should provide for the correct and accurate reporting of all necessary material adjustments to financial statements prepared in accordance with generally accepted accounting principles.

Condition: GASB Codification Section D20 contains specific guidance as to generally accepted accounting principles related to the accounting treatment for bond refunding transactions. During our engagement, we discovered accounting errors related to the recording of bond refunding transactions which resulted in material adjustments being required to the financial statements.

Cause: The current system of internal controls did not provide for communication and review of the accounting for bond refunding transactions at a level sufficient to discover the accounting errors.

Effect: The need for audit adjustments indicates that interim financial information is not materially correct, which may affect management decisions made during the year.

Recommendation: We recommend increased communication within the accounting team and the implementation of a documented detailed review process following the occurrence of a bond refunding transaction to ensure appropriate accounting treatment is reflected in the financial statements.

Views of Responsible Officials: Management agrees with the finding.

Section III – Federal Award Findings and Questioned Costs

**2023-002 U.S. Department of Treasury
Assistance Listing # 21.023, 2021 Award Year, Award Number: Not Provided
COVID-19 Emergency Rental Assistance Program (ERA)**

**U.S. Department of Treasury
Assistance Listing #21.027, 2022 Award Year, Award Number: Not Provided
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)**

**Reporting
Significant Deficiency in Internal Control over Compliance and Non-Compliance**

Criteria: Quarterly and annual reports are required by Department of Treasury for ERA. Quarterly reports are required by the State of Iowa for CSLFRF.

Condition: There was no documented control in place to review reports prior to submission for ERA and CSLFRF; and, for one quarterly ERA report tested, key line items were blank in the submitted report that was provided to be audited.

Cause: For ERA, review of the submission was not documented and certain information that was previously submitted to Department of Treasury was not available to be tested because certain key line items were blank in the copy of the submitted report provided to the auditors. Despite multiple attempts in September and October 2023 by the Authority to obtain a copy of the submitted report from the Department of Treasury, a copy has not been made available to the Authority by Department of Treasury.

For CSLFRF, review controls have not been implemented.

Effect: Inaccurate information could have been reported or lines with required information could have been missed.

Questioned Costs: None.

Context/Sampling: For ERA, 3 of the 6 quarterly reports required for fiscal year 2023 were tested (2 quarters where ERA 1 was active during fiscal year 2023, and 4 quarters for ERA 2). For CSLFRF, 2 of the 4 required quarterly reports were tested.

Repeat Finding from Prior Year(s): Yes

Recommendation: We recommend a documented review process be implemented prior to report submission to ensure all lines are properly entered and agree to the applicable backup. We also recommend that a copy of the final submission is saved on the date of submission and review of that copy is completed to ensure that the information entered is available to review after submission is completed.

Views of Responsible Officials: Management agrees with the finding.

Management's Response to Auditor's Findings:

Summary Schedule of Prior Audit Findings and Corrective Action
Plan

June 30, 2023

Prepared by Management of

Iowa Finance Authority

Summary Schedule of Prior Audit Findings

Finding 2022-001

Federal Agency Name: U.S. Department of Housing and Urban Development

Program Name: Emergency Solutions Grant Program

Assistance Listing #14.231

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: As part of the auditors testing for special tests and provisions compliance requirements, they noted that the board approval for the obligations was outside the 60 day requirement. The board approval was at 124 days.

Status: Corrective action taken

Finding 2022-002

Federal Agency Name: U.S Department of Treasury

Program Name: Emergency Rental Assistance Program (ERA) and Coronavirus State and Local Recovery Funds (CSLRF)

Assistance Listing #21.023 and 21.027

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: There was no documented control in place to review reports prior to submission.

Status: Corrective action taken to resolve finding related to ERA reporting. Ongoing corrective action is needed to develop a formal process for review of CSLRF data provided to an outside agency with reporting responsibilities.

Corrective Action Plan

Finding 2023-001

Finding Summary: GASB Codification Section D20 contains specific guidance as to generally accepted accounting principles related to the accounting treatment for bond refunding transactions. During the engagement, the auditors discovered accounting errors related to the recording of bond refunding transactions which resulted in material adjustments being required to the financial statements.

Responsible Individuals: Jennifer Pulford, Accounting Director

Corrective Action Plan: Bond refunding transactions have been corrected and are reported accurately in the financial statements for the fiscal year. We have implemented a formal communication and review process for all future bond deals.

Anticipated Completion Date: Resolved

Finding 2023-002

Federal Agency Name: U.S Department of Treasury

Program Name: Emergency Rental Assistance Program (ERA) and Coronavirus State and Local Recovery Funds (CSLRF)

Assistance Listing # 21.023 and 21.027

Finding Summary: There was no documented control in place to review reports prior to submission for ERA and CSLRF; and, for one quarterly ERA report tested, key line items were blank in the submitted report that was provided to the auditors. Despite multiple attempts in September and October 2023 to obtain a copy of the submitted report from the Department of Treasury, a copy has not been made available by Department of Treasury with the completed lines.

Responsible Individuals: Brian Sullivan, Chief Programs Officer (ERA) and Aaron Smith, Chief Bond Programs Director (CSLRF)

Corrective Action Plan: We will develop and document a process requiring additional review of required federal reporting prior to submission for the CSLRF program. We will also ensure additional steps are taken to document the data submitted by Iowa Finance Authority in the US Treasury online reporting portal until such time as the portal is able to produce accurate reporting for ERA. This review process will be implemented immediately effective with the treasury reporting submitted for the quarter end December 31, 2023.

Anticipated Completion Date: December 31, 2023

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Financial Statements of the Authority
as of and for the 9 months ended March 31, 2024
(UNAUDITED)

The Authority has prepared the following unaudited financial statements as of and for the nine months ended March 31, 2024. These unaudited financial statements do not include all normal year-end adjustments, such as mark to market adjustments for derivative instruments and the single family mortgage pipeline, or pension or OPEB adjustments. In addition, this information does not include management's discussion and analysis, has not been reviewed by independent auditors and is not accompanied by a statement from the independent auditors. These unaudited financial statements should be read in connection with the audited financial statements of the Authority, including the notes thereto, included in this Appendix C.

Iowa Finance Authority
Schedules of Net Position
March 31, 2024

	General Operating Account	Single Family 1991 MB	Single Family 2009 MRB	Multi Family Housing Bonds	Federal and State Programs	Agricultural Development Division	Iowa Title Guaranty	Eliminations	Total Housing Agency	Clean Water Program	Drinking Water Program	Total SRF	Total IFA
Assets and deferred outflows													
Cash and cash equivalents	\$ 19,871,423	\$ 226,310,658	\$ 591,502	\$ 35,448,904	\$ 158,305,276	\$ 1,496,789	\$ 19,924,441	\$ -	\$ 461,948,993	\$ 256,834,382	\$ 158,064,579	\$ 414,898,960	\$ 876,847,953
Investments in mortgage-backed securities	689,736	1,317,847,467	4,040,958	-	-	-	-	-	1,322,578,162	-	-	-	1,322,578,162
Other investments	-	-	-	-	-	-	-	-	-	15,358,266	41,685,837	57,044,103	57,044,103
Loans to municipalities or water systems	-	-	-	-	-	-	-	-	-	2,118,143,700	589,977,354	2,708,121,054	2,708,121,054
Housing Agency loans, net	328,290	33,170,533	-	51,874,415	45,207,325	5,986,086	-	-	136,566,649	-	-	-	136,566,649
Line of credit	-	28,443,736	-	-	-	-	-	-	28,443,736	-	-	-	28,443,736
Accrued interest receivable	76,074	5,866,945	14,101	381,945	53,991	30,116	-	-	6,423,172	12,923,765	4,236,814	17,160,579	23,583,751
Capital assets, net	13,246,904	-	-	-	-	-	-	-	13,246,904	-	-	-	13,246,904
Other assets	2,352,128	47,389,007	-	(164,386)	(702,181)	59,936	(32,039)	-	48,902,465	2,001,628	1,449,651	3,451,279	52,353,744
Deferred outflows	1,106,088	1,895,011	-	11,169	-	-	309,225	-	3,321,494	1,864,556	852,187	2,716,743	6,038,236
Total assets and deferred outflows	37,670,643	1,660,923,359	4,646,561	87,552,047	202,864,410	7,572,927	20,201,627	-	2,021,431,576	2,407,126,296	796,266,421	3,203,392,718	5,224,824,293
Liabilities and deferred inflows													
Bonds payable, net	-	1,484,677,626	4,485,247	30,509,360	-	-	-	-	1,519,672,233	1,625,933,643	373,560,285	1,999,493,929	3,519,166,162
Accrued interest payable	-	11,652,992	10,466	112,006	-	-	-	-	11,775,463	11,334,426	2,602,038	13,936,464	25,711,927
Escrow deposits	-	-	-	9,897,606	-	-	384,142	-	10,281,748	-	-	-	10,281,748
Accounts payable & accrued liabilities	6,320,627	918,392	625	101,889	88,093,461	4,000	3,766,474	-	99,205,469	745,468	186,370	931,838	100,137,307
Deferred inflows	864,806	17,262,645	-	69,163	-	-	242,905	-	18,439,519	6,055,991	1,883,573	7,939,564	26,379,083
Total liabilities and deferred inflows	7,185,433	1,514,511,655	4,496,338	40,690,023	88,093,461	4,000	4,393,521	-	1,659,374,432	1,644,069,529	378,232,266	2,022,301,795	3,681,676,227
Net position													
YTD Earnings(Loss)	4,344,076	10,277,881	(11,954)	1,547,385	9,708,990	342,961	142,004	-	26,351,343	36,964,909	30,290,337	67,255,246	93,606,589
Prior Years Earnings	26,141,135	136,133,823	162,177	45,314,639	105,061,959	7,225,966	15,666,102	-	335,705,801	734,013,229	379,860,785	1,113,874,014	1,449,579,815
Total net position	30,485,210	146,411,704	150,223	46,862,024	114,770,949	7,568,927	15,808,106	-	362,057,144	763,056,768	418,034,155	1,181,090,923	1,543,148,067
Total Liabilities, deferred inflows, and net position	\$ 37,670,643	\$ 1,660,923,359	\$ 4,646,561	\$ 87,552,047	\$ 202,864,410	\$ 7,572,927	\$ 20,201,627	\$ -	\$ 2,021,431,576	\$ 2,407,126,296	\$ 796,266,421	\$ 3,203,392,718	\$ 5,224,824,293

Iowa Finance Authority
Schedules of Revenues, Expenses, and Changes in Net Position
For Nine Months Ended March 31, 2024

	General Operating Account	Single Family 1991 MB	Single Family 2009 MRB	Multi Family Housing Bonds	Federal and State Programs	Agricultural Development Division	Iowa Title Guaranty	Eliminations	Total Housing Agency	Clean Water Program	Drinking Water Program	Total SRF	Total IFA
Operating revenues:													
Interest on mortgage-backed-securities	\$ 22,274	\$ 37,792,570	\$ 106,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,921,146	\$ -	\$ -	\$ -	\$ 37,921,146
Interest on loans	9,732	1,467,320	-	2,116,357	176,362	160,377	-	-	3,930,149	25,783,639	7,332,419	33,116,058	37,046,207
Interest on investments	3,140,740	7,677,234	22,699	794,408	1,491,034	35,175	-	-	13,161,290	13,033,518	8,027,687	21,061,205	34,222,495
Gain on sale of mortgage-backed securities	24,440	556,474	-	-	-	-	-	-	580,913	-	-	-	580,913
Net (decrease) increase in fair value of investments and mortgage-backed-securities	(6,664)	(1,810,214)	(22,660)	-	-	-	-	-	(1,839,538)	278,536	293,905	572,440	(1,267,098)
Fee revenue	8,099,474	2,012,381	-	-	-	409,374	5,924,003	(2,655,719)	13,789,513	4,103,288	1,381,191	5,484,479	19,273,993
Other revenue	1,409,689	-	-	-	-	-	36,148	-	1,445,838	-	-	-	1,445,838
Total operating revenues	12,699,685	47,695,766	106,341	2,910,766	1,667,396	604,925	5,960,151	(2,655,719)	68,989,311	43,198,980	17,035,203	60,234,183	129,223,494
Operating expenses:													
Interest expense	190	33,673,219	96,697	1,072,711	-	-	-	-	34,842,817	32,519,907	7,252,619	39,772,526	74,615,343
General and administrative	8,433,523	2,939,214	21,597	145,234	2,938,144	262,964	4,361,560	(2,655,719)	16,446,517	4,145,721	4,242,672	8,388,393	24,834,910
Provision (recoveries) of losses	-	410,619	-	11,000	1,031,000	(1,000)	226,587	-	1,678,206	-	-	-	1,678,206
Total operating expenses	8,433,713	37,023,052	118,295	1,228,945	3,969,144	261,964	4,588,147	(2,655,719)	52,967,540	36,665,628	11,495,291	48,160,919	101,128,459
Net operating income (loss)	4,265,971	10,672,714	(11,954)	1,681,821	(2,301,748)	342,961	1,372,004	-	16,021,771	6,533,352	5,539,912	12,073,264	28,095,035
Non-operating revenue (expense)													
Grant revenue	54,329,655	1,640,000	-	-	57,278,198	-	-	-	113,247,853	37,691,734	26,857,327	64,549,061	177,796,914
Grants and aid	(54,251,551)	(3,084,833)	-	(134,436)	(45,447,460)	-	-	-	(102,918,280)	(7,260,176)	(2,106,903)	(9,367,079)	(112,285,359)
Inter-Agency transfers	-	1,050,000	-	-	180,000	-	(1,230,000)	-	-	-	-	-	-
Other non-operating (expense)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net non-operating revenue (expense)	78,104	(394,833)	-	(134,436)	12,010,738	-	(1,230,000)	-	10,329,572	30,431,557	24,750,424	55,181,982	65,511,554
Change in net position	\$ 4,344,076	\$ 10,277,881	\$ (11,954)	\$ 1,547,385	\$ 9,708,990	\$ 342,961	\$ 142,004	\$ -	\$ 26,351,343	\$ 36,964,909	\$ 30,290,337	\$ 67,255,246	\$ 93,606,589

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**SUMMARY OF
DISCLOSURE DISSEMINATION AGENT AGREEMENT
WITH RESPECT TO THE SERIES BONDS**

The following provisions have been extracted from the Disclosure Dissemination Agent Agreement to be executed by the Authority and Digital Assurance Certification, L.L.C. in connection with the issuance of the Authority's Single Family Mortgage Bonds, 2024 Series C (Social Bonds) (Mortgage-Backed Securities Program) and 2024 Series D (Taxable) (Mortgage-Backed Securities Program) (the "Bonds").

Purpose

The Disclosure Dissemination Agent Agreement (the "Disclosure Agreement") is for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Authority in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

Definitions

Capitalized terms not otherwise defined in the Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"*Annual Filing Date*" means the date set in the Disclosure Agreement by which the Annual Report is to be filed with the MSRB.

"*Annual Financial Information*" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in the Disclosure Agreement.

"*Annual Report*" means an Annual Report containing Annual Financial Information described in and consistent with the Disclosure Agreement.

"*Audited Financial Statements*" means the annual financial statements of the Authority for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in the Disclosure Agreement.

"*Bonds*" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"*Certification*" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under the Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Authority and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“*Disclosure Dissemination Agent*” means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Authority pursuant to the Disclosure Agreement.

“*Disclosure Representative*” means Cindy Harris, Chief Financial Officer, of the Authority, or her designee, or such other person as the Authority shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“*Failure to File Event*” means the Authority’s failure to file an Annual Report on or before the Annual Filing Date.

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); provided that the term “Financial Obligation” shall not include municipal securities as to which a final Official Statement has been provided to the MSRB consistent with the Rule.

“*Force Majeure Event*” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under the Disclosure Agreement.

“*Holder*” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“*Information*” means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“*MSRB*” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“*Notice Event*” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in the Disclosure Agreement.

“*Obligated Person*” means any person, including the Authority, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“*Official Statement*” means that Official Statement prepared by the Authority in connection with the Series Bonds, as listed in Exhibit A.

“*Trustee*” means the institution, if any, identified as such in the document under which the Series Bonds were issued.

“*Voluntary Event Disclosure*” means information of the category specified in the Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by the Disclosure Agreement.

“*Voluntary Financial Disclosure*” means information of the category specified in the Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by the Disclosure Agreement.

Provision of Annual Reports

The Authority shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than 180 days following the end of each fiscal year of the Authority, commencing with the fiscal year ended June 30, 2024. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in the Disclosure Agreement.

If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Authority irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB.

If Audited Financial Statements of the Authority are prepared but not available prior to the Annual Filing Date, the Authority shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, if any, for filing with the MSRB.

The Authority may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

Content of Annual Reports

Each Annual Report shall contain Annual Financial Information with respect to the Authority, including the information set forth in the Official Statement under the heading “THE AUTHORITY— Authority Financings” and the information set forth in the tables under the following headings in the Official Statement:

1. “Interest Rate Swap Transactions;”
2. “Interest Rate Cap Transactions;”
3. “Liquidity Providers;”

4. “Floating Rate Bonds;”
5. “Outstanding Parity Bonds and Mortgage-Backed Securities;”
6. “Mortgage-Backed Securities Balances Outstanding under the General Bond Resolution;”
7. “Single Family Volume and Mortgage Characteristics;” and
8. “FY 2024 Single-Family Loan Type Distribution.”

Audited Financial Statements as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Authority is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Authority will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Authority is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

Reporting of Notice Events

The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 status of the Bonds;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;

- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(xii): For the purposes of the event described in subsection (a)(xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other 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 Obligated Person, 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 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 Obligated Person.

(xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, 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;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

The Authority shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence and shall be accompanied by a Certification.

If the Disclosure Dissemination Agent has been instructed by the Authority as prescribed in the Disclosure Agreement to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB.

Voluntary Filing

The Authority may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure, include the text of the disclosure that the Authority desires to make, contain the written authorization of the Authority for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Authority desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Authority to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB.

The Authority may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure, include the text of the disclosure that the Authority desires to make, contain the written authorization of the Authority for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Authority desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Authority to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB.

Termination of Reporting Obligation

The obligations of the Authority and the Disclosure Dissemination Agent under the Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds of such issue, when the Authority is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

Disclosure Dissemination Agent

The Authority has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under the Disclosure Agreement. The Authority may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Authority or DAC, the Authority agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under the Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Authority shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Authority.

Remedies in Event of Default

In the event of a failure of the Authority or the Disclosure Dissemination Agent to comply with any provision of the Disclosure Agreement, the Holders' rights to enforce the provisions of the Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under the Disclosure Agreement. Any failure by a party to perform in accordance with the Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

Amendment; Waiver

Notwithstanding any other provision of the Disclosure Agreement, the Authority and the Disclosure Dissemination Agent may amend the Disclosure Agreement and any provision of the Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Authority and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date of the Disclosure Agreement but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Authority or the Disclosure Dissemination Agent

shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to the Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Authority. No such amendment shall become effective if the Authority shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

Beneficiaries

The Disclosure Agreement shall inure solely to the benefit of the Authority, the Trustee, if any, for the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

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BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, is to act as securities depository for the Series Bonds. The Series Bonds are to 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 Series Bond certificate will be issued for each maturity of each Series of the Series Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. *So long as Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the Registered Owner of the Series Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Series Bonds shall mean Cede & Co. (or such other name as may be requested by an authorized representative of DTC) and shall not mean the Beneficial Owners of the Series Bonds.*

DTC, the world’s largest securities 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 issues, 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 Standard & Poor’s 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 Series Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. 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 the Series Bonds 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 Series Bonds, except in the event that use of the book-entry system for Series Bonds is discontinued.

To facilitate subsequent transfers, all Series Bonds 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 Series Bonds 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 Series Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series Bonds 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.

Conveyances 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. Beneficial Owners of Series Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series Bonds documents. For example, Beneficial Owners of Series Bonds may wish to ascertain that the nominee holding the Series Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee, as registrar for the Series Bonds, and request that copies of notices be provided directly to them.

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

Principal, redemption price, interest payments on and purchase price with respect to the Series Bonds are to 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 Authority or Trustee, 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 shall be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price, interest payments and purchase price to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or Trustee, 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.

The above information contained in this section "Book-Entry Only System" is based solely on information provided by DTC. No representation is made by the Authority or the Underwriters as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Authority and the Trustee cannot and do not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series Bonds (i) payments of principal of or interest and premium, if any, on or the purchase price with respect to the Series Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in Series Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Series Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official

Statement. The current “Rules” applicable to DTC are on file with the Securities Exchange Commission, and the current “Procedures” of DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Authority nor the Trustee will have any responsibility or obligation to any Direct Participant, Indirect Participant or Beneficial Owner or any other person with respect to: (1) the Series Bonds; (2) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (3) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on or purchase price with respect to the Series Bonds; (4) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Resolutions to be given to owners of Series Bonds; (5) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series Bonds; or (6) any consent given or other action taken by DTC as a Bondholder.

Discontinuation of Book-Entry System

DTC may discontinue providing its services as securities depository with respect to the Series Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series Bond certificates are to be printed and delivered to DTC.

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MORTGAGE-BACKED SECURITIES ISSUERS

**GOVERNMENT NATIONAL MORTGAGE
ASSOCIATION MORTGAGE-BACKED SECURITIES**

This summary does not purport to be comprehensive and is qualified in its entirety by reference to the GNMA Mortgage-Backed Securities Guide (copies of which may be obtained from GNMA at the Office of Mortgage-Backed Securities, 451 Seventh Street, S.W., Washington, D.C. 20410) and to the GNMA Securities and the other documents referred to herein for full and complete statements of their provisions. Additional information regarding GNMA can be found on its website, www.ginnimae.gov. The Authority takes no responsibility for the accuracy of GNMA's website or the documents referred to under this heading.

GNMA is a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development with its principal office in Washington, D.C.

There are two GNMA Mortgage-Backed Securities programs, GNMA I and GNMA II.

Any GNMA Security acquired pursuant to the Program will be a "fully modified pass-through" security (guaranteed by GNMA pursuant to its GNMA I or GNMA II mortgage-backed securities program) which will require the servicer to pass through to the holder thereof the regular monthly payments on the underlying mortgage loans (less the service fees), whether or not the servicer receives such payments from the mortgagors on the underlying mortgage loans, plus any prepayments of principal of the mortgage loans received by the servicer during the previous month. Upon issuance of each GNMA Security, GNMA will guarantee to the holder of the GNMA Security the timely payment of principal of and interest on the GNMA Security. In order to meet its obligations under such guaranty, GNMA, in its corporate capacity under Section 306(d) of Title III of the National Housing Act, may issue its general obligations to the United States Treasury Department in an amount outstanding at any one time sufficient to enable GNMA, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the GNMA Security. The Treasury Department is authorized to purchase any obligations so issued by GNMA and has indicated in a letter, dated February 13, 1970, from the Secretary of the Treasury to the Secretary of HUD, that the Treasury Department will make loans to GNMA, if needed, to implement the aforementioned guaranty.

Under the terms of its guaranty, GNMA also warrants to the holder of the GNMA Security that, in the event GNMA is called upon at any time to make payment on its guaranty of the principal of and interest on the GNMA Security, it will, if necessary, in accordance with Section 306(d) of Title III of the National Housing Act, apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make such payments of principal and interest.

GNMA shall have no responsibility to determine whether or not the Program complies with the requirements of the Code or whether or not interest on the Bonds is exempt from federal income taxation. The payments due to the Trustee, as holder, pursuant to the terms of the GNMA Securities will not change if the interest on the Bonds for any reason is determined to be subject to federal income taxation.

GNMA Security

GNMA is authorized by Section 306(g) of Title III of the National Housing Act of 1934, as amended (the "Housing Act") to guarantee the timely payment of the principal of, and interest on, securities which are based on and backed by a pool composed of, among other things, mortgages insured or guaranteed under the National Housing Act, Title V of the Housing Act of 1949, the Servicemen's Readjustment Act, Chapter 37 of Title 38 of the United States Code or Section 184 of the Housing and Community Development Act of 1992 or guaranteed by the United States Department of Agriculture/Rural Development under its guaranteed Single Family Rural Housing Program. Said Section 306(g) further provides that "[T]he full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection." An opinion dated December 9, 1969, of an Assistant Attorney General of the United States that such guarantees under said Section 306(g) of mortgage-backed securities of the type to be delivered to the Trustee by the Lenders are authorized to be made by GNMA and "would constitute general obligations of the United States backed by its full faith and credit."

Servicing of the Mortgage Loans

Under contractual arrangements entered into by and between the Servicer and GNMA, and pursuant to the Program Documents, the Servicer is responsible for servicing and otherwise administering the Mortgage Loans in accordance with generally accepted practices of the mortgage lending industry and the GNMA Guide.

The monthly remuneration of the Servicer, for its servicing and administrative functions, and the guaranty fee charged by GNMA, are based on the unpaid principal amount of the GNMA Securities outstanding on the last day of the month preceding such calculation. Each GNMA Security carries an interest rate that is fixed below the interest rate on the underlying Mortgage Loans because the servicing and guaranty fees are deducted from payments on the Mortgage Loans before such payments are forwarded to the Trustee.

It is expected that interest and principal payments on the Mortgage Loans received by the Servicer will be the source of money for payments on the GNMA Securities. If such payments are less than the amount then due, the Servicer is obligated to advance its own funds to ensure timely payment of all scheduled payments of principal and interest due on the GNMA Securities. GNMA guarantees such timely payment in the event of the failure of the Servicer to pass through an amount equal to such scheduled payments (whether or not made by the Mortgagors).

The Servicer is required to advise GNMA in advance of any impending default on scheduled payments so that GNMA, as guarantor, will be able to continue such payments as scheduled on the applicable payment date. However, if such payments are not received as scheduled, the Trustee has recourse directly to GNMA. In the event of a default by the Servicer, GNMA shall have the right, by letter to the servicer, to effect and complete the extinguishment of the Servicer's interest in the mortgage loans underlying the GNMA Securities, and such mortgage loans shall thereupon become the absolute property of GNMA, subject only to the unsatisfied rights of the owner of the GNMA Security. In such event, GNMA will be the successor in all respects to the Servicer with respect to the transaction and the agreements set forth or arranged for in the GNMA Guide.

Payment of Principal of and Interest on the GNMA Securities

Regular monthly installment payments on each GNMA Security are required to begin on the fifteenth day of each month (in the case of a GNMA I Security) and on the twentieth day (in the case of a

GNMA II Security) or, if such day is not a business day, then on the next business day. Such payments will be equal to the aggregate amount of the scheduled monthly principal and interest payments on each Mortgage in the mortgage pool backing the GNMA Security, less the monthly servicing and guaranty fees. In addition, each payment is required to include any Mortgage Prepayments on Mortgage Loans underlying the GNMA Security.

Each installment on a GNMA Security is required to be applied first to interest and then in reduction of the principal balance then outstanding on the GNMA Security. Interest is to be paid at the specified rate on the unpaid portion of the principal of the GNMA Security. The amount of principal due on the GNMA Security shall be in an amount at least equal to the scheduled principal amortization currently due on the Mortgage Loans. However, payment of principal and interest is to be adjustable as set forth below.

Each of the monthly installments on a GNMA Security is subject to adjustment by reason of any prepayments or other unscheduled recoveries of principal on the underlying mortgage loans. In any event, the servicer will pay to the holder of the GNMA Security monthly installments of not less than the interest due on the GNMA Security at the rate specified in the GNMA Security, together with any scheduled installments of principal, whether or not such interest or principal is collected from the mortgagors, and any prepayments or early recovery of principal. Final payment shall be made upon surrender of the outstanding GNMA Security.

FANNIE MAE MORTGAGE-BACKED SECURITIES

General

The following summary of the Fannie Mae MBS Program (as defined below), the Fannie Mae Securities, Fannie Mae's mortgage purchase and servicing standards and other documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to Fannie Mae's Prospectus, as defined below, the Fannie Mae Single Family Selling and Servicing Guides and the other documents referred to herein.

Information on Fannie Mae and its financial condition is contained in Fannie Mae's most current annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K that are filed with the Securities and Exchange Commission. Fannie Mae files reports, proxy statements and other information with the Securities and Exchange Commission. Materials that it files with the Securities and Exchange Commission are also available from the Securities and Exchange Commission's Web site, "www.sec.gov." Additional information about Fannie Mae can be found on its website at www.fanniemae.com. The Authority takes no responsibility for information contained on the websites or the other documents referred to under this heading.

Fannie Mae

Fannie Mae is a government-sponsored enterprise organized and existing under the Federal National Mortgage Association Charter Act (12 U.S.C. Section 1716 *et seq.*). Fannie Mae was originally established in 1938 as the Federal National Mortgage Association, a United States government agency to provide supplemental liquidity to the mortgage market, and was transformed into a stockholder-owned and privately managed corporation by legislation enacted in 1968. The Housing and Economic Recovery Act of 2008 (the "HERA") established the Federal Housing Finance Agency ("FHFA"), an independent agency of the federal government, as the new supervisory and general regulatory authority for Fannie Mae. Fannie Mae became subject to the supervision and regulation of the FHFA to the extent provided in the HERA, and the director of the FHFA had general regulatory authority over Fannie Mae to ensure that the

purposes of the HERA, the authorizing statutes and any other applicable law were carried out. Fannie Mae was placed into conservatorship by the FHFA.

Fannie Mae provides funds to the mortgage market by purchasing mortgage loans from lenders, thereby replenishing their funds for additional lending. Fannie Mae acquires funds to purchase mortgage loans from many capital market investors that may not ordinarily invest in mortgage loans, thereby expanding the total amount of funds available for housing. In addition, Fannie Mae issues mortgage-backed securities primarily in exchange for pools of mortgage loans from lenders.

Mortgage-Backed Securities Program

Fannie Mae has implemented a mortgage-backed securities program pursuant to which Fannie Mae issues securities backed by pools of mortgage loans (the “MBS Program”).

The terms of the MBS Program are governed by the Fannie Mae Single Family Selling and Servicing Guides published by Fannie Mae, as modified by a pool purchase contract entered into between Fannie Mae and the Servicer, and, in the case of mortgage loans such as the Mortgage Loans, a single family master trust agreement (the “Trust Indenture”), and a supplement thereto to be issued by Fannie Mae in connection with each pool. The MBS Program is further described in a prospectus issued by Fannie Mae (the “Fannie Mae Prospectus”). The Fannie Mae Prospectus is updated from time to time. A Fannie Mae Prospectus Supplement may not be available as to the Fannie Mae Securities.

THE SECURITIES OF FANNIE MAE ARE NOT GUARANTEED BY THE UNITED STATES GOVERNMENT (INCLUDING THE DEPARTMENT OF THE TREASURY) AND DO NOT CONSTITUTE A DEBT OR AN OBLIGATION OF THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY THEREOF, INCLUDING THE DEPARTMENT OF THE TREASURY AND FHFA, OTHER THAN FANNIE MAE.

Fannie Mae Securities

Fannie Mae Securities are mortgage-backed pass-through securities issued and guaranteed by Fannie Mae under its MBS Program. As of June 3, 2019, each Fannie Mae Security is a Uniform Mortgage-Backed Security (“UMBS”). Each Fannie Mae Security is to represent the entire interest in a specified pool of Mortgage Loans purchased by Fannie Mae from the Servicer and identified in records maintained by Fannie Mae. The pool purchase contract requires that each Fannie Mae Security be in a minimum amount of \$1,000,000 for fixed rate loans (or, in each case, such lesser amounts as may be approved by Fannie Mae). The Mortgage Loans backing each Fannie Mae Security are to bear interest at a rate higher than each Fannie Mae Security (the “pass-through rate”). The difference between the interest rate on the Mortgage Loans and the pass-through rate on the Fannie Mae Security is to be collected by the Servicer and used to pay the Servicer’s servicing fee and Fannie Mae’s guaranty fee. Fannie Mae may change such fee and impose other charges from time to time.

Fannie Mae is to guarantee to the registered holder of the Fannie Mae Securities that it shall distribute amounts representing scheduled principal and interest at the applicable “pass-through rate” on the Mortgage Loans in the pools represented by such Fannie Mae Securities, whether or not received, and the full principal balance of any foreclosed or other finally liquidated Mortgage Loan, whether or not such principal balance is actually received. The obligations of Fannie Mae under such guarantees are obligations solely of Fannie Mae and are not backed by, nor entitled to, the faith and credit of the United States. If Fannie Mae were unable to satisfy such obligations, distributions to the Trustee, as the holder of Fannie Mae Securities, would consist solely of payments and other recoveries on the underlying Mortgage Loans and,

accordingly, monthly distributions to the Trustee, as the registered holder of Fannie Mae Securities, would be affected by delinquent payments and defaults on such Mortgage Loans.

Payments on Mortgage Loans; Distributions on Fannie Mae Securities

Payments on a Fannie Mae Security are to be made to the Trustee on the 25th day of each month (beginning with the month following the month such Fannie Mae Security is issued), or, if such 25th day is not a business day, on the first business day next succeeding such 25th day. With respect to each Fannie Mae Security, Fannie Mae is to distribute to the Trustee an amount equal to the total of (i) the principal due on the Mortgage Loans in the related pool underlying such Fannie Mae Security during the period beginning on the second day of the month prior to the month of such distribution and ending on the first day of such month of distribution, (ii) the stated principal balance of any Mortgage Loan that was prepaid in full (or deemed to be prepaid in full) during the month immediately preceding the month of such distribution (including as prepaid for this purpose at Fannie Mae's election any Mortgage Loan after it is delinquent, in whole or in part, with respect to four consecutive installments of principal and interest; or because of Fannie Mae's election to repurchase such Mortgage Loan under certain other circumstances as permitted by the Trust Indenture), (iii) the amount of any partial prepayment of a Mortgage Loan received in the month immediately preceding the month of distribution, and (iv) one month's interest at the pass-through rate on the principal balance of the Fannie Mae Security as reported to the Trustee (assuming the Trustee is the registered holder) in connection with the previous distribution (or, respecting the first distribution, the principal balance of the Fannie Mae Security on its issue date).

FREDDIE MAC MORTGAGE-BACKED SECURITIES

General

The following summary of Freddie Mac, the Freddie Mac Guarantor Program, the Freddie Mac Securities, Freddie Mac's mortgage purchase and servicing standards and other documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to Freddie Mac's Mortgage Participation Certificates Offering Circular, applicable Offering Circular and Pool Supplements, Freddie Mac's current Mortgage Participation Certificates Agreement, as amended, Freddie Mac's Information Statement, any Information Statement Supplements, the Freddie Mac Securities and any other documents made available by Freddie Mac. Copies of the Offering Circular, Information Statement and any supplements to those documents and other information can be obtained from Freddie Mac at 8200 Jones Branch Drive, McLean, Virginia 22102.

Information on Freddie Mac and its financial condition is contained in Freddie Mac's quarterly reports on Form 10-Q and current reports on Form 8-K that are filed with the Securities and Exchange Commission. Additional information regarding Freddie Mac can be found on its website, www.freddiemac.com. The Authority takes no responsibility for information contained on the websites or the other documents referred under this heading.

Freddie Mac

Freddie Mac is a shareholder-owned government-sponsored enterprise created on July 24, 1970, pursuant to the Federal Home Loan Mortgage Corporation Act and Title III of the Emergency Home Finance Act of 1970, as amended (the "Freddie Mac Act"). Freddie Mac's statutory mission is (i) to provide stability in the secondary market for residential mortgages, (ii) to respond appropriately to the private capital market, (iii) to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities) by increasing the

liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing, and (iv) to promote access to mortgage credit throughout the United States (including central cities, rural areas and underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing. Freddie Mac is subject to the supervision and regulation of the FHFA to the extent provided in the HERA. The FHFA placed FHLMC into conservatorship.

THE SECURITIES OF FREDDIE MAC ARE NOT GUARANTEED BY THE UNITED STATES GOVERNMENT (INCLUDING THE DEPARTMENT OF THE TREASURY) AND DO NOT CONSTITUTE A DEBT OR AN OBLIGATION OF THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY THEREOF, INCLUDING THE DEPARTMENT OF THE TREASURY AND FHFA, OTHER THAN FREDDIE MAC.

Freddie Mac Securities

Freddie Mac Securities will be mortgage-backed pass-through securities issued and guaranteed by Freddie Mac under its Guarantor Program. As of June 3, 2019, each Freddie Mac Security is a Uniform Mortgage-Backed Security (“UMBS”). Each Freddie Mac Security which qualifies as a Mortgage-Backed Security under the General Indenture will represent an undivided interest in a pool of fixed-rate, first-lien conventional mortgage loans or FHA- and VA-guaranteed mortgage loans, or participation interests therein. Freddie Mac guarantees to each registered holder of a Freddie Mac Security that it will distribute amounts representing such holder’s proportionate interest in interest payments on the mortgage loans in the pool represented by such Freddie Mac Securities (less servicing and guarantee fees aggregating the excess of the interest on such mortgage loans over the Freddie Mac Securities’ pass-through rate), whether or not such amount is actually received. With respect to certain Freddie Mac Securities, Freddie Mac guarantees the holder’s proportionate interest in scheduled principal payments on such mortgage loans, if timely received, and also guarantees ultimate collection of scheduled principal payments, prepayments of principal and the remaining principal balance in the event of a foreclosure or other disposition of a mortgage loan. With respect to such Freddie Mac Securities, Freddie Mac may remit the amount due on account of its guarantee of collection of principal at any time after default on an underlying mortgage, but not later than (i) 30 days following foreclosure sale, (ii) 30 days following payment of the claim by any mortgage insurer or (iii) 30 days following the expiration of any right of redemption, whichever occurs later, but in any event no later than one year after demand has been made upon the mortgagor for accelerated payment of principal. Freddie Mac Securities may also include those Freddie Mac Securities (the “Fully Guaranteed Freddie Mac Securities”) as to which Freddie Mac has guaranteed the timely payment of the holder’s proportionate interest in scheduled principal payments on the underlying mortgage loans, as calculated by Freddie Mac.

The Freddie Mac Act limits the maximum original principal amount of single-family mortgages that Freddie Mac may purchase. These limits are referred to as “conforming loan limits.” When Freddie Mac purchases both the first-lien and second-lien mortgage on the same property, the Freddie Mac Act provides that the total amount Freddie Mac may purchase may not exceed the applicable conforming loan limit. The Freddie Mac Act also prohibits Freddie Mac from purchasing first lien conventional single family mortgages if the outstanding principal balance at the time of purchase exceeds 80 percent of the value of the real property securing the mortgage unless Freddie Mac has a level of credit protection (such as mortgage insurance from an approved mortgage insurer, a seller’s agreement to repurchase or replace any mortgage that has defaulted) or the retention of at least a 10 percent participation interest in the mortgages by the seller. This requirement does not apply to FHA or VA guaranteed mortgage loans.

The single-family mortgages purchased and guaranteed by Freddie Mac generally are subject to the credit, appraisal, underwriting and other purchase policies and guidelines set forth in Freddie Mac’s

Single-Family Seller/Servicer Guide. Freddie Mac may modify these guidelines or grant waivers for certain mortgages that it purchases.

Freddie Mac services or supervises the servicing of the mortgages it purchases. In performing its servicing responsibilities, Freddie Mac may employ servicing agents or independent contractors. Each such servicer generally is required to perform all activities concerning the calculation, collection and processing of mortgage payments and related borrower inquiries, as well as all mortgage administrative responsibilities, including claims collection, workouts, foreclosures and reports. Servicers service mortgages, either directly or through approved subservicers, and receive fees for their services. Freddie Mac monitors a servicer's performance through periodic and special reports and inspections to ensure it complies with its obligations. Freddie Mac will retain from monthly interest payments on each mortgage a management and guarantee fee, which equals any interest received by Freddie Mac from the servicer over the amount of interest payable to holders of the Freddie Mac Security.

THE OBLIGATIONS OF FREDDIE MAC UNDER ITS GUARANTEES ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY, OR ENTITLED TO, THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. IF FREDDIE MAC WERE UNABLE TO SATISFY SUCH OBLIGATIONS, DISTRIBUTIONS TO THE REGISTERED HOLDERS OF FREDDIE MAC SECURITIES WOULD CONSIST SOLELY OF PAYMENTS AND OTHER RECOVERIES ON THE UNDERLYING MORTGAGE LOANS AND, ACCORDINGLY, MONTHLY DISTRIBUTIONS TO THE HOLDERS OF FREDDIE MAC SECURITIES WOULD BE AFFECTED BY DELINQUENT PAYMENTS AND DEFAULTS ON SUCH MORTGAGE LOANS.

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Ten-Year Rule Percentages

Single Family Mortgage Bonds under Single Family Mortgage Bond Resolution adopted July 10, 1991

Bond Issue	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032	12/31/2033	12/31/2034	12/31/2035
Retired Issues	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2014 SubSeries B 1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2014 SubSeries B 2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2016 Series A & B	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2016 Series C	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2016 Series D & E	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2017 Series A & B	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2017 Series C & D	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2018 Series A & B	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%
2018 Series C & D	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%
2018 Series E	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2019 Series A & B	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%
2019 Series C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2019 Series D & E	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%
2019 Series F	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2020 Series A & B	0%	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%
2020 Series C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2020 Series D & E	0%	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%
2020 Series F	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2021 Series A	0%	0%	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%
2021 Series A Transferred	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2021 Series B	0%	0%	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%
2021 Series B Transferred	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2021 Series C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2021 Series D & E	0%	0%	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%
2021 Series F	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2022 Series A & B	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	100%	100%
2022 Series C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2022 Series D & E	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	100%	100%
2022 Series F	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2022 Series G & H	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	100%	100%
2022 Series I	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2022 Series J	2%	3%	4%	5%	5%	5%	5%	5%	100%	100%	100%	100%
2022 Series K	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2023 Series A	2%	3%	6%	11%	15%	21%	26%	31%	34%	100%	100%	100%
2023 Series B	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2023 Series C	0%	32%	32%	32%	32%	32%	32%	32%	32%	100%	100%	100%
2023 Series D	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2023 Series E	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	100%
2023 Series F	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2023 Series G	1%	1%	4%	9%	13%	18%	24%	32%	37%	100%	100%	100%
2023 Series H	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2024 Series A	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
2024 Series B	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Issues that do not achieve 100% within 10 years are Taxable.

The above percentages represent estimates based upon information currently available and are not guaranteed. There can be no assurance that federal tax law, rules or regulations enacted or proposed and the interpretation thereof will not alter the above percentages.

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APPENDIX H

Iowa Finance Authority
 Single Family Mortgage Bond Resolution adopted July 10, 1991
 Debt Outstanding as of April 1, 2024

Coupon	Series	Tax Status	Type	Maturity	Amount	Cumulative	% of Total
6.250	2024 Series B	Taxable	PAC	7/1/2054	17,045,000	17,045,000	1.173%
	2023 Series G	Non-AMT	PAC	7/1/2053	15,505,000	32,550,000	2.239%
6.026	2023 Series F	Taxable	Fixed	7/1/2048	5,070,000	37,620,000	2.588%
6.000	2022 Series J	Non-AMT	PAC	7/1/2052	21,505,000	59,125,000	4.067%
5.976	2023 Series F	Taxable	Fixed	7/1/2043	3,890,000	63,015,000	4.335%
5.845	2023 Series H	Taxable	Fixed	7/1/2026	1,415,000	64,430,000	4.432%
	2023 Series H	Taxable	Fixed	7/1/2027	1,520,000	65,950,000	4.537%
	2023 Series H	Taxable	Fixed	7/1/2028	1,630,000	67,580,000	4.649%
	2023 Series H	Taxable	Fixed	7/1/2029	1,255,000	68,835,000	4.735%
	2023 Series H	Taxable	Fixed	7/1/2030	1,345,000	70,180,000	4.828%
	2023 Series H	Taxable	Fixed	7/1/2031	1,455,000	71,635,000	4.928%
	2023 Series H	Taxable	Fixed	7/1/2032	1,555,000	73,190,000	5.035%
	2023 Series H	Taxable	Fixed	1/1/2033	825,000	74,015,000	5.092%
5.804	2023 Series F	Taxable	Fixed	7/1/2038	2,745,000	76,760,000	5.280%
5.754	2023 Series F	Taxable	Fixed	7/1/2033	1,780,000	78,540,000	5.403%
5.724	2023 Series F	Taxable	Fixed	7/1/2032	1,655,000	80,195,000	5.517%
5.697	2023 Series F	Taxable	Fixed	7/1/2030	1,445,000	81,640,000	5.616%
5.694	2023 Series F	Taxable	Fixed	7/1/2031	1,550,000	83,190,000	5.723%
5.677	2023 Series F	Taxable	Fixed	7/1/2029	1,345,000	84,535,000	5.815%
5.642	2024 Series B	Taxable	Fixed	7/1/2039	3,655,000	88,190,000	6.067%
5.502	2023 Series F	Taxable	Fixed	7/1/2028	1,255,000	89,445,000	6.153%
5.500	2023 Series C	Non-AMT	PAC	7/1/2053	30,005,000	119,450,000	8.217%
5.412	2023 Series F	Taxable	Fixed	7/1/2027	1,170,000	120,620,000	8.298%
5.350	2022 Series K	Taxable	Fixed	7/1/2031	495,000	121,115,000	8.332%
5.336	2023 Series F	Taxable	Fixed	7/1/2026	2,595,000	123,710,000	8.510%
5.320	2023 Series B	Taxable	Fixed	1/1/2030	630,000	124,340,000	8.554%
5.306	2024 Series B	Taxable	Fixed	7/1/2034	13,810,000	138,150,000	9.504%
5.300	2022 Series K	Taxable	Fixed	1/1/2031	565,000	138,715,000	9.542%
5.270	2023 Series B	Taxable	Fixed	7/1/2029	680,000	139,395,000	9.589%
5.250	2022 Series K	Taxable	Fixed	7/1/2030	545,000	139,940,000	9.627%
	2023 Series D	Taxable	Fixed	1/1/2030	500,000	140,440,000	9.661%
	2023 Series A	Non-AMT	PAC	7/1/2053	26,745,000	167,185,000	11.501%
5.230	2023 Series B	Taxable	Fixed	1/1/2029	660,000	167,845,000	11.546%
5.200	2022 Series K	Taxable	Fixed	1/1/2030	530,000	168,375,000	11.583%
	2023 Series B	Taxable	Fixed	7/1/2028	640,000	169,015,000	11.627%
	2023 Series D	Taxable	Fixed	7/1/2029	1,430,000	170,445,000	11.725%
	2023 Series G	Non-AMT	Fixed	1/1/2053	19,440,000	189,885,000	13.063%
5.160	2023 Series B	Taxable	Fixed	1/1/2028	620,000	190,505,000	13.105%
5.150	2022 Series K	Taxable	Fixed	7/1/2029	510,000	191,015,000	13.140%
	2023 Series D	Taxable	Fixed	1/1/2029	1,390,000	192,405,000	13.236%
5.110	2023 Series B	Taxable	Fixed	1/1/2025	515,000	192,920,000	13.271%
	2023 Series B	Taxable	Fixed	7/1/2026	570,000	193,490,000	13.311%
	2023 Series B	Taxable	Fixed	7/1/2027	605,000	194,095,000	13.352%
5.100	2022 Series J	Non-AMT	Fixed	7/1/2048	17,190,000	211,285,000	14.535%
	2022 Series K	Taxable	Fixed	1/1/2029	495,000	211,780,000	14.569%
	2023 Series D	Taxable	Fixed	7/1/2028	1,355,000	213,135,000	14.662%
	2023 Series G	Non-AMT	Fixed	7/1/2048	17,240,000	230,375,000	15.848%
5.090	2023 Series B	Taxable	Fixed	1/1/2026	1,085,000	231,460,000	15.923%
5.080	2023 Series B	Taxable	Fixed	1/1/2027	585,000	232,045,000	15.963%
5.060	2023 Series B	Taxable	Fixed	7/1/2024	505,000	232,550,000	15.998%
5.050	2022 Series K	Taxable	Fixed	7/1/2028	480,000	233,030,000	16.031%
	2023 Series D	Taxable	Fixed	1/1/2028	1,310,000	234,340,000	16.121%
5.000	2022 Series K	Taxable	Fixed	7/1/2027	445,000	234,785,000	16.151%
	2022 Series K	Taxable	Fixed	1/1/2028	460,000	235,245,000	16.183%
	2023 Series D	Taxable	Fixed	7/1/2027	1,280,000	236,525,000	16.271%
	2022 Series G	Non-AMT	PAC	7/1/2052	31,185,000	267,710,000	18.416%
	2021 Series D	Non-AMT	Fixed	7/1/2030	1,360,000	269,070,000	18.510%
	2021 Series D	Non-AMT	Fixed	1/1/2030	1,345,000	270,415,000	18.602%
	2022 Series A	Non-AMT	Fixed	1/1/2028	980,000	271,395,000	18.670%
	2021 Series D	Non-AMT	Fixed	7/1/2029	1,325,000	272,720,000	18.761%
	2022 Series A	Non-AMT	Fixed	7/1/2027	970,000	273,690,000	18.828%
	2021 Series D	Non-AMT	Fixed	1/1/2029	1,300,000	274,990,000	18.917%

	2022 Series A	Non-AMT	Fixed	1/1/2027	950,000	275,940,000	18.982%
	2021 Series D	Non-AMT	Fixed	7/1/2028	1,285,000	277,225,000	19.071%
	2022 Series A	Non-AMT	Fixed	7/1/2026	935,000	278,160,000	19.135%
	2021 Series D	Non-AMT	Fixed	1/1/2028	1,260,000	279,420,000	19.222%
	2022 Series A	Non-AMT	Fixed	1/1/2026	920,000	280,340,000	19.285%
	2022 Series A	Non-AMT	Fixed	7/1/2025	910,000	281,250,000	19.348%
	2021 Series D	Non-AMT	Fixed	7/1/2027	1,245,000	282,495,000	19.433%
	2022 Series A	Non-AMT	Fixed	1/1/2025	890,000	283,385,000	19.495%
	2021 Series D	Non-AMT	Fixed	1/1/2027	1,235,000	284,620,000	19.580%
	2022 Series A	Non-AMT	Fixed	7/1/2024	880,000	285,500,000	19.640%
4.950	2023 Series E	Non-AMT	Fixed	7/1/2053	38,315,000	323,815,000	22.276%
	2022 Series J	Non-AMT	Fixed	7/1/2042	10,525,000	334,340,000	23.000%
	2022 Series K	Taxable	Fixed	1/1/2027	435,000	334,775,000	23.030%
	2023 Series C	Non-AMT	Fixed	7/1/2050	34,015,000	368,790,000	25.370%
	2023 Series D	Taxable	Fixed	7/1/2025	1,150,000	369,940,000	25.449%
	2023 Series D	Taxable	Fixed	1/1/2027	1,240,000	371,180,000	25.534%
4.900	2022 Series K	Taxable	Fixed	7/1/2026	420,000	371,600,000	25.563%
	2023 Series A	Non-AMT	Fixed	7/1/2048	19,360,000	390,960,000	26.895%
	2023 Series D	Taxable	Fixed	7/1/2024	1,850,000	392,810,000	27.022%
	2023 Series D	Taxable	Fixed	1/1/2025	1,110,000	393,920,000	27.099%
	2023 Series D	Taxable	Fixed	7/1/2026	1,210,000	395,130,000	27.182%
	2023 Series G	Non-AMT	Fixed	7/1/2043	11,375,000	406,505,000	27.964%
4.850	2023 Series E	Non-AMT	Fixed	7/1/2048	16,660,000	423,165,000	29.110%
	2022 Series K	Taxable	Fixed	1/1/2026	405,000	423,570,000	29.138%
	2023 Series C	Non-AMT	Fixed	7/1/2043	20,420,000	443,990,000	30.543%
	2023 Series D	Taxable	Fixed	1/1/2026	1,175,000	445,165,000	30.624%
4.800	2022 Series K	Taxable	Fixed	7/1/2025	390,000	445,555,000	30.651%
	2023 Series E	Non-AMT	Fixed	7/1/2043	11,745,000	457,300,000	31.459%
	2024 Series A	Non-AMT	Fixed	7/1/2054	17,760,000	475,060,000	32.680%
4.750	2022 Series K	Taxable	Fixed	1/1/2025	380,000	475,440,000	32.707%
	2023 Series A	Non-AMT	Fixed	7/1/2043	13,940,000	489,380,000	33.665%
	2024 Series A	Non-AMT	Fixed	7/1/2049	22,480,000	511,860,000	35.212%
4.700	2022 Series J	Non-AMT	Fixed	7/1/2037	4,815,000	516,675,000	35.543%
	2022 Series K	Taxable	Fixed	7/1/2024	365,000	517,040,000	35.568%
4.625	2023 Series G	Non-AMT	Fixed	7/1/2038	11,170,000	528,210,000	36.337%
4.500	2022 Series J	Non-AMT	Fixed	7/1/2034	715,000	528,925,000	36.386%
	2024 Series A	Non-AMT	Fixed	7/1/2044	13,410,000	542,335,000	37.308%
4.450	2022 Series J	Non-AMT	Fixed	1/1/2034	690,000	543,025,000	37.356%
	2023 Series A	Non-AMT	Fixed	7/1/2038	6,545,000	549,570,000	37.806%
	2023 Series C	Non-AMT	Fixed	7/1/2038	10,835,000	560,405,000	38.551%
	2023 Series G	Non-AMT	Fixed	1/1/2035	870,000	561,275,000	38.611%
	2023 Series G	Non-AMT	Fixed	7/1/2035	900,000	562,175,000	38.673%
4.400	2023 Series G	Non-AMT	Fixed	7/1/2034	835,000	563,010,000	38.731%
4.375	2022 Series J	Non-AMT	Fixed	7/1/2033	665,000	563,675,000	38.776%
	2023 Series E	Non-AMT	Fixed	7/1/2038	5,510,000	569,185,000	39.155%
4.350	2022 Series J	Non-AMT	Fixed	1/1/2033	650,000	569,835,000	39.200%
	2023 Series G	Non-AMT	Fixed	1/1/2034	805,000	570,640,000	39.256%
4.300	2022 Series J	Non-AMT	Fixed	7/1/2032	620,000	571,260,000	39.298%
	2023 Series G	Non-AMT	Fixed	7/1/2033	780,000	572,040,000	39.352%
4.250	2022 Series F	Taxable	Fixed	7/1/2030	1,085,000	573,125,000	39.426%
	2022 Series F	Taxable	Fixed	1/1/2031	425,000	573,550,000	39.456%
	2022 Series J	Non-AMT	Fixed	1/1/2032	605,000	574,155,000	39.497%
4.200	2022 Series F	Taxable	Fixed	1/1/2030	1,065,000	575,220,000	39.571%
	2022 Series J	Non-AMT	Fixed	7/1/2031	90,000	575,310,000	39.577%
	2023 Series E	Non-AMT	Fixed	7/1/2035	780,000	576,090,000	39.630%
4.150	2022 Series G	Non-AMT	Fixed	7/1/2044	4,830,000	580,920,000	39.963%
	2023 Series C	Non-AMT	Fixed	1/1/2035	8,065,000	588,985,000	40.517%
	2023 Series E	Non-AMT	Fixed	7/1/2034	730,000	589,715,000	40.568%
	2023 Series E	Non-AMT	Fixed	1/1/2035	755,000	590,470,000	40.620%
4.100	2022 Series F	Taxable	Fixed	7/1/2029	1,040,000	591,510,000	40.691%
	2022 Series G	Non-AMT	Fixed	7/1/2042	11,430,000	602,940,000	41.477%
	2023 Series E	Non-AMT	Fixed	1/1/2034	705,000	603,645,000	41.526%
4.050	2022 Series D	Non-AMT	Fixed	7/1/2042	14,090,000	617,735,000	42.495%
	2022 Series F	Taxable	Fixed	1/1/2029	1,020,000	618,755,000	42.565%
	2023 Series A	Non-AMT	Fixed	1/1/2035	950,000	619,705,000	42.631%
	2023 Series A	Non-AMT	Fixed	7/1/2035	980,000	620,685,000	42.698%
4.030	2022 Series I	Taxable	Fixed	7/1/2029	970,000	621,655,000	42.765%
4.000	2022 Series F	Taxable	Fixed	7/1/2028	995,000	622,650,000	42.833%
	2023 Series A	Non-AMT	Fixed	7/1/2034	1,815,000	624,465,000	42.958%
	2024 Series A	Non-AMT	Fixed	7/1/2039	7,845,000	632,310,000	43.498%
	2022 Series D	Non-AMT	PAC	7/1/2052	31,975,000	664,285,000	45.698%
	2018 Series C	Non-AMT	PAC	7/1/2048	7,075,000	671,360,000	46.184%
	2018 Series A	Non-AMT	PAC	7/1/2047	6,875,000	678,235,000	46.657%
	2017 Series A	Non-AMT	PAC	7/1/2047	4,050,000	682,285,000	46.936%
	2019 Series A	Non-AMT	PAC	7/1/2047	20,665,000	702,950,000	48.357%

3.950	2016 Series A	Non-AMT	PAC	7/1/2046	1,690,000	704,640,000	48.474%
	2022 Series F	Taxable	Fixed	1/1/2028	975,000	705,615,000	48.541%
	2023 Series C	Non-AMT	Fixed	7/1/2033	1,800,000	707,415,000	48.665%
3.930	2022 Series I	Taxable	Fixed	1/1/2029	1,095,000	708,510,000	48.740%
3.900	2022 Series D	Non-AMT	Fixed	7/1/2037	5,960,000	714,470,000	49.150%
	2023 Series A	Non-AMT	Fixed	7/1/2033	1,710,000	716,180,000	49.268%
	2023 Series C	Non-AMT	Fixed	1/1/2033	1,750,000	717,930,000	49.388%
	2024 Series A	Non-AMT	Fixed	7/1/2036	755,000	718,685,000	49.440%
3.880	2022 Series I	Taxable	Fixed	1/1/2028	1,060,000	719,745,000	49.513%
	2022 Series I	Taxable	Fixed	7/1/2028	1,080,000	720,825,000	49.587%
3.850	2022 Series D	Non-AMT	Fixed	1/1/2034	1,720,000	722,545,000	49.705%
	2022 Series D	Non-AMT	Fixed	7/1/2034	1,380,000	723,925,000	49.800%
	2022 Series F	Taxable	Fixed	7/1/2027	950,000	724,875,000	49.866%
	2022 Series G	Non-AMT	Fixed	7/1/2037	5,610,000	730,485,000	50.252%
	2023 Series A	Non-AMT	Fixed	7/1/2032	815,000	731,300,000	50.308%
	2023 Series C	Non-AMT	Fixed	7/1/2032	1,695,000	732,995,000	50.424%
	2024 Series A	Non-AMT	Fixed	1/1/2036	730,000	733,725,000	50.474%
3.820	2022 Series I	Taxable	Fixed	1/1/2027	1,030,000	734,755,000	50.545%
	2022 Series I	Taxable	Fixed	7/1/2027	1,040,000	735,795,000	50.617%
3.800	2022 Series D	Non-AMT	Fixed	7/1/2033	1,680,000	737,475,000	50.732%
	2022 Series F	Taxable	Fixed	1/1/2027	935,000	738,410,000	50.797%
	2022 Series I	Taxable	Fixed	1/1/2026	990,000	739,400,000	50.865%
	2022 Series I	Taxable	Fixed	7/1/2026	1,010,000	740,410,000	50.934%
	2023 Series A	Non-AMT	Fixed	1/1/2032	795,000	741,205,000	50.989%
	2023 Series C	Non-AMT	Fixed	1/1/2032	1,655,000	742,860,000	51.103%
	2024 Series A	Non-AMT	Fixed	7/1/2035	705,000	743,565,000	51.151%
3.750	2022 Series I	Taxable	Fixed	1/1/2025	905,000	744,470,000	51.214%
	2022 Series I	Taxable	Fixed	7/1/2025	960,000	745,430,000	51.280%
	2023 Series A	Non-AMT	Fixed	7/1/2031	765,000	746,195,000	51.332%
	2023 Series C	Non-AMT	Fixed	7/1/2031	1,600,000	747,795,000	51.442%
	2024 Series A	Non-AMT	Fixed	1/1/2035	685,000	748,480,000	51.489%
3.730	2020 Series A	Non-AMT	PAC	1/1/2050	17,505,000	765,985,000	52.694%
3.700	2022 Series I	Taxable	Fixed	7/1/2024	845,000	766,830,000	52.752%
	2022 Series D	Non-AMT	Fixed	1/1/2033	1,215,000	768,045,000	52.835%
	2022 Series F	Taxable	Fixed	7/1/2026	915,000	768,960,000	52.898%
	2022 Series G	Non-AMT	Fixed	1/1/2034	1,165,000	770,125,000	52.978%
	2022 Series G	Non-AMT	Fixed	7/1/2034	1,190,000	771,315,000	53.060%
	2023 Series A	Non-AMT	Fixed	1/1/2031	750,000	772,065,000	53.112%
	2023 Series C	Non-AMT	Fixed	1/1/2031	1,560,000	773,625,000	53.219%
	2024 Series A	Non-AMT	Fixed	7/1/2034	630,000	774,255,000	53.263%
3.650	2022 Series D	Non-AMT	Fixed	7/1/2032	550,000	774,805,000	53.300%
	2022 Series F	Taxable	Fixed	1/1/2026	890,000	775,695,000	53.362%
	2023 Series A	Non-AMT	Fixed	7/1/2030	720,000	776,415,000	53.411%
	2023 Series C	Non-AMT	Fixed	7/1/2030	1,515,000	777,930,000	53.515%
3.600	2022 Series D	Non-AMT	Fixed	1/1/2032	1,160,000	779,090,000	53.595%
	2022 Series G	Non-AMT	Fixed	7/1/2033	1,135,000	780,225,000	53.673%
	2023 Series A	Non-AMT	Fixed	1/1/2030	75,000	780,300,000	53.678%
	2023 Series C	Non-AMT	Fixed	1/1/2030	970,000	781,270,000	53.745%
3.590	2014 Series B-1	Taxable	Pass Through	2/1/2044	126,880	781,396,880	53.754%
3.550	2022 Series F	Taxable	Fixed	7/1/2025	875,000	782,271,880	53.814%
	2022 Series G	Non-AMT	Fixed	1/1/2033	1,105,000	783,376,880	53.890%
3.500	2022 Series D	Non-AMT	Fixed	1/1/2031	690,000	784,066,880	53.938%
	2022 Series D	Non-AMT	Fixed	7/1/2031	1,135,000	785,201,880	54.016%
	2016 Series D	Non-AMT	PAC	7/1/2046	3,170,000	788,371,880	54.234%
	2017 Series C	Non-AMT	PAC	1/1/2047	6,100,000	794,471,880	54.653%
	2019 Series D	Non-AMT	PAC	1/1/2049	20,945,000	815,416,880	56.094%
3.450	2022 Series G	Non-AMT	Fixed	7/1/2032	1,080,000	816,496,880	56.169%
3.400	2022 Series F	Taxable	Fixed	1/1/2025	855,000	817,351,880	56.227%
	2022 Series G	Non-AMT	Fixed	1/1/2032	1,050,000	818,401,880	56.300%
3.350	2022 Series G	Non-AMT	Fixed	7/1/2031	1,030,000	819,431,880	56.370%
3.300	2022 Series G	Non-AMT	Fixed	1/1/2031	1,000,000	820,431,880	56.439%
3.250	2022 Series G	Non-AMT	Fixed	7/1/2030	975,000	821,406,880	56.506%
	2020 Series D	Non-AMT	PAC	7/1/2050	13,990,000	835,396,880	57.469%
3.200	2022 Series F	Taxable	Fixed	7/1/2024	835,000	836,231,880	57.526%
	2022 Series G	Non-AMT	Fixed	1/1/2030	985,000	837,216,880	57.594%
3.050	2014 Series B-2	Taxable	Pass Through	9/1/2036	1,877,040	839,093,921	57.723%
3.000	2022 Series G	Non-AMT	Fixed	7/1/2029	145,000	839,238,921	57.733%
	2022 Series A	Non-AMT	PAC	1/1/2052	25,860,000	865,098,921	59.512%
	2021 Series B	Non-AMT	PAC	7/1/2051	23,675,000	888,773,921	61.141%
	2021 Series D	Non-AMT	PAC	7/1/2051	32,310,000	921,083,921	63.363%
	2021 Series A	Non-AMT	PAC	1/1/2047	22,785,000	943,868,921	64.931%
2.600	2016 Series C	AMT	Fixed	7/1/2025	995,000	944,863,921	64.999%
	2017 Series A	Non-AMT	Fixed	7/1/2025	645,000	945,508,921	65.044%
	2017 Series C	Non-AMT	Fixed	1/1/2028	730,000	946,238,921	65.094%
	2019 Series A	Non-AMT	Fixed	1/1/2030	835,000	947,073,921	65.151%

2.550	2019 Series D	Non-AMT	Fixed	7/1/2037	6,620,000	953,693,921	65.607%
	2016 Series C	AMT	Fixed	1/1/2025	970,000	954,663,921	65.673%
	2017 Series A	Non-AMT	Fixed	1/1/2025	635,000	955,298,921	65.717%
2.500	2017 Series C	Non-AMT	Fixed	7/1/2027	895,000	956,193,921	65.779%
	2018 Series C	Non-AMT	Fixed	7/1/2024	205,000	956,398,921	65.793%
	2020 Series A	Non-AMT	Fixed	1/1/2035	5,070,000	961,468,921	66.141%
	2022 Series C	Taxable	Pass Through	1/1/2053	12,286,928	973,755,848	66.987%
2.450	2016 Series C	AMT	Fixed	7/1/2024	950,000	974,705,848	67.052%
	2017 Series A	Non-AMT	Fixed	7/1/2024	620,000	975,325,848	67.095%
	2019 Series D	Non-AMT	Fixed	7/1/2034	4,440,000	979,765,848	67.400%
	2020 Series C	Taxable	Fixed	1/1/2028	1,160,000	980,925,848	67.480%
	2022 Series A	Non-AMT	Fixed	7/1/2040	4,665,000	985,590,848	67.801%
2.400	2017 Series C	Non-AMT	Fixed	1/1/2027	880,000	986,470,848	67.861%
	2020 Series C	Taxable	Fixed	7/1/2027	1,140,000	987,610,848	67.940%
2.350	2017 Series C	Non-AMT	Fixed	7/1/2026	855,000	988,465,848	67.999%
	2020 Series C	Taxable	Fixed	1/1/2027	1,115,000	989,580,848	68.075%
	2021 Series B	Non-AMT	Fixed	7/1/2045	13,670,000	1,003,250,848	69.016%
2.300	2016 Series D	Non-AMT	Fixed	7/1/2026	750,000	1,004,000,848	69.067%
	2017 Series C	Non-AMT	Fixed	1/1/2026	840,000	1,004,840,848	69.125%
	2019 Series D	Non-AMT	Fixed	7/1/2032	1,315,000	1,006,155,848	69.216%
	2020 Series C	Taxable	Fixed	7/1/2026	1,095,000	1,007,250,848	69.291%
	2022 Series A	Non-AMT	Fixed	7/1/2037	4,945,000	1,012,195,848	69.631%
2.250	2016 Series D	Non-AMT	Fixed	1/1/2026	735,000	1,012,930,848	69.682%
	2019 Series D	Non-AMT	Fixed	1/1/2032	1,290,000	1,014,220,848	69.770%
	2020 Series C	Taxable	Fixed	1/1/2026	1,080,000	1,015,300,848	69.845%
2.200	2020 Series A	Non-AMT	Fixed	7/1/2032	960,000	1,016,260,848	69.911%
	2020 Series D	Non-AMT	Fixed	7/1/2040	8,160,000	1,024,420,848	70.472%
	2021 Series B	Non-AMT	Fixed	7/1/2041	16,315,000	1,040,735,848	71.594%
	2022 Series A	Non-AMT	Fixed	7/1/2034	1,585,000	1,042,320,848	71.703%
2.150	2016 Series D	Non-AMT	Fixed	7/1/2025	720,000	1,043,040,848	71.753%
	2017 Series C	Non-AMT	Fixed	7/1/2025	825,000	1,043,865,848	71.810%
	2019 Series D	Non-AMT	Fixed	7/1/2031	1,265,000	1,045,130,848	71.897%
	2020 Series A	Non-AMT	Fixed	1/1/2032	940,000	1,046,070,848	71.961%
	2020 Series C	Taxable	Fixed	7/1/2025	1,060,000	1,047,130,848	72.034%
	2022 Series A	Non-AMT	Fixed	1/1/2033	1,145,000	1,048,275,848	72.113%
	2022 Series A	Non-AMT	Fixed	7/1/2033	1,165,000	1,049,440,848	72.193%
2.100	2016 Series D	Non-AMT	Fixed	1/1/2025	710,000	1,050,150,848	72.242%
	2017 Series C	Non-AMT	Fixed	1/1/2025	805,000	1,050,955,848	72.297%
	2019 Series D	Non-AMT	Fixed	1/1/2031	1,240,000	1,052,195,848	72.383%
	2020 Series C	Taxable	Fixed	1/1/2025	1,035,000	1,053,230,848	72.454%
	2021 Series D	Non-AMT	Fixed	7/1/2038	4,825,000	1,058,055,848	72.786%
	2022 Series A	Non-AMT	Fixed	7/1/2032	1,130,000	1,059,185,848	72.864%
2.050	2019 Series D	Non-AMT	Fixed	7/1/2030	1,215,000	1,060,400,848	72.947%
	2020 Series A	Non-AMT	Fixed	7/1/2031	1,315,000	1,061,715,848	73.038%
	2020 Series C	Taxable	Fixed	7/1/2024	1,020,000	1,062,735,848	73.108%
	2022 Series A	Non-AMT	Fixed	1/1/2032	1,110,000	1,063,845,848	73.184%
2.000	2019 Series D	Non-AMT	Fixed	1/1/2030	1,200,000	1,065,045,848	73.267%
	2020 Series A	Non-AMT	Fixed	1/1/2031	1,295,000	1,066,340,848	73.356%
	2020 Series D	Non-AMT	Fixed	7/1/2035	3,835,000	1,070,175,848	73.620%
	2021 Series D	Non-AMT	Fixed	7/1/2036	8,445,000	1,078,620,848	74.201%
	2021 Series B	Non-AMT	Fixed	7/1/2036	8,725,000	1,087,345,848	74.801%
1.950	2016 Series D	Non-AMT	Fixed	7/1/2024	695,000	1,088,040,848	74.849%
	2017 Series C	Non-AMT	Fixed	7/1/2024	790,000	1,088,830,848	74.903%
	2019 Series D	Non-AMT	Fixed	7/1/2029	1,170,000	1,090,000,848	74.983%
	2020 Series A	Non-AMT	Fixed	7/1/2030	1,265,000	1,091,265,848	75.070%
	2021 Series B	Non-AMT	Fixed	7/1/2033	1,385,000	1,092,650,848	75.166%
	2021 Series D	Non-AMT	Fixed	7/1/2033	1,500,000	1,094,150,848	75.269%
	2022 Series A	Non-AMT	Fixed	7/1/2031	1,095,000	1,095,245,848	75.344%
1.900	2019 Series D	Non-AMT	Fixed	1/1/2029	1,150,000	1,096,395,848	75.423%
	2020 Series A	Non-AMT	Fixed	1/1/2030	1,250,000	1,097,645,848	75.509%
	2020 Series D	Non-AMT	Fixed	1/1/2032	910,000	1,098,555,848	75.572%
	2020 Series D	Non-AMT	Fixed	7/1/2032	930,000	1,099,485,848	75.636%
	2021 Series A	Non-AMT	Fixed	7/1/2038	7,515,000	1,107,000,848	76.153%
	2021 Series B	Non-AMT	Fixed	1/1/2033	1,365,000	1,108,365,848	76.247%
	2021 Series D	Non-AMT	Fixed	1/1/2033	1,480,000	1,109,845,848	76.349%
	2022 Series A	Non-AMT	Fixed	1/1/2031	1,075,000	1,110,920,848	76.423%
1.875	2020 Series D	Non-AMT	Fixed	7/1/2031	895,000	1,111,815,848	76.484%
1.850	2019 Series D	Non-AMT	Fixed	7/1/2028	1,130,000	1,112,945,848	76.562%
	2020 Series A	Non-AMT	Fixed	7/1/2029	1,220,000	1,114,165,848	76.646%
	2020 Series D	Non-AMT	Fixed	1/1/2031	880,000	1,115,045,848	76.706%
	2021 Series A	Non-AMT	Fixed	7/1/2035	7,185,000	1,122,230,848	77.201%
	2021 Series B	Non-AMT	Fixed	7/1/2032	1,340,000	1,123,570,848	77.293%
	2021 Series D	Non-AMT	Fixed	7/1/2032	1,455,000	1,125,025,848	77.393%
1.800	2019 Series D	Non-AMT	Fixed	1/1/2028	1,110,000	1,126,135,848	77.469%
	2020 Series A	Non-AMT	Fixed	1/1/2029	1,200,000	1,127,335,848	77.552%

	2020 Series D	Non-AMT	Fixed	7/1/2030	870,000	1,128,205,848	77.612%
	2021 Series D	Non-AMT	Fixed	1/1/2032	1,435,000	1,129,640,848	77.710%
1.750	2022 Series A	Non-AMT	Fixed	7/1/2030	2,105,000	1,131,745,848	77.855%
	2019 Series D	Non-AMT	Fixed	7/1/2027	1,085,000	1,132,830,848	77.930%
	2020 Series A	Non-AMT	Fixed	7/1/2028	1,180,000	1,134,010,848	78.011%
	2020 Series D	Non-AMT	Fixed	1/1/2030	850,000	1,134,860,848	78.069%
	2021 Series A	Non-AMT	Fixed	1/1/2033	1,700,000	1,136,560,848	78.186%
	2021 Series A	Non-AMT	Fixed	7/1/2033	1,730,000	1,138,290,848	78.305%
	2021 Series B	Non-AMT	Fixed	1/1/2032	1,325,000	1,139,615,848	78.397%
1.700	2019 Series D	Non-AMT	Fixed	1/1/2027	1,070,000	1,140,685,848	78.470%
	2020 Series D	Non-AMT	Fixed	7/1/2029	840,000	1,141,525,848	78.528%
	2021 Series A	Non-AMT	Fixed	7/1/2032	1,670,000	1,143,195,848	78.643%
	2021 Series B	Non-AMT	Fixed	7/1/2031	1,310,000	1,144,505,848	78.733%
	2021 Series D	Non-AMT	Fixed	7/1/2031	1,415,000	1,145,920,848	78.830%
1.650	2021 Series A	Non-AMT	Fixed	1/1/2032	1,645,000	1,147,565,848	78.943%
	2021 Series B	Non-AMT	Fixed	1/1/2031	1,285,000	1,148,850,848	79.032%
	2021 Series D	Non-AMT	Fixed	1/1/2031	1,395,000	1,150,245,848	79.128%
1.600	2022 Series A	Non-AMT	Fixed	7/1/2029	1,030,000	1,151,275,848	79.199%
	2019 Series D	Non-AMT	Fixed	7/1/2026	1,045,000	1,152,320,848	79.271%
	2020 Series D	Non-AMT	Fixed	1/1/2029	825,000	1,153,145,848	79.327%
1.550	2021 Series A	Non-AMT	Fixed	7/1/2031	1,620,000	1,154,765,848	79.439%
	2019 Series D	Non-AMT	Fixed	1/1/2026	1,025,000	1,155,790,848	79.509%
	2020 Series F	Taxable	Fixed	1/1/2027	160,000	1,155,950,848	79.520%
1.500	2022 Series A	Non-AMT	Fixed	1/1/2029	1,010,000	1,156,960,848	79.590%
	2019 Series D	Non-AMT	Fixed	7/1/2025	1,010,000	1,157,970,848	79.659%
	2020 Series D	Non-AMT	Fixed	7/1/2028	810,000	1,158,780,848	79.715%
	2020 Series F	Taxable	Fixed	7/1/2026	755,000	1,159,535,848	79.767%
1.450	2021 Series A	Non-AMT	Fixed	1/1/2031	1,600,000	1,161,135,848	79.877%
	2021 Series B	Non-AMT	Fixed	7/1/2030	1,270,000	1,162,405,848	79.964%
	2019 Series D	Non-AMT	Fixed	1/1/2025	990,000	1,163,395,848	80.032%
	2020 Series F	Taxable	Fixed	1/1/2026	745,000	1,164,140,848	80.084%
1.400	2021 Series B	Non-AMT	Fixed	1/1/2030	1,250,000	1,165,390,848	80.170%
	2022 Series A	Non-AMT	Fixed	7/1/2028	995,000	1,166,385,848	80.238%
	2019 Series D	Non-AMT	Fixed	7/1/2024	970,000	1,167,355,848	80.305%
	2020 Series D	Non-AMT	Fixed	1/1/2028	795,000	1,168,150,848	80.360%
1.350	2021 Series A	Non-AMT	Fixed	7/1/2030	1,570,000	1,169,720,848	80.468%
1.300	2021 Series B	Non-AMT	Fixed	7/1/2029	1,235,000	1,170,955,848	80.552%
	2020 Series D	Non-AMT	Fixed	7/1/2027	785,000	1,171,740,848	80.606%
1.250	2021 Series A	Non-AMT	Fixed	1/1/2030	1,545,000	1,173,285,848	80.713%
	2020 Series F	Taxable	Fixed	7/1/2025	735,000	1,174,020,848	80.763%
	2021 Series B	Non-AMT	Fixed	1/1/2029	1,215,000	1,175,235,848	80.847%
1.200	2020 Series D	Non-AMT	Fixed	1/1/2027	610,000	1,175,845,848	80.889%
	2020 Series F	Taxable	Fixed	1/1/2025	720,000	1,176,565,848	80.938%
1.150	2021 Series A	Non-AMT	Fixed	7/1/2029	1,520,000	1,178,085,848	81.043%
	2021 Series B	Non-AMT	Fixed	7/1/2028	1,200,000	1,179,285,848	81.126%
1.100	2020 Series F	Taxable	Fixed	7/1/2024	710,000	1,179,995,848	81.174%
	2021 Series F	Taxable	Fixed	7/1/2026	1,235,000	1,181,230,848	81.259%
1.050	2021 Series A	Non-AMT	Fixed	1/1/2029	1,500,000	1,182,730,848	81.363%
	2021 Series B	Non-AMT	Fixed	1/1/2028	1,180,000	1,183,910,848	81.444%
1.000	2021 Series F	Taxable	Fixed	1/1/2026	1,190,000	1,185,100,848	81.526%
0.950	2021 Series A	Non-AMT	Fixed	7/1/2028	1,475,000	1,186,575,848	81.627%
0.900	2021 Series B	Non-AMT	Fixed	7/1/2027	1,165,000	1,187,740,848	81.707%
	2021 Series F	Taxable	Fixed	7/1/2025	1,205,000	1,188,945,848	81.790%
0.850	2021 Series A	Non-AMT	Fixed	1/1/2028	1,450,000	1,190,395,848	81.890%
0.800	2021 Series B	Non-AMT	Fixed	1/1/2027	1,150,000	1,191,545,848	81.969%
	2021 Series F	Taxable	Fixed	1/1/2025	1,190,000	1,192,735,848	82.051%
0.750	2021 Series A	Non-AMT	Fixed	7/1/2027	1,430,000	1,194,165,848	82.149%
0.700	2021 Series A	Non-AMT	Fixed	1/1/2027	1,410,000	1,195,575,848	82.246%
	2021 Series B	Non-AMT	Fixed	7/1/2026	1,135,000	1,196,710,848	82.324%
	2021 Series F	Taxable	Fixed	7/1/2024	1,165,000	1,197,875,848	82.404%
0.625	2021 Series B	Non-AMT	Fixed	1/1/2026	1,115,000	1,198,990,848	82.481%
0.600	2021 Series A	Non-AMT	Fixed	7/1/2026	1,385,000	1,200,375,848	82.576%
	2021 Series C	Taxable	Fixed	7/1/2024	700,000	1,201,075,848	82.624%
0.500	2021 Series A	Non-AMT	Fixed	1/1/2026	1,365,000	1,202,440,848	82.718%
0.450	2021 Series A	Non-AMT	Fixed	7/1/2025	1,345,000	1,203,785,848	82.811%
	2021 Series B	Non-AMT	Fixed	1/1/2025	1,085,000	1,204,870,848	82.886%
	2021 Series B	Non-AMT	Fixed	7/1/2025	1,100,000	1,205,970,848	82.961%
0.400	2021 Series A	Non-AMT	Fixed	1/1/2025	1,325,000	1,207,295,848	83.052%
0.375	2021 Series A	Non-AMT	Fixed	7/1/2024	1,300,000	1,208,595,848	83.142%
0.300	2021 Series B	Non-AMT	Fixed	7/1/2024	370,000	1,208,965,848	83.167%
-	2022 Series E	Non-AMT	Variable	1/1/2052	20,000,000	1,228,965,848	84.543%
	2021 Series E	Non-AMT	Variable	7/1/2051	20,000,000	1,248,965,848	85.919%
	2016 Series B	Non-AMT	Variable	7/1/2046	20,000,000	1,268,965,848	87.295%
	2016 Series E	Non-AMT	Variable	7/1/2046	14,690,000	1,283,655,848	88.305%
	2017 Series B	Non-AMT	Variable	7/1/2047	7,500,000	1,291,155,848	88.821%

2017 Series D	Non-AMT	Variable	1/1/2047	17,500,000	1,308,655,848	90.025%
2018 Series B	Non-AMT	Variable	7/1/2047	20,000,000	1,328,655,848	91.401%
2018 Series D	Non-AMT	Variable	7/1/2048	15,000,000	1,343,655,848	92.433%
2019 Series B	Non-AMT	Variable	7/1/2047	20,000,000	1,363,655,848	93.809%
2019 Series E	Non-AMT	Variable	1/1/2049	15,000,000	1,378,655,848	94.841%
2020 Series B	Non-AMT	Variable	7/1/2049	20,000,000	1,398,655,848	96.216%
2020 Series E	Non-AMT	Variable	7/1/2049	15,000,000	1,413,655,848	97.248%
2022 Series B	Non-AMT	Variable	1/1/2052	20,000,000	1,433,655,848	98.624%
2022 Series H	Non-AMT	Variable	1/1/2052	20,000,000	1,453,655,848	100.000%

FORM OF SOCIAL BONDS REPORTING

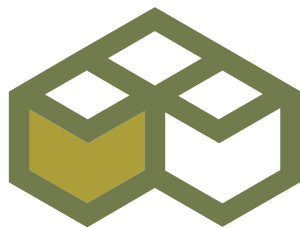
Series Bond Proceeds Summary		
Total Proceeds	Proceeds Spent as of _/_/___	Proceeds Remaining
\$[]	\$[]	\$[]

Series Loans Originated By Borrower Income as a % of Area Median Income (“AMI”)			
% of AMI:	\$ of Loans	# of Loans	Cumulative % of Proceeds
<50%			
50% - 59%			
60% - 69%			
70% - 79%			
80% - 89%			
90% - 100%			
> 100%			

Down Payment Assistance (“DPA”) Provided In Conjunction with Series Loans	
	\$ / # / %
Total DPA Provided (\$)	
Total DPA Provided (#)	
% of Borrowers Receiving DPA (%)	
Average DPA Provided per Borrower (\$)	
Average DPA Provided (% of Purchase Price)	

NOTE: As described herein under the heading “DESIGNATION OF THE 2024 SERIES C BONDS AS SOCIAL BONDS – Post-Issuance Reporting,” once all of the bond proceeds have been spent from the Authority’s Acquisition, no further updates will be provided.

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