

NEW ISSUES—BOOK ENTRY ONLY

This Official Statement is furnished by the Wyoming Community Development Authority to provide information on the 2018 Series 1 and 2 Bonds. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the 2018 Series 1 and 2 Bonds, a prospective investor should read this Official Statement in its entirety. Unless otherwise indicated, capitalized terms used on this cover page have the meanings given in this Official Statement.

\$77,565,000*

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY
Housing Revenue Bonds**

\$58,065,000*
2018 Series 1
(Non-AMT)

\$19,500,000**
2018 Series 2
(Variable Rate) (Non-AMT)

Dated	Date of Delivery.
Due	See inside front cover.
Closing Date	On or about May 16, 2018*. The 2018 Series 1 and 2 Bonds will be delivered via The Depository Trust Company. See "BONDS IN BOOK-ENTRY-ONLY FORM."
Interest Payment Dates	June 1 and December 1, commencing December 1, 2018.*
Denominations	\$5,000 or any integral multiple thereof for the 2018 Series 1 Bonds, \$100,000 and any integral multiple of \$5,000 in excess thereof for the 2018 Series 2 Bonds.
Tax Exemption	In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the 2018 Series 1 and 2 Bonds is excluded from gross income for federal income tax purposes. Bond Counsel is further of the opinion that interest on the 2018 Series 1 and 2 Bonds is not a specific preference item and is not included in adjusted current earnings for purposes of the federal alternative minimum tax. See "TAX EXEMPTION" herein.
Redemption and Mandatory Tender	The 2018 Series 1 and 2 Bonds are subject to redemption prior to maturity, including redemption at par on any date from unexpended proceeds, Prepayments and excess revenues, including Prepayments and excess revenues related to other Series of Bonds. The 2018 Series 2 Bonds are subject to mandatory tender for purchase at par.
Liquidity Facility	The Authority intends to obtain a liquidity facility for the 2018 Series 2 Bonds that will ensure payment of principal and up to 203 days of interest for the initial Interest Period ending on December 1, 2018, and thereafter 187 days of interest for such 2018 Series 2 Bonds that are tendered and not remarketed on any optional tender date or mandatory tender date, at a tender price equal to the principal amount purchased plus accrued interest, if any. The initial liquidity provider is expected to be Royal Bank of Canada, acting through its branch located at 200 Vesey Street, New York, New York 10281. Under certain circumstances as described herein, the Liquidity Facility may be terminated immediately and automatically, without notice to the holders of the 2018 Series 2 Bonds. The Liquidity Facility is scheduled to expire on May 14, 2021*. See "THE LIQUIDITY FACILITY" herein. This Official Statement refers to the 2018 Series 2 Bonds only while they are in the Weekly Mode and only while the Liquidity Facility provided by Royal Bank of Canada is in place.
Remarketing Agent	See "THE 2018 SERIES 1 BONDS AND 2018 SERIES 2 BONDS—REMARKETING AGENT" herein.
Tender for Purchase	The 2018 Series 2 Bonds, when in Weekly Mode are subject to purchase by the Trustee on the demand of registered owners thereof on any business day upon seven days' notice. See "THE 2018 SERIES 1 BONDS AND 2018 SERIES 2 BONDS—OPTIONAL TENDER AND MANDATORY PURCHASER OF 2018 SERIES 2 BONDS" herein.
Security	The 2018 Series 1 and 2 Bonds offered hereby are special obligations of the Authority payable solely from the revenues, income and receipts of the Authority pledged to the payment thereof and are secured by an assignment of the loans and other assets described herein. Neither the faith and credit nor taxing power of the State of Wyoming or any political subdivision thereof is pledged to the payment of such Bonds. The State of Wyoming is not liable on such Bonds and such Bonds are not a debt of the State of Wyoming. The Authority has no taxing power. See "SECURITY FOR THE BONDS."
Legal Counsel	Kutak Rock LLP, Bond Counsel; Murane and Bostwick, counsel for the Authority; Chapman and Cutler LLP, counsel for the Underwriters.
Trustee	Wilmington Trust, National Association, Minneapolis, Minnesota.

The 2018 Series 1 and 2 Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice and to the approval of legality by Kutak Rock LLP, as Bond Counsel. The Underwriters intend, but are not obligated, to maintain a secondary market in the 2018 Series 1 and 2 Bonds.

BofA Merrill Lynch

RBC Capital Markets

April __, 2018

† Sole Underwriter for the 2018 Series 2 Bonds will be Merrill Lynch Pierce, Fenner & Smith Incorporated.

* Preliminary; subject to change.

MATURITY SCHEDULE*

**\$58,065,000 2018 SERIES 1 BONDS
(NON-AMT)**

\$18,005,000 SERIAL BONDS

MATURITY	PRINCIPAL AMOUNT	INTEREST RATE	CUSIP [†] 98322Q	MATURITY	PRINCIPAL AMOUNT	INTEREST RATE	CUSIP [†] 98322Q
December 1, 2018	\$415,000	%		June 1, 2024	\$ 885,000	%	
June 1, 2019	735,000			December 1, 2024	900,000		
December 1, 2019	750,000			June 1, 2025	915,000		
June 1, 2020	765,000			December 1, 2025	930,000		
December 1, 2020	775,000			June 1, 2026	950,000		
June 1, 2021	795,000			December 1, 2026	965,000		
December 1, 2021	805,000			June 1, 2027	985,000		
June 1, 2022	820,000			December 1, 2027	1,000,000		
December 1, 2022	840,000			June 1, 2028	1,025,000		
June 1, 2023	850,000			December 1, 2028	1,035,000		
December 1, 2023	865,000						

Price of all 2018 Series 1 Bonds – _____%

\$11,500,000 _____% Term Bonds Due December 1, 2033, Price _____% CUSIP[†] 98322Q _____
 \$13,585,000 _____% Term Bonds Due December 1, 2038, Price _____% CUSIP[†] 98322Q _____
 \$ 7,625,000 _____% Term Bonds Due December 1, 2041, Price _____% CUSIP[†] 98322Q _____
 \$ 7,350,000 _____% Term Bonds Due December 1, 2043, Price _____% CUSIP[†] 98322Q _____

**\$19,500,000 2018 SERIES 2 BONDS
(NON-AMT)**

\$19,500,000 Variable Rate Demand Term Bonds Due December 1, 2048, CUSIP[†] 98322Q _____

(The initial interest rate on the 2018 Series 2 Bonds will be set forth in a certificate of the 2018 Series 2 Underwriter delivered to the Trustee at closing.)

Price of all 2018 Series 2 Bonds – _____%

* Preliminary; subject to change.

† CUSIP numbers have been assigned by an organization not affiliated with the Authority and are included for the convenience of the owners of the 2018 Series 1 and 2 Bonds. The Authority is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the 2018 Series 1 and 2 Bonds or as indicated above. A CUSIP number for a specific maturity may be changed after the issuance date. CUSIP® is a registered trademark of the American Bankers Association.

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby, and, if given or made, such information or representations must not be relied upon as having been authorized by the Authority or the Underwriters. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority since the date hereof. The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

Royal Bank of Canada has provided only the information describing itself set forth in Appendix H hereto under the heading “**CERTAIN INFORMATION REGARDING THE LIQUIDITY PROVIDER,**” other than the first paragraph thereunder, for inclusion in this Official Statement and has not provided any other information for this Official Statement. Royal Bank of Canada has not independently verified or reviewed, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein or omitted herefrom, and does not guarantee the accuracy of any information set forth herein other than solely with respect to the information describing itself set forth in Appendix H hereto under the heading “**CERTAIN INFORMATION REGARDING THE LIQUIDITY PROVIDER,**” other than the first paragraph thereunder.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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

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OFFICIAL STATEMENT

\$77,565,000*

**Wyoming Community Development Authority
Housing Revenue Bonds**

\$58,065,000*
2018 Series 1
(Non-AMT)

\$19,500,000*
2018 Series 2
(Variable Rate) (Non-AMT)

INTRODUCTORY STATEMENT

This Official Statement provides certain information concerning the Wyoming Community Development Authority (the “*Authority*”) in connection with the issuance of \$77,565,000* aggregate principal amount of the Authority’s Housing Revenue Bonds, consisting of \$58,065,000* 2018 Series 1 Bonds (the “*2018 Series 1 Bonds*”) and \$19,500,000* 2018 Series 2 Bonds (the “*2018 Series 2 Bonds*” and, collectively with the 2018 Series 1 Bonds and the 2018 Series 2 Bonds, the “*2018 Series 1 and 2 Bonds*”). The 2018 Series 1 and 2 Bonds will be issued pursuant to the Wyoming Community Development Authority Act, as amended, constituting Wyoming Statutes Sections 9-7-101 through 9-7-125 (the “*Act*”). The 2018 Series 1 and 2 Bonds will be issued under and secured by a Trust Indenture dated December 1, 1994 (the “*Trust Indenture*”), between the Authority and Wilmington Trust, National Association, as successor trustee (the “*Trustee*”), a Supplemental Trust Indenture dated as of May 1, 2018 (the “*2018 Series 1 Supplemental Indenture*”) and a Supplemental Trust Indenture dated as of May 1, 2018 (the “*2018 Series 2 Supplemental Indenture*”). The Trust Indenture as supplemented to date, the 2018 Series 1 Supplemental Indenture and the 2018 Series 2 Supplemental Indenture are collectively herein referred to as the “*1994 Indenture.*” Words and terms defined in the 1994 Indenture are used herein as so defined. Bonds issued under the 1994 Indenture are equally and ratably secured by the pledges and covenants contained therein, and all such bonds, including the 2018 Series 1 and 2 Bonds, are referred to herein as the “*Bonds.*” As of December 31, 2017, there were \$563,655,000 principal amount of Bonds outstanding under the 1994 Indenture. Other bonds of the Authority not issued pursuant to the 1994 Indenture are sometimes referred to herein as “*bonds.*”

The 2018 Series 1 and 2 Bonds are being issued to refund a portion of the Authority’s Housing Revenue Bonds, 2015 Series 7, originally issued in the aggregate principal amount of \$12,000,000 (the “*Prior Series Bonds*”) and to make funds available to the Authority to purchase Loans (defined below). See “*PLAN OF REFUNDING*” and “*SOURCES AND USES OF FUNDS.*” Proceeds of the Prior Series Bonds were used to finance or refinance the purchase of loans. Approximately \$3 million of such Loans (collectively referred to as the “*Prior Series Loans*”) with an average interest rate of approximately 4.0%, are expected to be reallocated to the 2018 Series 1 and 2 Bonds. It is expected that payments on the Prior Series Loans will be used primarily to pay debt service on the Bonds and to redeem Bonds, including 2018 Series 1 and 2 Bonds. See

* Preliminary; subject to change.

“THE SINGLE FAMILY MORTGAGE PROGRAM” and APPENDIX B, “LOAN PORTFOLIOS AND OTHER SELECTED DATA—The 1994 Indenture—Use of Loan Repayments.”

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the 2018 Series 1 and 2 Bonds is excluded from gross income for federal income tax purposes. Bond Counsel is further of the opinion that interest on the 2018 Series 1 and 2 Bonds is not a specific preference item and is not included in adjusted current earnings for purposes of the federal alternative minimum tax. See “TAX EXEMPTION.”

The Authority initiated its Single Family Mortgage Purchase Program (the “*Program*”) in August 1978 and has carried out the Program with the proceeds of Bonds and bonds issued under various indentures. In addition to the 1994 Indenture, at December 31, 2017 \$113,300,000 of bonds were outstanding under an indenture executed in 2009 (the “*2009 Indenture*”). The Authority may issue other bonds under the 2009 Indenture or other separate indentures in the future to finance or purchase single-family mortgage loans. Mortgage loans purchased from the proceeds of bonds issued under the 2009 Indenture will be pledged under the 2009 Indenture. Mortgage loans financed or purchased with the proceeds of any other bonds issued in the future under other separate indentures will be pledged under such other indentures. Mortgage loans pledged under any other indenture will not secure the payment of the 2018 Series 1 and 2 Bonds or any other Bonds issued under the 1994 Indenture. The Authority anticipates that the majority of loans purchased during 2018 will be purchased with proceeds of bonds issued under the 1994 Indenture.

The 1994 Indenture authorizes Bonds to be issued to finance housing in the State of Wyoming (the “*State*” or “*Wyoming*”) in accordance with the Act and to provide funds for deposit into the various funds and accounts established under the 1994 Indenture, including amounts for the payment of certain costs of issuance. Under the Act, proceeds of Bonds issued for housing purposes may be applied to the acquisition of mortgage loans, to make loans to lenders which in turn make mortgage loans or to acquire home improvement loans without mortgage security. Mortgage loans may be acquired individually or by the acquisition of obligations representing an undivided interest in a pool of mortgage loans guaranteed by the Government National Mortgage Association (“*Ginnie Mae*”), the Federal National Mortgage Association (“*Fannie Mae*”) or the Federal Home Loan Mortgage Corporation (“*Freddie Mac*”) (such obligations being referred to herein as “*Mortgage-Backed Securities*”). The 1994 Indenture does not require that loans must be secured by a mortgage. The particular use of proceeds for a Series of Bonds will be as provided in the Supplemental Indenture authorizing such Series. Certain requirements with respect to mortgage loans to be acquired with proceeds of a Series of Bonds are provided in program documents prepared by the Authority for each Series. Such requirements with respect to the 2018 Series 1 and 2 Bonds are referred to herein as the “*Related Series Program Requirements*.” No Series of Bonds may be issued under the 1994 Indenture unless the issuance thereof will not adversely affect the Rating Quality (as defined herein) of any Bonds Outstanding. The funds made available by the issuance of the 2018 Series 1 and 2 Bonds are expected to be used to purchase or acquire individual loans, which are insured or guaranteed by an agency or instrumentality of the federal government, insured by a private mortgage insurer, uninsured (in general, due to an 80% or less loan-to-value ratio) or a combination thereof. See “THE SINGLE FAMILY MORTGAGE PROGRAM—Program Covenants.” All loans acquired from the proceeds of Bonds issued under

the 1994 Indenture and from other amounts available under the 1994 Indenture are referred to herein as “*Loans*.”

BONDS ISSUED UNDER THE 1994 INDENTURE, INCLUDING THE 2018 SERIES 1 AND 2 BONDS, WILL BE SPECIAL OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES, INCOME AND RECEIPTS OF THE AUTHORITY PLEDGED TO THE PAYMENT THEREOF AND SECURED BY AN ASSIGNMENT OF THE LOANS AND OTHER ASSETS DESCRIBED HEREIN. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS. THE STATE IS NOT LIABLE ON THE BONDS AND THE BONDS ARE NOT A DEBT OF THE STATE. THE AUTHORITY HAS NO TAXING POWER.

For a description of the revenues and assets pledged to secure payment of the Bonds, requirements for maintenance of reserve funds and other security for the Bonds, see “SECURITY FOR THE BONDS” and APPENDIX B, “LOAN PORTFOLIOS AND OTHER SELECTED DATA—The 1994 Indenture.”

The 2018 Series 2 Bonds will initially bear interest in a weekly mode (the “*Weekly Mode*”) as described herein.

Under certain circumstances as described herein, the registered owners of the 2018 Series 2 Bonds will have the right or may be required to tender a 2018 Series 2 Bond (or any portion thereof in an authorized denomination) to the Remarketing Agent (as defined below) or the Tender Agent for purchase from and to the extent of the sources of funds described herein at the Purchase Price (as defined herein). RBC Capital Markets, LLC (the “*Remarketing Agent*”), will remarket the 2018 Series 2 Bonds pursuant to a Remarketing Agreement (the “*Remarketing Agreement*”) between the Authority and the Remarketing Agent. See “THE 2018 SERIES 1 BONDS AND 2018 SERIES 2 BONDS — OPTIONAL TENDER AND MANDATORY PURCHASE OF 2018 SERIES 2 BONDS.”

The Purchase Price of the 2018 Series 2 Bonds tendered for purchase by the registered owners thereof as described herein will be payable (i) from the proceeds of the remarketing thereof, and (ii) from funds that may be available, subject to the terms and conditions thereof, under the applicable liquidity facility, initially a standby bond purchase agreement (the “*Liquidity Facility*”) among the Authority, the Trustee and Royal Bank of Canada (the “*Bank*” or the “*Liquidity Provider*”), acting through its branch located at 200 Vesey Street, New York, New York 10281. For a description of certain provisions of the Liquidity Facility and for certain information concerning the Bank, see “THE LIQUIDITY FACILITY,” APPENDIX G, “SUMMARY OF CERTAIN PROVISIONS OF AND RELATING TO THE LIQUIDITY FACILITY” and APPENDIX H, “CERTAIN INFORMATION REGARDING THE LIQUIDITY PROVIDER,” respectively.

This Official Statement refers to the 2018 Series 2 Bonds only while they are in the Weekly Mode and only while the Liquidity Facility provided by the Bank is in place.

For a description of the terms of the 2018 Series 1 and 2 Bonds, including redemption prior to maturity, mandatory tender, registration and exchange, manner of paying of principal and premium, if any, and interest and notices to holders, see “THE 2018 SERIES 1 BONDS AND 2018

SERIES 2 BONDS.” For information regarding the various professionals involved in the offering, see “THE AUTHORITY—Organization” and “APPROVAL OF LEGALITY.” For information regarding this Official Statement and its availability, continuing information regarding the Authority and obtaining copies of the 1994 Indenture, see “CONTINUING DISCLOSURE” and “ADDITIONAL INFORMATION.”

There follows in this Official Statement information concerning the Authority and the Program, together with certain descriptions of the Bonds, the 1994 Indenture, certain other documents and certain provisions of the Act and the Internal Revenue Code of 1986, as amended (the “Code”). All references herein to the Act, the Code, the 1994 Indenture and other documents are qualified in their entirety by reference to such statute or document, and all references to the Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the 1994 Indenture with respect to any particular Series of Bonds.

This Official Statement contains “forward-looking statements” within the meaning of the federal securities laws. These forward-looking statements include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements.

This Official Statement speaks only as of its date and the information contained herein is subject to change. See “ADDITIONAL INFORMATION.”

CONTINUING DISCLOSURE

The Authority will enter into a Continuing Disclosure Agreement (the “Agreement”) for the benefit of the Beneficial Owners (as defined herein) of the 2018 Series 1 and 2 Bonds in which the Authority agrees to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access (EMMA) system pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Agreement, including termination, amendment and remedies, are set forth below under “CONTINUING DISCLOSURE AGREEMENT.”

A failure by the Authority to comply with the Agreement will not constitute a default under the 1994 Indenture, and Beneficial Owners of the 2018 Series 1 and 2 Bonds are limited to the remedies described in the Agreement. See “CONTINUING DISCLOSURE AGREEMENT—Enforceability and Remedies.” A failure by the Authority to comply with the Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2018 Series 1 and 2 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2018 Series 1 and 2 Bonds and their market price.

The Authority has entered into a number of continuing disclosure agreements in connection with the issuance of its bonds. The Authority routinely makes its audited financial statements available on its website, as well as in its official statements which are then filed with the MSRB.

In March of 2014, the SEC announced its Municipal Continuing Disclosure Cooperation Initiative (the “*MCDC*”) pursuant to which underwriters and municipal issuers could self-report instances where official statements of municipal issuers failed to report instances in which the municipal issuer failed to comply in all material respects with its continuing disclosure undertakings. Pursuant to the MCDC, in December of 2014 the Authority reported certain prior failures to the SEC.

In June of 2016, the Authority executed an Offer of Settlement (the “*Offer*”) with the SEC under the MCDC, which Offer was accepted by the SEC on August 24, 2016. As described in the Offer, the Authority participated in one negotiated offering in 2011 in which the final official statement stated in relevant part that during the past five years, the Authority had complied in all material respects with its continuing disclosure undertakings. Notwithstanding such statement, however, the Authority’s audited financial statements for 2006, 2008 and 2009 were not filed until 2011 when it was discovered by the Authority that such financial statements had not been filed previously with the Nationally Recognized Municipal Securities Information Repositories or the MSRB through the EMMA system, as applicable.

Pursuant to the Offer, the Authority has agreed to (i) establish written policies and procedures and undertake periodic training regarding continuing disclosure obligations, including designation of an individual or officer responsible for ensuring compliance with such policies and procedures, (ii) comply with existing continuing disclosure undertakings, and, if not currently in compliance, update past delinquent filings, (iii) disclose in clear and conspicuous fashion the terms of the Offer in any official statement for an offering of the Authority within five years of the Offer, (iv) cooperate with any subsequent investigation by the SEC regarding false statements and/or material omissions and (v) not later than one year from the date of the Offer, certify, in writing, compliance with the foregoing undertakings.

Pursuant to the continuing disclosure agreements entered into by the Authority for certain maturities of its 2008 Series 3 Bonds, 2010 Series 1 Bonds and 2010 Series 2 Bonds, the Authority is required to file its audited financial statements and annual operating data within 180 days after its fiscal year end (or December 27th). For the fiscal year ended June 30, 2016, the Authority filed its 2016 audited financial statements and operating data on January 26, 2017 and January 30, 2017, respectively. Upon discovery of the late filings, the Authority posted on the EMMA system a notice of failure to file such information.

The Authority has updated its continuing disclosure procedures in order to ensure filings are done in accordance with its continuing disclosure agreements.

THE AUTHORITY

ORIGIN AND PURPOSE

The Wyoming Community Development Authority was created in 1975 to provide financing for housing and various public facilities. The Authority is a body corporate operating as a State instrumentality and is not a political subdivision of the State. As now constituted, the Authority's primary purpose is to alleviate the shortage of housing in the State and the lack of funds available from private mortgage lending institutions to finance new and existing housing at reasonable rates. In carrying out this purpose, the Authority is authorized to purchase mortgage loans on residential real property that are insured or guaranteed either governmentally or privately, or otherwise secured as provided in the trust indenture pursuant to which any related bonds are issued. In addition, the Authority may make collaterally secured loans to mortgage lenders under agreements requiring the lenders to use the proceeds to make mortgage loans on residential real property, including construction loans and advances. The Authority had \$676,955,000 of Bonds and other bonds outstanding as of December 31, 2017, that were issued to finance single-family or to refund certain outstanding bonds being redeemed or maturing. The Act does not limit the amount of Bonds and other bonds the Authority may issue from time to time as private activity bonds exempt from federal income taxation under Section 146 of the Code for housing purposes.

The 1994 Indenture imposes no limit on the amount of Bonds that may be issued and Outstanding thereunder. Any such issuance must be in compliance with the requirements of the 1994 Indenture. See "SECURITY FOR THE BONDS—Additional Bonds" and "SUMMARY OF CERTAIN TERMS OF THE 1994 INDENTURE—Provisions for the Issuance of Bonds." The Code limits the annual issuance in the State of tax exempt obligations to finance owner occupied residences and for other "private activity purposes" to \$310,710,000 for calendar year 2018, with exceptions for carryforwards of unused authority and various types of refunding bonds.

The Act further authorizes the Authority to issue and have outstanding up to \$250,000,000 in care facility bonds to finance construction and improvements to governmental and nonprofit hospitals in the State. No care facility bonds have been issued pursuant to this authorization and any care facility bonds to provide such financing will be issued pursuant to indentures, and will be secured and payable from sources, which are completely separate from the Authority's housing financing indentures.

ORGANIZATION

The Authority has nine voting directors, including the Governor and the State Treasurer who serve as directors by virtue of their offices. The seven other voting directors are appointed by the Governor with the advice and consent of the State Senate. No more than four of the appointed directors may be members of the same political party. The Executive Director of the Authority is appointed by the directors and serves as a nonvoting ex-officio director. The Chairman and other officers of the Authority are elected by the directors from their membership. In accordance with Wyoming Statutes, directors may be removed by the Governor at the Governor's pleasure, but otherwise, may serve for no more than two consecutive terms and, under Section 9-7-104, shall continue in office at the expiration of their respective terms until their

successors are appointed and qualified. Wyoming law allows a State elected official to authorize a designee to act as such official's representative on certain boards and commissions, including the Authority. If authorized, the designee shall have the right to speak, vote and take other lawful action on behalf of such elected official. The directors of the Authority serve without salary but receive compensation for each day or part thereof in which they are engaged in official duties at the same rate as State legislators and are reimbursed for expenses incurred in the performance of their duties.

The present directors of the Authority, their State office or principal occupation and the stated expiration dates of their terms as directors are set forth below.

JUDY LANE, Chairman—Banker, Cheyenne, Wyoming (term expiration March 1, 2020).

ROB BONER, Vice Chairman—Rancher, Douglas, Wyoming (term expiration March 1, 2019).

SUSAN ANDERSON, Secretary/Treasurer—Retired Journalist, Mills, Wyoming (term expiration March 1, 2020).

MATT MEAD—Governor, State of Wyoming (serves as a director by virtue of his office).

MARK GORDON—Treasurer, State of Wyoming (serves as a director by virtue of his office).

KARI COOPER—Executive Director of an air resources agency, Jackson, Wyoming (term expiration March 1, 2020).

PAT HAND—Retired Attorney, Cheyenne, Wyoming (term expiration March 1, 2019).

GEORGE PARKS—Retired Executive Director of a state association for municipalities, Cheyenne, Wyoming (term expiration March 1, 2022).

TONY ROSS—Attorney and Former Wyoming Senator, Cheyenne, Wyoming (term expiration March 1, 2022).

Certain Authority directors may, from time to time, have an interest in organizations which participate in the Program as approved lenders.

The operations of the Authority are currently administered by a staff of 44. The Authority's principal executives and their experience are as follows:

SCOTT HOVERSLAND, Executive Director—Mr. Hoversland joined the Authority as Deputy Director of Finance in June 2005 and became Executive Director on December 1, 2015. Mr. Hoversland served as the Authority's Director of Finance prior to his appointment as Executive Director. Prior to joining the Authority, Mr. Hoversland served as the Accounting and Finance Manager for the Montana Board of Housing from October 2001 to June 2005. From June 1988 to October 2001, Mr. Hoversland served as an auditor with the Montana Legislative Audit

Division. Mr. Hoversland was a 1988 graduate of Eastern Montana College and is a Certified Public Accountant.

LESLI WRIGHT, Deputy Executive Director—Ms. Wright joined the Authority in January 2015 and became Deputy Executive Director in April 2015. Prior to joining the Authority, Ms. Wright was the Senior Vice President, Risk Management for Hilltop National Bank from October 2006 to November 2014. She has also served as the bank's Community Reinvestment Act Officer from January 2001 to November 2014 and Vice President, Commercial Lending from October 1996 to October 2006. Prior to working for Hilltop National Bank, Ms. Wright was employed as a Certified Public Accountant with the public accounting firms of Porter, Muirhead, Cornia and Howard, in Casper, Wyoming and Deloitte & Touche in Denver, Colorado. Ms. Wright served on the Kansas City Federal Reserve Bank's Community Development Advisory Council and on the board of directors of the Wyoming Housing Network, Inc., and the Community Health Center of Central Wyoming and also as a director of the Authority from March 2012 to November 2014 and is currently serving on the board of directors for the National Rural Housing Coalition. Ms. Wright graduated from the University of Wyoming in 1986.

DJ WHITAKER, Director of Finance and Administration, CFO —Ms. Whitaker joined the Authority in January 2016. Prior to joining the Authority, Ms. Whitaker served as the Chief Financial Officer for the Student Assistance Foundation of Montana (“SAF”) from March 2015 to January 2016. From April 2004 through February 2015, Ms. Whitaker served as the Accounting Director/Controller for the SAF. Prior to employment at SAF, Ms. Whitaker was employed with the State of Montana and the Montana University system in financial management and auditing positions. Ms. Whitaker graduated from Adams State College in 1991 with a Bachelor of Science in Business Administration degree and graduated from Montana State University-Billings in 2012 with a Master of Science in Public Relations. Ms. Whitaker is a Certified Public Accountant, Certified Government Finance Manager and Chartered Global Management Accountant.

Murane & Bostwick, LLC, Casper, Wyoming, is general counsel to the Authority. Porter, Muirhead, Cornia & Howard, certified public accountants, Casper, Wyoming, serve as the Authority's auditors.

The Authority utilizes an integrated computer system that enables it to monitor mortgage loan performance, portfolio investments and indenture cash balances, in addition to increasing the reportability of the general ledger system. The computer software system is obtained from the computer consultants to the Authority, Application Oriented Designs, Inc., a subsidiary of Emphasys Computer Solutions, Inc. Preparation of cash flows and other quantitative financial advisory services are provided by cfX Incorporated. Blue Rose Capital Advisors, Inc., is swap advisor to the Authority. Mortgage backed security advisory services are provided to the Authority by Caine Mitter and Associates.

Information regarding the operations of the Authority, its various programs and its loan portfolios is set forth in APPENDIX A, “AUTHORITY OPERATIONS” and APPENDIX B, “LOAN PORTFOLIOS AND OTHER SELECTED DATA.”

THE 2018 SERIES 1 BONDS AND 2018 SERIES 2 BONDS

GENERAL

The 2018 Series 1 Bonds will be fully registered bonds issued in the denominations of \$5,000 or any integral multiple thereof. The 2018 Series 2 Bonds will be fully registered bonds issued in the denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. The 2018 Series 1 and 2 Bonds will initially be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the 2018 Series 1 and 2 Bonds. Interest on the 2018 Series 1 and 2 Bonds will be paid by moneys wired by the Trustee to DTC, or its nominee, as registered owner of the Series Bonds, which interest is to be redistributed by DTC. Principal of the 2018 Series 1 and 2 Bonds will be paid at maturity or earlier redemption upon surrender at the principal corporate trust office of the Trustee. (See “BONDS IN BOOK-ENTRY-ONLY FORM” herein.)

INTEREST ON THE 2018 SERIES 1 BONDS

The 2018 Series 1 Bonds are dated the date of delivery, and interest on the 2018 Series 1 Bonds will be paid semiannually on June 1 and December 1 of each year, commencing December 1, 2018, and in respect of any such Bond then to be redeemed, on any redemption date. The 2018 Series 1 Bonds will bear interest from their dated date, at the annual rates set forth on the inside front cover hereof until payment of the principal of, or redemption price on, those Bonds. Interest on the 2018 Series 1 Bonds will be computed on the basis of a 360-day year composed of twelve 30-day months and will be paid to the Owners of record in the bond registration books maintained by the Trustee.

INTEREST ON THE 2018 SERIES 2 BONDS

In addition to acting as Trustee for the 2018 Series 2 Bonds, Wilmington Trust, National Association, is acting as Tender Agent for the 2018 Series 2 Bonds.

Each 2018 Series 2 Bond is dated as of the date of initial issuance thereof and, except as otherwise described below, shall bear interest, at the rate or rates determined as described below, from the Interest Payment Date next preceding the date of authentication, unless such date of authentication is after a Record Date and on or before the next succeeding Interest Payment Date, in which event such 2018 Series 2 Bond shall bear interest from and including such next succeeding Interest Payment Date; *provided* that if, at the time of authentication of any 2018 Series 2 Bond, interest is in default or overdue thereon, such 2018 Series 2 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid in full or made available for payment in full. While the 2018 Series 2 Bonds bear interest at a Weekly Rate, interest on the 2018 Series 2 Bonds will be paid (a) semiannually on June 1 and December 1 of each year, commencing December 1, 2018, (b) on each Mode Change Date or Conversion Date, and (c) any Redemption Date on which all Outstanding 2018 Series 2 Bonds are to be redeemed.

The term Record Date means the day (whether or not a Business Day) next preceding each Interest Payment Date. The term Business Day means a day other than (a) a Saturday or a Sunday or (b) a day on which (i) banking institutions in the City of New York or in the city in which the Principal Office of the Trustee, the Tender Agent, the Remarketing Agent or the Bank is located are closed, or (ii) the New York Stock Exchange is closed. Unless otherwise indicated, all times of the day set forth herein are New York, New York time.

Interest on the 2018 Series 2 Bonds will be calculated on the basis of a 365/366-day year for the actual number of days elapsed. No 2018 Series 2 Bonds (other than 2018 Series 2 Bonds held by the Bank under the Liquidity Facility) may bear interest at an interest rate higher than 12% per annum.

Interest on each 2018 Series 2 Bond shall be paid on each Interest Payment Date for such 2018 Series 2 Bond, defined as (i) with respect to the Weekly Mode, each June 1 and December 1; (ii) any Mode Change Date or Conversion Date; (iii) any redemption date with respect to the 2018 Series 2 Bonds to be redeemed on such date; and (iv) the final maturity date.

Such interest shall be payable to the Owners as of the applicable Record Date, by wire transfer of immediately available funds to the account specified by the Owner of such 2018 Series 2 Bond in a writing delivered to the Trustee on or prior to the Record Date; *provided, however*, that while the 2018 Series 2 Bonds are in book-entry form, payment will be made in accordance with the procedures of the Securities Depository. The principal of and premium, if any, on the 2018 Series 2 Bonds are payable upon surrender at the principal office of the Trustee.

DETERMINATION OF INTEREST RATES

The 2018 Series 2 Bonds will be initially issued in the Weekly Mode and bear interest at a Weekly Rate. The method for determining the rate of interest on 2018 Series 2 Bonds may be changed from the Weekly Mode to the Term Rate Mode or the Fixed Rate Mode, and, unless changed to the Fixed Rate Mode, may thereafter be changed to any one of the other such Modes at the times and in the manner provided in the 1994 Indenture. Each date on which one such Mode terminates and another Mode (a “*New Mode*”) begins is referred to as a “Mode Change Date.” If the 2018 Series 2 Bonds are converted to the Fixed Rate Mode, they may not be changed to another Mode.

The determination of interest rates for the 2018 Series 2 Bonds in accordance with the terms of the 1994 Indenture shall be conclusive and binding on the Owner, the Authority, the Trustee, the Tender Agent and the Remarketing Agent. Absent manifest error, the records of the Tender Agent with respect to each such determination shall be conclusive.

Weekly Mode. The interest rate for 2018 Series 2 Bonds in the Weekly Mode (the “*Weekly Rate*”) shall be the rate of interest per annum determined by the Remarketing Agent not later than 4:00 p.m. on each “Rate Determination Date,” which shall be Wednesday of each week following the initial Weekly Rate period or, if Wednesday is not a Business Day, then the Business Day next preceding such Wednesday, as described below; *provided, however*, the rate of interest applicable for the initial Weekly Rate period shall be determined by the 2018 Series 2 Underwriter (defined

below). The Weekly Rate shall be the rate of interest per annum determined by the Remarketing Agent on the Rate Determination Date as the minimum rate of interest which, in the opinion of the Remarketing Agent under existing market conditions, would result in the sale of the 2018 Series 2 Bonds on the Thursday following the Rate Determination Date at a price equal to the principal amount thereof plus accrued interest, if any (the “Purchase Price”). The Weekly Rate will be in effect (i) initially, from and including the Closing Date to and including May 23, 2018* and (ii) thereafter, from and including each Thursday to and including the following Wednesday. The Remarketing Agent shall make the Weekly Rate available after 4:00 p.m. on the Rate Determination Date by telephone to any Owner requesting such rate.

Alternate Rate. In the event (i) the Remarketing Agent fails or is unable to determine the interest rate with respect to 2018 Series 2 Bonds or the position of Remarketing Agent is vacant, or (ii) the method of determining the interest rate with respect to the 2018 Series 2 Bonds shall be held unenforceable by a court of law of competent jurisdiction, the 2018 Series 2 Bonds shall thereupon, until such time as the Remarketing Agent again makes such determination or until there is delivered an opinion of counsel to the effect that the method of determining such rate is enforceable, bear interest at an alternate rate determined by reference to a published index for the Mode to be in effect.

Changes in Mode. The Authority may elect to change the Mode for 2018 Series 2 Bonds by giving written notice to the Trustee, the Tender Agent and the Remarketing Agent, and of its intention to effect a change in the Mode not less than 30 days (or such shorter time as may be agreed to by the Trustee, Tender Agent and the Remarketing Agent) preceding the proposed Mode Change Date. Notice of such election shall be given to the Bank in accordance with the provisions of the Liquidity Facility. On or before the 15th day preceding any intended Mode Change Date, the Tender Agent shall mail to the Owners of the 2018 Series 2 Bonds a notice of the proposed change in Mode. Each Mode Change Date must be a Business Day. If the conditions precedent to a Mode change described in the 1994 Indenture have not been satisfied on or prior to the proposed Mode Change Date, the new mode shall not take effect and the 2018 Series 2 Bonds will automatically convert to (or remain in) the Weekly Mode and the Mandatory Tender of the 2018 Series 2 Bonds relating to the proposed change shall remain effective and occur as if the change had taken effect.

OPTIONAL TENDER AND MANDATORY PURCHASE OF 2018 SERIES 2 BONDS

Optional Tender of 2018 Series 2 Bonds. The Owners of 2018 Series 2 Bonds may elect to have their 2018 Series 2 Bonds (or portions of such 2018 Series 2 Bonds in amounts equal to any Authorized Denominations) purchased on any Business Day at a price equal to the Purchase Price, upon delivery of an irrevocable written notice of tender or an irrevocable telephonic notice of tender to the Remarketing Agent, promptly confirmed in writing to the Tender Agent, not later than 4:00 p.m. on a Business Day not less than seven days before the Tender Date specified by the Owner. Such notice shall state the CUSIP number, the number and the principal amount of such 2018 Series 2 Bond and that such 2018 Series 2 Bond shall be purchased on the Tender Date. An Owner who gives the notice as set forth above may repurchase the 2018 Series 2 Bond so tendered

* Preliminary; subject to change.

on such Tender Date, if the Remarketing Agent agrees to sell the 2018 Series 2 Bond so tendered to such Owner. See “BONDS IN BOOK-ENTRY-ONLY FORM” herein.

Mandatory Tender on Any Mode Change Date. The 2018 Series 2 Bonds are subject to mandatory tender for purchase on each Mode Change Date for such 2018 Series 2 Bonds at the Purchase Price. Notice of such mandatory purchase is required to be given to the Owners of the 2018 Series 2 Bonds as described below under “Notice of Mandatory Tender.”

Mandatory Tender on Any Business Day. The 2018 Series 2 Bonds are subject to mandatory tender for purchase on any Business Day at the Purchase Price, after written notice to, and written consent (not to be unreasonably withheld) by, the Liquidity Provider. Notice of such mandatory purchase is required to be given to the Owners of the 2018 Series 2 Bonds as described below under “Notice of Mandatory Tender.”

Mandatory Tender Upon Substitution of Alternate Liquidity Facility. In the event that there is a substitution of the Liquidity Facility with an Alternate Liquidity Facility, the 2018 Series 2 Bonds will be subject to mandatory tender for purchase on the date of such substitution at the Purchase Price. Notice of such mandatory purchase is required to be given to Owners of the 2018 Series 2 Bonds as described below under “Notice of Mandatory Tender.”

Mandatory Tender Upon Expiration or Early Termination of Liquidity Facility. Except as otherwise described under “Mandatory Tender on Any Mode Change Date” or “Mandatory Tender Upon Substitution of Alternate Liquidity Facility” above, and if there shall have not occurred and be continuing a “default” or “event of default” which is a “termination event” under the Liquidity Facility, the 2018 Series 2 Bonds are subject to mandatory tender for purchase, in whole, on a date at least one Business Day prior to the date of expiration or earlier termination of the Liquidity Facility at the Purchase Price. Notice of such mandatory purchase is required to be given to Owners of the 2018 Series 2 Bonds as described below under “Notice of Mandatory Tender.”

Notice of Mandatory Tender. The Tender Agent shall give notice of any Mandatory Tender by mail to Owners of the 2018 Series 2 Bonds subject to such purchase no less than 15 days prior to the Mandatory Tender Date. The failure to mail notice of Mandatory Tender with respect to any 2018 Series 2 Bond will not affect the validity of the Mandatory Tender of any other 2018 Series 2 Bond with respect to which such notice was mailed. Any notice mailed will be conclusively presumed to have been given, whether or not received by any Owner.

Purchase of 2018 Series 2 Bonds. Payment of the Purchase Price of any 2018 Series 2 Bond purchased pursuant to optional tender shall be made against delivery of the 2018 Series 2 Bond and only if the 2018 Series 2 Bond so delivered to the Tender Agent conforms in all respects to the description thereof in the notice of tender. By the close of business on the Tender Date, the Tender Agent shall purchase the tendered 2018 Series 2 Bonds from the Owners thereof at the Purchase Price. Payment of the Purchase Price shall be made by the Tender Agent by wire transfer in immediately available funds or in accordance with the procedures of the Securities Depository. Funds for the payment of such Purchase Price shall be derived solely from the following sources in the order of priority indicated, and neither the Tender Agent nor the Remarketing Agent shall be obligated to provide funds from any other source: (i) funds on deposit in the related Remarketing

Proceeds Account and (ii) funds from a drawing on the Liquidity Facility. The 2018 Series 2 Bonds to be purchased as described above must be delivered (with all necessary endorsements) at or before 11:30 a.m. (New York, New York time) on the applicable Tender Date at the office of the Tender Agent; *provided, however*, 2018 Series 2 Bonds held by DTC pursuant to the book-entry system need not be delivered to the Trustee or Tender Agent in order to effect a tender, or payment of the Purchase Price, thereof. See “BONDS IN BOOK-ENTRY-ONLY FORM” herein.

If any 2018 Series 2 Bonds not registered to a Securities Depository to be purchased are not delivered to the Tender Agent by 11:30 a.m., New York City time, on the Tender Date or Mandatory Tender Date, the Tender Agent is required to hold any funds received for the purchase of such 2018 Series 2 Bonds in trust in a separate account and to pay such funds to the former Owners of such 2018 Series 2 Bonds upon presentation thereof. Any such undelivered 2018 Series 2 Bonds will cease to accrue interest as to the former Owners on the Tender Date or Mandatory Tender Date. Any funds held by the Tender Agent for payment of any undelivered 2018 Series 2 Bond which remains unclaimed by the former Owner of such 2018 Series 2 Bond for a period of three years after delivery of such funds to the Tender Agent (or such shorter period as may be required to avoid the escheat of such moneys to the State) will, in accordance with the provisions of the 1994 Indenture, be paid to the Authority, and thereafter such former Owner may look only to the Authority for payment thereof.

The following information in the first five paragraphs of this subsection has been provided by the Remarketing Agent for use in this Official Statement. Such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Authority. This information has not been independently verified by the Authority. No representation is made by the Authority as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

REMARKETING AGENT

Remarketing Agent Is Paid by the Authority. The Remarketing Agent’s responsibilities include determining the interest rate from time to time and using best efforts to remarket the 2018 Series 2 Bonds that are tendered by the Owners thereof (subject, in each case, to the terms of the Remarketing Agreement), as further described in this Official Statement. The Remarketing Agent is appointed by the Authority and is paid by the Authority for its services. As a result, the interests of the Remarketing Agent may differ from those of Owners and potential purchasers of 2018 Series 2 Bonds.

Remarketing Agent May Purchase Bonds for Its Own Account. The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, may purchase those obligations for its own account. The Remarketing Agent is permitted, but not obligated, to purchase tendered 2018 Series 2 Bonds for its own account and, in its sole discretion, may acquire tendered 2018 Series 2 Bonds in order to achieve a successful remarketing of the 2018 Series 2 Bonds (i.e., because there otherwise are not enough buyers to purchase the 2018 Series 2 Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase 2018 Series 2 Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the 2018 Series 2 Bonds by purchasing and

selling 2018 Series 2 Bonds other than in connection with an optional or mandatory tender and remarketing. Those purchases and sales may be at or below the principal amount thereof. However, the Remarketing Agent is not required to make a market in the 2018 Series 2 Bonds. The purchase of 2018 Series 2 Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the 2018 Series 2 Bonds in the market than is actually the case. The Remarketing Agent may also sell any 2018 Series 2 Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the 2018 Series 2 Bonds. The practices described above also may result in fewer 2018 Series 2 Bonds being tendered for purchase pursuant to the 2018 Series 2 Supplemental Indenture.

2018 Series 2 Bonds May Be Offered at Different Prices on Any Date, Including a Rate Determination Date. Pursuant to the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in the determination of the Remarketing Agent, would equal (but not exceed) the interest rate necessary to enable the Remarketing Agent to sell such 2018 Series 2 Bonds (exclusive of accrued interest, if any) on the Thursday following the relevant Rate Determination Date at a price equal to 100% of their principal amount; *provided, however,* that such interest rate shall not exceed the Maximum Rate. The interest rate will reflect, among other factors, the level of market demand for the 2018 Series 2 Bonds (including whether the Remarketing Agent is willing to purchase 2018 Series 2 Bonds for its own account). There may or may not be 2018 Series 2 Bonds tendered and remarketed on a Rate Determination Date, the Remarketing Agent may or may not be able to remarket any 2018 Series 2 Bonds tendered for purchase on that date at the principal amount thereof and the Remarketing Agent may sell 2018 Series 2 Bonds at varying prices to different investors on that date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the 2018 Series 2 Bonds at the remarketing price. In the event the Remarketing Agent owns any 2018 Series 2 Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer those 2018 Series 2 Bonds on any date, including the Rate Determination Date, at a discount to the principal amount thereof to some investors.

Ability to Sell the 2018 Series 2 Bonds Other Than Through Tender Process May Be Limited. The Remarketing Agent may buy and sell 2018 Series 2 Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require Owners that wish to tender their 2018 Series 2 Bonds to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the 2018 Series 2 Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their 2018 Series 2 Bonds other than by tendering the 2018 Series 2 Bonds in accordance with the tender process.

Under Certain Circumstances, the Remarketing Agent May Resign or Cease Remarketing the 2018 Series 2 Bonds, Without a Successor Being Named. Under certain circumstances, the Remarketing Agent may have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Remarketing Agreement. In the event there is no Remarketing Agent, the applicable rate of interest on the 2018 Series 2 Bonds will be established as described in the 1994 Indenture.

Authority Not Responsible to Owners for Liquidity Provider's Failure To Purchase 2018 Series 2 Bonds. Under the terms and provisions of the Remarketing Agreement and the Liquidity Facility, the Purchase Price of 2018 Series 2 Bonds is payable from moneys furnished in connection with the remarketing of the 2018 Series 2 Bonds or from the Liquidity Facility. Upon the occurrence of a Termination Event under the Liquidity Facility, the Liquidity Provider's obligation to purchase 2018 Series 2 Bonds under the Liquidity Facility will immediately terminate without notice or other action on the part of the Liquidity Provider. (See "APPENDIX G- SUMMARY OF CERTAIN PROVISIONS OF AND RELATING TO THE LIQUIDITY FACILITY.") **The Authority is not responsible to Owners if the Liquidity Provider fails to purchase 2018 Series 2 Bonds tendered at the option of the Owner or subject to mandatory tender for purchase pursuant to the 2018 Series 2 Supplemental Indenture or upon the occurrence of a Termination Event.**

REDEMPTION OF 2018 SERIES 1 BONDS AND 2018 SERIES 2 BONDS*

The 2018 Series 1 and 2 Bonds are subject to redemption prior to maturity pursuant to optional redemptions, mandatory sinking fund redemptions and special redemptions including redemptions from unexpended proceeds, Prepayments and excess revenues, as more fully described below.

Optional Redemption. The 2018 Series 1 Bonds will be subject to redemption prior to their maturity, at the option of the Authority, on and after June 1, 2027, in whole or in part, at any time, at 100% of the principal amount thereof plus interest accrued to the redemption date.

The 2018 Series 2 Bonds will be subject to redemption in whole or in part on any date, from any source of funds (other than the Liquidity Facility unless so permitted by the Liquidity Facility and approved by the Liquidity Provider in writing), at the redemption price.

Redemption in Lieu of Purchase. The 2018 Series 2 Bonds which are tendered or deemed tendered on any Tender Date are subject to optional redemption at the direction of the Authority from any source of funds (other than from the Liquidity Facility unless so permitted by the Liquidity Facility and approved by the Liquidity Provider in writing), on such Tender Date in lieu of purchase of the same with proceeds of remarketing or a draw upon the Liquidity Facility of the redemption price. Notice of optional tender or Mandatory Tender shall constitute the notice of such redemption and no separate or additional notice need be given.

Mandatory Sinking Fund Redemption. The 2018 Series 1 Bonds due December 1, 2033, December 1, 2038, December 1, 2041 and December 1, 2043 will be subject to mandatory redemption prior to maturity, in part, by lot, at 100% of the principal amount thereof, plus interest accrued to the redemption date, from sinking fund installments which are required to be paid in amounts sufficient to redeem on June 1 or December 1 the principal amount of such 2018 Series 1 Bonds specified for each of the dates shown below:

* Preliminary; subject to change.

2018 SERIES 1 BONDS DUE DECEMBER 1, 2033

DATE	AMOUNT	DATE	AMOUNT
June 1, 2029	\$1,060,000	December 1, 2031	\$1,160,000
December 1, 2029	1,080,000	June 1, 2032	1,180,000
June 1, 2030	1,095,000	December 1, 2032	1,200,000
December 1, 2030	1,120,000	June 1, 2033	1,225,000
June 1, 2031	1,135,000	December 1, 2033 [†]	1,245,000

†Stated Maturity.

2018 SERIES 1 BONDS DUE DECEMBER 1, 2038

DATE	AMOUNT	DATE	AMOUNT
June 1, 2034	\$1,265,000	December 1, 2036	\$1,365,000
December 1, 2034	1,290,000	June 1, 2037	1,380,000
June 1, 2035	1,310,000	December 1, 2037	1,410,000
December 1, 2035	1,330,000	June 1, 2038	1,435,000
June 1, 2036	1,350,000	December 1, 2038 [†]	1,450,000

†Stated Maturity.

2018 SERIES 1 BONDS DUE DECEMBER 1, 2041

DATE	AMOUNT	DATE	AMOUNT
June 1, 2039	\$1,475,000	December 1, 2040	\$1,545,000
December 1, 2039	1,500,000	June 1, 2041	1,575,000
June 1, 2040	1,520,000	December 1, 2041 [†]	10,000

†Stated Maturity.

2018 SERIES 1 BONDS DUE DECEMBER 1, 2043

DATE	AMOUNT	DATE	AMOUNT
December 1, 2041	\$1,590,000	June 1, 2043	\$1,690,000
June 1, 2042	1,630,000	December 1, 2043 [†]	775,000
December 1, 2042	1,665,000		

†Stated Maturity.

The 2018 Series 2 Bonds will be subject to mandatory redemption prior to maturity, in part, by lot, at 100% of the principal amount thereof, plus interest accrued to the redemption date, from sinking fund installments which are required to be paid in amounts sufficient to redeem on June 1 or December 1 the principal amount of such 2018 Series 2 Bonds specified for each of the dates shown below:

2018 SERIES 2 BONDS

DATE	AMOUNT	DATE	AMOUNT
December 1, 2043	\$ 945,000	December 1, 2046	\$1,855,000
June 1, 2044	1,750,000	June 1, 2047	1,890,000
December 1, 2044	1,780,000	December 1, 2047	1,925,000
June 1, 2045	1,810,000	June 1, 2048	1,960,000
December 1, 2045	1,815,000	December 1, 2048 [†]	1,950,000
June 1, 2046	1,820,000		

†Stated Maturity.

The amounts accumulated for each sinking fund installment may be applied by the Trustee, at the direction of the Authority, prior to the fifteenth day preceding the last date on which the Trustee is required to give notice of the redemption of Bonds from such sinking fund installment, to the purchase of 2018 Series 1 Bonds or 2018 Series 2 Bonds, as applicable, of the maturity for which such sinking fund installment was established at prices not exceeding the applicable redemption price (unless the Authority provides funds to pay any portion of the purchase price in excess of the applicable redemption price) plus accrued interest to the date of purchase.

Upon any purchase or redemption of the 2018 Series 1 Bonds or the 2018 Series 2 Bonds for which sinking fund installments have been established, other than by application of sinking fund installments to redeem Bonds, an amount equal to the principal amount of the 2018 Series 2 Bonds or the 2018 Series 2 Bonds so purchased or redeemed will be credited toward the required sinking fund installments for such Bonds in the same ratio as the principal amount of all such Bonds so purchased or redeemed bears to the total amount of all such sinking fund installments to be so credited, unless the Authority directs that the credit be applied toward a part or all of any one or more of such sinking fund installments.

Special Redemption Due to Nonorigination. The 2018 Series 1 and 2 Bonds will be subject to redemption prior to maturity, at the option of the Authority, in whole or in part, on any date, at a redemption price equal to 100% of the principal amount thereof (except as noted below for the hereinafter defined PAC Bonds), plus interest accrued to the redemption date, from (i) unexpended moneys in the Program Fund relating to the 2018 Series 1 and 2 Bonds made available to purchase Loans as a result of the issuance of the 2018 Series 1 and 2 Bonds, (ii) moneys made available from the reduction of any reserve requirements (multiplied by the amount of proceeds of the 2018 Series 1 and 2 Bonds used to fund such reserve requirements, which is anticipated to be \$0.00) resulting from nonorigination of Loans for purchase with moneys made available to purchase Loans as a result of the issuance of the 2018 Series 1 and 2 Bonds, and (iii) commitment fees, if any, relating to the 2018 Series 1 and 2 Bonds paid to the Authority and not used due to nonorigination of Loans originally expected to be purchased with moneys made available by the issuance of the 2018 Series 1 and 2 Bonds. The 2018 Series 1 Bonds maturing on December 1, 2043 (the “PAC Bonds”), redeemed with moneys described in the preceding sentence, shall be redeemed at a price equal to 100% of the principal amount thereof plus a premium that maintains the same yield as the original price thereof, plus accrued interest to the date of redemption. The Authority may exercise such option only upon the filing with the Trustee of a Cash Flow

Certificate, but if the Certificate projects Revenues insufficient to pay Program expenses and debt service on the Bonds when due in any Bond Year, the Authority must certify to the Trustee that the deficiency in each Bond Year for which a deficit is projected is less than it would have been if all or a portion of the amounts so used had been applied to another permitted use on terms then available (an “*Alternate Cash Flow Certificate*”).

The Authority may have proceeds of other Series of Bonds available for the purchase of mortgage loans and the availability and use of such proceeds may affect the acquisition of Loans with proceeds of the 2018 Series 1 and 2 Bonds. See APPENDIX A, “AUTHORITY OPERATIONS—Housing Activities—*Housing Financing*.” The limitations imposed by the Code may also affect the ability to originate Loans for acquisition and, under certain circumstances, may require proceeds of the 2018 Series 1 and 2 Bonds to be used for redemption of 2018 Series 1 and 2 Bonds to maintain the tax exemption of interest thereon. See “THE SINGLE FAMILY MORTGAGE PROGRAM—Code Mortgage Eligibility Requirements” and “TAX EXEMPTION.”

Special Redemption from Prepayments and Excess Revenues. The 2018 Series 1 and 2 Bonds will be subject to redemption in whole or in part, on any date, at the option of the Authority or as required by law to maintain the tax exemption of interest on the 2018 Series 1 and 2 Bonds, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued to the redemption date, (i) from Prepayments (as defined herein) of Loans or Mortgage-Backed Securities that were acquired in whole or in part from moneys made available by the issuance of Bonds of any Series, including, but not limited to, the 2018 Series 1 and 2 Bonds, or from the proceeds of Loans or Mortgage-Backed Securities financed from such Prepayments, and (ii) from excess revenues remaining in any Bond series subaccount in the Revenue Fund (including amounts transferred from the Mortgage Reserve Fund, the Special Reserve Fund and the Bond Reserve Fund as a result of reductions in the amounts required to be deposited therein) upon the transfer of such moneys to the Redemption Fund. The Authority may exercise such option to redeem from excess revenues only upon filing a Cash Flow Certificate with the Trustee. Except as required by law to maintain the tax exemption of interest on the 2018 Series 1 and 2 Bonds or as may be permitted as described under “—Optional Redemption” above, the PAC Bonds are subject to such special redemption from Prepayments and excess revenues as long as, after giving effect to such redemption, the aggregate principal amount of PAC Bonds outstanding on such redemption date is not less than the related Applicable Outstanding Amounts (defined below) of such PAC Bonds as set forth below. See “—Extraordinary Mandatory Redemption of PAC Bonds” below.

“*Prepayment*” means (i) any payments on the Mortgage-Backed Securities other than regularly scheduled principal and interest payments thereon and (ii) any moneys received or recovered by the Authority from any payment of or with respect to principal (including any penalty, fee, premium or other additional charge for prepayment of principal which may be provided by the terms of a Loan) on any Loan other than the scheduled payments of principal called for by such Loan, whether (a) by voluntary prepayment made by the mortgagor, (b) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof, (c) in the event of a default thereon by the mortgagor, by the acceleration, sale, assignment, endorsement or other disposition of such Loan by the Authority or by any other proceedings taken by the Authority, including, without limitation, payments received from any private mortgage

insurer and (d) amounts received or transferred to the Authority as a result of the sale, assignment, endorsement or disposition of a Loan or Mortgage-Backed Security.

The Supplemental Indentures for the Series of Bonds heretofore issued under the 1994 Indenture generally permit the use of Prepayments and excess revenues relating to any Series of Bonds to redeem Bonds of that or any other Series under the 1994 Indenture, i.e. the Bonds are subject to “cross calling,” or to purchase additional Loans. The Authority has previously engaged in and, in its discretion, is expected to continue to engage in cross calling. The Authority’s approach to actual cross calling decisions will be affected by, among other things, redemption restrictions relating to particular Series and maturities of Bonds and the Ten Year Rule (as defined herein) and other considerations under the Code as well as the ability of the Authority to instead use such funds to purchase Loans at interest rates which are both advantageous to the Authority and competitive in the then existing mortgage market relevant to the Authority. See APPENDIX B, “LOAN PORTFOLIOS AND OTHER SELECTED DATA—The 1994 Indenture—*Use of Loan Repayments.*”

See “TAX EXEMPTION” for information on circumstances when Prepayments and scheduled payments of Loan principal are required by the Code to be used for redemption of 2018 Series 1 and 2 Bonds, to maintain the tax exemption of interest thereon.

Extraordinary Mandatory Redemption of PAC Bonds. The PAC Bonds are subject to mandatory redemption from Directed 2018 Series 1 and 2 Principal Payments (as hereinafter defined) on one or more days during each semi-annual period ending on an June 1 or December 1, commencing with the period ending December 1, 2018, at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date to the extent that, after giving effect to such redemption, the aggregate principal amount of PAC Bonds outstanding on such redemption date is not less than the related applicable outstanding amount of such PAC Bonds as set forth below (the “*Applicable Outstanding Amounts*”). In the event the Directed 2018 Series 1 and 2 Principal Payments are insufficient in any semiannual period to call PAC Bonds in the amount described above, the PAC Bonds would continue to be callable in future semiannual periods from Directed 2018 Series 1 and 2 Principal Payments received in such future semiannual period as described above. In the event that there are excess Directed 2018 Series 1 and 2 Principal Payments with respect to any semiannual period, such excess may be applied for any authorized purpose under the Indenture, including the redemption of other 2018 Series 1 and 2 Bonds as described under the heading “– Special Redemption from Prepayments and Excess Revenues” above.

The Applicable Outstanding Amounts are derived from assumptions that include, among other assumptions, the expected origination schedule for Loans financed with proceeds of the 2018 Series 1 and 2 Bonds and receipt of Prepayments attributable to the 2018 Series 1 and 2 Bonds, including the Prior Series Loans allocated to the 2018 Series 1 Bonds, at 100% of the Securities Industry and Financial Markets Association, formerly known as the Public Securities Association, prepayment standard or model (commonly referred to as the “*PSA Prepayment Model*”). The PSA Prepayment Model is based on an assumed rate of prepayment each month of the then unpaid principal balance of the Loans. The PSA Prepayment Model has an increasingly large percentage of the mortgages repaying each month for the first thirty (30) months of the mortgages’ lives and

then assumes a constant prepayment rate of six percent (6%) per annum of the unpaid principal balance for the remaining life of the mortgages.

Applicable Outstanding Amounts

SEMIANNUAL PERIOD ENDING	APPLICABLE OUTSTANDING AMOUNTS	SEMIANNUAL PERIOD ENDING	APPLICABLE OUTSTANDING AMOUNTS
December 1, 2018	\$7,350,000	June 1, 2023	\$1,820,000
June 1, 2019	7,350,000	December 1, 2023	760,000
December 1, 2019	7,350,000	June 1, 2024	450,000
June 1, 2020	7,350,000	December 1, 2024	345,000
December 1, 2020	7,350,000	June 1, 2025	290,000
June 1, 2021	7,350,000	December 1, 2025	240,000
December 1, 2021	6,910,000	June 1, 2026	200,000
June 1, 2022	5,110,000	December 1, 2026	130,000
December 1, 2022	3,415,000	June 1, 2027 and thereafter	-

If the 2018 Series 1 and 2 Bonds are redeemed as described under “—Special Redemption Due to Nonorigination” above, then the amount of the PAC Bonds redeemed will be proportional to the total amount of 2018 Series 1 and 2 Bonds being redeemed, and each Applicable Outstanding Amount amount set forth in the table above will be recalculated to be equal to the product of (a) such amount and (b) the fraction whose numerator is equal to the remainder of (i) the total amount originally deposited in the Program Fund less (ii) the cumulative amount of the proceeds of the 2018 Series 1 and 2 Bonds that have been used to so redeem the 2018 Series 1 and 2 Bonds, and whose denominator is equal to the total amount originally deposited in the Program Fund. If the amount available for such redemption is less than \$100,000, the Authority may delay redemption of the PAC Bonds until the amount of prepayments available totals \$100,000 or more.

Except as required by law to maintain the tax exemption of interest on the 2018 Series 1 and 2 Bonds or as may be permitted as described under “—Optional Redemption” above, the Authority may redeem PAC Bonds from sources other than Directed 2018 Series 1 and 2 Principal Payments as long as such redemption does not reduce the outstanding principal amount of PAC Bonds to an amount less than the Applicable Outstanding Amounts shown in the table above, as such amount may have been adjusted due to a redemption of PAC Bonds from unexpended proceeds.

As used in this Official Statement, the term “*Directed 2018 Series 1 and 2 Principal Payments*” means, with respect to any redemption date, all Prepayments and scheduled principal payments on Loans attributable to the 2018 Series 1 and 2 Bonds less the sum of the principal amount of such 2018 Series 1 and 2 Bonds scheduled to mature or subject to sinking fund redemption on such redemption date (or, if no 2018 Series 1 and 2 Bonds are scheduled to mature or are subject to sinking fund redemption on such redemption date, a pro rata portion of the next subsequent scheduled maturity amount or sinking fund installment amount of such 2018 Series 1 and 2 Bonds). See “—*Projected Weighted Average Lives of the PAC Bonds*” below for certain information related to projected weighted average lives relating to the PAC Bonds, including a brief summary description of the computations of such projected lives and certain assumptions

utilized in the preparation of the computations and a discussion of the hypothetical nature of such computations.

PROJECTED WEIGHTED AVERAGE LIVES OF THE PAC BONDS

The “projected weighted average life” of a security refers to the average amount of time that is projected to elapse from the date of delivery of such security to the date of projected payment to the investor of each dollar paid to reduce the principal of such security (assuming no losses). The projected weighted average life of a security is determined by (i) multiplying each projected reduction, if any, of the outstanding amount of such security by the number of years from the date of delivery of such security to the related redemption date or maturity date, (ii) adding the results and (iii) dividing the sum by the initial outstanding amount of such security.

The calculation of the projected weighted average lives of the PAC Bonds requires the making of certain assumptions (collectively, the “*Assumptions*”) with respect, but not limited, to the future financing and prepayment of Loans as well as with respect, but not limited, to the future use by the Authority of its options under the Indenture related to: (i) the scheduled principal repayments and Prepayments on the Loans acquired with the proceeds of the 2018 Series 1 and 2 Bonds and excess revenues related to the 2018 Series 1 and 2 Bonds to: (a) the redemption of 2018 Series 1 and 2 Bonds, (b) the financing of additional Loans, or (c) the redemption of other Bonds; (ii) the application of Prepayments and excess revenues related to other series of Bonds to the redemption of 2018 Series 1 and 2 Bonds; and (iii) the optional redemption of all or a portion of the 2018 Series 1 and 2 Bonds on or after June 1, 2027 from any source.

Set forth in the table captioned “Projected Average Lives (in years)” below (the “*Table*”) are projected weighted average lives for the PAC Bonds under a number of different scenarios, each such scenario representing a unique combination of assumptions, as described below. The Assumptions are hypothetical in nature and are provided only to give a general sense of how the weighted average lives for the PAC Bonds might behave as such assumptions are varied. The actual characteristics and the performance of the Loans (including, without limitation, prepayments thereof), and the actual use of options under the Indenture by the Authority, will differ from the Assumptions utilized in constructing the Table.

Any difference between such Assumptions and the actual characteristics and performance of the Loans and the actual use of such options 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. Accordingly, the Authority makes no representation as to the reasonableness of any of such Assumptions and makes no representation that the projected average lives set forth in the Table will reflect the actual course of events. The 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 Bonds.

All of the scenarios represented in the Table are based on the assumptions that:

(i) New Loans: (a) will be acquired exclusively from the proceeds of the 2018 Series 1 and 2 Bonds over the period from May 16, 2018* to October 1, 2018, (b) will consist of approximately \$73.1 million of new Loans and \$1,830,000 of Down Payment Loans, and (c) the new Loans will bear a weighted average interest rate to the borrower of 3.6% and will amortize on a level payment basis over 30 years and the Down Payment Loans will bear a weighted average interest rate to the borrower of 0% and will not amortize prior to maturity.

(ii) Prior Series Loans (as of December 31, 2017): (a) will consist of approximately \$3 million of Loans originally financed by the Prior Series Bonds, (b) will bear a weighted average interest rate to the borrower of approximately 4.0% and will have a weighted average maturity of approximately 297 months.

All scenarios will consist of Loans with assumed interest rates, terms and characteristics and in particular principal amounts, all of which may differ from the actual Loans acquired.

Each of the scenarios represented in the Table is based on an indicated prepayment assumption, in each case expressed as a percentage of The Securities Industry and Financial Markets Association, formerly known as the Public Securities Association, prepayment standard or model (commonly referred to as the “PSA Prepayment Model”). As used in the Table, for example, (a) “0%” assumes no prepayments of the principal of the applicable Loans, (b) “50%” assumes the principal of the applicable Loans will prepay at a rate half as fast as the prepayment rates for one hundred percent (100%) of the PSA Prepayment Model, (c) “200%” assumes the principal of the applicable Loans will prepay at a rate twice as fast as the prepayment rates for one hundred percent (100%) of the PSA Prepayment Model, and so on.

The computation of the weighted average life of each PAC Bond under each of the scenarios represented in the Table is based on the assumption that, with respect to the fulfillment by the Authority of its obligations pursuant to the redemption provisions described under “—Redemption of 2018 Series 1 Bonds and 2018 Series 2 Bonds—Extraordinary Mandatory Redemption of PAC Bonds,” the Authority will redeem the PAC Bonds on each June 1 and December 1 commencing on December 1, 2018.

The computation of the weighted average life of the PAC Bonds under each of the scenarios represented in the Table is also based on the assumption that, with respect to the use by the Authority of its rights pursuant to the special redemption provisions under the Indenture, the Authority will (i) redeem 2018 Series 1 and 2 Bonds (other than the PAC Bonds), subject to the notice of redemption required under the Indenture, on each June 1 and December 1 commencing December 1, 2018 in the amount of any Directed 2018 Series 1 and 2 Principal Payments not applied to the PAC Bonds, and (ii) such redemptions shall be based on a pro-rata selection from all other then-eligible outstanding maturities of 2018 Series 1 and 2 Bonds. In addition, the Table is based on the assumption that the Authority will not redeem the 2018 Series 1 and 2 Bonds from any other source.

* Preliminary; subject to change.

The computation of the weighted average life of the PAC Bonds under the scenarios represented in the Table is based on one of two sets of indicated assumptions about the exercise of the Optional Redemption provisions under the Indenture:

(i) In the case of the scenario labeled “Optional Call Exercised”, it is assumed that the Authority will exercise its right to optionally redeem all outstanding PAC Bonds on June 1, 2027.

(ii) In the case of the scenario labeled “Optional Call Not Exercised”, it is assumed that the Authority will not exercise its right to optionally redeem the PAC Bonds.

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

Projected Average Lives (in years)

PSA	OPTIONAL CALL NOT EXERCISED	OPTIONAL CALL EXERCISED
0%	24.4	9.0
25	7.4	6.9
50	5.5	5.5
75	5.0	5.0
100	4.9	4.9
200	4.9	4.9
300	4.9	4.9
400	4.9	4.9
500	4.8	4.8

NOTICE AND SELECTION OF BONDS FOR REDEMPTION

Notice of redemption is to be mailed not less than 20 days (15 days if the 2018 Series 1 and 2 Bonds are not in book-entry-only form) nor more than 60 days prior to the redemption date. Notice of redemption is to be mailed to DTC with a request to forward such notice to the Participants (as defined herein) so that they may forward it to the Beneficial Owners. A notice of redemption may specify that the redemption of the Bonds so called for redemption is conditional upon the deposit of sufficient amounts to pay the redemption price therefore on the redemption date and, if such amounts are not so available, such notice of redemption shall be null and void and such Bonds shall continue to remain outstanding. Except as set forth above, the principal amount of each maturity of the Bonds of a Series to be redeemed shall be selected in the discretion of the Authority from among any or all of the then existing maturities of the Bonds of such Series if such selection method is supported by a Cash Flow Certificate; if such method is not so supported, Bonds of a Series to be redeemed shall be redeemed on a reasonably proportionate basis from among all then existing maturities of such Series. If less than all of the Bonds of a Series of like maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by lot or,

in the case of the 2018 Series 2 Bonds in book-entry-only form, will be selected for redemption by DTC and its Participants in accordance with their rules.

BONDS IN BOOK-ENTRY-ONLY FORM

The Depository Trust Company, New York, NY, will act as securities depository for the 2018 Series 1 and 2 Bonds. The 2018 Series 1 and 2 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the 2018 Series 1 and 2 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 the 2018 Series 1 and 2 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the related Series of the 2018 Series 1 and 2 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2018 Series 1 and 2 Bonds ("*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 2018 Series 1 and 2 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 the related Series of

the 2018 Series 1 and 2 Bonds, except in the event that use of the book-entry system for the 2018 Series 1 and 2 Bonds is discontinued.

To facilitate subsequent transfers, all 2018 Series 1 and 2 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 the 2018 Series 1 and 2 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 2018 Series 1 and 2 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2018 Series 1 and 2 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.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2018 Series 1 and 2 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the related Series of the 2018 Series 1 and 2 Bonds, such as redemptions, defaults, and proposed amendments to the 2018 Series 1 and 2 Bonds and related documents, as applicable. For example, Beneficial Owners of the 2018 Series 1 and 2 Bonds, may wish to ascertain that the nominee holding the related Series of the 2018 Series 1 and 2 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 and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of a Series of the 2018 Series 1 and 2 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to a Series of the 2018 Series 1 and 2 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 of the 2018 Series 1 and 2 Bonds, are credited on the record date (identified in a listing attached to the omnibus proxy).

Payments of principal and interest on the 2018 Series 1 and 2 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any

statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2018 Series 1 and 2 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, 2018 Series 1 and 2 Bond certificates are required to be printed and delivered.

The Authority may determine that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners. In such event, the 2018 Series 1 and 2 Bond certificates will be delivered in fully registered form.

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

THE AUTHORITY AND THE TRUSTEE WILL HAVE NO AUTHORITY OR OBLIGATION TO DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS (COLLECTIVELY, "PARTICIPANTS") OR THE PERSONS FOR WHICH THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS OF PRINCIPAL, PURCHASE PRICE OR REDEMPTION PRICE OF OR INTEREST ON THE 2018 SERIES 1 AND 2 BONDS; ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDOWNER; THE PROVIDING OF NOTICE TO PARTICIPANTS OR BENEFICIAL OWNERS; OR THE SELECTION BY DTC OR ANY PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF A SERIES OF THE 2018 SERIES 1 AND 2 BONDS.

SO LONG AS DTC OR ITS NOMINEE IS THE REGISTERED OWNER OF THE 2018 SERIES 1 AND 2 BONDS, THE TRUSTEE, ANY TENDER AGENT AND THE BOND REGISTRAR SHALL TREAT SUCH REGISTERED OWNER AS THE ONLY OWNER OF A SERIES OF THE 2018 SERIES 1 AND 2 BONDS FOR ALL PURPOSES UNDER THE 1994 INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PURCHASE PRICE OF, AND INTEREST ON THE 2018 SERIES 1 AND 2 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TRUSTEE, ANY TENDER AGENT OR THE BOND REGISTRAR TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE 1994 INDENTURE.

PLAN OF REFUNDING*

Proceeds from the 2018 Series 1 and 2 Bonds in the aggregate principal amount of \$3,000,000, together with other available moneys of the Authority, are expected to be used to refund certain of the Prior Series Bonds, with such Prior Series Bonds expected to be redeemed on or before June 1, 2018, at a redemption price equal to the principal amount thereof plus accrued interest thereon until the redemption date.

* Preliminary; subject to change.

The Prior Series Loans were originally financed by the Prior Series Bonds and will be reallocated to the 2018 Series 1 and 2 Bonds upon the redemption of the Prior Series Bonds. The Prior Series Loans being reallocated to the 2018 Series 1 and 2 Bonds are preliminary and subject to change.

The following table presents historical prepayment rates for the Authority's loans, including the Prior Series Loans:

**Wyoming Community Development Authority
Historical Mortgage Prepayment Report - Combined Indentures As of December 2017**

Year of Origin	Original Balance	Current Balance	Current WAC	No. of Loan	1 Year PSA																								Lifetime	
					1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
Before 1994	505,223,248	1,002,738	7.52%	9,994	239	196	210	210	360	339	190	295	396	516	341	301	257	207	251	205	196	195	163	215	227	156	218	204	233	
1994	74,453,678	810,254	7.01%	1,667		135	155	162	228	262	209	303	342	544	404	341	301	258	197	231	191	270	224	82	235	45	222	26	283	
1995	92,179,821	1,166,343	6.71%	2,213			116	184	227	283	215	315	394	609	458	265	177	161	133	217	187	60	149	749	57	212	58	56	286	
1996	93,001,770	1,071,891	7.44%	2,132				149	171	261	236	323	456	726	560	378	289	223	114	126	203	147	94	259	196	192	216	245	305	
1997	128,803,497	2,103,583	6.83%	2,772					131	192	213	312	426	729	423	369	311	284	134	242	193	163	162	194	221	113	122	183	296	
1998	127,509,122	3,602,343	5.90%	2,770						99	153	209	325	594	455	417	343	224	164	261	169	192	164	95	150	177	143	125	269	
1999	165,164,164	4,199,786	6.17%	3,375							109	165	248	515	471	380	295	272	225	260	247	172	272	221	253	172	246	189	291	
2000	143,349,917	2,843,434	7.08%	2,907								182	340	691	552	524	355	233	223	263	261	268	158	113	109	306	278	269	328	
2001	140,322,278	5,475,117	6.35%	2,938									209	433	494	500	298	335	264	308	204	248	179	194	231	189	82	152	289	
2002	146,990,253	6,724,101	5.92%	2,861										228	356	455	360	315	245	311	248	196	248	266	277	283	188	187	291	
2003	146,155,715	9,865,497	5.56%	2,686											226	303	379	359	278	266	236	212	282	344	168	223	232	156	271	
2004	172,551,699	13,676,066	5.61%	2,756												298	310	339	261	314	260	206	273	298	259	263	269	179	274	
2005	178,067,524	16,812,094	5.48%	2,613													286	288	247	285	280	310	286	332	256	228	201	295	274	
2006	254,745,864	28,512,159	5.67%	3,127															201	189	231	278	301	366	337	337	248	313	261	276
2007	330,334,413	42,632,744	5.59%	3,424																143	178	217	264	368	354	289	372	360	292	281
2008	231,780,533	26,929,268	5.79%	2,522																	131	222	271	400	426	365	433	383	336	322
2009	157,535,506	36,574,266	4.77%	1,326																		76	98	217	310	305	333	290	351	244
2010	99,444,861	30,710,945	4.58%	864																			57	118	260	220	312	349	278	219
2011	91,482,618	35,902,102	4.04%	833																				106	146	237	243	227	305	198
2012	85,221,812	42,459,332	3.42%	830																					93	161	188	245	247	169
2013	89,735,750	53,233,565	3.28%	806																						84	156	211	253	153
2014	107,078,886	76,808,178	3.39%	932																							142	144	188	122
2015	87,237,993	73,115,056	3.31%	852																								62	144	78
2016	77,657,027	71,883,579	2.94%	1,031																									131	102
2017	115,454,357	114,079,448	3.23%	1,337																										*
Sub-Total	3,841,482,306	702,193,900	4.03%	59,568																										
Grand Total	3,841,482,306	702,193,900	4.03%	59,568	239	176	175	178	240	230	163	224	305	486	373	337	284	244	177	201	211	217	274	285	242	248	231	225		

Notes:

The figures above are based on information currently available and are not guaranteed.

Values in the "Before 1994" cohort are based on loans that were outstanding on 12/31/1993.

SOURCES AND USES OF FUNDS

The proceeds from the sale of the 2018 Series 1 and 2 Bonds and certain other Authority funds are expected to be used as follows:

SOURCES OF FUNDS

Par Amount of the 2018 Series 1 Bond Issue	\$
Par Amount of the 2018 Series 2 Bond Issue	
Original Issue Premium	
Other Authority funds	
Total	\$

USES OF FUNDS

Refunding of Prior Series Bonds	\$
Deposit to Program Fund	
Cost of issuance [†]	
Total	\$

[†] Including Underwriters' compensation.

It is expected that Loans will be acquired at purchase prices of 100% with approximately \$75 million* of the moneys made available by the issuance of the 2018 Series 1 and 2 Bonds. With the limited exception of certain special program loans, such Loans are expected to bear interest at 3.875%* per annum for the life of the Loan.

The interest rate to be borne by Loans may be initially determined, and is subject to change, at any time prior to origination in the discretion of the Authority and the purchase prices of Loans may differ. The proceeds of the 2018 Series 1 and 2 Bonds may be used in conjunction with other moneys of the Authority, including other Bond proceeds or proceeds of bonds issued under another Authority indenture, to finance the purchase of Loans or participations in Loans. The proceeds of Bonds may be used to purchase Loans in any order of priority in the sole discretion of the Authority. The moneys made available by the issuance of the 2018 Series 1 and 2 Bonds which are deposited in the Program Fund pending their use to purchase Loans are expected to be invested in Authorized Investments.

LIQUIDITY FACILITY

GENERAL

The Authority has agreed in the 2018 Series 2 Supplemental Indenture to maintain a Liquidity Facility in effect at all times when any 2018 Series 2 Bonds are in a Weekly Mode. The

* Preliminary; subject to change.

Liquidity Facility will be executed as of the date of delivery of the 2018 Series 2 Bonds, and will provide for the purchase by the Liquidity Provider on the terms and conditions specified therein of tendered 2018 Series 2 Bonds that cannot be remarketed or for which remarketing proceeds have not been received by the Remarketing Agent or the Tender Agent by the specified time set forth in the Supplemental Indenture. For further information regarding the Bank, see APPENDIX H, “CERTAIN INFORMATION REGARDING THE LIQUIDITY PROVIDER” herein. As used herein, the term “Liquidity Provider” shall mean the Bank while it is the provider of the Liquidity Facility, and the provider of any Alternate Liquidity Facility, while such alternate remains in effect.

The Liquidity Facility contains various provisions, covenants and conditions, certain of which are summarized below. Various words or terms used in the following summary are defined elsewhere in this Official Statement, the Liquidity Facility or the 1994 Indenture, and reference is made thereto for a full understanding of their import. The Liquidity Facility supports only the 2018 Series 2 Bonds while such 2018 Series 2 Bonds are in a Weekly Mode.

The Liquidity Facility requires the Bank to provide funds for the purchase of the 2018 Series 2 Bonds which have been tendered and not remarketed, subject to certain conditions set forth in the Liquidity Facility and summarized below. 2018 Series 2 Bonds purchased by the Bank (“*Purchased Bonds*”) shall bear interest at the interest rate calculated as set forth in the Liquidity Facility. The Liquidity Facility has a stated expiration date of May 14, 2021^{*}, subject to earlier termination or extension as hereinafter described. If the Liquidity Facility is to expire or terminate according to its terms (other than as a result of a Termination Event thereunder) or is to be replaced with another Liquidity Facility, the 2018 Series 2 Bonds are subject to mandatory tender prior to such expiration or replacement. If a Termination Event (as defined herein) has occurred under the Liquidity Facility, the Liquidity Provider will have no obligation to purchase the 2018 Series 2 Bonds and the Remarketing Agent will be entitled to suspend its efforts to remarket 2018 Series 2 Bonds. (See “THE 2018 SERIES 1 BONDS AND 2018 SERIES 2 BONDS—REMARKETING AGENT—Authority Not Responsible to Owners for Liquidity Provider’s Failure To Purchase 2018 Series 2 Bonds” herein, and APPENDIX G, “SUMMARY OF CERTAIN PROVISIONS OF AND RELATING TO THE LIQUIDITY FACILITY” hereto.)

This Official Statement provides information to prospective investors of 2018 Series 2 Bonds while those 2018 Series 2 Bonds are in the Weekly Mode and while the Liquidity Facility remains in effect. Prospective investors of 2018 Series 2 Bonds in the event of a Mode Change, if a Conversion Date has occurred or while a Substitute Liquidity Facility is in effect should not rely on this Official Statement. The Authority must deliver an updated disclosure document in the event of a Mode Change or conversion and the related remarketing of 2018 Series 2 Bonds.

ALTERNATE LIQUIDITY FACILITY

Upon satisfaction of the conditions precedent set forth in 1994 Indenture and any Liquidity Facility, the Authority may replace at any time an existing Liquidity Facility with an Alternate Liquidity Facility. The Authority must give the Tender Agent, the Remarketing Agent and the Trustee no less than 45 days’ (or such lesser period acceptable to the Trustee) prior written notice

^{*} Preliminary; subject to change.

of the Authority's intention to replace the existing Liquidity Facility with an Alternate Liquidity Facility and shall give the Liquidity Provider the notice required by the Liquidity Facility. An Alternate Liquidity Facility shall have a term of no less than 364 days. If on or prior to the proposed Substitution Date the Authority shall furnish to the Trustee (i) a Favorable Opinion of Bond Counsel, (ii) if the 2018 Series 2 Bonds are rated by a Rating Agency, receipt of a Rating Confirmation Notice with respect to the substitution of the proposed Alternate Liquidity Facility for the existing Liquidity Facility, (iii) an Alternate Liquidity Facility in substitution for the Liquidity Facility then in effect, and (iv) written evidence satisfactory to the Liquidity Provider of the provision for purchase from the Liquidity Provider of all Liquidity Provider Bonds, at a price equal to the principal amount thereof plus accrued and unpaid interest, and payment of all amounts due on or before the proposed Substitution Date or, in the alternative, the consent of the Liquidity Provider, then the Trustee shall accept such Alternate Liquidity Facility on the Substitution Tender Date and shall surrender the Liquidity Facility then in effect to the previous Liquidity Provider on the Substitution Date. The Authority shall not rescind or terminate the existing Liquidity Facility unless such an Alternate Liquidity Facility is in effect or the 2018 Series 2 Bonds are being or have been converted to Fixed Rate 1 Bonds. For purposes of clarification, the extension of the Expiration Date on a Liquidity Facility is not a substitution of an Alternate Liquidity Facility.

This Official Statement applies to the 2018 Series 2 Bonds only while they are in the Weekly Mode, and only while the Liquidity Provider is providing the Liquidity Facility.

APPENDIX G to this Official Statement summarizes certain provisions of the Liquidity Facility, to which Appendix reference is made for the detailed provisions thereof. Certain information regarding the Liquidity Provider appears in APPENDIX H to this Official Statement.

SECURITY FOR THE BONDS

PLEDGE OF THE 1994 INDENTURE

The 1994 Indenture is a contract among the Authority, the Trustee and the Holders of all Bonds issued thereunder, and its provisions are for the equal benefit, protection and security of the Holders of all such Bonds, each of which, regardless of time of issuance or maturity, is to be of equal rank without preference, priority or distinction.

Payment of the principal or redemption price of and interest on all Bonds is secured by a pledge of Revenues, which consist of all payments received by the Authority with respect to Loans, Mortgage-Backed Securities, swap agreements and income derived from the investment of amounts held by the Trustee and, as applicable, commitment fees. Revenues do not, however, include amounts retained as service charges by Servicers (as defined herein) or payments made to Servicers by borrowers for taxes, assessments, hazard insurance or for the guaranty or insurance of Loans or, unless applicable, commitment fees.

The Bonds are also secured by (i) a pledge and assignment of the rights and interests of the Authority in the Loans and Mortgage-Backed Securities and (ii) a pledge of amounts on deposit in the funds and accounts established under the 1994 Indenture, other than a Rebate Fund, if

established. The Authority has retained the right (except where an event of default under the 1994 Indenture has occurred) to exercise its rights as owner of the Loans.

Revenues and other amounts in the Revenue Fund may be withdrawn at any time to pay budgeted Program expenses. The 1994 Indenture also permits the Authority, upon compliance with certain cash flow and asset tests described below under “Cash Flow Certificates,” to withdraw, at any time, free and clear of the lien of the 1994 Indenture (i) amounts in the Revenue Fund in excess of Accrued Debt Service after making any required reserve fund deposits and (ii) amounts in the Program Fund (other than Bond proceeds).

The Bonds are special obligations of the Authority payable from the revenues, income and receipts pledged to the payment thereof and secured by an assignment of the Loans and other assets described herein. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the Bonds. The State is not liable on the Bonds, and the Bonds are not a debt of the State. The Authority has no taxing power.

Although the Act permits the State to make appropriations to the Authority, the Act does not provide any specific procedure for making, or impose any obligation on the State to make, appropriations for deposit in any fund or account established under the 1994 Indenture. The State has never made an appropriation to the Authority.

The Authority has covenanted to diligently enforce and take all steps necessary to protect its rights with respect to the Loans and to enforce all of the terms, covenants and conditions of the Loans. See “THE SINGLE FAMILY MORTGAGE PROGRAM—Program Covenants.”

CASH FLOW CERTIFICATES

The 1994 Indenture requires the Authority periodically and before taking certain actions to monitor its financial position by preparing a certified statement of projected Revenues, Program expenses and debt service on the Bonds. This “Cash Flow Certificate” must set forth for the current and each succeeding Bond Year in which Bonds are scheduled to be Outstanding:

(i) as to projected Revenues, (a) the scheduled payments of principal and interest (less servicing fees) on all Loans and Mortgage-Backed Securities purchased or expected to be purchased from the proceeds of Bonds or other amounts available or expected to be available in the Program Fund for that purpose, (b) the aggregate amount of prepayments expected to be received from such Loans and Mortgage-Backed Securities, (c) other Revenues, including the interest to be earned from the investment of amounts held in the Funds and Accounts under the 1994 Indenture (other than unrestricted amounts in the Special Reserve Fund or any Rebate Fund) and the rates used in estimating such earnings, and (d) the amount, if any, expected to be withdrawn from the Special Reserve Fund, the Mortgage Reserve Fund or the Bond Reserve Fund;

(ii) as to projected debt service, the aggregate debt service on all Bonds expected to be Outstanding; and

(iii) as to Program expenses, reasonably estimated Program expenses, taking into account the Authority's experience and the annual budget then in effect.

The listing of Revenues from Loans, Mortgage-Backed Securities and Authorized Investments is to be supported at the request of the Trustee by a schedule identifying the Loans, Mortgage-Backed Securities and Authorized Investments by maturity and interest rate. The Authority also must, at the request of the Trustee, supply a schedule showing the sources and applications of funds used, including, particularly, amounts used to pay or redeem Bonds, transferred between Funds and used to pay costs of issuance and capitalized interest.

A Cash Flow Certificate is to be prepared and filed on each June 1 if a Cash Flow Certificate has not been filed within the prior year or such longer period as may be prescribed by the Authority which does not adversely affect the Rating Quality of the Bonds. A Cash Flow Certificate projecting Revenues sufficient to pay Program expenses and debt service on the Bonds when due in each Bond Year must be filed with the Trustee as a condition to the issuance of the Bonds and to the sale or assignment of Loans or Mortgage-Backed Securities (other than the sale of Loans in default, an assignment to obtain insurance or guaranty benefits or a rescission sale to a lender).

Cash Flow Certificates also are required to be prepared and filed (i) upon any transfer of amounts in the Program Fund to the Redemption Fund for the redemption of Bonds and (ii) any time amounts in the Program Fund representing Prepayments in excess of those expected to be received upon the issuance of a Series of Bonds are used to purchase Loans. If the Cash Flow Certificate delivered in connection with any use of amounts in the Program Fund for the redemption of Bonds or for the purchase of Loans from such excess Prepayments does not project Revenues sufficient to pay Program expenses and debt service on the Bonds when due in each Bond Year, the Authority must certify to the Trustee that the projected deficiency in each Bond Year is less than it would have been if all or a portion of the amounts transferred or used had been applied to the redemption of Bonds or invested in Authorized Investments on terms then available.

The Authority is permitted to withdraw certain amounts in the Revenue Fund and the Program Fund (other than Bond proceeds) at any time free and clear of the lien of the 1994 Indenture if (i) the Authority files with the Trustee a Cash Flow Certificate projecting Revenues sufficient to pay Program expenses and debt service on the Bonds when due in each Bond Year and (ii) the outstanding principal amount of Loans, together with the amount of Authorized Investments and moneys credited to any Fund or Account, exceeds 102% of the principal amount of Bonds and Program expenses then outstanding. The Mortgage Reserve Fund and the Bond Reserve Fund Requirements must be met, however, before any such withdrawal from the Revenue Fund may be made. Amounts in the Revenue Fund may be used at any time to pay Program expenses pursuant to an annual budget without having to meet any requirements as to cash flow, assets or reserve fund deposits.

MORTGAGE RESERVE FUND

The Mortgage Reserve Fund created by the 1994 Indenture is to be maintained, to the extent of available Revenues, in an amount at least equal to the Mortgage Reserve Requirement, which

is an amount equal to the aggregate of the amounts specified, if any, as the Mortgage Reserve Requirement in each Supplemental Indenture. The Mortgage Reserve Requirement in most prior Supplemental Indentures is an amount equal to 2% of the outstanding principal amount of Loans financed by the related Series of Bonds. The Mortgage Reserve Requirement under each of the 2018 Series 1 Supplemental Indenture and the 2018 Series 2 Supplemental Indenture is an amount equal to 2% of the outstanding principal amount of Loans financed by the 2018 Series 1 and 2 Bonds. Moneys in the Mortgage Reserve Fund are to be applied as necessary (i) to make good deficiencies in the amounts available in the Revenue Fund to pay the principal or redemption price of and interest on the Bonds or (ii) to pay expenses incurred by the Authority in protecting its interests in Loans, including repairs to property financed by Loans. Any moneys in the Mortgage Reserve Fund in excess of the Mortgage Reserve Requirement may be transferred to the Revenue Fund at the direction of the Authority.

The Mortgage Reserve Requirement, assuming the purchase of Loans with all Bond proceeds currently available therefor, including proceeds made available by the issuance of the 2018 Series 1 and 2 Bonds, will not exceed \$12,113,677* and will be met at the time of the issuance of the 2018 Series 1 and 2 Bonds.

BOND RESERVE FUND

The Authority has also established a Bond Reserve Fund for the Bonds. The 1994 Indenture provides that the Authority may not issue any additional Series of Bonds unless, upon the issuance and delivery of such Bonds, the amount in the Bond Reserve Fund is at least equal, as of the date of calculation, to the Bond Reserve Requirement which is the aggregate of the amounts specified, if any, as the Bond Reserve Requirement in each Supplemental Indenture. The Bond Reserve Requirement in most prior Supplemental Indentures is an amount equal to 3% of the Outstanding principal amount of the related Bonds. The Bond Reserve Requirement under each of the 2018 Series 1 Supplemental Indenture and the 2018 Series 2 Supplemental Indenture is an amount equal to 3% of the Outstanding principal amount of the 2018 Series 1 and 2 Bonds.

The Bond Reserve Requirement, after giving effect to the issuance of the 2018 Series 1 and 2 Bonds and the refunding of the Prior Series Bonds, will be a maximum of \$18,976,800* and will be met at the time of issuance of the 2018 Series 1 and 2 Bonds.

The 1994 Indenture requires that if on any Bond Payment Date there is not a sufficient amount available in the Revenue Fund, the Special Reserve Fund, the Mortgage Reserve Fund or, subject to certain limitations, the Redemption Fund and the Program Fund to pay the principal, sinking fund installments and interest due on the Bonds, the Trustee must apply amounts from the Bond Reserve Fund to the extent necessary to make good the deficiency. Amounts in the Bond Reserve Fund in excess of the Bond Reserve Requirement may be transferred to the Revenue Fund at the direction of the Authority.

* Preliminary; subject to change.

SPECIAL RESERVE FUND

The 1994 Indenture establishes a Special Reserve Fund and an amount therein is restricted for the payment of debt service on the Bonds and as a reserve for losses on Loans. Of the total amount in the Special Reserve Fund, approximately \$6,928,081 is restricted. Amounts in the Special Reserve Fund may be released and transferred to any other Fund under the 1994 Indenture or free and clear of the lien of the 1994 Indenture, provided that restricted amounts may be released and transferred only if (i) each Rating Agency is notified and (ii) the Authority shall have filed with the Trustee a Parity Certificate and Cash Flow Certificate projecting Revenues sufficient to pay Program Expenses and Accrued Debt Service when due in each Bond Year.

LOANS

Bonds issued under the 1994 Indenture will be equally and ratably secured by the pledges and covenants contained therein, including a pledge of the Loans acquired and the Revenues therefrom. Acquisition of Loans may be affected by various factors, including criteria relating to the borrower, loan amount and other matters prescribed by the Authority, the Act or the Code as well as the availability and terms of other sources of mortgage loan financing including Authority funds available under the 2009 Indenture and proceeds of other Bonds. There is no assurance that a substantial amount of Loans will be acquired or how quickly they may be acquired. The principal amount of Loans which are acquired may also be subsequently reduced due to Prepayments, disposition or default. For information regarding Loans pledged under the 1994 Indenture and proceeds available for the purchase of mortgage loans, see APPENDIX A "AUTHORITY OPERATIONS" and APPENDIX B "LOAN PORTFOLIOS AND OTHER SELECTED DATA."

Moneys derived from Prepayments of Loans are generally required to be deposited in the Revenue Fund and will be available in the interest payment period in which they are received for the payment of principal and interest on the Bonds due in such interest payment period. To the extent such moneys are not required to pay debt service, they are generally transferred to the Program Fund, except as may otherwise be required by the Supplemental Indenture for a particular Series of Bonds. The Authority may either invest such moneys for temporary periods, purchase additional Loans or redeem Bonds. In using such moneys to purchase Loans or redeem Bonds, the 1994 Indenture requires the Authority to be consistent with the most recent Cash Flow Certificate. In the event the Cash Flow Certificate does not project Revenues sufficient to pay Program expenses and debt service on the Bonds when due in each year, the Authority must certify to the Trustee that the deficiency in each Bond Year for which a deficit is projected is less than it would have been if all or a portion of the amounts so used had been applied to another permitted use on terms then available.

Prepayments usually result from the sale of the residence securing a mortgage loan, the refinancing of a mortgage loan or foreclosure of a mortgage loan upon default. In general, changes in interest rates and in default and delinquency rates affect the amount of Prepayments the Authority receives. Due to the many factors which influence economic and financial market conditions, the Authority is not able to predict with any significant degree of reliability the expected level of Prepayments it will actually receive on the Loans.

The Authority is authorized under the 1994 Indenture to sell or otherwise dispose of Loans or Mortgage-Backed Securities under certain circumstances and to sell properties acquired through foreclosure, all as more fully described under “THE SINGLE FAMILY MORTGAGE PROGRAM—Program Covenants” below. The proceeds received from such sale or disposition are treated as Prepayments.

In the event that a mortgagor defaults on a Loan, and the Authority causes foreclosure and/or mortgage insurance or mortgage guarantee claim proceedings to be instituted, there may be certain time delays which, should they occur with respect to a sufficient number of Loans, could disrupt the flow of Revenues for the payment of principal and interest on the Bonds and costs of operating the Program. The Authority expects that amounts on deposit in the Mortgage Reserve Fund and the Bond Reserve Fund will be sufficient to cover such disruptions in the flow of Revenues. These time delays are the result of the procedures required under Wyoming law for the enforcement of rights of mortgagees under mortgages and beneficiaries under deeds of trust, bankruptcy law and procedures applicable to the processing of claims under federal or private insurance and guarantees. See “THE SINGLE FAMILY MORTGAGE PROGRAM—Wyoming Foreclosure Laws” and APPENDIX C, “INSURANCE AND MORTGAGE-BACKED SECURITY ISSUERS.”

ADDITIONAL BONDS

The Authority is not permitted to issue any obligations or create any indebtedness which will be secured by a superior or equal charge or lien on the Revenues pledged under the 1994 Indenture, except that various Series of Bonds may be issued as provided in the 1994 Indenture on a parity with the Bonds of all other Series, secured by an equal charge and lien on the Revenues and payable equally therefrom. As a condition to the issuance of additional Bonds, the Authority must deliver to the Trustee a Cash Flow Certificate which projects Revenues sufficient to pay Program expenses and debt service on the Bonds when due in each Bond Year. No such Series of Bonds may be issued unless the principal amount of all Bonds issued or to be issued will not exceed any limitation imposed by law and unless, upon the issuance of such Bonds, the amount credited to the Bond Reserve Fund and the Mortgage Reserve Fund will not be less than the Bond Reserve Requirement and the Mortgage Reserve Requirement, respectively. See “SUMMARY OF CERTAIN TERMS OF THE 1994 INDENTURE—Provisions for the Issuance of Bonds.” Subject to the foregoing, the 1994 Indenture imposes no limit of Bonds which may be issued thereunder. The Authority has reserved the right to issue other obligations not secured under the 1994 Indenture.

PRIVATE PLACEMENT OF CERTAIN BONDS

The Authority issued (i) the Prior Series Bonds (\$3,000,000* of which are anticipated to be refunded in connection with the refunding described above in “PLAN OF REFUNDING”), (ii) \$12,250,000 of its Housing Revenue Bonds, 2015 Series 8 (the “*2015 Series 8 Bonds*”), (iii) \$20,000,000 of its Housing Revenue Bonds, 2016 Series 3 (the “*2016 Series 3 Bonds*”), and (iv) \$22,000,000 of its Housing Revenue Bonds, 2017 Series 4 (the “*2017 Series 4 Bonds*” and, collectively with the Prior Series Bonds, the 2015 Series 8 Bonds and the 2016 Series 3 Bonds, the “*Privately Placed Bonds*”). The Authority had \$63,250,000 of the Privately Placed Bonds

* Preliminary; subject to change.

outstanding as of December 31, 2017. The Privately Placed Bonds bear interest at variable interest rates and were sold to an institutional investor in a private placement. The Authority entered into continuing covenant agreements with respect to the Privately Placed Bonds that provide the purchasers of such Privately Placed Bonds with certain rights in addition to those contained in the 1994 Indenture and those that are summarized herein. Such rights include additional reporting requirements and mandatory tender on specified dates¹ or upon events of default under the continuing covenant agreements (and early redemption in installments if the tender price is not paid on the tender date) for the Privately Placed Bonds.

THE SINGLE FAMILY MORTGAGE PROGRAM

GENERAL

The 2018 Series 1 and 2 Bonds are being issued to continue the Program under which the Authority purchases mortgage loans from lenders in accordance with current provisions of the Act and the Code. The Authority initiated the Program in 1978 to increase the availability of mortgage loan financing in the State. The descriptions of Program requirements and procedures that follow are applicable to the 2018 Series 1 and 2 Bonds and Loans acquired with the proceeds of such Bonds or of obligations that refinance such Bonds. The Program requirements and procedures relating to the Prior Series Loans are substantially similar to the requirements and procedures described below; however, full descriptions of such requirements and procedures applicable to the Prior Series Loans are contained in the official statements relating to each series of the Prior Series Bonds.

The Code provides that the total amount of non-refunding tax exempt obligations which may be issued annually in the State to finance mortgages on owner-occupied residences, plus obligations issued for certain private activity purposes, is \$310,710,000 for calendar year 2018. The Authority is the only public body in the State authorized to issue tax exempt bonds to finance mortgages on single family residences.

The Authority has established certain requirements which must be met with respect to lenders, Servicers and borrowers, as well as the basic requirements applicable to all mortgage loans. The Program documents adopted by the Authority for Loans financed under the 1994 Indenture set out requirements with respect to the rights and obligations of lenders, Servicers and eligible borrowers, the characteristics of Loans and the residences which are mortgaged to secure such Loans. Such Program documents include the Mortgage Purchase and MCC Issuance Agreement and the WCDA Single Family Seller Guide (the "*Seller Guide*"). These requirements may be modified by the Authority at any time within the limitations established by the 1994 Indenture and described below under "*Program Covenants.*" Loans in pools backing Mortgage-Backed Securities may not be required to comply with all the same requirements prescribed for individual Loans as described herein.

¹ The Prior Series Bonds and the 2015 Series 8 Bonds are currently scheduled for an initial mandatory tender no later than August 31, 2018, the 2016 Series 3 Bonds are scheduled for an initial mandatory tender no later than October 4, 2019 and the 2017 Series 4 Bonds are scheduled for an initial mandatory tender date no later than May 16, 2022.

Among the provisions applicable to obligations such as the 2018 Series 1 and 2 Bonds, the Code imposes a recapture tax on certain amounts of gain realized by a mortgagor upon disposition of a residence financed by obligations such as the 2018 Series 1 and 2 Bonds. The Authority is required to provide written notice of the potential for recapture to the mortgagor at the time of settlement and thereafter information necessary to determine the amount of tax. See “TAX EXEMPTION.”

Lenders must be authorized to engage in the business of making mortgage loans in the State and must otherwise be approved by the Authority. The Authority purchases all loans with servicing released.

PROGRAM COVENANTS

The Program documents in connection with the 1994 Indenture require that each Loan purchased by the Authority (i) comply with the requirements of the Act and be executed and recorded in accordance with existing law, (ii) be secured by a mortgage lien on real property within the State, (iii) require the payment of all taxes, assessments, water rates, sewer rents and mortgage, title and hazard insurance premiums by escrow or other arrangements satisfactory to the Authority and the Trustee, and give the Authority the right to make such payments when due and unpaid, with the amount thereof being added to the lien of the mortgage and (iv) be made with respect to premises which are insured against fire and other hazards as required by the Authority on policies designating the Authority as loss payee.

The current Related Series Program Requirements will require that each Loan, acquired by the Authority from amounts allocable to the 2018 Series 1 and 2 Bonds that has a principal amount in excess of 80% of the lesser of the sale price or appraised value of the property at the time of origination, be (i) insured by the Federal Housing Administration (“FHA”), (ii) guaranteed by USDA Rural Development (“RD”), (iii) guaranteed by the Department of Veterans Affairs (“VA”) or (iv) if allowed by the Authority, insured by a qualified private mortgage insurance company pursuant to a private mortgage insurance policy (a “PMI Policy”). A Loan may be purchased prior to the issuance of a binding FHA, RD or VA insurance or guarantee certificate if a commitment has been issued for the Loan and the lender may be required to repurchase the Loan from the Authority in the event the FHA, RD or VA insurance or guarantee is not issued within 60 days. The Authority may participate with RD in RD’s Section 502 Leveraged Loan Program in which the Authority would have an uninsured first mortgage loan with a loan to value ratio of 60% or less and RD would have a second mortgage for the remaining loan amount not to exceed a 100% of the appraised value plus RD allowable fees. The various insurance and guarantee programs, and certain recent developments with respect to them, are further described in APPENDIX C hereto.

As of December 31, 2017, approximately 50% of the number of Loans in the portfolio under the 1994 Indenture consists of Loans to borrowers who received down payment assistance from the Authority. Approximately 67% of the homebuyers who receive Loans financed by amounts allocable to the 2018 Series 1 and 2 Bonds are also expected to borrow amounts required for the down payment and certain closing costs on a second mortgage basis under the Authority’s Down Payment Assistance loan program. Historically, Loans under the Down Payment Assistance loan program were made through the Authority’s Housing Trust Fund. Beginning in November

of 2017, the Loans are now funded with mortgage revenue bond proceeds. The second mortgage when combined with the first mortgage may not exceed 106% of the appraised value of the property. The borrower must pay, in cash or gifted funds, with respect to the Down Payment Assistance loan program, \$1,500. Loans utilizing the Down Payment Assistance loan program typically have an initial loan-to-value ratio, including the second mortgage loan, equal to or slightly in excess of 100%. Loans under the Down Payment Assistance loan program are made through the Authority's Housing Trust Fund, generally require a 620 mid FICO score and a maximum of 45% total debt to income ratio and are subordinate in security to the related first mortgage Loans and are not pledged as security for the Bonds. See APPENDIX A, "AUTHORITY OPERATIONS—Housing Activities—*Housing Trust Fund*."

The Authority covenants to use and apply, 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 1994 Indenture, the moneys made available by the issuance of the 2018 Series 1 and 2 Bonds (to the extent not reasonably required for other purposes of the Program including refunding outstanding bonds of the Authority) to purchase Loans, to do all acts and things consistent with sound banking practices and principles as may be necessary to receive and collect sufficient revenues to pay expenses of the Program and the principal or redemption price, if any, of and interest on the Bonds and to diligently enforce and take all steps, actions and proceedings reasonably necessary in the judgment of the Authority to maintain the insurance or guaranty on Loans and to enforce all terms, covenants and conditions of Loans.

Whenever necessary in the interest of the Bondholders and to protect and enforce the rights of the Authority under a Loan which is in default, the Authority has covenanted to take steps to realize on the insurance or guaranty of the Loan, to collect, sell or otherwise dispose of the property securing the Loan and, if the Authority deems it advisable, to bid for and purchase the premises covered by the Loan at any foreclosure sale thereof or otherwise take possession of or acquire such premises.

The Authority may sell, assign or otherwise dispose of a Loan, (i) in default, (ii) in order to realize the benefits of insurance with respect to such Loan or premises, (iii) to a lender in rescission of a sale to the Authority as permitted by the Mortgage Purchase and MCC Issuance Agreement or (iv) for any reason if a Cash Flow Certificate has been filed with the Trustee giving effect to the proposed sale of the Loan and projecting Revenues sufficient to pay debt service on the Bonds when due in each Bond Year.

PROCEDURES FOR PURCHASE

The Authority periodically solicits lenders to participate in the Program and stipulates the basic terms of the Loans which the Authority plans to purchase. The Authority currently accepts requests for reservations of funds for the purchase of Loans on a loan by loan basis. Each reservation request will set forth the principal amount and certain other information regarding a Loan which the lender requests the Authority to commit to purchase from the lender. The interest rate on a Loan is fixed upon the Authority's acceptance of the reservation request.

It is expected that all moneys made available by the issuance of the 2018 Series 1 and 2 Bonds for the purchase of Loans will be used to purchase Loans; *however*, there is no assurance that such moneys will be so used, and if not used to purchase Loans the Authority may use such moneys to redeem the 2018 Series 1 and 2 Bonds. The Authority does not expect to acquire Loans with the proceeds of the 2018 Series 1 and 2 Bonds through the acquisition of Mortgage-Backed Securities.

Lenders desiring to participate will be required to enter into a Mortgage Purchase and MCC Issuance Agreement. Acceptance by the Authority creates a binding obligation upon the lender to originate, sell and deliver, and upon the Authority to purchase, Loans upon the terms and under the procedures described in the Mortgage Purchase and MCC Issuance Agreement.

LOANS

The Mortgage Purchase and MCC Issuance Agreement relating to the 2018 Series 1 and 2 Bonds will require that lenders make Loans only to residents of the State whose gross incomes do not exceed the requirements of the Authority and federal law and who intend to use the mortgaged property as their principal residence. See APPENDIX C for information regarding the maximum principal balance of Loans under certain insurance and guarantee programs.

The Authority has established purchase price limits for Loans which are applicable to both new and existing housing. The Authority may adjust its purchase price limits in its discretion up to limits prescribed by federal law. Its current limits are \$315,294 in Sheridan County, \$294,118 in Sublette County, \$323,529 in Sweetwater County, \$650,793 in Teton County and \$282,010 for the other 19 Counties in the State.

The Mortgage Purchase and MCC Issuance Agreement will provide that Loans purchased from the moneys made available by the 2018 Series 1 and 2 Bonds must have a final maturity of no more than 30 years from the date made, may only be used for the long-term financing of newly constructed or existing dwellings, or newly rehabilitated dwellings, and may not be used to refinance existing loans except in connection with a qualified rehabilitation loan. The Authority may, in its discretion, impose late payment charges. The obligations to make payments under any Loan may not be assumed unless the requirements of the Code are met to the Authority's satisfaction, subject to any required consent by an insurer or guarantor. Title insurance, hazard insurance and flood insurance (if applicable) are required with respect to each Loan and subject property.

The Mortgage Purchase and MCC Issuance Agreement will require that lenders warrant as to each Loan sold to the Authority that, among other things: (i) all Federal Eligibility Requirements relating to mortgage loans funded with proceeds of tax exempt mortgage revenue bonds as set forth in the Internal Revenue Code and the Seller Guide have been complied with; (ii) such Loan complies with all applicable federal and state laws, rules and regulations relating to consumer credit, equal credit opportunity, and consumer disclosure; and in the event of a refinance, the borrower has not rescinded the mortgage loan transaction; (iii) the improvements on the property securing the Loan have been completed and a certificate of occupancy has been issued; (iv) there is no default or delinquency under the Loan; (v) the Loan is evidenced by a properly

executed note and recorded mortgage which are the legal, valid and binding obligations of the maker and which create a valid first mortgage lien on the real property securing the Loan; (vi) the lender is conveying good and marketable mortgagee's title, subject only to liens and encumbrances customarily permitted in accordance with the applicable title standards; (vii) the mortgaged premises are covered by valid policies of title, hazard and flood (if applicable) insurance; and (viii) the lender has complied with the terms and conditions required by the applicable insurance or guarantee. The lender will also represent and warrant that it has no knowledge of any circumstances or conditions with respect to each Loan which can be reasonably expected to cause prudent private investors in the secondary market to regard the Loan as an unacceptable investment, to cause such Loan to become delinquent, or adversely affect the value or marketability of the Loan.

SPECIAL PROGRAM LOANS

The Authority has purchased Loans under its HOME Run I Program to promote new construction of affordable housing. Loans under this program were made for homes that were newly constructed, which met national and local building codes and the most current version of the Model Energy Code and which had an acquisition cost not in excess of the prescribed program limit. HOME Run I Program Loans were made with an initial step interest rate for the first four years and increased in equal steps each two years thereafter to a final fixed rate after the tenth year. During the first ten years of the Loan term, the Authority will deposit to the 1994 Indenture amounts equal to the difference between the interest at the step rate then in effect and the interest at the final fixed rate. Funds for such deposits are to be derived from federal HOME funds, see APPENDIX A, "AUTHORITY OPERATIONS—Housing Activities—*Federal Program Administration*."

Additionally, the Authority has purchased Loans under its HOME Run II Program. Like the HOME Run I Program, the HOME Run II Program was intended to promote new construction of affordable housing by making available Loans for homes which were newly constructed and had an acquisition cost not in excess of the prescribed program limit. The HOME Run II Program Loans were made with an initial step interest rate for the first four years and increased in equal steps each two years thereafter to a final fixed rate after the tenth year. During the first ten years of the Loan term, the Authority will deposit to the 1994 Indenture amounts equal to the difference between the interest at the step rate then in effect and the interest at the final fixed rate. Funds for such deposits are to be derived from other special program funds of the Authority that have been set aside by the Board for such purpose.

The Authority no longer sets aside funds for Loans under either the Home Run I or the Home Run II programs and has not purchased any Loans under either of these programs since 2010.

The Authority may use funds made available by the issuance of the 2018 Series 1 and 2 Bonds for the purchase of Loans originated through the Spruce Up product. This product provides for the inclusion of rehabilitation costs and the loans are insured by FHA under Section 203(k) of the National Housing Act or guaranteed by RD. Under the Section 203(k) program and the RD Program, a borrower can finance both the acquisition and the rehabilitation of the residential

property with a single Loan. The Loan amount is based on the projected value of the property with the rehabilitation work completed, taking into account the cost of the work.

The Authority has funds available to assist homebuyers with down payments, closing costs, prepaid items and inspections. The Amortizing Down Payment Assistance loan provides for an amortizing second mortgage at a rate less than the first mortgage and has a maximum term of 10 years. The Home\$retch Down Payment Assistance loan provides a second mortgage at zero percent interest with no payment due until the loan matures (30-year maturity date), the home is sold or upon refinancing.

LOAN ELIGIBILITY

The Authority requires that each Loan purchased with the proceeds or moneys made available by the issuance of the Bonds (i) complies with the applicable requirements of the Act and the Code and be executed and recorded in accordance with existing law, (ii) be secured by a mortgage lien on real property, (iii) requires the payment of all taxes, assessments, water rates, sewer rents and mortgage, casualty and hazard insurance premiums by escrow or other arrangements satisfactory to the Authority and the Trustee and give the Authority the right to make such payments when due and unpaid with the amount thereof being added to the debt secured by the lien of the mortgage, (iv) be made with respect to premises which are insured against fire and other hazards as required by the Authority on policies designating the Authority as loss payee, (v) to the extent that a Loan has a principal amount in excess of 80% of the lesser of the sale price or appraised value of the property at the time of origination, be insured by FHA or, if allowed by the Authority, PMI Policy to the extent provided in the Related Series Program Requirements or guaranteed by the Department of Housing and Urban Development (“HUD”), RD or VA, in either case, to the extent required by or provided in the Related Series Program Requirements and (vi) be covered by a paid-up policy of title insurance in an amount at least equal to the outstanding principal balance of the Loan, naming the Authority as an insured party. See APPENDIX C, “INSURANCE AND MORTGAGE-BACKED SECURITY ISSUERS—PMI Insurance” for information regarding limitations on the duration of PMI Policy coverage.

The Authority has the right to decline to purchase any loan offered for sale to the Authority if such loan does not meet the requirements set forth in the Mortgage Purchase and MCC Issuance Agreement. Each Mortgage Purchase and MCC Issuance Agreement further provides that the lender must repurchase any Loan sold to the Authority, upon written notice by the Authority, if any of the following events occurs at any time: (i) the Authority discovers fraud or a misrepresentation of a material fact by the lender under a Mortgage Purchase and MCC Issuance Agreement exists with respect to the Loan; (ii) any mortgage insurance or guarantee with respect to the Loan lapses due to the negligence of the lender in its capacity as Servicer, or the certificate of insurance or guarantee is not delivered within 60 days of purchase of the Loan; or (iii) the Authority suffers or is threatened with a material loss by reason of the misfeasance, nonfeasance or malfeasance of the lender as the originator of the mortgage loan or as loan servicer.

SERVICING

The Authority has executed agreements with certain mortgage lending institutions in the State (herein referred to as the “*Servicers*”), whereby the Servicers have agreed to service Loans on behalf of the Authority in accordance with the terms of a mortgage servicing agreement (the “*Mortgage Servicing Agreement*”). The Mortgage Servicing Agreement is terminable by the Authority at any time without cause. The Authority acts as a Servicer for a substantial portion of its existing mortgage loans and currently, with limited exceptions, all of its newly originated mortgage loans. See APPENDIX A, “AUTHORITY OPERATIONS—Housing Activities—*Servicing*” and APPENDIX B, “LOAN PORTFOLIOS AND OTHER SELECTED DATA.”

The Servicer is responsible for loan accounting, remitting to the Authority the principal and interest payments on the Loans and any other sums paid by the borrower which the Authority requires to be remitted and accounted for and management of escrows for payment of taxes, assessments, mortgage and hazard insurance premiums and other expenses. The Servicer must assure that hazard insurance naming the Authority as loss payee is maintained with respect to each Loan it services. For servicing each Loan, the Servicer is entitled to a fee of $\frac{3}{8}$ of 1% per annum of the outstanding principal amount of Loans serviced which are current as to payment, which is to be deducted from amounts remitted on a monthly basis to the Authority. All payments of principal and interest (exclusive of servicing fees) on Loans are to be held in trust in separate accounts by the Servicer on behalf of the Authority.

The Servicer must comply with all requirements of the applicable insurance or guarantee with respect to the Loans serviced for the Authority. Each Servicer also must maintain at its expense a fidelity bond (or direct surety bond) and an errors and omissions policy on a policy form covering all officers, employees and other persons duly authorized to act on behalf of the Servicer.

The Servicer must promptly notify the Authority upon becoming aware of any default by a borrower and must recommend appropriate action to the Authority. No waiver, modification, release or consent to any deferment on the part of a borrower of any term or provision of the Loan may be made by a Servicer without the prior written consent of the Authority. Should foreclosure be necessary, the Servicer is required to manage the premises and make a full report to the Authority and undertake all necessary steps to accomplish the foreclosure pursuant to standards contained in the Mortgage Servicing Agreement and prescribed by the applicable mortgage insurer or guarantor.

WYOMING FORECLOSURE LAWS

The foreclosure laws applicable to defaulted mortgage loans in Wyoming generally provide for the following. Once a default has occurred under a mortgage, written notice of the intent to foreclose the mortgage must be mailed by certified mail to the last known record owner of the property and the person in possession at least 10 days prior to the commencement of publication of notice of sale. In addition, publication of the foreclosure notice must be published at least once a week for four consecutive weeks in a local newspaper in the respective county and notice of the sale must be provided to the record owner, the person in possession if different from the record owner and all holders of junior mortgages and liens. Once such publications have occurred, the

property may be sold by the sheriff at a public sale. The defaulting mortgagor has the right for three months, and holders of junior mortgages and liens have the right for 30 days thereafter, to redeem the real estate by paying to the officer conducting the sale the amount equal to the highest bid on the property, plus interest thereon at 10% (from the date of sale). The mortgagor has the right to possess and occupy the property for a period of three months from the date of the public sale.

It is the current practice of the Authority to foreclose on FHA-insured mortgaged properties or process for FHA a deed in lieu of foreclosure. See Appendix C, "INSURANCE AND MORTGAGE-BACKED SECURITY ISSUERS." The Authority processes foreclosures on RD guaranteed mortgaged properties and on VA guaranteed mortgaged properties. Foreclosure processing of mortgage loans insured under a PMI Policy will be in accordance with the direction of the issuer of the PMI Policy. The Authority has purchased and is processing for purchase only a very limited number of Loans guaranteed by HUD under Section 184 and has not determined how it will process any such Loans in default.

CODE MORTGAGE ELIGIBILITY REQUIREMENTS

Qualifying Mortgages. The Code imposes significant restrictions on the Authority in its financing of single-family mortgage loans. The Code provides that interest on obligations of a governmental unit, such as the Authority, that are issued to finance single-family residences is excludable from gross income for federal income tax purposes only if certain requirements are met with respect to the terms, amount and purpose of the obligations, the use of funds generated thereby, the nature of the residence and the mortgage and the eligibility of the borrower executing the mortgage note. Section 143 of the Code imposes significant limitations on the single-family mortgage loans financed or refinanced by the 2018 Series 1 Bonds and the 2018 Series 2 Bonds. In Targeted Areas (as defined herein), certain requirements, as specified below, do not apply. See "Targeted Area Requirement." The applicable limitations with respect to Section 143 of the Code include the following requirements:

- (i) the residence being financed must reasonably be expected by the Authority to become the principal residence of the mortgagor within a reasonable time after the financing is provided, must not be primarily intended or expected to be used in a trade or business and may not be used as an investment property or as a recreational home;
- (ii) with certain exceptions, at least 95% of the lendable proceeds of an issue must be used to finance residences of borrowers who have not had a present ownership interest in a principal residence during the three-year period prior to the date in which the mortgage loan is executed;
- (iii) the acquisition cost of a residence must not exceed the limitations under the Code which, under Section 143 of the Code, are 90% of the average purchase price for single-family residences in the applicable area and 110% in Targeted Areas;
- (iv) all mortgages must be made to borrowers whose income does not exceed certain limitations as more fully described below;

(v) with certain exceptions, bond proceeds may not be applied to acquire or replace an existing mortgage; and

(vi) a mortgage may not be assumed, unless the requirements described in (i) through (iv) above are met.

An issue of bonds is treated as meeting the mortgage eligibility requirements of Section 143 of the Code only if (i) the issuer in good faith attempts to meet all of the mortgage eligibility requirements before the mortgages are executed, (ii) any failure to comply with the mortgage eligibility requirements is corrected within a reasonable period after such failure is first discovered and (iii) 95% or more of the lendable proceeds of the issue used to make loans were devoted to finance residences which met all such requirements at the time the loans were executed or assumed. In determining whether 95% of the proceeds have been so used, the Authority is permitted to rely on an affidavit of the mortgagor and, for other than Loans in Targeted Areas (where the first-time homeowner requirement does not apply), on the mortgagor's income tax returns filed with the Internal Revenue Service for the three years preceding the date the mortgage loan is executed, even though the relevant information in such affidavits and returns should ultimately prove to be untrue, unless the Authority knows or has reason to believe that such information is false. The Code also requires that trust indentures, lender agreements and other relevant instruments contain restrictions permitting the financing of mortgage loans only in accordance with the requirements of the Code.

Under Section 143 of the Code, for certain obligations issued after December 31, 1988 (which would be applicable to the 2018 Series 1 Bonds and the 2018 Series 2 Bonds and the Prior Series Bonds) all Loans must be made for persons having incomes of 115% or less of the higher of area or State median income (with certain exceptions for Targeted Areas), which limits may be increased for certain "high housing cost" areas. When applied to a family of fewer than three individuals, the foregoing 115% percentage is reduced to 100%. One hundred fifteen percent of the most recently published State median income is \$85,905 and one hundred percent is \$74,700. Most of the State is not considered a "high housing cost" area. One hundred fifteen percent of the most recently published median incomes for higher income areas in the State, calculated in accordance with Internal Revenue Service revenue procedure guidelines, range from \$85,905 to \$127,960 and one hundred percent ranges from approximately \$74,700 to \$109,680.

The Authority has adopted a procedure for calculating family income which complies with the requirements of Section 143 of the Code. Loans financed with the proceeds of obligations may be assumed if, in addition to meeting the requirement described above, this income limit requirement is satisfied with respect to the mortgagor assuming the mortgage loan.

See "TAX EXEMPTION" for additional information regarding certain mortgage eligibility criteria and additional restrictions on eligibility and mortgage terms.

The Authority intends to provide procedures and requirements in the Mortgage Purchase and MCC Issuance Agreement and other Program documents to ensure compliance with any applicable borrower income and purchase price limitations of Section 143 of the Code. Under the terms of the Mortgage Purchase and MCC Issuance Agreement, lenders will be required to review

each application for Loan financing to assure that the Loan will be eligible for financing under the Code. The Authority will require each borrower to execute a sworn affidavit attesting to his compliance with the mortgage eligibility requirements. The mortgage securing each Loan will provide that such Loan is not assumable except upon prior written approval of the Authority. Additionally, the Authority will require the lenders to follow interpretations and guidelines set forth in the Seller Guide in reviewing the eligibility of the Loan, in investigating the borrower's application and in verifying that the proposed Loan is in compliance with the provisions of the Code. In addition, Federal Eligibility documentation for all Loans will be reviewed by the staff of the Authority. The Authority believes that these documentation requirements and procedures are sufficient for purposes of complying with the mortgage eligibility requirements of the Code. See "MORTGAGE ORIGINATION AND PURCHASE PROCEDURES."

Qualifying Rehabilitation Mortgages. The Code also permits the financing of mortgages to existing homeowners, including the refinancing of existing mortgages, it provided in connection with a "qualified rehabilitation." Under the Code, a "qualified rehabilitation" means any rehabilitation of a building if (i) there is a period of at least 20 years between the date on which the building was first used and the date on which the physical work on the rehabilitation begins, (ii) 50% or more of the existing external walls of such building are retained in place as external walls, (iii) 75% or more of the existing external walls of such building are retained in place as internal or external walls in the rehabilitation process, (iv) 75% or more of the existing internal structural framework of such building is retained in place and (v) the expenditures for the rehabilitation are 25% or more of the mortgagor's adjusted basis in the residence for federal income tax purposes, determined as of the completion of the rehabilitation or, if later, the date on which the mortgagor acquires the residence. The Code permits the financing of the acquisition of a rehabilitated residence if the mortgagor is the first resident after completion of the rehabilitation.

Targeted Area Requirement. The Code requires that a portion of the lendable proceeds of an issue be made available for owner-financing of targeted area residences for at least one year after the date on which owner-financing is first made available and that the issuer must proceed with reasonable diligence to place such proceeds in qualified mortgages. The Authority has covenanted and agreed to use reasonable diligence to arrange for the funding of any Targeted Area Loans from the proceeds of its 2018 Series 1 and 2 Bonds in an aggregate principal amount at least equal to the targeted area set aside (as described below) and, if such funds are unavailable, to otherwise finance and acquire any such targeted area Loans.

Targeted Areas are defined by the Code to include census tracts with population income characteristics specified in the Code and other areas meeting criteria set forth in the Code and approved as targeted areas by the Secretaries of the United States Department of the Treasury and Department of Housing and Urban Development ("*Targeted Areas*"). The Code provides that the portion of lendable proceeds of an issue of bonds (other than certain refunding bonds) which must be made available for owner-financing in such Targeted Areas be equal to the lesser of 20% of such lendable proceeds or 40% of the average annual aggregate amount of mortgages on owner-occupied residences executed in such Targeted Areas for the immediately preceding three years.

Section 143 of the Code provides that one-third of the amount of Loans for Targeted Area residences may be made to borrowers who do not satisfy the 115% income requirement set forth

under “Qualifying Mortgages” above if the remainder of Loans in Targeted Areas are made to borrowers whose family income is 140% or less of the applicable median family income (or 120% for families of fewer than three individuals).

A listing of “qualified census tracts” published by the United States Department of the Treasury on July 1, 2016 indicated that seven census tracts in the State qualified as Targeted Areas under the Code. The 2010 federal decennial census estimates that approximately 26,150 people reside in these three areas.

MORTGAGE ORIGINATION AND PURCHASE PROCEDURES

ORIGINATION PROCEDURES

The Authority accepts requests for reservations of funds to purchase individually specified Loans through its Lender Online reservation website. Requests can be submitted to the Authority via the Internet 24 hours a day and seven days a week.

Under the terms of the Mortgage Purchase and MCC Issuance Agreement, each lender will agree that any Loans sold will be sold to the Authority in accordance with procedures prescribed by the Authority.

The Seller Guide sets forth more particular instructions for lenders and provides guidance for originating Loans. The Seller Guide has been designed to assist lenders in complying with the provisions of the Code and may be modified from time to time to be consistent with the Code.

Procedures regarding compliance with the Code have been established by the Authority and require that lenders make a thorough check of information prior to closing a Loan, including, among other measures:

(i) except in Targeted Areas or those that meet the “Veteran’s Exception” rule (where the first-time homeowner requirement does not apply), obtaining, on a form supplied by the Authority, an affidavit of borrower’s eligibility from the loan applicant and from each person executing the mortgage note who is expected to occupy the residence, together with copies of signed federal income tax returns filed by each person executing an affidavit for the three years prior to the application and other information which would tend to confirm or deny compliance with the Code;

(ii) examining the documentation submitted by the mortgagor and other pertinent information obtained in connection with the origination of the Loan in order to determine that sufficient documentary evidence exists to support the conclusion that the Code eligibility requirements have been met;

(iii) as to qualified rehabilitation mortgage refinance transactions, obtaining an affidavit from the mortgagor as to the first residency requirement and obtaining certificates of the appraiser, architect or other party satisfactory to the Authority as to compliance with

the 20-year requirement, external and internal wall requirements and expenditure requirement; and

- (iv) obtaining information required from mortgagors with respect to income.

Lenders will be advised that strict compliance with the Program and the mortgage eligibility requirements of the Code will be enforced and that no waiver or exception can be granted.

Lenders will also warrant as to each Loan sold to the Authority that:

- (i) the lender has diligently performed the inquiries and investigations required under the Mortgage Purchase and MCC Issuance Agreement and, based upon such inquiries and investigations and such other facts and circumstances which the lender may be aware of, the lender has no reason to believe that the Code eligibility requirements have not been met;

- (ii) FHA insurance, a HUD, RD or VA guarantee or a PMI Policy, to the extent required under the Related Series Program Requirements, has been obtained as well as any required hazard, title and other insurance;

- (iii) the lender knows of no material misstatement or omission in the documents supplied by the borrower;

- (iv) the mortgage creates a valid first lien on the real property securing the Loan;

and

- (v) the Loan is not subject to any assignment or pledge.

PURCHASE PROCEDURES

Loans must be tendered for sale to the Authority within the time period specified by the Authority following the signing of the mortgage note by the borrower. The application, together with all required documentation and submissions, is to be delivered to the Authority, including (i) the borrower's affidavit as to compliance with the Code requirements, including (except in Targeted Areas and where a Veteran's Exception has been approved), if reasonably available, federal income tax returns for the last three years; (ii) the applicable MERS mortgage, including the uniform Tax Exempt Financing Rider and the executed promissory note; (iii) hazard insurance and flood insurance (if applicable) policy declarations pages; (iv) a copy of the appraisal report; (v) the applicable insurance or guarantee; (vi) the title insurance policy commitment; and (vii) Family Income, including the Family Income Affidavit – *Exhibit 1*.

The Authority will review all of the documents delivered to determine compliance with the Program requirements. Specifically with respect to Program requirements, the Authority shall determine (i) whether the borrower is eligible under the Act and the Code, including whether the borrower's income is within applicable limits, (ii) if applicable, that the acquisition cost is within the purchase price limitations established by the Authority and the Code and (iii) that the residence

which will be the subject of the Loan otherwise satisfies requirements under the Act and the Code. To the extent that these requirements are not complied with, the lender will be asked to provide sufficient additional explanation or documentation to enable the Authority to determine the status of the application.

Notwithstanding any lender's compliance with contractual requirements in the Mortgage Purchase and MCC Issuance Agreement regarding verification and investigation, the Authority reserves the right to decline to purchase any loan which the Authority determines, in its sole discretion, fails to meet the requirements of the Code.

The Authority may rescind the purchase of a Loan and the lender must repurchase the Loan if: (i) any representation made by a lender proves to have been untrue when made, (ii) at any time a Loan is determined by the Authority, in its sole discretion, not to meet the requirements of the Code, (iii) the applicable insurance or guarantee lapses due to negligence of the Servicer or (iv) the Authority suffers or is threatened with a material loss by reason of the misfeasance, nonfeasance or malfeasance of the lender as the originator of the loan or as loan servicer.

SUMMARY OF CERTAIN TERMS OF THE 1994 INDENTURE

The 1994 Indenture contains various covenants and security provisions, certain of which are summarized below. Reference should be made to the 1994 Indenture for a full and complete statement of its provisions.

CERTAIN DEFINITIONS

In the 1994 Indenture and in this Official Statement, in addition to certain terms previously defined, unless the context otherwise requires the following words and terms have the following meanings:

“Accrued Debt Service” means, as of any date of calculation, unless otherwise specified in the Supplemental Indenture with respect to a particular Series of Bonds, an amount equal to the aggregate of the following with respect to each Series of Outstanding Bonds: (i) accrued and unpaid interest on the Outstanding Bonds of a Series (accrued and unpaid interest shall not include the Appreciated Amount of a Deferred Interest Bond), plus (ii)(a) in the case of a Series of Bonds with Principal Installments scheduled on the first day of a month or months, the amount obtained by dividing the amount of the next succeeding Principal Installment by the number of months elapsed from the immediately preceding Principal Installment payment date to the next succeeding Principal Installment payment date, and then multiplying such amount by the number of full months elapsed since the immediately preceding Principal Installment payment date, and (b) in the case of Principal Installments due on other dates, the amount obtained by dividing the amount of the next succeeding Principal Installment by the number of days elapsed from the immediately preceding Principal Installment payment date to the next succeeding Principal Installment payment date, and then multiplying such amount by the number of days elapsed since the immediately preceding Principal Installment date.

“*Authorized Investments*” means and includes any of the following securities and other investments, if and to the extent the same are at the time legal for investment of Authority funds:

(i) Direct obligations of, or obligations the timely payment of principal of and interest on which are unconditional obligations of the United States of America;

(ii) Obligations (a) which are backed by the full faith and credit of any state of the United States of America, (b) of any agency or instrumentality of the United States of America, or (c) of any public corporation sponsored by the United States of America, including but not limited to Freddie Mac, Fannie Mae and Ginnie Mae, *provided* that such obligations described in (a), (b) and (c) hereof at the time of investment shall not adversely affect the Rating Quality of the Bonds;

(iii) Interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with any bank, trust company, national banking association or other savings institution (including any Fiduciary), *provided* that (a) the unsecured long-term debt obligations thereof are rated by the Rating Agency at least equal to the rating on the Series of Bonds, or (b) such entity has combined capital and surplus of at least \$225,000,000 and such deposits, certificates and other arrangements are fully secured by obligations described in clause (i) or (ii) of this definition, or a combination thereof, at such levels and valuation frequency as shall not adversely affect the Rating Quality of the Bonds or (c) the deposit of funds with such entity will not adversely affect the Rating Quality of the Bonds;

(iv) Repurchase Agreements in respect of any of the securities described in (i) or (ii) of the definition of Authorized Investments, *provided* that physical delivery of such securities is taken either directly or through an authorized custodian of the Authority (or, in the case of book-entry securities, by appropriate notation on the official records maintained with respect to the ownership thereof) and *provided* that such securities be maintained at levels and valuation frequencies satisfactory to the Authority and sufficient at all times to maintain the Rating Quality of the Bonds;

(v) Interest-bearing notes issued by a bank holding company having combined capital and surplus of at least \$500,000,000, *provided* that such investment does not adversely affect the Rating Quality of the Bonds;

(vi) Shares of (a) an investment company registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, whose only investments are in securities described in subparagraphs (i), (ii), (iii), (iv) or (v) above and which investment company is of Rating Quality, or (b) a common trust fund established by a national banking association or a bank or trust company organized under the laws of any state with combined capital and surplus of at least \$50,000,000, under the supervision and

regulation of the Comptroller of the Currency pursuant to 12 C.F.R. 9, or any successor regulation, whose only investments are in securities described in subparagraphs (i), (ii), (iii), (iv) or (v) above and which fund is of Rating Quality and been rated “AA-m” or “AA-G” or higher by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”) and “Aa” by Moody’s Investors Service, Inc. (“Moody’s”);

(vii) Any investment contract with any provider as long as such investment contract does not adversely affect the Rating Quality of the Bonds at the time the investment is made; and

(viii) Any other investment that will not adversely affect the Rating Quality of the Outstanding Bonds;

provided that it is expressly understood that the definition of Authorized Investments shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to the 1994 Indenture by a Supplemental Indenture, thus permitting investments with different characteristics from those permitted above which the Authority deems from time to time to be in the interest of the Authority to include as Authorized Investments if at the time of inclusion such inclusion will not, in and of itself, adversely affect the Rating Quality of the Outstanding Bonds.

“*Cash Equivalent*” means a letter of credit, insurance policy, surety, guarantee or other security arrangement (as defined and provided for in a Supplemental Indenture), which Cash Equivalent shall have such terms necessary to maintain the Rating Quality on the Bonds.

“*Government Obligations*” means and includes direct general obligations of the United States of America or obligations the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America (including those the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is so fully and unconditionally guaranteed). This shall include custodial receipts evidencing ownership of future interest payments only, on bonds issued by the Financial Corporation, a mixed-ownership government corporation, chartered by the Federal Home Loan Bank Board pursuant to the Federal Savings and Loan Insurance Corporation Recapitalization Act of 1987, provided the same are rated “AAA” by S&P and “Aaa” by Moody’s.

“*Mortgage-Backed Security*” means a Fannie Mae Security, a Freddie Mac Security or a Ginnie Mae Security backed by a Loan or Loans (or such other security backed by a Loan or Loans which is specified in a Supplemental Indenture, the purchase of which will not adversely affect the Rating Quality of the Outstanding Bonds), in each case registered in the name of the Trustee. The definition of “Mortgage-Backed Security” shall not include, unless otherwise specified in a Supplemental Indenture, any Mortgage-Backed Security which is not credited to the Program Fund.

“Parity Certificate” means a Certificate, giving effect to any action contemplated to be taken in connection with the filing thereof, showing that (i) the sum of (a) the moneys, Authorized Investments and Cash Equivalents then credited to the Program Fund, the Revenue Fund (but excluding moneys held therein for the payment of interest on Outstanding Bonds or Program Expenses), the Bond Reserve Fund, the Mortgage Reserve Fund and the Redemption Fund (but not including any moneys or Authorized Investments held therein for the payment of Bonds no longer deemed Outstanding under the 1994 Indenture), (b) the unpaid principal amount of all Loans and Mortgage-Backed Securities credited to the Program Fund and (c) such other amounts, if any, as may be specified by a Supplemental Indenture (which may be part or all of the assets in the Special Reserve Fund), equals or exceeds (ii) an amount equal to 102% (or such lesser percentage as does not adversely affect the Rating Quality of the Bonds) of the principal amount of Outstanding Bonds of all Series.

“Rating Agency” means each of Moody’s and S&P, or any successor thereto.

“Rating Quality” means, with respect to any Series of Bonds, having terms, conditions and/or a credit quality such that the item stated to be of “Rating Quality” will not, as confirmed in writing received by the Trustee from each Rating Agency, impair the ability of the Authority to obtain the rating or ratings initially received from each Rating Agency – “Aa” by Moody’s and “AA” by S&P – with respect to the Bonds and, if not with respect to a particular Series of Bonds, will not cause the Rating Agency to lower or withdraw the rating it has assigned to the Bonds.

“Revenues” means (i) all amounts received as repayment of principal, interest and all other charges received for, and all other income and receipts derived by the Authority from, the Mortgage-Backed Securities and Loans or any way in connection therewith, including Prepayments, (ii) moneys deposited in a sinking, redemption or reserve fund or other Fund or Account to secure Bonds or to provide for the payment of the principal of, premium or interest on Bonds and (iii) to the extent hereinafter provided, interest earnings or income received on moneys so deposited in any Fund or Account pursuant to the 1994 Indenture and all other payments and receipts received with respect to Loans or Mortgage-Backed Securities, including the proceeds of mortgage insurance claims (but excluding commitment fees, service fees and escrow payments and, unless otherwise provided in a Supplemental Indenture, any income or earnings on amounts credited to the Special Reserve Fund).

INDENTURE CONSTITUTES CONTRACT

The 1994 Indenture constitutes a contract among the Authority, the Trustee and the Holders from time to time of the respective Bonds. The pledges and assignments made in the 1994 Indenture and the covenants set forth therein to be performed by the Authority are for the equal and proportionate benefit, protection and security of the Holders of the Bonds.

PROVISIONS FOR THE ISSUANCE OF BONDS (SECTIONS 2.02, 2.16 AND 6.13)

The 1994 Indenture authorizes Bonds to be issued from time to time in accordance with its terms without limitations as to amount except as may be provided by law. The Bonds of each series may be authenticated and delivered only upon delivery to the Trustee of, among other things:

- (1) an opinion of counsel of recognized national standing in the field of municipal law selected by the Authority to the effect that, among other things, the Bonds of such Series have been duly and lawfully authorized and issued and are valid and binding special obligations of the Authority;
- (2) the amounts, if any, necessary for deposit in the Bond Reserve Fund and in the Mortgage Reserve Fund so that the amounts therein at least equal the Bond Reserve Fund Requirement and the Mortgage Reserve Fund Requirement, respectively;
- (3) a Cash Flow Certificate giving effect to the issuance of such Bonds and the Loans or Mortgage-Backed Securities expected to be financed which projects Revenues sufficient to pay Program Expenses and Accrued Debt Service on the Bonds in each Bond Year;
- (4) a certificate to the effect that no Event of Default under the 1994 Indenture or an event which with notice or lapse of time or both would become an Event of Default under the 1994 Indenture has occurred and is continuing; and
- (5) written verification from each Rating Agency (a) that the rating on such Series of Bonds is not lower than the Rating Quality of the Bonds Outstanding prior thereto or (b) to the effect that the issuance of such Series of Bonds will not, in and of itself, adversely affect the Rating Quality of any Outstanding Bonds of any prior Series of Bonds.

The Authority is not permitted to issue any evidence of indebtedness, other than the Bonds, secured by a pledge of the Revenues or of the moneys, securities, rights or interests pledged, held or set aside under the 1994 Indenture or to create or cause to be created any lien or charge upon the Revenues or such moneys, securities, rights or interests. The Authority may, however, (i) issue evidences of indebtedness secured by a pledge of Revenues to be derived after the pledge of the Revenues provided in the 1994 Indenture has been discharged and satisfied, (ii) issue notes or bonds not secured under the 1994 Indenture or secured by a pledge or lien on amounts released from the lien of the 1994 Indenture or (iii) create equal or superior liens on part or all of the assets on the Special Reserve Fund which are not otherwise restricted, as permitted by the 1994 Indenture.

PROVISIONS FOR REFUNDING ISSUES (SECTION 2.17)

Refunding Bonds may be issued to refund any Outstanding Bonds. Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee of, among other things, the documents and, if applicable, deposits described in clauses (1) through (5) of “Provisions for the Issuance of Bonds” above, instructions to the Trustee to pay when due or to redeem all the Bonds

to be refunded on such date or dates specified in such instructions and either (i) moneys sufficient to effect payment of the maturing principal amount of or the applicable redemption price of the Bonds to be refunded, together with accrued interest thereon to the maturity date or redemption date, or (ii) Government Obligations, the principal of and interest on which when due, together with any moneys deposited with the Trustee or Paying Agents, will be sufficient to pay such principal amount of or redemption price and accrued interest. Any such moneys and obligations are required to be held irrevocably in trust for the Bondholders by the Trustee.

APPLICATION OF BOND PROCEEDS (SECTIONS 4.01 AND 4.02)

Upon the sale and delivery of each Series of Bonds, other than Refunding Bonds, the amounts necessary to cause the respective amounts on deposit in the Bond Reserve Fund and in the Mortgage Reserve Fund to at least equal the Bond Reserve Fund Requirement and Mortgage Reserve Fund Requirement immediately after such delivery are required to be deposited in the Bond Reserve Fund and in the Mortgage Reserve Fund. The amounts, if any, received representing accrued interest are to be deposited in the Revenue Fund. The amounts, if any, received representing capitalized interest are to be deposited in the Revenue Fund or the Program Fund. Proceeds of each Series of Bonds that are not deposited in the above-mentioned Funds, including proceeds attributable to costs of issuance, are to be deposited in the Program Fund.

Any premium received above the aggregate principal amount of the Bonds of any Series or as the proceeds of a refunding issue will be applied as provided in the Supplemental Indenture authorizing the issuance of such Series.

ESTABLISHMENT OF FUNDS AND ACCOUNTS (SECTION 5.01)

The 1994 Indenture establishes the following Funds and Accounts to be held by the Trustee in trust for application in accordance with the 1994 Indenture:

- (1) Program Fund;
- (2) Revenue Fund;
- (3) Bond Reserve Fund;
- (4) Mortgage Reserve Fund;
- (5) Special Reserve Fund; and
- (6) Redemption Fund.

To the extent necessary to comply with the provisions of the 1994 Indenture, the Authority shall also direct the establishment of a Rebate Account.

The Trustee shall also establish such other funds or accounts as the Authority may direct or as the Trustee shall determine may be reasonably required to carry out its duties under the 1994

Indenture, and moneys deposited therein shall be used and pledged only as provided in the directions of the Authority.

PROGRAM FUND (SECTIONS 5.02 AND 5.03)

In addition to proceeds of a Series of Bonds, the 1994 Indenture requires the deposit to the Program Fund of all amounts required to be deposited therein by a Supplemental Indenture (which may include Prepayments) and amounts transferred from the Revenue Fund.

Amounts in the Program Fund are to be expended to finance Loans or Mortgage-Backed Securities (or to pay or provide for the payment of notes, bonds or other indebtedness issued for such purpose) or for any other authorized purpose of the Authority in accordance with the Act and as permitted by any applicable Supplemental Indenture. Amounts in the Program Fund may also be transferred to the Redemption Fund for the redemption or purchase of Bonds but only if the Authority delivers a Cash Flow Certificate to the Trustee. In the event the Cash Flow Certificate does not project Revenues sufficient to pay Program Expenses and Accrued Debt Service on the Bonds when due in each Bond Year, the Authority is required to certify to the Trustee that the projected deficiency in each Bond Year is less than it would have been if all or a portion of the amounts so transferred had been applied to the financing of Loans or Mortgage-Backed Securities or invested in Authorized Investments on available terms.

In addition, the Authority is permitted to withdraw amounts, Loans or Mortgage-Backed Securities in the Program Fund free and clear of the lien and pledge of the 1994 Indenture at any time if the Authority files with the Trustee (i) a Parity Certificate and (ii) a Cash Flow Certificate projecting Revenues sufficient to pay Program Expenses and Accrued Debt Service on the Bonds when due in each Bond Year, taking into account the proposed withdrawal.

REVENUE FUND (SECTION 5.05)

With certain exceptions, all Revenues are to be deposited in the Revenue Fund. Unless otherwise specified in a Supplemental Indenture, the Trustee is required to make payments out of the Revenue Fund to the Paying Agents as follows: (i) on or before each Bond Payment Date, the amounts required for the payment of the Principal Installments, if any, and interest due on the Outstanding Bonds on such due date, and (ii) on or before the purchase or redemption date of any Bonds, the amounts required for the payment of accrued interest on Outstanding Bonds redeemed or purchased for retirement.

Prior to the fifteenth day preceding the last date on which the Trustee is required to give notice of redemption from a Sinking Fund Installment, the Trustee may, and if so directed by the Authority must, apply any amount accumulated in the Revenue Fund up to the unsatisfied balance of such Sinking Fund Installment (together with amounts accumulated in the Revenue Fund with respect to interest on the Bonds for which such Sinking Fund Installment was established) as follows: (i) to the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, such purchases to be made in such manner as the Authority shall determine; or (ii) to the redemption of such Bonds if then redeemable by their terms. Upon such

purchase or redemption of any Bond, an amount equal to the principal amount of the Bond so purchased or redeemed will be credited against such Sinking Fund Installment.

As soon as practicable after the fifteenth day preceding the last date on which the Trustee is required to give notice of the redemption of Bonds from such Sinking Fund Installment, the Trustee is to proceed to call for redemption on such date Bonds of the Series and maturity for which such Sinking Fund Installment was established in a principal amount equal to the amount of such Sinking Fund Installment reduced by crediting thereto the principal amount of Bonds purchased or redeemed as described above. The Trustee is required to call such Bonds for redemption whether or not it then has moneys in the Revenue Fund sufficient to pay the applicable redemption price on the redemption date.

The Authority may requisition moneys from the Revenue Fund at any time for the payment of Program Expenses within the limitations established by the Annual Budget, as amended. The Authority may also at any time request the disbursement of moneys from the Revenue Fund to the Rebate Account to comply with the provisions of the 1994 Indenture.

On any Bond Payment Date or on such other date or dates as directed by an Authority Request, the Trustee is required to transfer from the Revenue Fund the balance of any moneys remaining therein in excess of Accrued Debt Service, if available and in the following order of priority, (i) to the Bond Reserve Fund any amount needed to increase the amount on deposit therein to the Bond Reserve Fund Requirement, (ii) to the Mortgage Reserve Fund any amount needed to increase the amount on deposit therein to the Mortgage Reserve Fund Requirement, (iii) to the Redemption Fund, if so directed by the Authority, any amount to be used to redeem a like amount of Bonds and (iv) any balance remaining in the Revenue Fund as of such date after such transfers must be transferred to the Program Fund, except that such balance may be withdrawn from the Revenue Fund free and clear of the lien or pledge of the 1994 Indenture if (a) the Authority files with the Trustee a Cash Flow Certificate projecting Revenues sufficient to pay Program Expenses and Accrued Debt Service on the Bonds when due in each Bond Year and (b) a Parity Certificate.

MORTGAGE RESERVE FUND (SECTION 5.06)

Moneys deposited in the Mortgage Reserve Fund may be withdrawn to pay taxes, insurance, foreclosure fees, including appraisal and legal fees, repairs to the residence and similar expenses incurred by the Authority in connection with any protection and enforcement of its rights with respect to any Loan. Amounts in the Mortgage Reserve Fund may also be withdrawn under certain conditions in order to pay debt service on the Bonds. See “Withdrawals From Funds” below. If at any time the amount in the Mortgage Reserve Fund exceeds the Mortgage Reserve Fund Requirement and if no Event of Default has occurred and is continuing, such excess may be transferred to the Revenue Fund or to any other Fund (other than the Special Reserve Fund) at the direction of the Authority. The Mortgage Reserve Fund Requirement with respect to the Bonds may be funded through Cash Equivalents.

BOND RESERVE FUND (SECTION 5.07)

If on any Bond Payment Date all amounts otherwise available for the payment of debt service on the Bonds as described under “Withdrawals From Funds” below are insufficient for such purpose, the Trustee is to apply amounts from the Bond Reserve Fund to the extent required to make good the deficiency. If on any day of any Bond Year moneys in the Bond Reserve Fund exceed the Bond Reserve Fund Requirement (assuming the payment when due on the interest and principal installments on all Bonds Outstanding), all or any part of such excess moneys may be transferred to the Revenue Fund or to any other Fund (except the Special Reserve Fund) at the direction of the Authority. The Bond Reserve Fund Requirement with respect to the Bonds may be funded through Cash Equivalents.

REDEMPTION FUND (SECTION 5.08)

Moneys on deposit in the Redemption Fund must be applied by the Trustee to the purchase or redemption of Bonds in accordance with Authority directions. Upon any such purchase or redemption (other than from Sinking Fund Installments) of Bonds of any Series and maturity for which Sinking Fund Installments have been established, there shall be credited toward each Sinking Fund Installment thereafter to become due an amount bearing the same ratio to such Sinking Fund Installment as the total principal amount of such Bonds so purchased or redeemed bears to the total amount of all such Sinking Fund Installments to be credited, unless the Authority files with the Trustee a Certificate specifying a different method for the crediting of such Sinking Fund Installments upon any such purchase or redemption of Bonds, and if a Cash Flow Certificate which projects Revenues sufficient to pay Program Expenses and Accrued Debt Service when due in each Bond Year shall accompany such Certificate, or if such purchase or redemption shall follow a transfer from the Program Fund, then such Sinking Fund Installments shall be so credited as shall be provided in the Certificate delivered to the Trustee. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited towards the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

SPECIAL RESERVE FUND (SECTION 5.09)

At the direction of the Authority, the Trustee shall deposit in the Special Reserve Fund any securities, loans or other property not otherwise pledged under the 1994 Indenture. Any moneys held in the Special Reserve Fund may be invested or reinvested in such securities, loans or other investments as may be directed by the Authority, which may include Authorized Investments, Loans or Mortgage-Backed Securities, but is not restricted thereto unless otherwise provided in a Supplemental Indenture. Any interest or income earned with respect to any said securities, loans or other property which are not required to be transferred to the Revenue Fund shall likewise be retained in the Special Reserve Fund or released to the Authority, except as otherwise provided in the 1994 Indenture.

If on any date payments are required to be made from the Revenue Fund for the payment of the Principal Installments, if any, and interest due on the Outstanding Bonds, and there are not

sufficient funds in the Revenue Fund to make such payments, the Trustee shall withdraw (i) from the Special Reserve Fund amounts restricted pursuant to the 1994 Indenture, and (ii) to the extent necessary, after withdrawing any necessary amounts on deposit in the Mortgage Reserve Fund, from the unrestricted amounts in the Special Reserve Funds and transfer to the Revenue Fund such available amounts as are necessary to provide sufficient funds for the required transfers from the Revenue Fund.

At any time, at the direction of the Authority, the Trustee shall withdraw from the Special Reserve Fund and pay to the Authority, free and clear of the lien of the 1994 Indenture, such amounts, securities, loans or other property as shall be specified therein, including any interest or income earned thereon, unless otherwise restricted by a Supplemental Indenture.

Upon the filing with the Trustee of a request by the Authority, the Authority may create a lien on all or any part of the moneys, investments or assets held in the Special Reserve Fund, and not otherwise restricted by a Supplemental Indenture or previous request by the Authority, to secure any obligation of the Authority, and, if so specified in such request, such lien shall be prior to the lien on the otherwise unrestricted moneys, investments or assets in the Special Reserve Fund granted by the 1994 Indenture to the Trustee in favor of the Outstanding Bonds.

WITHDRAWALS FROM FUNDS (SECTION 5.10)

If on any Bond Payment Date moneys in the Revenue Fund are less than the amount required for the payment of Accrued Debt Service on the Bonds, and before applying moneys in the Bond Reserve Fund for such purpose, the Trustee must transfer from the following Funds in the following order the amount of the deficiency and apply such amount, as necessary:

- (1) restricted portion of Special Reserve Fund;
- (2) Mortgage Reserve Fund;
- (3) unrestricted portion of Special Reserve Fund;
- (4) Redemption Fund; and
- (5) Program Fund.

However, moneys in (i) the Redemption Fund that are to be used to redeem Bonds as to which notice of redemption has been published or (ii) the Program Fund that are to be used to purchase or finance Loans or Mortgage-Backed Securities with respect to which the Authority has entered into commitments or (iii) the Special Reserve Fund previously restricted for other purposes by a Supplemental Indenture or Authority request, shall not be deemed available for transfer to the Revenue Fund, nor shall Loans or Mortgage-Backed Securities credited to the Program Fund be deemed available for such purpose. In addition, no amounts may be withdrawn from the Program Fund for such purpose unless the Authority files with the Trustee a Cash Flow Certificate giving effect to such withdrawal projecting Revenues sufficient to pay Program Expenses and Accrued Debt Service on the Bonds in each Bond Year.

DEPOSITS AND INVESTMENTS (SECTION 5.13)

All moneys held by the Trustee in Funds and Accounts under the 1994 Indenture (except the Special Reserve Fund) are to be invested or deposited by the Trustee upon written direction of the Authority in Authorized Investments. The maturity or redemption dates of Authorized Investments are to coincide as nearly as practicable with the times at which moneys in said Funds and Accounts will be required for the purposes provided in the 1994 Indenture. Authorized Investments held in any Fund or Account are valued at par if purchased at par or, if purchased at other than par, at their amortized value. Any Cash Equivalent shall be valued at par.

PAYMENT OF BONDS (SECTION 6.01)

The Authority covenants that it will 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 stated in the Bonds, according to the true intent and meaning thereof and will duly pay or cause to be paid the Sinking Fund Installments, if any, becoming payable with respect to any Series of Bonds.

POWERS AS TO BONDS AND PLEDGES (SECTION 6.04)

The Authority covenants that it is duly authorized pursuant to law to issue the Bonds and to execute and deliver the 1994 Indenture and to pledge the Revenues and other moneys, securities, rights and interests purported to be pledged by the 1994 Indenture in the manner and to the extent provided in the 1994 Indenture.

ANNUAL BUDGETS, ACCOUNTS AND REPORTS (SECTIONS 6.11 AND 6.12)

Prior to using any amounts in the Revenue Fund to pay Program Expenses, the Authority must adopt an Annual Budget for the fiscal year during which such expenditures are expected and file the same with the Trustee. The Annual Budget shall include allocations for Accrued Debt Service payments and estimated Program Expenses for the fiscal year. The Authority at any time may adopt an amended Annual Budget for the remainder of the then current fiscal year, but must use its best efforts to restrict Program Expenses to amounts estimated to be available from Revenues not needed for payments of Accrued Debt Service.

The Authority is also required to file with the Trustee within 180 days after the close of each fiscal year a copy of an annual report for such fiscal year accompanied by an Accountant's Certificate, including statements of Program assets and liabilities and income, expenses and changes in fund balances.

ARBITRAGE COVENANT (SECTION 6.15)

With respect to Bonds the interest on which is intended to be exempt from federal income taxation, the Authority covenants not to use, direct or permit the use of the Bond proceeds or any

other moneys in its possession or control in any manner that would cause any Bond to be an “arbitrage bond” as defined in Sections 143 and 148 of the Code.

PURCHASE OF BONDS (SECTION 3.08)

If moneys are held under the 1994 Indenture to be used to redeem Bonds, in lieu of such redemption, the Authority may direct the Trustee to use all or part of such funds to purchase Bonds that would be subject to such redemption. The purchase price of such Bonds may not exceed the then applicable redemption price of such Bonds if such Bonds would be redeemed but for such purchase, *unless* (i) the amount of purchase price in excess of the applicable redemption price is paid from moneys not held under the 1994 Indenture, or from moneys in the Special Reserve Fund not restricted as to use by a Supplemental Indenture or Authority request or (ii) the Authority files with the Trustee a Parity Certificate and a Cash Flow Certificate projecting Revenues sufficient to pay Program Expenses and Accrued Debt Service when due in each Bond Year, giving effect to the proposed purchase.

EVENTS OF DEFAULT (SECTIONS 7.02 AND 7.12)

It is an “Event of Default” if (i) the Authority fails to pay the principal or redemption price of any Bond when and as the same becomes due and payable, whether at maturity or upon call for redemption or otherwise; (ii) the Authority fails to pay any installment of interest on any Bond when and as the same becomes due and payable; (iii) the Authority fails to perform or observe any other covenant, agreement or condition on its part contained in the 1994 Indenture or the Bonds, and such failure continues for a period of 60 days after written notice thereof by the Trustee or the Holders of not less than 25% in aggregate principal amount of the Outstanding Bonds; or (iv) the Authority files a petition seeking a composition of indebtedness under the federal bankruptcy laws or under any applicable law or statute of the United States of America or of the State, or if the State has limited or altered the rights of the Authority pursuant to the Act, as in force on the date of the 1994 Indenture, to fulfill the terms of any agreements made with the Holders of Bonds or in any way impaired the rights and remedies of Holders of Bonds while any Bonds are Outstanding.

The Trustee must give the Bondholders notice of each Event of Default known to the Trustee within 30 days, except that, in the case of a default other than in the payment of principal or the redemption price of or interest on any of the Bonds, the Trustee may withhold such notice if the Trustee, in its sole judgment, determines that the withholding of such notice is in the best interests of the Bondholders. Each such notice is to be given by first-class mail to all registered owners of Bonds then Outstanding.

REMEDIES (SECTIONS 7.03 THROUGH 7.07)

Upon the occurrence of an Event of Default, the Trustee may, and upon the written request of Holders of at least a majority (and in the case of a default under subsection (iii) or (iv) set forth above under “Events of Default,” 100%) in aggregate principal amount of the Bonds Outstanding must, give 30 days’ written notice to the Governor and Attorney General of Wyoming and the Authority of its intention to declare all Bonds Outstanding immediately due and payable. At the

end of the 30-day period, the Trustee may, and upon such written request of such required number of Bondholders must, by notice in writing to the Authority, declare all Bonds Outstanding immediately due and payable, and such Bonds will then become and be immediately due and payable. Prior to entry of a 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 1994 Indenture, such declaration may be annulled by the Trustee, and must be annulled by the Trustee upon the written direction of the Holders of not less than 25% in aggregate principal amount of the Bonds Outstanding, if, among other things, moneys have been deposited in the Revenue Fund sufficient to pay all matured installments of principal or redemption price (other than principal then due only because of such declaration) of and interest on all Outstanding Bonds.

Upon the occurrence and continuance of an Event of Default, the Trustee may, and upon the written request of the Holders of not less than 25% in the aggregate principal amount of the Bonds Outstanding, together with indemnification satisfactory to the Trustee, must, proceed to protect and enforce its rights and the rights of the Bondholders under the Act, the Bonds and the 1994 Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, may deem expedient.

No remedy conferred upon or reserved to the Trustee or the Bondholders by the terms of the 1994 Indenture is intended to be exclusive of any other remedy, but each and every such remedy is cumulative and in addition to any other remedy available under the 1994 Indenture or existing at law or in equity or by statute.

In the event that, during the continuance of an Event of Default, the funds held by the Trustee are insufficient for the payment of principal or redemption price and interest then due on the Bonds, such funds and any other moneys received or collected by the Trustee, after making provision for the payment of the reasonable and proper charges of the Trustee, are to be applied as follows:

- (1) Unless the principal of all of the Bonds has become or 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 amounts available are not 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 of the persons entitled thereto of the unpaid Principal Installments or redemption price of any Bonds that shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of Principal Installments or redemption price due on such date, to the persons entitled thereto, without any discrimination or preference.

(2) If the principal of all of the 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 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.

LIMITATION ON RIGHTS OF BONDHOLDERS (SECTION 7.09)

No individual Bondholder may initiate legal proceedings to enforce rights under the 1994 Indenture unless an Event of Default has occurred which is a payment default on the Bonds, or of which the Trustee has actual notice or of which the Trustee has been notified in writing, and unless the Holders of not less than 25% in aggregate principal amount of the Bonds Outstanding have made written request of the Trustee either to exercise the powers granted to it under the 1994 Indenture or to institute such proceedings in its name and unless, also, there has been offered to the Trustee reasonable indemnity and the Trustee has refused or failed to comply with such request within 60 days of receipt. No provision in the 1994 Indenture on defaults and remedies affects or impairs the right of any Bondholder to receive or enforce the payment of the principal of or interest on his Bonds.

COMPENSATION OF TRUSTEE (SECTION 8.05)

The Authority is required to pay reasonable compensation to the Trustee and to each paying agent for all services rendered under the 1994 Indenture, and also reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in the performance of their powers and duties under the 1994 Indenture, and each of the Trustee and each paying agent shall have a lien therefor on any and all funds at any time held by it under the 1994 Indenture.

REMOVAL OF TRUSTEE (SECTION 8.08)

The Trustee is required to be removed if so requested by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority. The Authority may remove the Trustee at any time, except during the existence of an Event of Default, for such cause as the Authority may determine in its sole discretion. In either such event, a successor is required to be appointed.

AMENDMENTS AND SUPPLEMENTS (SECTIONS 9.01 AND 10.02)

The Issuer and the Trustee may enter into one or more Supplemental Indentures, without the consent of or notice to any of the Bondholders, for any one or more of the following purposes:

(i) To authorize Bonds of a Series and, in connection therewith, to specify and determine the matters and things referred to in the 1994 Indenture and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the

1994 Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds;

(ii) To close the 1994 Indenture or any Supplemental Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the 1994 Indenture or any Supplemental Indenture on, the delivery of Bonds or the issuance of other evidences of indebtedness;

(iii) To add to the covenants and agreements of the Authority in the 1994 Indenture or any Supplemental Indenture other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with the 1994 Indenture or the applicable Supplemental Indenture as theretofore in effect;

(iv) To add to the limitations and restrictions in the 1994 Indenture or any Supplemental Indenture other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with the 1994 Indenture or the applicable Supplemental Indenture as in effect;

(v) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the 1994 Indenture or any Supplemental Indenture, of the Revenues or of any other moneys, securities or funds;

(vi) To modify any of the provisions of the 1994 Indenture or any Supplemental Indenture in any respect whatever, *provided* that (a) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding and (b) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series delivered after the date of the adoption of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;

(vii) To cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the 1994 Indenture or any Supplemental Indenture;

(viii) To insert such provisions clarifying matters or questions arising under the 1994 Indenture or any Supplemental Indenture as are necessary or desirable and are not contrary to or inconsistent with the 1994 Indenture or the applicable Supplemental Indenture in effect; or

(ix) To make any change which, in the judgment of the Trustee (which, with respect to matters affecting the security for the Bonds, may conclusively rely upon written evidence from each Rating Agency, that such change will not adversely affect the Rating Quality of the Bonds), is not to the material prejudice of the Bondholders.

Any modification or amendment of any provision of the 1994 Indenture or any Supplemental Indenture and of the rights and obligations of the Authority and of the Holders of

the Bonds may be made by a Supplemental Indenture, with the written consent given as provided in the 1994 Indenture, (i) of the Holders of at least two-thirds in principal amount of the Outstanding Bonds or (ii) in case less than all of the several Series of Bonds then Outstanding would be affected by such modification or amendment, of the Holders of at least two-thirds in principal amount of the Outstanding Bonds of each Series so affected, except that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds is not required. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond 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 Holder of such Bond 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.

DEFEASANCE (SECTIONS 11.02 AND 11.03)

If the Authority pays or causes to be paid to the Holders of the Outstanding Bonds the principal, interest and redemption price, if any, to become due thereon, at the times and in the manner stipulated therein and in the 1994 Indenture, then the Bonds so paid will cease to be entitled to any lien, benefit or security under the 1994 Indenture, and all covenants, agreements and obligations of the Authority to the Holders of such Bonds will be discharged and satisfied.

Any Bond shall be deemed to be paid within the meaning of the 1994 Indenture and any Supplemental Indenture when payment of the principal amount of and premium, if any, on such Bond, plus interest thereon to the due date thereof, either (i) shall have been made or caused to be made in accordance with the terms thereof or (ii) shall have been provided by irrevocably depositing with the Trustee, and set aside for such payment (a) moneys sufficient to make such payment and/or (b) Government Obligations maturing as to principal and interest in such amount and at such time as will ensure the availability of sufficient moneys to make such payment. At such times as a Bond shall be deemed to be paid under the 1994 Indenture, it shall no longer be secured by or entitled to the benefits of the 1994 Indenture, except for the purposes of any such payment from such moneys or Government Obligations.

No deposit under clause (ii) of the preceding paragraph shall be deemed a payment of such Bonds until the earlier of: (i) proper notice of redemption of such Bonds shall be given in accordance with the 1994 Indenture, or in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, until the Authority shall have given the Trustee irrevocable instructions to notify the Holders or owners of the Bonds that the deposit required by clause (ii) of the preceding paragraph has been made with the Trustee and that said Bonds are deemed to have been paid and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal amount or redemption price, if applicable, on said Bonds; or (ii) the maturity of such Bonds.

In the case of Bonds which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds until the Authority has given the Trustee an irrevocable instruction:

(i) stating the date when the principal amount (and premium, if any) of each such Bond is to be paid, whether at maturity or on a redemption date;

(ii) to call for redemption pursuant to the 1994 Indenture (and at such times as notice thereof may be given) any Bonds to be redeemed prior to maturity pursuant to (i) above; and

(iii) to mail, as soon as practicable, a notice to the Holders of such Bonds and to the Rating Agency that the deposit required by clause (ii) of the second preceding paragraph has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the 1994 Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal amount or redemption price, if applicable, on said Bonds as specified in (i) above and whether or not such Bonds continue to be subject to redemption; *provided* that the foregoing shall in no way restrict the right of the Authority to reserve its right to redeem Bonds pursuant to the provisions thereof.

All moneys so deposited with the Trustee may at the direction of the Authority also be invested and reinvested in Government Obligations, and all income from all Government Obligations in the hands of the Trustee which is not required for the payment of the Bonds and interest and premium, if any, thereon with respect to which such moneys shall have been so deposited shall be deposited in the Revenue Fund as and when realized and collected for such an application as are other moneys deposited in such Fund.

All moneys or Government Obligations set aside and held in trust pursuant to the 1994 Indenture for the payment of Bonds (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including interest and premium thereof, if any) with respect to which such moneys and Government Obligations have been so set aside in trust.

If moneys or Government Obligations have been deposited or set aside with the Trustee for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of the 1994 Indenture shall be made without the consent of the Holder of each Bond affected thereby.

PLEDGE AND AGREEMENT OF THE STATE

Under the Act, the State pledges to and agrees with the holders of any bonds issued under the Act that the State will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with the holders thereof, or in any way impair the rights and remedies of such holders, until such bonds, together with the interest thereon, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of such holders are fully met and discharged. Pursuant to the Act, the Authority has included such pledge and agreement of the State in the 1994 Indenture.

TAX EXEMPTION

Bond Counsel has provided the information under this heading for use in this Official Statement.

The Code establishes certain requirements that must be met with respect to the 2018 Series 1 and 2 Bonds, subsequent to issuance, in order that interest thereon be excluded from gross income for federal income tax purposes. Failure to comply with such applicable requirements could cause the interest on the 2018 Series 1 and 2 Bonds to be includable in gross income retroactive to the date of original issuance of the 2018 Series 1 and 2 Bonds. The requirements of the Code include provisions that restrict the yield and set forth other limitations within which the proceeds of the 2018 Series 1 and 2 Bonds are to be invested, including mortgage eligibility requirements, and require that certain investment earnings be rebated on a periodic basis to the United States Treasury.

The Code imposes significant limitations on the financing of single family mortgage loans that are applicable to the 2018 Series 1 and 2 Bonds because they were applicable to certain of the Prior Series Bonds. The Authority has required and will require that all Loans financed by such Prior Series Bonds or the 2018 Series 1 Bonds and the 2018 Series 2 Bonds satisfied or satisfy such limitations.

Under the Code, the following requirements must be met with respect to each mortgage financed or refinanced with the proceeds of the 2018 Series 1 Bonds and the 2018 Series 2 Bonds: (i) the residence being financed must reasonably be expected by the Authority to become the principal residence of the mortgagor within a reasonable time after the financing is provided, must not be intended primarily or expected to be used in a trade or business and may not be used as an investment property or as a recreational home; (ii) with certain exceptions, at least 95% of the lendable proceeds of an issue must be used to finance residences of borrowers who have not had a present ownership interest in a principal residence during the three-year period prior to the date on which the mortgage is executed; (iii) the acquisition cost of the residence must not exceed certain limitations; (iv) the family income of the mortgagors must not exceed certain limitations as of the date of the origination of the mortgage loan; (v) with certain exceptions, proceeds may not be applied to acquire or replace an existing mortgage; (vi) a mortgage may not be assumed unless requirements (i)-(iv) above are met; and (vii) any qualified rehabilitation loans are to be made for residences at least 20 years of age which will undergo certain specified structural changes that result in an expenditure of at least 25% of the mortgagor's adjusted basis in the residence and where the mortgagor will be the first resident after completion of the rehabilitation.

An issue of bonds, such as the 2018 Series 1 Bonds and the 2018 Series 2 Bonds, is treated as meeting the mortgage eligibility requirements of the Code only if the issuer in good faith attempts to meet all of the mortgage eligibility requirements before the mortgages are executed and any failure to comply with the mortgage eligibility requirements is corrected within a reasonable period after such failure is first discovered. In addition, 95% or more of the proceeds of such bonds of the issue used to make loans must be used to finance residences which met all such requirements at the time the loans were executed. In determining whether 95% of such proceeds have been so used, the issuer is entitled to rely on an affidavit of the mortgagor and of

the seller and on the mortgagor's income tax returns filed with the Internal Revenue Service for the three years preceding the date the mortgage is executed even though the relevant information in such affidavits and returns should ultimately prove to be untrue, unless the Authority or its agent knows or has reason to believe that such information is false. If the relevant information in the affidavits obtained in connection with any loan is discovered to be untrue, however, the correction still must be made within a reasonable period.

In addition to the foregoing, certain requirements under the Code applicable to Loans financed with the proceeds of the 2018 Series 1 Bonds and the 2018 Series 2 Bonds include: (i) certain bond proceeds must be applied to financing mortgage loans or to the redemption of bonds within 42 months of the date of issuance (or the date of issuance of the original refunded bond obligations in the case of a refunding or series of refundings); (ii) prepayments and repayments of principal of mortgage loans received more than 10 years after the date of issuance of the 2018 Series 1 and 2 Bonds (or the original date of issuance of any bonds refunded by the 2018 Series 1 Bonds) are required to be used to redeem the 2018 Series 1 Bonds or the 2018 Series 2 Bonds (the "*Ten Year Rule*"); and (iii) mortgagors disposing of a residence within nine years of acquisition are subject to a tax in an amount up to 6.25% of the highest principal amount of a mortgage loan, but not to exceed 50% of the gain (if any) realized by the mortgagor on the disposition, and the Authority is required to provide a written notice of the potential for recapture to the mortgagor at the time of settlement and thereafter information necessary to determine the amount of such tax, if any.

The Authority has included provisions and procedures in the Mortgage Purchase and MCC Issuance Agreement and the Seller Guide in order to ensure compliance with the mortgage eligibility requirements and other requirements relating to nonmortgage investments which must be met subsequent to the date of issuance of the 2018 Series 1 and 2 Bonds. See "THE SINGLE FAMILY MORTGAGE PROGRAM" and "MORTGAGE ORIGINATION AND PURCHASE PROCEDURES."

Certain arbitrage limitations apply to the 2018 Series 1 and 2 Bonds. These limitations relate to the yield permitted on the Loans, the yield permitted on nonmortgage investments acquired with proceeds of such Bonds and rebate to the United States of nonmortgage arbitrage profit.

The Authority has covenanted in the 1994 Indenture to do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds intended to be tax-exempt shall be exempt from regular federal income taxes under the Code. Under the Code, certain requirements must be met subsequent to the delivery of the 2018 Series 1 and 2 Bonds in order that interest on such Bonds be tax-exempt. Failure to comply with these covenants may result in interest on the 2018 Series 1 and 2 Bonds being included in gross income for federal income tax purposes from the date of issuance of the 2018 Series 1 and 2 Bonds.

In the opinion of Kutak Rock LLP, Bond Counsel, to be delivered on the date of issuance of the 2018 Series 1 and 2 Bonds, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the 2018 Series 1 and 2 Bonds is excluded from gross income for federal income tax purposes. Interest on the 2018 Series 1 and 2 Bonds is not a specific preference item

in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations and is not included in the calculation of adjusted current earnings for purposes of the federal alternative minimum tax imposed on corporations. The form of such opinion of Bond Counsel is attached hereto as APPENDIX E.

Although Bond Counsel will render an opinion that interest on the 2018 Series 1 and 2 Bonds will be excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the 2018 Series 1 and 2 Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel will express no opinion regarding any such consequences.

Purchasers of the 2018 Series 1 and 2 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions or certain recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to claim earned income credit, tax payers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the 2018 Series 1 and 2 Bonds.

The PAC Bonds ("*Premium Bonds*") are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes original issue premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium in accordance with the provisions of Section 171 of the Code. Purchasers of the Premium Bonds should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to state and local tax consequences of owning a Premium Bond.

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the 2018 Series 1 and 2 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made after March 31, 2007 to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. This reporting requirement does not in and of itself affect or alter the excludability of interest on the 2018 Series 1 and 2 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

THE EXTENT OF THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE 2018 SERIES 1 AND 2 BONDS WILL DEPEND UPON THE BENEFICIAL OWNER'S TAX STATUS OR OTHER ITEMS OF INCOME OR DEDUCTION. PURCHASERS OF THE 2018 SERIES 1 AND 2 BONDS OR THE HOLDERS THEREOF SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE CONSEQUENCES OF PURCHASING OR HOLDING THE 2018 SERIES 1 BONDS OR THE 2018 SERIES 2 BONDS, AS APPLICABLE.

From time to time, there are legislative proposals in Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the 2018 Series 1 and 2 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. 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 of the 2018 Series 1 and 2 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 2018 Series 1 Bonds or the 2018 Series 2 Bonds or the market value thereof would be impacted thereby. Each purchaser of the 2018 Series 1 Bonds or the 2018 Series 2 Bonds should consult his or her own tax advisor regarding any pending or proposed legislation, regulatory initiatives or litigation.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with any respect to any pending legislation, regulatory initiatives or litigation.

RATINGS

The 2018 Series 1 Bonds are rated “____,” and the 2018 Series 2 Bonds are rated “____,” by Moody’s, and the 2018 Series 1 Bonds are rated “____,” and the 2018 Series 2 Bonds are rated “____,” by S&P. The short term ratings on the 2018 Series 2 Bonds are assigned by Moody’s and S&P with the understanding that, upon delivery of the 2018 Series 2 Bonds, the Liquidity Facility will be issued. 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 2018 Series 1 and 2 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 2018 Series 1 and 2 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 Continuing Disclosure Agreement or to contest any such revision or withdrawal.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated (“*Merrill Lynch*”) and RBC Capital Markets, LLC (together, the “*2018 Series 1 Underwriters*”), have jointly and severally agreed, subject to certain conditions, to purchase the 2018 Series 1 Bonds from the Authority at an aggregate price of \$_____. The public offering prices set forth on the inside cover page hereof may be changed from time to time by the Underwriters. The 2018 Series 1 Underwriters will receive underwriting compensation in the amount of \$_____. The 2018 Series 2 Bonds are being purchased by Merrill Lynch (the “*2018 Series 2 Underwriter*” and, collectively with the

2018 Series 1 Underwriters, the “*Underwriters*”). The 2018 Series 2 Underwriter has agreed to purchase the 2018 Series 2 Bonds at an aggregate price of \$_____. The 2018 Series 2 Underwriter will receive underwriting compensation in the amount of \$_____. The Purchase Contract with respect to the 2018 Series 1 Bonds and the Purchase Contract with respect to the 2018 Series 2 Bonds (each, a “*Purchase Contract*”) provide that the respective Underwriters shall purchase all the 2018 Series 1 and 2 Bonds, as the case may be, if any are purchased, the obligation to purchase being subject to certain terms and conditions set forth in each of the Purchase Contracts, the approval of certain legal matters by counsel and certain other conditions. It is a condition of the obligations of the 2018 Series 1 Underwriters to purchase and accept delivery of the 2018 Series 1 Bonds that the entire principal amount of the 2018 Series 2 Bonds be issued. It is a condition of the obligation of the 2018 Series 2 Underwriter to purchase and accept delivery of the 2018 Series 2 Bonds that the entire principal amount of the 2018 Series 1 Bonds be issued. The initial public offering prices may be changed, from time to time, by the Underwriters. The Underwriters may offer and sell the 2018 Series 1 and 2 Bonds to dealers and others (including to unit investment trusts and other affiliated portfolios of the Underwriters) at prices lower than such initial public offering price.

RBC Capital Markets, LLC, an underwriter for the Series 1 Bonds and Remarketing Agent for the 2018 Series 2 Bonds, is an indirect wholly-owned subsidiary of the Royal Bank of Canada, the provider of the Liquidity Facility with respect to the 2018 Series 2 Bonds.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the underwriters and their affiliates may have certain creditor and/or other rights against the Authority and its affiliates in connection with such activities. In the various course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to the clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Authority intends to use a portion of the proceeds from this offering to redeem the Prior Series Bonds. To the extent an Underwriter or an affiliate thereof is an owner of the Prior Series Bonds, such Underwriter or its affiliate, as applicable, would receive a portion of the proceeds from the issuance of the 2018 Series 1 and 2 Bonds contemplated herein in connection with such Prior Series Bonds being redeemed by the Authority.

LITIGATION

At the time of delivery of and payment for any Series of Bonds, the Authority will certify that no litigation is pending or, to the knowledge of its Executive Director, threatened in any court in any way affecting the existence of the Authority or the titles of its officers or members to their respective offices, or seeking to restrain or to enjoin the issuance of the Bonds, or the collection of revenues and assets of the Authority pledged or to be pledged to pay the principal of and interest on the Bonds or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds and the certain related documents or contesting in any way the completeness or the accuracy of the offering documents, or contesting the powers of the Authority or its authority with respect to the Bonds or certain related documents.

APPROVAL OF LEGALITY

Legal matters incident to authorization, issuance, sale and delivery of the 2018 Series 1 and 2 Bonds are subject to the approval of Kutak Rock LLP, Bond Counsel, whose approving opinion will be delivered with the 2018 Series 1 and 2 Bonds. Certain legal matters in connection with the 2018 Series 1 and 2 Bonds will be passed upon for the Authority by its counsel, Murane and Bostwick and for the Underwriters by their counsel, Chapman and Cutler LLP.

FINANCIAL STATEMENTS

Included in APPENDIX D to this Official Statement are the audited financial statements of the Authority for the years ended June 30, 2016 and 2017, together with the report of Porter, Muirhead, Cornia & Howard dated September 28, 2017 with respect thereto, and unaudited financial statements for the six months ended December 31, 2017. The information in APPENDIX D is provided for informational purposes only. The Bonds are not general obligations of the Authority but are special obligations of the Authority payable solely from the revenues, income and receipts of the Authority pledged to the payment thereof under the 1994 Indenture.

CONTINUING DISCLOSURE AGREEMENT

The following is a summary of the Agreement to be entered into by the Authority with respect to the 2018 Series 1 and 2 Bonds. For purposes of this summary, the 2018 Series 1 and 2 Bonds are referred to as the “*Related Bonds*” and the holders of Related Bonds are referred to as the “*Related Bondholders*.”

DEFINITIONS

“*EMMA*” means the MSRB’s Electronic Municipal Market Access system for municipal securities disclosure of the MSRB currently available at www.emma.msrb.org.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“Rule” means paragraph (b)(5) of Commission Rule 15c2-12 under the Securities Exchange Act of 1934.

ANNUAL FINANCIAL INFORMATION AND OPERATING DATA

The Authority, as an “obligated person” for purposes of the Rule, agrees to provide or cause to be provided at least annually to the MSRB financial information and operating data, as of the end of the Authority’s fiscal year, regarding the Authority and its Housing Revenue Program of the type set forth in this Official Statement in the following Appendices:

APPENDIX B – Loan Portfolios and Other Selected Data
APPENDIX D – Authority Financial Statements

The financial and operating information described above will be filed no later than 270 days after the end of the fiscal year of the Authority and may be provided in one document or in multiple documents delivered in such manner (which shall be electronic and otherwise in accordance with EMMA from and after the effective date) and by such time so that it is received by the date herein required. Such information will include audited financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time; *provided, however*, that if audited financial statements are not available within 270 days after the end of the preceding fiscal year, unaudited financial statements will be provided with audited financial statements to follow when available. The Authority may provide additional or more current information if it so desires.

The financial and operating information described above shall be provided at least annually notwithstanding a fiscal year longer than 12 calendar months. The Authority may change its current fiscal year, but must promptly notify the MSRB of each such change.

All or any portion of the annual financial and operating information may be provided by way of cross-reference to other documents previously provided to the MSRB or filed with the Commission. If the cross-referenced document is a final official statement within the meaning of the Rule, it shall be available from the MSRB.

FAILURE TO FILE ANNUAL FINANCIAL AND OPERATING INFORMATION

The Authority agrees to provide or cause to be provided, in a timely manner to the MSRB notice of a failure by the Authority to provide the annual financial and operating information described above on or prior to the date specified above.

REPORTABLE EVENTS

The Authority agrees to provide or cause to be provided, in a timely manner not more than ten business days after the occurrence of the event, to the MSRB, notice of the occurrence of any of the following events with respect to the Related Bonds:

- (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 501-TEB) or other material notices or determinations with respect to the tax status of the Related Bonds, or other material events affecting the tax status of the Related Bonds;
- (vii) modifications to rights of the holders of the Related Bonds, if material;
- (viii) Related Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Related Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Authority (the event identified in this clause is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority 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 Authority, 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 Authority);
- (xiii) consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the Authority, 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; and
- (xiv) appointment of a successor or additional trustee, or the change of name of a trustee, if material.

Each reportable event notice shall be so captioned and shall prominently state the date, title and (to the extent less than all of the Related Bonds are affected by the related event) CUSIP numbers of the Related Bonds.

The Authority may, from time to time, choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Authority does not undertake any commitment to provide such notice of any event except those events listed above.

DISSEMINATION AGENT

The Authority may, from time to time, engage or appoint an agent to assist the Authority in disseminating information under the Agreement (the “*Dissemination Agent*”). The Authority may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

TERMINATION OF OBLIGATIONS

Pursuant to paragraph (b)(5)(iii) of the Rule, the Authority’s obligation to provide annual financial and operating information and notice of reportable events, as set forth in the Agreement, shall terminate as to the Related Bonds if and when the Authority no longer remains an obligated person with respect to the Related Bonds which shall occur upon either payment of the Related Bonds in full or the legal defeasance of the Related Bonds in accordance with the 1994 Indenture.

ENFORCEABILITY AND REMEDIES

The Agreement is intended to be for the sole benefit of the holders of the Related Bonds (for such purpose beneficial owners of the Related Bonds shall also be considered holders of the Related Bonds) and the Underwriters and shall create no rights in any other person or entity (except the Trustee, and then only as set forth below).

The Agreement shall be enforceable by or on behalf of any such holder of the Related Bonds, provided that the right of any Bondholder to challenge the adequacy of the information furnished pursuant to the Agreement shall be limited to an action by or on behalf of Related Bondholders representing at least twenty-five percent (25%) of the aggregate outstanding principal amount of the Related Bonds. The Agreement is also enforceable on behalf of the holders of the Related Bonds by the Trustee, and the Trustee may, and, upon the written direction of the owners of not less than twenty-five percent (25%) of the aggregate outstanding principal amount of the Related Bonds or any Underwriter, shall, proceed, subject to the indemnification and other provisions of the 1994 Indenture, to protect and enforce the rights of the owners of the Related Bonds pursuant to the Agreement; *provided* that in all cases the Trustee shall be entitled to the indemnification and other provisions of the 1994 Indenture with regard to any actions. Any failure by the Authority to comply with the provisions of the Agreement shall not be an Event of Default under the 1994 Indenture.

The Related Bondholders' and the Trustee's 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 Authority's obligations under the Agreement, and the Authority, its members, officers and employees shall incur no liability under the Agreement by reason of any act or failure to act thereunder. Without limiting the generality of the foregoing, neither the commencement nor the successful completion of an action to compel performance shall entitle the Trustee or any other person to attorney's fees, financial damages of any sort or any other relief other than an order or injunction compelling performance; *provided* that the Trustee shall nevertheless be entitled to attorney's fees and such other rights and amounts as provided in the 1994 Indenture.

AMENDMENT

Notwithstanding any other provision of the Agreement, the Authority may amend the Agreement and any provision of the Agreement may be waived, without the consent of the Related Bondholders, under the following conditions:

- (1) the amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Authority, or type of business conducted;
- (2) the Agreement, as amended or with the provision so waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (3) the amendment or waiver does not materially impair the interest of holders of the Related Bonds as determined either by parties unaffiliated with the Authority (which shall include the Trustee or nationally recognized bond counsel, or any other party determined by either of them to be unaffiliated), or by approving vote of holders of the Related Bonds pursuant to the terms of the 1994 Indenture at the time of the amendment or waiver.

The Authority shall provide notice of each amendment or waiver to the MSRB. The initial annual financial or operating information provided by the Authority after the amendment or waiver and the effect of the change in the type of operating data or financial information being provided.

ADDITIONAL INFORMATION

Certain provisions of the Act, the Code, the 1994 Indenture and other documents and legislation are summarized in this Official Statement. Such summaries do not purport to be comprehensive or definitive and reference is made to such statutes or document for a full and complete statement of their respective provisions. Copies of the 1994 Indenture may be obtained, in reasonable quantity, upon request directed to the Wyoming Community Development Authority, 155 North Beech Street, Casper, Wyoming 82601, telephone (307) 265-0603, or, during

the offering period, to Bank of America Merrill Lynch, One Bryant Park, 12th Floor, NY1-100-12-07, New York, New York 10036.

The information contained in this Official Statement is subject to change without notice and no implication is to be derived therefrom or from the sale of any Series of Bonds that there has been no change in the affairs of the Authority subsequent to the date hereof and thereof. Pursuant to the 1994 Indenture, the Authority has covenanted to keep proper books of record and account in which full, true and correct entries will be made of all its dealings and transactions under the 1994 Indenture and to cause such books to be audited for each fiscal year. The 1994 Indenture requires that such books be open to inspection at all reasonable times by the holders of not less than 5% of the Bonds during regular business hours and that the Authority furnish a copy of the auditor's report, when available, upon request of the holder of any outstanding Bonds. The Authority's quarterly disclosure reports and other information regarding the Authority are available for inspection at the Authority's Internet web site at wyomingcda.com.

This Official Statement is submitted in connection with the offering of the 2018 Series 1 and 2 Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or holders of any of the 2018 Series 1 and 2 Bonds.

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

WYOMING COMMUNITY DEVELOPMENT
AUTHORITY

By _____
Authorized Officer

APPENDIX A

AUTHORITY OPERATIONS

HOUSING ACTIVITIES

Housing Financing

The Authority initiated the Single Family Mortgage Program in August 1978 and has issued bonds under various indentures to finance the Program pursuant to its authorization under the Act. As of December 31, 2017, there were \$563,655,000 principal amount of Bonds outstanding under the 1994 Indenture and \$113,300,000 principal amount of bonds outstanding under the 2009 Indenture. With certain exceptions, mortgage loans acquired with proceeds of bonds issued under the 2009 Indenture must be insured or guaranteed by an agency or instrumentality of the federal government. The Authority has retired bonds at maturity and by redemption prior to maturity, including optional redemption with the proceeds of refunding bonds. Bonds issued under indentures entered into in 1978, 1981 and 1984 have been paid in full.

Substantially all the proceeds of the series of single family mortgage bonds issued under the 1994 Indenture designated and available for the purchase of mortgage loans, other than amounts reserved for special programs, have been expended or allocated for the purchase of individually identified mortgage loans. The Authority continues to commit to the purchase of mortgage loans in anticipation of funds becoming available from other sources. When feasible on an interest rate basis and permissible under the Code and the related bond documents, the Authority also applies prepayments on single family mortgage loans to the purchase of new single family mortgage loans.

Interest rates prescribed by the Authority for single family mortgage loans to be purchased by the Authority are subject to change at any time and from time to time for any one or more mortgage loans at the option of the Authority and the order of utilization of available moneys to fund such purchases will be determined in the sole discretion of the Authority. Information regarding interest rates on Loans financed by previous Series of Bonds is included in the Authority's most recent Disclosure Report for the 1994 Indenture on file with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access System and such information is incorporated herein by reference.

In December 2014, the Authority entered into a line of credit with the Federal Home Loan Bank of Des Moines. Advances under the line of credit are expected to be used to finance the purchase of mortgage loans pending the issuance of Bonds to finance such mortgage loans. The maximum amount that can be currently drawn under the line of credit is \$27,500,000.

From time to time, the Authority has provided financing for projects intended to offer affordable multifamily housing through the issuance of limited obligation Multifamily Housing Revenue Bonds. No series of such Multifamily Housing Revenue Bonds remain outstanding.

From time to time, the Authority has acted as a conduit issuer for various housing projects within the State. For such financings, the Authority has no liability with respect to the bonds and only the conduit borrower is obligated to make payment on the bonds. The Authority is currently the issuer of three such financings.

(See Notes 4, 6 and 7 of Notes to Basic Financial Statements, APPENDIX D, for further information concerning bonds issued to finance housing programs and the loans acquired.)

Moody's and S&P have assigned respective long-term general obligation ratings of "Aa2" and "AA" to the Authority.

Servicing

Due to a decrease in the number of entities in the State having the capability and willingness to service the Authority's mortgage loans, the Authority commenced in-house mortgage servicing in December 1990. As of December 31, 2017 the Authority serviced 12,480 mortgage loans, including 1,931 second mortgage loans. The Authority is the single largest servicer of mortgage loans acquired with its bond proceeds, servicing, as of December 31, 2017, 8,095 of those loans, representing approximately 64.86% of its mortgage servicing portfolio. In addition, the Authority is a Fannie Mae and Ginnie Mae approved seller/servicer and services directly mortgage loans underlying Fannie Mae securities, including certain of the loans described under "Housing Financing." As of December 31, 2017, the Authority serviced approximately 4,091 Fannie Mae loans and 285 loans that were pooled with Ginnie Mae. With limited exceptions, servicing of all newly acquired mortgage loans is currently being assigned to the Authority. Servicing activities are carried out primarily by 12 full time servicing employees under the supervision of the Director of Mortgage Loan Servicing. By virtue of the personal qualifications of a member of the staff, the Authority is approved by FHA to engage in FHA-insured single family direct endorsement underwriting. At present the Authority occasionally engages in FHA-insured underwriting in connection with loan assumptions, but it can and may do so in other circumstances.

The Authority may in the future increase its servicing portfolio by acquisition of existing servicing rights, including servicing of mortgage loans that the Authority does not own and does not intend to purchase, and is currently assuming the servicing of mortgage loans being originated by some lenders. The capital costs for the in-house servicing system, as well as any costs of acquisition of existing servicing rights, are paid from the Authority's General Fund. Ongoing administrative costs of such servicing are offset by the servicing fees retained by the Authority. See Note 11 of Notes to Basic Financial Statements, APPENDIX D for further information regarding servicing.

Housing Trust Fund

The Authority has established a Housing Trust Fund for the purpose of financing nontraditional affordable housing and rehabilitation other than under its tax-exempt bond Program. Loans to projects from the Housing Trust Fund are often combined with other funding sources to accomplish housing goals. Payments received on these mortgage loans provide further funding for Housing Trust Fund purposes.

Historically, the Authority funded its Down Payment Assistance loan program through the Housing Trust Fund. Recently, the Authority decided to fund a small portion of its HomeStretch Down Payment Assistance loan program with proceeds from the sale of Bonds, including the 2018 Series 1 and 2 Bonds. Under these programs the Authority provides assistance with down payment, closing costs, prepaid items, inspections and Homebuyer Education fees to eligible WCDA homebuyers. The loans are secured by a second mortgage and the second mortgage when combined with the first mortgage may not exceed 106% of the lower of the purchase price or appraised value of the property. The maximum allowable down payment loan is \$10,000. Interest rates on down payment assistance loans have ranged from 0% to 8.50%, with an average rate of 7.00%, and may be higher or lower in the future.

The Authority initiated its Wyoming Energy Savers Program (“WES”) under the Housing Trust Fund in 2011. Under WES, the Authority purchased rehabilitation loans made to eligible homeowners for health and safety repairs and for energy efficiency and weatherization improvements to their homes, including, but not limited to, furnace replacement, insulation and exterior storm windows. The Authority established certain basic terms relating to the purchase of a loan under WES. First, the loan must be secured by a mortgage. Second, the amount of the loan must be at least \$1,000 and no more than \$15,000. Finally, the interest on the loan was calculated at either (i) 3% simple interest due and payable upon the transfer or sale of the property or at the time the home ceases to be the borrower’s principal residence or (ii) 4% per annum for a term from one to 96 months. The Authority discontinued this program effective September 18, 2017.

Mortgage Guaranty Fund

The Mortgage Guaranty Fund was established in 1989 through conversion of an existing fund, and money therein was initially committed to guarantee a portion of the outstanding principal amount of each mortgage loan made on a property acquired by the Authority through foreclosure. Under this program, the guarantee amount was initially 40% of the principal amount and, effective July 1, 1995, the amount for new guarantees was changed to 20% of the principal amount. In addition, the scope of obligations guaranteed through the Mortgage Guaranty Fund has been expanded to include interim and long term project financing and down payment loans made through the Housing Trust Fund. As of December 31, 2017, the Mortgage Guaranty Fund had fund equity of \$22,526,334 and funds therein had been committed in the aggregate amount of \$611,797 with respect to guarantees. See the information regarding the Mortgage Guaranty Fund in Note 2 of Notes to Basic Financial Statements, APPENDIX D.

Selling and Securitizing Mortgages

In the past, the Authority’s rules allowed the Authority to purchase and service mortgage loans, but selling or securitizing mortgages into Mortgage-Backed Securities pools was not allowed; however, the Authority has amended its rules to allow the Authority to sell or securitize mortgages into Mortgage-Backed Securities pools. The Authority has securitized 14 Mortgage-Backed Securities pools through December 31, 2017, totaling approximately \$20,199,937.

The Authority offers its WCDA Advantage loan product to purchase homes or refinance FHA insured, RD guaranteed or VA guaranteed loans. Borrowers under this product may have

slightly higher incomes of no more than 140% of the HUD state median income. The Authority intends to securitize these mortgages into Mortgage-Backed Securities pools that will be purchased by investors.

Federal Program Administration

The Authority has been designated as the agency to administer the federal Home Investment Partnerships Program (HOME) under the Cranston-Gonzalez National Affordable Housing Act and the National Housing Trust Fund Program (NHTF) under HERA for the State. Wyoming has received allocations of HOME funds for the development of decent, safe and affordable housing for low and very low-income households, NHTF funds will be utilized to provide housing to the extremely low income population, including homeless families. HOME funds have been reduced over the past few years and additional cuts have been proposed for fiscal year 2017. As the State housing finance authority, the Authority has been designated to administer the federal Low Income Housing Tax Credit (LIHTC) for Wyoming. This program provides tax credits for developers as an incentive to develop affordable housing.

In addition, the Authority administers the Neighborhood Stabilization Program under HERA and the Tax Credit Assistance Program and Tax Credit Exchange Program under ARRA.

Fannie Mae Conventional Loan Product

Fannie Mae has two conventional loan products for Housing Finance Agencies (“HFAs”) that provide an alternative execution to fund home loans. The Authority entered into a contract with Fannie Mae to sell loans to Fannie Mae, with the Authority retaining the servicing of the loans. Since May 2012, these Fannie Mae loan products have been offered simultaneously with the bond funded programs. These products follow the Fannie Mae Home Ready Program with a few variances allowed only to HFAs. The HFA Preferred product requires mortgage insurance. The HFA Preferred No MI (Risk Share) product does not require private mortgage insurance. The Risk Share product has a twelve month “risk share” requirement for default. The Authority is required to repurchase a loan that goes into serious default (4 months delinquent) within the first twelve months. The Authority has set aside \$2,000,000 from the Mortgage Guaranty Fund as an additional reserve for any repurchases.

HFA Preferred and HFA Preferred No MI loans will be originated by lenders and submitted for purchase by the Authority, using the same process currently used by Authority lenders. The Authority will then sell the approved loans to Fannie Mae on a whole loan basis.

Homebuyer Education

The Authority, in partnership with Wyoming Housing Network, Inc., a Neighborworks affiliate (“WHN”), offers an on-line homebuyer education course which homebuyers may access at their convenience. In addition to the on-line homebuyer education course, WHN also provides required one-on-one financial counseling for individual homebuyers. Completion of the course and the one-on-one counseling session is a requirement of the Authority for at least one first-time homebuyer or each loan.

Mortgage Credit Certificate Program

The Authority participates in the Mortgage Credit Certificate program, which provides qualified first-time homebuyers a tax credit. The tax credit allows the qualified buyer to take a tax credit based on a percentage of the amount of mortgage interest paid each year. The home that is purchased cannot be financed with the proceeds of tax-exempt bonds, including the Bonds. During the calendar year ending December 31, 2017, there were 48 homes purchased that utilized the Mortgage Credit Certificate Program.

INTEREST RATE SWAP POLICY

The Authority has adopted an Interest Rate Swap Policy (the “*Policy*”) to establish guidelines for the use and management of interest rate swaps, which Policy may be amended at any time. The Act authorizes the Authority to make and execute financial contracts and instruments, such as interest rate swaps, “which the authority determines are reasonable and advisable to carry out the purposes and programs of the authority.” The Policy requires that the Board of Directors of the Authority approve any interest rate swap transaction, and designates the Executive Director and Director of Finance as administrators of the Policy. The Authority also has retained a swap advisor to assist it in analyzing the financial aspects of any interest rate swap transactions.

The Policy addresses, among other things, (i) conditions for the use of interest rate swaps, (ii) interest rate swap features, (iii) evaluation and management of interest rate swap risks, and (iv) disclosure and reporting. The conditions for the use of interest rate swaps address allowable instruments (both fixed and floating rate, immediate delivery or forward settlement) and uses (hedging of variable rate bonds, mortgage pipeline, or balance sheet short-term variable rate investments), maximum notional amount and term, liquidity considerations for variable rate debt, and call option value considerations. Interest rate swap features include document terms (e.g., termination rights, downgrade provisions, collateral requirements, governing law and so on), counterparty terms (credit considerations and counterparty termination exposure), term and notional amount limits, security for and source of funds for Authority payments, and prohibited features (e.g., speculation, and extraordinary leverage or risk). Evaluation and management include reviewing various risks (basis risk, tax risk, counterparty risk, termination risk, rollover risk and liquidity risk) and at least semi-annually reporting to the Board of Directors on such risks for each interest rate swap.

PENDING LITIGATION

From time to time, the Authority may be a plaintiff or defendant in legal actions arising in the ordinary course of the Authority’s activities. No such actions are currently pending which involve material financial risk to the Authority.

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APPENDIX B

LOAN PORTFOLIOS AND OTHER SELECTED DATA

THE 1994 INDENTURE

LOAN PORTFOLIO INFORMATION

Outstanding principal balance of loans includes all loans purchased or transferred to the 1994 Indenture through the Authority's cut-off date (the end of each month) which differs from the amount reported through the end of the month in the Authority's financial statements as of the corresponding date, if any, included in APPENDIX D. All other data is also as of the Authority's cut-off date.

General

As of December 31, 2017

Outstanding principal balance of loans	\$596,347,877 ¹
Average purchase price of property	\$102,179
Average original loan amount	\$100,609
Total number of loans originated	28,125
Total number of loans originated — active series	14,616
Total number of loans paid off — active series	9,342
Total number of loans outstanding — active series	5,274

¹ Includes approximately \$23.3 million outstanding principal balance of Loans that were purchased with proceeds of Bonds but participations in which are pledged to the payment of bonds issued under the 2009 Indenture.

Characteristics (as % of loans outstanding)

As of December 31, 2017

New construction	11.51%
Existing homes	88.49%
FHA	53.12%
RD	24.84%
PMI	12.27%
VA	7.30%
Guaranty Fund, Self Insurance or Uninsured	1.79%
80% or less LTV	0.68%

Approximately 46% of the Loans insured by a PMI Policy listed above are covered by PMI Policies provided by Radian Guaranty Inc. (“*Radian*”), approximately 54% are covered by PMI Policies provided by Genworth Mortgage Insurance Corporation (“*Genworth*”) and less than 1% of the Loans are insured by a PMI Policy issued by other insurance companies. The ratings of private mortgage insurance companies, including Genworth and Radian, have been under review by Moody’s and S&P as a result of the disruptions in the housing market. Many of these companies have had rating downgrades or other negative adjustments. Radian is currently rated “Baa3” by Moody’s and “BBB+” by S&P. Genworth is currently rated “Ba1” by Moody’s and “BB+” by S&P.

RD program includes all areas of the State except the cities of Cheyenne, Casper and Laramie, plus certain parts of Natrona County.

Delinquency Statistics

As of December 31, 2017

No. of Loans Foreclosed Inception to Date:	2,476	Real Estate Owned Number of Loans:	11
Foreclosed (Loss)/Gain to Date Net of Insurance Proceeds (\$000):	(\$8,465)	Outstanding Mortgage Amount At Time of Default (\$000):	\$1,246
		Current Balance (\$000):	\$931

The tables below are a comparison of certain delinquency and foreclosure rates of loans purchased or transferred to the 1994 Indenture to all mortgage loans serviced in Wyoming, the latter as reported by the National Delinquency Survey prepared by the Economic and Research Department of the Mortgage Bankers’ Association of America (the “*MBA*”). All percentages in the tables below are based on the number of loans (not outstanding principal amount) and utilize the MBA category definitions. The percentages of the types of loans (i.e., FHA, VA, prime, etc.) that comprise the loan portfolio for the 1994 Indenture differ from the percentages of the types of loans that make up the MBA Wyoming statewide loan portfolio that is included in the tables below.

As of December 31, 2017

	(1994 Indenture Percentages)	(MBA Statewide Percentages)
60 Days	1.65%	0.73%
90 Days or more	1.73%	0.93%
In Foreclosure	0.88%	0.57%

As of June 30, 2017

	(1994 Indenture Percentages)	(MBA Statewide Percentages)
60 Days	1.67%	0.68%
90 Days or more	1.83%	0.85%
In Foreclosure	0.89%	0.62%

As of June 30, 2016

	(1994 Indenture Percentages)	(MBA Statewide Percentages)
60 Days	2.54%	0.79%
90 Days or more	2.01%	0.92%
In Foreclosure	0.66%	0.56%

As of June 30, 2015

	(1994 Indenture Percentages)	(MBA Statewide Percentages)
60 Days	1.79%	0.69%
90 Days or more	1.90%	0.88%
In Foreclosure	1.01%	0.58%

Servicing

As of December 31, 2017

SERVICER	NUMBER OF LOANS	% OF PORTFOLIO	Loans 60 or More Days Delinquent	
			NUMBER	PRINCIPAL AMOUNT
WCDA Mortgage Servicing	4,837	92.72%	207	\$23,534,437
First Interstate Bank	284	5.44%	12	\$474,846
Big Horn Federal	77	1.48%	2	\$142,762
All others (4)	19	0.36%	1	\$78,600

USE OF LOAN REPAYMENTS

Under the Code, for Qualified Mortgage Revenue Bonds issued after 1988, some or all repayments (including Prepayments) of principal of Loans may be used to make additional Loans for up to ten years from the date of issuance of the issue of Bonds which financed the Loans (or the date of issuance of the original refunded bond obligations in the case of a refunding or series of refundings). After the related ten-year date, all Loan principal repayments must be used to redeem the related issue of Bonds, subject to a de minimis exception (the “*Repayment Redemptions*”). The Authority has frequently issued two or more Series of Bonds at or about the

same time pursuant to a common plan of financing for purposes of the Code (the “*Common Plan Issues*”). Repayments of principal of Loans related to a Common Plan Issue which must be applied to Repayment Redemptions must be used to redeem Bonds of the related Common Plan Issue and may be used to redeem Bonds of any Series within such Common Plan Issue. The Series of Bonds which comprise Common Plan Issues are grouped together in the table below. The following table sets forth (i) the dates on which principal repayments of a portion or all of the Loans related to the respective Common Plan Issues and other issues of Bonds are subject to Repayment Redemptions and (ii) the percentage of such Loans which are so subject from and after such dates.

LOANS FINANCED BY	DATE ON WHICH RESTRICTION IS APPLICABLE	PERCENTAGE OF LOANS SUBJECT TO RESTRICTION
2008 Series 1 and 2008 Series 2	June 4, 2008 to January 12, 2010	5.33% to 8.84%
	January 13, 2010 to January 5, 2015	9.47% to 11.18%
	January 6, 2015 to February 27, 2016	12.28% to 15.03%
	February 28, 2016 to June 3, 2018	76.08% to 80.65%
	June 4, 2018	100.00%
2010 Series 1	June 30, 2010 to December 1, 2018	100.00%
2010 Series 2	June 30, 2010 to June 29, 2020	0.00%
	June 30, 2020 to December 1, 2030	100.00%
2012 Series 1 and 2012 Series 2	June 12, 2012 to June 11, 2022	81.94%
	June 12, 2022 to December 1, 2037	100.00%
2013 Series 1 and 2013 Series 2 and 2013 Series 3	April 11, 2013 to April 10, 2023	67.81%
	April 11, 2023 to December 1, 2038	100.00%
2014 Series 1 and 2014 Series 2 and 2014 Series 3 and 2014 Series 5	August 26, 2014 to September 22, 2014	48.67%
	September 23, 2014 to May 2, 2015	59.36%
	May 3, 2015 to July 25, 2015	63.36%
	July 26, 2015 to November 1, 2015	68.53%
	November 2, 2015 to August 25, 2024	72.73%
	August 26, 2024 to December 1, 2044	100.00%
2015 Series 1 and 2015 Series 3	February 5, 2015 to May 2, 2015	13.87%
	May 3, 2015 to July 25, 2015	15.82%
	July 26, 2015 to November 1, 2015	18.33%
	November 2, 2015 to February 4, 2025	20.38%
	February 5, 2025 to December 1, 2044	100.00%
2015 Series 4,	September 2, 2015 to November 1, 2015	14.88%
	November 2, 2015 to February 27, 2016	24.74%

LOANS FINANCED BY	DATE ON WHICH RESTRICTION IS APPLICABLE	PERCENTAGE OF LOANS SUBJECT TO RESTRICTION
2015 Series 6 and 2015 Series 7	February 28, 2016 to May 30, 2016 May 31, 2016 to September 1, 2025 September 2, 2025 to December 1, 2045	34.26% 43.38% 100.00%
2016 Series 1, 2016 Series 2, and 2016 Series 3	October 5, 2016 to November 1, 2016 November 2, 2016 to February 13, 2017 February 14, 2017 to October 4, 2026 October 5, 2026 to December 1, 2046	20.41% 42.84% 48.56% 100.00%
2017 Series 1, 2017 Series 2, and 2017 Series 4	May 9, 2017 to May 8, 2027 May 9, 2027 to December 1, 2047	32.73% 100.00%
2017 Series 5 and 2017 Series 6	November 21, 2017 to September 1, 2025 September 2, 2025 to November 20, 2027 November 21, 2027 to December 1, 2047	0.00% 4.41% 100.00%
2018 Series 1 and 2018 Series 2*	May 16, 2018 to September 1, 2025 September 2, 2025 to May 15, 2028 May 16, 2018 to December 1, 2048	0.00% 3.85% 100.00%

The foregoing dates at which all principal repayments of Loans related to a Common Plan Issue or other issue of Bonds become subject to Repayment Redemptions are for general reference only, and the timing and the amounts of principal repayments applied to the redemption of Bonds as required Repayment Redemptions may be changed by the Authority to the extent permitted or required by the Code. In addition, at such time as all Loan principal repayments related to an issue of Bonds become subject to Repayment Redemptions, the rate at which the Bonds of that issue are redeemed may, but will not necessarily, increase and there can be no certainty as to the relative rate of redemption as between the respective Series of Bonds which comprise a Common Plan Issue.

LIQUIDITY FACILITIES FOR VARIABLE RATE BONDS

As shown in the table below, certain of the Authority's variable rate Bonds are secured by liquidity facilities. Such liquidity facilities expire prior to the final maturity of the related issue of Bonds and may, under certain circumstances, be terminated prior to the stated expiration thereof. In connection with any such scheduled expiration or termination, the Authority may, as applicable, extend the scheduled expiration of the liquidity facility, obtain an Alternate Liquidity Facility to replace the liquidity facility, allow the existing liquidity facility to terminate or expire, or cause the related issue of Bonds to be converted to fixed rate Bonds or to bear interest at an interest rate

* Preliminary; subject to change.

mode that does not require a liquidity facility, which, in most instances, will result in the mandatory tender and purchase of the related Series of Bonds. No assurance is given that the Authority will be able or will choose to extend the scheduled expiration of any particular liquidity facility or obtain an Alternate Liquidity Facility to replace a liquidity facility upon terms substantially similar to the terms of the existing liquidity facility, including without limitation the fees payable to the liquidity provider.

SERIES	VARIABLE RATE BONDS (AS OF 12/1/17)	LIQUIDITY PROVIDER	SBPA EXPIRATION
2007 Series 6	\$13,315,000	FHLB ¹	December 27, 2019
2007 Series 8	11,885,000	FHLB ¹	December 27, 2019
2007 Series 11	12,000,000	FHLB ¹	December 27, 2019
2017 Series 6	<u>6,000,000</u>	FHLB ¹	November 21, 2019
	<u>\$43,200,000</u>		

¹ Federal Home Loan Bank – Des Moines.

From time to time, a portion of the Bonds listed above have been or may be purchased by the liquidity providers for such Bonds following a failed remarketing (such purchased Bonds, “Bank Bonds”). Bank Bonds bear interest at rates set forth in the respective liquidity facility and are payable as to principal of and interest on such Bank Bonds on such terms as set forth therein. Certain of the liquidity facilities require a purchase or redemption of Bank Bonds by the Authority in installments over various periods of time, as set forth in each such agreement. There are no Bank Bonds as of the date hereof and there have not been any Bank Bonds since 2009.

SWAP AGREEMENTS FOR VARIABLE RATE BONDS

In connection with the issuance of certain of its variable rate Bonds, as shown in the following table, the Authority entered into separate interest rate swap agreements with Royal Bank of Canada and Barclays Bank PLC, some of which provide for periodic reductions of their notional amounts and otherwise have similar, though not identical, terms.

BOND SERIES	START DATE	TERMINATION DATE	NOTIONAL AMOUNT	FIXED RATE	FLOATING RATE BASIS
2007 Series 6	9/1/15	6/1/36	\$12,000,000	2.4125%	70% of 1M LIBOR
2015 Series 7	1/15/16 ¹	12/1/45	9,000,000	2.0130	70% of 1M LIBOR
2016 Series 3	9/1/15 ²	6/1/36	20,000,000	2.4125	70% of 1M LIBOR
2017 Series 4	7/1/17	12/1/47	22,000,000	2.2650	70% of 1M LIBOR
2017 Series 6	1/15/16 ³	12/1/45	<u>3,000,000</u>	2.0130	70% of 1M LIBOR
TOTAL			\$66,000,000		

¹ The Authority currently expects that upon the refunding of a portion of the 2015 Series 7 described in this Official Statement, a portion (approximately \$3,000,000 notional amount) of this swap will be transferred to the 2018 Series 2 Bonds.

² The start date of this swap agreement was 9/1/15. It was originally associated with certain bonds refunded in October 2016. The swap was transferred to the 2016 Series 3 Bonds on October 6, 2016.

³ The start date of this swap agreement was January 15, 2016. It was originally associated with certain bonds refunded in December 2017. The swap was partially transferred to the 2017 Series 6 Bonds on December 1, 2017.

For more information regarding the interest rate swap agreements, see Note 10 of the Notes to Basic Financial Statements in APPENDIX D.

INVESTMENTS BY FUND (as of December 31, 2017)

FUND	TYPE	PAR AMOUNT	WEIGHTED AVERAGE INTEREST RATE	MATURITY
Program	Ginnie Mae Mortgage Securities	\$ 40,405	6.5167%	08/2023-04/2032
	U.S. Treasury Bonds	404,500	6.3712	08/2023-02/2026
	Money Market	7,725,149	0.9156	N/A
Bond Reserve	U.S. Treasury Bonds	8,005,253	6.4466	02/2019-08/2028
	Fannie Mae Obligations	1,383,536	6.8481	04/2026
	Fannie Mae Mortgage Securities	3,291	6.4667	04/2031
	FHLMC Obligations	3,300,000	2.7500	09/2036
	Ginnie Mae Mortgage Securities	115,841	6.5187	08/2023-05/2034
	Federal Home Loan Bank	11,117,250	2.7585	10/2031-10/2036
	Federal Farm Credit Bank	4,441,000	3.0947	04/2035-10/2036
	Money Market	757,094	0.9156	N/A
Mortgage Reserve	U.S. Treasury Bonds	2,319,600	5.8960	02/2019-02/2026
	Fannie Mae Obligations	881,464	6.8481	04/2026
	Fannie Mae Mortgage Securities	2,116	6.4667	04/2031
	FHLMC Obligations	2,200,000	2.7159	09/2036-10/2036
	Ginnie Mae Mortgage Securities	89,902	6.3624	01/2024-05/2034
	Federal Home Loan Bank	3,706,750	2.9351	02/2032-10/2036
	Federal Farm Credit Bank	6,155,000	2.8994	09/2033-11/2036
	Money Market	164,033	0.9156	N/A
Special Reserve (restricted portion)	U.S. Treasury Bonds	980,000	6.5837	02/2023-11/2024
	Federal Farm Credit Bank	3,240,000	2.7977	04/2035-11/2036
	Ginnie Mae Mortgage Securities	1,274	6.5032	04/2032
	Federal Home Loan Bank - Callable	1,700,000	2.8890	05/2036-11/2036
	Money Market	1,006,807	0.9156	N/A

Unrealized Gains and Losses on Investments

In accordance with accounting principles generally accepted in the United States of America, the Authority reports investments at fair value. Changes in fair value result in unrealized gains or unrealized losses which are given effect in determining the Authority's investment income on a combined basis and for the 1994 Indenture as set forth in the Authority's financial statements included in APPENDIX D and as summarized for the 1994 Indenture in this APPENDIX B under "Certain Financial Information—Revenue, Expenses and Changes in Fund Equity." Fair value for individual investments fluctuates based on changes in market interest rates available to investors. Accordingly, as a result of market fluctuations, for any period or periods subsequent to the periods which are covered in the Authority's financial statements included in APPENDIX D, the amount of net unrealized gains or losses may be significantly more or less than the net unrealized gains or losses for the periods covered by such financial statements. Notwithstanding the amount of unrealized gains or losses at any given time, it is generally the intent and expectation of the Authority to hold its investments until maturity or redemption at par.

CERTAIN FINANCIAL INFORMATION

The following tables set forth certain financial information regarding the Authority's operations under the 1994 Indenture, as of the dates and for the periods indicated.

Summary Balance Sheet Data

	<u>JUNE 30, 2016</u>	<u>JUNE 30, 2017</u>	<u>DECEMBER 31, 2017</u>
Cash and cash equivalents	\$ 72,336,909	\$57,952,780	\$100,789,144
Investments	\$103,250,370	\$123,319,862	\$ 97,417,984
Mortgage loans receivable, net	\$523,677,787	\$549,124,628	\$573,023,017
Total assets	\$705,850,222	\$734,399,541	\$774,938,006
Bonds payable	\$498,254,790	\$530,790,260	\$568,615,930
Total liabilities	\$511,736,885	\$544,644,974	\$582,615,182
Total net position	\$191,885,780	\$190,191,034	\$193,044,810

Revenue, Expenses and Changes in Fund Net Position

	YEAR ENDED JUNE 30, 2016	YEAR ENDED JUNE 30, 2017	SIX MONTHS ENDED DECEMBER 31, 2017
Operating Revenue			
Mortgage interest	\$ 24,531,457	\$ 22,832,488	\$ 11,230,048
Investment income*	<u>8,292,926</u>	<u>(2,812,923)</u>	<u>2,699,604</u>
Total operating revenue	\$ <u>32,824,383</u>	\$ <u>20,019,565</u>	\$ <u>13,929,652</u>
Operating Expenses			
Interest expense	\$ 15,482,972	\$ 13,990,823	\$ 7,547,379
Servicer fees	1,998,528	1,963,313	1,008,630
Costs of issuance and other related costs	2,195,376	206,367	903,705
Provision for (recovery of) loan losses	(284,544)	9,379	(250,446)
General and administrative	<u>(175,013)</u>	<u>328,156</u>	<u>352,911</u>
Total operating expenses	\$ <u>19,217,319</u>	\$ <u>18,498,038</u>	\$ <u>9,562,179</u>
Net income (loss) before transfers*	\$ 13,607,064	\$ 1,521,527	\$ 4,367,473
Transfer in (out)	<u>(2,239,712)</u>	<u>(3,216,273)</u>	<u>(1,513,697)</u>
Net income	\$ 11,367,352	\$ (1,694,746)	\$2,853,776
Fund Equity, beginning	<u>180,518,428</u>	<u>191,885,780</u>	<u>190,191,034</u>
Fund Equity, ending	<u>\$191,885,780</u>	<u>\$190,191,034</u>	<u>\$193,044,810</u>

* See the discussion of the effect of unrealized gains and losses on investments under “Investments by Fund – Unrealized Gains and Losses on Investments.”

For additional financial information regarding the 1994 Indenture, see the 1994 Indenture fund in the detailed statements in APPENDIX D— Authority Financial Statements.

OUTSTANDING BONDS BY INTEREST RATE (As of December 31, 2017)

INTEREST RATE	OUTSTANDING PRINCIPAL AMOUNT (IN THOUSANDS)	INTEREST RATE	OUTSTANDING PRINCIPAL AMOUNT (IN THOUSANDS)
4.250%	\$ 495	2.450%	\$ 5,430
4.125	6,845	2.400	1,780
4.050	5,415	2.375	275
4.000	43,040	2.350	6,155
3.900	22,740	2.300	5,420
3.875	2,490	2.250	4,940
3.800	4,450	2.200	1,390
3.750	32,795	2.150	2,785
3.700	10,710	2.100	3,970
3.625	9,470	2.050	4,030
3.500	45,575	2.000	4,730
3.450	26,700	1.950	3,380
3.400	13,070	1.900	2,045
3.350	6,450	1.875	1,405
3.300	5,390	1.850	3,165
3.250	18,585	1.750	1,595
3.200	13,080	1.700	3,015
3.150	14,230	1.650	4,885
3.100	7,365	1.600	2,435
3.050	2,065	1.550	2,745
3.000	13,490	1.500	2,575
2.950	12,640	1.400	1,350
2.900	9,435	1.375	660
2.875	3,280	1.350	825
2.850	1,645	1.300	2,630
2.800	18,240	1.250	1,145
2.750	2,785	1.150	640
2.700	4,545	1.100	1,125
2.650	6,120	1.050	1,585
2.600	3,920	Grand Total	\$457,205
2.550	6,155		
2.500	5,880	Variable	\$106,450

THE 2009 INDENTURE

LOAN PORTFOLIO INFORMATION

Outstanding principal balance of loans includes all loans purchased through the Authority's cut-off date (the end of each month) which differs from the amount reported through the end of the month in the Authority's financial statements as of the corresponding date, if any, included in APPENDIX D. All other data is also as of the Authority's cut-off date.

General

As of December 31, 2017

Outstanding principal balance of loans ¹	\$92,639,111
Average purchase price for property	\$138,308
Average original loan amount	\$136,189
Total number of loans originated	1,695
Total number of loans paid off	878
Total number of loans outstanding	817

¹ Excludes approximately \$23.3 million outstanding principal balance of loans that were purchased with proceeds of Bonds that are pledged to the payment of bonds issued under the 1994 Indenture.

Characteristics (as % of loans outstanding)

As of December 31, 2017

New construction	10.54%
Existing homes	89.46%
FHA	52.86%
RD	41.50%
VA	4.54%
PMI*	0.95%
80% or less LTV	0.15%

* 100% are covered by PMI Policies provided by Radian.

Delinquency Statistics

As of December 31, 2017

No. of Loans Foreclosed Inception to Date:	130	Real Estate Owned Number of Loans:	0
Foreclosed (Loss)/Gain to Date Net of Insurance Proceeds (\$000):	(\$522)	Outstanding Mortgage Amount At Time of Default (\$000):	\$0
		Current Balance (\$000):	\$0

The table below is a comparison of certain delinquency and foreclosure rates of loans purchased or transferred to the 2009 Indenture to all mortgage loans serviced in Wyoming, the latter as reported by the National Delinquency Survey prepared by the Economic and Research Department of the MBA. All percentages in the table below are based on the number of loans (not outstanding principal amount) and utilize the MBA category definitions. The percentages of the types of loans (i.e., FHA, VA, prime, etc.) that comprise the loan portfolio for the 2009 Indenture differ from the percentages of the types of loans that make up the MBA Wyoming statewide loan portfolio that is included in the table below.

As of December 31, 2017

	(2009 Indenture Percentages)	(MBA Statewide Percentages)
60 Days	1.61%	0.73%
90 Days or more	2.48%	0.93%
In Foreclosure	1.12%	0.57%

As of June 30, 2017

	(2009 Indenture Percentages)	(MBA Statewide Percentages)
60 Days	1.84%	0.68%
90 Days or more	1.15%	0.85%
In Foreclosure	0.92%	0.62%

As of June 30, 2016

	(2009 Indenture Percentages)	(MBA Statewide Percentages)
60 Days	1.92%	0.79%
90 Days or more	1.82%	0.92%
In Foreclosure	0.77%	0.56%

As of June 30, 2015

	(2009 Indenture Percentages)	(MBA Statewide Percentages)
60 Days	1.48%	0.74%
90 Days or more	1.84%	1.11%
In Foreclosure	0.71%	0.52%

Servicing

As of December 31, 2017

SERVICER	NUMBER OF LOANS	% OF PORTFOLIO	Loans 60 or More Days Delinquent	
			NUMBER	PRINCIPAL AMOUNT
WCDA Mortgage Servicing	783	97.03	42*	\$5,150,777
All Others (2)	24	2.99%	0	\$0

* Does not include 10 loans in foreclosure post sale with a balance of \$195,731.29.

APPENDIX C

INSURANCE AND MORTGAGE-BACKED SECURITY ISSUERS

The following description of certain insurance policies or guarantees is only a brief outline and does not purport to summarize or describe all of the terms of such insurance or guarantees. For a more complete description of the terms of such insurance or guarantees, reference is made to the complete terms of the insurance or guarantees and other information of the various insurers and guarantors referred to below.

FEDERAL AUTHORIZATION AND FUNDING

The continued availability of certain governmental mortgage insurance and guarantee programs depends on periodic action by the United States Congress and the President, which action may be influenced by federal fiscal and budgetary considerations and controversies. In addition, other funding made available to, or administered by, the Authority may be curtailed or provided in a different manner. It is not possible to predict what effect, if any, future governmental action may have on the ability of the Authority to purchase insured or guaranteed mortgage loans or on its other operations.

FHA SINGLE FAMILY MORTGAGE INSURANCE

The following description of the FHA Single Family Mortgage Insurance Program describes the Program as of the date hereof. The various FHA Mortgage Insurance requirements may change in the future. Federal legislation and regulatory amendments are being considered to modify the underwriting parameters of the FHA Single Family Mortgage Insurance Program. The Authority cannot predict if or when such legislation or changes will be adopted.

The National Housing Act of 1934, as amended (the "*National Housing Act*"), authorizes various FHA mortgage insurance programs, which differ in some respects depending primarily upon whether the mortgaged premises contain five or more dwelling units or less than five such units. FHA imposes loan-to-value ratio limitations and other requirements on the single-family mortgage loans it insures. Under the Section 203(b) program, which is the most widely used FHA insurance program, FHA insures mortgage loans of up to 30 years duration for the purchase of one to four-family dwelling units.

Loans insured under the Section 203(b) program may not exceed, for a one-family residence 96.5% of the lesser of either the appraiser's estimate of value or the contract price for the property, plus initial FHA mortgage insurance premiums which are currently 1.75% of the loan amount before adding the premium. Loans insured under the Section 203(b) program, together with any subordinate loans, may not exceed 106% of the appraised value of the property and the mortgagor must pay an amount equal to not less than 3.5% of the lesser of the appraised value of the property or the purchase price; *provided*, that if the appraised value is less than the purchase price, the purchaser must also pay the difference between the appraisal and the purchase price.

The regulations governing all of the FHA programs under which the Authority's mortgage loans may be insured provide that insurance benefits are payable upon foreclosure (or other acquisition of possession) and conveyance of the mortgaged premises to the Department of Housing and Urban Development ("*HUD*"). Under some of the FHA insurance programs, insurance claims are paid by HUD in cash unless the mortgage holder files a written request for payment in debentures issued by HUD. Under others, HUD has the option at its discretion to pay insurance claims in cash or in such debentures. The current HUD policy, subject to change at any time, is to make insurance payments on single family mortgage loans in cash with respect to all programs covering such units as to which it has discretion to determine the form of insurance payments.

HUD debentures issued in satisfaction of FHA insurance claims bear interest at the HUD debenture interest rate in effect under HUD regulations on the date of the mortgage insurance commitment or of the initial insurance endorsement of the mortgage loan, whichever rate is higher. The HUD debenture interest rates applicable to the FHA-insured mortgages that the Authority has acquired or committed to acquire may be lower than the interest rates of such mortgages. FHA debentures mature 20 years from the date of issue and the HUD debenture rate is reset for the six-month periods beginning January 1 and July 1 of each year.

When entitlement to insurance benefits results from foreclosure (or other acquisition of possession) and conveyance, the insurance payment is generally computed as of the date of institution of foreclosure or the date of acquisition of the property, whichever is earlier. The mortgage holder generally is not compensated for mortgage interest accrued and unpaid prior to that date. Under such circumstances, the amount of insurance benefits generally paid by FHA is equal to the unpaid principal amount of the mortgage loan adjusted to reimburse the mortgagee for certain tax, insurance and similar payments made by it and to deduct certain amounts received or retained by the mortgagee after default, plus reimbursement not to exceed two-thirds of the mortgagee's foreclosure costs. The regulations under all insurance programs described above provide that the insurance payment itself shall bear interest from the date of default by the mortgagor, which under HUD regulations will occur no less than 30 days after the due date of a mortgage payment to the date of payment of the claim at the same interest rate as the applicable HUD debenture interest rate determined in the manner set forth above.

When any property to be conveyed to HUD has been damaged by fire, earthquake, flood or tornado, or the property has suffered damage due to failure of the mortgagee to make required inspections, it is required, as a condition to payment of an insurance claim, that such property be repaired by the mortgage holder prior to such conveyance; in some instances, when damage has resulted from failure of the mortgagee to inspect and preserve the property, FHA may deduct the amount of such damages from the insurance payment made by FHA.

To obtain title to and possession of the property upon foreclosure, the Authority will pursue its rights under the power of sale contained in the mortgage note subject to the constraints imposed by applicable Wyoming law and by HUD. The HUD constraints require that, absent the consent of the mortgagor, at least three full monthly installments be due and unpaid under the mortgage before the mortgagee may initiate any action leading to foreclosure of the mortgage. HUD also recommends face-to-face conference between the mortgagee and the mortgagor in an effort to cure

the delinquency without foreclosure. In any case, these requirements do not apply where the mortgagor has voluntarily abandoned the property, in which case, the mortgagee may immediately initiate foreclosure proceedings (subject to applicable Wyoming law notice provisions).

RD GUARANTEE PROGRAM

The Cranston-Gonzalez National Affordable Housing Act law provides for guarantees of mortgage loans on single family dwellings in rural areas supported by the full faith and credit of the United States.

Guaranteed mortgage loans may be made for the acquisition of existing or newly constructed single family, non-farm principal residences occupied by the borrower. Loans are limited to properties in rural areas which are defined as being open country or any town, village, city or place, which, in each case, is not a part of or associated with an urban area and which (i) has a population not in excess of 10,000 if it is rural in character, or (ii) has a population in excess of 10,000 but not in excess of 20,000, is not contained in a Metropolitan Statistical Area and has a serious lack of mortgage credit for low-income and moderate-income households as determined by the Secretary of Agriculture and the Secretary of HUD. Eligible borrowers must have an income at or below 115% of the area median income.

Subject to certain limitations, the maximum loan amount is 100% of the appraised value plus a 1% upfront guarantee fee and an annual guarantee fee of 35%. Loans may have a term of 30 years and no down payment is required.

In consideration of the making of the subject loan by the lender, the United States of America, acting through the Rural Housing Service of the Rural Development mission area ("*RHS*") pursuant to Title V of the Housing Act of 1949 (42 U.S.C. 1471 et. Sec.), will pay, subject to certain terms and conditions, to the lender the lesser of: (a) any loss of an amount equal to 90% of the principal amount actually advanced to the borrower, or (b) any loss sustained by the lender of an amount up to 35% of the principal amount actually advanced to the borrower, plus 85% of any additional loss sustained by the lender of an amount up to the remaining 65% the principal amount actually advanced to the borrower.

Loss includes only (a) principal and interest evidenced by the loan; (b) any loan subsidy due and owing, and (c) any principal and interest indebtedness on *RHS* approved protective advances for protection and preservation of the collateral. Interest (including any subsidy) shall be covered by the loan note guarantee up to 90 days from the lender's acquisition of the collateral or date of the initial loss settlement, whichever is earlier. Net proceeds received from liquidation of the collateral will be used in calculating the amount of loss sustained by the lender. If the lender acquires the collateral, the net proceeds from collateral for calculating loss shall be determined by *RHS* as follows: (i) the collateral will be appraised as of the date of acquisition by the lender then (ii) deduct from such appraised value an estimate liquidation cost which will include an allowance for 90 days, the estimated time the property will be held by the lender.

If RHS conducts the liquidation of the loan, loss occasioned to a lender by accruing interest after the date RHS accepts responsibility for the liquidation will not be covered by the loan note guarantee.

RD program includes all areas of the State except the cities of Cheyenne, Casper and Laramie, plus certain parts of Natrona County.

The Authority may participate with RD in RD's Section 502 Leveraged Loan Program in which the Authority would have an uninsured first mortgage loan with a loan to value ratio of 60% or less and RD would have a second mortgage for the remaining loan amount not to exceed a 100% of the appraised value plus RD allowable fees.

VA GUARANTY PROGRAM

The Serviceman's Readjustment Act of 1944, as amended, permits a veteran (or, in certain instances, his or her spouse) to obtain a mortgage loan guaranty by VA, covering mortgage financing of the purchase of a one- to four-family dwelling unit at interest rates permitted by VA. The program has no mortgage loan limits, requires no down payment from the purchaser and permits the guaranty of mortgage loans with terms of up to 30 years. The guaranty provisions for mortgage loans are as follows: (i) for loans of \$45,000 or less, 50 percent of the loan is guaranteed; (ii) for loans between \$45,001 and \$56,250, the maximum guaranty is \$22,500; (iii) for loans between \$56,251 and \$144,000, the maximum guaranty is the lesser of \$36,000 or 40 percent of the loan; (iv) for loans between \$144,001 and \$417,000, the maximum guaranty is 25 percent of the VA loan amount and (v) for loans greater than \$417,000 the maximum guaranty is the lesser of 25 percent of the loan amount or is 25 percent of the current VA county loan limit (currently \$417,000). The liability on the guaranty is reduced or increased pro rata with any reduction or increase in the amount of the indebtedness, but in no event will the amount payable on the guaranty exceed the amount of the original guaranty. Notwithstanding the dollar and percentage limitations of the guaranty, a mortgage holder will ordinarily suffer a monetary loss only where the difference between the unsatisfied indebtedness and the proceeds of a foreclosure sale of mortgaged premises is greater than the original guaranty, as adjusted.

PMI INSURANCE

Loans acquired with proceeds of certain Bonds are covered by PMI insurance. Loans acquired with proceeds of the 2018 Series 1 and 2 Bonds are not expected to be covered by PMI insurance.

In general, PMI Policy contracts provide for payment of insurance benefits to a mortgage lender upon the failure of a mortgagor to make any payment or to perform any obligation under the insured mortgage loan and the continuance of such failure for a stated period. In order to receive payment of the insurance benefits, a mortgage lender must have suffered a loss upon sale of the property after having acquired title to the property, either through foreclosure or conveyance in lieu of foreclosure, or must convey the property to the insurer if so requested. PMI Policies generally cover unpaid loan principal, delinquent interest and certain expenses associated with the default and subsequent foreclosure in an amount up to the limit specified in the policy. The federal

Homeowners Protection Act of 1998 provides that for single family residential mortgages with PMI Policies originated after July 28, 1999, with certain exceptions, the PMI Policy will be terminated (i) at the homeowner's request when the loan balance reaches 80% of its original loan-to-value if there is a good payment history, the property value is not less than its original value and there is no subordinate lien, (ii) automatically when the loan balance reaches 78% of its original loan-to-value and the loan payments are current, or (iii) in any event, on the date that is the midpoint of the loan term if loan payments are current.

PRIMARY HAZARD INSURANCE

Each Loan must contain covenants relating to insurance of the residence. The coverage must include all fire and extended coverage risks customarily insured against in the geographical area in which the residence is located. The insurance policy must provide, as a minimum, fire and extended coverage insurance in an amount at least equal to the lesser of the unpaid principal amount of the Loan from time to time outstanding or the full replacement cost of the residence and other improvements on said property (but in no event shall the amount required be greater than the maximum insurable value of such residence and other improvements). Such insurance must be in effect (or there must be a binder for the issuance of the same) on the date of delivery of the mortgage loan to the Authority; the coverage provided thereby must meet the requirements, if applicable, of the Authority and Fannie Mae; and the deductible clause must not exceed 2% and 5%, respectively, of the dwelling coverage. Each hazard insurance policy must be written by an insurance carrier licensed or authorized by law to transact business in Wyoming, and the policy must contain a standard mortgagee clause naming the Authority as an insured.

In general, a standard form of fire and extended coverage policy covers physical damage to or destruction of the improvements on the property by fire, lightning, explosion, smoke, windstorm, hail, riot, vandalism, aircraft, vehicles, theft and civil commotion, subject to the conditions and exclusions particularized in each policy. Although policies relating to different Loans may be issued by different insurance companies and, therefore, may have minor differences in coverage, the basic terms are dictated by Wyoming law. Policies typically exclude physical damage resulting from the following: enemy attack by armed forces, invasion, insurrection, rebellion, revolution, civil war, usurped power, floods and water damage, power interruption, earth movement, nuclear reaction and neglect. In addition, such policies typically exclude losses which occur while the hazard is increased by any means within the control or knowledge of the insured or while the premises are vacant or unoccupied beyond a period of 30 consecutive days.

FLOOD INSURANCE

Each residence located in a "Special Flood Hazard Area," as that term is defined under the National Flood Insurance Program, must be insured from loss by floods in an amount equal to the maximum insurance available under the National Flood Insurance Program.

MORTGAGE-BACKED SECURITY ISSUERS

Under the 1994 Indenture, Loans may be acquired by acquisition of a Mortgage-Backed Security constituting an undivided interest in a pool of mortgage loans issued by the following entities.

Ginnie Mae

Ginnie Mae is a wholly-owned corporate instrumentality of the United States of America within the HUD, with its principal office in Washington, D.C.

Ginnie Mae is authorized by Section 306(g) of Title III of the National Housing Act, to guarantee the timely payment of principal of and interest on certificates issued by an approved issuer, which certificates represent an undivided interest in a pool of mortgage loans insured under the National Housing Act, Title V of the Housing Act of 1949 (FHA mortgage loans), or guaranteed or insured by the VA under the Serviceman's Readjustment Act of 1944, as amended (VA mortgage loans). Section 306(g) further provides that "the 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."

The Office of Inspector General ("*OIG*") is required to conduct an annual audit of Ginnie Mae under the provisions of the Chief Financial Officers ("*CFO*") Act of 1990 (the "*CFO Act*"). The complete *OIG* report is included in the separate management report of Ginnie Mae prepared pursuant to the *CFO Act* which is available upon request from Ginnie Mae at Government National Mortgage Association, 451 Seventh Street, SW, Washington, D.C. 20410-9000.

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.*) (the "*Charter*"). Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market. Fannie Mae is subject to the supervision and regulation of the Federal Housing Finance Agency ("*FHFA*") to the extent provided in the Housing and Economic Recovery Act of 2008 ("*HERA*"). The *FHFA* has placed Fannie Mae into conservatorship.

Fannie Mae has a public mission to support liquidity and stability in the secondary mortgage market, where existing mortgage loans are purchased and sold. Fannie Mae securitizes mortgage loans originated by lenders in the primary mortgage market into mortgage-backed securities, which can then be bought and sold in the secondary mortgage market. Fannie Mae also participates in the secondary mortgage market by purchasing mortgage loans (often referred to as "*whole loans*") and mortgage-related securities, including Fannie Mae mortgage-backed securities, for Fannie Mae's mortgage portfolio. In addition, Fannie Mae makes other investments to increase the supply of affordable housing; however, pursuant to the Charter, Fannie Mae may not lend money directly to consumers in the primary mortgage market.

The securities of Fannie Mae are not guaranteed by the United States Government (including the Treasury) and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof, including Treasury and FHFA, other than Fannie Mae.

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 (the "*Commission*"). Fannie Mae files reports, proxy statements and other information with the Commission. The Authority takes no responsibility for information contained on the Commission's Web site.

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APPENDIX D

AUTHORITY FINANCIAL STATEMENTS

The information in this Appendix D is provided for informational purposes only. The Bonds are not general obligations of the Authority but are special obligations of the Authority payable solely from the revenues, income and receipts of the Authority pledged to the payment thereof under the 1994 Indenture.

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WYOMING COMMUNITY DEVELOPMENT AUTHORITY
FINANCIAL REPORT
JUNE 30, 2017
AND
DECEMBER 31, 2017
(UNAUDITED)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wyoming Community Development Authority
Casper, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the Wyoming Community Development Authority, as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Wyoming Community Development Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Wyoming Community Development Authority as of June 30, 2017 and 2016, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-5) and the required supplementary information, changes in net pension liability and related ratios, (pages 43-46) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Wyoming Community Development Authority's basic financial statements. The detailed balance sheets and the detailed schedules of revenues, expenses and changes in fund net position, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The detailed balance sheets and the detailed schedules of revenues, expenses and changes in fund net position are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the detailed balance sheets and detailed schedules of revenues, expenses and changes in fund net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Porter, Muirhead, Cornia & Howard
Certified Public Accountants

September 28, 2017
Casper, Wyoming

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WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2017 and 2016

This section of the Wyoming Community Development Authority's (the Authority) annual financial report presents our discussion and analysis of financial activities for the fiscal year ended June 30, 2017. The selected data presented was derived from the Authority's financial statements, which were audited by Porter, Muirhead, Cornia & Howard, Certified Public Accountants. The authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statement offer short-term and long-term financial information about the Authority's activities. The Independent Auditor's Report, audited financial statements and accompanying notes, and supplementary information should be read in conjunction with the following discussion.

Financial Highlights

	2017	Change		2016	Change		2015
Cash and cash equivalents	\$ 105,559,570	\$ (8,732,600)	-7.64%	\$ 114,292,170	\$ 18,189,586	18.93%	\$ 96,102,584
Investments	178,037,659	25,500,650	16.72%	152,537,009	(4,923,328)	-3.13%	157,460,337
Mortgage loans receivable	733,110,833	(15,542,618)	-2.08%	748,653,451	(52,561,850)	-6.56%	801,215,301
Total assets	1,050,065,750	(4,011,258)	-0.38%	1,054,077,008	(35,779,409)	-3.28%	1,089,856,417
Deferred outflow of resources	1,367,831	(1,829,073)	-57.21%	3,196,904	2,763,743	638.04%	433,161
Other current liabilities	2,828,591	(5,744,518)	-67.01%	8,573,109	(4,925,452)	-36.49%	13,498,561
Bonds payable	657,114,609	1,636,945	0.25%	655,477,664	(51,423,197)	-7.27%	706,900,861
Other long-term liabilities	5,584,994	(2,177,147)	-28.05%	7,762,141	2,641,466	51.58%	5,120,675
Total liabilities	665,528,194	(6,284,720)	-0.94%	671,812,914	(53,707,183)	-7.40%	725,520,097
Deferred inflow of resources	239,297	50,608	26.82%	188,689	(316,749)	-62.67%	505,438
Invested in capital assets	2,666,970	165	0.01%	2,666,805	(51,889)	-1.91%	2,718,694
Restricted	242,819,920	2,887,927	1.20%	239,931,993	(25,581,947)	-9.63%	265,513,940
Unrestricted	140,179,200	(2,494,311)	-1.75%	142,673,511	46,642,102	48.57%	96,031,409
Total net position	385,666,090	393,781	0.10%	385,272,309	21,008,266	5.77%	364,264,043
Mortgage interest	28,657,930	(3,052,591)	-9.63%	31,710,521	(3,943,694)	-11.06%	35,654,215
Investment income	(4,341,919)	(17,076,553)	-134.10%	12,734,634	3,468,271	37.43%	9,266,363
Other income	4,115,384	639,387	18.39%	3,475,997	286,232	8.97%	3,189,765
Total operating revenues	28,431,395	(19,489,757)	-40.67%	47,921,152	(189,191)	-0.39%	48,110,343
Interest expense	18,139,876	(2,383,036)	-11.61%	20,522,912	(2,804,262)	-12.02%	23,327,174
Total operating expenses	29,746,231	(1,070,744)	-3.47%	30,816,975	(4,209,381)	-12.02%	35,026,356
Operating income (loss)	(1,314,836)	(18,419,013)	-107.69%	17,104,177	4,020,190	30.73%	13,083,987
Net income	393,781	(20,614,485)	-98.13%	21,008,266	6,117,409	41.08%	14,890,857

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2017 and 2016

Financial Position

Cash and cash equivalents decreased by \$8.7 million and investments increased by \$25.5 million for a combined increase in funds of \$16.8 million. The decrease in funds was due to the following: the decrease in other current liabilities of \$5.7 million and cash used by operating activities of \$1.3 million. The increase of funds was due to the following: the net decrease in mortgage loans receivable of \$15.5 million, the net decrease in other assets of \$6.7 million and the net increase in bonds payable of \$1.6 million.

Mortgage loans receivable decreased by \$15.5 million due to the following: mortgages decreased due to prepayments of \$155.4 million and curtailments and scheduled payments of \$22.3 million, while increases were a result of mortgage loan purchases of \$161.3 million and the reduction of loan loss reserves of \$0.9 million.

Total assets declined by \$6.2 million due to a decline in mortgage loans (discussed above) of \$15.5 million, a decline in accounts receivable and other assets of \$1.1 million, a decline in restricted accounts receivable and other assets of \$4.0 million, a decrease in deferred hedging cost of fixed-rate swaps of \$2.2 million and a combined decrease in deferred servicing costs and property and equipment of \$0.3 million. Increases to assets were due to an increase in cash, cash equivalents and investments (discussed above) of \$16.8 million and an increase in mortgage and investment interest receivable of \$0.1 million.

Deferred outflows of resources decreased \$0.3 million due to the effects of accounting for pension contribution timing and earning differences and accumulated fair value differences on the swaps.

Other current liabilities decreased \$5.7 million. The decrease is due to the net reduction in a short term line-of-credit of \$3.6 million and a decrease of accounts payable and other liabilities of \$2.2 million, along with an increase in accrued interest payable of \$0.1 million.

Bonds payable reflect a net increase from 2016 of \$1.6 million. Bonds were reduced as a result of redemptions, refundings and maturities of \$186.0 million, while bonds increased due to bond issuances of \$187.6 million. See Note 7 for additional information.

Total liabilities fell by \$4.0 million from the prior year due to the net increase in bonds payable of \$1.6 million and the decrease in other current liabilities of \$5.6.

Deferred inflows of resources decreased by \$2.2 million over the prior year due to the effects of accounting for the increase in the pension liability (See Note 14) and the accounting for the increase in the fair value of swap agreements.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2017 and 2016

Results of Operation

Net income for fiscal year 2017 was \$0.4 million, a \$20.6 million decrease from fiscal year 2016. Total operating revenues decreased by \$19.5 million, total operating expenses decreased by \$1.1 million and non-operating income from Affordable Housing Development Fund activities decreased \$2.2 million.

Total operating revenues decreased by \$19.5 million. This decrease is due to reductions of mortgage interest income of \$3.0 million, investment interest income of \$0.7 million and fair value of investments of \$16.4 million combined with an increase in fees and other income of \$0.6 million.

Total operating expenses declined by \$1.1 million. The decrease is due to a decrease of \$2.4 million in bond interest expense, a decrease of \$0.3 million in amortization of deferred servicing costs, an increase in provision for (recapture of) loan losses of \$0.7 million and an increase of \$0.9 million in general and administrative expenses.

Debt Administration

During fiscal year 2017, the Authority issued \$187.6 million in bonds in the 1994 Indenture. Bonds outstanding were reduced by \$186.0 million due to maturities, redemptions and refundings. See Note 7 for additional information.

Conclusion

The above discussion and analysis is presented to provide additional information regarding the activities of the Authority and also to meet the disclosure requirements of GASB Statement No. 34. If you have questions about the report or need additional financial information, please contact the Director of Finance, Wyoming Community Development Authority, P.O. Box 634, Casper, Wyoming 82602, or go to our website at www.wyomingcda.com.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

BALANCE SHEETS

June 30, 2017 and 2016 and
December 31, 2017 and 2016 (Unaudited)

ASSETS AND DEFERRED OUTFLOW OF RESOURCES	June 30,		December 31, (Unaudited)	
	2017	2016	2017	2016
Current Assets				
Cash and cash equivalents	\$ 38,237,822	\$ 29,517,394	\$ 52,091,595	\$ 22,608,145
Investments	75,038,930	73,107,597	64,467,923	41,946,313
Interest receivable				
Mortgage loans	25,958	73,469	32,699	49,768
Investments	262,241	137,464	268,664	257,913
Accounts receivable and other assets	1,268,705	2,409,691	1,300,620	1,091,899
Total currents assets	114,833,656	105,245,615	118,161,501	65,954,038
Noncurrent Assets				
Restricted cash and cash equivalents	67,321,748	84,774,776	100,998,276	96,632,137
Restricted investments	102,998,729	79,429,412	83,938,410	104,750,385
Restricted mortgage loans receivable, net	720,388,942	719,626,261	735,255,906	712,601,298
Restricted interest receivable				
Mortgage loans	2,771,166	2,909,060	2,800,036	2,822,244
Investments	1,117,062	894,254	1,196,048	1,075,050
Restricted accounts receivable and other assets	11,376,557	15,385,633	9,375,067	13,353,063
Mortgage loans receivable, net	12,721,891	29,027,190	12,931,093	24,522,749
Deferred hedging costs of fixed-rate swaps	52,101	-	28,547	92,132
Deferred servicing costs, net	13,816,928	14,118,002	13,832,382	14,087,693
Property and equipment, net	2,666,970	2,666,805	2,505,767	2,595,091
Total noncurrent assets	935,232,094	948,831,393	962,861,532	972,531,842
Total assets	1,050,065,750	1,054,077,008	1,081,023,033	1,038,485,880
Deferred Outflows of Resources				
Pension contributions and change in earnings	879,263	979,347	879,263	979,347
Accumulated decrease in fair value of hedged derivatives	488,568	2,217,557	750,533	-
Total deferred outflows of resources	1,367,831	3,196,904	1,629,796	979,347
Total assets and deferred outflows of resources	\$ 1,051,433,581	\$ 1,057,273,912	\$ 1,082,652,829	\$ 1,039,465,227

See notes to the basic financial statements

LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	<u>June 30,</u>		<u>December 31,</u> (Unaudited)	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current Liabilities				
Bonds payable	\$ 21,560,000	\$ 26,855,000	\$ 11,400,000	\$ 13,875,000
Note payable	-	3,601,000	-	-
Accrued interest payable	1,691,323	1,580,693	1,730,195	1,540,140
Accounts payable and other liabilities	1,137,268	3,391,416	1,041,203	909,881
Total currents liabilities	<u>24,388,591</u>	<u>35,428,109</u>	<u>14,171,398</u>	<u>16,325,021</u>
Noncurrent Liabilities				
Bonds payable	635,554,609	628,622,664	670,507,251	640,451,364
Other deferred credits	1,748,885	2,250,756	1,469,918	1,958,051
Pension liability	3,347,541	3,293,828	3,347,541	3,293,828
Hedging liabilities	488,568	2,217,557	750,533	-
Total noncurrent liabilities	<u>641,139,603</u>	<u>636,384,805</u>	<u>676,075,243</u>	<u>645,703,243</u>
Total liabilities	<u>665,528,194</u>	<u>671,812,914</u>	<u>690,246,641</u>	<u>662,028,264</u>
Deferred Inflows of Resources				
Differences between expected and actual pension experience	90,688	69,683	90,688	69,683
Accumulated increase in fair value of hedged derivatives	148,609	119,006	175,469	165,430
Total deferred inflows of resources	<u>239,297</u>	<u>188,689</u>	<u>266,157</u>	<u>235,113</u>
Net Position				
Invested in capital assets	2,666,970	2,666,805	2,505,767	2,595,091
Restricted	242,819,920	239,931,993	245,713,720	270,868,450
Unrestricted	140,179,200	142,673,511	143,920,544	103,738,309
Total net position	<u>385,666,090</u>	<u>385,272,309</u>	<u>392,140,031</u>	<u>377,201,850</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,051,433,581</u>	<u>\$ 1,057,273,912</u>	<u>\$ 1,082,652,829</u>	<u>\$ 1,039,465,227</u>

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WYOMING COMMUNITY DEVELOPMENT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 Years Ended June 30, 2017 and 2016 and
 Six Months Ended December 31, 2017 and 2016 (Unaudited)

	June 30,		December 31, (Unaudited)	
	2017	2016	2017	2016
Operating Revenues				
Mortgage interest	\$ 28,657,930	\$ 31,710,521	\$ 13,889,093	\$ 14,563,920
Investment income	5,467,312	6,124,849	3,206,456	2,450,181
Net change in fair value of investments	(9,809,231)	6,609,785	414,731	(13,393,613)
Fees and other income	4,115,384	3,475,997	2,053,335	2,251,692
Total operating revenue	<u>28,431,395</u>	<u>47,921,152</u>	<u>19,563,615</u>	<u>5,872,180</u>
Operating Expenses				
Interest expense	18,139,876	20,522,912	9,349,097	9,318,574
Servicer fees	33,659	23,687	26,825	15,645
Amortization of deferred servicing costs	2,160,000	2,520,000	1,080,000	1,080,000
Cost of issuance and other financing costs	2,219,026	2,210,062	909,871	863,373
Provision for (recapture of) loan losses	(219,917)	(939,172)	(264,950)	529,797
General and administrative	7,413,587	6,479,486	3,646,458	3,512,676
Total operating expenses	<u>29,746,231</u>	<u>30,816,975</u>	<u>14,747,301</u>	<u>15,320,065</u>
Operating income (loss)	<u>(1,314,836)</u>	<u>17,104,177</u>	<u>4,816,314</u>	<u>(9,447,885)</u>
Nonoperating Revenue (Expenses)				
Federal program income	4,512,199	5,389,595	2,248,173	3,148,883
Federal program expense	<u>(2,803,582)</u>	<u>(1,485,506)</u>	<u>(590,546)</u>	<u>(1,771,457)</u>
Nonoperating income	<u>1,708,617</u>	<u>3,904,089</u>	<u>1,657,627</u>	<u>1,377,426</u>
Net income (loss)	393,781	21,008,266	6,473,941	(8,070,459)
Net position, beginning of year,	<u>385,272,309</u>	<u>364,264,043</u>	<u>385,666,090</u>	<u>385,272,309</u>
Net position, end of year	<u>\$ 385,666,090</u>	<u>\$ 385,272,309</u>	<u>\$ 392,140,031</u>	<u>\$ 377,201,850</u>

See notes to the basic financial statements

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2017 and 2016

Six Months Ended December 31, 2017 and 2017 (Unaudited)

	June 30,		December 31,	
	2017	2016	2017	2016
Cash Flows from Operating Activities				
Cash receipts for services	\$ 7,063,751	\$ 2,879,154	\$ 2,053,335	\$ 2,251,692
Interest income on mortgage loans	28,203,355	32,018,922	13,585,824	14,381,732
Principal received on mortgage loans	175,330,450	143,155,295	79,485,144	100,580,874
Cash payments to purchase mortgage loans	(157,042,573)	(89,541,172)	(92,135,794)	(87,793,750)
Cash payments to servicers	(33,659)	(23,687)	(26,825)	(15,645)
Cash payments to suppliers	(8,446,888)	(6,091,100)	(2,516,786)	(5,494,184)
Cash payments to employees	(2,912,301)	(2,935,004)	(1,488,963)	(1,373,544)
Net cash provided by (used in) operating activities	42,162,135	79,462,408	(1,044,065)	22,537,175
Cash Flows from Noncapital Financing Activities				
Federal revenue	4,512,199	5,389,595	2,248,173	3,148,883
Federal expenses	(2,803,582)	(1,485,506)	(590,546)	(1,771,457)
Federal program notes issued	(2,075,433)	(4,917,124)	(1,721,431)	646,683
Federal program note payments received	1,751,786	1,723,329	1,133,089	1,067,153
Proceeds from bonds	187,606,945	140,468,977	67,822,642	99,485,000
Principal paid on bonds	(185,970,000)	(191,917,428)	(43,030,000)	(100,636,300)
Interest paid on bonds	(18,029,246)	(20,558,342)	(9,310,225)	(9,359,127)
Proceeds from notes payable	56,205,600	13,413,000	26,918,000	20,076,000
Payments on note payable	(59,806,600)	(19,479,000)	(26,918,000)	(23,677,000)
Net cash provided by (used in) noncapital financing activities	(18,608,331)	(77,362,499)	16,551,702	(11,020,165)
Cash Flows from Capital and Related Financing Activities				
Purchase of fixed assets	(375,433)	(295,524)	(48,986)	(114,841)
Purchase of mortgage servicing rights	(1,858,926)	(1,473,631)	(1,095,454)	(1,049,691)
Net cash used in capital and related financing activities	(2,234,359)	(1,769,155)	(1,144,440)	(1,164,532)
Cash Flows from Investing Activities				
Interest received from investments	5,257,836	6,325,719	3,121,047	2,148,936
Purchase of investments	(117,026,084)	(69,873,284)	-	(87,342,025)
Proceeds from sales and maturities of investments	81,716,203	81,406,397	30,046,057	79,788,723
Net cash provided by (used in) investing activities	(30,052,045)	17,858,832	33,167,104	(5,404,366)
Increase (decrease) in cash and cash equivalents	(8,732,600)	18,189,586	47,530,301	4,948,112
Cash and cash equivalents, beginning of year	114,292,170	96,102,584	105,559,570	114,292,170
Cash and cash equivalents, end of year	\$ 105,559,570	\$ 114,292,170	\$ 153,089,871	\$ 119,240,282

See notes to the basic financial statements

	June 30,		December 31,	
	2017	2016	2017	2016
(Unaudited)				
Reconciliation of ending cash and cash equivalents				
Current cash and cash equivalents	\$ 38,237,822	\$ 29,517,394	\$ 52,091,595	\$ 22,608,145
Noncurrent restricted cash and cash equivalents	67,321,748	84,774,776	100,998,276	96,632,137
Cash and cash equivalents, end of year	<u>\$ 105,559,570</u>	<u>\$ 114,292,170</u>	<u>\$ 153,089,871</u>	<u>\$ 119,240,282</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (1,314,836)	\$ 17,104,177	\$ 4,816,314	\$ (9,447,885)
Adjustments to reconcile operating income to net cash provided by operating activities				
Interest on bonds	18,139,876	20,522,912	9,349,097	9,318,574
Net change in fair value of investments	9,809,231	(6,609,785)	(414,731)	13,393,613
Interest from investments	(5,467,312)	(6,124,849)	(3,206,456)	(2,450,181)
Mortgage loan principal repayments				
Scheduled	20,541,872	20,073,903	21,223,202	11,203,860
Prepaid	91,411,917	102,711,928	34,727,098	49,559,565
Securitized and sold to secondary market	64,046,584	39,094,019	23,684,915	39,817,449
Purchase of mortgage loans	(157,042,573)	(108,265,727)	(92,135,794)	(87,793,750)
Change in amortization of commitment fees, loan discounts and deferred outflow of resources	48,696	178,154	32,371	20,781
Amortization of deferred servicing costs	2,160,000	2,520,000	1,080,000	1,080,000
Change in provision for loan losses	(219,917)	(939,172)	(415,021)	529,797
Net change in other assets and liabilities	48,597	(803,152)	214,940	(2,694,648)
Net cash provided by (used in) operating activities	<u>\$ 42,162,135</u>	<u>\$ 79,462,408</u>	<u>\$ (1,044,065)</u>	<u>\$ 22,537,175</u>
Supplemental Cash Flow Information				
Noncash noncapital financing activity				
Federal program notes rolled into mortgages	\$ 4,277,128	\$ 1,836,430	\$ 3,293,655	\$ 2,854,670
Noncash investing activity				
Investment trade settlement in process at year end	\$ -	\$ 2,380,000	\$ -	\$ -

WYOMING COMMUNITY DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016
(INFORMATION WITH RESPECT TO THE SIX MONTHS ENDED
DECEMBER 31, 2017 AND 2016 IS UNAUDITED)

Note 1. Authority Legislation

The Wyoming Community Development Authority (the “Authority”) was created in 1975 by the Wyoming Community Development Authority Act to provide financing for housing needs within the State of Wyoming (the “State”). The Authority is a component unit of the State and is reported as an enterprise fund.

In March 2002, the Authority was authorized by the Legislature of the State of Wyoming to issue additional bonds. In addition to the bonds presently outstanding, any bonds authorized for care facility projects, bonds that may be issued to refund bonds, and bonds the Authority may issue from time to time as private activity bonds exempt from federal income taxation under Section 146 of the Internal Revenue Code of 1986, as amended, the Authority may issue and have outstanding additional bonds in the aggregate amount of up to \$400,000,000. In addition, the Authority may issue and have outstanding additional bonds for care facility projects in an aggregate amount of up to \$250,000,000. Amounts so issued shall not be deemed to constitute a debt of the State or any political subdivision thereof.

Note 2. Significant Accounting Policies

Fund Accounting and Generally Accepted Accounting Principles

Basis of Presentation – The Authority’s financial statements have been prepared on the basis of the proprietary-fund concept which pertains to financial activities that operate in a manner similar to private business enterprises and are financed through fees and charges assessed primarily to the users of the services.

The financial activities of the Authority are recorded in funds established under various bond indentures (program funds) and in funds established for the administration of the Authority’s programs. The Authority uses the accrual method of accounting. The Authority’s program funds and other funds have been presented on a combined basis, as the Authority is considered a single enterprise fund for financial reporting purposes. All interfund balances and transactions have been eliminated in the financial statements.

Further description of the Funds established by the Authority is as follows:

Single Family Program Funds

These funds, established under the Housing Revenue Bonds 1994 Indenture and the Homeownership Mortgage Revenue Bonds 2009 Indenture are to account for the proceeds from the sale of Single Family Mortgage Bonds and the debt service requirements of the bond indebtedness. Activities of these funds are, in general, limited to the purchase of mortgage loans collateralized by eligible mortgages on single family residential housing. Assets in these funds are classified as restricted because their use is limited by applicable bond covenants. The trust indentures have various insurance, guaranty and reserve provisions as set forth in those trust indentures.

The Authority also has funds that had been established under past indentures and the bonds related to those indentures have been completely redeemed. Assets in the Single Family Mortgage Warehousing Fund, and the Multi-Family Fund are no longer reported as restricted since no bonds are outstanding in those funds.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources as needed.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016
(INFORMATION WITH RESPECT TO THE SIX MONTHS ENDED
DECEMBER 31, 2017 AND 2016 IS UNAUDITED)

Note 2. Significant Accounting Policies (Continued)

Affordable Housing Development Fund

This fund was established for the purpose of receiving and disbursing funds relating to projects funded by the U.S. Department of Housing and Urban Development's HOME Investment Partnership, Neighborhood Stabilization Program, Tax Credit Assistance Program and other federal programs, including the Department of Treasury's Tax Credit Exchange Program. These funds are restricted by federal law to specific purposes.

Housing Trust Fund

This fund was established to provide direct funding of approved housing or housing projects within the State of Wyoming.

Mortgage Guaranty Fund

This fund is used to provide guarantees on mortgage loans, leases, or other credit agreements purchased by the Authority. Claims made against the Mortgage Guaranty Fund are not a debt or liability of the State nor a general obligation of the Authority. The Authority has committed \$361,797 and \$361,797 to guarantee mortgage and project loans with principal balances outstanding of \$835,134 and \$802,746 as of June 30, 2017 and December 31, 2017, respectively. The authority has also committed \$250,000 to guarantee second mortgages with principal balances outstanding of \$7,538,972 and \$9,245,960 as of June 30, 2017 and December 31, 2017, respectively. Initial recovery of second mortgage losses will come from other available sources.

General Fund

This fund is utilized to account for all of the operating activities of the Authority, including mortgage-servicing activities and all other activities, which are not required to be accounted for in other specific funds.

Interfund Activity

As a general rule, the effect of interfund activity has been eliminated from the Authority's basic financial statements.

Interim Period Financial Statements

The unaudited financial statements as of December 31, 2017 and 2016, and for the six months then ended, reflect, in the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to fairly state the financial position and results of operations for the respective periods. Operating results for the interim periods are not necessarily indicative of the results for full years.

Cash and Cash Equivalents

For purposes of reporting the statements of cash flows, the Authority considers all cash, money market investments, and obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government with initial maturities of three months or less to be cash equivalents.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016
(INFORMATION WITH RESPECT TO THE SIX MONTHS ENDED
DECEMBER 31, 2017 AND 2016 IS UNAUDITED)

Note 2. Significant Accounting Policies (Continued)

Restricted Assets

Certain proceeds of the Authority's bonds, as well as certain resources set aside for their repayment are classified as restricted assets because they are maintained in separate accounts and their use is limited by bond covenants.

Investments

The trust indentures and State statutes authorize the types of investment in which the Authority invests. Among these authorized investments are certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts, mutual funds and repurchase agreements with banks with the underlying securities being obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government. All investments are reported at fair value as determined by financial services providers. The net increase (decrease) in the fair value of investments includes both realized and unrealized gains and losses.

Mortgage Loans Receivable

Mortgage loans receivable are reported net of the loan loss reserve. The loan loss reserve for mortgages is increased by provisions charged and decreased by recoveries credited to operations based on a periodic evaluation of the loan portfolio and actual losses that occur. Loans receivable are carried at the lower of historical cost and fair value. The cost is approximately equal to fair value. Deferred commitment fees on mortgages are amortized to earnings over the estimated life of the mortgages by a method which approximates the interest method. Interest income on delinquent loans is accrued up to one year, after which time the loan is classified as a non-accrual loan.

Deferred Servicing Costs

Deferred servicing costs consist of costs of acquiring mortgage loan servicing rights. The cost of loan servicing rights is amortized in proportion to, and over the period of, estimated net servicing revenue.

Property and Equipment

Property and equipment, including rehabilitations of single-family dwellings, is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the following estimated useful lives:

Furniture and equipment	3 – 7 years
Buildings and improvements	15 – 40 years

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Note 2. Significant Accounting Policies (Continued)

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 Wyoming Retirement System (WRS) plans and additions to/deductions from WRS's fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has two items that qualify for reporting in this category.

Arbitrage Rebate Payable, Deferred Arbitrage Rebate and Other Deferred Credits

As a result of applicable federal income tax rules, the Authority is limited in the investment yield which it may retain for its own use on the non-mortgage investments of most of its bond issues. For bond issues after 1988, excess arbitrage yields must be rebated to the federal government not less than every five years pursuant to applicable federal tax regulations. The Authority has deferred \$143,999 and \$5,890 as of June 30, 2017 and 2016, respectively, and \$132,690 and \$5,890 as of December 31, 2017 and 2016, respectively, for arbitrage rebates. There is no arbitrage due at June 30, 2017 and 2016 and December 31, 2017 and 2016.

Arbitrage Rebate Payable, Deferred Arbitrage Rebate and Other Deferred Credits (Continued)

The Authority could also incur arbitrage rebates related to excess yields collected on mortgage receivables funded with bond proceeds; management monitors whether excess yields are accumulating in a given series. The Authority would defer recognizing interest income from excess yields. The Authority has recorded no deferred interest income at June 30, 2017 and 2016 and December 31, 2017 and 2016. As of June 30, 2017 and 2016 and December 31, 2017 and 2016, the Authority deferred \$169,844, \$334,432, \$124,453 and \$243,731, respectively, of interest income related to the HOME Run loan program.

Additionally, the authority has deferred \$1,435,042 and \$1,910,434 as of June 30, 2017 and 2016, and \$1,212,776 and \$1,708,431 as of December 31, 2017 and 2016, respectively, in unamortized commitment fees received. These fees are being amortized over the estimated life of the related mortgages by a method which approximates the interest method.

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Note 2. Significant Accounting Policies (Continued)

Indentures and Reporting Requirements

The Authority is subject to a number of limitations and restrictions contained in various indentures. Such limitations and covenants include: continued collection of pledged revenues, segregation of pledged revenues, maintaining specified levels of bond and mortgage reserve funds, permissible investment of bond proceeds and pledged revenues, and ongoing disclosure to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12. The Authority is in compliance with all significant covenants.

Components of Net Position

The Authority's net position is reported in three components: investment in capital assets, restricted and unrestricted. Restricted net position includes amounts restricted under terms of an award, contract or law. Unrestricted net position includes all other equity components not meeting the criteria above.

Revenue and Expense Recognition

The Authority records all revenues derived from mortgages, investments, servicing and financing as operating revenues since these revenues are generated from the Authority's daily operations needed to carry out its statutory purpose. The Authority considers revenues and expenses related to the Affordable Housing Development Fund to be non-operating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates and assumptions in these financial statements that require the exercise of management judgement include, though are not limited to, the allowance for loan losses and the fair value of investments. Due to the inherent uncertainty involved in making estimates, actual results in future periods could differ from those estimates. The estimates of fair value of investments, allowance for loan losses and pension liabilities are specifically significant to the Authority. It is reasonably possible that these estimates will change within one year of the date of the financial statement due to one or more future events. The effect of the change could be material to the financial statements and could result in a loss.

Reclassification

Certain balances on the balance sheets have been reclassified to conform to the current year presentation with no changes to net assets or net income.

Note 3. Cash and Cash Equivalents and Investments

Deposits are placed with various financial institutions and are carried at cost. At June 30, 2017 and December 31, 2017, the carrying amount of the Authority's bank deposits was \$10,111,855 and \$7,793,023, respectively, and the bank balance was \$13,824,848 and \$9,824,349, respectively. The difference between the carrying amount and the bank balance is a result of transactions in transit. All bank deposits at June 30, 2017 and December 31, 2017 were covered by insurance or collateral held in joint custody with the financial institution.

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Note 3. Cash and Cash Equivalents and Investments (Continued)

The components of the Authority's investment portfolio are as follows:

	June 30,		December 31,	
	2017	2016	2017	2016
Investments			(Unaudited)	
U.S. Government and agency securities	\$ 178,037,659	\$ 152,537,009	\$ 148,406,333	\$ 146,696,698
Total	\$ 178,037,659	\$ 152,537,009	\$ 148,406,333	\$ 146,696,698

Investments are reported in the following classifications:

	June 30,		December 31,	
	2017	2016	2017	2016
Current	\$ 75,038,930	\$ 73,107,597	\$ 64,467,923	\$ 41,946,313
Noncurrent - restricted by bond indentures or contracts	102,998,729	79,429,412	83,938,410	104,750,385
Total	\$ 178,037,659	\$ 152,537,009	\$ 148,406,333	\$ 146,696,698

The net change in fair value of investments takes into account all changes in fair value that occurred during the year. Fair value for individual investments fluctuates based on changes in the market interest rates available to investors. At June 30, 2017 and 2016, the Authority had unrealized investment gains (losses) of (\$543,502) and \$9,265,774, respectively, and at December 31, 2017 and 2016, the Authority had unrealized investment gains (losses) of (\$128,771) and (\$4,127,883), respectively, in its investment portfolio. The change in unrealized gains (losses) of (\$9,809,276) and \$6,609,785 for the years ended June 30, 2017 and 2016, respectively, and \$414,731 and (\$13,393,657) for the six months ended December 31, 2017 and 2016, respectively, as well as the effects of any realized gains and losses, which may have been partially or fully recognized in prior years, are included in the net change in fair value of investments as reported.

As of June 30, 2017, the Authority had the following investments and maturities:

Investment Type	Interest Rates	Fair Value	Investment Maturities			
			Prior to June 30, 2018	From July 1, 2018 to June 30, 2023	From July 1, 2023 to June 30, 2028	July 1, 2028 and thereafter
U.S. governmental and agency securities	1.02% - 8.875%	\$ 178,037,659	\$ 29,868,808	\$ 12,268,469	\$ 19,128,008	\$ 116,772,374
Total		\$ 178,037,659	\$ 29,868,808	\$ 12,268,469	\$ 19,128,008	\$ 116,772,374

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Note 3. Cash and Cash Equivalents and Investments (Continued)

As of December 31, 2017, the Authority had the following investments and maturities:

Investment Type	Interest Rates	Fair Value	Investment Maturities			
			Prior to June 30, 2018	From July 1, 2018 to June 30, 2023	From July 1, 2023 to June 30, 2028	July 1, 2028 and thereafter
U.S. governmental and agency securities	2.57% - 8.931%	\$ 148,406,333	\$ -	\$ 11,888,444	\$ 18,685,120	\$ 117,832,769
Total		\$ 148,406,333	\$ -	\$ 11,888,444	\$ 18,685,120	\$ 117,832,769

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority attempts to match its investment maturities to the expected call date of its bonds or needs for purchasing mortgages. With this investment focus, investments would be expected to reach maturity with limited realized gains or losses.

Credit Risk

As mentioned in Note 1, State statutes limit the types of investments available to the Authority. Investments, including the underlying securities for repurchase agreements, are held by the Authority's trustees in the Authority's name.

Concentration of Credit Risk

As noted in the table above, the Authority has 100% of its total investments invested in the obligations of the United States and its agencies.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority would not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Substantially all of the Authority's investments are held in the name of the Authority by a trustee.

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Note 3. Cash and Cash Equivalents and Investments (Continued)

Reserve Requirements

The 1994 and 2009 Indentures require the Authority to place a portion of bond proceeds in bond, mortgage and special reserve accounts. As of June 30, 2017 and December 31, 2017, the Authority had \$65,955,422 and \$65,994,489, respectively, in these reserve accounts which exceeds the reserve requirements contained in the applicable trust indentures of \$36,274,020 and \$37,082,726 as of June 30, 2017 and December 31, 2017, respectively. The amounts reserved in these accounts are as follows:

	June 30, 2017		December 31, 2017	
	1994	2009	1994	2009
	Indenture	Indenture	Indenture	Indenture
Bond reserve requirement	\$ 15,817,950	\$ 3,790,050	\$ 16,909,650	\$ 3,399,000
Mortgage reserve requirement	7,612,206	2,118,814	7,956,777	1,882,299
Restricted special reserve requirement	6,935,000	-	6,935,000	-
Total required reserves	<u>\$ 30,365,156</u>	<u>\$ 5,908,864</u>	<u>\$ 31,801,427</u>	<u>\$ 5,281,299</u>
Total cash and investments held for reserves	<u>\$ 51,531,145</u>	<u>\$ 14,424,277</u>	<u>\$ 51,570,212</u>	<u>\$ 14,424,277</u>

Note 4. Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2017:

U.S. Treasury securities: Valued at the closing price reported in the active market in which the individual securities are traded.

U.S. government obligations and U.S. government agency mortgage backed securities: Valued using quoted priced for identical or similar assets in active markets.

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Note 4. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Authority's investments at fair value as of June 30, 2017 and December 31, 2017:

	Investments at Fair Value as of June 30, 2017			
	Level 1	Level 2	Level 3	Total
U.S. Treasury securities	\$ 27,720,326	\$ -	\$ -	\$ 27,720,326
U.S. government agency obligations	-	149,510,490	-	149,510,490
U.S. government agency mortgage backed securities	-	806,843	-	806,843
Total investments at fair value	\$ 27,720,326	\$ 150,317,333	\$ -	\$ 178,037,659

	Investments at Fair Value as of December 31, 2017			
	Level 1	Level 2	Level 3	Total
U.S. Treasury securities	\$ 26,972,366	\$ -	\$ -	\$ 26,972,366
U.S. government agency obligations	-	120,772,203	-	120,772,203
U.S. government agency mortgage backed securities	-	661,764	-	661,764
Total investments at fair value	\$ 26,972,366	\$ 121,433,967	\$ -	\$ 148,406,333

As of June 30, 2017 and December 31, 2017, the Authority's investment portfolio includes the following investments that have fair values highly sensitive to interest rate changes:

Mortgage-backed securities – when interest rates fall, mortgages are refinanced and paid off early. The reduced stream of future interest payments diminishes the value of the investment.

Note 5. Mortgage Loans Receivable, Net

	June 30,		December 31,	
	2017	2016	2017	2016
Housing Revenue Bonds 1994 Indenture Fund, bearing interest at 0% to 8.9%, 25 to 30 year term, FHA or private mortgage company insured, or guaranteed by RD, VA or mortgage guaranty fund	\$ 560,072,954	\$ 534,957,160	\$ 583,485,286	\$ 541,312,932
Less: Reserve for losses on loans	(10,948,326)	(11,279,373)	(10,462,269)	(11,617,076)
	<u>549,124,628</u>	<u>523,677,787</u>	<u>573,023,017</u>	<u>529,695,856</u>

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Note 5. Mortgage Loans Receivable, Net (Continued)

	June 30,		December 31,	
	2017	2016	(Unaudited)	
	2017	2016	2017	2016
Single Family Mortgage Warehousing, Bonds 2010 Fund, bearing interest at 3% to 4.75%, 30 year term FHA insured, or guaranteed by RD or VA	4,080,548	23,288,843	2,272,454	17,146,002
Less: Reserve for losses on loans	-	-	-	-
	<u>4,080,548</u>	<u>23,288,843</u>	<u>2,272,454</u>	<u>17,146,002</u>
Homeownership Mortgage Revenue Bonds 2009 Indenture Fund, bearing interest at 3% to 7.25%, 30 year term FHA insured, or guaranteed by RD or VA	117,918,918	146,023,653	106,586,669	130,773,246
Less: Reserve for losses on loans	(1,939,438)	(2,558,810)	(1,713,886)	(2,364,453)
	<u>115,979,480</u>	<u>143,464,843</u>	<u>104,872,783</u>	<u>128,408,793</u>
Affordable Housing Development Fund with various terms, including deferred payments and bearing interest at 0% to 5.19%, 10 to 30 year term	59,016,362	56,509,383	61,176,808	58,210,398
Less: Reserve for losses on loans	(3,731,528)	(4,025,752)	(3,816,702)	(3,713,749)
	<u>55,284,834</u>	<u>52,483,631</u>	<u>57,360,106</u>	<u>54,496,649</u>
Housing Trust Fund, bearing interest at 0% to 8.5%, 1 to 30 year term, FHA or private mortgage company insured, or guaranteed by VA or mortgage guaranty fund	9,534,494	6,276,395	11,763,204	7,934,781
Less: Reserve for losses on loans	(893,151)	(538,048)	(1,104,565)	(558,034)
	<u>8,641,343</u>	<u>5,738,347</u>	<u>10,658,639</u>	<u>7,376,747</u>
Total mortgage loans receivable, net	<u>\$ 733,110,833</u>	<u>\$ 748,653,451</u>	<u>\$ 748,186,999</u>	<u>\$ 737,124,047</u>
Reported in the following classifications				
Restricted mortgage loans receivable, net	720,388,942	719,626,261	735,255,906	712,601,298
Mortgage loans receivable, net	12,721,891	29,027,190	12,931,093	24,522,749
	<u>\$ 733,110,833</u>	<u>\$ 748,653,451</u>	<u>\$ 748,186,999</u>	<u>\$ 737,124,047</u>

The Authority estimates loan loss reserves using a risk based approach applied to specific identified risks in its portfolio. Total loan loss reserves for mortgage loans receivable established by the Authority as of June 30, 2017 and 2016 were \$17,512,443 and \$18,401,983, respectively and, as of December 31, 2017 and 2016 were \$17,097,422 and \$18,253,312, respectively.

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Note 5. Mortgage Loans Receivable, Net (Continued)

As of June 30, 2017 and 2016, the Authority had 138 and 154 loans, respectively, delinquent for 90 days or more from the population of 8,126 and 7,965 loans, respectively, while at December 31, 2017 and 2016 there were 154 and 177 loans, respectively, delinquent for 90 days or more from the population of 8,397 and 8,049 loans, respectively. The outstanding balance of mortgages delinquent for 90 days or more was \$12,983,966 and \$15,317,266 as of June 30, 2017 and 2016, respectively and \$13,570,199 and \$15,275,085 as of December 31, 2017 and 2016, respectively.

Note 6. Affordable Housing Development Fund

The Authority receives funds to provide housing assistance to low income families in Wyoming through various federal programs. Programs provide grants to individuals or organizations for the purchase, construction, and rehabilitation of single and multi-family residential properties. Revenue is recognized as expenses are incurred under these programs.

Affordable Housing Development Funds are also received for the purpose of making low interest loans to qualified borrowers. As these loans are collected, the funds must be re-loaned under the same program restrictions. These funds, net of any allowance for losses on loans, are included in net income when received and remain in retained earnings, subject to the program use restrictions, as long as the program is available under federal regulations.

Note 7. Bonds Payable

Bond are generally payable in scheduled annual and semiannual installments and are subject to mandatory sinking fund requirements in scheduled amounts. Redemption is optional after various dates at par.

The bonds of the 1994 and 2009 Indentures are special obligations of the Authority, payable solely from the income and receipts of these indentures. All of the bonds are secured by mortgage loans and other assets of the respective indentures. Interest on outstanding bonds is generally payable either monthly or semi-annually. Certain of the variable rate debt reprices weekly or monthly based on market interest rates.

	Balance at June 30, 2016	Issued	Retired	Balance at June 30, 2017	Balance at December 31, 2017 (Unaudited)
Housing Revenue Bonds 1994 Indenture Fund					
2005 Series 3 and 4, redeemed original amount issued \$40,000,000	\$ 13,095,000	\$ -	\$ 13,095,000	\$ -	\$ -
2006 Series 6 & 7, redeemed original amount issued \$50,000,000 at premium of \$347,819	10,000,000	-	10,000,000	-	-
2006 Series 8 & 9, redeemed original amount issued \$50,000,000	24,085,000	-	24,085,000	-	-
2007 Series 1 & 2, redeemed original amount issued \$30,000,000	7,020,000	-	7,020,000	-	-

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Note 7. Bonds Payable (Continued)

	Balance at June 30, 2016	Issued	Retired	Balance at June 30, 2017	Balance at December 31, 2017 (Unaudited)
2007 Series 3 & 4, redeemed original amount issued \$70,000,000	\$ 22,605,000	\$ -	\$ 22,605,000	\$ -	\$ -
2007 Series 5 & 6, 2022 to 2037, interest at 0.98% to 4.375%, original amount issued \$70,000,000	15,520,000	-	1,520,000	14,000,000	13,315,000
2007 Series 7, 8 & 9, 2018 to 2038, interest at 0.98%, original amount issued \$60,000,000	12,000,000	-	-	12,000,000	11,885,000
2007 Series 10, 11 & 12, 2018 to 2038, interest at 0.98%, original amount issued \$60,000,000	12,000,000	-	-	12,000,000	12,000,000
2008 Series 3, redeemed original amount issued \$60,000,000 at premium of \$35,066	595,000	-	595,000	-	-
2010 Series 1 & 2, 2018 to 2030, interest at 3.375% to 4.0%, original amount issued \$34,710,000	3,160,000	-	2,880,000	280,000	-
2012 Series 1 & 2, 2017 to 2037, interest at 2.15% to 4.25%, original amount issued \$49,665,000 at premium of \$177,508	16,120,000	-	3,265,000	12,855,000	11,390,000
2013 Series 1, 2 & 3, 2017 to 2038, interest at 1.875% to 4.05%, original amount issued \$87,315,000	75,220,000	-	7,760,000	67,460,000	55,630,000
2014 Series 1, 2, 3, 4 & 5, 2017 to 2044, interest at 1.25% to 4.125%, original amount issued \$138,225,000	73,410,000	-	33,320,000	40,090,000	37,600,000
2015 Series 1, 2 & 3, 2017 to 2044, interest at 1.3% to 3.7%, original amount issued \$77,130,000	74,645,000	-	3,225,000	71,420,000	69,495,000
2015 Series 4, 6, 7 & 8, 2017 to 2045, interest at 1.8535% to 4.0%, original amount issued \$138,375,000	136,105,000	-	23,600,000	112,505,000	105,635,000
2016 Series 1, 2, & 3, 2017 to 2046, interest at .95% to 3.50%, original amount issued \$99,485,000 at premium of \$1,472,304	-	99,485,000	2,100,000	97,385,000	94,240,000

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Note 7. Bonds Payable (Continued)

	Balance at June 30, 2016	Issued	Retired	Balance at June 30, 2017	Balance at December 31, 2017 (Unaudited)
2017 Series 1, 2, 3 & 4, 2017 to 2047, interest at 1.20% to 3.75%, original amount issued \$87,270,000	\$ -	\$ 87,270,000	\$ -	\$ 87,270,000	\$ 86,080,000
2017 Series 5 & 6, 2017 to 2047, interest at 1.05% to 4.0%, original amount issued \$66,385,000. at premium of \$1,697,088	-	-	-	-	66,385,000
Principal amounts of bonds outstanding					
1994 Indenture Fund	495,580,000	186,755,000	155,070,000	527,265,000	563,655,000
Adjustment for premiums, discounts and appreciation	2,674,790	1,472,304	621,834	3,525,260	4,960,930
Carrying value of bonds outstanding					
1994 Indenture Fund	498,254,790	188,227,304	155,691,834	530,790,260	568,615,930

Homeownership Mortgage Revenue Bonds 2009 Indenture Fund

Homeownership Mortgage Revenue Bonds Series 2010 A and 2009 A-1, 2016 to 2041, interest at 2.3% to 4.0%, original amount issued \$70,000,000 at premium of \$92,240	\$ 35,185,000	\$ -	\$ 8,760,000	\$ 26,425,000	\$ 23,585,000
Homeownership Mortgage Revenue Bonds Series 2011 A and 2009 A-2 and A-3, 2016 to 2041, interest at 2.25% to 3.75%, original amount issued \$87,000,000 at discount of \$62,141	38,050,000	-	7,450,000	30,600,000	27,070,000
Homeownership Mortgage Revenue Bonds Series 2011 B and 2009 A-4 and A-5, 2016 to 2041, interest at 2.2% to 4.125%, original amount issued \$80,000,000 at discount of \$54,964	45,800,000	-	8,720,000	37,080,000	33,485,000

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Note 7. Bonds Payable (Continued)

	Balance at June 30, 2016	Issued	Retired	Balance at June 30, 2017	Balance at December 31, 2017 (Unaudited)
Homeownership Mortgage Revenue Bonds Series 2009 A-6 2041, interest at 2.67%, original amount issued \$50,900,000	\$ 38,200,000	\$ -	\$ 5,970,000	\$ 32,230,000	\$ 29,160,000
Principal amounts of bonds outstanding					
2009 Indenture Fund	157,235,000	-	30,900,000	126,335,000	113,300,000
Adjustment for premiums, discounts and appreciation	(12,126)	-	1,475	(10,651)	(8,679)
Carrying value of bonds outstanding 2009 Indenture Fund	157,222,874	-	30,901,475	126,324,349	113,291,321
Total bonds payable	<u>\$ 655,477,664</u>	<u>\$ 188,227,304</u>	<u>\$ 186,593,309</u>	<u>\$ 657,114,609</u>	<u>\$ 681,907,251</u>

Scheduled bond principal and sinking fund requirements in each indenture for the five fiscal years subsequent to June 30, 2017 and December 31, 2017, which includes in each of the respective years the bonds to be remarketed are as follows:

June 30, 2017

<u>June 30,</u>	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Totals
2018	\$ 16,550,000	\$ 5,010,000	\$ 21,560,000
2019	17,875,000	5,585,000	23,460,000
2020	18,565,000	5,385,000	23,950,000
2021	19,300,000	3,200,000	22,500,000
2022	20,775,000	3,265,000	24,040,000

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Note 7. Bonds Payable (Continued)

December 31, 2017

<u>June 30,</u>	Housing	Homeownership	Totals
	Revenue Bonds 1994 Indenture Fund	Mortgage Revenue Bonds 2009 Indenture Fund	
2018	\$ 9,020,000	\$ 2,380,000	\$ 11,400,000
2019	19,140,000	5,515,000	24,655,000
2020	19,870,000	5,005,000	24,875,000
2021	20,650,000	2,960,000	23,610,000
2022	22,170,000	2,835,000	25,005,000

Annual debt service requirements for the five fiscal years subsequent to June 30, 2017 and December 31, 2017, and for each five year segment thereafter, including the bonds to be remarketed or expected to be refunded, are as follows:

June 30, 2017

	Principal	Interest	Total Debt Service
2018	\$ 21,560,000	\$ 18,183,256	\$ 39,743,256
2019	23,460,000	17,675,526	41,135,526
2020	23,950,000	17,164,456	41,114,456
2021	22,500,000	16,615,488	39,115,488
2022	24,040,000	16,037,884	40,077,884
5 years ending 2027	106,285,000	70,553,703	176,838,703
5 years ending 2032	141,010,000	53,719,767	194,729,767
5 years ending 2037	132,065,000	30,733,944	162,798,944
5 years ending 2042	99,575,000	13,392,206	112,967,206
5 years ending 2047	57,840,000	2,613,470	60,453,470
5 years ending 2052	1,315,000	8,128	1,323,128
	<u>\$ 653,600,000</u>	<u>\$ 256,697,828</u>	<u>\$ 910,297,828</u>

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Note 7. Bonds Payable (Continued)

December 31, 2017 (Unaudited)

	Principal		Interest		Total
	\$		\$		Debt Service
2018	\$ 11,400,000		\$ 9,756,687		\$ 21,156,687
2019	24,655,000		19,112,395		43,767,395
2020	24,875,000		18,586,361		43,461,361
2021	23,610,000		18,013,943		41,623,943
2022	25,005,000		17,413,342		42,418,342
5 years ending 2027	106,270,000		77,538,519		183,808,519
5 years ending 2032	141,680,000		60,809,510		202,489,510
5 years ending 2037	137,790,000		36,608,382		174,398,382
5 years ending 2042	105,965,000		17,516,209		123,481,209
5 years ending 2047	70,290,000		4,504,507		74,794,507
5 years ending 2052	5,415,000		44,247		5,459,247
	<u>\$ 676,955,000</u>		<u>\$ 279,904,102</u>		<u>\$ 956,859,102</u>

The balances above do not include net premiums or discounts in the amount of \$3,514,610 and \$4,952,251 as of June 30, 2017 and December 31, 2017, respectively, that are reported as components of bonds payable.

Hedging Derivative Instrument Payments and Hedged Debt

Using rates as of June 30, 2017 and December 31, 2017 and giving effect to scheduled reductions in the notional amount of the hedging derivative instruments, debt service requirements of the Authority's outstanding variable rate debt in 2007 Series 6, 2015 Series 7, 2016 Series 3, 2017 Series 4 and 2017 Series 6 and net swap payments are as follows. As rates vary, variable-rate bond interest payments and net receipts or payments on the hedging derivative instruments vary.

June 30, 2017

	Variable Rate Bonds		Interest Rate		Total
	Principal	Interest	Swaps (net)		
2018	\$ 171,429	\$ 783,800	\$ 1,019,788		\$ 1,975,017
2019	355,714	770,877	1,025,491		2,152,082
2020	377,143	769,323	1,012,737		2,159,203
2021	398,572	763,417	1,019,788		2,181,777
2022	415,714	759,642	1,019,788		2,195,144
5 years ending 2027	2,472,857	3,732,879	5,097,594		11,303,330
5 years ending 2032	4,738,571	3,579,667	5,077,769		13,396,007
5 years ending 2037	7,642,857	3,236,877	4,378,181		15,257,915
5 years ending 2042	14,252,143	2,736,221	1,830,045		18,818,409
5 years ending 2047	33,860,000	1,143,423	705,082		35,708,505
5 years ending 2052	1,315,000	8,128	9,921		1,333,049
	<u>\$ 66,000,000</u>	<u>\$ 18,284,254</u>	<u>\$ 22,196,184</u>		<u>\$ 106,480,438</u>

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Note 7. Bonds Payable (Continued)

Hedging Derivative Instrument Payments and Hedged Debt (Continued)

December 31, 2017 (Unaudited)

	Variable Rate Bonds		Interest Rate	Total
	Principal	Interest	Swaps (net)	
2018	\$ 754,286	\$ 893,636	\$ 911,193	\$ 2,559,115
2019	334,286	942,256	879,397	2,155,939
2020	360,000	938,575	867,837	2,166,412
2021	381,428	929,433	874,490	2,185,351
2022	394,286	922,989	874,490	2,191,765
5 years ending 2027	2,352,857	4,501,614	4,370,705	11,225,176
5 years ending 2032	4,205,714	4,251,990	4,353,699	12,811,403
5 years ending 2037	6,592,143	3,797,310	3,754,140	14,143,593
5 years ending 2042	13,245,000	3,208,381	1,554,763	18,008,144
5 years ending 2047	34,015,000	1,440,656	600,421	36,056,077
5 years ending 2052	3,365,000	18,963	8,478	3,392,441
	<u>\$ 66,000,000</u>	<u>\$ 21,845,803</u>	<u>\$ 19,049,613</u>	<u>\$ 106,895,416</u>

Note 8. Note Payable

The Authority has a line of credit agreement with a financial institution, secured by specific collateral. This agreement allows the Authority to borrow approximately 81% of the fair market value of the collateral. As of June 30, 2017 and December 31, 2017, the Authority had investments held as collateral with a fair value of \$34,516,002 and \$34,066,447, respectively, on deposit with this financial institution and no advances were outstanding. This agreement expired on December 31, 2017, and was subsequently renewed to December 31, 2018.

Note 9. Conduit Debt

From time to time, the Authority has issued Multi-Family Housing Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of low-income multi-family housing deemed to be in the public interest. The bonds are secured by the revenues from the property financed. Neither the Authority, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2017 and December 31, 2017, there were three such series of Multi-Family Housing Revenue bonds outstanding, with an aggregate principal amount payable of \$21,356,583 and \$21,088,025, respectively.

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Note 10. Interest Rate Swaps

Swap Objectives

The Authority has entered into interest rate swap agreements in connection with specific series of variable-rate bonds as a technique to lower the cost of long-term debt. The objective of the swaps is to effectively change the variable interest rate on the bonds to a synthetic fixed rate.

Swap Terms and Values

June 30, 2017							
Bond Series	Swap Contractual Dates	Notional Amount	Fixed Rate Paid	Variable Rate Received	Termination Date	Fair Value	Counterparty Credit Rating
2016 Series 3	9/1/2015	\$20,000,000	2.4125%	70% of LIBOR	6/1/2036	\$ (72,182)	AA-/A1
2007 Series 6	9/1/2015	12,000,000	2.4125%	70% of LIBOR	6/1/2036	(43,310)	AA-/A1
		32,000,000				(115,492)	
2015 Series 7	1/15/2016	12,000,000	2.0130%	70% of LIBOR	12/1/2045	39,751	AA-/A1
2017 Series 4	7/1/2017	22,000,000	2.2650%	70% of LIBOR	12/1/2047	(443,418)	A-/A1
		<u>\$66,000,000</u>				<u>\$ (519,159)</u>	
December 31, 2017							
Bond Series	Swap Contractual Dates	Notional Amount	Fixed Rate Paid	Variable Rate Received	Termination Date	Fair Value	Counterparty Credit Rating
2016 Series 3	9/1/2015	\$20,000,000	2.4125%	70% of LIBOR	6/1/2036	\$ (174,325)	AA-/A1
2007 Series 6	9/1/2015	12,000,000	2.4125%	70% of LIBOR	6/1/2036	(104,596)	AA-/A1
		32,000,000				(278,922)	
2015 Series 7	1/15/2016	9,000,000	2.0130%	70% of LIBOR	12/1/2045	13,987	AA-/A1
2017 Series 4	7/1/2017	22,000,000	2.2650%	70% of LIBOR	12/1/2047	(530,408)	A-/A1
2017 Series 6	1/15/2016	3,000,000	2.0130%	70% of LIBOR	12/1/2045	4,662	AA-/A1
		<u>\$66,000,000</u>				<u>\$ (790,681)</u>	

As of June 30, 2017 and December 31, 2017, the Authority's swap agreements had a net fair value of (\$519,159) and (\$790,681), respectively. If negative, the fair value of the swaps may be offset by reductions in total interest payments required under the related variable-rate bond, creating lower synthetic rates. The net fair value reported above as of June 30, 2017 and December 31, 2017 is inclusive of accrued interest of \$82,693 and \$68,695, respectively. Accrued interest is separately reported on the Authority's balance sheet. The resultant change in gross fair value was a decrease of \$285,520. Because the coupons on the related variable-rate bonds adjust to the changing interest rates, the bonds do not have a corresponding fair value increase. The fair value amounts, obtained from an independent third-party, represent mid-market valuations that approximate the current economic value using prices and rates at the average of the estimated bid and offer amounts.

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Note 10. Interest Rate Swaps (Continued)

Swap Risks

Credit Risk – As of June 30, 2017 and December 31, 2017, the Authority was exposed to credit risk on swaps which could have a positive fair value. The positive fair value of any one swap would represent the Authority’s exposure to the potential failure of a single counterparty. Should the counterparty to this transaction fail to perform according to the swap contract, the Authority would face a maximum possible loss equivalent to the swap’s fair value. As of June 30, 2017 and December 31, 2017, the swap counterparties were rated AA- and A- by S&P Global Ratings and A1 by Moody’s Investors Service. The Authority’s policy to manage credit risk would require the Authority to seek credit enhancements should the counterparty’s ratings be below A or A3.

Interest Rate Risk – The Authority is exposed to interest rate risk on its interest rate swap. On its pay-fixed, receive-variable interest rate swap, as LIBOR or the SIFMA swap index decreases, the Authority’s net payment of the swap increases.

Basis Risk – Basis risk is the potential mismatch between the variable interest rate paid on the underlying bonds and the variable rate payments received by the Authority pursuant to the swap. The Authority’s variable rate bond interest payments should correspond to the SIFMA Index (formerly the BMA Index), while the payments the Authority receives pursuant to the swap are for the most part 70 percent of LIBOR. The Authority is exposed to basis risk should LIBOR and SIFMA Index rates converge. If a change occurs that results in the rates moving to convergence (that is, the SIFMA Index exceeding 70 percent of LIBOR), the value to the Authority of the hedge from the swap is diminished. As of June 30, 2017 and December 31, 2017, the SIFMA Index rate was 0.91 and 1.71, while 70 percent of LIBOR (the swap rate) was 0.86 and 1.10 percent, respectively.

Termination Risk – The Authority or the counterparty may terminate the swaps if the other party fails to perform under the terms of the swap contracts. The swaps may be terminated by the Authority at its discretion with a maximum of ten days’ notice. If a swap was terminated, the variable-rate bonds would no longer carry a synthetic fixed rate. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap’s fair value.

Rollover Risk – The Authority is exposed to rollover risk on swaps that mature or may be terminated prior to the maturity of the associated bonds. When these hedging derivative instruments terminate or are terminated by either party, the Authority will not realize the synthetic fixed rate offered by the swaps on the underlying bond issues. The following bond series are exposed to rollover risk:

	June 30, 2017	
Associated Bond Issuance	Bond Maturity Date	Swap Termination Date
2007 Series 6	December 1, 2037	June 1, 2036
2016 Series 3	December 1, 2046	June 1, 2036
2015 Series 7	December 1, 2045	December 1, 2045
2017 Series 4	December 1, 2047	December 1, 2047

(Continued)

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Note 10. Interest Rate Swaps (Continued)

Swap Risks (Continued)

	December 31, 2017	
Associated Bond Issuance	Bond Maturity Date	Swap Termination Date
2007 Series 6	December 1, 2037	June 1, 2036
2016 Series 3	December 1, 2046	June 1, 2036
2015 Series 7	December 1, 2045	December 1, 2045
2017 Series 4	December 1, 2047	December 1, 2047
2017 Series 6	December 1, 2045	December 1, 2045

Note 11. Net Position

Below is a summary of net position:

	June 30,		December 31,	
			(Unaudited)	
	2017	2016	2017	2016
Investment in capital assets	\$ 2,666,970	\$ 2,666,805	\$ 2,505,767	\$ 2,595,091
Restricted				
Restricted by bond indentures	170,598,871	169,419,561	171,835,044	198,978,592
Restricted by grants	72,221,049	70,512,432	73,878,676	71,889,858
	<u>242,819,920</u>	<u>239,931,993</u>	<u>245,713,720</u>	<u>270,868,450</u>
Unrestricted				
Designated for the Housing Revenue Bonds 1994 Indenture Fund	42,671,901	43,722,410	42,697,408	7,640,515
Designated for the Single Family Mortgage Warehousing Fund	3,588,874	2,727,548	4,037,002	3,221,992
Designated for the Multi-Family Fund	2,231,551	2,271,641	2,266,833	2,186,908
Designated for the Housing Trust Fund	54,238,951	54,396,331	57,683,342	53,126,383
Designated for the Mortgage Guaranty Fund	22,353,142	22,837,500	22,526,334	21,249,476
Designated for non-current assets	13,816,928	14,118,002	13,832,382	14,087,693
Designated for operating reserve fund	1,277,853	2,600,079	877,243	2,225,342
	<u>140,179,200</u>	<u>142,673,511</u>	<u>143,920,544</u>	<u>103,738,309</u>
Total net position	<u>\$385,666,090</u>	<u>\$385,272,309</u>	<u>\$392,140,031</u>	<u>\$377,201,850</u>

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Note 11. Net Position (Continued)

The terms of the various bond indentures for the single-family program generally restrict the assets of the respective trust indenture by requiring their retention in the trust to satisfy debt service obligations of the applicable trust indenture. Monies can be withdrawn from a trust indenture with a cash flow certificate which demonstrates the Authority's ability to pay program expenses and debt service when due, in each bond year. In addition, some series in the 1994 Indenture may be subject to over-parity tests.

Should the Authority fail to comply with terms of the general obligation bonds and the line of credit, the holders of such general obligations would have recourse to the Authority's unrestricted net position.

Note 12. Mortgage Loan Servicing

The Authority's mortgage servicing department services loans for its own portfolio and for others. The details of the loans serviced and servicing purchased during the year is shown below.

Type of Loans by Investor	June 30, 2017		
	Servicing Rights	Loans	Principal Balance
	Capitalized in 2017	Serviced	
WCDA Single Family Loans - first mortgages	\$ 929,169	6,153	\$ 742,428,221
WCDA Single Family Loans - second mortgages	-	1,669	7,538,972
GNMA Advantage	255,157	8	1,683,659
GNMA Pooled	-	237	43,478,120
FNMA Single Family Loans	674,600	4,197	636,111,122
Total	<u>\$ 1,858,926</u>	<u>12,264</u>	<u>\$ 1,431,240,094</u>

Type of Loans by Investor	December 31, 2017		
	Servicing Rights	Loans	Principal Balance
	Capitalized in 2017	Serviced	
WCDA Single Family Loans - first mortgages	\$ 908,105	6,164	\$ 755,559,743
WCDA Single Family Loans - second mortgages	-	1,931	9,245,960
GNMA Advantage	121,249	9	1,854,514
GNMA Pooled	-	285	52,092,796
FNMA Single Family Loans	236,803	4,091	610,260,674
Total	<u>\$ 1,266,157</u>	<u>12,480</u>	<u>\$ 1,429,013,687</u>

Escrow and related servicing balances for these loans were \$8,245,271 and \$8,734,005 at June 30, 2017 and December 31, 2017, respectively. These balances are not included in the accompanying combined financial statements.

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Note 13. Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan, accounted for by the State of Wyoming and available to all of the Authority's full-time employees, permits employees to defer a portion of their salary until future years. Compensation deferred under this plan is not available until termination, retirement, death or unforeseeable emergency. All deferred compensation and earnings are held in trust or custodial accounts for the exclusive benefit of individual program participants and their beneficiaries. Investments are managed and controlled by the deferred compensation plan's trustee, not the Authority, under various investment options as directed by the employee. These investments and the related liability to the employees are not included in the Authority's financial statements.

Note 14. Pension Plans

Public Employees' Pension Plan

The Authority participates in the Public Employees' Pension Plan ("PEPP"), a statewide cost-sharing multiple-employer public employee retirement system administered by the State of Wyoming Retirement System Board. All full-time employees of the Authority are eligible to participate. The PEPP provides retirement, disability and death benefits according to predetermined formulas. Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes.

PEPP members are required to contribute 8.25% of their annual covered salary and the Authority is required to contribute 8.37% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The Authority currently pays 15.87% of the required employee's contribution and the employees pay .75%. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes. The Authority's contributions of the PEPP for the years ended June 30, 2017, 2016, and 2015 were \$425,145, \$410,819 and \$402,439, respectively, equal to the required contributions for each year.

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Note 14. Pension Plans (Continued)

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

At June 30, 2017, the Authority reported a liability of \$3,347,541 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating governmental entities, actuarially determined. The schedule below shows the Authority's proportionate share of the net pension liability at June 30, 2017, the proportionate portion are the measurement date of December 31, 2016 and the change in the proportion from its proportion measured as of December 31, 2015.

Pension liability at June 30, 2017	\$3,347,541
Proportion at December 31, 2016	0.1384712%
Increase (decrease) from December 31, 2015	(0.0029344%)

For the year ended June 30, 2017, the Authority recognized total pension expense of \$599,947. At June 30, 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>2017</u>		<u>2016</u>	
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>	<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 629,328	\$ -	\$ 803,298	\$ -
Difference between actual and expected experience	-	90,688	-	69,683
Change in employer's proportion	<u>14,457</u>	<u>-</u>	<u>(35,976)</u>	<u>-</u>
Amortizing deferred outflows and deferred inflows	<u>643,785</u>	<u>90,688</u>	<u>767,322</u>	<u>69,683</u>
Authority contributions subsequent to the measurement date	<u>235,478</u>	<u>-</u>	<u>212,025</u>	<u>-</u>
Total	<u>\$ 879,263</u>	<u>\$ 90,688</u>	<u>\$ 979,347</u>	<u>\$ 69,683</u>

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Note 14. Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The Authority reported \$235,478 as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2018	\$ 224,154	\$ 39,632
2019	225,221	37,566
2020	184,568	13,490
2021	9,842	-
	<u>\$ 643,785</u>	<u>\$ 90,688</u>

Actuarial Assumptions

The total pension liability in the December 31, 2016 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions and Methods	
Valuation Date	1/1/2017
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level percent open
Remaining amortization period	30
Asset valuation method	5-year
Actuarial assumptions:	
Investment net rate of return	7.75%
Projected salary increases (includes inflation)	4.25% to 6.00%
Assumed inflation rate	3.25%
Mortality	RP-2000 Combined Mortality Table, fully generational

The current actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study that covered a five-year period ending December 31, 2011. Differences between assumptions and actual experience since the prior valuation are identified as actuarial gains and losses. These gains and losses impact the unfunded actuarial accrued liability and future funding requirements determined in subsequent valuations.

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Note 14. Pension Plans (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return 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.

For each major asset class that is included in the pension plan's target allocation as of January 1, 2017, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
Cash	0.00%	-0.20%	-0.20%
Fixed Income	20.00%	1.43%	1.95%
Equity	45.00%	5.72%	7.73%
Marketable Alternatives	17.50%	3.03%	3.73%
Private Markets	17.50%	5.84%	7.14%
	<u>100.00%</u>		

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed contributions from participating employers will be made on the actuarially determined rates based on the pension plan's funding policy, which establishes the contractually required rates under Wyoming State Statutes. 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Note 14. Pension Plans (Continued)

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.75 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 (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

Authority's proportionate share of the net pension liability

1% Decrease (6.75%)	\$4,808,188
Current Discount Rate (7.75%)	3,347,541
1% Increase (8.75%)	2,120,738

Pension Plan Fiduciary Net Position

The Wyoming Retirement System issues a publicly available financial report which includes audited financial statements and required supplementary information for each plan. Detailed information about the pension plans' fiduciary net position is available in the separately issued Wyoming Retirement System financial report. The report may be obtained from the Wyoming Retirement System website at <http://retirement.state.wy.us>.

Note 15. Commitments, Concentrations and Contingencies

At June 30, 2017, the Authority was committed to purchase single-family mortgages aggregating approximately \$28.1 million under the Warehouse Indenture, \$1.6 million under the Affordable Housing Development Program, \$1.0 million under the Housing Trust Fund, \$5.5 million under the FNMA HFA Program and \$3.7 million under the GNMA Advantage Program.

At June 30, 2017, the Authority has variable rate bonds outstanding in the 1994 Indenture of \$104.25 million.

As of June 30, 2017, the Authority had \$38 million of variable rate debt in the 1994 Indenture. These bonds are subject to tender at par for repurchase by the Authority at the option of the bondholders; however, the Authority may remarket these bonds if they are tendered by the bondholders. These bonds were subject to a repurchase commitment, assumed by the Federal Home Loan Bank.

Under these agreements, the provider will purchase any bonds tendered by bondholders and not successfully remarketed by the settlement date, and will adjust the interest rate associated with any unremarketed bonds to a bank rate. As of June 30, 2017, no variable rate bonds were held as unremarketed bank bonds under the terms of a standby bond purchase agreement.

In addition, WCDA has \$66.25 million in floating rate notes outstanding at June 30, 2017.

The Authority uses a number of insurers for its mortgage receivables as noted in Note 5. The Authority requires private mortgage insurance (PMI) on some mortgages with coverage ranging from 30% to 50% of the outstanding balances. Approximately 6% of the Authority's outstanding mortgage receivable balances were covered by PMI from Radian and approximately 7% from Genworth, as of June 30, 2017.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016
(INFORMATION WITH RESPECT TO THE SIX MONTHS ENDED
DECEMBER 31, 2017 AND 2016 IS UNAUDITED)

Note 15. Commitments, Concentrations and Contingencies (Continued)

At December 31, 2017, the Authority has variable rate bonds outstanding in the 1994 Indenture of \$106.45 million.

As of December 31, 2017, the Authority had \$37.2 million of variable rate debt in the 1994 Indenture. These bonds are subject to tender at par for repurchase by the Authority at the option of the bondholders; however, the Authority may remarket these bonds if they are tendered by the bondholders. These bonds were subject to a repurchase commitment, assumed by the Federal Home Loan Bank.

Under these agreements, the provider will purchase any bonds tendered by bondholders and not successfully remarketed by the settlement date, and will adjust the interest rate associated with any unremarketed bonds to a bank rate. As of December 31, 2017, no variable rate bonds were held as unremarketed bank bonds under the terms of a standby bond purchase agreement.

In addition, WCDA has \$69.25 million in floating rate notes outstanding at December 31, 2017.

The Authority uses a number of insurers for its mortgage receivables as noted in Note 5. The Authority requires private mortgage insurance (PMI) on some mortgages with coverage ranging from 30% to 50% of the outstanding balances. Approximately 6% of the Authority's outstanding mortgage receivable balances were covered by PMI from Radian and approximately 7% from Genworth, as of December 31, 2017.

Note 16. Forward Commitments

The Authority sells forward commitments to deliver Government National Mortgage Association (GNMA) guaranteed mortgage-backed securities. Commitments are sold as mortgage loan reservations are taken to hedge against market fluctuations prior to loan origination and securitization. The Authority is subject to market value fluctuations prior to loan origination and securitization, in the event that mortgage loans are not originated as expected and the committed securities cannot be delivered.

A net decrease in fair value of \$201,326 on the outstanding forward commitments, classified as investment derivative instruments, has been recorded in investment income in the Single Family Mortgage Warehousing Fund for the year ended June 30, 2017. In addition, \$118,634 of forward commitments is recorded on the statement of net position as other current assets at June 30, 2017.

A net decrease in fair value of \$13,488 on the outstanding forward commitments, classified as investment derivative instruments, has been recorded in investment income in the Single Family Mortgage Warehousing Fund for the year ended December 31, 2017. In addition, \$132,122 of forward commitments is recorded on the statement of net position as other current assets at December 31, 2017.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016
(INFORMATION WITH RESPECT TO THE SIX MONTHS ENDED
DECEMBER 31, 2017 AND 2016 IS UNAUDITED)

Note 16. Forward Commitments (Continued)

The Authority is subject to credit risk with respect to counterparties to the forward commitment contracts, summarized by counterparty at June 30, 2017 as follows:

June 30, 2017						
Counterparty	Count	Commitments at Par	Fair Value	Exposure by Counterparty	Purchased	Counterparty Rating (S&P/Moodys)
Bank of New York Mellon	5	\$ 2,754,250	\$ 2,850,845	73%	\$ 1,343,726	AA-/Aa2
Bank of Oklahoma	1	1,000,000	1,034,200	27%	340,922	BBB+/A3
		\$ 3,754,250	3,885,045	100%	\$ 1,684,648	
Adjustment to fair value for related fees and funding risk			(12,161)			
Adjusted fair value			\$ 3,872,884			

The Authority is subject to credit risk with respect to counterparties to the forward commitment contracts, summarized by counterparty at December 31, 2017 as follows:

December 31, 2017						
Counterparty	Count	Commitments at Par	Fair Value	Exposure by Counterparty	Purchased	Counterparty Rating (S&P/Moodys)
Bank of New York Mellon	1	\$ 500,000	\$ 516,400	8%	\$ 128,867	AA-/Aa2
Bank of Oklahoma	2	2,500,000	2,579,600	40%	128,867	BBB+/A3
Daiwa Capital Markets	1	500,000	516,400	8%	128,867	unknown
EDF Man Capital Markets	5	2,791,523	2,886,293	44%	938,971	unknown
		\$ 6,291,523	6,498,693	100%	\$ 1,325,572	
Adjustment to fair value for related fees and funding risk			(75,048)			
Adjusted fair value			\$ 6,423,645			

The Authority has also recorded a deferred inflow of resources for the accumulated increase in fair value of hedged derivatives of \$96,508 and \$146,922 as of June 30, 2017 and December 31, 2017, respectively, for its aggregate liability should it fail to fulfill these forward commitments. This expense has been netted in investment income.

Note 17. Risk Management

The Authority carries commercial insurance for risks of loss related to wrongful acts, general liability protection, and theft of, damage to, or destruction of real and personal property. Settled claims resulting from these risks have not exceeded the commercial insurance coverage.

The Authority manages its risks in respect to the mortgages it acquires by obtaining insurance or guarantees from various sources. None of the insurance or guarantees cover 100% of potential losses on the mortgage portfolio. The Authority has established loan loss reserves for additional coverage of potential losses that exist in its mortgage portfolio.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016
(INFORMATION WITH RESPECT TO THE SIX MONTHS ENDED
DECEMBER 31, 2017 AND 2016 IS UNAUDITED)

Note 17. Risk Management (Continued)

The Authority participates in the State of Wyoming self-insured employee medical, life and dental insurance program. This group medical insurance program is co-administered with a third-party health provider/claim service company. The State self-insures medical costs and assumes all the risk for claims incurred by plan participants. The employee life insurance and dental insurance plans are administered solely by insurance providers. The State does not retain any risk of loss for the life or dental insurance plans as the insurance providers assume all the risk for claims incurred by the participants. The Authority contributes the insurance premiums for each covered employee and a portion of the each covered employee's dependents for these plans.

The State's group insurance fund, which includes medical, life and dental, was solvent at June 30, 2017 and the Authority expects to incur no liability in connection with the group insurance program. Group insurance premiums paid by the Authority during the years ended June 30, 2017 and 2016 were \$729,156 and \$708,376, respectively.

Note 18. Standards Issued But Not Implemented

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. The requirements of the Statement are effective for reporting periods beginning after December 15, 2018. Management has not completed its assessment of the effects of implementing this standard.

GASB Statement No. 85, *Omnibus 2017*, establishes accounting and financial reporting requirements for blending component units, goodwill, classifying real estate held by insurance entities, measuring certain money market investments and participating interest-earning contracts at amortized cost, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of the Statement are effective for reporting periods beginning after June 15, 2017. Management has not completed its assessment of the effects of implementing this standard.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016
(INFORMATION WITH RESPECT TO THE SIX MONTHS ENDED
DECEMBER 31, 2017 AND 2016 IS UNAUDITED)

Note 19. Subsequent Events

On July 31, 2017, the Authority instructed its trustee to redeem on September 1, 2017, bonds in the amount of \$18,210,000 from the 1994 Indenture.

On July 31, 2017, the Authority instructed its trustee to call on September 1, 2017, bonds in the amount of \$7,050,000 from the 2009 Indenture.

On July 27, 2017, the Authority transitioned to a new trustee.

On October 30, 2017, the Authority instructed its trustee to redeem on December 1, 2017, bonds in the amount of \$8,785,000 from the 1994 Indenture.

On October 30, 2017, the Authority instructed its trustee to call on December 1, 2017, bonds in the amount of \$5,985,000 from the 2009 Indenture.

On December 1, 2017, the Authority refunded \$3,000,000 of bonds in the 1994 Indenture from proceeds of a bond issuance in November, 2017, in the 1994 Indenture.

On January 31, 2018, the Authority instructed its trustee to call on March 1, 2018, bonds in the amount of \$8,745,000 from the 1994 Indenture.

On January 31, 2018, the Authority instructed its trustee to call on March 1, 2018, bonds in the amount of \$5,430,000 from the 2009 Indenture.

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REQUIRED SUPPLEMENTARY INFORMATION

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

(Unaudited)

	2017	2016	2015	2014
Authority's proportion of the net pension liability (asset)	0.1384712%	0.1414056%	13.8354600%	*
Authority's proportionate share of the net pension liability (asset)	\$ 3,347,541	\$ 3,293,828	\$ 2,441,532	*
Authority's covered-employee payroll	\$ 2,468,810	\$ 2,466,218	\$ 2,365,050	*
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	135.59%	133.56%	103.23%	*
Plan fiduciary net position as a percentage of the total pension liability	73.42%	73.40%	79.08%	*

The amounts presented for each fiscal year were determined as of December 31.

* Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

2013	2012	2011	2010	2009	2008
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

SCHEDULE OF AUTHORITY CONTRIBUTIONS

Last 10 Fiscal Years

(Unaudited)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 458,576	\$ 410,819	\$ 366,743	*
Contributions in relations to the contractually required contribution	<u>(458,576)</u>	<u>(410,819)</u>	<u>(366,743)</u>	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	*
Authority's covered-employee payroll	\$ 2,759,184	\$ 2,471,835	\$ 2,310,920	*
Contributions as a percentage of covered-employee payroll	16.62%	16.62%	15.87%	*

* Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*

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OTHER SUPPLEMENTARY INFORMATION

WYOMING COMMUNITY DEVELOPMENT AUTHORITY
DETAILED BALANCE SHEET
December 31, 2017 (Unaudited)
(See Independent Auditor's Report)

	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Single Family Mortgage Warehousing Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets			
Cash and cash equivalents	\$ 14,129,921	\$ -	\$ 5,617,396
Investments	28,567,487	-	-
Interest receivable: Mortgage loans	-	-	4,406
Investments	-	-	4,083
Due from other funds	-	10,158,613	-
Accounts receivable and other assets	-	-	135,897
Total current assets	<u>42,697,408</u>	<u>10,158,613</u>	<u>5,761,782</u>
Noncurrent Assets			
Restricted cash and cash equivalents	86,659,223	5,972,679	-
Restricted investments	68,850,497	13,646,824	-
Restricted mortgage loans receivable, net	573,023,017	104,872,783	-
Restricted interest receivable: Mortgage loans	2,352,434	447,602	-
Investments	1,016,781	157,373	-
Restricted accounts receivable and other assets	310,099	(12,009)	5,500
Mortgage loans receivable, net	-	-	2,272,454
Deferred hedging costs of fixed-rate swaps	28,547	-	-
Deferred servicing costs, net	-	-	-
Property and equipment, net	-	-	-
Total noncurrent assets	<u>732,240,598</u>	<u>125,085,252</u>	<u>2,277,954</u>
Total assets	<u>774,938,006</u>	<u>135,243,865</u>	<u>8,039,736</u>
Deferred Outflows of Resources			
Pension contributions and change in earnings	-	-	-
Accumulated decrease in fair value of hedged derivatives	750,533	-	-
Total deferred outflows of resources	<u>750,533</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 775,688,539</u>	<u>\$ 135,243,865</u>	<u>\$ 8,039,736</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current Liabilities			
Bonds payable	\$ 9,020,000	\$ 2,380,000	\$ -
Note payable	-	-	-
Accrued interest payable	1,460,235	269,960	-
Due to other funds	10,158,613	-	3,825,500
Accounts payable and other liabilities	323,429	31,466	30,312
Total current liabilities	<u>20,962,277</u>	<u>2,681,426</u>	<u>3,855,812</u>
Noncurrent liabilities			
Bonds payable	559,595,930	110,911,321	-
Other deferred credits	1,306,442	163,476	-
Pension liabilities	-	-	-
Hedging liabilities	750,533	-	-
Total noncurrent liabilities	<u>561,652,905</u>	<u>111,074,797</u>	<u>-</u>
Total liabilities	<u>582,615,182</u>	<u>113,756,223</u>	<u>3,855,812</u>
Deferred Inflows of Resources			
Differences between expected and actual pension experience	-	-	-
Accumulated increase in fair value of hedged derivatives	28,547	-	146,922
Total deferred inflows of resources	<u>28,547</u>	<u>-</u>	<u>146,922</u>
Net Position			
Invested in capital assets	-	-	-
Restricted	150,347,402	21,487,642	-
Unrestricted	42,697,408	-	4,037,002
Total net position	<u>193,044,810</u>	<u>21,487,642</u>	<u>4,037,002</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 775,688,539</u>	<u>\$ 135,243,865</u>	<u>\$ 8,039,736</u>

Multi-Family Fund	Affordable Housing Development Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ -	\$ 24,827,284	\$ 4,737,077	\$ 2,779,917	\$ -	\$ 52,091,595
-	-	18,000,021	17,665,415	235,000	-	64,467,923
-	-	28,293	-	-	-	32,699
-	-	140,739	123,842	-	-	268,664
-	-	3,825,500	-	-	(13,984,113)	-
-	-	196,362	-	1,104,166	(135,805)	1,300,620
-	-	47,018,199	22,526,334	4,119,083	(14,119,918)	118,161,501
796,497	7,569,877	-	-	-	-	100,998,276
1,441,089	-	-	-	-	-	83,938,410
-	57,360,106	-	-	-	-	735,255,906
-	-	-	-	-	-	2,800,036
16,300	5,594	-	-	-	-	1,196,048
12,947	9,050,193	8,337	-	-	-	9,375,067
-	-	10,658,639	-	-	-	12,931,093
-	-	-	-	-	-	28,547
-	-	-	-	13,832,382	-	13,832,382
-	-	-	-	2,505,767	-	2,505,767
2,266,833	73,985,770	10,666,976	-	16,338,149	-	962,861,532
2,266,833	73,985,770	57,685,175	22,526,334	20,457,232	(14,119,918)	1,081,023,033
-	-	-	-	879,263	-	879,263
-	-	-	-	-	-	750,533
-	-	-	-	879,263	-	1,629,796
\$ 2,266,833	\$ 73,985,770	\$ 57,685,175	\$ 22,526,334	\$ 21,336,495	\$ (14,119,918)	\$ 1,082,652,829
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,400,000
-	-	-	-	-	-	-
-	-	-	-	-	-	1,730,195
-	-	-	-	-	(13,984,113)	-
-	107,094	1,833	-	682,874	(135,805)	1,041,203
-	107,094	1,833	-	682,874	(14,119,918)	14,171,398
-	-	-	-	-	-	670,507,251
-	-	-	-	-	-	1,469,918
-	-	-	-	3,347,541	-	3,347,541
-	-	-	-	-	-	750,533
-	-	-	-	3,347,541	-	676,075,243
-	107,094	1,833	-	4,030,415	(14,119,918)	690,246,641
-	-	-	-	90,688	-	90,688
-	-	-	-	-	-	175,469
-	-	-	-	90,688	-	266,157
-	-	-	-	2,505,767	-	2,505,767
-	73,878,676	-	-	-	-	245,713,720
2,266,833	-	57,683,342	22,526,334	14,709,625	-	143,920,544
2,266,833	73,878,676	57,683,342	22,526,334	17,215,392	-	392,140,031
\$ 2,266,833	\$ 73,985,770	\$ 57,685,175	\$ 22,526,334	\$ 21,336,495	\$ (14,119,918)	\$ 1,082,652,829

WYOMING COMMUNITY DEVELOPMENT AUTHORITY
DETAILED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Six Months Ended December 31, 2017 (Unaudited)
(See Independent Auditor's Report)

	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Single Family Mortgage Warehousing Fund
Operating Revenues			
Mortgage interest	\$ 11,230,048	\$ 2,250,992	303,292
Investment income	2,311,258	261,525	647
Net change in fair value of investments	388,346	131,629	-
Fees and other income	-	-	609,165
Total operating revenue	<u>13,929,652</u>	<u>2,644,146</u>	<u>913,104</u>
Operating Expenses			
Interest expense	7,547,379	1,727,784	305,371
Services fees	1,008,630	193,242	29,920
Amortization of deferred servicing costs	-	-	-
Cost of issuance and other financing costs	903,705	6,166	-
Provision for (recapture of) loan losses	(250,446)	(225,418)	-
General and administrative	352,911	48,165	129,685
Total operating expenses	<u>9,562,179</u>	<u>1,749,939</u>	<u>464,976</u>
Operating income (loss)	<u>4,367,473</u>	<u>894,207</u>	<u>448,128</u>
Nonoperating Revenue (Expenses)			
Federal program income	-	-	-
Federal program expense	-	-	-
Nonoperating income	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) before transfers	4,367,473	894,207	448,128
Transfers in (out)	<u>(1,513,697)</u>	<u>(2,486,303)</u>	<u>-</u>
Net income (loss)	2,853,776	(1,592,096)	448,128
Net position, beginning of year	<u>190,191,034</u>	<u>23,079,738</u>	<u>3,588,874</u>
Net position, end of year	<u>\$ 193,044,810</u>	<u>\$ 21,487,642</u>	<u>\$ 4,037,002</u>

Multi-Family Fund	Affordable Housing Development Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ -	\$ 104,761	\$ -	\$ -	\$ -	\$ 13,889,093
33,610	-	547,942	280,296	3,022	(231,844)	3,206,456
2,535	-	(1,700)	(106,079)	-	-	414,731
-	-	21,750	-	2,637,961	(1,215,541)	2,053,335
<u>36,145</u>	<u>-</u>	<u>672,753</u>	<u>174,217</u>	<u>2,640,983</u>	<u>(1,447,385)</u>	<u>19,563,615</u>
-	-	245	162	-	(231,844)	9,349,097
-	-	10,574	-	-	(1,215,541)	26,825
-	-	-	-	1,080,000	-	1,080,000
-	-	-	-	-	-	909,871
-	-	210,914	-	-	-	(264,950)
863	-	6,629	863	3,107,342	-	3,646,458
<u>863</u>	<u>-</u>	<u>228,362</u>	<u>1,025</u>	<u>4,187,342</u>	<u>(1,447,385)</u>	<u>14,747,301</u>
35,282	-	444,391	173,192	(1,546,359)	-	4,816,314
-	2,248,173	-	-	-	-	2,248,173
-	(590,546)	-	-	-	-	(590,546)
-	<u>1,657,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,657,627</u>
35,282	1,657,627	444,391	173,192	(1,546,359)	-	6,473,941
-	-	3,000,000	-	1,000,000	-	-
35,282	1,657,627	3,444,391	173,192	(546,359)	-	6,473,941
2,231,551	72,221,049	54,238,951	22,353,142	17,761,751	-	385,666,090
<u>\$ 2,266,833</u>	<u>\$ 73,878,676</u>	<u>\$ 57,683,342</u>	<u>\$ 22,526,334</u>	<u>\$ 17,215,392</u>	<u>\$ -</u>	<u>\$ 392,140,031</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY
DETAILED BALANCE SHEET

June 30, 2017

(See Independent Auditor's Report)

	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Single Family Mortgage Warehousing Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets			
Cash and cash equivalents	\$ 6,896,480	\$ -	\$ 7,700,883
Investments	35,775,421	-	-
Interest receivable: Mortgage loans	-	-	4,110
Investments	-	-	1,584
Due from other funds	-	10,158,613	-
Accounts receivable and other assets	-	-	118,634
Total current assets	<u>42,671,901</u>	<u>10,158,613</u>	<u>7,825,211</u>
Noncurrent Assets			
Restricted cash and cash equivalents	51,056,300	9,677,065	-
Restricted investments	87,544,441	13,517,021	-
Restricted mortgage loans receivable, net	549,124,628	115,979,480	-
Restricted interest receivable: Mortgage loans	2,315,587	455,579	-
Investments	947,588	149,776	-
Restricted accounts receivable and other assets	686,995	18,990	57,157
Mortgage loans receivable, net	-	-	4,080,548
Deferred hedging costs of fixed-rate swaps	52,101	-	-
Deferred servicing costs, net	-	-	-
Property and equipment, net	-	-	-
Total noncurrent assets	<u>691,727,640</u>	<u>139,797,911</u>	<u>4,137,705</u>
Total assets	<u>734,399,541</u>	<u>149,956,524</u>	<u>11,962,916</u>
Deferred Outflows of Resources			
Pension contributions and change in earnings	-	-	-
Accumulated decrease in fair value of hedged derivatives	488,568	-	-
Total deferred outflows of resources	<u>488,568</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 734,888,109</u>	<u>\$ 149,956,524</u>	<u>\$ 11,962,916</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current Liabilities			
Bonds payable	\$ 16,550,000	\$ 5,010,000	\$ -
Note payable	-	-	-
Accrued interest payable	1,389,860	301,463	-
Due to other funds	10,158,613	-	8,248,500
Accounts payable and other liabilities	286,147	33,615	29,034
Total current liabilities	<u>28,384,620</u>	<u>5,345,078</u>	<u>8,277,534</u>
Noncurrent Liabilities			
Bonds payable	514,240,260	121,314,349	-
Other deferred credits	1,531,526	217,359	-
Pension liabilities	-	-	-
Hedging liabilities	488,568	-	-
Total noncurrent liabilities	<u>516,260,354</u>	<u>121,531,708</u>	<u>-</u>
Total liabilities	<u>544,644,974</u>	<u>126,876,786</u>	<u>8,277,534</u>
Deferred Inflows of Resources			
Differences between expected and actual pension experience	-	-	-
Accumulated increase in fair value of hedged derivatives	52,101	-	96,508
Total deferred inflows of resources	<u>52,101</u>	<u>-</u>	<u>96,508</u>
Net Position			
Invested in capital assets	-	-	-
Restricted	147,519,133	23,079,738	-
Unrestricted	42,671,901	-	3,588,874
Total net position	<u>190,191,034</u>	<u>23,079,738</u>	<u>3,588,874</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 734,888,109</u>	<u>\$ 149,956,524</u>	<u>\$ 11,962,916</u>

Multi-Family Fund	Affordable Housing Development Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ -	\$ 17,906,664	\$ 2,458,238	\$ 3,275,557	\$ -	\$ 38,237,822
-	-	19,256,675	19,771,834	235,000	-	75,038,930
-	-	21,848	-	-	-	25,958
-	-	137,587	123,070	-	-	262,241
-	-	8,248,500	-	-	(18,407,113)	-
-	-	21,973	-	1,156,286	(28,188)	1,268,705
-	-	45,593,247	22,353,142	4,666,843	(18,435,301)	114,833,656
278,158	6,310,225	-	-	-	-	67,321,748
1,937,267	-	-	-	-	-	102,998,729
-	55,284,834	-	-	-	-	720,388,942
-	-	-	-	-	-	2,771,166
16,126	3,572	-	-	-	-	1,117,062
-	10,622,418	5,978	-	-	(14,981)	11,376,557
-	-	8,641,343	-	-	-	12,721,891
-	-	-	-	-	-	52,101
-	-	-	-	13,816,928	-	13,816,928
-	-	-	-	2,666,970	-	2,666,970
2,231,551	72,221,049	8,647,321	-	16,483,898	(14,981)	935,232,094
2,231,551	72,221,049	54,240,568	22,353,142	21,150,741	(18,450,282)	1,050,065,750
-	-	-	-	879,263	-	879,263
-	-	-	-	-	-	488,568
-	-	-	-	879,263	-	1,367,831
\$ 2,231,551	\$ 72,221,049	\$ 54,240,568	\$ 22,353,142	\$ 22,030,004	\$ (18,450,282)	\$ 1,051,433,581
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,560,000
-	-	-	-	-	-	-
-	-	-	-	-	-	1,691,323
-	-	-	-	-	(18,407,113)	-
-	-	1,617	-	830,024	(43,169)	1,137,268
-	-	1,617	-	830,024	(18,450,282)	24,388,591
-	-	-	-	-	-	635,554,609
-	-	-	-	-	-	1,748,885
-	-	-	-	3,347,541	-	3,347,541
-	-	-	-	-	-	488,568
-	-	-	-	3,347,541	-	641,139,603
-	-	1,617	-	4,177,565	(18,450,282)	665,528,194
-	-	-	-	90,688	-	90,688
-	-	-	-	-	-	148,609
-	-	-	-	90,688	-	239,297
-	-	-	-	2,666,970	-	2,666,970
-	72,221,049	-	-	-	-	242,819,920
2,231,551	-	54,238,951	22,353,142	15,094,781	-	140,179,200
2,231,551	72,221,049	54,238,951	22,353,142	17,761,751	-	385,666,090
\$ 2,231,551	\$ 72,221,049	\$ 54,240,568	\$ 22,353,142	\$ 22,030,004	\$ (18,450,282)	\$ 1,051,433,581

WYOMING COMMUNITY DEVELOPMENT AUTHORITY
DETAILED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2017
(See Independent Auditor's Report)

	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Single Family Mortgage Warehousing Fund	Multi-Family Fund
Operating Revenues				
Mortgage interest	\$ 22,832,488	\$ 5,132,665	\$ 485,420	\$ -
Investment interest income	3,950,448	447,465	(104,308)	61,259
Net change in fair value of investments	(6,763,371)	(993,767)	(56,634)	(100,349)
Fees and other income	-	-	1,372,077	-
Total operating revenue	<u>20,019,565</u>	<u>4,586,363</u>	<u>1,696,555</u>	<u>(39,090)</u>
Operating Expenses				
Interest expense	13,990,823	4,066,271	510,086	-
Services fees	1,963,313	453,888	52,274	-
Amortization of deferred servicing costs	-	-	-	-
Cost of issuance and other financing costs	2,206,367	12,659	-	-
Provision for (recapture of) loan losses	9,379	(591,568)	-	-
General and administrative	328,156	57,580	253,128	1,000
Total operating expenses	<u>18,498,038</u>	<u>3,998,830</u>	<u>815,488</u>	<u>1,000</u>
Operating income (loss)	<u>1,521,527</u>	<u>587,533</u>	<u>881,067</u>	<u>(40,090)</u>
Nonoperating Revenue (Expenses)				
Federal program income	-	-	-	-
Federal program expense	-	-	-	-
Nonoperating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) before transfers	1,521,527	587,533	881,067	(40,090)
Transfers in (out)	<u>(3,216,273)</u>	<u>1,236,014</u>	<u>(19,741)</u>	<u>-</u>
Net income (loss)	(1,694,746)	1,823,547	861,326	(40,090)
Net position, beginning of year	<u>191,885,780</u>	<u>21,256,191</u>	<u>2,727,548</u>	<u>2,271,641</u>
Net position, end of year	<u>\$ 190,191,034</u>	<u>\$ 23,079,738</u>	<u>\$ 3,588,874</u>	<u>\$ 2,231,551</u>

Affordable Housing Development Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ 207,357	\$ -	\$ -	\$ -	\$ 28,657,930
-	998,445	539,425	2,820	(428,242)	5,467,312
-	(872,585)	(1,022,525)	-	-	(9,809,231)
-	56,937	-	5,144,400	(2,458,030)	4,115,384
-	390,154	(483,100)	5,147,220	(2,886,272)	28,431,395
-	680	258	-	(428,242)	18,139,876
-	22,214	-	-	(2,458,030)	33,659
-	-	-	2,160,000	-	2,160,000
-	-	-	-	-	2,219,026
-	362,272	-	-	-	(219,917)
-	162,368	1,000	6,610,355	-	7,413,587
-	547,534	1,258	8,770,355	(2,886,272)	29,746,231
-	(157,380)	(484,358)	(3,623,135)	-	(1,314,836)
4,512,199	-	-	-	-	4,512,199
(2,803,582)	-	-	-	-	(2,803,582)
1,708,617	-	-	-	-	1,708,617
1,708,617	(157,380)	(484,358)	(3,623,135)	-	393,781
-	-	-	2,000,000	-	-
1,708,617	(157,380)	(484,358)	(1,623,135)	-	393,781
70,512,432	54,396,331	22,837,500	19,384,886	-	385,272,309
\$ 72,221,049	\$ 54,238,951	\$ 22,353,142	\$ 17,761,751	\$ -	\$ 385,666,090

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APPENDIX E

FORM OF BOND COUNSEL OPINION

_____, 2018

Wyoming Community Development
Authority
155 North Beech Street
Casper, Wyoming 82601

Re: Wyoming Community Development Authority
\$_____ Housing Revenue Bonds, 2018 Series 1
\$_____ Housing Revenue Bonds, 2018 Series 2

Ladies and Gentlemen:

We have examined the record of proceedings relating to the issuance of \$_____ aggregate principal amount of Wyoming Community Development Authority (the “*Authority*”) Housing Revenue Bonds, 2018 Series 1 (the “*2018 Series 1 Bonds*”) and the \$_____ aggregate principal amount of the Authority’s Housing Revenue Bonds, 2018 Series 2 (the “*2018 Series 2 Bonds*”) and, collectively with the 2018 Series 1 Bonds, the “*Bonds*”).

The Bonds are authorized to be issued pursuant to the Wyoming Community Development Authority Act, as amended, constituting Chapter 7, Title 9, Wyoming Statutes (the “*Act*”), a Trust Indenture dated December 1, 1994 (the “*1994 Indenture*”), between the Authority and Wilmington Trust, National Association, as successor trustee (the “*Trustee*”), and a 2018 Series 1 Supplemental Trust Indenture and a 2018 Series 2 Supplemental Trust Indenture, each dated as of May 1, 2018, each between the Authority and the Trustee (collectively, with the 1994 Indenture, the “*Indenture*”). Capitalized terms used herein and not otherwise defined shall have the same meanings as ascribed thereto in the Indenture, which is available for inspection at the offices of the Authority and the Trustee.

The Bonds are dated, mature in the years, in the respective principal amounts, bear interest at the rates, are subject to redemption prior to maturity and are otherwise in the form described in the Indenture. The Bonds are being issued to refund bonds previously issued under the 1994 Indenture and make moneys available to finance Loans.

We are of the opinion that:

(1) The Authority was duly created and is validly existing under the provisions of the Act with full power and authority to execute and deliver the Indenture, to issue the Bonds and to perform all its obligations under the Indenture.

(2) The Authority has full power and authority to execute and deliver the Indenture. The Indenture has been duly and lawfully executed and delivered by the Authority, is in full force and effect and is valid and binding upon the Authority.

(3) The Indenture creates the valid pledge which it purports to create of (i) the proceeds of the Bonds, (ii) all right, title and interest of the Authority in and to all Loans acquired with moneys subject to the lien of the Indenture, (iii) the Revenues and (iv) all moneys and investments in all Funds and Accounts established by or pursuant to the Indenture.

(4) The Bonds have been duly and validly authorized and issued in accordance with law, including the Act, and in accordance with the Indenture. The Bonds, together with the interest payable with respect thereto, are legal, valid and binding special obligations of the Authority as provided in the Indenture, enforceable in accordance with their terms and the terms of the Indenture.

(5) The Bonds shall not constitute a debt or liability or a pledge of the faith and credit of the State of Wyoming.

(6) Under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds is excluded from gross income of the holders thereof for federal income tax purposes. Interest on the Bonds is not a specific preference item in calculating the federal alternative minimum tax imposed under the Internal Revenue Code of 1986, as amended (the “Code”) with respect to individuals and corporations and is not included in the calculation of adjusted current earnings for purposes of calculating the federal alternative minimum tax imposed on corporations.

The Code establishes certain requirements that must be met subsequent to the issuance of the Bonds in order that interest thereon be and remain excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be subject to such tax retroactive to the date of issuance of the Bonds. The requirements include provisions that restrict the yield and set forth limitations within which the proceeds of the Bonds are to be invested, including eligibility requirements for mortgages, and require that certain investment earnings be rebated on a periodic basis to the United States Treasury. The Indenture contains covenants of the Authority to comply with such requirements. The opinions expressed in paragraph (6) above assume compliance with such covenants.

The accrual or receipt of interest on the Bonds may otherwise affect the income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient’s particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

The opinions we have expressed herein as to the treatment of the interest borne by the Bonds for federal income tax purposes is based upon laws, regulations, rulings and decisions in

effect on the date hereof. Each purchaser of the Bonds should consult his or her own tax advisor as regards any pending or proposed federal tax legislation.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We have examined an executed Bond of each series and, in our opinion, the form of each of said Bonds and its execution are regular and proper.

In rendering this opinion, we advise you that the enforceability of rights and remedies with respect to the Bonds and the Indenture may be limited by bankruptcy, insolvency or other laws heretofore or hereafter enacted affecting creditors' rights or remedies.

Very truly yours,

KUTAK ROCK LLP

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APPENDIX F

CERTAIN DEFINITIONS WITH RESPECT TO THE 2018 SERIES 2 BONDS

“*Alternate Liquidity Facility*” means any Liquidity Facility subsequent to the Liquidity Facility and shall include any assignment of the Liquidity Facility to another Liquidity Provider; *provided, however*, that the delivery of each Alternate Liquidity Facility shall result in a short term rating of variable rate Bonds of not less than “A-I” by S&P or “VMIG-I” by Moody’s, as evidenced by a rating letter delivered prior to the delivery of such Alternate Liquidity Facility.

“*Alternate Rate*” means, on any Rate Determination Date, the rate per annum specified in the index (the “*Index*”) published by the Indexing Agent and in effect on such Rate Determination Date plus 0.25%. The Alternate Rate shall be determined on the Rate Determination Date and shall be effective for the immediately succeeding Weekly Rate Period. The Alternate Rate shall continue to be determined on each Rate Determination Date until such time as the Remarketing Agent again establishes the Weekly Rate. In the event that the Index rate is no longer published by the Indexing Agent, the Alternate Rate will be a comparable index selected by the Remarketing Agent and agreed to by the Authority.

If no Indexing Agent publishes an Index satisfying the requirements of the preceding paragraph, the Alternate Rate for an Interest Period shall be the rate per annum specified in the most recently published Index for a comparable Interest Period, which with regard to the Term Rate may mean the period most comparable to the then current Interest Period.

“*Bank*” means one or more commercial banks, trust companies or financial institutions obligated under a Liquidity Facility or under an Alternate Liquidity Facility.

“*Conversion Date*” means each Fixed Rate Conversion Date, Term Rate Conversion Date, Index Interest Rate Conversion Date and Weekly Rate Conversion Date and includes, without limitation, each date on which the then current Index Interest Rate Period is changed to a new Index Interest Rate Period.

“*Conversion Notice*” has the meaning ascribed to such term in the 2018 Series 2 Supplemental Indenture.

“*Interest Period*” means the period of time that an interest rate remains in effect, which period with respect to each 2018 Series 2 Bond in the Term Rate Mode, initially, shall be from and include the Mode Change Date or Conversion Date to but not including the Mandatory Tender Date established for such Bond and thereafter shall be from and include such Mandatory Tender Date to but not including the next Mandatory Tender Date.

“*Liquidity Facility*” means the Liquidity Facility, as amended from time to time, and shall also include any Alternate Liquidity Facility.

“*Liquidity Interest Amount*” means the amount of the interest portion of the Liquidity Facility, which (a) during the Weekly Mode shall be an amount equal to at least 187 days’ (or such

fewer or greater number of days as shall be approved by Moody's and S&P) interest on the Outstanding 2018 Series 2 Bonds calculated at the Maximum Rate on the basis of a 365/366 day year for the actual number of days elapsed, and (b) during the Term Rate Mode shall be an amount equal to at least 187 days' (or such fewer or greater number of days as shall be approved by Moody's and S&P) interest on the Outstanding 2018 Series 2 Bonds calculated at the Maximum Rate on the basis of a 360 day year composed of twelve 30 day months.

"Liquidity Provider" means any Bank obligated to purchase 2018 Series 2 Bonds upon the tender thereof pursuant to a Liquidity Facility, which shall initially be Royal Bank of Canada, acting through its branch located at 200 Vesey Street, New York, New York 10281.

"Liquidity Provider Bond" means a 2018 Series 2 Bond or portion thereof purchased from the proceeds from a draw on the Liquidity Facility, having as its nominal owner the Tender Agent or other nominee selected by the Liquidity Provider. Notwithstanding the foregoing, the Liquidity Provider shall be deemed to be the Owner of Liquidity Provider Bonds with respect to voting matters, subject to DTC procedures. The Purchase Price of Liquidity Provider Bonds shall not be payable by drawings upon the Liquidity Facility.

"Mandatory Tender" means the mandatory tender for purchase of all or a portion of the variable rate Bonds on any date on which the variable rate Bonds are subject to Mandatory Tender for purchase in accordance with 2018 Series 2 Supplemental Indenture, in each case, at the Purchase Price.

"Mandatory Tender Date" means any date that Mandatory Tender of 2018 Series 2 Bonds is required pursuant to the 2018 Series 2 Supplemental Indenture, including, but not limited to, the Substitution Tender Date.

"Maximum Rate" means, on any day, the lesser of (a) the maximum rate permitted by law or (b) the per annum interest rate used to calculate the Liquidity Interest Amount, which shall not exceed 12% or other amount authorized by the Authority; *provided, however*, that (i) if the 2018 Series 2 Bonds are in the Fixed Rate Mode, the Maximum Rate shall be the maximum rate determined by law, and (ii) if the 2018 Series 2 Bonds are Liquidity Provider Bonds, the maximum rate for such Liquidity Provider Bonds shall not exceed the maximum rate set forth in the Liquidity Facility (which shall not exceed the maximum rate permitted by law).

"Mode" means, as the context may require, the Weekly Mode, the Term Rate Mode, Index Interest Rate Mode or the Fixed Rate Mode.

"Mode Change Date" means, with respect to any 2018 Series 2 Bond, the day following the last day of one Mode on which another Mode begins other than a Conversion Date.

"Mode Change Notice" means the notice from the Authority to the other Notice Parties of the Authority's intention to change Mode.

"Moody's" means Moody's Investors Service, Inc. and any successor or assign, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a

securities rating agency, “Moody’s” shall be deemed to refer to any other Nationally Recognized Credit Rating Agency which has been designated by the Authority by written notice to the Trustee.

“*Purchase Date*” means any date the 2018 Series 2 Bonds are required to be purchased upon optional or mandatory tender thereof pursuant to the 2018 Series 2 Supplemental Indenture.

“*Purchase Price*” means an amount equal to the principal amount of any 2018 Series 2 Bonds purchased on any Tender Date, plus, in the case of any purchase of 2018 Series 2 Bonds in the Weekly Mode, accrued interest, if any, to the Tender Date. If the Tender Date is also an Interest Payment Date, the Purchase Price shall not include accrued interest.

“*Rate Determination Date*” means the date on which the interest rate(s) on the 2018 Series 2 Bonds shall be determined, which (a) in the case of the Weekly Mode, shall be each Wednesday commencing with the Wednesday of the week following the week the Weekly Mode is effective or, if Wednesday is not a Business Day then the Business Day next preceding such Wednesday, except as set forth in the 2018 Series 2 Supplemental Indenture; (b) in the case of the Term Rate Mode, shall be a Business Day no earlier than 30 Business Days and no later than the Business Day next preceding the first day of an Interest Period; (c) in the case of the Fixed Rate Mode, shall be a date determined by the Remarketing Agent which shall be at least one Business Day prior to the Mode Change Date or Conversion Date; and (d) in the case of the Index Interest Rate Mode, the second London Business Day preceding each Index Interest Rate Reset Date.

“*Rating Confirmation Notice*” means a notice from Moody’s, if then rated by Moody’s, and S&P, if then rated by S&P, confirming that the rating on the 2018 Series 2 Bonds will not be lowered or withdrawn (other than a withdrawal of a short term rating upon a change to a Term Rate Mode or Fixed Rate Mode) as a result of the action proposed to be taken.

“*Record Date*” means (a) with respect to the 2018 Series 2 Bonds in a Weekly Mode or an Index Interest Rate Mode, the day (whether or not a Business Day) next preceding each Interest Payment Date and (b) with respect to the 2018 Series 2 Bonds in a Term Rate Mode or a Fixed Rate Mode, the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

“*Redemption Date*” means the date fixed for redemption of the 2018 Series 2 Bonds subject to redemption in any notice of redemption given in accordance with the terms hereof.

“*Remarketing Agent*” means the placement or remarketing agent at the time serving as such under the Remarketing Agreement and designated as the Remarketing Agent for purposes of the Indenture.

“*Remarketing Agreement*” means a remarketing agreement between the Remarketing Agent and the Authority or any similar agreement between the Remarketing Agent and the Authority, as it may be amended or supplemented from time to time in accordance with its terms.

“*S&P*” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, or any successor or assign and, if such corporation shall be dissolved or liquidated

or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency which has been designated by the Authority by written notice to the Trustee.

“*Substitution Date*” means the effective date on which an Alternate Liquidity Facility is to be substituted for the Liquidity Facility.

“*Substitution Tender Date*” means the date five Business Days prior to the Substitution Date.

“*Tender Agent*” means Wilmington Trust, National Association, Minneapolis, Minnesota or any commercial bank or trust company which may be substituted in its place as provided in the 2018 Series 2 Supplemental Indenture.

“*Tender Date*” means any date that the tender for purchase of the 2018 Series 2 Bonds is to occur pursuant to the 2018 Series 2 Supplemental Indenture and any Mandatory Tender Date.

“*Weekly Mode*” means the Mode during which the 2018 Series 2 Bonds bear interest at the Weekly Rate.

“*Weekly Rate*” means the per annum interest rate on any 2018 Series 2 Bond in the Weekly Mode determined pursuant to the 2018 Series 2 Supplemental Indenture.

APPENDIX G

SUMMARY OF CERTAIN PROVISIONS OF AND RELATING TO THE LIQUIDITY FACILITY

The following is a summary of the provisions of the Liquidity Facility to be entered into with Royal Bank of Canada (the “*Bank*”), acting through its branch located at 200 Vesey Street, New York, New York 10281, which is in the form of a Standby Bond Purchase Agreement (copies of which are on file with the Trustee, the Tender Agent and the Authority). Various words or terms used in the following summary are defined in this Official Statement, the Liquidity Facility or the 1994 Indenture and reference thereto is made for full understanding of their import. In the event of any conflict between a definition set forth herein or the 1994 Indenture and the corresponding definition set forth in the Liquidity Facility, the definition set forth in the Liquidity Facility shall control for purposes of this Appendix G. For further information regarding the Bank, the obligor under the Liquidity Facility, see APPENDIX H, “CERTAIN INFORMATION RELATING TO THE LIQUIDITY PROVIDER.” See also “THE 2018 SERIES 1 BONDS AND 2018 SERIES 2 BONDS” herein and APPENDIX F, “CERTAIN DEFINITIONS WITH RESPECT TO THE 2018 SERIES 2 BONDS.”

DEFINED TERMS

“*Affiliate*” means, with respect to a Person (as defined in the Liquidity Facility), any Person (whether for profit or not for profit), which “controls,” or is “controlled” by, or is under common “control” with such Person. For purposes of this definition, a Person “controls” another Person when the first Person possesses or exercises directly, or indirectly through one or more other affiliates or related entities, the power to direct the management and policies of the other Person, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract, or otherwise.

“*Available Commitment*” means on any day the sum of the Available Interest Commitment and the Available Principal Commitment on such day, (i) initially and until 5:00 p.m. (New York City time) on December 1, 2018, means \$20,801,425 and (ii) from and after 5:00 p.m. (New York City time) on December 1, 2018, means \$20,698,850, in each case for the 2018 Series 2 Bonds in a Weekly Mode.

“*Alternative Liquidity Facility*” means any Liquidity Facility as defined in the 2018 Series 2 Supplemental Indenture, other than the initial Liquidity Facility with the Bank or any extension thereof.

“*Available Interest Commitment*” (i) initially and until 5:00 p.m. (New York City time) on December 1, 2018, means \$1,301,425* with respect to 2018 Series 2 Bonds in the Weekly Mode which initial amount equals 203 days’ interest on the initial amount of the Available Principal Commitment available for 2018 Series 2 Bonds in a Weekly Mode based upon an assumed rate of interest of 12% per annum and a year of 365 days and actual days elapsed with respect to 2018 Series 2 Bonds in the Weekly Mode and (ii) from and after 5:00 p.m. (New York City time) on

* Preliminary; subject to change,

December 1, 2018, means \$1,198,850* with respect to 2018 Series 2 Bonds in the Weekly Mode which amount equals 187 days' interest on the initial amount of the Available Principal Commitment available for 2018 Series 2 Bonds in a Weekly Mode based upon an assumed rate of interest of 12% per annum and a year of 365 days and actual days elapsed-with respect to 2018 Series 2 Bonds in the Weekly Mode and, in each case, means such related amount adjusted from time to time as follows: (a) downward by an amount that bears the same proportion to such initial amount as the amount of any reduction in the Available Principal Commitment, in accordance with clause (a), (b) or (c) of the definition in the Liquidity Facility of Available Principal Commitment, bears to the initial Available Principal Commitment and (b) upward by an amount that bears the same proportion to such initial amount as the amount of any increase in the Available Principal Commitment, in accordance with clause (d) of the definition in the Liquidity Facility of Available Principal Commitment, bears to the initial Available Principal Commitment; *provided* that after giving effect to such adjustment the Available Interest Commitment shall never exceed (x) initially and until 5:00 p.m. on December 1, 2018, \$1,301,425* and (y) from and after 5:00 p.m. on December 1, 2018, \$1,198,850*. Any adjustments to the Available Interest Commitment pursuant to clause (a) or (b) hereof shall occur simultaneously with the occurrence of the event described in such clause.

“Available Principal Commitment” means, initially, the aggregate principal amount of the 2018 Series 2 Bonds Outstanding, \$19,500,000*, and thereafter means such initial amount adjusted from time to time as follows: (a) downward by the amount of any mandatory reduction of the Available Principal Commitment pursuant to the Liquidity Facility (other than with respect to clause (c) of this definition); (b) downward by the principal amount of any 2018 Series 2 Bonds for the purchase of which funds are made available by the Bank to purchase 2018 Series 2 Bonds pursuant to the Liquidity Facility; (c) downward by the principal amount of any 2018 Series 2 Bonds of which the interest rate mode borne by such 2018 Series 2 Bonds has been converted or changed to a mode that is other than Weekly Mode, or has been changed to a mode or rate not required by the 2018 Series 2 Supplemental Indenture to be supported by a “Liquidity Facility” (as defined in the Supplemental Indenture); and (d) upward by the principal amount of any 2018 Series 2 Bonds theretofore purchased by the Bank pursuant to the Liquidity Facility which are remarketed by the Remarketing Agent and for which the Bank has received immediately available funds equal to the principal amount thereof and accrued interest thereon (or deemed to be remarketed pursuant to the Liquidity Facility); *provided, however*, that the sum of (i) the Available Principal Commitment plus (ii) the aggregate principal amount of Bank Bonds shall never exceed \$19,500,000* for the 2018 Series 2 Bonds. Any adjustments to the Available Principal Commitment pursuant to clause (a), (b) or (d) hereof shall occur simultaneously with the occurrence of the event described in such clause. Any adjustments to the Available Principal Commitment pursuant to clause (c) hereof shall occur at 5:00 p.m. New York City time on the Business Day immediately following the occurrence of the event described in such clause.

“Default” means any occurrence, circumstance or event, or any combination thereof, which, with the lapse of time and/or giving of notice, would constitute an Event of Default under the Liquidity Facility.

* Preliminary; subject to change.

“*Eligible Bonds*” means 2018 Series 2 Bonds that bear interest at a Variable Rate during the Weekly Mode and which are not Bank Bonds or 2018 Series 2 Bonds owned by or held on behalf of, for the benefit of or for the account of, the Authority or any Affiliate of the Authority and which are supported by the Liquidity Facility.

“*Investment Grade*” means, with respect to a rating by Moody’s, a rating of “Baa3” (or its equivalent) or better, and, with respect to a rating by S&P, a rating of “BBB-” (or its equivalent) or better.

“*Parity Debt*” means (a) any bonds, notes, obligations or other evidence of indebtedness now or hereafter issued by, or on behalf of, the Authority pursuant to the General Trust Indenture, as supplemented from time to time, on parity with the 2018 Series 2 Bonds and (b) any obligations of the Authority under any interest rate hedging agreements in respect thereof, but only to the extent that such obligations are in respect of regularly scheduled payments which are payable on the same priority and on a parity basis with the 2018 Series 2 Bonds in accordance with the General Trust Indenture.

“*Related Documents*” means the Liquidity Facility, the Fee Letter, the 2018 Series 2 Bonds, the 2018 Series 2 Supplemental Indenture, the General Trust Indenture, the Official Statement (as defined in the Liquidity Facility) and the Remarketing Agreement (as defined in the 2018 Series 2 Supplemental Indenture), as the same may be amended or modified from time to time in accordance with their respective terms and the terms of the Liquidity Facility.

“*Variable Rate*” under the Liquidity Facility, means the rate of interest payable on any Outstanding 2018 Series 2 Bonds which are required by the terms of the 2018 Series 2 Supplemental Indenture to be covered by a Liquidity Facility (which is not an Alternate Liquidity Facility) during a Weekly Mode.

THE LIQUIDITY FACILITY

General. The Authority will execute the Liquidity Facility with the Bank, the Trustee and the Tender Agent on the date of delivery of the 2018 Series 2 Bonds. The Liquidity Facility requires the Bank, subject to certain conditions set forth in the Liquidity Facility, to provide funds for the purchase of the 2018 Series 2 Bonds outstanding as Eligible Bonds that have been tendered for purchase and not remarketed or for which remarketing proceeds have not been received by the Remarketing Agent or the Tender Agent by the specified time set forth in the Supplemental Indenture. Any 2018 Series 2 Bonds so purchased shall constitute Bank Bonds under the terms of the Liquidity Facility and Liquidity Facility Bonds under the 2018 Series 2 Supplemental Indenture. Bank Bonds will bear interest at the Bank Rate, in accordance with the Liquidity Facility, payable as set forth in the Liquidity Facility.

Expiration of the Liquidity Facility. The Bank is obligated to purchase the 2018 Series 2 Bonds which are Eligible Bonds pursuant to the Liquidity Facility from the date of issuance of the 2018 Series 2 Bonds until the earliest to occur of the following dates and events (the “*Commitment*”

Period”): (1) the later of 5:00 p.m. New York City time on May 14, 2021*, and 5:00 p.m. New York City time on the last day of any extension of such date pursuant to the Liquidity Facility (or if such date is not a Business Day, the Business Day next preceding such day) (the “*Expiration Date*”); (2) the first date on which no Eligible Bonds of the 2018 Series 2 are Outstanding; (3) 5:00 p.m. New York City time on the Business Day immediately following the first date on which the interest rate mode borne by all of the 2018 Series 2 Bonds has been converted or changed to a rate mode other than Weekly Mode; (4) 5:00 p.m. New York City time on the thirtieth (30th) day following the date on which a “Notice of Termination Date” (defined below in paragraph (2) in the section entitled “Remedies Upon Occurrence of an Event of Default”) is received by the Authority, the Trustee and the Tender Agent or, if such thirtieth (30th) day is not a Business Day, the next succeeding Business Day; and (5) the date on which the Available Commitment has been reduced to zero or terminated in its entirety pursuant to the Liquidity Facility .

In the event there is an occurrence of a “Termination Event” as described below, the obligation of the Bank to purchase 2018 Series 2 Bonds will immediately terminate without notice or demand to any person. In such event, there shall be no funds available to purchase the 2018 Series 2 Bonds from the Liquidity Facility, in which case no purchases or sales of the 2018 Series 2 Bonds tendered pursuant to the 2018 Series 2 Supplemental Indenture shall be effected.

Purchase of Eligible Bonds. On each Purchase Date on which the 2018 Series 2 Bonds which are Eligible Bonds are to be purchased by the Tender Agent, by no later than 12:00 p.m., New York City time, the Tender Agent shall give the Bank notice by telecopier, promptly confirmed in writing, of the aggregate Purchase Price of the tendered 2018 Series 2 Bonds which are Eligible Bonds required to be purchased by the Bank pursuant to the Liquidity Facility, and the amount of principal and interest constituting such Purchase Price. Upon receipt of the notice set forth above, and subject, in each case, to the satisfaction of the conditions set forth in the Liquidity Facility, the Bank, unless it determines that its obligation to purchase pursuant to the Liquidity Facility has been terminated in accordance therewith, shall, by no later than 2:30 p.m., New York City time, on the same day (or not later than 2:30 p.m., New York City time, on the next Business Day if the Bank receives such notice after 12:00 p.m. New York City time), make available to the Tender Agent, in immediately available funds, such Purchase Price, to be deposited in accordance with the 2018 Series 2 Supplemental Indenture.

Events of Default Under the Liquidity Facility. The occurrence of any of the following events shall constitute an “Event of Default” under the Liquidity Facility:

- (1) any principal of, or interest on, any 2018 Series 2 Bond (including any Bank Bond) shall not be paid when due;
- (2) the Authority shall fail to pay any other amount owing under the Liquidity Facility or under the Fee Letter (other than as set forth in paragraph (1) above) within fifteen (15) days after the same shall become due;

* Preliminary; subject to change.

(3) any representation or warranty made or deemed to be made to the Bank by or on behalf of the Authority in the Liquidity Facility or in any Related Document or in any certificate or statement delivered under the Liquidity Facility or under a Related Document shall be incorrect or untrue in any material respect when made or deemed to have been made;

(4) the Authority shall fail to observe or perform any of the certain enumerated covenants or agreements specified in the Liquidity Facility;

(5) (a) the Authority shall default in the due performance or observance of any other term, covenant or agreement contained (or incorporated by reference in the Liquidity Facility) in the Liquidity Facility or there is any Default in the Liquidity Facility (other than those referred to in paragraphs (1) through (4) above) and such default or Default shall remain unremedied for a period of thirty (30) days after the Bank shall have given written notice thereof to the Authority or (b) an Event of Default shall occur under the Indenture and such Event of Default remains unremedied for a period of thirty (30) days after the Liquidity Provider shall have given notice thereof to the Authority;

(6) (a) the Authority shall commence any case, proceeding or other action (i) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its Debts, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Authority shall make a general assignment for the benefit of its creditors; or (b) there shall be commenced against the Authority any case, proceeding or other action of a nature referred to in clause (a) above which (i) results in an order for such relief or in the appointment of a receiver or similar official or (ii) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (c) there shall be commenced against the Authority, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, rehabilitation, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (d) the Authority shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (a), (b) or (c) above; or (e) the Authority shall not, or shall be unable to, or so admit in writing its inability to, pay its Debts or become insolvent within the meaning of Section 101(32) of the United States Bankruptcy Code of 1978, as it may be amended from time to time (Title 11 of the United States Code), and any successor statute thereto; or (f) a debt moratorium, restructuring, adjustment or comparable extraordinary restriction shall have been declared or imposed on (whether or not in writing) the 2018 Series 2 Bonds or Parity Debt of the Authority by either: (i) the Authority or (ii) pursuant to a ruling, finding or other determination by the State of Wyoming (including, without limitation, any of the executive, legislative or judicial branches of government thereof) or any federal

government agency or authority or any other Governmental Agency having jurisdiction over the Authority;

(7) (a) any provision of the Act, the Liquidity Facility, the Indenture, the 2018 Series 2 Bonds or any Parity Debt relating to the payment of the principal of or interest on the 2018 Series 2 Bonds (including any Bank Bonds) or any Parity Debt or the Security therefor shall at any time and for any reason cease to be valid and binding on the Authority as a result of (i) finding or ruling or other determination, (ii) enactment or adoption of legislation, (iii) issuance of an executive order or (iv) entry of a judgment or decree, in each instance, by a Governmental Agency having appropriate jurisdiction over the Authority that such a provision is null and void, invalid or unenforceable; or (b) the Authority shall have taken or permitted to be taken any official action which would adversely affect the enforceability of any provision of the Liquidity Facility, the 2018 Series 2 Bonds, the Act, the Indenture or any Parity Debt relating to the payment of the principal of or interest on the 2018 Series 2 Bonds (including any Bank Bonds) or any Parity Debt or the Security therefor, or results in a repudiation of its obligation to pay the 2018 Series 2 Bonds (including any Bank Bonds); (c) the Authority (i) challenges the validity or enforceability of any provision of the Liquidity Facility, the 2018 Series 2 Bonds, the Act, the Indenture or any Parity Debt relating to or otherwise affecting (A) the ability or obligation to pay the principal of or interest on the 2018 Series 2 Bonds, the Bank Bonds or any Parity Debt or (B) the Security available for repayment of the principal of or interest on the 2018 Series 2 Bonds, the Bank Bonds or any Parity Debt or (ii) seeks an adjudication that any provision of the Liquidity Facility, the Act, the Indenture, the 2018 Series 2 Bonds or any Parity Debt relating to or otherwise affecting (A) the Authority's ability or obligation to pay the principal of or interest on the 2018 Series 2 Bonds, the Bank Bonds or any Parity Debt or (B) the Security available for repayment of the principal of or interest on the 2018 Series 2 Bonds, the Bank Bonds or any Parity Debt is not valid and binding on the Authority; or (d) an authorized officer of the Authority shall repudiate in writing or otherwise publicly deny that it has any further liability or obligation under or with respect to any provision of the Act, this Agreement, the Indenture or the 2018 Series 2 Bonds relating to the ability or the obligation of the Authority to pay, when due, the principal of or interest on the 2018 Series 2 Bonds (including any Bank Bonds);

(8) each of Moody's and S&P (in each case, if then rating the 2018 Series 2 Bonds or any unenhanced Parity Debt at the request of the Authority) shall have (a) reduced the long term credit rating of the 2018 Series 2 Bonds or any unenhanced Parity Debt below Investment Grade; (b) withdrawn their long term ratings of the 2018 Series 2 Bonds or any unenhanced Parity Debt for any credit related reasons; or (c) suspended their long term ratings of the 2018 Series 2 Bonds or any unenhanced Parity Debt for any credit related reasons;

(9) the Authority shall fail to pay when due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) any Parity Debt, or any interest or premium thereon, and such failure shall continue beyond any applicable period of grace specified in any underlying resolution, indenture, contract or instrument providing for the creation of or concerning such Parity Debt, or pursuant to the provisions of any such

resolution, indenture, contract or instrument, the maturity of any Parity Debt shall have been or, as a result of a payment default of any nature, may be accelerated or shall have been, or, as a result of a payment default of any nature, may be required to be prepaid prior to the stated maturity thereof; provided, there shall not be a default under this paragraph 9 if the failure to pay principal or interest on the Parity Debt is due solely to an acceleration of Parity Debt for any reason other than the failure to pay principal or interest on the Parity Debt;

(10) One or more final nonappealable judgments or orders for the payment of money that exceed \$5,000,000 in aggregate shall have been rendered against the Authority and shall be payable from or attach to the Security or Revenues or other monies pledged to the payment of the 2018 Series 2 Bonds under the Indenture, and such judgment(s) or order(s) shall not have been satisfied within a period of 60 days from the date on which such judgment(s) or order(s) was rendered;

(11) the issuance of a Proposed Determination by the Internal Revenue Service, which, if not terminated, revoked or omitted, would adversely affect the exclusion from gross income of such interest on the 2018 Series 2 Bonds for purposes of the exemption of such interest from Federal income taxes or the entry of any final non-appealable decree or judgment by a court of competent jurisdiction, or the taking of any final official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, which has the effect of a determination that the interest on any of the 2018 Series 2 Bonds is includable in the gross income of the recipients thereof for federal income tax purposes; or

(12) the Issuer Bond Rating shall be downgraded below “BBB+” by S&P or “Baa1” by Moody’s or shall be withdrawn or suspended by S&P or Moody’s for any credit-related reasons.

Remedies Upon Occurrence of an Event of Default. Following the occurrence of the above referenced events of default, the Bank may take anyone or more of the following actions.

(1) In the case of the occurrence of any Event of Default specified in paragraphs (1), (6), (7), (8), (9) or (10) of the section entitled “Events of Default Under the Liquidity Facility” above (each, a “*Termination Event*”), the Bank’s Available Commitment shall immediately be reduced to zero and the obligation of the Bank under the Liquidity Facility to purchase the 2018 Series 2 Bonds which are Eligible Bonds shall immediately terminate without notice or demand to any Person and, thereafter, the Bank shall be under no obligation to purchase the 2018 Series 2 Bonds which are Eligible Bonds, provided that an Event of Default described in paragraph (1) of the section entitled “Events of Default Under the Liquidity Facility” above will not qualify as a “*Termination Event*” under the Liquidity Facility if the failure to pay the principal of, or interest due, on a Bank Bond is due solely to an acceleration of all Bank Bonds for any reason other than as described in paragraph (1) of the section entitled “Events of Default Under the Liquidity Facility” above. Promptly upon such Event of Default, the Bank shall give written notice of the same to the Authority, the Trustee, the Tender Agent and the Remarketing Agent, provided that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to give such

notice and such failure shall in no way affect the termination of the Bank's Available Commitment and the termination of its obligation of the Bank to purchase 2018 Series 2 Bonds which are Eligible Bonds pursuant to the Liquidity Facility. The Authority shall cause the Tender Agent to notify all Bondholders of the termination of the Bank's Available Commitment and of the termination of the obligation of the Bank to purchase 2018 Series 2 Bonds which are Eligible Bonds.

(2) In the case of the occurrence of any Event of Default described in the section entitled "Events of Default Under the Liquidity Facility" above (other than as specified in paragraph (1) of this section entitled "Remedies Upon Occurrence of an Event of Default" above), the Bank may give written notice of such Event of Default and termination of the Liquidity Facility (a "*Notice of Termination Date*") to the Trustee, the Tender Agent, the Authority, and the Remarketing Agent requesting a Default Tender. The obligation of the Bank to purchase Eligible Bonds shall terminate on the thirtieth (30th) day (or if such day is not a Business Day, the next following Business Day) after such Notice of Termination Date is received by the Tender Agent and on such date the Available Commitment shall terminate and the Bank shall be under no obligation under the Liquidity Facility to purchase 2018 Series 2 Bonds which are Eligible Bonds.

(3) Upon the occurrence of any Event of Default, the Bank may declare all accrued and unpaid amounts payable to it under the Liquidity Facility immediately due and payable (other than payments of principal of and interest on Bank Bonds, acceleration rights which are governed by the Indenture), and the Bank shall have all remedies provided at law or equity, including, without limitation, specific performance; *provided, however*, the Bank agrees to purchase the 2018 Series 2 Bonds which are Eligible Bonds on the terms and conditions of the Liquidity Facility notwithstanding the occurrence of an Event of Default which does not terminate its obligation to purchase 2018 Series 2 Bonds which are Eligible Bonds under paragraphs (1), (2) or (3) of this section entitled "Remedies Upon Occurrence of an Event of Default" above.

(4) The remedies described under paragraphs (1), (2) and (3) of this section entitled "Remedies Upon Occurrence of an Event of Default" above shall only be exclusive with respect to such Events of Default to the extent they are obtained by the Bank. If, for any reason whatsoever, the Bank is not able to obtain all such remedies, then the Bank reserves the right and shall have the right to pursue any other available remedies, whether provided by law, equity or the Liquidity Facility.

Extension of Commitment Period. Upon written request of the Authority to the Bank, made not less than 90 days nor more than 120 days prior to the then current Expiration Date of the Liquidity Facility or at such other time as is acceptable to the Bank, the then current Expiration Date of the Liquidity Facility may be extended from time to time by agreement in writing between the Bank and the Authority (the period from the preceding Expiration Date to such new Expiration Date being herein sometimes called the "Extended Commitment Period"). The Extended Commitment Period may itself be extended in a like manner. The Bank has no obligation to agree to any Extended Commitment Period. If the Bank, in its sole discretion following such request by the Authority, agrees to extend any such period, the Bank shall give written notice of the election to extend to the Authority, the Tender Agent and the Remarketing Agent within thirty (30) days of such request. If the Bank does not so notify the Authority, the Expiration Date for the Liquidity

Facility shall not be extended. At the time of any extension, the Bank may, in its sole discretion as a condition to such extension, require changes in the terms and conditions of the Liquidity Facility, including the Commitment Fees and any other fees payable under the Liquidity Facility, and the Bank Rate. Notwithstanding anything in the Liquidity Facility to the contrary, if the Bank fails to give notice of an election to extend the Liquidity Facility, the Liquidity Facility shall expire at the end of the Commitment Period or Extended Commitment Period then in effect.

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APPENDIX H

CERTAIN INFORMATION REGARDING THE LIQUIDITY PROVIDER

The following information has been obtained from Royal Bank of Canada (the “*Royal Bank*”) for inclusion herein. Such information is not guaranteed as to accuracy or completeness by the Authority or the Underwriters and is not to be construed as a representation by the Authority or the Underwriters. Neither the Authority nor the Underwriters have verified this information, and no representation is made by them as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to its date or the date hereof.

Royal Bank is a Schedule I bank under the *Bank Act* (Canada), which constitutes its charter and governs its operations. Royal Bank’s corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario M5J 2J5, Canada, and its head office is located at 1 Place Ville Marie, Montreal, Quebec H3C 3A9, Canada. Royal Bank is the parent company of RBC Capital Markets, LLC, an Underwriter and the Remarketing Agent.

Royal Bank is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 81,000+ employees who bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada’s biggest bank, and one of the largest in the world based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our 16 million clients in Canada, the U.S. and 34 other countries.

Royal Bank had, on a consolidated basis, as at January 31, 2018, total assets of C\$1,276.3 billion (approximately US\$989.4 billion*), equity attributable to shareholders of C\$72.7 billion (approximately US\$56.4 billion*) and total deposits of C\$800.0 billion (approximately US\$620.2 billion*). The foregoing figures were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been extracted and derived from, and are qualified by reference to, Royal Bank’s unaudited Interim Condensed Consolidated Financial Statements included in its quarterly Report to Shareholders for the fiscal period ended January 31, 2018.

The senior long-term unsecured debt of Royal Bank has been assigned ratings of “AA”- (negative outlook) by S&P Global Ratings, “A1” (negative outlook) by Moody’s Investors Service and “AA” (stable outlook) by Fitch Ratings. Royal Bank’s common shares are listed on the Toronto Stock Exchange, the New York Stock Exchange and the Swiss Exchange under the trading symbol “RY.” Its preferred shares are listed on the Toronto Stock Exchange.

On written request, and without charge, Royal Bank will provide a copy of its most recent publicly filed Annual Report on Form 40-F, which includes audited Consolidated Financial Statements, to any person to whom this Official Statement is delivered. Requests for such copies should be directed to Investor Relations, Royal Bank of Canada, by writing to 155 Wellington

* As at January 31, 2018: C\$1.00 = US\$0.812678

Street West, Toronto, Ontario, M5W 3K7, Canada, or by calling (416) 955-7802, or by visiting rbc.com/investorrelations^{**}.

The delivery of this Official Statement does not imply that there has been no change in the affairs of Royal Bank since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.

^{**} This website URL is an inactive textual reference only, and none of the information on the website is incorporated in this Official Statement.



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