

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 10, 2024

NEW ISSUE—BOOK-ENTRY ONLY

**RATING: Moody's "Aa1"
(See "RATING" herein)**

This Official Statement has been prepared on behalf of the Delaware State Housing Authority (the "Authority") to provide information on the 2024 Series D Bonds. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the 2024 Series D Bonds, a prospective investor should read this Official Statement in its entirety. Unless indicated, capitalized terms used on this cover page have the meanings given in this Official Statement.



\$75,000,000*

**DELAWARE STATE HOUSING AUTHORITY
Senior Single Family Mortgage Revenue Bonds
2024 Series D (Non-AMT)**

Dated: Date of Delivery

Due: January 1 and July 1, see inside front cover

Tax Status of Bonds

In the opinion of Bond Counsel, under existing law, interest on the Senior Single Family Mortgage Revenue Bonds, 2024 Series D (Non-AMT) (the "2024 Series D Bonds") is excluded from gross income for purposes of federal income taxation subject to the conditions described in "TAX MATTERS" herein, and interest on the 2024 Series D Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the 2024 Series D Bonds is not excluded from the determination of adjusted financial statement income. Under existing law, interest on the 2024 Series D Bonds is exempt from personal and corporate income taxes imposed by the State of Delaware. See "TAX MATTERS" herein.

Interest Payment Dates

Interest on the 2024 Series D Bonds is payable on a semiannual basis, on each January 1 and July 1, commencing January 1, 2025.

Denominations

The 2024 Series D Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof.

Book-Entry-Only System

The 2024 Series D Bonds will be issued in book-entry only form through The Depository Trust Company, New York, New York. See "BOOK-ENTRY ONLY SYSTEM" herein.

Use of Proceeds

The proceeds of the 2024 Series D Bonds, together with certain other available funds, will be used to: (i) purchase guaranteed mortgage securities backed by mortgage loans made to qualifying persons in order to finance single family residential housing in the State of Delaware (the "State"); (ii) finance second mortgage loans to qualifying persons in order to provide funds for down payment and closing cost assistance; (iii) make deposits to certain funds and accounts established by the General Resolution and the 2024D Series Resolution (as defined below); and (iv) pay costs of issuing the 2024 Series D Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Redemption

The 2024 Series D Bonds will be subject to redemption prior to maturity as described herein, including optional redemption, mandatory special redemption from unexpended proceeds, mandatory special redemption from loan repayments and other funds, and mandatory redemption from sinking fund payments. See "REDEMPTION OF 2024 SERIES D BONDS" herein.

Security

The 2024 Series D Bonds will be issued pursuant to a General Resolution adopted by the Authority on September 9, 1994, as supplemented and amended (the "General Resolution"), and a Series Resolution and Supplemental Series Resolution relating to the 2024 Series D Bonds (collectively, the "2024D Series Resolution") naming Wilmington Trust Company, Wilmington, Delaware, as Trustee. The 2024 Series D Bonds are issued on a parity basis with all other Senior Bonds issued under the General Resolution.

The 2024 Series D Bonds are special obligations of the Authority payable solely from and secured by a pledge of Guaranteed Mortgage Securities (as defined herein), Mortgage Loans (as defined herein), and other revenues and assets pledged therefor pursuant to the General Resolution, and investment earnings (subject to the requirements of the Internal Revenue Code that certain excess investment earnings be paid to the United States of America). The 2024 Series D Bonds are not a debt or liability of the State of Delaware. The Authority has no taxing power. See "SECURITY FOR THE 2024 SERIES D BONDS" herein.

Trustee

Wilmington Trust Company, Wilmington, Delaware

Bond Counsel

Greenberg Traurig, LLP, Wilmington, Delaware and Washington, D.C.

Counsel to the Authority

Faegre Drinker Biddle & Reath LLP, Wilmington, Delaware

Underwriters' Counsel

Cozen O'Connor, Wilmington, Delaware and Philadelphia, Pennsylvania

Closing Date

November 21, 2024*

The 2024 Series D Bonds are offered when, as and if issued by the Authority, subject to prior sale and approval of certain legal matters relating to their issuance by Bond Counsel.

J.P. Morgan

Raymond James

RBC Capital Markets

Stifel

The date of this Official Statement is October __, 2024.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITY SCHEDULE

\$75,000,000* DELAWARE STATE HOUSING AUTHORITY Senior Single Family Mortgage Revenue Bonds 2024 Series D (Non-AMT)

\$11,225,000* Serial Bonds

<u>Maturity*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP† (246395)</u>	<u>Maturity*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP† (246395)</u>
January 1, 2026	\$410,000	%	%		July 1, 2031	\$510,000	%	%	
July 1, 2026	420,000				January 1, 2032	515,000			
January 1, 2027	425,000				July 1, 2032	530,000			
July 1, 2027	435,000				January 1, 2033	540,000			
January 1, 2028	440,000				July 1, 2033	555,000			
July 1, 2028	450,000				January 1, 2034	565,000			
January 1, 2029	460,000				July 1, 2034	580,000			
July 1, 2029	470,000				January 1, 2035	595,000			
January 1, 2030	475,000				July 1, 2035	610,000			
July 1, 2030	490,000				January 1, 2036	620,000			
January 1, 2031	495,000				July 1, 2036	635,000			

\$63,775,000* Term Bonds

\$4,135,000*	___%	Term Bonds due July 1, 2039*	– Price	___%	CUSIP No. 246395	___†
\$8,425,000*	___%	Term Bonds due July 1, 2044*	– Price	___%	CUSIP No. 246395	___†
\$10,940,000*	___%	Term Bonds due July 1, 2049*	– Price	___%	CUSIP No. 246395	___†
\$14,275,000*	___%	Term Bonds due July 1, 2054*	– Price	___%	CUSIP No. 246395	___†
\$26,000,000*	___%	Term Bonds due July 1, 2055*	– Price	___%	CUSIP No. 246395	___†
(the “Premium PAC Term Bonds”)						

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Service Bureau, operated by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau. These CUSIP numbers have been assigned by an independent company not affiliated with the Authority and is included solely for the convenience of the registered owners of the 2024 Series D Bonds. The Authority and the Underwriters are not responsible for the selection or uses of the CUSIP numbers, and no representation is made as to the correctness by the Authority or the Underwriters of the 2024 Series D Bonds or as included herein. The CUSIP number for a specific maturity and interest rate of the 2024 Series D Bonds is subject to being changed after the issuance of the 2024 Series D Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities and interest rates of the 2024 Series D Bonds.

No dealer, broker, salesperson or other person has been authorized by the Authority to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2024 Series D Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date as of which information is given in this Official Statement. All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the 2024 Series D Bonds are qualified in their entirety by reference to the form thereof included in the Resolution (as defined herein) and the provisions with respect thereto included in the aforesaid documents and agreements.

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

THE 2024 SERIES D BONDS ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE 2024 SERIES D BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTION IN WHICH THESE SECURITIES HAVE BEEN QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2024 SERIES D BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement contains “forward looking statements” within the meaning of the federal securities laws. These forward looking statements may 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. The Authority has no duty, obligation or expectation to update any of the information contained in this Official Statement if actual results differ materially from those expressed in or implied by such forward looking statements.

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OFFICIAL STATEMENT

\$75,000,000*

DELAWARE STATE HOUSING AUTHORITY Senior Single Family Mortgage Revenue Bonds 2024 Series D (Non-AMT)

INTRODUCTION

This Official Statement, which includes the cover page hereof and the exhibits hereto, of the Delaware State Housing Authority (the “Authority”) sets forth information in connection with the sale of the Authority’s Senior Single Family Mortgage Revenue Bonds, 2024 Series D (Non-AMT) (the “2024 Series D Bonds”). Capitalized terms used herein and not otherwise defined are defined in Exhibit III of this Official Statement or in the Resolution (as defined below).

The 2024 Series D Bonds will be issued pursuant to Chapter 40, Title 31, Delaware Code, and Chapter 86, Title 29, Delaware Code, as amended and supplemented (collectively, the “Act”), and the Authority’s Single Family Mortgage Program General Bond Resolution adopted on September 9, 1994, as supplemented and amended (as supplemented and amended, the “General Resolution”), and a Series Resolution and a Supplemental Series Resolution relating to the 2024 Series D Bonds (collectively, the “2024D Series Resolution”) (the General Resolution and the 2024D Series Resolution are sometimes referred to herein collectively as the “Resolution”). Any reference herein to “Series Resolution” with respect to a Series of Bonds will include, if applicable, both the related Series Resolution and any related Supplemental Series Resolution.

Multiple Series of Bonds have been previously issued under the General Resolution and related Series Resolutions, including multiple Series of Senior Bonds. The 2024 Series D Bonds will constitute a Series of Senior Bonds under the General Resolution and will be issued pursuant to the Resolution. See “ASSETS AND LIABILITIES UNDER THE GENERAL RESOLUTION” for reference to the prior Series of Senior Bonds issued and Outstanding under the General Resolution. The Authority expects to issue additional Series of Senior Bonds in the future and may issue Subordinated Bonds in the future. As of the date hereof, there are no Subordinated Bonds outstanding under the General Resolution.

The Authority was created under the Act as a public corporation in the Executive Department of the State reporting directly to the Governor of the State of Delaware (the “State”). The Authority is authorized, among other things: (i) to purchase and make mortgage loans for low and moderate income persons and families on such terms and conditions as may be determined by the Authority, in accordance with the Act; (ii) to construct, finance, refinance or rehabilitate housing for low and moderate income persons and families; and (iii) to borrow money and issue its bonds (including refunding bonds for the purpose of paying or retiring bonds previously issued by the Authority) and notes.

The proceeds of the 2024 Series D Bonds, together with certain other available funds of the Authority, will be used to: (i) purchase guaranteed mortgage securities (“2024D Guaranteed Mortgage Securities”) backed by mortgage loans made to qualifying persons (“2024D Mortgage Loans”) in order to finance single family residential housing in the State; (ii) finance second mortgage loans to qualifying persons in order to provide funds for down payment and closing cost assistance; (iii) make deposits to certain funds and accounts established by the Resolution; and (iv) provide for the payment of costs of issuing the 2024 Series D Bonds. See “PLAN OF FINANCE” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

* Preliminary, subject to change.

Mortgage Loan Pipeline Information. The Authority has recently issued (i) \$75,000,000 of its Senior Single Family Mortgage Revenue Bonds, 2024 Series A (the “2024 Series A Bonds”) on February 27, 2024, (ii) \$125,000,000 of its Senior Single Family Mortgage Revenue Bonds, 2024 Series B (the “2024 Series B Bonds”) on May 7, 2024 and (iii) \$100,000,000 of its Senior Single Family Mortgage Revenue Bonds, 2024 Series C (the “2024 Series C Bonds”) on August 13, 2024.

To facilitate the operation of the Program, the Authority maintains a “pipeline” of Mortgage Loans to be financed with Bond proceeds. As of October 9, 2024, the Authority had a total pipeline of approximately \$125,250,329 principal amount of Mortgage Loans, including: (i) approximately \$55,595,119 principal amount of closed Mortgage Loans purchased by the Servicer, (ii) approximately \$35,683,110 of closed Mortgage Loans not yet purchased by the Servicer, and (iii) approximately \$33,972,099 of reserved (but not closed) Mortgage Loans (it is expected that a portion of such reserved loans will not close).

As of October 9, 2024, (i) the funds in the 2024 Series A Mortgage Loan Account and the 2024 Series B Mortgage Loan Purchase Account had been fully expended for Guaranteed Mortgage Securities backed by Mortgage Loans, and (ii) there remained on deposit in the 2024 Series C Mortgage Loan Purchase Account approximately \$68,841,317. The Authority intends to expend funds in the 2024 Series C Mortgage Loan Purchase Account first to purchase Guaranteed Mortgage Securities backed by the Mortgage Loans in the pipeline (and to finance related down payment and closing cost assistance), and then to use funds in the 2024 Series D Mortgage Loan Purchase Account to purchase Guaranteed Mortgage Securities backed by Mortgage Loans in the pipeline (and to finance related down payment and closing cost assistance).

The 2024 Series D Bonds, which are “Senior Bonds” under the Resolution, and all other Senior Bonds issued under the Resolution, whether previously issued or to be issued in the future, are or will be special obligations of the Authority payable and secured on a parity basis by Guaranteed Mortgage Securities, Mortgage Loans, Pledged Receipts and Prepayments, and certain other revenues and assets pledged therefor pursuant to the Resolution, including investment earnings (subject to the requirements of the Code that certain excess investment earnings be paid to the United States of America).

The 2024 Series D Bonds are not entitled to the benefits of the Capital Reserve Fund provisions of the Act. See “SECURITY FOR THE 2024 SERIES D BONDS” herein.

The 2024 Series D Bonds are not a debt or liability of the State of Delaware. The State of Delaware is not obligated to pay principal of, or interest on, the 2024 Series D Bonds, nor are the faith and credit of the State of Delaware pledged to the payment of the principal of, or interest on, the 2024 Series D Bonds. The Authority has no taxing power.

Pursuant to the General Resolution, in addition to the Outstanding Senior Bonds, the Authority may issue additional Series of Senior Bonds (“Additional Senior Bonds”) and Subordinated Bonds (“Additional Subordinated Bonds”) as provided in the General Resolution. The Senior Bonds (including the 2024 Series D Bonds), Additional Senior Bonds and Additional Subordinated Bonds issued under the General Resolution, are collectively referred to herein as the “Bonds.” The aggregate principal amount of Bonds which may be issued under the General Resolution is not limited except as provided therein, in any resolution or supplemental resolution relating to the issuance of a particular Series of Bonds (each a “Series Resolution”), or in the Act or any other applicable provisions of law.

The Authority will enter into a written continuing disclosure agreement (the “Continuing Disclosure Agreement”) for the benefit of the owners (including beneficial owners) from time to time of the 2024 Series D Bonds which will enable the Underwriters to comply with the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. See “THE CONTINUING DISCLOSURE AGREEMENT.”

Brief descriptions of the 2024 Series D Bonds, the related payment and redemption provisions, certain Bondholder risks, the payment sources and security for the 2024 Series D Bonds, the Authority, certain Program assumptions, and the Resolution are included hereafter in this Official Statement (including the Exhibits attached hereto). Such descriptions do not purport to be comprehensive or definitive. All references herein to the Resolution are qualified in their entirety by reference to the actual Resolution. References herein to the 2024 Series D Bonds are qualified in their entirety by reference to the form thereof included in the Resolution and the information with respect thereto included in the aforesaid documents. Copies of the aforesaid documents are available for inspection at the office of the Authority, 18 The Green, Dover, Delaware 19901, (302) 739-4263 and at the office of the Authority, Carvel State Office Building, 820 North French Street, Wilmington, Delaware 19801, Phone: (302) 577-5001.

PLAN OF FINANCE

The proceeds of the 2024 Series D Bonds, together with certain funds of the Authority, will be used to: (i) finance 2024D Mortgage Loans made to qualifying persons in order to finance single family residential housing in the State through the purchase of 2024D Guaranteed Mortgage Securities; (ii) finance second mortgage loans to qualifying persons in order to provide funds for down payment and closing cost assistance; (iii) make deposits to certain funds and accounts established by the Resolution; and (iv) provide for the payment of costs of issuing the 2024 Series D Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the 2024 Series D Bonds are as follows:

<u>Sources of Funds:</u>	
2024 Series D Bond Principal	\$75,000,000*
2024 Series D Bond Premium	
Authority Funds	_____
Total	\$ _____
 <u>Uses of Funds:</u>	
2024D Mortgage Loan Purchase Account ¹	\$
2024D Revenue Account	
Capitalized Interest Account	
2024D Cost of Issuance Account ²	_____
Total	\$ _____

¹ The 2024D Mortgage Loan Purchase Account contains a subaccount, the 2024D Issuer Funds Subaccount, into which \$ _____ of the Authority Funds will be deposited.

² Includes the underwriting fees and the other costs and expenses of issuing the 2024 Series D Bonds.

THE 2024 SERIES D BONDS

The 2024 Series D Bonds will be issued in denominations of \$5,000 principal amount or any integral multiple thereof. The 2024 Series D Bonds will bear interest (calculated on the basis of a 360-day year of twelve 30-day months) from the date of delivery thereof, payable on January 1 and July 1 of each year, commencing January 1, 2025 (each an “Interest Payment Date”) at the rates set forth on the inside front cover of this Official Statement, and will mature on the dates and in the principal amounts set forth on the inside front cover of this Official Statement.

* Preliminary, subject to change.

The 2024 Series D Bonds will be issued only as fully registered bonds without coupons. The 2024 Series D Bonds will be issued in book-entry only form through The Depository Trust Company (“DTC”), New York, New York. See “BOOK-ENTRY ONLY SYSTEM.”

Subject to the book-entry only system provisions described below, the principal and the redemption price of all 2024 Series D Bonds are payable at the principal office of Wilmington Trust Company, Wilmington, Delaware (the “Trustee”). Interest on the 2024 Series D Bonds will be paid by check mailed by the Trustee to the registered owners thereof on the applicable record date preceding each Interest Payment Date at the address shown on the registration books kept by the Trustee.

Subject to the book-entry only system provisions described below, upon request of a Holder of at least \$1,000,000 in principal amount of 2024 Series D Bonds Outstanding, all payments of principal, redemption price and interest on such 2024 Series D Bonds shall be paid by wire transfer in immediately available funds to an account in the continental United States designated by such Holder.

Subject to the book-entry only system provisions described below, for every exchange or transfer of a 2024 Series D Bond, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge, other than one imposed by the Authority, required to be paid with respect to such exchange or transfer.

REDEMPTION OF 2024 SERIES D BONDS

Redemption Due to Non-Origination

The 2024 Series D Bonds are subject to mandatory special redemption prior to their maturity from unexpended proceeds in the 2024D Mortgage Loan Purchase Account on (i) April 1, 2025*, in whole or in part, at the direction of the Authority to the extent funds on deposit in the 2024D Mortgage Loan Purchase Account exceed \$38,773,684.00* on March 15, 2025* and (ii) June 1, 2025*, in whole or in part, at the direction of the Authority from funds in the 2024D Mortgage Loan Purchase Account on May 15, 2025* (collectively, “Non-Origination Redemption Dates”), at a redemption price equal to 100% of the principal amount of the 2024 Series D Bonds to be redeemed, except for the Premium PAC Term Bonds which shall be redeemed at a redemption price equal to ___% (the initial offering price) of the principal amount to be redeemed, plus, in each case, accrued interest to the date of redemption. Notwithstanding the foregoing, each Non-Origination Redemption Date may be extended one or more times at the option of the Authority upon satisfaction of the conditions set forth in the 2024D Series Resolution. If the balance of the unexpended moneys in the 2024D Mortgage Loan Purchase Account is less than \$250,000* on May 15, 2025* (as such date may be extended), such balance shall be transferred to the 2024D Revenue Account. In the event of a mandatory special redemption due to non-origination in part, the 2024 Series D Bonds shall be redeemed on a pro rata basis from all the maturities of 2024 Series D Bonds.

Redemption from Prepayments and Surplus Pledged Receipts

The 2024 Series D Bonds will be subject to mandatory special redemption prior to their maturity, in whole or in part, from moneys in the 2024D Special Redemption Account of the Redemption Fund representing Prepayments of the 2024D Mortgage Loans (backing 2024D Guaranteed Mortgage Securities), 50%* of Prepayments of 2024D Second Mortgage Loans, and surplus Pledged Receipts relating to the 2024 Series D Bonds, at a redemption price equal to 100% of the principal amount of the 2024 Series D Bonds to be redeemed, plus accrued interest to the date of redemption.

Any such redemption shall be made on each Interest Payment Date commencing January 1, 2025*; provided that beginning February 1, 2025*, the 2024 Series D Bonds shall also be redeemed between

* Preliminary, subject to change.

Interest Payment Dates on the first date of each month if the amount on deposit in the 2024D Special Redemption Account exceeds \$25,000.

If the Premium PAC Term Bonds are no longer Outstanding, and the 2024D Parity Test (as defined in Exhibit VII hereto) has been met, surplus Pledged Receipts relating to the 2024 Series D Bonds may be transferred to the General Fund at the option of the Authority.

Amounts in the 2024D Special Redemption Account shall be applied by the Authority to redeem 2024 Series D Bonds as follows:

- (a) FIRST, to redeem the Premium PAC Term Bonds down to the aggregate principal amount of the Premium PAC Term Bonds Outstanding shown in the second column entitled “75% PSA Outstanding Bond Amounts for Premium PAC Term Bonds” for the applicable redemption date, as set forth in Exhibit VII;
- (b) SECOND, after applying the amounts as described in clause (a) above, any remaining amounts shall be applied to redeem all 2024 Series D Bonds, except the Premium PAC Term Bonds, on a pro rata basis, down to the aggregate principal amount of Outstanding 2024 Series D Bonds shown in the third column entitled “400% PSA Outstanding Bond Amounts for all 2024 Series D Bonds” for the applicable redemption date, as set forth in Exhibit VII; and
- (c) THIRD, after applying the amounts as described in clauses (a) and (b) above, any remaining amounts shall be applied to redeem all 2024 Series D Bonds on a pro rata basis.

The applicable “75% PSA Outstanding Bond Amounts for Premium PAC Term Bonds” is set forth in the second column of the “Table of Outstanding Amounts” in Exhibit VII for each monthly date on which the redemption of Premium PAC Term Bonds could occur. The amounts in the column for each such date have been calculated based on the principal amount of Premium PAC Term Bonds projected to remain Outstanding, after taking into account scheduled principal payments and projected redemptions of Premium PAC Term Bonds from Prepayments of 2024D Mortgage Loans (backing 2024D Guaranteed Mortgage Securities), 50%* of Prepayments of 2024D Second Mortgage Loans, and surplus Pledged Receipts allocable to the 2024 Series D Bonds. The projected Outstanding Applicable Amounts are based on various assumptions, including (i) the assumptions stated under “Program Assumptions and Bondholder Risks,” (ii) an expected purchase schedule for the 2024D Guaranteed Mortgage Securities relating to the 2024D Mortgage Loans, and (iii) Prepayments of the 2024D Mortgage Loans (backing 2024D Guaranteed Mortgage Securities), 50%* of Prepayments of 2024D Second Mortgage Loans and surplus Pledged Receipts allocable to the 2024 Series D Bonds, resulting from a constant 75% PSA prepayment rate (as described under “PROGRAM ASSUMPTIONS AND BONDHOLDER RISKS—Weighted Average Lives of 2024 Series D Bonds”).

The applicable “400% PSA Outstanding Bond Amounts for all 2024 Series D Bonds” is set forth in the third column of the “Table of Outstanding Bond Amounts” in Exhibit VII for each monthly date on which the redemption of 2024 Series D Bonds could occur. The amounts in the column for each such date have been calculated based on the principal amount of 2024 Series D Bonds projected to remain Outstanding, after taking into account scheduled principal payments and projected redemptions of 2024 Series D Bonds from Prepayments of 2024D Mortgage Loans (backing 2024D Guaranteed Mortgage Securities), 50%* of Prepayments of 2024D Second Mortgage Loans, and surplus Pledged Receipts allocable to the 2024 Series D Bonds. The projected Outstanding Applicable Amounts are based on various assumptions, including (i) the assumptions stated under “Program Assumptions and Bondholder Risks,” (ii) an expected purchase schedule for the 2024D Guaranteed Mortgage Securities relating to the 2024D Mortgage Loans, and (iii) Prepayments of the 2024D Mortgage Loans (backing 2024D Guaranteed

* Preliminary, subject to change.

Mortgage Securities), 50%* of Prepayments of 2024D Second Mortgage Loans and surplus Pledged Receipts allocable to the 2024 Series D Bonds resulting from a constant 400% PSA prepayment rate (as described under “PROGRAM ASSUMPTIONS AND BONDHOLDER RISKS—Weighted Average Lives of 2024 Series D Bonds”).

The Outstanding 2024 Series D Bond Amounts in the second and third columns of the Table of Outstanding Bond Amounts in Exhibit VII are subject to reduction on a pro rata basis if 2024 Series D Bonds are subject to a non-origination redemption (as described above) due to failure to purchase 2024D Guaranteed Mortgage Securities from moneys in the 2024D Mortgage Loan Purchase Account.

The Authority makes no representation regarding the actual prepayment rate of the 2024D Mortgage Loans. See “Program Assumptions and Bondholder Risks” for a definition of PSA prepayment rates.

Optional Redemption

The 2024 Series D Bonds (except the Premium PAC Term Bonds) are subject to optional redemption at the option and direction of the Authority on or after July 1, 2033* either in whole or in part at any time (by lot if less than an entire maturity is to be redeemed) from moneys deposited in the 2024D Optional Redemption Account of the Redemption Fund, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date.

The Premium PAC Term Bonds are subject to optional redemption at the option and direction of the Authority on or after July 1, 2033* either in whole or in part at any time (by lot if less than the entire maturity is to be redeemed) from moneys deposited in the 2024D Optional Redemption Account of the Redemption Fund, at the redemption prices set forth below, plus accrued interest to the redemption date:

Redemption Date*	Redemption Price
July 1, 2033	
January 1, 2034	
July 1, 2034	
January 1, 2035	
July 1, 2035	
October 1, 2035 and thereafter	100.00%*

If the Premium PAC Term Bonds are redeemed on a date other than a January 1 or July 1 listed above, the redemption price for such redemption date shall be determined by a straight-line interpolation of the redemption prices for the redemption dates listed above that immediately precede and immediately succeed such redemption date.

In the event of any optional redemption in part of the 2024 Series D Bonds, the 2024 Series D Bonds shall be redeemed on a pro rata basis from among all maturities of 2024 Series D Bonds; provided that the Authority may direct the maturity or maturities, and the amounts thereof, to be redeemed as, and to the extent, provided in the Resolution, provided that the rating on the 2024 Series D Bonds remaining Outstanding shall be confirmed by the Rating Agency.

Special Redemption of 2024 Series D Bonds

Any Prepayments or funds representing Prepayments, surplus Pledged Receipts, and reserve fund reductions attributable to a Series of Bonds other than the 2024 Series D Bonds may be used to redeem 2024 Series D Bonds on the first day of a month; provided that in any such case the Trustee receives (i) an

* Preliminary, subject to change.

opinion of Bond Counsel to the effect that such redemption shall not adversely affect the exclusion from gross income of the interest on the 2024 Series D Bonds, and (ii) a Cash Flow Certificate; and provided further that as long as the Premium PAC Term Bonds are Outstanding, no such redemption of 2024 Series D Bonds shall occur unless such redemption is applied to redeem the Premium PAC Term Bonds down to the principal amount of the Premium PAC Term Bonds Outstanding for the applicable redemption date, as shown in the second column entitled “75% PSA Outstanding Bond Amounts for Premium PAC Term Bonds” in Exhibit VII. Any such redemption shall be at a redemption price equal to 100% of the Principal Amount of the 2024 Series D Bonds to be redeemed, plus accrued interest to the date of redemption.

Sinking Fund Redemption

The 2024 Series D Bonds which are Term Bonds are subject to mandatory redemption through application of Sinking Fund Installments, at a redemption price equal to 100% of the Principal Amount of each such Term Bond, or portion thereof, to be redeemed, plus accrued interest to the date of redemption according to the following schedules:

2024 Series D Bonds due July 1, 2039*

<u>Redemption Date</u> *	<u>Sinking Fund Installment</u> *	<u>Redemption Date</u> *	<u>Sinking Fund Installment</u> *
January 1, 2037	\$645,000	July 1, 2038	\$700,000
July 1, 2037	665,000	January 1, 2039	715,000
January 1, 2038	680,000	July 1, 2039 [†]	730,000

2024 Series D Bonds due July 1, 2044*

<u>Redemption Date</u> *	<u>Sinking Fund Installment</u> *	<u>Redemption Date</u> *	<u>Sinking Fund Installment</u> *
January 1, 2040	\$745,000	July 1, 2042	\$855,000
July 1, 2040	770,000	January 1, 2043	870,000
January 1, 2041	785,000	July 1, 2043	900,000
July 1, 2041	810,000	January 1, 2044	915,000
January 1, 2042	830,000	July 1, 2044 [†]	945,000

2024 Series D Bonds due July 1, 2049*

<u>Redemption Date</u> *	<u>Sinking Fund Installment</u> *	<u>Redemption Date</u> *	<u>Sinking Fund Installment</u> *
January 1, 2045	\$ 970,000	July 1, 2047	\$1,105,000
July 1, 2045	995,000	January 1, 2048	1,135,000
January 1, 2046	1,020,000	July 1, 2048	1,165,000
July 1, 2046	1,050,000	January 1, 2049	1,195,000
January 1, 2047	1,075,000	July 1, 2049 [†]	1,230,000

2024 Series D Bonds due July 1, 2054*

<u>Redemption Date</u> *	<u>Sinking Fund Installment</u> *	<u>Redemption Date</u> *	<u>Sinking Fund Installment</u> *
January 1, 2050	\$1,260,000	July 1, 2052	\$1,445,000
July 1, 2050	1,295,000	January 1, 2053	1,480,000
January 1, 2051	1,330,000	July 1, 2053	1,525,000
July 1, 2051	1,370,000	January 1, 2054	1,560,000
January 1, 2052	1,405,000	July 1, 2054 [†]	1,605,000

* Preliminary, subject to change.

[†] Maturity Date

2024 Series D Bonds due July 1, 2055* (Premium PAC Term Bonds)

<u>Redemption Date*</u>	<u>Sinking Fund Installment*</u>	<u>Redemption Date*</u>	<u>Sinking Fund Installment*</u>
January 1, 2026	\$135,000	January 1, 2041	\$ 380,000
July 1, 2026	140,000	July 1, 2041	395,000
January 1, 2027	145,000	January 1, 2042	405,000
July 1, 2027	150,000	July 1, 2042	420,000
January 1, 2028	155,000	January 1, 2043	435,000
July 1, 2028	165,000	July 1, 2043	450,000
January 1, 2029	165,000	January 1, 2044	465,000
July 1, 2029	175,000	July 1, 2044	480,000
January 1, 2030	180,000	January 1, 2045	495,000
July 1, 2030	185,000	July 1, 2045	515,000
January 1, 2031	190,000	January 1, 2046	530,000
July 1, 2031	200,000	July 1, 2046	550,000
January 1, 2032	205,000	January 1, 2047	565,000
July 1, 2032	215,000	July 1, 2047	590,000
January 1, 2033	220,000	January 1, 2048	605,000
July 1, 2033	230,000	July 1, 2048	630,000
January 1, 2034	235,000	January 1, 2049	650,000
July 1, 2034	245,000	July 1, 2049	670,000
January 1, 2035	250,000	January 1, 2050	690,000
July 1, 2035	260,000	July 1, 2050	720,000
January 1, 2036	270,000	January 1, 2051	740,000
July 1, 2036	280,000	July 1, 2051	765,000
January 1, 2037	290,000	January 1, 2052	790,000
July 1, 2037	300,000	July 1, 2052	820,000
January 1, 2038	310,000	January 1, 2053	845,000
July 1, 2038	320,000	July 1, 2053	875,000
January 1, 2039	330,000	January 1, 2054	905,000
July 1, 2039	345,000	July 1, 2054	935,000
January 1, 2040	355,000	January 1, 2055	965,000
July 1, 2040	365,000	July 1, 2055 [†]	710,000

The amounts accumulated for each Sinking Fund Installment shall be applied by the Trustee, if the Authority so directs, prior to the thirtieth day preceding the due date of such Sinking Fund Installment, to the purchase of the 2024 Series D Bonds subject to redemption from such Sinking Fund Installments at prices (including any brokerage and other charges) not exceeding the principal amount thereof together with interest accrued thereon to the date of purchase, except as otherwise provided in the Resolution. The principal amount of such 2024 Series D Bonds to be redeemed will be paid from the 2024 Sinking Fund Installment Account and the accrued interest shall be paid from the Debt Service Fund.

Upon any purchase or redemption of 2024 Series D Bonds for which Sinking Fund Installments have been established, other than by application of Sinking Fund Installments, the remaining Sinking Fund Installments shall be reduced on a pro rata basis.

Notice of Redemption

Notice of redemption for the 2024 Series D Bonds shall be given by first class mail to the respective Holders of the 2024 Series D Bonds selected for redemption at their addresses appearing on the bond

* Preliminary, subject to change.

† Maturity Date.

registration books kept by the Registrar, not less than 30 days (15 days in the case of a non-origination redemption) nor more than 60 days before the redemption date.

Notwithstanding the forgoing, as long as the 2024 Series D Bonds are held in book-entry form with DTC, notice of redemption for the 2024 Series D Bonds shall be delivered to DTC in accordance with DTC's operational rules. *DTC is responsible for notifying Direct Participants, and Direct Participants and Indirect Participants are responsible for notifying Beneficial Owners. Neither the Trustee nor the Authority is responsible for sending notices to Direct Participants, Indirect Participants or Beneficial Owners or for the consequences of any action or inaction by DTC, any Direct Participant, Indirect Participant or Beneficial Owner.*

Notice of redemption for the 2024 Series D Bonds shall also be given by the Trustee by posting such notice on the Electronic Municipal Market Access ("EMMA") platform.

Each notice of redemption shall state at a minimum, the complete name of the Series of Bonds, including the series designation, CUSIP number, certificate numbers, amounts called of each certificate (for partial calls), mailing date, the date of issue, interest rate, maturity date of the Bonds, the redemption date, the redemption price, the place or places of redemption, including the redemption agent name and appropriate address or addresses. Such notice shall further state that on the redemption date there shall become due and payable upon each 2024 Series D Bond to be redeemed the redemption price thereof, or the redemption price of the specified portions of the principal amount thereof in the case of 2024 Series D Bonds to be redeemed in part only, together with interest accrued on such 2024 Series D Bonds to the redemption date, and that from and after such date interest on such 2024 Series D Bonds shall cease to accrue and be payable. If any redemption is conditioned upon funds being available therefor on the redemption date, the notice shall set forth such condition

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 2024 Series D Bonds (for purposes of this section, the "Securities"). The Securities 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 Security certificate will be issued for the 2024 Series D Bonds, in the aggregate principal amount of each maturity of the 2024 Series D Bonds, 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 Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("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 Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Securities 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 Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, nor its nominee, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or 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 securities depository with respect to the Securities 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, Security certificates are required to be printed and delivered.

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

The foregoing information regarding the book-entry only system has been provided by DTC. Accordingly, the Authority, the Underwriters and the Financial Advisor are not making any representation concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be. There can be no assurance that DTC or the DTC Participants will abide by the procedures described herein or that such procedures will not be changed from time to time. In the event a successor securities depository is designated, it may establish different procedures.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO, OR THE PROVIDING OF NOTICE FOR, THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE 2024 SERIES D BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE 2024 SERIES D BONDS (OTHER THAN UNDER THE CAPTION “TAX MATTERS”) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2024 SERIES D BONDS.

Discontinuance of Book-Entry-Only System

In the event that the book-entry system is discontinued and the Beneficial Owners become registered owners of the 2024 Series D Bonds, the following provisions would apply: (i) the 2024 Series D Bonds may be exchanged for an equal principal amount of 2024 Series D Bonds in other authorized denominations, upon surrender thereof at the principal corporate trust office of the Trustee, (ii) the transfer of any the 2024 Series D Bonds may be registered on the books maintained by the Trustee for such purpose only upon the surrender thereof to the Trustee together with the duly executed assignment in form satisfactory to the Authority and the Trustee; and (iii) for every exchange or registration of transfer of 2024 Series D Bonds, the Trustee may make a charge payable by the Bondholder sufficient to reimburse itself for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the 2024 Series D Bonds.

SECURITY FOR THE 2024 SERIES D BONDS

General

All Series of Senior Bonds (including the 2024 Series D Bonds and future Series of Senior Bonds (see “Additional Bonds” below)) issued under the General Resolution are equally and ratably secured by the pledge and the covenants made therein, except as set forth in the Resolution with respect to amounts held in the Collateral Fund.

Pledge of the Resolution

The 2024 Series D Bonds, together with all other Senior Bonds issued under the Resolution, are special obligations of the Authority, payable solely from and secured by (i) Guaranteed Mortgage Securities, (ii) Mortgage Loans (if any), (iii) Pledged Receipts, (iv) Prepayments and (v) such other moneys, securities, Funds and Accounts pledged under the Resolution, subject only to the terms of the Resolution

permitting the use or application thereof for the purposes and on the terms set forth in the Resolution. The 2024 Series D Bonds are entitled to the lien created by the pledge of the Resolution on:

(i) all Funds and Accounts (except the Escrow Payment Fund and the Rebate Fund) established by the Resolution, including the investments therein and the proceeds of such investments, if any, and the accrued earnings on such investments;

(ii) all of the rights and interests of the Authority in and to the Guaranteed Mortgage Securities, the Mortgage Loans and the proceeds and collections of the Authority therefrom consisting of “Pledged Receipts”, which include all payments received from Guaranteed Mortgage Securities and the scheduled amortization payments (monthly or otherwise) of principal of and interest on any Mortgage Loan purchased, made or pledged by the Authority pursuant to the Resolution, paid from any source to the Authority or received or held in escrow for the Authority by an institution servicing such Mortgage Loan; and Prepayments, which consist of all moneys received or recovered by the Authority, including the proceeds of any mortgage insurance, from any unscheduled payment of principal on account of any Mortgage Loan prior to the scheduled payment of such Mortgage Loan, including (a) voluntary prepayments of principal thereof, (b) as a consequence of damage, destruction or condemnation of mortgaged premises (but only to the extent not used to reconstruct or restore such premises), (c) except as otherwise may be provided in a Series Resolution, moneys received from the sale, assignment, endorsement or other disposition of any such Mortgage Loan by the Authority, or (d) upon default by the mortgagor, by acceleration or other disposition or proceedings by the Authority (but does not include claim benefits received under any applicable policy of Cash Flow Insurance); and

(iii) the Supplemental Security, if any.

Subordinated Bonds, if any, issued under the Resolution, are special obligations of the Authority, payable solely from and secured by the amounts in the Subordinated Debt Service Fund, including the investments therein, subject to any exceptions set forth in the Resolution.

The Code requires that earnings on certain investments allocable to the 2024 Series D Bond proceeds (excluding the Guaranteed Mortgage Securities backed by the 2024D Mortgage Loans) in excess of the yield on the 2024 Series D Bonds, with certain adjustments and subject to certain exceptions, be paid to the United States of America. The Resolution requires such “excess earnings” to be deposited in the Rebate Fund to be used for purposes thereunder. The Rebate Fund is not pledged to payment of the 2024 Series D Bonds or any other Bonds. See “EXHIBIT IV–SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” herein.

The 2024 Series D Bonds are not a debt or liability of the State. The Authority has no taxing power.

Guaranteed Mortgage Securities Pledged Under Resolution

While both Guaranteed Mortgage Securities and Mortgage Loans (“whole” mortgage loans) are permitted to be pledged under the Resolution, only Guaranteed Mortgage Securities currently secure the Bonds under the Resolution. The timely payment of the principal and interest on the Guaranteed Mortgage Securities is guaranteed by GNMA, Fannie Mae or Freddie Mac, as applicable. See “EXHIBIT II – SUMMARY OF GNMA MORTGAGE-BACKED SECURITY PROGRAM, FANNIE MAE MORTGAGE-BACKED SECURITY PROGRAM AND FREDDIE MAC MORTGAGE-BACKED SECURITY PROGRAM.” See also “ASSETS AND LIABILITIES UNDER THE GENERAL RESOLUTION.”

The Servicer is obligated to pay principal of and interest on the related Guaranteed Mortgage Securities in an amount equal to scheduled principal of and interest on the underlying Mortgage Loans (less the applicable guaranty fee and servicing fee). The Servicer is also required to pay an amount equal to any Prepayments received on such Mortgage Loans or liquidation proceeds in the event of a foreclosure or other

disposition of a Mortgage Loan. See “EXHIBIT II – SUMMARY OF GNMA MORTGAGE-BACKED SECURITY PROGRAM, FANNIE MAE MORTGAGE-BACKED SECURITY PROGRAM AND FREDDIE MAC MORTGAGE-BACKED SECURITY PROGRAM.”

The 2024 Series D Bonds are not a debt of the United States of America, any agency thereof, GNMA, Fannie Mae or Freddie Mac, and are not guaranteed by the full faith and credit of the United States of America, or by GNMA, Fannie Mae or Freddie Mac.

Mortgage Loan Purchase Account

The Authority expects to use moneys in the 2024D Mortgage Loan Purchase Account to purchase the 2024D Guaranteed Mortgage Securities backed by Mortgage Loans and to finance 2024D Second Mortgage Loans to qualifying persons in order to provide funds for certain assistance payments for the purchase of single family residential housing in the State.

Capitalized Interest Account

Amounts deposited in the Capitalized Interest Account will be transferred to the 2024D Debt Service Account and applied to pay interest and principal on the 2024 Series D Bonds to the extent needed, or to pay accrued interest on the purchase of the 2024D Guaranteed Mortgage Securities. Amounts deposited to Capitalized Interest Account may also be transferred to the Debt Service Account relating to any Series of Senior Bonds (upon delivery of a Cash Flow Certificate to the Trustee) for the purposes described in the related Supplemental Series Resolution. Moneys in the Capitalized Interest Account may be transferred to the Authority and released from the lien of the Resolution upon satisfaction of the conditions set forth in the 2024D Series Resolution. Any earnings on amounts on deposit in the Capitalized Interest Account will be retained therein.

Mortgage Reserve Fund

The General Resolution establishes a Mortgage Reserve Fund and provides that each Series Resolution authorizing the issuance of a Series of Bonds shall establish a Mortgage Reserve Fund Requirement for the related Series of Bonds, which requirement may be zero. The General Resolution permits the Mortgage Reserve Fund Requirement to be satisfied by depositing a surety bond or other credit facility. **The current amount on deposit in the Mortgage Reserve Fund is \$0. The Mortgage Reserve Fund Requirement established for the 2024 Series D Bonds is \$0.**

In the event that the funds available to make payments when due on the interest and principal of the Bonds Outstanding under the General Resolution are insufficient, the Authority shall direct the Trustee to apply amounts on deposit in the Mortgage Reserve Fund, if any, to make payments when due on the interest or principal of the Bonds Outstanding under the General Resolution; provided that no moneys shall be transferred from the Mortgage Reserve Fund if other moneys are available for such purpose in any other Fund or Account (except the Debt Service Reserve Fund) as set forth in the Resolution. Moneys in the Mortgage Reserve Fund also may be withdrawn to pay taxes, foreclosure costs, insurance fees and similar expenses incurred by the Authority in connection with any protection and enforcement of its rights with respect to any Mortgage Loan.

If, as of any date, the amount in the Mortgage Reserve Fund exceeds the Mortgage Reserve Fund Requirement, the amount in excess may, and to the extent required by the Code shall, be transferred to the Revenue Fund or to one or more Special Redemption Accounts.

Debt Service Reserve Fund

The General Resolution establishes a Debt Service Reserve Fund and provides that each Series Resolution or supplement thereto authorizing the issuance of a Series of Bonds shall establish a Debt Service Reserve Fund Requirement for the related Series of Bonds, which requirement may be zero. The

Authority may satisfy the Debt Service Reserve Fund Requirement by the deposit of a surety bond or other credit facility. **The current amount on deposit in the Debt Service Reserve Fund is \$0. The Debt Service Reserve Fund Requirement established for the 2024 Series D Bonds is \$0.**

Under the General Resolution, moneys held in the Debt Service Reserve Fund, if any, may be used to pay, when due, principal of and interest on the Bonds Outstanding under the General Resolution if, at any time, the moneys otherwise available for such payment are insufficient for such purpose; provided that no moneys shall be transferred from the Debt Service Reserve Fund so long as other moneys are available for such purpose in any other Fund or Account as set forth in the Resolution.

If, as of any date, the amount in the Debt Service Reserve Fund exceeds the Debt Service Reserve Fund Requirement, the amount in excess may, and to the extent required by the Code shall, be transferred to the Revenue Fund or to one or more Special Redemption Accounts.

Neither the Act nor any other statute provides for any appropriations or payments by the Delaware General Assembly to restore moneys withdrawn from the Debt Service Reserve Fund to pay when due principal of and interest on the Bonds.

Collateral Fund

The General Resolution establishes a Collateral Fund and provides that each Series Resolution authorizing the issuance of a Series of Bonds shall establish a Collateral Fund Requirement which may be zero.

The Collateral Fund Requirement established for the 2024 Series D Bonds is \$0.

Amounts on deposit in the Collateral Fund do not secure the 2024 Series D Bonds.

Capital Reserve Fund

The 2024 Series D Bonds are not secured by the Capital Reserve Fund. The Act establishes a Capital Reserve Fund to be used to secure bonds or notes of the Authority other than bonds or notes designated by the Authority as not subject to the Capital Reserve Fund provisions of the Act. **The Authority has designated that the 2024 Series D Bonds are not subject to such requirements, and accordingly, the 2024 Series D Bonds are not subject to or entitled to the benefits of the Capital Reserve Fund provisions of the Act.**

Additional Series of Bonds

Pursuant to the General Resolution, the Authority may issue additional Series of Senior Bonds under the General Resolution. The aggregate principal amount of Senior Bonds which may be issued under the General Resolution is not limited except as provided therein, in any Series Resolution, in the Act or other applicable provisions of law. All Senior Bonds issued under the General Resolution will be equally and ratably secured by the pledge and the covenants made therein, except as set forth in the General Resolution with respect to amounts held in the Collateral Fund or the applicable Series Resolution.

The Authority may also issue Series of Subordinated Bonds under the General Resolution from time to time which will be secured on a junior basis to all Senior Bonds then Outstanding and subsequently issued under the General Resolution. Any such Series of Subordinated Bonds will be secured on a parity basis with all Subordinated Bonds then Outstanding and subsequently issued unless otherwise provided in the General Resolution or any Series Resolution.

PROGRAM ASSUMPTIONS AND BONDHOLDER RISKS

In General

The Authority expects that payments received from all Guaranteed Mortgage Securities pledged under the Resolution, plus moneys on deposit in the various Funds and Accounts pledged under the Resolution (including earnings thereon not subject to rebate), will generate sufficient revenues to pay on a timely basis the principal of and interest on the Outstanding Bonds issued under the General Resolution, the Servicing Fees, the Guaranty Fees, the Administrative Fees, the Trustee's fees and expenses and certain other miscellaneous fees. There cannot, however, be any assurance that these expectations will in fact be realized.

All Series of Senior Bonds previously issued or to be issued under the General Resolution (including the 2024 Series D Bonds) are, and will be, equally and ratably secured by the pledge and the covenants made therein, except as set forth in the Resolution with respect to amounts, if any, held in the Collateral Fund; therefore, the availability of moneys to repay the 2024 Series D Bonds would be adversely affected, and could be significantly adversely affected if shortfalls occurred with respect to any other Series of Senior Bonds.

Program Assumptions for the 2024 Series D Bonds

In establishing the maturity amounts and Sinking Fund Installments for the 2024 Series D Bonds, it was assumed that there would be no prepayments of the 2024D Guaranteed Mortgage Securities. In fact significant prepayments of the 2024D Guaranteed Mortgage Securities (based on Prepayments of the underlying 2024D Mortgage Loans) are expected to occur for a variety of reasons and will result in the mandatory redemption of the 2024 Series D Bonds. See "REDEMPTION OF 2024 SERIES D BONDS—Redemption from Prepayments and Surplus Pledged Receipts" herein. A higher rate of prepayments of the 2024D Guaranteed Mortgage Securities will result in a more rapid rate of special redemption of the 2024 Series D Bonds.

The Authority expects that payments received from the 2024D Guaranteed Mortgage Securities plus other moneys on deposit in the Accounts relating to the 2024 Series D Bonds will be sufficient to pay on a timely basis the principal of and interest on the 2024 Series D Bonds, as well as certain expenses relating to the 2024 Series D Bonds. The expectation of sufficiency of such funds for such purposes is based upon cash flow analyses prepared on the basis of the following assumptions:

(a) Based on an estimated purchase schedule, funds in the 2024D Mortgage Loan Purchase Account will be used to purchase approximately \$75,200,000* principal amount of 2024D Guaranteed Mortgage Securities (backed by 2024D Mortgage Loans) and \$1,015,200* will be used to finance 2024D Second Mortgage Loans for 2024D Mortgage Loans that are Assisted Program Loans (in order to provide funds for down payment and closing costs). (An additional \$1,015,200* of Authority funds will be used to finance 2024D Second Mortgage Loans.)

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* Preliminary, subject to change.

(b) With respect to money in the 2024D Mortgage Loan Purchase Account, it is expected that the 2024D Mortgage Loans backing the 2024D Guaranteed Mortgage Securities will be originated in the following amounts and bear interest rates as follows¹:

Type of 2024D Mortgage Loan*	Expected Principal Amount*	2024D Mortgage Loan Rate*	2024D Guaranteed Mortgage Security Pass-Through Rate*
Assisted Program Loans			
Assisted Program Loans backing GNMA Securities	\$47,376,000	5.684%	5.184%
Assisted Program Loans backing Fannie Mae/FHLMC Securities	20,304,000	6.250%	5.530%
Low Rate Program Loans			
Low Rate Program Loans backing GNMA Securities	5,264,000	5.625%	5.125%
Low Rate Program Loans backing Fannie Mae/FHLMC Securities	2,256,000	6.000%	5.280%
Total / Weighted Average	\$75,200,000	5.842%	5.276%

¹ The amounts in the table above are subject to adjustment for Zero Interest Loan Participations (as defined below under “SINGLE FAMILY MORTGAGE LOAN PROGRAM – Mortgage Loan Participations” herein) for yield compliance purposes. Proceeds from the 2024 Series D Bonds are expected to be used to finance Zero Interest Loan Participations as follows:

(a) Mortgage Loan participations are expected to be financed from 2024 Series D Bond proceeds, representing a portion (such as 50%) of the total principal amount of the Mortgage Loans, with the other portion of principal expected to be financed from proceeds of the 2024 Series C Bonds as Zero Interest Loan Participations. Upon repayment of the Mortgage Loans, the participations financed from 2024 Series D Bond proceeds will receive 100% of the interest and the same percentage of principal as the percentage of principal financed by 2024 Series D Bond proceeds.

(b) Zero Interest Loan Participations in Mortgage Loans are expected to be financed from 2024 Series D Bond proceeds, representing a portion (such as 50%) of the Mortgage Loans, with the other portion of principal expected to be financed from proceeds of one or more future series of Senior Bonds. Upon repayment of the Mortgage Loans, such Zero Interest Participations financed from 2024 Series D Bond proceeds will receive 0% interest and the same percentage of principal as the percentage of principal financed by 2024 Series D Bond proceeds.

See “SINGLE FAMILY MORTGAGE LOAN PROGRAM – Mortgage Loan Participations” herein

(c) Prepayments and scheduled principal payments relating to the 2024D Guaranteed Mortgage Securities will be applied to the payment at maturity and redemption of the principal of the 2024 Series D Bonds. 100% of the interest on the 2024D Guaranteed Mortgage Securities will be deposited in the 2024D Revenue Account. Surplus Pledged Receipts in the 2024D Revenue Account will be transferred to the 2024D Special Redemption Account on a semiannual basis.

(d) Servicing and guaranty fees for 2024D Guaranteed Mortgage Securities backed by 2024D Mortgage Loans shall be as follows; provided that the guaranty fees for the 2024D Mortgage Loans backing Fannie Mae Securities or FHLMC Securities are subject to change:

(i) For 2024D Mortgage Loans backing GNMA Securities, (i) servicing fees to be paid to the Servicer shall be 0.44% of the unpaid principal balance thereof, and (ii) guaranty fees to be paid to GNMA shall be 0.06% of the unpaid principal balance thereof.

(ii) For 2024D Mortgage Loans backing Fannie Mae Securities, (i) servicing fees to be paid to the Servicer shall be 0.25% of the unpaid principal balance thereof, and (ii) guaranty fees to be paid to Fannie Mae shall be 0.50% of the unpaid principal balance thereof.

* Preliminary, subject to change.

(iii) For 2024D Mortgage Loans backing FHLMC Securities, (i) servicing fees to be paid to the Servicer shall be 0.25% of the unpaid principal balance thereof, and (ii) guaranty fees to be paid to FHLMC shall be 0.47% of the unpaid principal balance thereof.

(e) Trustee Fees shall be payable as follows: (i) a \$6,000 initial set-up fee payable at closing and (ii) an annual fee of \$5,000 payable in advance at the closing of the 2024 Series D Bonds and on each anniversary thereafter until the 2024 Series D Bonds are paid in full.

(f) Administrative Fees will be deposited in the Authority Account of the Administration Fund and paid on each Interest Payment Date, beginning July 1, 2025*, in an amount equal to 0.15%* per annum of the outstanding principal amount of 2024D Guaranteed Mortgage Securities backed by Assisted Program Loans or Low Rate Program Loans. The Authority may withdraw funds from the Authority Account to be used for any lawful purpose, provided that there is no deficiency in the Debt Service Fund.

(g) Payments on the 2024D Guaranteed Mortgage Securities will be received by the Trustee on the 30th day of each month or, for February, the last day of such month.

(h) 50%* of the Prepayments of 2024D Second Mortgage Loans will be used to redeem the 2024 Series D Bonds.

(i) No Prepayments, surplus Pledged Receipts or reserve fund reductions attributable to other Series of Bonds will be used to redeem 2024 Series D Bonds; and no Prepayments, surplus Pledged Receipts or reserve fund reductions attributable to 2024 Series D Bonds will be used to redeem other Series of Bonds.

Risks Relating to Origination of 2024D Mortgage Loans and 2024D Guaranteed Mortgage Securities

There are risks that 2024D Mortgage Loans will not be originated and 2024 Series D Bond proceeds will not be used to purchase 2024D Guaranteed Mortgage Securities, with the result that unexpended bond proceeds will be used to redeem the 2024 Series D Bonds. Non-origination can occur for a variety of reasons, including the failure to reserve 2024D Mortgage Loans, the failure to close 2024D Mortgage Loans, the failure of Lenders to sell 2024D Mortgage Loans to the Servicer, the failure of the Servicer to pool 2024D Mortgage Loans and/or sell 2024D Guaranteed Mortgage Securities to the Trustee. Each of these failures may result in a failure to apply moneys in the 2024D Mortgage Loan Account to the purchase of 2024D Guaranteed Mortgage Securities and thereby result in the redemption of the 2024 Series D Bonds from such unexpended moneys. The Authority has an existing “pipeline” of Mortgage Loans that are expected to be financed with the proceeds of the 2024 Series D Bonds. See “INTRODUCTION—Mortgage Loan Pipeline Information”.

One of the principal factors in originating single family loans is the availability of loan terms that are more advantageous than comparable loans currently being offered by other Lenders. Such loan terms might include interest rate, closing costs, and availability of down payment assistance and/or closing cost assistance. The terms of the 2024D Mortgage Loans are anticipated to be attractive in the current market but loans could be available at interest rates and/or with down payment assistance amounts, or other terms, that are more attractive than the terms of the 2024D Mortgage Loans. Competing loan products could be available, or become available, funded under federal, state or local government programs or private lender programs, or a combination of both, with more attractive terms.

Mortgage loans may also be financed and assistance may be available through other programs of the Authority. For example, the Authority may issue additional single family mortgage revenue bonds under the General Resolution, or make loans available through non-bond sources of financing, such as the

* Preliminary, subject to change.

Authority's existing market-rate "Home Again" lending program. The Authority also sponsors "mortgage credit certificate" ("MCC") programs under Section 25 of the Code that may be used in conjunction with single family loans (including loans available under the "Home Again" program) that are not financed from tax-exempt bond funding sources (such as the 2024D Mortgage Loans).

In addition, demand for 2024D Mortgage Loans could decrease significantly if interest rates for single family mortgage loans decline, in which case the interest rate and down payment assistance offered for the 2024D Mortgage Loans may no longer be attractive.

Other administrative problems could include the failure of Lenders to timely submit loan files or sell 2024D Mortgage Loans to the Servicer, the submission by Lenders of defective loan files, or the failure of the Servicer to timely purchase Mortgage Loans from Lenders. In addition, the Servicer could fail to timely pool the Mortgage Loans or convert such pools into 2024D Guaranteed Mortgage Securities, or sell the 2024D Guaranteed Mortgage Securities to the Trustee on a timely basis.

In addition to the foregoing, the Code imposes numerous requirements as to the qualification of mortgagors for the Mortgage Loans financed from the proceeds of the 2024 Series D Bonds, including first-time homebuyer, mortgagor income, home purchase price limits as well as mortgage subsidy recapture requirements. See "SINGLE FAMILY MORTGAGE LOAN PROGRAM-Requirements Imposed by Federal Tax Law" for a description of these requirements. These requirements restrict the ability of potential mortgagors and residential units to qualify for 2024D Mortgage Loans and thereby may materially impair the Lenders' ability to originate 2024D Mortgage Loans (which would in turn, materially impair the Trustee's ability to purchase 2024D Guaranteed Mortgage Securities). These requirements are subject to change and may become more restrictive, thereby resulting in a decrease in the number of potential mortgagors or residential units eligible for inclusion in the Program.

In addition, FHA, HUD, VA, USDA-RHS, Freddie Mac, Fannie Mae, GNMA, or other applicable governmental agencies contain restrictions, and may impose additional restrictions, on single family loan programs (including but not limited to restrictions on the provision of down payment assistance to borrowers by housing finance agencies (such as the Authority)) which could adversely affect the origination of 2024D Mortgage Loans.

The dollar amount of commitments to guarantee securities that GNMA can approve and the dollar amount that FHA, VA and USDA-RHS can insure or guarantee in any federal fiscal year are limited by statute and administrative procedures. If an appropriation act is not passed in any federal fiscal year or if GNMA, FHA, VA or USDA-RHS reaches the limit of its authority, or if the FHA maximum loan limit is reduced, or if GNMA, in its sole discretion, or the federal government, alters or amends the GNMA I or II Mortgage-Backed Securities Program or Fannie Mae or Freddie Mac alters its mortgage-backed Security Program in such a way as to prevent the Lenders from originating Mortgage Loans, the Lenders might not be able to originate Mortgage Loans and the Servicer may not be able to issue or deliver GNMA Securities, Fannie Mae Securities or Freddie Mac Securities in the anticipated principal amount. In addition, the Servicer may become unqualified to issue, or exchange Mortgage Loans for, Guaranteed Mortgage Securities and a successor Servicer may have to be appointed. The failure to originate Mortgage Loans, or the inability of the Servicer or any other person to issue (or exchange Mortgage Loans for) Guaranteed Mortgage Securities, or the failure to deliver Guaranteed Mortgage Securities to the Trustee in the anticipated amount, would result in the mandatory redemption of the 2024 Series D Bonds. See "REDEMPTION OF 2024 SERIES D BONDS—Redemption Due to Non-Origination."

There are also material changes occurring with respect to the rules relating to the origination of 2024D Mortgage Loans by the Lenders and the purchase, pooling and servicing of 2024D Mortgage Loans by the Servicer, which in each case, could adversely affect the origination of 2024D Mortgage Loans.

There also could be unforeseen, significant disruptions in market stability (such as those which occurred during the 2008 financial crisis or the COVID-19 pandemic), that could result in serious disruptions to the origination of 2024D Mortgage Loans. Any such disruption could result in delays in

originations of 2024D Mortgage Loans, failure to originate 2024D Mortgage Loans or delays by the Servicer in delivering 2024D Guaranteed Mortgage Securities.

If for any reason described in the preceding paragraphs, or for any other reason, moneys in the 2024D Mortgage Loan Purchase Account are not applied to the purchase of 2024D Guaranteed Mortgage Securities, unexpended moneys in such Account will be applied to the redemption of the 2024 Series D Bonds on the applicable non-origination redemption date.

Weighted Average Lives of 2024 Series D Bonds

General Considerations. It is anticipated that Prepayments of the 2024D Guaranteed Mortgage Securities will occur. There is no completely reliable statistical base with which to accurately predict the level of such Prepayments and the resulting effect on the average life of different maturities of the 2024 Series D Bonds. The 2024 Series D Bonds are very likely to be redeemed from Prepayments in addition to scheduled principal payments of the 2024D Guaranteed Mortgage Securities. Any person who purchases a 2024 Series D Bond for a price in excess of its principal amount should consider that the 2024 Series D Bonds are subject to redemption at 100% of the principal amount thereof, without any redemption premium, under the various circumstances described herein. See “REDEMPTION OF 2024 SERIES D BONDS.”

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security until each dollar of principal of such security will be repaid to the investor. The weighted average life of each maturity of the 2024 Series D Bonds will be influenced by the rate at which principal of the 2024D Guaranteed Mortgage Securities is paid. Principal payments may be in the form of scheduled payments or prepayments (for this purpose, the term “prepayment” includes prepayments and liquidations due to default or other disposition, including payments on any insurance or guaranty) on the underlying 2024D Mortgage Loans. Prepayments on single family mortgage loans are commonly measured by a prepayment standard or model. The model used in the following discussion is the model adopted by The Securities Industry and Financial Markets Association (successor to The Bond Market Association, which was previously known as the Public Security Association (“PSA”)); this model is still 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 mortgage loan pool.

The PSA Prepayment Model assumes for new mortgage loans (such as the 2024D Mortgage Loans) an initial prepayment rate of 0.2% per annum for the first month, increasing by 0.2% for each month through the next succeeding 29 months of the life of the mortgage loans, and then a constant prepayment rate of 6% per annum for the remaining life of the loans.

As used in the following table, “0% PSA” assumes no prepayments of principal. “25% PSA” assumes the principal will prepay at a rate .25 times as fast as the prepayment rates for the PSA Prepayment Model. “50% PSA” assumes the principal will prepay at a rate .50 times as fast as the prepayment rates for the PSA Prepayment Model. “75% PSA” assumes the principal will prepay at a rate .75 times as fast as the prepayment rates for the PSA Prepayment Model. “100% PSA” assumes the principal will prepay at a rate equal to the prepayment rates for the PSA Prepayment Model. “150% PSA” assumes the principal will prepay at a rate 1.5 times as fast as the prepayment rates for the PSA Prepayment Model. “200% PSA” assumes the principal will prepay at a rate 2 times as fast as the prepayment rates for the PSA Prepayment Model. “300% PSA” assumes the principal will prepay at a rate 3 times as fast as the prepayment rates for the PSA Prepayment Model. “400% PSA” assumes the principal will prepay at a rate 4 times as fast as the prepayment rates for the PSA Prepayment Model. “500% PSA” assumes the principal will prepay at a rate 5 times as fast as the prepayment rates for the PSA Prepayment Model. “600% PSA” assumes the principal will prepay at a rate 6 times as fast as the prepayment rates for the PSA Prepayment Model. “700% PSA” assumes the principal will prepay at a rate 7 times as fast as the prepayment rates for the PSA Prepayment Model. “800% PSA” assumes the principal will prepay at a rate 8 times as fast as the prepayment rates for the PSA Prepayment Model.

There is no assurance that prepayments of principal will conform to any level of the PSA Prepayment Model. The rate of principal payments on pools of single family mortgage loans is influenced by a variety of economic, geographic, social and other factors, including the level of mortgage interest rates and the rate at which homeowners sell their homes or default on their mortgage loans. In general, if prevailing interest rates fall significantly, the mortgage loans are likely to be subject to higher prepayment rates than if prevailing rates remain at or above the interest rates on the mortgage loans. Conversely, if interest rates rise, the rate of prepayment would be expected to decrease. Other factors affecting prepayment of mortgage loans include, but are not limited to, changes in mortgagors' housing needs, job transfers, unemployment and mortgagors' net equity in the mortgaged properties. In addition, as homeowners move or default on their mortgage loans, the houses are generally sold and the mortgage loans prepaid, although under certain circumstances mortgage loans may be assumed by a new buyer. Because of the foregoing, plus various additional factors (such as the right of the Authority to optionally redeem the 2024 Series D Bonds), redemption of the 2024 Series D Bonds is very likely to occur earlier, and could occur significantly earlier, than their scheduled principal payment dates (Sinking Fund Installment dates and maturity dates).

Projected Weighted Average Lives of 2024 Series D Term Bonds (including Premium PAC Term Bonds). The projected weighted average lives of the 2024 Series D Term Bonds (including Premium PAC Term Bonds) set forth in the table below are computed using the assumptions described above and various additional assumptions, including, but not limited to, the following: (i) 100% of moneys in the 2024D Mortgage Loan Purchase Account will be used to purchase 2024D Guaranteed Mortgage Securities and finance 2024D Second Mortgage Loans, (ii) Prepayments of the 2024D Mortgage Loans (backing the 2024D Guaranteed Mortgage Securities) and 50%* of the Prepayments of 2024D Second Mortgage Loans will be used to redeem the 2024 Series D Bonds on a monthly basis under the applicable redemption provisions, (iii) the 2024 Series D Bonds will not be optionally redeemed in whole or in part, and (iv) no surplus Pledged Receipts will be transferred to the General Fund. Even if all of the aforementioned assumptions were realized, holders of 2024 Series D Term Bonds (including Premium PAC Term Bonds) may realize different average lives than the projected average lives set forth in the table below. The Authority will not be updating the table set forth below.

Accordingly, there can be no assurance that the actual weighted average life of the 2024 Series D Term Bonds (including Premium PAC Term Bonds) will conform to any projected weighted average life set forth in the table below.

Table of Weighted Average Lives (in Years) for 2024 Series D Term Bonds*

PSA Prepayment Assumption	Term Bonds Maturing July 1, 2039	Term Bonds Maturing July 1, 2044	Term Bonds Maturing July 1, 2049	Term Bonds Maturing July 1, 2054	Premium PAC Term Bonds Maturing July 1, 2055
0%	13.4	17.5	22.5	27.5	19.6
25	13.4	17.5	22.5	26.7	11.3
50	13.4	17.2	21.0	23.0	7.2
75	13.1	16.1	18.6	19.4	5.5
100	12.1	14.3	16.0	16.2	5.5
150	10.1	11.3	12.0	12.0	5.5
200	8.5	9.1	9.3	9.3	5.5
300	6.1	6.2	6.1	6.1	5.5
400	4.4	4.4	4.4	4.4	5.5
500	4.1	4.1	4.1	4.0	4.0
600	3.6	3.5	3.5	3.5	3.5
700	3.2	3.2	3.2	3.2	3.1
800	2.9	2.9	2.9	2.9	2.9

* Preliminary, subject to change.

Available Remedies Limited

The remedies available upon an event of default under the Resolution, the Origination Agreements, the Servicing Agreement, the Continuing Disclosure Agreement or other documents described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the Resolution, the Origination Agreements, the Servicing Agreement, the Continuing Disclosure Agreement or other documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2024 Series D Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Cybersecurity

The Authority relies on a complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the Authority faces multiple potential cyber threats including, but not limited to, hacking, viruses, malware, ransomware, phishing, business email compromise, and other attacks on computers and other sensitive digital networks, systems, and assets. Housing finance authorities and other public finance entities have been targeted by outside third parties, including technologically sophisticated and well-resourced actors, attempting to misappropriate assets or information or cause operational disruption and damage. Further, third parties, such as hosted solution providers, that provide services to the Authority, could also be a source of security risk in the event of a failure of their own security systems and infrastructure.

The Authority employs security technology solutions to secure against, detect, and mitigate the effects of cyber threats on its infrastructure and information assets. The Authority conducts regular information security and privacy awareness training that is mandatory for all Authority staff. The Authority's information technology department has management responsibility for all information technology and leads the efforts of the Authority to keep its cyber assets secure. The Authority regularly conducts risk assessments, audits and tests of the Authority's cybersecurity systems and infrastructure.

Despite its efforts, no assurances can be given that the Authority's security and operational control measures will be successful in guarding against any and each cyber threat and attack, especially because the techniques used by perpetrators are increasingly sophisticated, change frequently, are complex, and are often not recognized until launched. To date, cyber attacks have not had a material impact on the Authority's financial condition, results or business; however, the Authority is not able to predict future attacks or their severity. The results of any attack on the Authority's computer and information technology systems could impact its operations for an unknown period of time, damage the Authority's digital networks and systems, and damage the Authority's reputation, financial performance, and customer or vendor relationships. Such an attack also could result in litigation or regulatory investigations or actions, including regulatory actions by state and federal governmental authorities. The costs of remedying any such damage could be substantial and such damage to the Authority's reputation and relationships could adversely affect the Authority's ability to conduct its programs and operations in the future.

Other Risks

In addition to the market, business and economic factors and risks associated with any investment decision, there are other risks and uncertainties such as changes in political, social conditions and changes in legislation, regulations, proceedings and litigation that may directly or indirectly impact the Authority and the 2024 Series D Bonds. Many of these matters are beyond the control of the Authority, but if enacted or implemented in the future, may affect the Authority, its operations, its finances, and its programs. While some potential political, legislative and regulatory actions may benefit the Authority and its programs,

(including the Program), no assurance can be given that the Program, the 2024 Series D Bonds or the holders of such Bonds will not be adversely affected by such measures.

DELAWARE STATE HOUSING AUTHORITY

The Authority was created under the Act in 1968, as a public corporation within the Department of Housing, a predecessor agency to the Department of Community Affairs. Effective July 1, 1987, the General Assembly amended the Delaware Code to transfer the Authority from the Department of Community Affairs to the Delaware Economic Development Office (formerly known as the Delaware Development Office) and the functions of the Division of Housing from the Department of Community Affairs to the Authority. Effective July 2, 1998, the Authority was reestablished as a public corporation of perpetual duration in the Executive Department of the State reporting directly to the Governor of the State.

The Authority has the power to, among other things, make mortgage loans and other loans to not-for-profit and limited-profit housing sponsors, to acquire, manage and operate real and personal property in the State, to build housing for sale or rent at affordable prices to low and moderate income persons, to make loans to mortgage lenders requiring the proceeds thereof to be used by such mortgage lenders for the making of new residential mortgage loans, to purchase mortgage loans from mortgage lenders, to establish (and revise from time to time) and charge and collect fees and charges in connection with such programs, to apply for and receive assistance and subsidies under federal government and other programs, to issue its bonds and notes and to provide for and secure the payment thereof and to provide for the rights of the holders thereof, and to do any and all things necessary or convenient to carry out its purposes and exercise the powers granted in the Act. The Authority has no taxing power.

Management and Staff

The Authority's management and senior staff are identified below:

Cynthia Karnai-Crossan, Housing Director of the Delaware State Housing Authority, was appointed to her current position in March 2024 by Governor John Carney. As Housing Director, Ms. Karnai oversees all aspects of the Authority, including the single family and multi-family mortgage revenue bond programs, public housing, rental voucher subsidy, tax credit, community development, and other grant programs.

Prior to her appointment, Ms. Karnai was a member of the Authority's executive team with an overall focus on agency success. Promoted to Deputy Director in February 2022, Ms. Karnai previously served in the roles of (i) Chief Operating Officer (2014-2022) assisting the Authority's Housing Director in meeting the needs of the Authority and overseeing the Administration section of the Authority and (ii) Director of Housing Finance (2009-2014) overseeing the homeownership and foreclosure prevention products. Under her direction, the Authority has grown and improved and made a smooth transition during COVID. She augmented its lending operations with the implementation of a single family loan program financed through the To-Be-Announced (TBA) mortgage-backed securities market and the development of a mortgage credit certificate program under Section 25 of the Code (Delaware First Time Home Buyer Tax Credit Program). Joining the Authority in 2005, Ms. Karnai oversaw the daily operations of the homeownership programs, including a record volume year of over \$420 million in bond proceeds. Ms. Karnai holds her M.A. in Urban Affairs and Public Policy and her B.A. in Political Science from the University of Delaware. She also received her Master of Business Administration concentrating in Financial Management from Goldey-Beacom College.

Wanda G. Spiering, Chief Operating Officer, is a member of the Authority's executive team with an overall focus on agency success. On a day-to-day basis, she oversees the Authority's administrative operations, including financial and personnel activities. Promoted to her current position in 2023, Ms. Spiering previously served 12 years in the roles of Director of Human Resources and Chief of Administration. Ms. Spiering has a Master's Degree in Human Resources Management, a Bachelor's

Degree in Business Management, an Associate’s Degree in Marketing & Management, and is certified as a Professional in Human Resources.

Brian K. Rossello, Director of Housing Finance, oversees the single family homeownership programs, the First Time Homebuyer Tax Credit Program, the Delaware Emergency Mortgage Assistance Program as well as the Authority’s Down Payment and Closing Costs Assistance Programs. Mr. Rossello joined the Authority in March 2001 and began his role as Director of Housing Finance in 2019.

Other staff positions of the Authority include a housing development and loan management program administrator, a housing management program administrator, an assistant housing management program administrator, a social service administrator, a mortgage program manager, a management analyst, a director of public relations, a building support systems engineer, housing mortgage/finance officers, housing program and loan management officers, housing management specialists, housing and recertification specialists, information systems manager, fiscal administrative officers, housing managers, an administrative officer, planners, housing mortgage loan officers, a public information officer, administrative assistants, cash/debt manager and accounting, secretarial and maintenance personnel. The Authority’s total authorized staffing is approximately 160 positions.

The firm of Faegre Drinker Biddle & Reath LLP, Wilmington, Delaware, serves as outside General Counsel to the Authority.

Authority’s “TBA” Single Family Loan Program (2012 to Present)

In 2012, the Authority created a single family mortgage loan program financed through the “To-Be-Announced” (“TBA”) mortgage-backed security market (a taxable source of funds) under the name “Home Again” program (the “Home Again Program”). The Home Again Program offers first mortgage loans and down payment assistance second loans to qualified homebuyers within the State of Delaware. The Home Again Program continues to exist and will run concurrently with the Program financed by the Bonds, including the 2024 Series D Bonds. **None of the mortgage loans (or the related mortgage-backed securities) originated under the Home Again Program are pledged as security for the Bonds.** The total principal amount of mortgage loans financed under the Home Again Program in each calendar year since 2013 is set forth below:

Year	Total Loan Amount	Number of Loans
2013	\$ 84,999,087.00	750
2014	72,667,270.00	808
2015	146,361,202.40	1,451
2016	148,594,251.50	1,216
2017	147,779,187.80	1,024
2018	208,137,769.80	1,326
2019	230,128,895.10	1,338
2020	347,669,772.20	2,126
2021	436,396,112.60	2,188
2022	305,555,020.10	1,288
2023	366,315,154.50	1,441
2024 ⁽¹⁾	52,665,468.00	190

⁽¹⁾ As of September 18, 2024.

SINGLE FAMILY MORTGAGE LOAN PROGRAM

The following description of the Program is only a brief outline and does not purport to summarize or describe all of the provisions of the Program.

General

Since 1979, the Authority has offered various single family mortgage loan programs under which it has financed single family mortgage loans through the issuance of bonds and the purchase of mortgage loans or the purchase of guaranteed mortgage securities representing pooled mortgage loans.

Currently, no other governmental entities within the State of Delaware are issuing single family mortgage revenue bonds to finance mortgage loans for single family housing within the State.

Under the Program established under the General Resolution (and as defined in Exhibit III), as it applies to the 2024 Series D Bonds, proceeds of the 2024 Series D Bonds will be used to purchase the 2024D Guaranteed Mortgage Securities (backed by 2024D Mortgage Loans). Each Lender will originate 2024D Mortgage Loans and will sell such 2024D Mortgage Loans to the Servicer. The Servicer has agreed pursuant to the Servicing Agreement to service all 2024D Mortgage Loans, and to issue or cause to be issued, 2024D Guaranteed Mortgage Securities. The Servicer may review the 2024D Mortgage Loans and related Mortgagors for compliance with the provisions of the GNMA, Freddie Mac or Fannie Mae guidelines, as applicable, but regardless of whether or not it performs such a review, will have representations and warranties from the Lenders regarding such compliance, and recourse to the Lenders for breach of such representations and warranties. See “EXHIBIT II – SUMMARY OF GNMA MORTGAGE-BACKED SECURITY PROGRAM, FANNIE MAE MORTGAGE-BACKED SECURITY PROGRAM AND FREDDIE MAC MORTGAGE-BACKED SECURITY PROGRAM.” The Authority will review each 2024D Mortgage Loan and the related Mortgagor for compliance with the provisions of the Code.

Mortgage Loans and Guaranteed Mortgage Securities

Under the Program, the Authority has issued multiple series of Bonds to finance first-lien Mortgage Loans (or participations therein). Since 2002, such Mortgage Loans have been pooled into Guaranteed Mortgage Securities. Such Guaranteed Mortgage Securities backed by Mortgage Loans, are purchased by the Trustee from the applicable Servicer using Bond proceeds deposited in the related Mortgage Loan Purchase Accounts. In addition, the Authority has also issued Bonds to finance second-lien mortgage loans to qualified borrowers in order to provide such persons funds for down payment and closing cost assistance.

Mortgage Loans backing Guaranteed Mortgage Securities have been financed by prior Series of Senior Bonds, will be financed by the 2024 Series D Bonds and are expected to be financed from future Series of Senior Bonds issued under the Resolution. The Mortgage Loans are made by Lenders to qualified persons (“Mortgagors”) to finance the purchase of homes located within the State of Delaware, all in accordance with the applicable Mortgage Origination Master Agreements, entered into between the Authority and the Lenders (collectively, the “Origination Agreements”). For first-lien Mortgage Loans, each Lender originates such loans and sells them to the applicable Servicer, which has agreed, pursuant to the applicable servicing agreement between the Servicer and the Authority (each a “Servicing Agreement”), to purchase such loans, service such loans, pool such loans into Guaranteed Mortgage Securities and sell such securities to the Trustee. The Servicer for all 2024D Mortgage Loans is Lakeview Loan Servicing, LLC.

Loan Terms and Eligibility Requirements

The 2024D Mortgage Loans will be originated as fixed interest rate mortgage loans, with level monthly payments of principal and interest over a 30-year maturity. All 2024D Mortgage Loans will finance single family housing (one-to-four units) occupied by an Eligible Borrower as its principal

residence, as determined by the Authority in accordance with the Act, the Code, the Resolution and the Authority’s Rules and Regulations. Each 2024D Mortgage Loan will be an obligation secured by a first lien mortgage on the related real property and improvements. Each 2024D Mortgage Loan is required to meet the requirements for FHA, USDA-RHS, VA or the applicable private mortgage insurance requirements, and the requirements necessary for pooling and securitization pursuant to the GNMA Guides, the Fannie Mae Guides or the Freddie Mac Guides, as applicable.

Each 2024D Mortgage Loan must be (i) assumable only under the terms and conditions set forth in the Mortgage Origination/Servicing Agreements and described herein (provided that 2024D Mortgage Loans which are Conventional Mortgage Loans or Mortgage Loans guaranteed by USDA-RHS are not assumable), (ii) in compliance in all respects with the Origination Agreement, FHA, USDA-RHS or VA rules and regulations and the GNMA Guide, or the Fannie Mae Guides or Freddie Mac Guides, as applicable, (iii) in a principal amount not exceeding such amount as conforms to the eligibility and credit underwriting standards specified in the Mortgage Origination/Servicing Agreements and the applicable limitations of FHA, USDA-RHS or VA, as applicable, and the GNMA Guide, or the Fannie Mae Guides or the Freddie Mac Guides, as applicable, (iv) the subject of a mortgagee’s title insurance policy, and (v) the subject of appropriate standard hazard insurance as long as the Mortgage Loan is outstanding.

Eligible Borrowers under the Program relating to the 2024D Mortgage Loans are subject to annual household income limits set by the Authority pursuant to the requirements of the Code; the Rules and Regulations applicable to the majority of the 2024D Mortgage Loans established the following income limits:

Household Income Limits

County	Non-Targeted Areas		Targeted Areas	
	1-2 Persons	3+ Persons	1-2 Persons	3+ Persons
New Castle	\$114,700	\$131,905	\$137,640	\$160,580
Kent/Sussex	\$106,300	\$122,245	\$127,560	\$148,820

“Targeted Areas” as referenced in the table above, refer to qualified census tracts or economically distressed areas determined to be such under Section 143(j) of the Code.

Under the Code, the acquisition cost of each residence financed by a 2024D Mortgage Loan may not exceed 90% (110% in the case of a residence in a Targeted Area) of the “average area purchase price” applicable to such residence. Pursuant to the Origination Agreements, the Authority has established maximum acquisition costs which are consistent with this requirement. The maximum acquisition costs currently applicable to the residences financed by such mortgage loans are as follows:

Acquisition Cost Limits

County	Non-Targeted Areas	Targeted Areas
New Castle	\$571,946	\$699,045
Kent/Sussex	\$510,939	\$624,481

From time to time, the Authority may revise the maximum acquisition costs applicable to residences financed by the 2024D Mortgage Loans, but in no event will the Authority’s acquisition cost limits exceed those permitted under the Code.

All 2024D Mortgage Loans which are eligible for purchase under the Program with a loan-to-value ratio in excess of 80% must be insured or guaranteed by the FHA, the VA, the USDA-RHS or by a private mortgage insurer qualified to do business in the State and to provide insurance on mortgages purchased by Fannie Mae or Freddie Mac, which is approved by the Authority and the claims paying ability of which (or, if its parent corporation guarantees such claims payments, the claims paying ability of the parent corporation of which) is rated by the Rating Agency at a level sufficient to maintain the ratings or shadow

ratings of the Rating Agency with respect to any Series of Bonds. It is the responsibility of the Mortgagor to obtain and maintain such insurance. See “EXHIBIT I–SUMMARY OF MORTGAGE INSURANCE PROGRAMS.”

Origination and Purchase of Mortgage Loans

Lenders are permitted to charge up to 0.50%* on either Low Rate Program Loans or Assisted Program Loans (up to 1.0%* on a Limited FHA insured 203(k) mortgage loan). This is an optional fee that may or may not be charged by Lenders.

A Lender may collect from an eligible borrower all reasonable and customary out-of-pocket costs permitted by law paid or incurred by the Lender and collect, on behalf of the Authority, and a Code compliance fee. The Servicer shall, on behalf of the Authority, provide compensation to the Lender. (Lenders are currently compensated in an amount equal to 2.25% of the principal amount of each Mortgage Loan purchased.) Such fees and expenses may be collected only once in connection with the origination of each Mortgage Loan and will not exceed limits established from time to time by federal law or State law and in any event may not exceed like amounts charged in such areas in cases where owner financing is not provided through tax-exempt revenue bonds.

With respect to a unit of a condominium or a planned unit development (“PUD”), such unit must be acceptable to FHA, VA or USDA-RHS, as applicable, and GNMA standards, or Fannie Mae or Freddie Mac standards, as applicable. There is no restriction on the percentage of condominium or PUD Mortgage Loans that a Lender may originate.

The Lenders are required to consider each application for a Mortgage Loan in the order in which received, on a fair and equal basis. A Lender is not permitted to arbitrarily reject a Mortgage Loan application because of the location and/or age of the property and will not, in the case of a proposed mortgagor, arbitrarily vary the terms of a Mortgage Loan or the application procedures therefor or reject a Mortgage Loan applicant because of the race, color, religion, national origin, age, sex or marital status of such applicant. In addition, Mortgage Loans can be made only to those persons who certify their intent to occupy the property as their principal residence and whose annualized monthly income does not exceed the current income limitation.

Lender Reservation System

Each Lender must be a commercial bank, savings and loan association, or a mortgage banking institution approved by the Authority which is (i) currently participating in the local private home lending market in the State and (ii) an FHA approved mortgagee, USDA-RHS eligible lender or a VA approved lender.

Subject to the limitations imposed by the Targeted Area Requirement discussed below, Lenders may reserve available funds for Mortgage Loans on a first-come, first served basis, through reservation requests submitted to DSHA online at <https://dsha.mitas.com/WebPortal>.

Assisted Program Loans

Assisted Program Loans bear interest at annual interest rates determined from time to time by the Authority consistent with the requirements of the Program and applicable federal tax requirements.

Each 2024D Mortgage Loan that is an Assisted Program Loan will receive down payment and closing cost assistance in an amount equal to 3.0% of the initial principal amount of the Assisted Program

* Preliminary, subject to change.

Loan; such assistance will be provided in the form of a 2024D Second Mortgage Loan from the Authority to the borrower.

Borrowers of Assisted Program Loans may also be eligible for down payment and closing assistance in the form of a second mortgage loan funded under the Authority's "Delaware Diamonds" assistance program (\$10,000 maximum assistance).

Low Rate Program Loans

Low Rate Program Loans bear interest at annual interest rates determined from time to time by the Authority consistent with the requirements of the Program and applicable federal tax requirements.

An Eligible Borrower of a Low Rate Program Loan does not receive down payment and closing cost assistance at loan closing.

Mortgage Loan Participations

The Authority may use proceeds of a particular Bond issue (including the 2024 Series D Bonds) to finance participations in first-lien Mortgage Loans that are "Zero Interest Loan Participations." A "Zero Interest Loan Participation" means that a portion of the principal of a Mortgage Loan is financed by a Bond issue with respect to which no interest ("zero interest") is paid. The Authority may also use Bond proceeds to finance participations in Mortgage Loans that include Zero Interest Loan Participations financed by other bonds issued by the Authority.

2024D Second Mortgage Loans

2024D Second Mortgage Loans will be made to mortgagors in connection with the origination of 2024D Mortgage Loans that are Assisted Program Loans. Each 2024D Second Mortgage Loan will initially be closed and funded with Authority funds at the closing of the related 2024D Mortgage Loan. Upon the Trustee's purchase of each 2024D Guaranteed Mortgage Security, the Trustee will reimburse the Authority for 50%* of its initial funding of the 2024D Second Mortgage Loans related to the 2024D Mortgage Loans backing such 2024D Guaranteed Mortgage Security, from funds on deposit in the 2024D Mortgage Loan Purchase Account.

The proceeds of 2024D Second Mortgage Loans will be applied to fund down payment requirements and closing costs. A 2024D Second Mortgage Loan is generally a second-lien mortgage loan and will be in a principal amount equal to 3% of the initial principal amount of the related 2024D Mortgage Loan. Each 2024D Second Mortgage Loan will bear interest at zero percent (0%) mature in 30 years from the closing date, and be subject to repayment in whole prior to maturity if the related 2024D Mortgage Loan is refinanced, the related residence is sold, the title to the property is otherwise transferred or the borrower no longer uses the residence as a principal residence. The Authority will service all of the 2024D Second Mortgage Loans. 50%* of the Prepayments received by the Authority with respect to the 2024D Second Mortgage Loans will be used to redeem 2024 Series D Bonds. **While a portion of the Prepayments of the 2024D Second Mortgage Loans transferred to the Trustee will be applied to the repayment of the 2024 Series D Bonds, neither the 2024D Second Mortgage Loans nor any payments with respect thereto which have not been received by the Trustee are pledged as security for the 2024 Series D Bonds or any other Bonds.**

Insurance or Guarantee

All Mortgage Loans backing GNMA Securities are required to be insured by FHA or guaranteed by either USDA-RHS or VA before they are pooled by the Servicer and delivered to GNMA upon the

* Preliminary, subject to change.

issuance by the Servicer of a GNMA Security. All Mortgage Loans backing Fannie Mae Securities and Freddie Mac Securities are required to be Conventional Mortgage Loans originated in accordance with the Fannie Mae Guides and the Freddie Mac Guides, respectively. FHA's authority to issue commitments to insure the Mortgage Loans is subject to a statutory limit on the dollar amount of commitments to insure that FHA may issue during a federal fiscal year. No assurance can be given that FHA's authority to issue commitments to insure Mortgage Loans will not have reached its statutory ceiling for a fiscal year before it has issued a commitment to insure with respect to some or all of the Mortgage Loans.

Compliance

The staff of the Authority is responsible for compliance matters regarding the Program. The principal responsibilities of the staff of the Authority in such capacity are as follows: (i) review the first and second mortgage loan applications to monitor compliance with the terms and conditions of the eligibility guidelines of the Program (including those required under the federal laws and regulations governing mortgage loans financed with qualified mortgage bonds) and provisions and limitations stated in the Origination Agreements; and (ii) consult with and advise the Lenders regarding technical questions and problems relating to first and second mortgage loan eligibility and underwriting.

Targeted Area Requirement

An amount equal to 20% of the proceeds of the 2024 Series D Bonds will be made available by the Authority on a continuous basis for the applicable twelve (12) months in targeted areas in the State to satisfy the federal targeted area requirement under the Code.

Requirements Imposed by the Federal Tax Laws

The Code provides that interest on obligations (such as the 2024 Series D Bonds) that are issued to finance single family residences is excluded from the gross income of the owners of such obligations for federal income tax purposes only if certain requirements are met, including (i) eligibility requirements for home mortgage loan borrowers, see "Mortgage Eligibility Requirements" below, (ii) certain targeted area, arbitrage and recapture requirements, see "Non-Mortgage Eligibility Requirements" below, and (iii) certain other requirements related to the bond issue and the use of proceeds of the issue, see "Other Requirements" below.

The Authority has covenanted in the Resolution to do and perform all acts and things necessary or desirable to assure that interest on the 2024 Series D Bonds is excluded from the gross income of the owners thereof for federal income tax purposes and, for such purposes, to adopt and maintain appropriate procedures. In this regard, the Authority has included provisions in the Resolution, the Origination Guide, the Origination Agreements, its Rules and Regulations and other relevant documents (including certain affidavits and warranties from Lenders, Borrowers and others respecting the Mortgagor eligibility and other requirements) (the "Program Documents") to enable the Authority to comply with the requirements of the Code. The Authority believes that the provisions of the Program Documents are sufficient to ensure that the 2024 Series D Bonds will satisfy the federal tax requirements. A discussion of some of the Authority's procedures to effect compliance with the Code requirements follows. These requirements are applicable to the Mortgage Loans financed with proceeds of the 2024 Series D Bonds.

Mortgage Eligibility Requirements. The Code provides that the Authority must reasonably expect at the time a mortgage loan is executed that the Borrower will make the residence financed by the mortgage loan his or her principal residence within a reasonable time after the financing is provided. Pursuant to procedures established by the Authority, a Borrower is required to state in an affidavit executed at the closing of the related mortgage loan that he or she intends to make the related residence his or her principal residence within 60 days.

In addition, the Code generally requires that 95% or more of the net proceeds of an issue (proceeds of an issue reduced by amounts in a reasonably required reserve fund) must be used to finance residences

for mortgagors (except for residences in Targeted Areas and residences for Qualified Veterans) who had no present ownership interest in their principal residences at any time during the three-year period ending on the date their respective mortgages are executed. The Authority will require each eligible borrower to provide a credit report for the preceding year for review for evidence of prior ownership of a residence and to state in an affidavit that he or she has not had a present ownership interest in a principal residence within the preceding three years.

Under the Code, the acquisition cost of each residence financed by a mortgage loan may not exceed 90% (110% in the case of a residence in a Targeted Area) of the “average area purchase price” applicable to such residence. Pursuant to the Origination Agreements, the Authority has established maximum acquisition costs which are consistent with this requirement. The current maximum acquisition costs for the 2024D Mortgage Loans are set forth above. From time to time, the Authority may revise the maximum acquisition costs applicable to residences, but in no event will the Authority’s acquisition price limits exceed those permitted under applicable federal tax law.

An existing mortgage may not be acquired or replaced with proceeds of a mortgage loan (except for construction period loans and temporary financings with a term not to exceed 24 months). The Authority will require an eligible borrower to state in an affidavit at the closing of a mortgage loan that he or she is not using the proceeds of the mortgage loan to acquire or replace an existing loan except a temporary or construction loan. In addition, the Lender will be required to review the borrower’s federal income tax returns for the preceding three years prior to closing to determine if the borrower has any outstanding loans which could be acquired or replaced with proceeds of the mortgage loan.

The Code requires that owner financing provided by an issue of qualified mortgage bonds be provided only to one-and-two person family mortgagors whose family income is not greater than 100% of the applicable median family income and to three-or-more-person family mortgagors whose family income is not greater than 115% of the applicable median family income. For financing provided for Targeted Area residences, one-third of the amount of such Targeted Area financing may be provided without regard to said income restrictions and the balance of the Targeted Area financing may be provided for one-and-two person family mortgagors whose family income is not greater than 120% of the applicable median family income and to three-or-more person family mortgagors whose family income is not greater than 140% of the applicable median family income. For purposes of this income restriction, applicable median family income is the greater of the area median gross income for the area where the residence is located or the statewide median gross income. Each borrower is required to set forth his or her family income in his or her application and provide a certification that such statement is true and complete and that his or her family income does not exceed the applicable income limit. The Authority has provided in the Origination Agreements that it shall not purchase any 2024D Mortgage Loans if the Borrower does not meet the applicable income restrictions.

Applicable federal tax law requires that mortgage loans not be assumed unless the principal residence, no prior home ownership interest, purchase price and income requirements are met with respect to the assumption. The mortgage securing each 2024D Mortgage Loan will contain a “due on sale” clause so that the related loan may be accelerated if it is assumed and all such requirements and the then current underwriting standards of the applicable mortgage guarantee insurers are not met.

Recapture of Portion of Federal Subsidy. The Code requires a payment to the United States of America from certain mortgagors with respect to mortgage loans originated after December 31, 1990, upon sale within nine years of origination of a residence financed by a mortgage loan (the “Recapture Provision”). The Code requires an issuer to furnish certain information to borrowers relating to recapture. The Authority has covenanted in the Resolution to comply with all requirements of the Code, including the requirements imposed on it by the Recapture Provision.

Good Faith Effort. An issuer of bonds is treated as meeting the mortgage eligibility requirements if (i) the issuer in good faith attempted to meet all of the mortgage eligibility requirements before the

mortgages were executed, (ii) 95% or more of the proceeds (net of costs of issuance and amounts deposited in a reasonably required reserve or replacement fund) of the issue used to make mortgage loans was devoted to financing residences which met all such mortgage eligibility requirements at the time the loans were executed or assumed, and (iii) any failure to comply with the mortgage eligibility requirements is corrected within a reasonable period after such failure is first discovered. In determining whether 95% of the proceeds have been so used, applicable federal tax law permits the Authority to rely on affidavits of the borrower and of the seller and on examination of copies of the borrower's federal income tax returns for the three years preceding the date the mortgage is executed even though the relevant information in such affidavits and the borrower's tax returns should ultimately prove to be untrue, unless the Authority or the Lender knows or has reason to believe that such information is false. An issue of bonds is treated as meeting the mortgage loan arbitrage restriction and the issuer's recapture requirements of the Code if (i) the issuer in good faith attempted to meet all of the requirements, and (ii) any failure to meet these requirements is due to inadvertent error after taking reasonable steps to comply with such requirements.

Procedures for Compliance. Lenders are responsible for reviewing each document comprising the mortgage loan application and related submissions to determine compliance with the Authority's standards and requirements for qualification of mortgage loans. The Authority will also review certain of the mortgage loan documents to determine compliance with the Code and the Program, and 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 or the Program.

Non-Mortgage Eligibility Requirements. The Code requires that as of the bond issuance date, the "effective interest rate" on the mortgage loans financed with the proceeds of an issue of bonds not exceed the "yield" on such issue by more than 1.125%, based on reasonable expectations established as of the bond issuance date. The "effective interest rate" (computed on a composite basis) of the 2024D Mortgage Loans meets this requirement.

To the extent that net earnings to the date of calculation on the aggregate amount of non-purpose investments exceed the amount that would have been earned on such investments if such investments were earning a return equal to the yield on the bonds, such excess, plus any earnings on such excess, must, under the Code, be paid ("rebated") to the United States of America. The Authority has established accounting procedures to comply with these rebate requirements.

The Code requires the issuer of qualified mortgage bonds to file information reports on the issuance, if any, of its qualified mortgage bonds no later than the 15th day of the second calendar month after the close of the calendar quarter in which such bonds were issued. In addition, the Code requires the issuer of qualified mortgage bonds to file annual information reports containing specific information with respect to the beneficiaries of the original proceeds of its qualified mortgage bonds. The annual reporting period ends on June 30 of each year. The Authority has established procedures to enable it to meet the reporting requirements of the Code.

ASSETS AND LIABILITIES UNDER THE GENERAL RESOLUTION

The Authority has previously issued 52 Series of Senior Bonds under the General Resolution in the aggregate principal amount of \$3,039,964,219, of which \$318,934,485 remains Outstanding as of August 31, 2024. The Senior Bonds were issued to purchase Mortgage Loans (both first and second lien), or Guaranteed Mortgage Securities backed by Mortgage Loans originated by Lenders pursuant to the Program implemented under the General Resolution, or to refund prior bonds of the Authority issued under other resolutions or the General Resolution. In addition, the Authority has previously issued multiple Series of Subordinated Bonds under the General Resolution in the initial aggregate principal amount of \$5,667,090.79, none of which presently remain Outstanding. To date, the Authority has issued no variable rate Bonds under the General Resolution.

Table of Outstanding Senior Bonds
(as of August 31, 2024)

The table below sets forth certain information relating to the Senior Bonds issued and outstanding under the General Resolution as of August 31, 2024 (after payment of Senior Bonds on that date):

Series Designation	Original Principal Amount	Outstanding Principal Amount
2013 Series A	\$49,930,000	\$12,258,206
2018 Series A	20,630,000	6,831,279
2024 Series A	75,000,000	74,845,000
2024 Series B	125,000,000	125,000,000
2024 Series C	100,000,000	100,000,000
Total	\$370,560,000	\$318,934,485

All Senior Bonds Outstanding under the General Resolution, the 2024 Series D Bonds and any Additional Senior Bonds that may be issued, will be equally and ratably secured by the pledge of the General Resolution and the applicable Series Resolutions.

Presently no Subordinated Bonds remain Outstanding under the General Resolution. Any Additional Subordinated Bonds that are issued in the future will be secured on a junior basis to any Senior Bonds and will be equally and ratably secured with other Subordinated Bonds by the pledge of the General Resolution and the applicable Series Resolutions.

Any bonds issued by the Authority under other resolutions are separately secured from the Senior Bonds and the Subordinated Bonds issued under the General Resolution, and none of the assets securing such other bonds (nor the revenues therefrom) are available to the holders of the Senior Bonds and the Subordinated Bonds issued under the General Resolution (including the 2024 Series D Bonds).

Summary of Assets and Liabilities under General Resolution
(as of August 31, 2024)

The table below sets forth a summary of the assets and liabilities under the General Resolution as of August 31, 2024:

Assets:	
Guaranteed Mortgage Securities Outstanding	\$191,814,587
Non-Mortgage Investments ¹	<u>140,999,223</u>
Total Assets	\$332,813,810
Liabilities:	
Senior Bonds Outstanding	\$318,934,485
Senior Bond Accrued Interest	<u>1,957,052</u>
Total Liabilities	\$320,891,537

¹ The “Non-Mortgage Investments” balance includes all nonmortgage investments (valued at par) and funds that are on deposit in funds and accounts under the General Resolution as of August 31, 2024. A portion of such funds (i) on deposit in certain Mortgage Loan Purchase Accounts will be used to fund second mortgage loans (for downpayment and closing cost assistance), and (ii) on deposit in Capitalized Interest Accounts (totaling approximately \$3,021,265 as of August 31, 2024) are subject to the release to the Authority upon satisfaction of the conditions set forth in the General Resolution and the related series resolutions. Accordingly, the excess of the Total Assets over the Total Liabilities may be reduced significantly in the future.

THE CONTINUING DISCLOSURE AGREEMENT

The Authority will enter into a Continuing Disclosure Agreement dated as of August 1, 2024, with the Trustee (the “Continuing Disclosure Agreement”), in which the Authority will covenant for the benefit of the Holders and the Beneficial Owners of the 2024 Series D Bonds to provide certain financial information and operating data relating to the Authority not later than six months after the end of the Authority’s fiscal year, commencing with a report or reports for the Authority’s fiscal year ending June 30, 2025 (the “Disclosure Report”), and to provide notices of the occurrence of certain enumerated events in a timely manner (but not in excess of ten (10) business days after the occurrence of such event). The Disclosure Report will be filed with the Municipal Securities Rulemaking Board (the “MSRB”) in the electronic format prescribed by the MSRB. Notices of material events will be filed with the MSRB in the electronic format prescribed by the MSRB. The specific nature of the information to be contained in the Disclosure Report or the notices of material events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission.

Definitions

“Disclosure Report” shall mean any disclosure report provided by the Authority pursuant to, and as described in, the Continuing Disclosure Agreement.

“Dissemination Agent” shall mean the Authority, or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Trustee a written acceptance of such designation.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided, however, the term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed below under “Reporting of Significant Events.”

“Participating Underwriter” shall mean the underwriters of the 2024 Series D Bonds required to comply with the Rule in connection with the offering of the 2024 Series D Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Provision of Disclosure Reports

The Authority shall provide, or shall cause the Dissemination Agent to provide, not later than six months after the end of the Authority’s fiscal year (which currently ends June 30), commencing with the report for the fiscal year ending June 30, 2025, to the MSRB in the electronic format prescribed by the MSRB except as otherwise provided in the Continuing Disclosure Agreement, a Disclosure Report which is consistent with the requirements of the Continuing Disclosure Agreement.

If the Trustee is unable to verify that a Disclosure Report has been provided to the MSRB by the date specified in the preceding paragraph, the Trustee shall promptly send a notice to the MSRB stating that such Disclosure Report has not been timely completed and, if known, stating the date by which the Trustee anticipates such Disclosure Report will be filed.

Content of Disclosure Reports

Each Disclosure Report of the Authority shall contain or incorporate by reference the following:

1. The audited financial statements for the Authority for the most recently ended fiscal year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Authority.

2. For the 2024 Series D Bonds, tables setting forth the following information, as applicable, as of the end of such fiscal year for such Series:

a. The interest rates, the maturity dates, the initial principal amounts and the principal amounts remaining Outstanding.

b. During the acquisition period for the 2024D Guaranteed Mortgage Securities, the total principal amount of 2024D Guaranteed Mortgage Securities purchased by the Trustee. This information will not be provided after the acquisition period ends for the 2024D Guaranteed Mortgage Securities.

c. The amounts credited to the separate funds and accounts established for the 2024 Series D Bonds that are available to pay the 2024 Series D Bonds.

d. The outstanding principal amount, interest rate and type (GNMA, Fannie Mae or Freddie Mac) of the 2024D Guaranteed Mortgage Securities.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Authority shall clearly identify each such other document so included by reference.

Reporting of Significant Events

Any of the following events shall be considered a Listed Event with respect to the 2024 Series D Bonds:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of any 2024 Series D Bonds or other material events affecting the tax status of any 2024 Series D Bonds;
7. modifications to rights of any 2024 Series D Bondholder, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of any 2024 Series D Bond, if material;

11. rating changes with respect to any 2024 Series D Bond;
12. bankruptcy, insolvency, receivership or similar event of the Authority (as further described below);
13. consummation of a merger, consolidation, or acquisition involving the Authority 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;
14. appointment of a successor or additional trustee, or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect 2024 Series D Bond holders, if material; and
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

Pursuant to the Rule, for the purposes of the events identified in clause (12) above, the event 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.

Whenever the Authority obtains knowledge of the occurrence of a Listed Event, it shall promptly notify the Trustee in writing and shall timely file (not in excess of ten (10) business days after the occurrence of such event) a notice of such occurrence with the MSRB.

Termination of Reporting Obligation

The Authority's obligations under the Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the 2024 Series D Bonds.

Dissemination Agent

The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Authority.

Amendment; Waiver

The Authority and the Trustee may amend the Continuing Disclosure Agreement (and the Trustee shall not unreasonably withhold its consent to any amendment so requested by the Authority), and any provision of the Continuing Disclosure Agreement may be waived, only upon satisfaction of the applicable provisions of the Continuing Disclosure Agreement.

Additional Information

Nothing in the Continuing Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Agreement or any other means of communication, or including any other information in any Disclosure Report or notice of occurrence of a Listed Event, in addition to that which is required by the Continuing Disclosure Agreement. If the Authority chooses to include any information in any Disclosure Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Continuing Disclosure Agreement, the Authority shall have no obligation under the Continuing Disclosure Agreement to update such information or include it in any future Disclosure Report or notice of occurrence of a Listed Event.

Default

In the event of a failure of the Authority or the Trustee to comply with any provision of the Continuing Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding 2024 Series D Bonds, shall), or any Holder or Beneficial Owner may, take such actions as may be necessary and appropriate to cause the Authority or Trustee, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the Authority or the Trustee to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

Beneficiaries

The Continuing Disclosure Agreement shall inure solely to the benefit of the Authority, the Trustee, the Dissemination Agent, the Participating Underwriters and Holders or Beneficial Owners from time to time of the 2024 Series D Bonds, and shall create no rights in any other person or entity.

Prior Continuing Disclosure Agreements

The Authority is also party to Continuing Disclosure Agreements entered into in connection with its (i) Senior Single Family Mortgage Revenue Bonds, 2013 Series B (Non-AMT), (ii) Senior Single Family Mortgage Revenue Bonds, 2018 Series A (Taxable), (iii) Senior Single Family Mortgage Revenue Bonds, 2024 Series A (Non-AMT), (iv) Senior Single Family Mortgage Revenue Bonds, 2024 Series B (Non-AMT), and (v) Senior Single Family Mortgage Revenue Bonds, 2024 Series C (Non-AMT) (collectively, the “Prior Continuing Disclosure Agreements”). The Prior Continuing Disclosure Agreements require the Authority to file or cause a dissemination agent to file annual audited financial statements and certain annual financial and operating reports with the MSRB.

The Authority has complied, in all material respects, with all of its obligations under its Prior Continuing Disclosure Agreements in each of the past five years.

TAX MATTERS

Federal Income Tax Exemption—Opinion of Bond Counsel

In the opinion of Greenburg Traurig, LLP, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming the accuracy of certain certifications and compliance with certain covenants designed to assure compliance with the requirements of the Code, interest on the 2024 Series D Bonds is excludable from the gross income of the holders thereof for federal income tax purposes and interest on the 2024 Series D Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the

Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the 2024 Series D Bonds is not excluded from the determination of adjusted financial statement income.

Bond Counsel has not undertaken to advise in the future whether any events after the date of execution and delivery of the 2024 Series D Bonds may affect the federal tax status of the interest on the 2024 Series D Bonds.

Ownership of the 2024 Series D Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, S corporations with “excess net passive income,” individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the 2024 Series D Bonds. Also, interest on 2024 Series D Bonds held by a foreign corporation may be subject to the branch profits tax imposed by the Code. Bond Counsel expresses no opinion as to any such collateral tax consequences. Purchasers of 2024 Series D Bonds should consult their own tax advisors as to such collateral tax consequences.

The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the 2024 Series D Bonds for interest thereupon to remain excludable from the gross income of the owners of the 2024 Series D Bonds for federal income tax purposes. The Authority will covenant in the Resolution to comply with such requirements, to the extent of its control over investment or use of proceeds of the 2024 Series D Bonds and of its own actions. In addition, pursuant to the Program, the Servicer and the Lenders have covenanted to comply with the Program requirements applicable to each. Noncompliance with such requirements may cause interest on the 2024 Series D Bonds to be required to be included in the gross income of the owners of the 2024 Series D Bonds for federal income tax purposes, retroactive to the date of issuance of the 2024 Series D Bonds or as of some later date.

A form of the opinion of Bond Counsel is attached hereto as Exhibit VI. A copy of such opinion will be available at the time of the initial delivery of the 2024 Series D Bonds.

Original Issue Premium

Certain of the 2024 Series D Bonds, including but not limited to the Premium PAC Term Bonds, may be offered and sold to the public at a price in excess of the amount payable at maturity (the “Premium Bonds”). Under the Code, the difference between the amount payable at maturity of the Premium Bonds and the tax basis to the purchaser (other than a purchaser who holds a Premium Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) is “bond premium.” Bond premium is amortized for federal income tax purposes over the period to the call date of a Premium Bond that minimizes the yield to the purchaser of the Premium Bond. A purchaser of a Premium Bond is required to decrease his or her adjusted basis in the Premium Bond by the amount of amortizable bond premium attributable to each taxable year he holds the Premium Bond. The amount of amortizable bond premium attributable to each taxable year is determined at a constant interest rate compounded actuarially. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Purchasers of Premium Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of Premium Bonds and with respect to the state and local consequences of owning and disposing of Premium Bonds.

Original Issue Discount

Certain of the 2024 Series D Bonds (the “Discount Bonds”) may be offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Bond and determined under Code Section 1273 (i.e., for the 2024 Series D Bonds, the initial offering price to the public, excluding bond houses and brokers), at which price a substantial amount of such Discount Bonds of the same maturity was sold pursuant to such offering. OID represents interest which is excluded from gross income and is treated for purposes of the

alternative minimum tax provisions in the same way as described above (under “-Federal Income Tax Exemption –Opinion of Bond Counsel”) with respect to stated interest on the 2024 Series D Bonds. OID will accrue over the term of a Discount Bond at a constant interest rate compounded actuarially. A purchaser who acquires a Discount Bond in the initial offering at a price equal to the initial offering price thereof as set forth on the cover page of the Official Statement for the 2024 Series D Bonds will be treated as receiving an amount of interest excludable from gross income equal to the original issue discount accruing during the period he holds the Discount Bond, and will increase his or her adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Discount Bonds, which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of Discount Bonds and with respect to the state and local tax consequences of owning and disposing of Discount Bonds.

Recent and Future Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or otherwise prevent beneficial owners of the 2024 Series D Bonds from realizing the full current benefit of the tax status of such interest, or adversely affect the market value of the 2024 Series D 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 2024 Series D Bonds. Purchasers of the 2024 Series D Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2024 Series D Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed legislation, regulatory initiatives or litigation.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (H.R. 5376) into law. For tax years beginning after 2022, this legislation will impose a minimum tax of 15 percent on the adjusted financial statement income of applicable corporations as defined in Section 59(k) of the Code (which is primarily designed to impose a minimum tax on certain large corporations). For this purpose, adjusted financial statement income is not reduced for interest earned on tax-exempt obligations. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the 2024 Series D Bonds.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the 2024 Series D Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the 2024 Series D Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to “backup withholding” at the rates set forth in the Code, with respect to payments on the 2024 Series D Bonds and proceeds from the sale of Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This withholding generally applies if the owner of Bonds (i) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup

withholding. Prospective purchasers of the 2024 Series D Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Delaware Income Tax Opinion

In the opinion of Bond Counsel, under existing law, interest on the 2024 Series D Bonds is exempt from personal and corporate income taxes imposed by the State of Delaware.

RATING

Moody's Investors Service, Inc. (the "Rating Agency") has assigned the 2024 Series D Bonds a municipal bond rating of "Aa1." It is a condition to the delivery of the 2024 Series D Bonds that such rating be in effect at the time of the delivery of the 2024 Series D Bonds.

The rating reflects only the views of the Rating Agency at the time such rating is given, and the Authority makes no representation as to the appropriateness of any such rating. An explanation of the significance of such rating may be obtained from the Rating Agency. The Authority has provided the Rating Agency information and materials relating to the 2024 Series D Bonds, including information and materials that have not been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions by the rating agencies. There is no assurance that such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by such Rating Agency if, in its sole judgment, circumstances warrant. Any downward revision or withdrawal of such rating will likely have an adverse effect on the market price of the 2024 Series D Bonds. The Authority is required to provide periodic credit information to the Rating Agency in connection with the maintenance of the ratings on the 2024 Series D Bonds.

ABSENCE OF LITIGATION

There is no pending litigation of any nature restraining or enjoining or seeking to restrain or enjoin the issuance, sale or delivery of the 2024 Series D Bonds or in any way contesting or affecting the validity of the 2024 Series D Bonds, the Resolution, or the proceedings of the Authority taken with respect to the authorization, issuance or sale of the 2024 Series D Bonds, or the pledge or application of any moneys under the Resolution or the powers of the Authority.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization and issuance by the Authority of the 2024 Series D Bonds are subject to the approval of Greenberg Traurig, LLP, Wilmington, Delaware and Washington, D.C., Bond Counsel. Copies of the approving opinion of Bond Counsel in substantially the form attached as Exhibit VI hereto will be available on the issuance date of the 2024 Series D Bonds. Certain legal matters relating to the Authority will be passed upon by Faegre Drinker Biddle & Reath LLP, Wilmington, Delaware, General Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by their Counsel, Cozen O'Connor, Wilmington, Delaware and Philadelphia, Pennsylvania.

LEGALITY OF 2024 SERIES D BONDS FOR INVESTMENT AND DEPOSIT IN DELAWARE

The 2024 Series D Bonds will be legal investments, as provided in the Act, for state and municipal officers, banks and savings institutions, insurance companies, trustees and other fiduciaries in the State. The 2024 Series D Bonds will also be authorized security, as provided in the Act, for any and all public deposits for any purpose for which the deposit of bonds or other obligations of the State may be authorized by law.

AVAILABLE INFORMATION

The Authority is required by the Resolution to file with the Trustee within 120 days after the close of each Fiscal Year an annual report, including an Accountant's Certificate, detailing the Authority's operations and accomplishments, receipts and disbursements, assets and liabilities, fund balances, and a schedule of Outstanding Bonds at the end of such Fiscal Year. A copy of each such annual report and Accountant's Certificate shall be mailed by the Authority to each Bondholder who files his or her name and address with the Authority for such purpose.

For additional information about the Authority, contact the Authority at (i) 18 The Green, Dover, Delaware 19901, (302) 739-4263, or (ii) Carvel State Office Building, 820 N. French Street, Wilmington, Delaware 19801, (302) 577-5001.

UNDERWRITING

The 2024 Series D Bonds are to be purchased by J.P. Morgan Securities LLC, as representative for the firms listed on the front cover of this Official Statement (collectively, the "Underwriters"). The Underwriters have agreed, subject to certain conditions, to purchase all the 2024 Series D Bonds at a price equal to the aggregate initial public offering prices of such bonds as shown on the cover page of this Official Statement. The Underwriters will receive \$ _____ for underwriting fees and expenses. The initial public offering price or yields may be changed from time to time by the Underwriters. The Underwriters may make a market in the 2024 Series D Bonds; however, the Underwriters are not obligated to do so.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the 2024 Series D Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase 2024 Series D Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any 2024 Series D Bonds that such firm sells.

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

FINANCIAL ADVISOR

CSG Advisors Incorporated is serving as Financial Advisor to the Authority in connection with the structuring and sale of the 2024 Series D Bonds. The Financial Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, and issuance of the 2024 Series D Bonds and provided other advice. The Financial Advisor does not underwrite or trade bonds and will not engage in any underwriting activities with regard to the issuance and sale of the 2024 Series D Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with continuing disclosure undertakings.

MISCELLANEOUS

This Official Statement is submitted in connection with the issuance and delivery of the 2024 Series D Bonds, and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement between the Authority and the holders of any of the 2024 Series D Bonds. Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact.

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

DELAWARE STATE HOUSING AUTHORITY

By: _____
Cynthia A. Karnai-Crossan, Housing Director

EXHIBIT I SUMMARY OF MORTGAGE INSURANCE PROGRAMS*

Except as otherwise noted, the information in this Exhibit I concerning Mortgage Insurance Programs has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy hereof.

The following description of certain government and private mortgage insurance programs is only a brief outline and does not purport to summarize or describe all of the provisions of these programs. For a more complete description of the terms of these programs, reference is made to the provisions of the respective insurance contracts. The Authority and the Underwriters make no representation as to the ability of an insurer involved in the Single Family Mortgage Loan Program to make payments under the insurance policies described below.

Mortgage insurance is subject to underwriting and approval of the individual Mortgage Loans by the respective insurers.

Mortgage insurance will not insure against the loss sustained by reason of a default arising from or involving certain matters including (a) fraud or negligence in origination or servicing of the Mortgage Loans, including misrepresentation by the Lender, Mortgagor or other person involved in the origination of a Mortgage Loan; (b) failure to construct a property subject to a Mortgage Loan in accordance with specified plans; (c) physical damage to a property; and (d) a Lender's not being approved as a Servicer by the insurer.

Governmental Insurance or Guaranty

The United States Department of Housing and Urban Development ("HUD"), created by the Housing and Urban Development Act of 1965, is responsible through one of its operating entities, the Federal Housing Administration ("FHA"), for the administration of various federal programs authorized under the National Housing Act of 1934, as amended, including programs providing for the insurance of mortgage loans. The Department of Veterans Affairs ("VA") administers the mortgage guaranty program authorized under the Servicemen's Readjustment Act of 1944, as amended. These programs are financed by mortgage insurance premiums and fees augmented if necessary by Treasury borrowings (and possibly by Congressional appropriations); insurance payments are in some cases made from trust funds established under the various programs.

Following is a summary of those programs which may affect the Guaranteed Mortgage Securities and/or the Mortgage Loans the Authority will acquire with Available Proceeds and other funds under its Single Family Mortgage Loan Program.

FHA Single Family Insurance Program

The FHA 203(b) program, which is the most widely used FHA insurance program, provides for the insurance of mortgage loans, generally of 30 years duration for the purchase of one-to-four family dwelling units. Loans insured under the Section 203(b) program may be prepaid in whole or in part without penalty. HUD does not restrict the interest rate borne by insured mortgage loans but does restrict the maximum loan amount. Currently, the maximum FHA mortgage loan limits (as approved by the Authority) for a one-family residence is \$420,000 in New Castle County, \$376,250 in Kent County and \$375,000 in Sussex County.

* Certain of the information set forth in this Appendix applies only to Mortgage Loans which were not certificated as Guaranteed Mortgage Securities. The information set forth in this Appendix is not applicable to the 2024D Second Mortgage Loans.

The regulations governing all of the FHA programs under which the Mortgage Loans may be insured provide that insurance benefits are payable either upon foreclosure (or other acquisition of possession) and conveyance of the mortgage premises to HUD or upon assignment of the defaulted Mortgage Loan to HUD.

A defaulted mortgage loan may be assigned to HUD only if it meets all of the following criteria: (a) the mortgage can be foreclosed upon, (b) the property is the Mortgagor's principal residence, (c) the Mortgagor does not own other property with an FHA mortgage, (d) the default is caused by circumstances beyond the Mortgagor's control, and (e) there exists a reasonable prospect of resuming full payments within three (3) years and satisfying the mortgage by the maturity date or the maturity date plus a maximum of ten (10) years. If a determination is made that the Mortgagor meets the criteria for assignment, HUD will accept the assignment and the mortgagee may file a claim for 100% of the outstanding principal balance of the Mortgage Loan (less certain amounts retained by the mortgagee), plus interest, and certain additional costs and expenses.

Those defaulted Mortgage Loans which do not meet the special assignment criteria described above are processed according to standard foreclosure procedures by the mortgagee.

When entitlement to insurance benefits results from foreclosure (or other acquisition of possession) and conveyance, the insurance payment is computed as of 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, and the mortgagee generally is not compensated for mortgage interest accrued and unpaid prior to that date. Under such foreclosure circumstances, the amount of insurance benefit generally paid by FHA is equal to the 100% of the unpaid principal amount of the mortgage loan adjusted to deduct certain amounts received or retained by the mortgagee after default, plus reimbursement not to exceed 2/3 of the mortgagee's foreclosure costs or \$75, whichever is greater. When entitlement to insurance benefits results from assignment of the mortgage loan to HUD, the insurance payment is computed as of the date the assignment was filed of record and includes full compensation for mortgage interest accrued and unpaid from the date of the last complete installment paid prior to the date the assignment was filed for record, as well as all costs of completing the assignment. The FHA insurance payment bears interest from the date of default or, where applicable, assignment, to the date of payment of the claim at the same interest rate as the applicable HUD debenture interest rate. The National Housing Act gives discretionary authority to the Secretary of HUD to settle claims of insurance benefits under mortgages insured under Section 203 and 221 in cash or debentures. Current regulations under Section 203 permit such settlement either in cash or debentures, and at the time payments are being made in cash. Current regulations under Section 221 provide for settlement of insurance benefits in cash unless the mortgagee requests payment in debentures at the interest rate borne by insured mortgage loans. The HUD debenture interest rate applicable to mortgage loans may be lower than the interest rates of the related Mortgage Loans.

When any property to be conveyed to HUD or subject to a mortgage to be assigned to HUD has been damaged by fire, flood or tornado, it is required, as a condition to payment of an insurance claim, that such property be repaired prior to such conveyance or assignment unless the local HUD field office approves a conveyance in damaged condition. In such cases, the amount of the insurance loss draft will be deducted from the mortgagee's claim for insurance benefits.

FHA insurance does not cover losses resulting from acceleration of Mortgage Loans pursuant to "due on sale" clauses as a result of failure to meet Code requirements relating to assumptions. Such "due on sale" clauses may only be included in mortgages insured by FHA with the consent of the Mortgagor in a form approved by FHA. The form used by Lenders in the Program has been approved by the FHA. In addition, FHA regulations require that the mortgage include a provision requiring any subsequent purchaser of the property, where the Mortgage Loan on such property is assumed, to be creditworthy.

FHA Loss Mitigation Program

Effective April 26, 1996, FHA's Mortgage Assignment Program was terminated by enactment of the Balanced Budget Downpayment Act I, in connection with the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134, approved April 26, 1996). It was replaced with new authority for FHA to implement loss mitigation procedures. On November 6, 1997, FHA published in the *Federal Register*, a Final Rule implementing the loss mitigation process. (See Mortgagee Letter 98-7, FHA Loss Mitigation Program Policy and Procedural Updates, issued on January 27, 1998, Mortgagee Letter 99-27, New Procedures for Filing Loss Mitigation Claims, issued on August 25, 1999, Mortgagee Letter 00-05, Loss Mitigation Program Comprehensive Clarification of Policy and Notice of Procedural Changes, issued on January 19, 2000, Mortgagee Letter 2001-02, Filing Loss Mitigation Incentive Claims via the FHA Connection, issued on January 16, 2001, and Mortgagee Letter 2001-14, FHA Loss Mitigation Clarification of Time Frame Requirements, issued on May 23, 2001.)

The Department of Veterans Affairs Guaranty Program

The Servicemen's Readjustment Act of 1944, as amended, permits a veteran (or in certain instances the veteran's spouse) to obtain a mortgage loan guaranty by the VA covering mortgage financing of the purchase of a one-to-four family dwelling unit at interest rates permitted by the VA. The program has no mortgage loan limits, requires no down payment from the purchaser, permits the guaranty of mortgage loans of up to 30 years' duration and requires that mortgage loans permit prepayment in whole or in part without penalty. The maximum amount of entitlement is now \$36,000 (or up to \$50,750 for certain loans over \$144,000). 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 a mortgaged premise is greater than the original guaranty, as adjusted. The VA may, at its option and without regard to the guaranty, make full payment to a mortgage holder of unsatisfied indebtedness on a mortgage upon its assignment to the VA. "Due on sale" clauses permitting acceleration of Mortgage Loans as a result of failure to meet Code requirements relating to assumptions may only be included in mortgages under the VA program with the consent of the Mortgagor in a form approved by the VA. The form used by Lenders in the Program has been approved by the VA.

Rural Development Guaranty Program

The Rural Development Guaranteed Loan Program guarantees mortgage loans for certain home buyers in rural areas of Kent and Sussex Counties with incomes less than \$49,600 for a single person and as high as \$77,200 for a family of four. Maximum income for a single person in New Castle County is \$64,200 and \$92,300 for a family of four. Income limits are adjusted upwards for allowances made for each dependent children and day care expenses, if both parents are employed full-time. Borrowers must show that they have repayment ability based on ratios of principal, interest, taxes and insurance to gross monthly income and total monthly debts to gross monthly income.

Loans are made for a term of 30 years with fixed interest rates.

Since the loans are guaranteed by the U.S. Department of Agriculture, no mortgage insurance is required. Borrowers must refinance their loans when they are able to afford and obtain conventional mortgages.

Private Mortgage Insurance

Private mortgage insurance ("PMI") reimburses certain losses sustained by reason of defaults in payments by Mortgagors. The costs of maintaining any such insurance is to be paid by each Mortgagor of a Mortgage Loan which required such insurance. The Resolution requires PMI for any loan with a loan-to-value ratio in excess of 80% of the market value of the property at the time of purchase, except for loans

insured or guaranteed by the FHA, VA or USDA-RHS. Such mortgage insurance must be in full force and effect at the time of delivery of each Mortgage Loan. Pursuant to the Homeowner Protection Act of 1998, private mortgage insurance policies issued after July 29, 1999 are to be terminated when the mortgage loan amount is 78% or less of the original value of the residence. The Authority may permit the discontinuance of PMI on a mortgage loan if the mortgage loan represents risk or exposure to the Authority of not more than 80% of the market value of the mortgaged property.

The Origination Agreements require that the private mortgage insurer of any mortgage loan subject to private mortgage insurance must be qualified to insure mortgages purchased by Freddie Mac or Fannie Mae, must have a claims paying ability rated by all Ratings Agencies at a level sufficient to maintain the ratings or shadow ratings of all Ratings Agencies with respect to any Series of Bonds and must be authorized to do business in the State. Both Freddie Mac and Fannie Mae require approval of private mortgage insurance companies before mortgages insured by those companies are eligible for purchase by them.

The form of PMI policy used with respect to the mortgage generally contains provisions substantially as follows: (i) under the policy for PMI, a claim includes unpaid principal, accrued interest at the mortgage rate to the date of filing of a claim under the policy not to exceed two years from the date of default and certain advances (with a limitation on attorney fees and costs of foreclosure at 3% of the principal balance and accumulated delinquent interest) described below; (ii) for the Lender to present a claim, the Lender, must have acquired, and tendered to the insurer, good and merchantable title of the property, free and clear of all liens and encumbrances, except permitted encumbrances; (iii) premiums on the standard hazard insurance policy have been paid by the Lender and real estate taxes and foreclosure protection and preservation expenses have been advanced by the Lender, as approved by the insurer; (iv) when a claim is presented, the insurer will have the option of (a) paying the claim in full and taking title to the property and arranging for the sale thereof, or (b) paying the insured percentage and allowing the Authority to retain title to the property; (v) unless earlier directed by the insurer, claims must be made within 60 days after the Lender has acquired good and merchantable title to the property; and (vi) a claim must be paid within sixty (60) days after the claim is made by the Lender.

Such policy for PMI will provide that no payment for a loss will be made unless the property financed by the defaulted Mortgage Loan is in the same physical condition as when the Mortgage Loan became originally insured, subject to reasonable wear and tear. If the insurer elects to pay under option (a), the Lender must convey good and merchantable title to the property to the insurer upon payment of the claim for benefits, among other conditions.

Hazard Insurance Coverage

The Origination Agreements and the Servicing Agreement provide that, at the time each Mortgage Loan is acquired and thereafter during its term, the improvements upon the real property subject to such Mortgage Loan are to be covered by a valid and subsisting policy of homeowner's hazard insurance (including fire and extended coverage), meeting the requirements of Fannie Mae or Freddie Mac, with an endorsement by the insurer in favor of the Lender and its assigns or re-endorsed to the Authority. The policy must be issued by a company lawfully doing business in the State, and must be in an amount equal to the unpaid principal amount of such Mortgage Loan or such lesser amount as shall be the maximum insurable value of the improvements and shall be acceptable to the Mortgage guarantor, provided that such insurance must pay in full the amount of any partial or total loss to the full amount of such insurance and otherwise be sufficient to prevent the Mortgagor from being a co-insurer, subject only to a maximum deductible of \$1,000. Such agreement also requires insurance against flood damage to the extent available if the property is in a designated flood area.

No representation is made as to the ability of any insurer to make payments under any such hazard insurance policy at the time specified in such policy. Persons desiring more information about any hazard insurer should consult other sources.

EXHIBIT II
SUMMARY OF GNMA MORTGAGE-BACKED SECURITY PROGRAM,
FANNIE MAE MORTGAGE-BACKED SECURITY PROGRAM AND
FREDDIE MAC MORTGAGE-BACKED SECURITY PROGRAM

GNMA MORTGAGE-BACKED SECURITY PROGRAM

General. The summary of the GNMA Program, GNMA Securities and other documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the GNMA Guide (copies of which may be obtained from GNMA at the Office of Mortgage-Backed Securities, 451 Seventh Street, S.W., Washington, D.C. 20410) and to the GNMA Securities and other documents for full and complete statements of their provisions.

GNMA is a wholly owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development (“HUD”) whose principal office is located in Washington, D.C.

GNMA is authorized by Section 306(g) of Title III of the National Housing Act to guarantee the timely payment of the principal of, and interest on, securities that are based on and backed by trusts or pools composed of mortgage loans insured or guaranteed under the National Housing Act, Title V of the Housing Act of 1949, the Servicemen’s Readjustment Act, Chapter 37 of Title 38 of the United States Code or Section 184 of the Housing and Community Development Act of 1992 or guaranteed by the USDA-RHS under its guaranteed Single Family Rural Housing Program. 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 by GNMA.”

There are two GNMA MBS programs, GNMA I and GNMA II. Any GNMA Security acquired pursuant to the Program will be a “fully modified pass-through” security (guaranteed by GNMA pursuant to its GNMA I or GNMA II MBS program) which will require the servicer to pass through to the holder thereof the regular monthly payments on the underlying mortgage loans (less the service fees), whether or not the servicer receives such payments from the mortgagors on the underlying mortgage loans, plus any unscheduled recoveries of principal of the mortgage loans received by the servicer during the previous month. In order to meet its obligations under such guaranty, GNMA, in its corporate capacity under Section 306(d) of Title III of the National Housing Act, may issue its general obligations to the United States Treasury Department in an amount outstanding at any one time sufficient to enable GNMA, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the GNMA Security. The Treasury Department is authorized to purchase any obligations so issued by GNMA and has indicated in a letter, dated February 13, 1970, from the Secretary of the Treasury to the Secretary of HUD, that the Treasury Department will make loans to GNMA, if needed, to implement the aforementioned guaranty.

Under the terms of its guaranty, GNMA also warrants to the holder of the GNMA Security that, in the event GNMA is called upon at any time to make payment on its guaranty of the principal of and interest on the GNMA Security, it will, if necessary, in accordance with Section 306(d) of Title III of the National Housing Act, apply to the Secretary of the United States Treasury Department for a loan or loans in amounts sufficient to make such payments of principal and interest.

GNMA shall have no responsibility to determine whether or not the Program complies with the requirements of the Code or whether or not interest on the 2024 Series D Bonds may be exempt from federal income taxation. The payments due to the Trustee, as holder, pursuant to the terms of the GNMA Securities, will not change if the interest on the 2024 Series D Bonds for any reason is determined to be subject to federal income taxation.

Servicing of the Mortgages. Under contractual agreements entered into by and between the Servicer and GNMA, the Servicer is responsible for servicing and otherwise administering the mortgage loans underlying the GNMA Securities in accordance with generally accepted practices of the mortgage banking industry and the GNMA Servicer's Guide (the "GNMA Guide").

The monthly remuneration of the Servicer, for its servicing and administrative functions, and the guaranty fee charged by GNMA are based on the unpaid principal amount of the GNMA Securities outstanding. The GNMA Securities carry an interest rate that is below the interest rate on the underlying mortgage loans (after taking into account the servicing and guaranty fees which are deducted from payments on the mortgage loans before payments are passed through to the holder of the GNMA Security).

It is expected that interest and principal payments on the mortgage loans underlying the GNMA Securities received by the Servicer will be the source of payments on the GNMA Securities. If such payments are less than what is due, the Servicer is obligated to advance its own funds to ensure timely payment of all amounts coming due on the GNMA Securities. GNMA guarantees such timely payment in the event of the failure of the Servicer to pay an amount equal to the scheduled payments (whether or not made by the mortgagors on the underlying mortgages).

The Servicer is required to advise GNMA in advance of any impending or actual default on scheduled payments so that GNMA, as guarantor, will be able to continue such payments as scheduled on the applicable payment date. If, however, such payments are not received as scheduled, the holder has recourse directly to GNMA.

Default by Servicer. In the event of a default by the Servicer, GNMA shall have the right, by letter to the Servicer, to effect and complete the extinguishment of the Servicer's interest in the mortgage loans underlying the GNMA Securities, and such mortgage loans shall thereupon become the absolute property of GNMA, subject only to the unsatisfied rights of the owner of the GNMA Security. In such event, GNMA will be the successor in all respects to the Servicer with respect to the transaction and the agreements set forth or arranged for in the GNMA Guide.

Payment of Principal and Interest on the GNMA Securities. Under the GNMA I Program, the Servicer makes separate payments, by the fifteenth day of each month, directly to each owner of GNMA Securities for each of the GNMA Securities held. Under the GNMA II Program, the Servicer makes aggregate funds for payments for GNMA Securities held by withdrawal by the Central Payment and Transfer Agent by the twentieth day of each month (or, if the twentieth day is not a business day, then the next business day).

Payment of principal of each GNMA I Security and GNMA II Security is expected to commence on the fifteenth and twentieth day of the month, respectively, following issuance of such GNMA Security.

Each installment on a GNMA Security is required to be applied first to interest and then in reduction of the principal balance then outstanding on the GNMA Security. Interest is to be paid at the specified rate on the unpaid portion of the principal of the GNMA Security. The amount of principal due on the GNMA Security shall be in an amount at least equal to the scheduled principal amortization currently due on the mortgage loans. However, payment of principal and interest is to be adjustable as set forth below.

Each of the monthly installments on a GNMA Security is subject to adjustment by reason of any prepayments or other unscheduled recoveries of principal on the underlying mortgage loans. In any event, the Servicer will pay to the holder of the GNMA Security monthly installments of not less than the interest due on the GNMA Security at the rate specified in the GNMA Security, together with any scheduled installments of principal, whether or not such interest or principal is collected from the mortgagors, and any prepayments or unscheduled recovery of principal. Final payment shall be made upon surrender of the outstanding GNMA Security.

FANNIE MAE MORTGAGE-BACKED SECURITY PROGRAM

The summary of the Fannie Mae MBS Program (as defined below), the Fannie Mae Securities and other documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae Guides and the Fannie Mae Securities and other documents for full and complete statements of their provisions.

Fannie Mae (formerly the Federal National Mortgage Association) is a federally government-sponsored enterprise organized and existing under the Federal National Mortgage Association Charter Act (12 U.S.C. Section 1716 et seq.). Fannie Mae was originally established in 1938 as 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 Corporation (“FHFA”) to the extent provided in the Housing and Economic Recovery Act of 2008 (“HERA”). The FHFA has placed Fannie Mae into conservatorship.

THE SECURITIES OF FANNIE MAE ARE NOT GUARANTEED BY THE UNITED STATES GOVERNMENT (INCLUDING THE DEPARTMENT OF THE TREASURY) AND DO NOT CONSTITUTE A DEBT OR AN OBLIGATION OF THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY THEREOF, INCLUDING THE DEPARTMENT OF THE TREASURY AND FHFA, OTHER THAN FANNIE MAE.

Although the Secretary of the Treasury has certain discretionary authority to purchase obligations of Fannie Mae, neither the United States nor any agency thereof is obligated to finance Fannie Mae’s obligations or to assist Fannie Mae in any manner.

Fannie Mae has implemented a mortgage-backed securities program pursuant to which Fannie Mae issues securities backed by pools of mortgage loans (the “Fannie Mae MBS Program”). The obligations of Fannie Mae, including its obligations under the Fannie Mae Securities, are obligations solely of Fannie Mae and are not backed by, or entitled to, the full faith and credit of the United States.

The terms of the Fannie Mae MBS Program are governed by the Fannie Mae Guides, as modified by a Pool Contract, and, in the case of mortgage loans such as the Mortgage Loans, a Trust Indenture, dated as of November 1, 1981, as amended (the “Fannie Mae Trust Indenture”), and a supplement thereto to be issued by Fannie Mae in connection with each pool. The Fannie Mae MBS Program is further described in a prospectus issued by Fannie Mae (the “Fannie Mae Prospectus”). The Fannie Mae Prospectus is updated from time to time. No Fannie Mae Prospectus Supplement will be available as to any Fannie Mae Securities acquired pursuant to the Program.

Copies of the Fannie Mae Prospectus and Fannie Mae’s most recent annual and quarterly reports and proxy statement are available from Fannie Mae, Office of Investor Relations, 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016.

Fannie Mae Securities. Any Fannie Mae Security acquired pursuant to the Program will represent the entire interest in a specified pool of conventional mortgage loans purchased by Fannie Mae from the servicer and identified in records maintained by Fannie Mae. The pool contract will require that each Fannie Mae Security be in a minimum amount of \$250,000. The conventional mortgage loans backing each Fannie Mae Security will bear interest at a specified rate per annum, and each Fannie Mae Security will bear interest at a lower rate per annum (the “pass-through rate”). The difference between the interest rate on the conventional mortgage loans and the pass-through rate on the Fannie Mae Security will be collected by the servicer and used to pay the servicer’s servicing fee and Fannie Mae’s guaranty fee. Fannie Mae may change such fee and impose other charges from time to time.

Fannie Mae will guarantee to the registered holder of the Fannie Mae Securities that it will distribute amounts representing scheduled principal and interest at the applicable pass-through rate on the conventional mortgage loans in the pools represented by such Fannie Mae Securities, whether or not

received, and the full principal balance of any foreclosed or other finally liquidated mortgage loan, whether or not such principal balance is actually received. THE OBLIGATIONS OF FANNIE MAE UNDER SUCH GUARANTEES ARE OBLIGATIONS SOLELY OF FANNIE MAE AND ARE NOT BACKED BY, NOR ENTITLED TO, THE FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. IF FANNIE MAE WERE UNABLE TO SATISFY SUCH OBLIGATIONS, DISTRIBUTIONS TO THE REGISTERED HOLDER OF FANNIE MAE SECURITIES WOULD CONSIST SOLELY OF PAYMENTS AND OTHER RECOVERIES ON THE UNDERLYING MORTGAGE LOANS AND, ACCORDINGLY, MONTHLY DISTRIBUTIONS TO THE HOLDER OF FANNIE MAE SECURITIES WOULD BE AFFECTED BY DELINQUENT PAYMENTS AND DEFAULTS ON SUCH MORTGAGE LOANS.

Payments on Mortgage Loans; Distributions on Fannie Mae Securities. Payments on a Fannie Mae Security are made to the owner thereof on the twenty-fifth day of each month (beginning with the month following the month such Fannie Mae Security is issued) or, if such twenty-fifth day is not a business day, on the first business day next succeeding such twenty-fifth day. With respect to each Fannie Mae Security, Fannie Mae will distribute to the beneficial owner an amount equal to the total of (i) the principal due on the mortgage loans in the related pool underlying such Fannie Mae Security during the period beginning on the second day of the month prior to the month of such distribution and ending on the first day of such month of distribution, (ii) the stated principal balance of any mortgage loan that was prepaid in full during the second month next preceding the month of such distribution (including as prepaid for this purpose any mortgage loan repurchased by Fannie Mae because of Fannie Mae's election to repurchase the mortgage loan after it is delinquent, in whole or in part with respect to four consecutive installments of principal and interest, or because of Fannie Mae's election to repurchase such mortgage loan under certain other circumstances as permitted by the Fannie Mae Trust Indenture), (iii) the amount of any partial prepayment of a mortgage loan received in the second month next preceding the month of distribution and (iv) one month's interest at the pass-through rate on the principal balance of the Fannie Mae Security as reported to the holder thereof in connection with the previous distribution (or, with respect to the first distribution, the principal balance of the Fannie Mae Security on its issue date).

For purposes of distributions, a mortgage loan will be considered to have been prepaid in full if, in Fannie Mae's reasonable judgment, the full amount finally recoverable on account of such mortgage loan has been received, whether or not such full amount is equal to the stated principal balance of the mortgage loan. Fannie Mae may, in its discretion, include with any distribution principal prepayments, both full and partial, received during the month prior to the month of distribution, but is under no obligation to do so.

Note Relating to "Uniform Mortgage-Backed Securities." On June 3, 2019, Fannie Mae and Freddie Mac (each, an "Enterprise" and, together, the "Enterprises") began issuing new, common, single mortgage-backed securities, formally known as "Uniform Mortgage-Backed Securities" ("UMBS"). The UMBS issued by the Enterprises finance the same types of fixed-rate mortgages that back Fannie Mae Securities and Freddie Mac Securities and are guaranteed by either Fannie Mae or Freddie Mac depending upon which Enterprise issues the UMBS. Each UMBS is backed by fixed-rate mortgage loans purchased entirely by one of the Enterprises; thus, there is no comingling of collateral. The UMBS have characteristics similar to Fannie Mae Securities, and Freddie Mac has modified its security structure to more closely align with Fannie Mae Securities. The Enterprises may be required to consult with each other to ensure specific Enterprise programs or policies do not cause or have potential to cause cash flows to investors of mortgage-backed securities to misalign. For purposes of this Official Statement and the Resolution, the term "2024D Guaranteed Mortgage Securities" includes UMBS.

FREDDIE MAC MORTGAGE-BACKED SECURITY PROGRAM

General. The summary of the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Freddie Mac Guarantor Program, Freddie Mac Securities and Freddie Mac's mortgage purchase and servicing standards does not purport to be complete and is qualified in its entirety by reference to Freddie Mac's current Mortgage Participation Certificates Offering Circular, any applicable Offering Circular and

Pool Supplements, Freddie Mac's current Mortgage Participation Certificates Agreement, as amended, Freddie Mac's Information Statement, any Information Statement Supplements and any other documents made available by Freddie Mac. Copies of these documents can be obtained from Freddie Mac at 8200 Jones Branch Drive, McLean, Virginia 22102. At the time of printing this Official Statement, the documents mentioned above and general information regarding Freddie Mac can be accessed at <http://www.freddie.mac.com>. However, the Authorities make no representation regarding the content, accuracy or availability of any such document or any information provided at such web site. Such website is not part of this Official Statement.

Freddie Mac is a shareholder-owned government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act and Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. Sections 1451-1459 (the "Freddie Mac Act"). Freddie Mac is subject to the supervision and regulation of the Federal Housing Finance Corporation ("FHFA") to the extent provided in HERA. The FHFA has placed Freddie Mac into conservatorship.

The securities of Freddie Mac are not guaranteed by the United States government (including the Department of the Treasury) and do not constitute a debt or an obligation of the United States or any agency or instrumentality thereof, including the Department of the Treasury and FHFA, other than Freddie Mac.

Although the Secretary of the Treasury has certain discretionary authority to purchase obligations of Freddie Mac, neither the United States nor any agency thereof is obligated to finance Freddie Mac's obligations or to assist Freddie Mac in any manner.

Freddie Mac's statutory mission is to provide stability in the secondary market for home mortgages, to respond appropriately to the private capital market and to provide ongoing assistance to the home mortgage secondary market by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for home mortgage financing. The principal activity of Freddie Mac consists of the purchase of first lien, conventional, residential mortgages and participation interests in such mortgages from mortgage lending institutions and the resale of the whole loans and participations so purchased in the form of guaranteed mortgage securities (the "Freddie Mac Securities"). Freddie Mac generally matches its purchases of mortgages with sales of Freddie Mac Securities. Mortgages retained by Freddie Mac are financed with short- and long-term debt and equity capital.

Freddie Mac Securities. Each Freddie Mac Certificate (which is a 2024D Guaranteed Mortgage Security under the Resolution) will represent an undivided interest in a pool of fixed-rate, first-lien conventional mortgage loans or FHA- and VA-guaranteed mortgage loans, or participation interests therein. Freddie Mac guarantees to each registered holder of a Freddie Mac Certificate that it will distribute amounts representing such holder's proportionate interest in interest payments on the mortgage loans in the pool represented by such Freddie Mac Securities (less servicing and guarantee fees aggregating the excess of the interest on such mortgage loans over the Freddie Mac Securities' pass-through rate), whether or not such amount is actually received. With respect to certain Freddie Mac Securities, Freddie Mac guarantees the holder's proportionate interest in scheduled principal payments on such mortgage loans, if timely received, and also guarantees ultimate collection of scheduled principal payments, prepayments of principal and the remaining principal balance in the event of a foreclosure or other disposition of a mortgage loan. With respect to such Freddie Mac Securities, Freddie Mac may remit the amount due on account of its guarantee of collection of principal at any time after default on an underlying mortgage, but not later than (i) 30 days following foreclosure sale, (ii) 30 days following payment of the claim by any mortgage insurer or (iii) 30 days following the expiration of any right of redemption, whichever occurs later, but in any event no later than one year after demand has been made upon the mortgagor for accelerated payment of principal. Freddie Mac Securities may also include those Freddie Mac Securities (the "Fully Guaranteed Freddie Mac Securities") as to which Freddie Mac has guaranteed the timely payment of the holder's proportionate interest in scheduled principal payments on the underlying mortgage loans, as calculated by Freddie Mac.

THE OBLIGATIONS OF FREDDIE MAC UNDER ITS GUARANTEES ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY, OR ENTITLED TO, THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. IF FREDDIE MAC WERE UNABLE TO SATISFY SUCH OBLIGATIONS, DISTRIBUTIONS TO THE REGISTERED HOLDERS OF FREDDIE MAC SECURITIES WOULD CONSIST SOLELY OF PAYMENTS AND OTHER RECOVERIES ON THE UNDERLYING MORTGAGE LOANS AND, ACCORDINGLY, MONTHLY DISTRIBUTIONS TO THE HOLDERS OF FREDDIE MAC SECURITIES WOULD BE AFFECTED BY DELINQUENT PAYMENTS AND DEFAULTS ON SUCH MORTGAGE LOANS.

Conforming Loan Limits. The Freddie Mac Act limits the maximum original principal amount of single family mortgages that Freddie Mac may purchase. These limits are referred to as “conforming loan limits.” For loans delivered during 2023, Freddie Mac’s conforming loan limit for a first lien conventional single family mortgage is \$726,200 for a one-family dwelling in the Commonwealth. The conforming loan limit for second-lien mortgages is 50 percent of the limit for first-lien mortgages on one-family dwellings. When Freddie Mac purchases both the first-lien and second-lien mortgage on the same property, the Freddie Mac Act provides that the total amount Freddie Mac may purchase may not exceed the applicable conforming loan limit.

The Freddie Mac Act also prohibits Freddie Mac from purchasing first-lien conventional single family mortgages if the outstanding principal balance at the time of purchase exceeds 80 percent of the value of the real property securing the mortgage unless Freddie Mac has a level of credit protection (such as mortgage insurance from an approved mortgage insurer, a seller’s agreement to repurchase or replace any mortgage that has defaulted) or the retention of at least a 10 percent participation interest in the mortgages by the seller. This requirement does not apply to FHA- or VA-guaranteed mortgage loans.

The single family mortgages purchased and guaranteed by Freddie Mac generally are subject to the credit, appraisal, underwriting and other purchase policies and guidelines set forth in Freddie Mac’s Single Family Seller/Servicer Guide. Freddie Mac may modify these guidelines or grant waivers for certain mortgages that it purchases.

Servicing of the Mortgages. Freddie Mac services or supervises the servicing of the mortgages it purchases. In performing its servicing responsibilities, Freddie Mac may employ servicing agents or independent contractors. Each such servicer generally is required to perform all activities concerning the calculation, collection and processing of mortgage payments and related borrower inquiries, as well as all mortgage administrative responsibilities, including claims collection, workouts, foreclosures and reports. Servicers service mortgages, either directly or through approved sub servicers, and receive fees for their services. Freddie Mac monitors a servicer’s performance through periodic and special reports and inspections to ensure it complies with its obligations. Freddie Mac will retain from monthly interest payments on each mortgage a management and guarantee fee, which equals any interest received by Freddie Mac from the servicer over the amount of interest payable to holders of the Freddie Mac Certificate.

Note Relating to “Uniform Mortgage-Backed Securities.” On June 3, 2019, Fannie Mae and Freddie Mac (each, an “Enterprise” and, together, the “Enterprises”) began issuing new, common, single mortgage-backed securities, formally known as “Uniform Mortgage-Backed Securities” (“UMBS”). The UMBS issued by the Enterprises finance the same types of fixed-rate mortgages that back Fannie Mae Securities and Freddie Mac Securities and are guaranteed by either Fannie Mae or Freddie Mac depending upon which Enterprise issues the UMBS. Each UMBS is backed by fixed-rate mortgage loans purchased entirely by one of the Enterprises; thus, there is no comingling of collateral. The UMBS have characteristics similar to Fannie Mae Securities, and Freddie Mac has modified its security structure to more closely align with Fannie Mae Securities. The Enterprises may be required to consult with each other to ensure specific Enterprise programs or policies do not cause or have potential to cause cash flows to investors of mortgage-backed securities to misalign. For purposes of this Official Statement and the Resolution, the term “2024D Guaranteed Mortgage Securities” includes UMBS.

EXHIBIT III
SUMMARY OF CERTAIN DEFINITIONS USED IN THE RESOLUTION

The following is a summary of certain terms defined in the Resolution. Reference should be made to the Resolution for a full and complete statement of their terms and any capitalized terms used herein but not otherwise defined.

“Act” shall mean, collectively, Chapter 40, Title 31, Delaware Code, and Chapter 86, Title 29, Delaware Code, as amended and supplemented from time to time.

“Administrative Fees” shall mean the fees, if any, authorized by a Series Resolution to be paid by to the Authority from moneys deposited in the Revenue Fund.

“Administration Fund” shall mean the Administration Fund created and established under Article V of the General Resolution.

“Aggregate Debt Service” shall mean, with respect to any particular Bond Year and as of any particular date of computation, the sum of the Debt Service for such Bond Year with respect to all Series of Bonds Outstanding.

“Assistance Payment” shall mean an amount equal to 3% of the original principal amount of the related Mortgage Loan.

“Authorized Officer” shall mean the Housing Director, the Deputy Director of the Authority, the Chief of Administration of the Authority, the Housing Finance Administrator of the Authority or any other officer or employee of the Authority authorized to perform specific acts or duties by resolution duly adopted by the Authority.

“Bond” or “Bonds” shall mean any Senior Bond or Bonds or any Subordinated Bond or Bonds, or the issue of Senior Bonds or Subordinated Bonds, as the case may be, authorized by the General Resolution and issued pursuant to a Series Resolution.

“Bondholder” or “Holder” or “Holder of Bonds” or any similar term (when used with respect to Bonds) shall mean the registered owner of any Outstanding Bond or Bonds.

“Cash Flow Certificate” shall mean an Officer’s Certificate setting forth for the then current and each succeeding Bond Year during which Bonds will be Outstanding:

(A) the amount of Pledged Receipts and proceeds of any Credit Facilities expected to be received and the income expected to be earned from the investment of Funds and Accounts and available to pay Debt Service on the Bonds and the fees and expenses set forth in (B) below and any amounts permitted and expected to be withdrawn from any Fund or Account to pay Bonds; and

(B) the Aggregate Debt Service on the Bonds scheduled to be Outstanding in each such Bond Year, the estimated fees and expenses of Fiduciaries, Credit Facility Fees and expenses of Supplemental Security (if any), any amounts expected to be transferred to the Rebate Fund and any Administrative Fees; and

(C) showing that the amounts set forth in (A) above exceed in each such Bond Year the amounts set forth in (B) above; provided, however, that the amounts set forth in (A) above shall not include Supplemental Security. Each Cash Flow Certificate shall (i) be based on assumptions consistent with the then current rating or ratings or Credit Facility commitments on the Bonds and with those underlying the Cash Flow Certificate furnished

to the Trustee upon the issuance of each Series of Bonds under the General Resolution, (ii) set forth the assumptions on which it is based, (iii) include a scenario which incorporates the assumption that no Prepayments will be received, (iv) set forth the actual or reasonable projected rates of return on investments of Funds and Accounts and assume the then current passbook rate for funds not invested, and (v) set forth the then current balances in each Fund and Account.

In the event that the Authority issues Bonds bearing interest at a variable rate, the calculation of the Aggregate Debt Service with respect to such Bonds will be based on the assumptions as set forth in the Series Resolution pursuant to which such Bonds are issued.

In the event that the Authority issues Bonds which either bear interest at a fixed or variable rate together with the entering into with a Qualified Swap Provider of a hedging vehicle, contract or simultaneous issuance by the Authority of additional debt security for the purpose of establishing a different fixed or variable rate payment liability with respect to such Bonds, then the Aggregate Debt Service with respect to such Bonds will be based on the assumptions as set forth in the Series Resolution pursuant to which such Bonds are issued.

“Cash Flow Insurance” shall mean a rider, endorsement or supplement to a policy of Pool Insurance or to a policy of PMI or GMI that provides for payments of principal and interest to be advanced under such policy of Pool Insurance (or PMI or GMI) with respect to defaults under Mortgage Loans prior to final settlement of claims under the policy of Pool Insurance and any applicable GMI or PMI.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the regulations in effect thereunder and any predecessor or successor provisions of the Code or regulations to the extent applicable to a particular Series of Bonds.

“Collateral Fund” shall mean the Collateral Fund created and established under Article V of the General Resolution.

“Collateral Fund Requirement” shall mean, as of any date of calculation and with respect to a specified Series of Bonds, the amount specified as such in the Series Resolution pursuant to which such Series of Bonds were issued.

“Commitment Fee” shall mean any fee paid by a Lender or a homebuilder to the Authority pursuant to a Mortgage Purchase Agreement and the proceeds of any drawing under a Commitment Fee Letter of Credit or any cash deposit made in lieu of such a Letter of Credit.

“Commitment Fee Letter of Credit” shall mean an unconditional, irrevocable and transferable letter of credit issued by a financial institution (including any Fiduciary) having a long term unsecured rating by all Rating Agencies at a level sufficient to maintain the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds, or which is secured by a surety bond issued by a financial institution (including any Fiduciary) or insurance company having (or, if the parent holding company of such institution guarantees such bond, such parent holding company has) a long term unsecured rating by all Rating Agencies at a level sufficient to maintain the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds, to the Trustee for the account of a Lender or homebuilder securing the obligation of such Lender or homebuilder to sell Mortgage Loans to the Authority. Each such letter of credit shall have an expiration date not earlier than the end of the period, including any extension thereof, during which such Mortgage Loans must be originated and sold to the Authority.

“Conventional Mortgage Loan” shall mean a Mortgage Loan which is not FHA Insured, VA Guaranteed or the subject of a USDA-RHS Guaranty.

“Costs of Issuance” shall mean expenses payable or reimbursable directly or indirectly by the Authority and related to the authorization, issuance and sale of Bonds, or the making of Mortgage Loans,

which expenses may include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee and other Fiduciaries, legal fees and disbursements, professional consultants' fees and disbursements, reimbursement to the Authority and its agents for administrative, travel and overhead expenses, initial insurance premiums for any Pool Insurance, underwriting fees, bond discount and other financing costs (if not otherwise provided for), the initial fees and charges of the issuer of any Credit Facility or Supplemental Security, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Bonds, costs and expenses of refunding and redemption, costs of any verification report, and all other costs, charges, fees and expenses in connection with the foregoing.

“Counsel’s Opinion” shall mean an opinion signed by a nationally recognized attorney or firm of attorneys who may be selected by the Authority, and shall be acceptable to the Trustee. Any such attorney may be in the regular employment of the Authority.

“Credit Facility” shall mean a letter of credit, bond insurance policy, credit commitment, line of credit, guaranty, surety bond or other credit facility, issued with respect to any Bonds by a state chartered banking corporation, national banking association or other financial institution or any insurance company having any outstanding long term unsecured and uninsured obligations rated by all Rating Agencies at a level sufficient to maintain the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds.

“Credit Facility Fee” shall mean any fee payable by the Authority with respect to any Credit Facility.

“Debt Service” shall mean, with respect to any particular Bond Year and any Series of Bonds, an amount equal to the sum of (i) all interest payable during such Bond Year on such Bonds Outstanding plus (ii) the Principal Installment or Installments during such Bond Year on such Bonds Outstanding, all calculated on the assumption that Bonds Outstanding on the day of calculation will cease to be Outstanding by reason of, but only by reason of, payment upon maturity and application of all Sinking Fund Installments in accordance with the General Resolution and the Series Resolution establishing such Sinking Fund Installments.

In the event that the Authority issues Bonds bearing interest at a variable rate, the calculation of the Debt Service with respect to such Bonds will be based on the assumptions as set forth in the Series Resolution pursuant to which such Bonds are issued.

In the event that the Authority issues Bonds which either bear interest at a fixed or variable rate together with the entering into with a Qualified Swap Provider of a hedging vehicle, contract or simultaneous issuance by the Authority of additional debt security for the purpose of establishing a different fixed or variable rate payment liability with respect to such Bonds, then the Debt Service with respect to such Bonds will be based on the assumptions as set forth in the Series Resolution pursuant to which such Bonds are issued.

Interest or Principal Installments shall be excluded from the determination of Debt Service to the extent that such interest or Principal Installment is to be paid from the proceeds of Bonds or other available moneys or from investment (but not reinvestment) earnings thereon if such proceeds or moneys shall have been invested in Qualified Investments and to the extent that such earnings may be determined precisely.

“Debt Service Fund” shall mean the Debt Service Fund created and established under Article V of the General Resolution.

“Debt Service Requirement” shall mean, as of any Interest Payment Date, the sum of (i) all interest due or to become due on such date on all Outstanding Bonds plus (ii) all Principal Installments due or to become due on such date on all Outstanding Bonds or, unless otherwise provided in the applicable Series Resolution, if no Principal Installment is due and payable on such date on any Outstanding Bonds, one-half

of the Principal Installments, if any, due and payable on all Outstanding Bonds on the next succeeding Interest Payment Date.

“Debt Service Reserve Fund” shall mean the Debt Service Reserve Fund created and established under Article V of the General Resolution.

“Debt Service Reserve Fund Requirement” shall mean, as of any date of calculation, an amount equal to the sum of all amounts, if any, specified as such in the Series Resolutions for all Series of Bonds Outstanding as of such date of calculation.

“Defaulted Mortgage Loan” shall mean any Mortgage Loan on which a sum equal to two monthly payments of principal and interest are past due or which is described in an Officer’s Certificate filed with the Trustee and stated to be in default in accordance with its terms.

“Depository” shall mean each bank or trust company or national banking association appointed pursuant to the General Resolution to act as a depository of moneys and securities held under the provisions of the General Resolution, and each successor or successors and any other bank or trust company or national banking association at any time substituted in its place pursuant to the General Resolution.

“Escrow Deposit” shall mean a deposit under an escrow or other similar arrangement for the benefit of the Trustee of Qualified Investments of the Authority derived from sources other than Mortgage Loans financed under the General Resolution or Funds or Accounts in an amount (including the amount of any surety bond) equal at the time of deposit to the amount required in any Series Resolution in connection with the issuance of a Series of Bonds provided that (x) the Depository under such arrangement shall be an institution having the qualifications set forth in Article VIII of the General Resolution, (y) the terms of such arrangement shall permit the transfer by the Trustee of any amounts held thereunder into the appropriate account of the Revenue Fund to the extent of any loss upon the occurrence of an event of default under any or all of such Mortgage Loans, and (z) the terms of such arrangement may permit the payment to the Authority, free and clear of the pledge and lien of the General Resolution and any lien or charge created by such arrangement, of earnings derived from such deposit.

“Escrow Payment” shall mean any payment received by the Authority made in order to obtain or maintain mortgage insurance, title insurance and fire and other hazard insurance, and any payments required to be made with respect to Mortgage Loans for taxes or other governmental charges or other similar charges to a mortgagor customarily required to be escrowed.

“Escrow Payment Fund” shall mean the Escrow Payment Fund created and established under Article V of the General Resolution.

“Event of Default” shall mean each of the events listed in Section 1101 of the General Resolution.

“Fannie Mae” shall mean the Federal National Mortgage Association, a corporation organized and existing under the laws of the United States of America, or any successors or assigns.

“Fannie Mae Securities” shall mean single pool, guaranteed mortgage pass-through Fannie Mae Mortgage-Backed Securities, issued by Fannie Mae and guaranteed as to timely payment of principal and interest by Fannie Mae and backed by Conventional Mortgage Loans.

“FHA” shall mean the Federal Housing Administration and any agency or instrumentality of the United States of America that hereafter may succeed to the mortgage insurance functions thereof.

“FHA Insurance” shall mean FHA mortgage insurance issued by the FHA under one of its insurance programs pursuant to Sections 203(b) (Home Unsubsidized), 203(k), 203(h), 221(d)(2) and 234(c) (Condominium Ownership) of the National Housing Act.

“FHA Insured” shall mean insured under FHA Insurance.

“Freddie Mac” shall mean the Federal Home Loan Mortgage Corporation, a corporation organized and existing under the laws of the United States of America, or any successors or assigns.

“Freddie Mac Securities” shall mean mortgage participation certificates issued by Freddie Mac and representing an undivided interest in a pool of Conventional Mortgage Loans identified by particular alphanumeric numbers and CUSIP number and guaranteed as to timely payment of principal and interest by Freddie Mac.

“Fiduciary” shall mean the Trustee, the Registrar and each Paying Agent and Depository and any other person designated as a Fiduciary in a Series Resolution.

“GMI” shall mean governmental mortgage insurance or guaranty issued by a Governmental Insurer and providing primary mortgage insurance or guaranty coverage of all or a portion of a Mortgage Loan, but does not include Pool Insurance.

“GNMA” shall mean the Government National Mortgage Association, a wholly owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development, whose powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C. § 1716, et seq.), and its successors and assigns.

“GNMA Securities” shall mean securities issued by a Servicer and guaranteed by GNMA pursuant to its GNMA I or GNMA II mortgage-backed securities program under Section 306(g) and other related provisions of the National Housing Act.

“General Fund” shall mean the General Fund created and established under Article V of the General Resolution.

“Government” shall mean the United States of America and any agency or instrumentality thereof.

“Governmental Insurer” shall mean the FHA, USDA-RHS, the VA and any other agency or instrumentality of the Government that insures mortgage loans on terms and conditions at least as favorable to the mortgagee as the FHA insurance or that guarantees mortgage loans on terms and conditions at least as favorable to the mortgagee as the VA guaranty or USDA-RHS guaranty.

“Guaranty Fees” shall mean the fees payable to issuers of or guarantors of Guaranteed Mortgage Securities in consideration of their guaranty of the payments due under such Guaranteed Mortgage Securities.

“Guaranteed Mortgage Securities” shall mean obligations representing undivided beneficial ownership interests (unless any other interest therein is allowed by the Act) in Mortgage Loans, which obligations are issued by or guaranteed by GNMA, Fannie Mae or Freddie Mac (as specified in a Series Resolution) or, to the extent set forth in a Series Resolution, any other agency or instrumentality of or chartered by the United States to which the powers of any of them have been transferred or which have similar powers to purchase or guarantee timely payment of mortgage loans.

“Housing Director” shall mean the Housing Director or the acting Housing Director of the Authority appointed by the Housing Director, or any successor chief executive officer of the Authority.

“Interest Payment Date” shall mean in the case of the 2024 Series D Bonds, January 1 or July 1 of each year, commencing January 1, 2025, and for all other Bonds, January 1 and July 1 of each year in which interest on any Bonds is due and payable (or such other dates as may be specified in a Series Resolution).

“Lender” or “Mortgage Lender” shall mean any bank or trust company, savings bank, national banking association, savings and loan association or building and loan association, maintaining an office in the State, any insurance company authorized to transact business in the State or any Federal National Mortgage Association or Federal Home Loan Mortgage Corporation approved mortgage banker, credit union or other financial institution or governmental agency, including the Authority.

“Letter of Credit” shall mean an unconditional, irrevocable and transferable letter of credit issued by a bank, bank holding company, trust company or other financial institution (including any Fiduciary) whose debt (or whose parent holding company’s debt) is rated by all Rating Agencies at a level sufficient to maintain the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds, and which permits the Trustee to draw thereunder upon certification of loss upon the occurrence of an event of default under any or all of the Mortgage Loans up to an aggregate amount equal to at least that percentage of the initial maximum principal amount of such Mortgage Loans expected to be financed, as shall be specified in a Series Resolution. Any Letter of Credit expiring prior to the final maturity of the Bonds of the applicable Series shall provide that the Trustee shall draw thereon if a replacement Letter of Credit is not deposited with the Trustee at least thirty (30) days prior to such expiration. The reimbursement agreement of the Authority with the issuer of such Letter of Credit shall provide that the Authority’s reimbursement obligation shall be payable from sources other than any Funds or Accounts and that the issuer thereof will not have any right to set off any indebtedness of the Authority.

“Moody’s” shall mean Moody’s Investors Service, a corporation organized and existing under the laws of the State, its successors and their assigns, 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 securities rating agency designated by the Authority, with the approval of the Trustee.

“Mortgage Loan” shall mean an obligation, including any mortgage loan underlying a Guaranteed Mortgage Security, meeting the conditions set forth in the General Resolution and the applicable Series Resolution, and any Transferred Mortgage Loan as provided for in a Series Resolution. Such term shall also include any Program Loan.

“Mortgage Loan Purchase Accounts” shall mean the Mortgage Loan Purchase Accounts in the Program Fund created and established under Article V of the General Resolution.

“Mortgage Loan Servicing Agreement” shall mean an agreement between the Authority and a Servicer relating to the servicing of Mortgage Loans financed with proceeds of Bonds.

“Mortgage Purchase Agreement” shall mean an agreement between the Authority and a Lender relating to the commitment to purchase, purchase and servicing of Mortgage Loans financed with proceeds of Bonds.

“Mortgage Reserve Fund” shall mean the Mortgage Reserve Fund created and established under Article V of the General Resolution.

“Mortgage Reserve Fund Requirement” shall mean, as of any date of calculation, an amount equal to the sum of all amounts, if any, specified as such in the Series Resolutions for all Series of Bonds Outstanding as of such date of calculation.

“Officer’s Certificate” shall mean a certificate executed by an Authorized Officer.

“Optional Redemption Accounts” shall mean the Optional Redemption Accounts in the Redemption Fund created and established under Article V of the General Resolution.

“Outstanding” when used with reference to Bonds and unless a different meaning is specified in a Series Resolution, shall mean, as of any date, Bonds theretofore or then being delivered under the provisions

of the General Resolution, except: (i) any Bonds canceled by the Trustee or any Paying Agent at or prior to such date, (ii) Bonds for the payment or redemption of which moneys equal to the Principal Amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held by the Trustee or the Paying Agents in trust (whether at or prior to the date of maturity or redemption date), provided that if such Bonds are to be redeemed, notice of such redemption shall have been given as provided in the General Resolution or provision satisfactory to the Trustee shall have been made for the giving of such notice, (iii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to the General Resolution, and (iv) Bonds deemed to have been paid as provided in the General Resolution.

“PMI” shall mean private mortgage insurance issued by a Private Insurer and providing primary mortgage insurance coverage of all or a portion of a Mortgage Loan, but does not include Pool Insurance.

“Paying Agent” shall mean the Trustee, acting as paying agent, or any other bank, trust company or national banking association designated or appointed pursuant to the General Resolution to act as a paying agent for the Bonds, and each successor or successors and any other bank, trust company or national banking association at any time substituted in its place pursuant to the General Resolution.

“Pledged Receipts” shall mean (i) all payments received from Guaranteed Mortgage Securities, and (ii) the scheduled amortization payments (monthly or otherwise) of principal and interest called for by any Mortgage Loan purchased, made or pledged by the Authority pursuant to the General Resolution from the date of purchase, making or pledging by the Authority, paid from any source to the Authority or received or held in escrow for the Authority by the Servicer servicing such Mortgage Loan for the Authority, including but not limited to, (a) both timely and delinquent payments and (b) any moneys received or recovered by the Authority with respect to any Mortgage Loan after the payment or provision for payment of the final Principal Installment of the Bonds of a Series, the proceeds of which were used to purchase such Mortgage Loan; but shall not include any Escrow Payment, Servicing Fees, Guaranty Fees or payments of ground rents, if any, taxes, assessments, mortgage, fire or other hazard insurance premiums called for by any Mortgage Loan, or any other like payments other than the payments referred to in (i) and (ii) hereof.

“Pool Insurance” shall mean (i) insurance issued by a Qualified Pool Insurer insuring against loss, upon the occurrence of an event of default under any or all Mortgage Loans financed in connection with a Series of Bonds, upon the receipt of any Prepayments of Mortgage Loans so financed and other moneys attributable to such Series in an amount equal to either (a) the difference between (x) the outstanding balance of such Mortgage Loans, including accrued interest, usual and customary attorneys’ fees and all other expenses of appropriate proceedings to acquire title to and protect the properties securing such Mortgage Loans, Escrow Payments and other moneys necessarily advanced by or on behalf of the Authority and (y) the amount, if any, which the Authority received pursuant to any related Cash Flow Insurance and upon disposition of the mortgaged premises or which the Authority recovered or should have recovered under any PMI or GMI with respect to any such Mortgage Loan, or (b) such other amount which, in the judgment of the Authority, provides substantially similar coverage; provided however, that such insurance may provide that the total amount payable by such Qualified Pool Insurer thereunder with respect to all claims submitted in connection with such Mortgage Loans shall not exceed an amount as specified in a Series Resolution adopted in connection with the issuance of a Series of Bonds and (ii) includes, if so determined by the Authority in the applicable Series Resolution or in an Officer’s Certificate filed with the Trustee, any related Cash Flow Insurance.

“Premium PAC Term Bonds” shall mean the 2024 Series D Bonds maturing on July 1, 2055*.

* Preliminary, subject to change.

“Prepayments” shall mean any moneys received or recovered by the Authority (including the proceeds of any mortgage insurance) from any unscheduled 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 Mortgage Loan, but excluding any Servicing Fees and Guaranty Fees with respect to the collection of such moneys) of any Mortgage Loans prior to the scheduled payments of principal called for by such Mortgage Loan (including any payment under a Guaranteed Mortgage Security resulting therefrom), whether (i) by voluntary prepayment made by the mortgagor or (ii) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof (but only to the extent not used to reconstruct or restore such premises) or (iii) except as otherwise may be provided in the related Series Resolution, by the sale, assignment, endorsement or other disposition of such Mortgage Loan by the Authority or (iv) in the event of a default thereon by the mortgagor, by the acceleration, sale, assignment, endorsement or other disposition of such Mortgage Loan by the Authority or by any other proceedings taken by the Authority, but does not include claim benefits received under any applicable policy of Cash Flow Insurance.

“Principal Amount” shall mean, with respect to any Bond and at any date of computation, either the stated principal thereof or the amount designated as the Principal Amount thereof pursuant to the applicable Series Resolution.

“Principal Installment” shall mean, as of any date of computation and with respect to any Series, so long as any Bonds thereof are Outstanding, the amount payable in any Bond Year on account of: (i) the Principal Amount of Bonds of such Series maturing in such Bond Year net of the aggregate of Sinking Fund Installments, if any, established and paid for prior Bond Years with respect to the Bonds of such Series; plus (ii) the amount of any Sinking Fund Installments due in such Bond Year with respect to the Bonds of such Series.

“Principal Payment Date” shall mean in the case of the 2024 Series D Bonds, the stated maturity date and for all other Bonds, January 1 and July 1 in each year in which a Principal Installment is due and payable, except as otherwise provided in a Series Resolution.

“Principal Value” shall mean, with respect to the real property securing a Mortgage Loan, the lesser of (i) the value of the property, as determined in an appraisal prepared by a person acceptable to the Private or Governmental Insurer, if any, issuing PMI or GMI with respect to such Mortgage Loan and to the Authority or (ii) the sales price (exclusive of settlement costs) of such property and, if applicable, the cost of rehabilitation of such property.

“Private Insurer” shall mean a private mortgage insurance company approved by the Authority and qualified (i) to transact business in the State and (ii) to provide insurance on mortgages purchased by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association, the claims paying ability of which (or, if the parent corporation of such insurance company guarantees such claims payments, the claims paying ability of the parent corporation of which) is rated by all Rating Agencies at a level sufficient to maintain the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds.

“Proceeds Accounts” shall mean the Proceeds Accounts in the Program Fund created and established under Article V of the General Resolution.

“Program” shall mean the program of the Authority under the Resolution pursuant to which the Authority will issue the Bonds and apply the proceeds thereof to finance Mortgage Loans or to provide for the securitization of Mortgage Loans through the purchase of Guaranteed Mortgage Securities having underlying Mortgage Loans, by itself or through Lenders, thereby to increase the supply of sanitary, decent and safe residential housing for persons and families of low and moderate income, as well as any other programs authorized by the Act or which may from time to time be authorized by the Act, including but not limited to, home improvement, home ownership and multifamily housing finance program.

“Program Fund” shall mean the Authority’s Single Family Mortgage Program Fund created and established under Article V of the General Resolution.

“Program Loan” shall mean any loan made, or caused to be made by the Authority pursuant to the Program as now or hereinafter authorized by the Act.

“Qualified Investments” shall mean and include any of the following, if and to the extent the same are at the time contracted for, made or purchased legal for investment of Authority funds:

- (a) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (b) below), and if not so insured or collateralized, then held by a Fiduciary which is rated by all Rating Agencies at a level sufficient to maintain the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds; or
- (b) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of Treasury of the United States of America, which are unconditionally guaranteed by the Department of the Treasury of the United States of America (collectively, the “Government Obligations”) or otherwise permitted by law;
- (c) Obligations of any of the following federal agencies which obligations represent a pledge of the full faith and credit of the United States of America:
 - Export Import Bank
 - Farm Credit System Financial Assistance Corporation
 - General Services Administration
 - Government National Mortgage Association (GNMAs)
 - Federal Housing Administration
 - Any other agency or instrumentality of the United States of America created by act of the United States Congress (the “Government Sponsored Agencies”); provided that the obligations of such Government Sponsored Agencies are unconditionally guaranteed as to the full and timely payment of principal and interest by the United States of America;
- (d) debt obligations rated by all Rating Agencies at a level sufficient to maintain the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds issued by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or any other Government Sponsored Agencies;
- (e) U.S. dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks having at least \$15,000,000 in capital and surplus, and which have a rating on their short term certificates of deposit on the date of purchase by all Rating Agencies at a level sufficient to maintain the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the same rating of the bank);
- (f) Commercial paper which is rated at the time of purchase by all Rating Agencies at a level sufficient to maintain the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds and which matures not more than 270 days after the date of purchase;
- (g) Investments in a money market fund where such fund: (1) is registered under the Investment Company Act of 1940, (2) maintains a constant net asset value per share, and (3) is rated by all Rating Agencies at a level sufficient to maintain the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds;

- (h) Corporate debt obligations which have a fixed par value and/or whose terms provide for a fixed dollar amount payable at maturity or earlier redemption; provided that such obligations are rated by all Rating Agencies at a level sufficient to maintain the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds;
- (i) Investment agreements entered into with an entity whose unsecured long term obligations, other long term obligations or claims paying ability or whose payment obligations are guaranteed by an entity whose unsecured long term obligations, other long term obligations or claims paying ability are rated by all Rating Agencies at a level sufficient to maintain the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds; provided, however, that if the rating of such entity is downgraded below such level either (i) the investment agreement is terminated and the proceeds invested in any Qualified Investment or (ii) the existing provider shall pledge collateral at a level acceptable to all Rating Agencies;
- (j) Repurchase agreements which satisfy the following criteria: (1) the counterparty is rated by all Rating Agencies at a level sufficient to maintain the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds; (2) the term of the agreement must be less than one year, or if longer, shall be terminable upon demand by the Authority; (3) the securities covered by the agreement may include only Government Obligations or obligations of Government Sponsored Agencies unconditionally guaranteed by the United States; (4) the form of the agreement must be the PSA Master Repurchase Agreement; and (5) the market value of the securities covered by the agreement shall be no less than 102% of the amount invested in the agreement, which market value must be redetermined on at least a monthly basis; and
- (k) Other financial investment vehicles approved in writing prior to purchase by (i) an Authorized Officer of the Authority and (ii) all Rating Agencies, provided that such investment will not negatively impact the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds.

“Qualified Pool Insurer” shall mean an insurance company qualified to do business in the State and qualified to provide Pool Insurance, the claims paying ability of which (or, if the parent corporation of such insurance company guarantees such claims payments, the claims paying ability of the parent corporation of which) is rated by all Rating Agencies at not less than the level necessary to maintain the ratings or shadow ratings on the Bonds.

“Qualified Swap Provider” shall mean with respect to a Series of Bonds, an entity whose long term obligations, other long term obligations or claims paying ability or whose payment obligations are guaranteed by an entity whose long term debt obligations or other unsecured long term obligations or claims paying ability are rated by all Rating Agencies at not less than the level necessary to maintain the ratings or shadow ratings on the Bonds; provided that the Qualified Swap Provider must be approved in writing by any issuer of a Credit Facility which takes the form of a bond insurance policy covering any Bonds which remain Outstanding.

“Qualified Veteran” means a person who is a “veteran” (as defined in 38 U.S.C. Section 101) who has not previously obtained a loan financed by single family mortgage revenue bonds utilizing the veteran’s exception to the 3-year requirement set forth in Section 143(d)(2)(D) of the Code.

“Rating Agencies” shall mean any nationally recognized rating services, including Standard & Poor’s Corporation and Moody’s, that shall have assigned ratings to any Bonds Outstanding as requested by or on behalf of the Authority, and which ratings are then currently in effect.

“Rebate Fund” shall mean the Rebate Fund created and established under Article V of the General Resolution.

“Rebate Requirement” shall mean, with respect to a Series of Bonds, the amount specified in an Officer’s Certificate required to be rebated to the United States of America on or before a particular date.

“Record Date” shall mean the fifteenth day (whether or not a business day) of the calendar month next preceding the Interest Payment Date (or such other date as may be specified in a Series Resolution).

“Redemption Fund” shall mean the Redemption Fund created and established under Article V of the General Resolution.

“Redemption Price” shall mean, when used with respect to any Bond or portion thereof to be redeemed, unless otherwise specified in the applicable Series Resolution, 100% of the Principal Amount of such Bond or portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the General Resolution and the applicable Series Resolution.

“Registrar” shall mean the Trustee, acting as registrar for the Bonds, or any other bank, trust company or national banking association designated or appointed pursuant to the General Resolution to act as registrar for the Bonds, and each successor and any other bank, trust company or national banking association at any time substituted in its place pursuant to the General Resolution.

“Revenue Fund” shall mean the Revenue Fund created and established under Article V of the General Resolution.

“Senior Bonds” shall mean bonds authorized by the Resolution and issued pursuant to a Series Resolution which by their terms are senior in right of payment to Subordinated Bonds.

“Series of Bonds” or “Bonds of a Series” shall mean any Series of Bonds authorized by a Series Resolution.

“Servicer” shall mean any Lender or other person with which the Authority has entered into a Mortgage Loan Servicing Agreement. The Servicer for the 2024D Mortgage Loans is Lakeview Loan Servicing, LLC.

“Servicing Fees” shall mean (i) any fees paid to or retained by a Servicer servicing Mortgage Loans pursuant to a Mortgage Loan Servicing Agreement and (ii) any fees retained by the Authority with respect to Mortgage Loans owned and serviced by the Authority.

“Sinking Fund Installment” shall mean the amount required to be applied by the Authority to the payment of the principal portion of the Redemption Price of Term Bonds (other than at the option or election of the Authority) on any one date as specified in a Series Resolution.

“Special Redemption Accounts” shall mean the Special Redemption Accounts in the Redemption Fund created and established under Article V of the General Resolution.

“Standard & Poor’s Corporation” or “S&P” shall mean Standard & Poor’s Corporation, a corporation organized and existing under the laws of the State, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor’s Corporation” or “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority, with the approval of the Trustee.

“State” shall mean the State of Delaware.

“Subordinated Bonds” shall mean bonds authorized by the Resolution and issued pursuant to a Series Resolution which by their terms are junior in right of payment to Bonds and payable solely from the Subordinated Debt Service Fund, except in the case of a redemption pursuant to Section 522.

“Subordinated Debt Service Fund” shall mean the Subordinated Debt Service Fund created under Article V of the General Resolution.

“Subordinated Debt Service Requirement” shall mean, as of any Interest Payment Date, the sum of (i) all current interest due and accreted interest to become due on such date on all Outstanding Subordinated Bonds plus (ii) all Principal Installments due or to become due on such date on all Outstanding Subordinated Bonds or, unless otherwise provided in the applicable Series Resolution, if no Principal Installment is due and payable on such date on any Outstanding Subordinated Bonds, one-half of the Principal Installments, if any, due and payable on all Outstanding Subordinated Bonds on the next succeeding Interest Payment Date.

“Supplemental Resolution” shall mean a resolution supplemental to or amendatory of the General Resolution adopted by the Authority in accordance with the General Resolution.

“Supplemental Security” shall mean, when used with respect to Mortgage Loans as specified in a Series Resolution adopted in connection with the issuance of a Series of Bonds, either (i) a policy of Pool Insurance with respect to such Mortgage Loans, or (ii) a Letter of Credit with respect to such Mortgage Loans, or (iii) a Surety Bond with respect to such Mortgage Loans, (iv) an Escrow Deposit with respect to such Mortgage Loans, (v) any other form of security as may be set forth in the particular Series Resolution authorizing the particular Series of Bonds, the proceeds of which will be used to acquire such Mortgage Loans, or (vi) any combination of the types of security specified in (i) through (v) above, provided that such combination of security secures at least that percentage of the initial maximum principal amount of such Mortgage Loans as specified in a Series Resolution adopted in connection with the insurance of a Series of Bonds.

“Supplemental Series Resolution” shall mean a resolution supplemental to or amendatory to a Series Resolution adopted by the Authority with respect to a Series of Bonds in accordance with the General Resolution.

“Surety Bond” shall mean a surety bond issued by an insurance company or other financial institution (including any Fiduciary) whose debt or claims paying ability, as appropriate, (or, if the parent holding company of such institution guarantees such bond, such parent holding company’s debt or claims paying ability, as appropriate) is rated at not less than the level necessary to maintain the ratings or shadow ratings on the Bonds by all Rating Agencies and which insures against loss upon the occurrence of an event of default under any or all of the Mortgage Loans as specified in a Series Resolution, up to an aggregate amount equal to at least that percentage of the initial maximum principal amount of such Mortgage Loans as specified in a Series Resolution.

“Taxable Bonds” shall mean Bonds the interest on which is includable in gross income for federal income tax purposes.

“Transferred Mortgage Loan” shall mean any existing mortgage loan which is assigned and pledged by the Authority as security for the Bonds and as shall be identified as such in a Series Resolution.

“Trust Estate” shall mean all proceeds, Funds, Accounts, Mortgage Loans, rights, interests, collections, and other property pledged to the payment of any Bonds pursuant to the General Resolution or any Series Resolution.

“2024 Series D Bonds” shall mean the Authority’s Senior Single Family Mortgage Revenue Bonds, 2024 Series D (Non-AMT).

“2024 Series D Term Bonds” shall mean the 2024 Series D Bonds maturing on July 1, 2039*, July 1, 2044*, July 1, 2049*, July 1, 2054* and the Premium PAC Term Bonds (maturing on July 1, 2055*).

“2024D Mortgage Loan” shall mean a Mortgage Loan or portion thereof financed with the proceeds of the 2024 Series D Bonds from moneys in the 2024D Mortgage Loan Purchase Account.

“2024D Guaranteed Mortgage Security” shall mean (i) a Guaranteed Mortgage Security purchased in whole with moneys in the 2024D Mortgage Loan Purchase Account, or (ii) the principal portion of any Guaranteed Mortgage Security purchased with moneys in the 2024D Mortgage Loan Purchase Account.

“2024D Parity Test” shall mean, as of any calculation date, that (i) the sum of the unpaid principal balance of the 2024D Guaranteed Mortgage Securities, plus amounts on deposit in the 2024D Revenue Account, the 2024D Debt Service Account, and the 2024D Special Redemption Account, plus accrued interest on the 2024D Guaranteed Mortgage Securities and the investments credited to the aforementioned Accounts to the calculation date, is 102% or more of (ii) the sum of aggregate principal amount of the 2024 Series D Bonds Outstanding, plus accrued interest thereon to the calculation date.

“2024D Second Mortgage Loans” shall mean the second-lien mortgage loans financed with the proceeds of the 2024 Series D Bonds and Authority funds.

“USDA-RHS” shall mean Rural Housing Service, an agency within the United States Department of Agriculture, or other agency or instrumentality of the United States of America that hereafter may succeed to the mortgage guaranty functions thereof.

“USDA-RHS Guaranty” shall mean a guaranty by USDA-RHS under the Section 502 (of the United States Housing Act of 1949, as amended) Guaranteed Single Family Rural Housing Loan Program.

“VA” shall mean the Veterans Administration and any agency or instrumentality of the United States of America that hereafter may succeed to the mortgage guaranty functions thereof.

“VA Guaranteed” shall mean a guaranty by the VA under the Serviceman’s Readjustment Act of 1944, as amended.

“VA Guaranty” shall mean a guaranty by the VA under the Serviceman’s Readjustment Act of 1944, as amended.

* Preliminary, subject to change.

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EXHIBIT IV
SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a summary of certain provisions of the Resolution, in addition to those provisions of the Resolution summarized or described above under the captions “INTRODUCTION”, “THE 2024 SERIES D BONDS”, “SECURITY FOR THE 2024 SERIES D BONDS” and “PROGRAM ASSUMPTIONS AND BONDHOLDER RISKS”.

Resolution to Constitute Contract

The Resolution constitutes a contract among the Authority, the Trustee and the Holders from time to time of the Bonds. Subject to certain provisions of the Resolution, the pledges made in the Resolution and the covenants and agreements therein to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by the Resolution or expressly provided in a Series Resolution with respect to Tender Bonds or Subordinated Bonds, or with respect to amounts held in the Collateral Fund.

Pledge of the Resolution; Security Interest

Subject only to the provisions permitting the application of amounts as set forth in the Resolution, (i) Bond proceeds, (ii) all Funds and Accounts created or established by, or maintained pursuant to, the Resolution (except the Escrow Payment Fund and the Rebate Fund), including the investments therein and the proceeds of such investments, if any, and the accrued earnings on such investments, (iii) all the rights and interests of the Authority in and to the Mortgage Loans and the Guaranteed Mortgage Securities and the proceeds and collections of the Authority therefrom consisting of Pledged Receipts and Prepayments, (iv) the Commitment Fee Letters of Credit and the proceeds of any drawings thereunder, (v) the Supplemental Security, and (vi) all the rights and interests of the Authority in and to all Credit Facilities entered into with respect to, any Bonds and all moneys and payments derived therefrom, are pledged to the payment of the principal and Redemption Price of, Sinking Fund Installments with respect to, and interest on the Bonds, and the Trustee is granted a security interest therein. Subject to such prior pledge of and security interest in the Subordinated Debt Service Fund in favor of the holders of the Bonds, the Subordinated Debt Service Fund, including the investments therein, if any, are pledged to the payment of the principal and Redemption Price of and interest on the Subordinated Bonds, and the Trustee is granted a security interest therein.

The Authority has covenanted to cause to be filed or recorded all such financing statements, continuation statements and other instruments as may be necessary to perfect, and maintain perfected, the security interests created by the Resolution to the extent that such perfection can be accomplished by such filing.

Authorization and Issuance of Bonds

In order to provide funds for the Program, Bonds and Subordinated Bonds of the Authority are authorized to be issued from time to time without limitation as to amount except as provided in the General Resolution, the Series Resolution, or as may be limited by the Act or any other applicable provision of law. The Bonds will be special obligations of the Authority payable solely from proceeds, Funds, Accounts, Mortgage Loans, Guaranteed Mortgage Securities, rights, interests and collections pledged therefor by the General Resolution. The Subordinated Bonds will be special obligations of the Authority payable solely from the Subordinated Debt Service Fund pledged therefor by the General Resolution.

Bonds of a Series may be or include either Serial Bonds or Term Bonds, or a combination thereof, Tender Bonds or Taxable Bonds and may bear interest at variable or fixed rates which is payable currently

or compounded and paid at maturity or upon redemption, or any combination thereof. Additional Senior Bonds and Additional Subordinated Bonds may be issued without consent of the Holders of the Bonds.

The issuance of the Bonds must be authorized by a Series Resolution either specifying or setting forth the manner of specifying, among other things, the purposes for which such Series of Bonds is being issued and the disposition of the proceeds thereof. Bonds may be issued for one or more of the following purposes: (i) the purchase or making of Mortgage Loans and/or Guaranteed Mortgage Securities; (ii) the refunding of Bonds or any other bonds issued by the Authority; (iii) incident to these purposes, for the funding of a discount and the deposit of amounts determined by or pursuant to the General Resolution to be credited and paid into the Funds and Accounts established pursuant to the General Resolution and such Series Resolution; and (iv) for any other purpose not inconsistent with the General Resolution.

Conditions Precedent to Issuance of each Series of Bonds

No Series of Bonds may be issued unless the Authority furnishes to the Trustee, among other things:

(1) A Counsel's Opinion to the effect that the General Resolution and the Series Resolution authorizing such Series of Bonds have been duly adopted by the Authority; that the General Resolution and applicable Series Resolution are in full force and effect and are valid and binding upon the Authority and enforceable in accordance with their terms, except as to enforcement of remedies which may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally; that, with respect to any Series of Bonds, the General Resolution creates, upon receipt thereof by the Trustee, a valid lien on and pledge of the proceeds, moneys, rights, interests and collections which it purports to create, and that, upon the execution, authentication and delivery thereof, the Bonds of such Series will be duly and validly issued and will constitute valid and binding special obligations of the Authority;

(2) Except in the case of the initial Series of Bonds, a certificate of an Authorized Officer of the Authority stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the General Resolution;

(3) Any Credit Facility issued in connection with such Series of Bonds;

(4) A Cash Flow Certificate giving effect to the proposed issuance of such Bonds;

(5) The instrument evidencing the Supplemental Security, if any, for the Mortgage Loans expected to be financed (except in the case of an issue consisting entirely of Refunding Bonds);

(6) The amounts, if any, necessary for deposit in the Debt Service Reserve Fund, the Collateral Fund and the Mortgage Reserve Fund such that the amounts on deposit in such Funds shall be at least equal to the Debt Service Reserve Fund Requirement, the Collateral Fund Requirement and the Mortgage Reserve Fund Requirement, respectively, calculated immediately after the delivery of such Series of Bonds;

(7) The written approval of the issuing officer of the Authority, approving the issuance of such Series of Bonds;

(8) Written confirmation from all applicable Rating Agencies that issuance of such Series of Bonds will not impair the then existing rating or shadow rating on the Bonds; provided, however, that the requirements of this clause (8) shall not apply with respect to the first Series of Bonds issued under the General Resolution;

(9) An Officer's Certificate demonstrating that, (i) with respect to the issuance of the initial Series of Bonds under the General Resolution, within twelve (12) months of issuing such initial Series of Bonds and after giving effect to such issuance, the unpaid principal amount of all Mortgage Loans and Guaranteed Mortgage Securities outstanding, plus the amounts on deposit (including the amount of any

Credit Facility, unless otherwise specified in a Series Resolution) in all Funds and Accounts thereunder (except the Collateral Fund, Escrow Payment Fund and the Rebate Fund) shall equal or exceed one hundred percent (100%) of the aggregate Principal Amount of all Bonds (including such Series of Bonds if such are Bonds), plus any accrued and unpaid interest thereon and accrued and unpaid expenses, and (ii) with respect to all other Series of Bonds, upon the date of issuance of such Series of Bonds and after giving effect to such issuance, the unpaid principal amount of all Mortgage Loans and Guaranteed Mortgage Securities outstanding (including those to be originated from the proceeds of such Series of Bonds), plus the amounts on deposit (including the amount of any Credit Facility, unless otherwise specified in a Series Resolution) in all Funds and Accounts thereunder (except the Collateral Fund, Escrow Payment Fund and the Rebate Fund) shall equal or exceed one hundred percent (100%) of the aggregate Principal Amount of all Bonds (including such Series of Bonds if such are Bonds), plus any accrued and unpaid interest thereon and accrued and unpaid expenses.

Establishment of Funds and Accounts

The General Resolution (and, if applicable, the Series Resolution) establishes the Funds and Accounts listed below to be held as trust funds by the Trustee, except the Escrow Payment Fund which will be held by the Authority with a Depository or Depositories designated by the Authority in trust separate and apart from all other funds of the Authority. As noted below, with respect to Funds and Accounts not being funded pursuant to the Series Resolution, reference is hereby made to the General Resolution for a complete description.

- (1) Program Fund
 - (a) Mortgage Loan Purchase Accounts
 - (b) Capitalized Interest Accounts
 - (c) Cost of Issuance Accounts
 - (d) Cost of Remarketing Accounts (See General Resolution for description.)
 - (e) Proceeds Accounts (See General Resolution for description.)
- (2) Revenue Fund
 - (a) Revenue Accounts
- (3) Debt Service Fund
 - (a) Debt Service Accounts
 - (b) Sinking Fund Installment Accounts
- (4) Debt Service Reserve Fund
 - (a) Debt Service Reserve Accounts
- (5) Mortgage Reserve Fund
 - (a) Mortgage Reserve Accounts
- (6) Collateral Fund
 - (a) Collateral Accounts
- (7) Redemption Fund
 - (a) Special Redemption Accounts
 - (b) Optional Redemption Accounts

- (8) Administration Fund
 - (a) Fiduciary Account
 - (b) Supplemental Security Expense Account
 - (c) Authority Account
 - (d) Credit Facility Account
- (9) Subordinated Debt Service Fund
 - (a) Subordinated Debt Service Accounts
 - (b) Subordinated Redemption Accounts
- (10) Rebate Fund
 - (a) Rebate Accounts
- (11) General Fund
- (12) Escrow Payment Fund.

Disposition of Bond Proceeds and Other Moneys

Except as may be otherwise provided in a Series Resolution (including the 2024D Series Resolution), the proceeds of the sale of each Series of Bonds, together with Commitment Fees and any other moneys or Qualified Investments required to be deposited pursuant to any Series Resolution in any Fund or Account, shall be deposited with the Trustee and credited in the following amounts to the following Funds and Accounts:

- (1) to the Debt Service Reserve Fund, the amount, if any, necessary to increase the balance therein to the Debt Service Reserve Fund Requirement;
- (2) to the Mortgage Reserve Fund, the amount, if any, necessary to increase the balance therein to the Mortgage Reserve Fund Requirement;
- (3) to the Collateral Fund, the amount necessary to increase the balance therein to the Collateral Fund Requirement;
- (4) to the Debt Service Account or Subordinated Debt Service Account the amount, if any, of interest accrued on such Series of Bonds from the date thereof to the date of delivery thereof;
- (5) in the case of a Series of Refunding Bonds, to the Special Redemption Account, or to any escrow account established by the applicable Series Resolution, the amount needed for payment (or provision for payment in accordance with the defeasance provisions of the General Resolution or the applicable defeasance provisions of such other resolution pursuant to which the bonds to be refunded were issued) of the principal or Redemption Price of, and interest on, the bonds which are directed by the applicable Series Resolution to be refunded;
- (6) to the Cost of Issuance Account, the amount stated in the applicable Series Resolution to be needed for payment of the Costs of Issuance of such Series of Bonds;
- (7) to the applicable Capitalized Interest Account, the amount, if any, stated in the applicable Series Resolution;
- (8) to the Proceeds Account, the amount stated in the applicable Series Resolution; and

(9) to the applicable Mortgage Loan Purchase Account (and, if applicable, to the related Subaccounts therein), the balance of such proceeds and other available moneys or Qualified Investments as shall be specified in the applicable Series Resolution.

Cost of Issuance Accounts

Moneys in each Cost of Issuance Account shall be applied to the payment of the Costs of Issuance of the Series of Bonds for which it was created, upon receipt of an Officer's Certificate stating the person to whom and the purpose for which each payment is to be made, and the amount of such payment. All interest and other income from time to time received from the deposit of moneys in any Cost of Issuance Account, unless otherwise directed by the applicable Series Resolution, shall be transferred to the Revenue Fund.

Under the 2024D Series Resolution, a 2024D Cost of Issuance Account shall be established for the 2024 Series D Bonds. Funds deposited in such account will be used to pay the Costs of Issuance relating to the 2024 Series D Bonds.

Capitalized Interest Accounts

Moneys in each Capitalized Interest Account shall be applied as provided in the applicable Series Resolution.

Under the 2024D Series Resolution, funds deposited in the Capitalized Interest Account shall be (i) transferred to the 2024D Debt Service Account and applied to pay interest and principal on the 2024 Series D Bonds, (ii) transferred to the applicable Account to pay the Authority's Fee and the Trustee's fees and expenses, and/or (iii) transferred to the 2024D Revenue Account to pay accrued interest on the purchase of the 2024D Guaranteed Mortgage Securities, in each case to the extent funds in the 2024D Revenue Account (in excess of the \$10,000 minimum balance) are insufficient for such purpose(s). Moneys credited to the Capitalized Interest Account may also be transferred to the Debt Service Account relating to any Series of Senior Bonds (upon delivery of a Cash Flow Certificate to the Trustee) for the purposes described in the related Supplemental Series Resolution. Moneys in the Capitalized Interest Account shall be released to the Authority free from the lien of the Resolution upon satisfaction of the conditions set forth in the 2024D Series Resolution, provided that a Cash Flow Certificate is delivered to the Trustee. Any earnings on amounts on deposit in the Capitalized Interest Account will be retained therein.

Mortgage Loan Purchase Accounts

Except as stated below or in the applicable Series Resolution, moneys in each Mortgage Loan Purchase Account shall be applied to purchase Mortgage Loans and/or Guaranteed Mortgage Securities, including the principal of such Mortgage Loans and accrued interest thereon.

Under the 2024D Series Resolution, there is established a 2024D Mortgage Loan Purchase Account (and an Issuer Funds Subaccount therein), and moneys from such account shall be used to purchase 2024D Guaranteed Mortgage Securities, reimburse the Authority for 50%* of its initial funding of 2024D Second Mortgage Loans and for the other purposes described in the 2024D Series Resolution.

The Trustee shall from time to time pay out or permit the withdrawal of moneys from the applicable Mortgage Loan Purchase Account for the purpose of making payments pursuant to the paragraphs above upon receipt of an Officer's Certificate stating the amount to be paid, the Lender, Servicer or other person, including the Authority, as appropriate, to which such payment is to be made, the purpose for which

* Preliminary, subject to change.

payment is to be made and that such payment is a proper charge against the Mortgage Loan Purchase Account and, with respect to moneys which constitute Prepayments or surplus Pledged Receipts, a Cash Flow Certificate.

Unless otherwise specified in the applicable Series Resolution, the Trustee shall transfer any moneys remaining in a Mortgage Loan Purchase Account for a period of three years from the date of deposit therein to the applicable Special Redemption Account or Subordinated Redemption Account.

All interest and other income from time to time received from the deposit and investment of moneys in the Mortgage Loan Purchase Accounts shall be transferred upon receipt to the Revenue Fund, unless otherwise directed by a Series Resolution.

The Trustee shall, at any time, unless otherwise provided in the applicable Series Resolution or directed by an Officer's Certificate, transfer any amounts representing Prepayments to the applicable Special Redemption Account or Subordinated Redemption Account.

The Trustee shall, as directed by an Officer's Certificate, transfer to the applicable Special Redemption Account or Subordinated Redemption Account any amounts representing proceeds of the sale of Bonds and other moneys deposited at the time of delivery of the applicable Series of Bonds in a Mortgage Loan Purchase Account for the purpose of purchasing Mortgage Loans and/or Guaranteed Mortgage Securities which Lenders or the Servicer have failed to timely deliver.

If the Authority shall for more than a temporary period, by law or otherwise, determine to discontinue the Program under the General Resolution and unexpended amounts shall remain in a Mortgage Loan Purchase Account, the Authority shall with all reasonable dispatch deliver to the Trustee an Officer's Certificate stating the occurrence of such an event and the amount, if any, required for the purchase of such Mortgage Loans for which commitments to purchase remain outstanding. The Trustee, upon receipt of such Officer's Certificate and after reserving in the applicable Mortgage Loan Purchase Account the amounts required therefor as set forth in such Officer's Certificate, shall transfer the balance of the moneys into the applicable Special Redemption Account or Subordinated Redemption Account.

The Trustee shall, as directed by an Officer's Certificate, transfer to the applicable Special Redemption Account or Subordinated Redemption Account amounts on deposit in a Mortgage Loan Purchase Account if the Authority shall have determined that (i) existing conditions (or compliance with the tax covenants of the General Resolution) make impossible or impracticable the purchase of Mortgage Loans and/or Guaranteed Mortgage Securities meeting the requirements of the General Resolution with all or any part of the amount so transferred, or (ii) that it is in the best interest of the Authority to transfer such amount in order to comply with such tax covenants.

The Trustee is required to draw on each Commitment Fee Letter of Credit and deposit the proceeds thereof in accordance with the Series Resolution authorizing the issuance of such Commitment Fee Letter of Credit.

Deposits of Pledged Receipts and Prepayments

The Authority will collect and deposit or will require a Servicer to collect and deposit with the Trustee or a Depository, on the date of receipt so far as practicable, all Pledged Receipts, Prepayments and any Escrow Payments to be deposited in the Escrow Payment Fund and will forward, or will require the Depository to forward, promptly to the Trustee statements of each amount deposited. However, the Authority may apply or permit a Servicer to apply, the proceeds of any hazard insurance policy to the reconstruction or restoration of the mortgaged premises with respect to which such proceeds were recovered, if the Authority, in its discretion, determines that the mortgagor will continue to make timely payments of Pledged Receipts on the Mortgage Loan relating to such premises. The Trustee shall be accountable only for moneys actually so deposited or held by it. All Escrow Payments shall be deposited in the Escrow Payment Fund unless otherwise provided in a Mortgage Loan Servicing Agreement. All

Pledged Receipts shall be deposited for credit to the applicable Revenue Accounts in the Revenue Fund and Prepayments shall be deposited for credit to the Funds and Accounts specified in the applicable Series Resolution with respect to which such Prepayments were derived.

Revenue Fund

All interest and other income from time to time received from the deposit of moneys in the Revenue Fund shall be retained in such Fund and applied as described below. On or before each Interest Payment Date, or on such other dates as may be directed in any Series Resolution, the Trustee shall withdraw from the Revenue Fund and transfer to the following Funds and Accounts or to the Authority the amounts indicated in the following tabulation, in the following order of priority or so much thereof as remains after first making all prior transfers:

(1) into the Debt Service Accounts in the Debt Service Fund, the amount needed to increase the balance therein to the Debt Service Requirement on such Interest Payment Date;

(2) into the Debt Service Reserve Fund, the amount needed to increase the balance therein to the Debt Service Reserve Fund Requirement, or to reimburse the issuer of any credit instrument held in such Fund for amounts drawn thereunder in accordance with the terms of any reimbursement agreement related thereto;

(3) into the Mortgage Reserve Fund, the amount needed to increase the balance therein to the Mortgage Reserve Fund Requirement, or to reimburse the issuer of any credit instrument held in such Fund for amounts drawn thereunder in accordance with the terms of any reimbursement agreement related thereto;

(4) to the issuer of any credit instrument credited to the Collateral Fund, the amount which the Authority is required to pay to reimburse any draw under such credit instrument in accordance with the terms of any reimbursement agreement related thereto, as directed by an Officer's Certificate;

(5) into the Administration Fund, as directed by an Officer's Certificate (a) for credit to the Fiduciary Account, the amount, if any, necessary to pay or provide for the ordinary fees and expenses, including expenses in connection with the purchase or redemption of Bonds, of the Fiduciaries, (b) for credit to the Supplemental Security Expense Account, an amount equal to the expenses of obtaining or maintaining Supplemental Security, (c) for credit to the Authority Account, an amount equal to any Administrative Fees authorized by any Series Resolution, and (d) for credit to the Credit Facility Account, an amount equal to any accrued Credit Facility Fees, plus the amount of any premium or other charge due and owing to the issuer of any credit instrument delivered in satisfaction of part or all of any Debt Service Reserve Fund Requirement, Mortgage Reserve Fund Requirement or Collateral Fund Requirement; provided that any amount credited to any account of the Administration Fund shall be charged against the various accounts of the Revenue Fund on the basis of the aggregate Principal Amount of the Series of Bonds or Mortgage Loans related to such accounts; and provided further that any deposits into the Administration Fund shall not exceed the amount of administration expenses assumed in the Cash Flow Certificate delivered in connection with the issuance of each Series of Bonds (or the Cash Flow Certificate most recently delivered), except that such administration expenses may be deposited into the Administration Fund in an amount in excess of the amount of such assumed expenses upon the delivery of a Cash Flow Certificate to the Trustee;

(6) into one or more Mortgage Loan Purchase Accounts or Special Redemption Accounts, as directed by an Authorized Officer or as provided in any applicable Series Resolution (and if deposited in the Mortgage Loan Purchase Account upon filing a Cash Flow Certificate), all or a portion of the amount remaining in the Revenue Fund; and

(7) into the Subordinated Debt Service Accounts in the Subordinated Debt Service Fund, the amount needed to increase the balance therein to the Subordinated Debt Service Requirement on such Interest Payment Date or the balance in the Revenue Fund if less than such amount; and

(8) into the General Fund, the amount remaining in the Revenue Fund, less any amount as directed by an Officer's Certificate to be retained in the Revenue Fund for transfer to the Rebate Fund.

From time to time, as directed by an Officer's Certificate, the Trustee shall transfer from the Revenue Fund to each Rebate Account the amount needed to increase the balance therein to the Rebate Requirement for the Series of Bonds with respect to which such Rebate Account was established.

Under the 2024D Series Resolution, there is established a 2024D Revenue Account. 100% of the payments (interest, scheduled principal and Prepayments) received with respect to the 2024D Guaranteed Mortgage Securities and 50%* of the Prepayments received with respect to the 2024D Second Mortgage Loans will be deposited in the 2024D Revenue Account upon receipt. All Prepayments of 2024D Mortgage Loans (backing 2024D Guaranteed Mortgage Securities) and Prepayments of 2024D Second Mortgage Loans will be promptly transferred to the 2024D Special Redemption Account.

Amounts in the 2024D Revenue Account shall be transferred and applied as follows:

(i) To the 2024D Debt Service Account, amounts necessary to pay interest and principal due on each Interest Payment Date on the 2024 Series D Bonds (including Sinking Fund Installments);

(ii) To the 2024D Authority Account, the Authority's fee in the amount set forth in the 2024D Series Supplemental Resolution and to the 2024D Fiduciary Account the Trustee's fees and expenses in the amount set forth in the 2024D Series Supplemental Resolution; and

(iii) To the 2024D Special Redemption Account the balance in excess of \$10,000.

Debt Service Fund

The Trustee shall establish and maintain in the Debt Service Fund a separate Debt Service Account for the outstanding Bonds of each Series. All interest and other income from time to time received from the deposit and investment of moneys in the Debt Service Fund shall be transferred upon receipt to the Revenue Fund. The Trustee shall withdraw from the Debt Service Fund, on or prior to each Interest Payment Date, an amount equal to the unpaid interest due on Bonds of each Series on such Interest Payment Date and shall apply it to the payment of such interest when due or transmit it to one or more Paying Agents who shall apply it to such payment. Once moneys are deposited into any Debt Service Account or Sinking Fund Installment Account, such moneys shall be held exclusively for the payment of the debt service on the Series of Bonds with respect to which such account was established.

If the withdrawals required under the paragraph above on the same and every prior Interest Payment Date have been made, the Trustee shall withdraw from the Debt Service Fund on or prior to each Principal Payment Date, an amount equal to the Principal Amount of the Outstanding Bonds, if any, maturing on such Principal Payment Date and shall apply it to the payment of the principal of such Bonds when due, or transmit it to one or more Paying Agents who shall apply it to such payment.

Under the 2024D Series Resolution, there is established a 2024D Debt Service Account; funds therein will be used to pay the interest and scheduled principal on the 2024 Series D Bonds (including Sinking Fund Installments).

* Preliminary, subject to change.

Sinking Fund Installment Accounts

The Trustee shall establish and maintain in the Debt Service Fund, a Sinking Fund Installment Account for the Outstanding Bonds of each Series Bond maturity for which Sinking Fund Installments are established. Moneys paid into the Debt Service Fund from the Revenue Fund as or on account of Sinking Fund Installments in any Bond Year shall upon receipt be segregated and set aside in such Accounts.

Under the 2024D Series Resolution, Sinking Fund Installments are paid from the 2024D Debt Service Account and no separate account is established for Sinking Fund Installments.

The Trustee shall apply moneys in any Sinking Fund Installment Account to the purchase or the redemption of the Bonds for which such Account is maintained, provided that no such Bonds shall be so purchased during the period of 30 days next preceding each Sinking Fund Installment due date established for such Bonds. The price paid by the Trustee (excluding accrued interest on Bonds but including any brokerage and other charges) for any Bond purchased pursuant to this paragraph shall not exceed the Redemption Price applicable on the next date on which such Bond could be redeemed in accordance with its terms as part of a Sinking Fund Installment. Subject to applicable law, notwithstanding the maximum purchase price set forth above and certain other provisions of the General Resolution, if at any time the investment earnings on the moneys available for such purchase shall be less than the interest accruing on the Bonds to be redeemed, then the Trustee may pay a purchase price for any such Bond in excess of the Redemption Price that would be payable on the next redemption date to the Holder of such Bond under the applicable Series Resolution, if the Authority delivers an Officer's Certificate to the Trustee and all Rating Agencies stating that the amount paid in excess of said Redemption Price is less than the interest that is to accrue on said Bond less any investment earnings on such available moneys for the period from the settlement date of the proposed purchase to the redemption date. Subject to certain limitations, the Trustee shall purchase Bonds at such times, for such prices, in such manner (whether after advertisement for tenders or otherwise) as the Trustee shall be directed by an Officer's Certificate and as may be possible with the amount of money available in the applicable Sinking Fund Installment Account therefor. If on any date there shall be money in such Account and there shall be Outstanding none of the Bonds for which such Account was established, such Account shall be closed and the amount on deposit therein shall be transferred to the Revenue Fund.

As soon as practicable after the 45th day but not later than the 30th day preceding the due date of any Sinking Fund Installment, the Trustee shall call for redemption on that date a Principal Amount of Bonds of the Series Bond maturity for which such Sinking Fund Installment Account was established in such amount as shall be necessary to complete the retirement of the Principal Amount of the Bonds of such Series Bond maturity specified for such Sinking Fund Installment. The Trustee shall withdraw from such Sinking Fund Installment Account, on or prior to the due date of such Sinking Fund Installment, an amount equal to the Principal Amount of the Bonds called for redemption on such date and shall cause it and any funds withdrawn from the Debt Service Fund for the payment of the accrued interest thereon to be applied to the payment of the Redemption Price thereof on such date, or shall transmit it to one or more Paying Agents who shall apply it to such payment.

Debt Service Reserve Fund

Under the 2024D Series Resolution, no account in the Debt Service Reserve Fund will be established for the 2024 Series D Bonds. The current balance of the Debt Service Reserve Fund is \$0.

If there shall be insufficient moneys in the Debt Service Fund to pay in full interest on or principal of any Bonds when due or on any date on which Bonds have been called for redemption, the Authority shall, by an Officer's Certificate delivered to the Trustee, designate one or more Funds or Accounts, in the manner hereinafter described under the caption "Priority of Payments," from which an amount equal to the deficiency in the Debt Service Fund is to be transferred to the Debt Service Fund; provided that no moneys

shall be transferred from the Debt Service Reserve Fund so long as other moneys are available for such purpose in any other Fund or Account set forth under the caption "Priority of Payments".

All interest and other income from time to time received from the deposit and investment of moneys in the Debt Service Reserve Fund shall be transferred upon receipt to the Revenue Fund if and only if the amounts remaining in the Debt Service Reserve Fund after the transfer are at least equal to the Debt Service Reserve Fund Requirement.

If, as of any date, the amount in the Debt Service Reserve Fund exceeds the Debt Service Reserve Fund Requirement, the Authority thereafter may, and to the extent required by the Code shall, by an Officer's Certificate direct the Trustee to withdraw such excess and transfer the same to the Revenue Fund or one or more Special Redemption Accounts.

The Authority may satisfy the Debt Service Reserve Fund Requirement by the deposit of a surety bond, insurance policy or letter of credit as shall be specified in any Series Resolution or Supplement thereto, establishing such Debt Service Reserve Fund Requirement. All matters relating to the procedures for making a claim or draw under such credit instruments and the obligation of the Authority to reimburse the issuer of any such credit instruments for any such claims or draws shall be set forth in the Series Resolution establishing such Debt Service Reserve Fund Requirement; provided, however, that the obligation of the Authority to reimburse such issuer shall be subordinate to the payment of the principal of and interest on the Bonds.

Mortgage Reserve Fund

Under the 2024D Series Resolution, no account in the Mortgage Reserve Fund will be established for the 2024 Series D Bonds. The current balance of the Mortgage Reserve Fund is \$0.

If there shall be insufficient moneys in the Debt Service Fund to pay in full interest on or principal of any Bonds when due or on any date on which Bonds have been called for mandatory redemption, the Authority shall, by an Officer's Certificate delivered to the Trustee, designate one more Funds or Accounts, in the manner hereinafter described under the caption "Priority of Payments," from which an amount equal to the deficiency in the Debt Service Fund is to be transferred to the Debt Service Fund, provided that no moneys shall be transferred from the Mortgage Reserve Fund if other moneys are available for such purpose in any other Fund or Account set forth under the caption "Priority of Payments" (except the Debt Service Reserve Fund).

Moneys in the Mortgage Reserve Fund may also be withdrawn from time to time, as directed by Officer's Certificates, and applied to the payment of any taxes, foreclosure costs, insurance fees, legal fees or other expenses which may be necessary to maintain the priority of the Authority's lien on, or preserve the value of, any property securing a Mortgage Loan or to maintain in full force and effect any insurance on or guaranty of a Mortgage Loan.

All interest and other income from time to time received from the deposit and investment of moneys in the Mortgage Reserve Fund shall be transferred upon receipt to the Revenue Fund if and only if the amounts remaining after the transfer are at least equal to the Mortgage Reserve Fund Requirement.

If, as of any date, the amount in the Mortgage Reserve Fund exceeds the Mortgage Reserve Fund Requirement, the Authority may, and to the extent required by the Code shall, by an Officer's Certificate, direct the Trustee to withdraw such excess and transfer the same to the Revenue Fund or one or more Special Redemption Accounts.

The Authority may satisfy the Mortgage Reserve Fund Requirement by the deposit of a surety bond, insurance policy or letter of credit as shall be specified in the Series Resolution establishing such Mortgage Reserve Fund Requirement. All matters relating to the procedures for making a claim or draw under such credit instruments and the obligation of the Authority to reimburse the issuer of any such credit

instruments for any such claims or draws shall be set forth in the Series Resolution establishing such Mortgage Reserve Fund Requirement; provided, however, that the obligation of the Authority to reimburse such issuer shall be subordinate to the payment of the principal of and interest on the Bonds.

Collateral Fund

Under the 2024D Series Resolution, no account in the Collateral Fund will be established for the 2024 Series D Bonds. The Collateral Fund Requirement established for the 2024 Series D Bonds is \$0. Amounts on deposit in the Collateral Fund do not secure the 2024 Series D Bonds.

A separate and segregated subaccount shall be created in the Collateral Fund for each Series of Bonds issued pursuant to the General Resolution; provided that if two or more Series of Bonds are issued on the same date, a single subaccount may be created for all such Series of Bonds as specified in the Series Resolution. Upon the issuance of each Series of Bonds, the Authority shall deposit into the Subaccount related to that Series of Bonds, an amount equal to the Collateral Fund Requirement as specified in the Series Resolution pursuant to which such Series is issued. Except in the case of two or more Series of Bonds issued on the same date, amounts in each subaccount of the Collateral Fund shall be held exclusively for the benefit of the owners of the Series of Bonds with respect to which such subaccount was established and to pay the items set forth in the second succeeding paragraph below. Except in the case of two or more Series of Bonds issued on the same date, no Series of Bonds shall have any claim to or interest in the funds held in the subaccounts of the Collateral Fund other than the subaccount established in connection with that Series of Bonds.

If available moneys in any subaccount of the Debt Service Fund shall not be sufficient to pay in full the interest on and principal of the Series of Bonds corresponding to that subaccount becoming due on any Interest Payment Date, Principal Payment Date or redemption date, the Authority shall, by an Officer's Certificate delivered to the Trustee, designate one or more Funds or Accounts from which an amount equal to such deficiency is required to be transferred to such subaccount of the Debt Service Fund in the manner hereinafter described under the caption "Priority of Payments", provided that no moneys shall be transferred from any subaccount of the Collateral Fund if other moneys are available for such purpose in any Fund or Account set forth under the caption "Priority of Payments" (except the Mortgage Reserve Fund and the Debt Service Reserve Fund), and provided further that moneys in any subaccount of the Collateral Fund may only be used to make up deficiencies in the subaccount of the Debt Service Fund corresponding to the Series of Bonds in connection with which that subaccount was established.

Moneys in any subaccount of the Collateral Fund may also be withdrawn from time to time, as directed by an Officer's Certificate, and applied to the payment of any taxes, foreclosure costs, insurance premiums, legal fees or other expenses which may be necessary to maintain the priority of the Authority's lien on, or preserve the value of, any property securing a Mortgage Loan acquired in connection with the Series of Bonds related to such subaccount.

All interest and other income from time to time received from the deposit and investment of moneys in a subaccount of the Collateral Fund shall be transferred upon receipt to the subaccount of the Revenue Fund corresponding to the Series of Bonds with respect to which such subaccount was established.

If, as of any date, the amount in any subaccount of the Collateral Fund exceeds the Collateral Fund Requirement applicable to such subaccount, the Authority shall, by an Officer's Certificate, direct the Trustee to withdraw any amount therein in excess of such Collateral Fund Requirement and transfer such amount to the Authority and such amount shall be used by the Authority for any lawful purpose.

The Authority may satisfy part or all of any Collateral Fund Requirement by deposit of a surety bond, insurance policy or letter of credit as shall be specified in the Series Resolution establishing such Collateral Fund Requirement. All matters relating to the procedures for making a claim or draw under such surety bond, insurance policy or letter of credit and to the obligation of the Authority to reimburse the issuer of any such instruments for any such claim or draw shall be set forth in the Series Resolution establishing

such Collateral Fund Requirement; provided, however, that the obligation of the Authority to reimburse such issuer shall be subordinate to the payment of principal of and interest on the Bonds.

Redemption Fund

Special Redemption Accounts

The Trustee shall establish a Special Redemption Account in the Redemption Fund for each Series of Bonds, in which it shall deposit, unless otherwise required by the applicable Series Resolution, Prepayments and any amounts transferred from the Revenue Fund or the Mortgage Loan Purchase Account. Any moneys on deposit in the Special Redemption Account shall be used and applied, as soon as practicable following the receipt thereof, but not later than 12 months after such receipt, for either or both of the following purposes:

- (a) to the redemption of Bonds as may be designated in an Officer's Certificate; or
- (b) to the purchase of Bonds at the most advantageous price obtainable with due diligence, but only upon receipt of an Officer's Certificate stating the Series, and the Principal Amounts and maturities of the Bonds to be purchased and that in no Bond Year will the Debt Service be greater as a result of such purchase than if such moneys had been used to redeem Bonds, together with a Cash Flow Certificate for each Bond Year following such purchase; provided that no such purchase shall be made at a price in excess of the Redemption Price applicable on the next ensuing redemption date, and that no such purchase shall be made during the period of 30 days next preceding a redemption date from moneys to be applied pursuant to (a) above to the redemption of Bonds on such date. Subject to applicable law, notwithstanding the maximum purchase price set forth above and certain other provisions of the General Resolution, if at any time the investment earnings on the moneys available for such purchase shall be less than the interest accruing on the Bonds to be redeemed, then the Trustee may pay a purchase price for any such Bond in excess of the Redemption Price that would be payable on the next redemption date to the Holder of such Bond under the applicable Series Resolution, if the Authority delivers an Officer's Certificate to the Trustee and all Rating Agencies stating that the amount paid in excess of said Redemption Price is less than the interest that is to accrue on said Bond less any investment earnings on such available moneys for the period from the settlement date of the proposed purchase to the redemption date.

Under the 2024D Series Resolution, a 2024D Special Redemption Account shall be established for the 2024 Series D Bonds. Funds in the 2024D Special Redemption Account shall be used to redeem 2024 Series D Bonds as described under "REDEMPTION OF 2024 SERIES D BONDS – Redemption from Prepayments and Surplus Pledged Receipts."

Optional Redemption Accounts

The Trustee shall establish an Optional Redemption Account in the Redemption Fund for each Series of Bonds, in which it shall deposit all amounts paid to the Trustee by the Authority for deposit in such Account and the proceeds of any Series of Refunding Bonds which are to refund Bonds Outstanding under the General Resolution. Any moneys on deposit in the Optional Redemption Account shall be used and applied, within 12 months after the receipt thereof, or as soon thereafter as practicable, for either or both of the following purposes:

- (a) to the optional redemption of Bonds of such Series as may be designated in an Officer's Certificate; or
- (b) to the purchase of Bonds at the most advantageous price obtainable with due diligence, but only upon receipt of an Officer's Certificate stating the Series, and the Principal Amounts

and maturities of the Bonds to be purchased and that in no Bond Year will the Debt Service be greater as a result of such purchase than if such moneys had been used to redeem Bonds, together with a Cash Flow Certificate, provided that no such purchase shall be made at a price in excess of the Redemption Price applicable on the next ensuing redemption date, and that no such purchase shall be made during the period of 30 days next preceding a redemption date from moneys to be applied pursuant to subparagraph (a) above to the redemption of Bonds on such date.

All interest and other income from time to time received from the deposit and investment of moneys in the Redemption Fund shall be transferred upon receipt to the Revenue Fund unless otherwise specified in an Officer's Certificate.

The Trustee shall establish a 2024D Optional Redemption Account in connection with any optional redemption of the 2024 Series D Bonds.

Subordinated Debt Service Fund

The Subordinated Debt Service Fund shall be held by the Trustee and, subject to the prior lien in favor of the Bonds, applied to the payment of principal of and Redemption Price and interest on the Subordinated Bonds.

General Fund

Whenever there is no deficiency in the Debt Service Fund, the Debt Service Reserve Fund, the Mortgage Reserve Fund, the Rebate Fund or the Subordinated Debt Service Fund, any moneys in the General Fund may be withdrawn from such Fund from time to time, upon requisitions signed by an Authorized Officer, and used by the Authority for any lawful purpose; provided that at the time of each such withdrawal and taking into account such withdrawal the Authority shall file a Cash Flow Certificate with the Trustee and an Officer's Certificate showing that the unpaid principal amount of all Mortgage Loans and all Guaranteed Mortgage Securities outstanding plus the amounts on deposit (including the amount of any Credit Facility, unless otherwise specified in a Series Resolution) in all Funds and Accounts (except the Collateral Fund, Escrow Payment Fund and the Rebate Fund) shall equal or exceed (i) 101% of the aggregate Principal Amount of all Bonds then Outstanding, plus any accrued and unpaid interest thereon and accrued and unpaid expenses or (ii) such lesser percentage of the aggregate Principal Amount of all Bonds then Outstanding, plus any accrued and unpaid interest thereon and accrued and unpaid expenses; provided the reduced percentage is sufficient to maintain the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds.

If at any time there is a deficiency in the Debt Service Fund, the Debt Service Reserve Fund, the Mortgage Reserve Fund, the Rebate Fund or the Subordinated Debt Service Fund, the Trustee shall withdraw from the General Fund and deposit in such Fund the amount necessary to remedy such deficiency and shall give written notice to the Authority of such withdrawal.

The Authority may at any time direct the Trustee to deposit in any Fund or Account created or maintained under the General Resolution moneys from the General Fund.

All interest and other income from time to time received from the deposit and investment of moneys in the General Fund shall be retained therein.

Administration Fund

Moneys deposited in the Fiduciary Account, the Credit Facility Account and the Supplemental Security Expense Account of the Administration Fund shall be applied by the Trustee, from time to time, to pay the ordinary fees and expenses of Fiduciaries, to the payment of Credit Facility Fees and to the payment of premiums or other charges with respect to any Supplemental Security, respectively.

Whenever there is no deficiency in the Debt Service Fund, the Debt Service Reserve Fund, the Mortgage Reserve Fund, the Rebate Fund or the Subordinated Debt Service Fund, moneys may be withdrawn from the Authority Account from time to time, upon requisitions signed by an Authorized Officer, and used by the Authority for any lawful purpose.

All interest and other income from time to time received from the deposit and investment of moneys in the Administration Fund shall be transferred upon receipt to the Revenue Fund.

Under the 2024D Series Resolution, a 2024D Administrative Account and a 2024D Fiduciary Account shall be established. Funds in the 2024D Administrative Account shall be used to pay the Authority's Fee and funds in the 2024D Fiduciary Account shall be used to the pay the Trustee's fees and expenses.

Rebate Fund

Moneys deposited in each Rebate Account in the Rebate Fund shall be applied for the purpose or purposes and in the manner provided in the General Resolution or the related Series Resolution, including without limitation, payment to the United States of America.

If, as of any date, the amount on deposit in the Rebate Fund exceeds the Rebate Requirement, the Trustee, at the written direction of an Authorized Officer of the Authority, shall withdraw such excess amount and deposit it in the Revenue Fund.

Under the 2024D Series Resolution, a 2024D Rebate Account shall be established for the 2024 Series D Bonds. Funds deposited in such account will be used to pay any rebate due to the United States with respect to the 2024 Series D Bonds pursuant to Section 148 of the Code.

Escrow Payment Fund

Escrow Payments deposited in the Escrow Payment Fund shall be promptly applied by the Authority to the purpose for which such payments were received.

The Authority shall establish a separate subaccount within the Escrow Payment Fund for each Lender which elects to provide a cash deposit in lieu of a Commitment Fee Letter of Credit. Each such subaccount shall be held by the Trustee as depository and in trust for the Authority as security for such Lender's obligations under the applicable Mortgage Purchase Agreement. Net income from the investment of such moneys shall be transferred upon receipt to such Lender. The Trustee shall take all action necessary to reduce the balance of any such subaccount by the amounts and at the times which the stated amount of the Commitment Fee Letter of Credit in lieu of which such account was furnished would have been reduced and to pay the amount of such reduction to such Lender. The Trustee shall transfer all amounts on deposit in such subaccount to the applicable Mortgage Loan Purchase Account on the date on which a drawing on such Commitment Fee Letter of Credit would have been required unless otherwise provided in a Series Resolution.

Priority of Payments

To the extent that moneys in the Debt Service Fund are insufficient to pay when due any Principal Installment of or interest on the Bonds, the Trustee shall make withdrawals for such Principal Installment or interest, to the extent of such insufficiency, on the last business day before such Principal Installment or interest is due from the following Funds and Accounts in the following order of priority or, subject to certain provisions of the General Resolution, such other order of priority as the Authority shall, by an Officer's Certificate delivered to the Trustee, designate:

- (1) Revenue Fund;

- (2) Subordinated Debt Service Fund;
- (3) Capitalized Interest Accounts;
- (4) Special Redemption Accounts;
- (5) General Fund;
- (6) Cost of Issuance Accounts;
- (7) Cost of Remarketing Accounts;
- (8) Optional Redemption Accounts;
- (9) Administration Fund;
- (10) Mortgage Loan Purchase Accounts;
- (11) Proceeds Accounts;
- (12) Subject to the limitations described under the caption “Collateral Fund” above, the appropriate subaccount of the Collateral Fund;
- (13) Mortgage Reserve Fund, and
- (14) Debt Service Reserve Fund.

Notwithstanding the foregoing provisions, moneys in the Redemption Fund which are to be applied to redeem Bonds as to which notice of redemption has been given or as to which binding arrangements to purchase Bonds in lieu of redemption have been made by the Trustee shall not be so withdrawn.

Redemption of Subordinated Bonds

Notwithstanding any other provisions of the General Resolution, whenever there are no Senior Bonds of a particular Series Outstanding, any available moneys in any Fund or Account under the General Resolution (except the Escrow Payment Fund and the Rebate Fund) may be applied by the Trustee, as directed by an Officer’s Certificate, as soon as practicable to the redemption of any Outstanding Subordinated Bonds of the same Series, provided that at the time of such redemption and taking into account such redemption, the Authority shall file (i) a Cash Flow Certificate with the Trustee and an Officer’s Certificate showing that the unpaid principal amount of all Mortgage Loans outstanding plus the amounts on deposit (including the amount of any Credit Facility, unless otherwise specified in a Series Resolution) in all Funds and Accounts under the General Resolution (except the Collateral Fund, Escrow Payment Fund and the Rebate Fund) shall equal or exceed (a) one hundred and one percent (101%) of the aggregate Principal Amount of all Senior Bonds then Outstanding, plus any accrued and unpaid interest thereon and accrued and unpaid expenses or (b) such lesser percentage of the aggregate Principal Amount of all Bonds then Outstanding, plus any accrued and unpaid interest thereon and accrued and unpaid expenses; provided the reduced percentage is sufficient to maintain the ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds; or (ii) a Cash Flow Certificate with all Rating Agencies and receive written confirmation from such Rating Agencies that the proposed redemption will not result in a reduction of the then current ratings or shadow ratings of all Rating Agencies with respect to any Series of Bonds. Notwithstanding any other provisions of the General Resolution, including the preceding sentence, whenever there are no Bonds of any Series Outstanding, any available moneys in any Fund or Account under the General Resolution (except the Escrow Payment Fund and the Rebate Fund) may be applied by the Trustee, as directed by an Officer’s Certificate, as soon as practicable to the redemption of any

Outstanding Subordinated Bonds. Amounts used to redeem Subordinated Bonds pursuant to this paragraph shall be deposited in the Subordinated Debt Service Fund.

Security for Deposits; Investments of Funds

All moneys held by any Fiduciary shall be held in trust and continuously and fully secured for the benefit of the Authority and the Holders of the Bonds in the manner required by Article VI of the General Resolution; provided, however, that it shall not be necessary for any Fiduciary to give security for the deposit of any moneys with it held in trust for the payment of the principal or Redemption Price or purchase price of or interest on Bonds. Nor is any Fiduciary required to give security for any moneys represented by obligations purchased under the provisions of the General Resolution as an investment of such moneys.

The Authority and, subject to instructions confirmed in writing by an Authorized Officer, each Fiduciary must keep all money held by it in such Funds and Accounts, as continuously as reasonably possible, invested and reinvested in Qualified Investments maturing at the times and in the amounts necessary to provide funds for disbursements therefrom for the purposes thereof.

Moneys held in any Fund or Account may be invested in common with moneys in any other Fund or Account held by the same Fiduciary acting in the same capacity, provided, however, that the common investments with such other moneys constitute Qualified Investments.

Obligations purchased as an investment of moneys in any Fund or Account held by a Fiduciary shall be deemed at all times to be a part of such Fund or Account and the income or interest earned by, or attributable to, any such Fund or Account due to the investment and reinvestment thereof shall be retained in such Fund or Account as part thereof, except as otherwise provided in the General Resolution and subject to the required transfer thereof from such Fund or Account.

Unless otherwise provided in a Series Resolution, in computing the amount in any Fund or Account held by a Fiduciary or the Authority, obligations purchased as an investment of moneys therein shall be valued at the lesser of the market price thereof or the amortized cost thereof plus accrued interest.

No Fiduciary shall be liable or responsible for making or failing to make any authorized investment in the manner provided in the General Resolution, or for any loss resulting from any such investment so made or failure to so make, except for its own negligence.

Tax Covenants

The Authority covenants in the General Resolution that it will at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid on the Bonds other than Taxable Bonds be and remain excluded from gross income for federal income tax purposes.

The Authority also covenants and agrees that it will not make or permit any use, and directs the Trustee not to make any use, of the proceeds of the Bonds or other funds of the Authority which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code, and further covenants that it will observe and not violate the requirements of Sections 143(g) and 148 of the Code. The Authority covenants to comply with the rebate requirement contained in Sections 143(g) and 148(f). The Trustee shall be entitled to receive and to rely upon a Counsel’s Opinion as to the conformity of any use or proposed use of the proceeds of the Bonds with the requirements of said Sections 143(g) and 148.

The Authority further covenants and agrees with regard to compliance with the Code that it will meet all the requirements of the Code and will conduct, or require the Lender to conduct, a reasonable investigation to determine whether the requirements which relate to the eligibility of the Mortgage Loans for tax-exempt financing have been satisfied and will correct, or require the Lender to correct, any failure to meet such requirements within a reasonable time after the failure is discovered by the Authority or the Lender.

Accounts and Reports

The Authority shall keep, or cause to be kept, proper books of record and account in which complete and correct entries shall be made of its transactions and all Funds and Accounts established by or maintained pursuant to the General Resolution.

The Authority shall annually, within 120 days after the close of each Fiscal Year, file with the Trustee a copy of an annual report for such Fiscal Year, accompanied by an Accountant's Certificate, setting forth in complete and reasonable detail: (a) its operations and accomplishments; (b) its receipts and disbursements during such Fiscal Year in accordance with the categories or classifications established by the Authority for its operating and Program purposes; (c) its assets and liabilities and fund balances at the end of such Fiscal Year, including all Funds and Accounts established by or maintained pursuant to the General Resolution; and (d) a schedule of Outstanding Bonds and other obligations outstanding at the end of such Fiscal Year, together with a statement of the amounts thereof paid, redeemed and issued during such Fiscal Year. A copy of each such annual report and Accountant's Certificate shall be mailed by the Authority to each Bondholder who shall have filed his or her name and address with the Authority for such purpose.

On or before the 30th day of each month, the Authority shall submit to the Trustee a monthly Statement of Account for the preceding month setting forth certain information, if applicable, with respect to Mortgage Loans, Pledged Receipts and Prepayments.

Defaults

Each of the following events constitutes an "Event of Default" under the General Resolution:

- (a) The Authority fails to make payment of the principal or Redemption Price of, or Sinking Fund Installment on, any Bond when due, whether at maturity or upon call for redemption, or otherwise; or
- (b) The Authority fails to make payment of interest on any Bond when due; or
- (c) The Authority shall fail to make payment of the purchase price of any Tender Bond within three (3) days after the same shall become due; or
- (d) The Authority fails or refuses to comply with the provisions of the Act or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part in the General Resolution, any Series Resolution, any Supplemental Resolution, or in the Bonds contained, and such default shall continue for a period of 90 days after written notice thereof by the Trustee or the Holders of not less than 5% in Principal Amount of the Outstanding Bonds.

Remedies

Upon the happening and continuance of any Event of Default, the Trustee may proceed, and upon the written request of the Holders of not less than 25% in Principal Amount of the Outstanding Bonds shall proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders by such of the following remedies as the Trustee shall deem most effectual to protect and enforce such rights:

- (a) by suit, action or proceeding, enforce all rights of the Bondholders, including the right to require the Authority to receive and collect Pledged Receipts and Prepayments adequate to carry out the covenants and agreements as to, and pledge of, such Pledged Receipts and Prepayments, and to require the Authority to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;

- (b) by bringing suit upon the Bonds;
- (c) by action or suit, require the Authority to account as if the Authority were the trustee of an express trust for the Holders of the Bonds;
- (d) by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds; and
- (e) declare all Bonds due and payable, and if all defaults shall be made good, then, with the written consent of the Holders of not less than 25% in Principal Amount of the Outstanding Bonds, annul such declaration and its consequences; provided, however, that the Bonds may not be accelerated as a result of an Event of Default described in clause (d) under the section entitled “Defaults” without the approval of 100% of the Holders of the Bonds.

No holder of any Bond shall have any right to institute any proceedings under the General Resolution unless the Holder shall have given to the Trustee written notice of the Event of Default and the Trustee, after being requested to institute proceedings by Holders of at least 25% in Principal Amount of the Bonds then outstanding and offered reasonable indemnity, shall have refused or neglected to comply with such request within a reasonable time. However, nothing in the General Resolution shall affect or impair the right of any Bondholder to enforce payment of the principal and Redemption Price of and interest on the Bonds at the respective due dates thereof.

Modifications of Resolutions; Supplemental Resolutions

The General Resolution provides procedures whereby the Authority may amend the Resolution by adoption of Supplemental Resolutions. Such amendment may be made without the consent of or notice to Bondholders for purposes of issuing a Series of Bonds or Refunding Bonds, further securing the Bonds, imposing additional limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Authority, surrendering rights of the Authority, supplementing the provisions of any previous Series Resolution, modifying any of the provisions of the General Resolution or any previously adopted Series Resolution, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the date of adoption shall cease to be outstanding, authorizing the issuance of Bonds in certificate-less book-entry or bearer coupon form, as may be necessary or advisable in connection with a Credit Facility securing only a particular Series of Bonds or in order to obtain or maintain the desired rating or shadow rating from any of the Rating Agencies with respect to any Series of Bonds, making amendments necessary or advisable to implement amendments to the Code, making amendments which do not materially adversely affect the interests of the Holders of the Bonds, or curing ambiguities.

Other amendments of the Resolution may be made only with the written consent (a) of the Holders of at least a majority in Principal Amount of the Bonds Outstanding at the time such consent is given, and (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least a majority in Principal Amount of the Bonds of each Series so affected and Outstanding at the time such consent is given. No such 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 Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages of Bonds the consent of the Holders of which is required to effect any such amendment.

No amendment may change the rights or obligations of a Fiduciary without the written consent of such Fiduciary.

Defeasance

All Outstanding Bonds of any Series shall prior to the maturity or redemption date thereof, be deemed to have been paid and shall cease to be entitled to any security under the General Resolution if the following conditions are met: (i) in case any of said Bonds are to be redeemed on any date prior to maturity, the Authority shall have given to the Trustee irrevocable instructions to give notice of redemption therefor, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Government Obligations the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, of such Bonds and interest due and to become due on such Bonds on or prior to the Principal Payment Date or Dates or redemption date or dates thereof, as the case may be, and (iii) if such Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Authority shall have given the Trustee irrevocable instructions to give notice by mail, as soon as practicable, to the Holders of such Bonds that the above deposit has been made with the Trustee and that such Bonds are deemed to have been paid and stating such Principal Payment Date or Dates or redemption date or dates upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on such Bonds.

Compensation and Indemnification of Fiduciaries

The Authority agrees to pay to the Trustee, any Depositary, the Registrar and each Paying Agent from time to time reasonable compensation for all services rendered under the General Resolution, and also all reasonable expenses, charges, counsel fees, and other disbursements. The Authority further agrees to indemnify and save the Trustee, any Depositary, the Registrar and each Paying Agent harmless against any liabilities which any of them may incur in the exercise and performance of their respective powers and duties under the General Resolution which are not due to the negligence or default of such Fiduciary.

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EXHIBIT V
SUMMARY OF CERTAIN PROVISIONS OF THE ORIGINATION AGREEMENTS AND THE
SERVICING AGREEMENT*

The Authority has entered into Mortgage Origination Master Agreements, as supplemented from time to time in connection with the issuance of Bonds (the “Origination Agreements”), with Lenders pursuant to which the Authority will purchase with Available Proceeds, and the Lenders will sell to the Servicer, Mortgage Loans, and the Servicer, pursuant to the Servicing Agreement entered into between the Authority and the Servicer, as supplemented in connection with the issuance of the Bonds (the “Servicing Agreement”), will service such Mortgage Loans. Certain provisions of these agreements are summarized below. Other provisions are described elsewhere in this Official Statement.

Origination Agreements

The Authority grants to the Lenders the non-exclusive right to originate Mortgage Loans on behalf of the Authority subject to the terms of the Origination Agreements. Each participating Lender is required to enter into an Origination Agreement by and between the Authority and the Lender. The Mortgage Loans will be originated by the Lenders under the Origination Agreements, as supplemented in connection with the issuance of each Series of Bonds. The Lenders agree to sell to the Authority or the Trustee, as applicable, the principal amount of Mortgage Loans specified in reservations to the Authority on a “first-come, first-served” basis, and such sales shall occur within 90 days from the start date set forth in the Program Notice with respect to a particular Series of the Bonds (or such other time period set forth therein). The Lenders must submit to the Authority for its examination, prior to each closing of the purchase of any Mortgage Loans, specified loan documentation, including originals or certified copies of the basic mortgage documents. The transfer of the right, title and interest of the Lender to the Servicer in each Mortgage Loan will be made as required by the applicable guidelines as set forth by the Servicer and the Authority. See “SINGLE FAMILY MORTGAGE LOAN PROGRAM.”

Each Lender represents and warrants to the Authority that, among other things, the Mortgage Loans will be evidenced by notes and mortgages that are first liens (subject to certain permissible encumbrances), are prudent investments for its own account, and will otherwise comply with the Authority’s Rules and Regulations incorporated in the Origination Agreement. Conditions of purchase of each such Mortgage Loan include: (i) such Mortgage Loan may not be more than 30 days in arrears or have been in arrears for more than 30 days during the preceding 12 months; (ii) the existence and validity of flood insurance, if applicable, and of hazard insurance on the mortgaged property with a maximum deductible amount of \$500 and otherwise conforming with the requirements of Fannie Mae in an amount equal to the unpaid principal amount of such Mortgage Loan, or such lesser amount that is the maximum insurable value of the improvements, as acceptable to the Authority, provided that such insurance shall pay in full the amount of any partial or total loss to the full amount of such insurance and shall otherwise be sufficient to prevent the Mortgagor from being a co-insurer; and (iii) compliance by the Lender with applicable provisions relating to any federal mortgage loan insurance or guarantee, or any private mortgage loan insurance.

In the event of a material breach by the Lender of any covenants, conditions, or agreements contained in the Origination Agreement or certain acts of bankruptcy with respect to the Lender, the Authority may seek damages from or enforce performance by the Lender.

If any of the specific mortgage documents is defective in certain respects, including with respect to certain requirements of the Code, the Lender must cure the defect within certain time periods, or, if it cannot be cured, the Servicer may, but is not required to, demand that the Lender repurchase such Mortgage Loan from the Servicer, provided such Mortgage Loan is able to be repurchased in accordance with GNMA, Freddie Mac or Fannie Mae requirements.

* The Authority services all 2024D Second Mortgage Loans.

Additional Covenants of Lenders. Pursuant to the Origination Agreement, each Lender makes various covenants, including the following:

(a) if a Lender originates Conventional Mortgage Loans, the Lender shall be a Fannie Mae or Freddie Mac approved seller/servicer and agrees to comply with all rules, regulations and requirements applicable to it by reason thereof;

(b) if a Lender originates FHA Mortgage Loans, the Lender shall be a FHA-approved Direct Endorsement Mortgagee and agrees to comply with all rules, regulations and requirements applicable to it by reason thereof;

(c) if a Lender originates VA Mortgage Loans, the Lender shall be a VA approved mortgagee, shall be authorized to provide "Automatic" endorsement for VA guaranty and shall agree to comply with all rules, regulations and requirements applicable to it by reason thereof; and

(d) if a Lender originates USDA-RHS Mortgage Loans, the Lender shall be an Eligible Lender under the USDA-RHS Section 502 Single Family Rural Housing Loan Program and agrees to comply with all rules, regulations and requirements applicable to it by reason thereof.

Provisions Relating to Origination of Mortgage Loans. In connection with the origination of Mortgage Loans, pursuant to the Origination Agreement, each Lender will make certain representations, warranties and covenants concerning the Mortgage Loans and the process of originating the Mortgage Loans. Such covenants include, among others, covenants relating to requirements regarding: (i) Mortgage Loan eligibility; (ii) Mortgage Loan underwriting; (iii) prior ownership interests of the Borrower in a principal Residence; (iv) the Borrower's occupancy of a Residence as its primary Residence; and (v) Borrower income limitations, acquisition cost limitations and related representations, which are intended to be applicable to requirements for maintaining the tax-exempt status of interest on the Bonds. Pursuant to the Origination Agreement, the Lender further agrees to make certain compliance reviews and verifications to ensure that eligibility requirements are met. The Authority and the Lender agree to act in accordance with the Origination Agreement for the purpose of reviewing and examining all affidavits, certificates, tax returns and other information submitted pursuant to and in accordance with the Origination Agreement in order to determine compliance of the Mortgage Loan, the Mortgagor and the Residence with all requirements of the Act and Section 143 of the Code; and the Authority and the Lender covenant to take all steps necessary or appropriate to ensure that the Mortgage Loans, the Residences financed thereby and the Mortgagors meet all of the requirements of the Origination Agreement before the Mortgage Loans are executed or assumed and to correct as provided therein any failure to meet such requirements as soon as possible after discovery of such failure. The Lender is required to deliver to the Authority the documents required by the Origination Agreement with respect to each Mortgage Loan originated by the Lender. Based on such documents, the Authority is required to verify that the Mortgage Loans, the Mortgagor and the Residences meet the requirements of the Origination Agreement.

Servicing Agreement

The Authority has entered into the Servicing Agreement with the Servicer that requires the Servicer to service the Mortgage Loans sold to the Servicer, including the collection and periodic remittance of all payments due on such Mortgage Loans, less the servicing fee and amounts to be held in escrow accounts for real property taxes, mortgage and hazard insurance premiums, assessments and the like, in accordance with its obligations under the GNMA Guide, the Fannie Mae Guides and the Freddie Mac Guides, as applicable, and any contractual agreements to be entered into between the Servicer and the issuer of the Guaranteed Mortgage Securities. The Servicer will receive a monthly servicing fee as set forth in the Program Documents. Such fee is payable from the interest portion of each monthly installment of principal and interest collected with respect to each Mortgage Loan.

Among other things, the Servicer has agreed to follow collection procedures and enforce all other rights of a mortgagee under each Mortgage Loan, all in accordance with the GNMA, Fannie Mae or Freddie Mac guidelines, as applicable.

The Servicer. The Servicer will service the Mortgage Loans and will have the other responsibilities set forth in the related Servicing Agreement. The Servicer is required to be a GNMA-approved issuer of GNMA Securities, a Fannie Mae-approved Seller and Servicer and/or a Freddie Mac-approved Seller and Servicer, and must remain so approved and authorized for the term of the Servicing Agreement.

The sole Servicer for the 2024D Mortgage Loans is Lakeview Loan Servicing, LLC (“Lakeview”). The Authority and Lakeview entered into a Servicing Agreement dated as of October 28, 2016.

The following information about Lakeview was supplied by Lakeview. Such information has not been verified by the Authority, the Financial Advisor, the Underwriters, their counsel or Bond Counsel, and is not guaranteed as to completeness or accuracy by, and is not to be construed as a representation of, the Authority, the Financial Advisor, the Underwriters, their counsel or Bond Counsel.

As of June 30, 2024, Lakeview serviced 2.72 million single-family mortgage loans, with an aggregate principal balance of approximately \$738 billion. Lakeview currently services single family mortgage loans for state and local housing finance authorities, mutual savings banks, life insurance companies, savings and loan associations, commercial banks, as well as Fannie Mae, GNMA and Freddie Mac.

As of June 30, 2024, according to its unaudited quarterly financial statements, Lakeview had total assets of approximately \$21.2 billion and a net worth of approximately \$10.1 billion.

For the six months ending June 30, 2024, Lakeview originated and purchased single family mortgage loans in the total principal amount of approximately \$110.1 billion. Lakeview is (i) an FHA- and VA-approved lender in good standing, (ii) a GNMA-approved seller and servicer of mortgage loans and an issuer of mortgage-backed securities guaranteed by GNMA and (iii) a Fannie Mae approved seller and servicer of Fannie Mae Securities (iv) a FHLMC approved seller and servicer of FHLMC securities.

U.S. Bank National Association and Bank of America, N.A., each act as Servicer with respect to outstanding Mortgage Loans (backing Guaranteed Mortgage Securities that are pledged under the General Resolution for prior Outstanding Bond issues).

Purchase of Guaranteed Mortgage Securities. Proceeds of other Series of Bonds have financed and will finance the purchase of GNMA Securities, Fannie Mae Securities and/or Freddie Mac Securities secured by pools of Mortgage Loans. The Mortgage Loans will be made by the Lenders to qualified persons or families of low or moderate income to finance the purchase of single family residences for use as the primary residence of such persons in the State. See “EXHIBIT II – GNMA MORTGAGE-BACKED SECURITY PROGRAM, FANNIE MAE MORTGAGE-BACKED SECURITY PROGRAM AND FREDDIE MAC MORTGAGE-BACKED SECURITY PROGRAM.” The GNMA Securities purchased with proceeds of the Bonds will be secured by pools of qualifying Mortgage Loans which must be FHA insured, VA guaranteed or USDA-RHS guaranteed. The Fannie Mae Securities and the Freddie Mac Securities purchased with proceeds of the Bonds will be secured by pools of Mortgage Loans which must be Conventional Mortgage Loans.

Servicing of Mortgage Loans. The Servicer will service the Mortgage Loans purchased with the proceeds of the Bonds and will have full power and authority, acting alone or through its subservicer(s), to take such actions as may be necessary to discharge its duties with respect to servicing. The Servicer will be entitled to a monthly servicing fee, and, under certain circumstances, compensation from insurance proceeds or liquidation proceeds. Additional compensation in the form of late payment charges, assumption fees, or otherwise may be received by the Servicer to the extent permitted by law and by GNMA, Fannie

Mae, Freddie Mac, FHA, USDA-RHS or VA, as applicable. The Servicer will be required to pay all expenses incurred by it in connection with its servicing activities under the Servicing Agreement (including maintenance of its errors and omissions insurance policy and fidelity bond) and will not be entitled to reimbursement therefor, except as specifically provided in the Servicing Agreement or permitted by GNMA, Fannie Mae, Freddie Mac, FHA, USDA-RHS or VA, as applicable.

The Servicer is required to perform all of its duties in servicing Mortgage Loans with due care, diligence and reasonable promptness. The Servicer is required to conform to at least the minimum requirements established by GNMA, Fannie Mae and Freddie Mac, as applicable.

Issuance of Guaranteed Mortgage Securities. Subject to the terms of the Servicing Agreement and its agreements with Lenders, the Servicer is required to purchase and aggregate Mortgage Loans until such time that the Servicer deems it advisable to cause the issuance of the Guaranteed Mortgage Securities in accordance with the GNMA Guide, the Fannie Mae Guides and the Freddie Mac Guides, as applicable. The total principal face amount of the Guaranteed Mortgage Securities purchased with the proceeds of the Bonds will not exceed the aggregate unpaid principal balances of Mortgage Loans in the mortgage pool backing such Guaranteed Mortgage Securities.

The Servicer is required to remit all scheduled payments of principal, interest and any principal prepayments that are payable with respect to the Mortgage Loans which back the applicable Guaranteed Mortgage Securities when any of the same become due and payable, and to meet all its obligations under the GNMA Guide, the Fannie Mae Guides and the Freddie Mac Guides, as applicable, and any contractual agreements to be entered into between the Servicer and the issuer of the Guaranteed Mortgage Securities.

EXHIBIT VI
PROPOSED FORM OF LEGAL OPINION OF BOND COUNSEL

[Closing Date]

Delaware State Housing Authority
Wilmington, Delaware

Wilmington Trust Company, as Trustee
Wilmington, Delaware

Delaware State Housing Authority
Senior Single Family Mortgage Revenue Bonds
2024 Series D (Non-AMT)

Ladies and Gentlemen:

We have acted as Bond Counsel to the Delaware State Housing Authority (the “Authority”) in connection with the authorization and issuance of the above-captioned bonds (the “2024 Series D Bonds”). The 2024 Series D Bonds are issued pursuant to Chapter 40, Title 31, Delaware Code, and Chapter 86, Title 29, Delaware Code, as amended (the “Act”), the Single Family Mortgage Program General Bond Resolution adopted by the Authority on September 9, 1994, as supplemented and amended (the “General Resolution”), between the Authority and Wilmington Trust Company, as trustee (the “Trustee”), and the 2024D Series Resolution adopted October __, 2024, as supplemented by the Supplemental Series Resolution adopted November __, 2024 (together, the “2024D Series Resolution”). The General Resolution and the 2024D Series Resolution are referred to herein as the “Resolution,” and capitalized terms used herein and not otherwise defined herein shall have the meanings given them in the Resolution.

The 2024 Series D Bonds are issued for the purpose of purchasing 2024D Guaranteed Mortgage Securities backed by first-lien 2024D Mortgage Loans, such loans being made to qualifying persons in the State of Delaware, and financing second-lien loans to such persons for down payment and closing cost assistance (collectively, the “Program”).

The 2024 Series D Bonds are payable from and secured by Guaranteed Mortgage Securities, Pledged Receipts and Prepayments and moneys, securities, funds and accounts held under the Resolution.

As Bond Counsel to the Authority, we have examined such constitutional provisions and statutes of the State of Delaware, including the Act, and such resolutions of the Authority and proceedings relating thereto as we have deemed necessary to enable us to render the opinions set forth below. We have also examined and relied upon the proceedings authorizing the issuance of the 2024 Series D Bonds and certain certifications and agreements (including a Certificate of Tax Exemption intended to satisfy certain provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable Treasury Regulations), affidavits, receipts and other documents which we have considered relevant. We have also examined specimen 2024 Series D Bonds and have relied on certifications as to the execution and authentication of the 2024 Series D Bonds. We have assumed that all documents, records and other instruments examined by us are genuine, accurate and complete and we have not undertaken to verify the factual matters set forth in any certificates or other documents by independent investigation.

On the basis of the foregoing and subject to the qualifications hereinafter stated, we are of the opinion, under existing law, that:

1. The Authority has been duly created and is validly existing under the Act and has the right and lawful authority to undertake the Program.

2. The General Resolution and the 2024D Series Resolution have been duly adopted by the Authority and are in full force and effect, valid and binding upon the Authority and enforceable in accordance with their terms. The General Resolution and the 2024D Series Resolution create a valid lien on, and pledge of, the 2024D Guaranteed Mortgage Securities pledged thereunder, the Pledged Receipts and Prepayments, the moneys and securities held under the 2024D Series Resolution and all Funds and Accounts established thereby (except the 2024D Collateral Account and the 2024D Rebate Account), including the investments and proceeds thereof, upon receipt thereof by the Trustee, subject only to the provisions of the 2024D Series Resolution directing or permitting the application thereof for the purposes and on the terms set forth therein.

3. The 2024 Series D Bonds have been duly and validly authorized and issued and constitute valid and binding special obligations of the Authority.

4. The State of Delaware is not obligated to pay the principal of the 2024 Series D Bonds or the interest thereon, nor are the faith and credit of the State of Delaware pledged to the payment of the principal of or interest on the 2024 Series D Bonds.

5. Under applicable law, subject to continuing compliance by the Authority, the Lenders, the Servicer and others with certain covenants in the Resolution, the Certificate of Tax Exemption, the mortgage origination agreements, the servicing agreement and related documents, and in reliance upon representations and conclusions in certificates, studies and reports of the Authority and certain other participants in the financing, interest on the 2024 Series D Bonds (i) is excludable from gross income for federal income tax purposes, pursuant to section 103 of the Code and existing regulations, published rulings and court decisions thereunder, as in force and effect on the date hereof, (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and (iii) in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), is not excluded from the determination of adjusted financial statement income.

6. Under existing law, interest on the 2024 Series D Bonds is exempt from personal and corporate income taxes imposed by the State of Delaware.

We express no other opinion with respect to the legal or beneficial ownership of the 2024 Series D Bonds for federal income tax purposes or any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of the 2024 Series D Bonds. Ownership of tax-exempt obligations such as the 2024 Series D Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

With respect to the foregoing, it is to be understood that rights of the owners of the 2024 Series D Bonds and the enforceability of the 2024 Series D Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity.

In rendering the foregoing opinions, we have assumed and relied upon compliance with the Authority's covenants and the accuracy of the Authority's representations and certifications contained in the transcript. We express no opinion with respect to law other than the law of the State of Delaware and the federal law of the United States.

The opinions expressed in this letter are based on the law in effect on the date hereof and may be affected by actions taken or omitted or events occurring after the date hereof, and we assume no obligations to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise, or to determine or to inform any person whether any such actions are taken or omitted or any such events occur.

Sincerely,

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EXHIBIT VII
TABLE OF OUTSTANDING BOND AMOUNTS*

<u>Date</u>	<u>75% PSA Outstanding Bond Amounts for Premium PAC Term Bonds</u>	<u>400% PSA Outstanding Bond Amounts for all 2024 Series D Bonds</u>
November 21, 2024	\$26,000,000	\$75,000,000
March 1, 2025	26,000,000	74,975,000
April 1, 2025	26,000,000	74,910,000
May 1, 2025	25,965,000	74,795,000
June 1, 2025	25,930,000	74,615,000
July 1, 2025	25,885,000	74,380,000
August 1, 2025	25,835,000	74,095,000
September 1, 2025	25,770,000	73,760,000
October 1, 2025	25,700,000	73,370,000
November 1, 2025	25,620,000	72,930,000
December 1, 2025	25,525,000	72,440,000
January 1, 2026	25,245,000	71,280,000
February 1, 2026	25,155,000	70,700,000
March 1, 2026	25,040,000	70,065,000
April 1, 2026	24,925,000	69,385,000
May 1, 2026	24,795,000	68,660,000
June 1, 2026	24,650,000	67,885,000
July 1, 2026	24,370,000	66,610,000
August 1, 2026	24,215,000	65,765,000
September 1, 2026	24,040,000	64,870,000
October 1, 2026	23,855,000	63,935,000
November 1, 2026	23,665,000	62,960,000
December 1, 2026	23,465,000	61,950,000
January 1, 2027	23,140,000	60,515,000
February 1, 2027	22,930,000	59,450,000
March 1, 2027	22,705,000	58,345,000
April 1, 2027	22,470,000	57,210,000
May 1, 2027	22,230,000	56,055,000
June 1, 2027	21,980,000	54,870,000
July 1, 2027	21,600,000	53,330,000
August 1, 2027	21,345,000	52,130,000
September 1, 2027	21,075,000	50,920,000
October 1, 2027	20,810,000	49,730,000
November 1, 2027	20,545,000	48,565,000
December 1, 2027	20,280,000	47,430,000
January 1, 2028	19,895,000	46,045,000
February 1, 2028	19,640,000	44,970,000
March 1, 2028	19,380,000	43,915,000
April 1, 2028	19,120,000	42,885,000
May 1, 2028	18,860,000	41,880,000
June 1, 2028	18,600,000	40,895,000
July 1, 2028	18,225,000	39,685,000
August 1, 2028	17,980,000	38,760,000
September 1, 2028	17,725,000	37,845,000
October 1, 2028	17,475,000	36,955,000
November 1, 2028	17,220,000	36,085,000
December 1, 2028	16,970,000	35,235,000
January 1, 2029	16,610,000	34,180,000
February 1, 2029	16,370,000	33,380,000

* Preliminary, subject to change.

<u>Date</u>	75% PSA Outstanding Bond	400% PSA Outstanding Bond
	<u>Amounts for Premium PAC Term Bonds</u>	<u>Amounts for all 2024 Series D Bonds</u>
March 1, 2029	\$16,125,000	\$32,590,000
April 1, 2029	15,880,000	31,820,000
May 1, 2029	15,640,000	31,065,000
June 1, 2029	15,395,000	30,330,000
July 1, 2029	15,045,000	29,405,000
August 1, 2029	14,805,000	28,715,000
September 1, 2029	14,565,000	28,035,000
October 1, 2029	14,325,000	27,365,000
November 1, 2029	14,090,000	26,715,000
December 1, 2029	13,855,000	26,080,000
January 1, 2030	13,510,000	25,280,000
February 1, 2030	13,280,000	24,685,000
March 1, 2030	13,050,000	24,095,000
April 1, 2030	12,820,000	23,515,000
May 1, 2030	12,590,000	22,955,000
June 1, 2030	12,360,000	22,405,000
July 1, 2030	12,040,000	21,700,000
August 1, 2030	11,815,000	21,185,000
September 1, 2030	11,590,000	20,675,000
October 1, 2030	11,365,000	20,175,000
November 1, 2030	11,145,000	19,690,000
December 1, 2030	10,920,000	19,215,000
January 1, 2031	10,610,000	18,605,000
February 1, 2031	10,390,000	18,160,000
March 1, 2031	10,175,000	17,720,000
April 1, 2031	9,960,000	17,290,000
May 1, 2031	9,745,000	16,870,000
June 1, 2031	9,530,000	16,460,000
July 1, 2031	9,235,000	15,915,000
August 1, 2031	9,025,000	15,535,000
September 1, 2031	8,815,000	15,155,000
October 1, 2031	8,605,000	14,785,000
November 1, 2031	8,400,000	14,420,000
December 1, 2031	8,190,000	14,070,000
January 1, 2032	7,915,000	13,595,000
February 1, 2032	7,710,000	13,265,000
March 1, 2032	7,505,000	12,935,000
April 1, 2032	7,305,000	12,615,000
May 1, 2032	7,105,000	12,305,000
June 1, 2032	6,905,000	12,000,000
July 1, 2032	6,635,000	11,575,000
August 1, 2032	6,440,000	11,295,000
September 1, 2032	6,245,000	11,010,000
October 1, 2032	6,050,000	10,735,000
November 1, 2032	5,855,000	10,465,000
December 1, 2032	5,660,000	10,200,000
January 1, 2033	5,410,000	9,825,000
February 1, 2033	5,220,000	9,585,000
March 1, 2033	5,030,000	9,340,000
April 1, 2033	4,840,000	9,105,000
May 1, 2033	4,650,000	8,870,000
June 1, 2033	4,465,000	8,645,000
July 1, 2033	4,230,000	8,315,000
August 1, 2033	4,045,000	8,100,000
September 1, 2033	3,865,000	7,890,000
October 1, 2033	3,680,000	7,685,000
November 1, 2033	3,500,000	7,485,000

<u>Date</u>	75% PSA Outstanding Bond	400% PSA Outstanding Bond
	<u>Amounts for Premium PAC Term Bonds</u>	<u>Amounts for all 2024 Series D Bonds</u>
December 1, 2033	\$3,320,000	\$7,290,000
January 1, 2034	3,100,000	7,005,000
February 1, 2034	2,925,000	6,820,000
March 1, 2034	2,745,000	6,640,000
April 1, 2034	2,570,000	6,460,000
May 1, 2034	2,400,000	6,290,000
June 1, 2034	2,230,000	6,120,000
July 1, 2034	2,040,000	5,875,000
August 1, 2034	1,880,000	5,715,000
September 1, 2034	1,725,000	5,560,000
October 1, 2034	1,570,000	5,405,000
November 1, 2034	1,420,000	5,255,000
December 1, 2034	1,275,000	5,110,000
January 1, 2035	1,115,000	4,880,000
February 1, 2035	975,000	4,740,000
March 1, 2035	840,000	4,610,000
April 1, 2035	710,000	4,475,000
May 1, 2035	585,000	4,350,000
June 1, 2035	460,000	4,225,000
July 1, 2035	310,000	4,020,000
August 1, 2035	190,000	3,900,000
September 1, 2035	75,000	3,785,000
October 1, 2035	0	3,675,000
November 1, 2035	0	3,565,000
December 1, 2035	0	3,455,000
January 1, 2036	0	3,270,000
February 1, 2036	0	3,170,000
March 1, 2036	0	3,070,000
April 1, 2036	0	2,970,000
May 1, 2036	0	2,875,000
June 1, 2036	0	2,785,000
July 1, 2036	0	2,610,000
August 1, 2036	0	2,520,000
September 1, 2036	0	2,435,000
October 1, 2036	0	2,350,000
November 1, 2036	0	2,270,000
December 1, 2036	0	2,190,000
January 1, 2037	0	2,045,000
February 1, 2037	0	1,970,000
March 1, 2037	0	1,895,000
April 1, 2037	0	1,820,000
May 1, 2037	0	1,750,000
June 1, 2037	0	1,685,000
July 1, 2037	0	1,550,000
August 1, 2037	0	1,485,000
September 1, 2037	0	1,420,000
October 1, 2037	0	1,360,000
November 1, 2037	0	1,300,000
December 1, 2037	0	1,240,000
January 1, 2038	0	1,125,000
February 1, 2038	0	1,065,000
March 1, 2038	0	1,015,000
April 1, 2038	0	960,000
May 1, 2038	0	910,000
June 1, 2038	0	860,000
July 1, 2038	0	745,000
August 1, 2038	0	695,000

<u>Date</u>	<u>75% PSA Outstanding Bond Amounts for Premium PAC Term Bonds</u>	<u>400% PSA Outstanding Bond Amounts for all 2024 Series D Bonds</u>
September 1, 2038	\$0	\$650,000
October 1, 2038	0	605,000
November 1, 2038	0	560,000
December 1, 2038	0	520,000
January 1, 2039	0	420,000
February 1, 2039	0	380,000
March 1, 2039	0	340,000
April 1, 2039	0	300,000
May 1, 2039	0	265,000
June 1, 2039	0	225,000
July 1, 2039	0	140,000
August 1, 2039	0	105,000
September 1, 2039	0	70,000
October 1, 2039	0	40,000
November 1, 2039	0	5,000
December 1, 2039	0	0

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