



NEW ISSUE – Book-Entry-Only

Ratings: Moody's "Aa1" and "VMIG 1/Aa1" (Expected)  
See "RATINGS" herein

In the opinion of Skinner Fawcett LLP, Bond Counsel to the Idaho Housing and Finance Association, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2026 Series A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the 2026 Series A Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel notes that interest on the 2026 Series A Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. Interest on the 2026 Series B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Bond Counsel is of the opinion that interest on the 2026 Series A/B Bonds is exempt from State of Idaho personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of, or the amount, accrual or receipt of interest on, the 2026 Series A/B Bonds. See "LEGALITY AND TAX STATUS" herein.

\$100,000,000\*

**IDAHO HOUSING AND FINANCE ASSOCIATION**  
**Single Family Mortgage Bonds**

**\$70,000,000\* 2026 Series A (Fixed Rate) (Non-AMT)**

**\$30,000,000\* 2026 Series B (Variable Rate) (Federally Taxable)**



<b>Dated/Delivery Date:</b>	July 16, 2026*
<b>Due:</b>	January 1 and July 1, as shown on inside front cover
<b>Interest Payment Dates:</b>	Interest on the 2026 Series A Bonds is payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2027*. Interest on the 2026 Series B Bonds is payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2027*.
<b>Interest Rates:</b>	Interest on the 2026 Series A Bonds is payable at the rates as shown on the inside cover. The 2026 Series B Bonds will initially bear interest at a Weekly Rate. Pursuant to the Indenture, the interest rates on the 2026 Series B Bonds may be converted to Daily Rates, Monthly Rates, Quarterly Rates, Semiannual Rates, VRO Rates, Floating Rates, or Fixed Interest Rates.
<b>Redemption and Tender:</b>	The 2026 Series A/B Bonds are subject to redemption prior to maturity, including optional and special redemption at par under certain circumstances, as described herein. See "DESCRIPTION OF THE 2026 Series A/B BONDS." The 2026 Series B Bonds subject to optional or mandatory tender for purchase and not remarketed by the Remarketing Agent will be purchased, subject to certain conditions precedent, by the Bank, pursuant to the Initial 2026 Series B Liquidity Facility (as described herein) among the Issuer, the Bank, the Trustee, and the Tender Agent.
<b>Denominations:</b>	Individual purchases will be made in book-entry form only in the principal amount of (i) with respect to the 2026 Series A Bonds, \$5,000 and integral multiples thereof and (ii) with respect to 2026 Series B Bonds, \$100,000 and integral multiples of \$5,000 in excess thereof.
<b>Purpose:</b>	The Issuer will use the proceeds of the 2026 Series A/B Bonds to (i) finance the purchase of, or a participation interest in, 2026 Series A/B MBS backed by 2026 Series A/B Mortgage Loans; (ii) pay servicing release premium related to the 2026 Series A/B Mortgage Loans; (iii) make deposits in the Funds and Accounts required by the Indenture; and (iv) pay the costs of issuance of the 2026 Series A/B Bonds.
<b>Security:</b>	The 2026 Series A/B Bonds are special obligations of the Issuer, payable solely from and secured by the pledge pursuant to the Indenture of the revenues and assets derived from the proceeds of the Bonds, including the Mortgage Loans and MBS, the money received by the Issuer from the Mortgage Loans and MBS, and other revenues as provided in the Indenture, including the money and securities held in the Funds and Accounts created by the Indenture other than money and securities held in the Rebate Account, any Issuer Payment Account, the Bond Purchase Fund, and the Short-Term Bond Account, and the Rebate Requirement to be deposited in the Rebate Account. Neither the State of Idaho nor any political subdivision thereof is obligated to pay the 2026 Series A/B Bonds and neither the faith and credit nor the taxing power of the State of Idaho or of any political subdivision thereof is pledged to the payment of the principal or redemption price of or interest on the 2026 Series A/B Bonds. The Issuer has no taxing power. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" and "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."
<b>Book-Entry Only System:</b>	The 2026 Series A/B Bonds are issuable only as fully registered bonds without coupons and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York.
<b>Liquidity Facility Provider:</b>	Royal Bank of Canada
<b>Remarketing Agent:</b>	RBC Capital Markets, LLC
<b>Trustee and Tender Agent:</b>	Zions Bancorporation, National Association
<b>Bond Counsel:</b>	Skinner Fawcett LLP
<b>Issuer's Counsel:</b>	John R. McDevitt, Esq. of Skinner Fawcett LLP
<b>Underwriters' Counsel:</b>	Gilmore & Bell, P.C.
<b>Additional Information:</b>	Capitalized terms used but not defined on this cover page have the meanings assigned to them in the body of this Official Statement.

**Barclays**

**BofA Securities**

**RBC Capital Markets†**

**PNC Capital Markets LLC**

**D.A. Davidson & Co.**

**Raymond James**

**Stifel**

**Zions Bank**

Dated: June \_\_, 2026

\* Preliminary, subject to change.

† Sole underwriter of the 2026 Series B Bonds.

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 a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

## MATURITY SCHEDULE

### \$100,000,000\* Idaho Housing and Finance Association Single Family Mortgage Bonds

#### \$70,000,000\* 2026 Series A (Fixed Rate) (Non-AMT)

\$9,760,000\* Serial Bonds

<u>Maturity*</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP†</u>
January 1, 2027	\$195,000			45129Y ____
July 1, 2027	295,000			45129Y ____
January 1, 2028	315,000			45129Y ____
July 1, 2028	315,000			45129Y ____
January 1, 2029	325,000			45129Y ____
July 1, 2029	335,000			45129Y ____
January 1, 2030	345,000			45129Y ____
July 1, 2030	355,000			45129Y ____
January 1, 2031	365,000			45129Y ____
July 1, 2031	375,000			45129Y ____
January 1, 2032	385,000			45129Y ____
July 1, 2032	400,000			45129Y ____
January 1, 2033	410,000			45129Y ____
July 1, 2033	415,000			45129Y ____
January 1, 2034	435,000			45129Y ____
July 1, 2034	445,000			45129Y ____
January 1, 2035	455,000			45129Y ____
July 1, 2035	475,000			45129Y ____
January 1, 2036	480,000			45129Y ____
July 1, 2036	500,000			45129Y ____
January 1, 2037	510,000			45129Y ____
July 1, 2037	530,000			45129Y ____
January 1, 2038	540,000			45129Y ____
July 1, 2038	560,000			45129Y ____

\$3,700,000\* \_\_\_\_% Term Bonds Due July 1, 2041\* – Price \_\_\_\_% CUSIP†: 45129Y \_\_\_\_

\$7,745,000\* \_\_\_\_% Term Bonds Due July 1, 2046\* – Price \_\_\_\_% CUSIP†: 45129Y \_\_\_\_

\$10,290,000\* \_\_\_\_% Term Bonds Due July 1, 2051\* – Price \_\_\_\_% CUSIP†: 45129Y \_\_\_\_

\$13,640,000\* \_\_\_\_% Term Bonds Due July 1, 2056\* – Price \_\_\_\_% CUSIP†: 45129Y \_\_\_\_

\$24,865,000\* \_\_\_\_% “PAC” Term Bonds Due January 1, 2057\* – Price \_\_\_\_% CUSIP†: 45129Y \_\_\_\_

\* Preliminary; subject to change.

† CUSIP data herein is provided by the CUSIP Service Bureau of CUSIP Global Services, which is managed on behalf of the American Bankers Association 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 database. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the registered owners of the applicable 2026 Series A/B Bonds. None of the Issuer, the Underwriters, or the Trustee is responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness on the 2026 Series A/B Bonds or as indicated above.

**\$30,000,000\* 2026 Series B (Variable Rate) (Federally Taxable)**

\$30,000,000\* Variable Rate Term Bonds Due January 1, 2057\* – Price 100.000% CUSIP<sup>†</sup>: 45129Y \_\_\_\_

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\* Preliminary; subject to change.

† CUSIP data herein is provided by the CUSIP Service Bureau of CUSIP Global Services, which is managed on behalf of the American Bankers Association 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 database. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the registered owners of the applicable 2026 Series A/B Bonds. None of the Issuer, the Underwriters, or the Trustee is responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness on the 2026 Series A/B Bonds or as indicated above.

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*No dealer, broker, salesperson or other person has been authorized by the Issuer or the Underwriters to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by 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 2026 Series A/B Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.*

*The information set forth herein has been obtained from the Issuer and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. 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 circumstance, create any implication that there has been no change in the affairs, financial condition or operations of the Issuer or any other parties described herein since the date as of which such information is presented. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.*

*The 2026 Series A/B Bonds have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Commission or any state securities commission passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.*

*This Official Statement contains statements relating to future results that are “forward looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect,” “project,” “budget,” “plan” and similar expressions identify forward looking statements.*

**THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD LOOKING STATEMENTS. THE ISSUER DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED, OCCUR.**

*References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the readers’ convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.*

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

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## OFFICIAL STATEMENT

of

### IDAHO HOUSING AND FINANCE ASSOCIATION

Relating to its

**\$70,000,000\* Single Family Mortgage Bonds 2026 Series A (Fixed Rate) (Non-AMT)**

**\$30,000,000\* Single Family Mortgage Bonds 2026 Series B (Variable Rate) (Federally Taxable)**

This Official Statement (which includes the cover page and appendices hereto) of the Idaho Housing and Finance Association (the “Issuer”) provides certain information in connection with the issuance and sale of the Issuer’s \$70,000,000\* Single Family Mortgage Bonds, 2026 Series A (Fixed Rate) (Non-AMT) (the “2026 Series A Bonds”) and \$30,000,000\* Single Family Mortgage Bonds, 2026 Series B (Variable Rate) (Federally Taxable) (the “2026 Series B Bonds”) and collectively with the 2026 Series A Bonds, the “2026 Series A/B Bonds”).

The 2026 Series A/B Bonds will be issued pursuant to the Idaho Code, Title 67, Chapter 62, as amended (the “Act”), a General Indenture of Trust (the “General Indenture”), as heretofore amended and supplemented, dated as of July 1, 2019, between the Issuer and Zions Bancorporation, National Association, as trustee (the “Trustee”), and as further amended and supplemented by a 2026 Series A/B Indenture (the “2026 Series A/B Indenture” and together with the General Indenture, the “Indenture”), dated as of July 1, 2026, between the Issuer and the Trustee. The 2026 Series A/B Bonds, collectively, constitute a “Series” under the General Indenture.

The Issuer is issuing the 2026 Series A/B Bonds in furtherance of its Single Family Mortgage Program, to assist other state housing finance agencies under cooperative ventures pursuant to the Act between the Issuer and certain housing finance agencies in other states (each a “Cooperative Venture”) to finance the purchase or servicing of housing by low income persons within the State of Idaho (the “State”) or in another state whose housing finance agency is participating in a Cooperative Venture with the Issuer (the “Program”). The Issuer has previously issued bonds under the General Indenture. See “OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS.” The Issuer may issue additional series of bonds under the General Indenture and may incur additional Auxiliary Obligations upon satisfaction of the conditions set forth in the General Indenture. All bonds issued under the General Indenture are referred to herein as the “Bonds.” Bonds and Auxiliary Obligations issued under the General Indenture are equally and ratably secured by the pledges and covenants contained therein with other Bonds and Auxiliary Obligations. The General Indenture and all supplemental indentures, including supplemental indentures providing for the issuance and remarketing of Bonds (such as the 2026 Series A/B Indenture), are referred to herein collectively as the “Indenture.”

All capitalized terms used in this Official Statement that are defined in the Indenture shall have the respective meanings set forth in the Indenture. See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Definitions of Certain Terms.” The references to and summaries and descriptions of the Act, the Indenture, the Bonds and the Program, the other statutes, instruments and documents which are included in this Official Statement do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by references to the appropriate statute, instrument or document.

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\* Preliminary; subject to change.

## INTRODUCTION

In 1972 the Issuer was created by the Act, as an independent public body corporate and politic, in order to assure an adequate source of capital for housing for low income persons who otherwise could not afford decent, safe and sanitary housing.

The 2026 Series A/B Bonds are being issued to provide money to finance or reimburse the Issuer's operations for the Program. See "FINANCING PLAN."

The 2026 Series A/B Bonds will be dated their date of delivery. The 2026 Series A Bonds will bear interest from such date at the rates and will mature in the amounts and on the dates set forth on the inside cover of this Official Statement. The 2026 Series B Bonds will initially bear interest at a Weekly Rate. The 2026 Series B Bonds are subject to tender by the holders thereof under the circumstances set forth in the 2026 Series A/B Indenture. There will be a Liquidity Facility provided in connection with the issuance of the 2026 Series B Bonds, which shall be a standby bond purchase agreement (the "Initial 2026 Series B Liquidity Facility") by and among the Issuer, Royal Bank of Canada, acting through its branch currently located at 200 Vesey Street, New York, New York, 10281 (the "Bank"), Zions Bancorporation, National Association, as Trustee and Custodian, and Zions Bancorporation, National Association, as tender agent (the "Tender Agent"), which agreement shall provide for the purchase by the Bank, on the terms and conditions specified therein, of tendered 2026 Series B Bonds that cannot be remarketed as provided for in the 2026 Series A/B Indenture while in a Weekly Mode Period. The obligation of the Issuer to make certain payments to the Bank under the Initial 2026 Series B Liquidity Facility is a general obligation of the Issuer payable from the Issuer's general revenues or moneys legally available therefor, and not pledged or otherwise encumbered to secure other obligations of the Issuer and subject to the Issuer's right at any time to apply such revenues or moneys to any lawful purpose. See "DESCRIPTION OF THE 2026 SERIES A/B BONDS."

The 2026 Series A/B Bonds are special obligations of the Issuer, payable solely from and secured by the pledge pursuant to the Indenture of the revenues and assets derived from the proceeds of the Bonds, including the Mortgage Loans and MBS, the money received by the Issuer from the Mortgage Loans and MBS and other revenues as provided in the Indenture and the money and securities held in the Funds and Accounts created by the Indenture other than money and securities held in the Rebate Account, any Issuer Payment Account, the Bond Purchase Fund, and the Short-Term Bond Account, and the Rebate Requirement to be deposited in the Rebate Account. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS." All Bonds and Auxiliary Obligations will be secured equally and ratably by the pledge and covenants contained in the Indenture.

**Neither the State nor any political subdivision thereof is obligated to pay the Bonds and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal or redemption price of or interest on the Bonds. The Issuer has no taxing power.**

In addition to the Program, the Issuer is authorized under the Act to engage in certain other activities. See "IDAHO HOUSING AND FINANCE ASSOCIATION" for a description of the Issuer's single family and multifamily programs implemented prior to the date hereof. The proceeds of the Bonds may not be used to finance any activities of the Issuer other than the Program.

## CONTINUING DISCLOSURE

The Issuer has covenanted for the benefit of the Holders and Beneficial Owners of the 2026 Series A/B Bonds to provide certain financial information and operating data relating to the Issuer not later than 270 days following the end of the Issuer's fiscal year, commencing with a report for the Issuer's fiscal year ending June 30, 2026 (the "Annual Bond Disclosure Report"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Bond Disclosure Report and the notices of material events will be filed with the Municipal Securities Rulemaking Board. The filing of the Annual Bond Disclosure Report or notices of material events with the Municipal Securities Rulemaking Board may be made solely by transmitting such filing to the Municipal Securities Rulemaking Board pursuant to its Electronic Municipal Market Access ("EMMA") system as provided at [www.emma.msrb.org](http://www.emma.msrb.org). The specific nature of the information to be contained in the Annual Bond Disclosure Report and the notices of material events is summarized herein. See "SUMMARY OF CERTAIN PROVISIONS OF THE CONTINUING

DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

The Issuer reports that State audited financial statements for the State fiscal years ending June 30, 2024 and June 30, 2025 were not finalized by the State and made available to the Issuer to file by December 31, 2024 and March 27, 2025 and December 31, 2025 and March 27, 2026, respectively, as required by the respective continuing disclosure agreements related to certain of the Issuer’s GARVEE and TECM bonds. Notices regarding such failures to file have been posted on EMMA and such financial statements were made available to the Issuer and filed in September 2025 and May 2026, respectively.

### **IDAHO HOUSING AND FINANCE ASSOCIATION**

The Issuer, an independent public body corporate and politic, was created by the Idaho Legislature under the provisions of the Act. The Act empowers the Issuer, among other things, to issue notes and bonds in furtherance of its purpose of providing safe and sanitary housing for persons and families of low income residing in the State of Idaho, and, in addition, to coordinate and encourage cooperation among private enterprise and State and local governments to sponsor, build, and rehabilitate residential housing for such persons and families.

The Issuer is governed by seven Commissioners, appointed for alternating four-year terms by the Governor of the State, one of whom is selected Chairman by the Governor. The Act requires that preference shall be given to persons representing persons of low income and to persons with experience in the fields of mortgage lending, banking, finance, real estate or home building. The Issuer’s Commissioners are as follows:

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>	<u>Employment</u>
Steven R. Keen	Chairman	July 1, 2026	Retired Sr. Vice President, CFO and Treasurer, Idaho Power, and Vice President and Treasurer, IdaCorp., Boise, Idaho
Mark P. Dunham	Vice Chairman	July 1, 2028	Retired Real Estate/Government Relations Consultant, Boise, Idaho
Nancy K. Vannorsdel	Secretary-Treasurer	July 1, 2028	Finance/Community Leader, Boise, Idaho
Scot M. Ludwig	Commissioner	July 1, 2028	Managing partner, Ludwig Shoufler Miller Johnson, LLP, Boise, Idaho
Jeffrey G. Nasset	Commissioner	July 1, 2026	Senior Vice President, Financial Advisor, D.A. Davidson & Co., Lewiston, Idaho
Tracy G. Silver	Commissioner	July 1, 2028	Retired U.S. Bank Wealth Management Division Director (Idaho & Washington), Melba, Idaho
Jack L. Hetherington	Commissioner	July 1, 2027	Retired Northwest Farm Credit Services Executive, Boise, Idaho

The Act designates as advisors to the Issuer’s Board of Commissioners the Governor, Brad Little; the State Treasurer, Julie Ellsworth; the State Controller, Brandon D. Woolf; and the Administrator of the Division of Financial Management, Lori Wolff. In addition, the Idaho State Legislature, through its legislative council, appoints advisors to the Issuer’s Board of Commissioners. These members consist of two from each of the majority and minority parties and serve in a nonvoting, advisory capacity. Each Commissioner holds office until a successor has been appointed.

#### **Staff**

Principal staff officers of the Issuer responsible for the Issuer’s bond issues to finance the Program are the President and Executive Director, Gerald M. Hunter; the Chief Financial Officer, John Chung; and the Executive Vice President of Lending, Chuck Kracht.

**Gerald M. Hunter** joined the Issuer in September 1986 as Director of Finance, in September 1989 was promoted to Chief Operating Officer and in July 1998 was promoted to President and Executive Director. His prior background includes positions as an Officer/Shareholder for a financial and real estate service company, Treasurer and Operations Vice President for a savings and loan association and experience with a major international accounting firm as a Certified Public Accountant. Additionally, Mr. Hunter has held a faculty membership with an accredited business school where he instructed finance curriculum. Mr. Hunter holds a Bachelor of Arts and Master of Business Administration Degrees from the University of Utah.

**John Chung** joined the Issuer in July 2019 as the Chief Financial Officer. Prior to IHFA, Mr. Chung was a Director at the Illinois Housing Development Authority since February 2012. His capital markets experience also includes 19 years in the private sector at firms such as Standard & Poor's, Lehman Brothers, GE Capital, Bank of America, and ABN Amro Bank where he structured and insured securitized fixed income securities backed by various assets. He also served as an adjunct professor of finance in the MBA program at DePaul University in Chicago for eight years. Mr. Chung holds a Bachelor of Arts in economics from Rutgers College and a Master of Business Administration in finance from New York University.

**Chuck Kracht** joined the Issuer in 2018 as the Director of Loan Servicing. In his current role as Executive Vice President of Lending, Mr. Kracht oversees the servicing operations of the loan portfolio across eight states. He also leads the correspondent lending channel, the retail and wholesale lending groups, and fulfillment. Prior to joining IHFA, Chuck spent 20 years working first in origination for a savings and loan association and later in servicing with Specialized Loan Servicing and Aurora Loan Services. He currently serves on the Loan Administration Committee for the Mortgage Bankers Association and is a member of Fannie Mae's Risk Advisory Board. Mr. Kracht holds a degree in Business Administration from Sam Houston State University.

The Issuer's staff consists of approximately 489 people. The office of the Issuer is located at 565 West Myrtle Street, Boise, Idaho 83702.

John R. McDevitt, Esquire, of Skinner Fawcett LLP, Boise, Idaho, serves as general counsel to the Issuer. In addition, Skinner Fawcett LLP serves as bond counsel to the Issuer.

### **Outstanding Indebtedness and Other Programs of the Issuer**

The Issuer is active in various housing programs in the State. It has provided long-term mortgage financing for multifamily housing projects, financing of single family mortgages, financing for home improvement loans for single family dwellings and construction loans for multifamily projects, has provided financing for various facilities for nonprofit corporations in Idaho and has provided financing for the Idaho Transportation Department for the financing of Idaho highways.

As of March 31, 2026, the Issuer has issued bonds to provide permanent financing for approximately 7,594 dwelling units in 104 multifamily developments and has purchased approximately 523,560 mortgage loans secured by single-family homes.

The Issuer is self-supporting. The costs of the Issuer are paid from fees for administering housing subsidy programs and from fees and interest earnings on the financing of the housing programs, nonprofit facilities and highway projects.

The Issuer has under consideration the sale of additional bonds to finance its various programs.

### **Down Payment Assistance**

In connection with certain mortgage loans originated by Mortgage Lenders under the Program, the Issuer offers down payment assistance ("DPA") to eligible borrowers to apply towards closing costs and/or down payment expenses. DPA is secured by a second mortgage lien and is made by the Issuer concurrently with the first mortgage loan. Such second mortgage loan is fully amortized over 15 years and bears interest at a rate of 2.00% greater than the interest rate on the related first mortgage loan. Borrowers eligible for DPA are required to contribute at least \$500 of

their own funds toward the transaction, and the remaining closing costs and/or down payment expenses can be financed through DPA. The Issuer reserves the right to change, suspend, or discontinue DPA at any time and at its sole discretion.

No proceeds of the 2026 Series A/B Bonds are being used to fund DPA.

### **Refinancing**

The Idaho statutes authorize the Issuer to refinance existing single-family loans (including Mortgage Loans). The Issuer continually evaluates all of its existing programs and the addition or development of new programs, including new refinancing programs for Mortgage Loans that may be purchased, acquired, or financed with proceeds of Bonds.

### **Mortgage Loan Origination Experience**

The Issuer has established a policy of making funds available for commitment reservations on a first-come first-served basis. As of the date of this Official Statement, substantially all of the funds available under each active single family program of the Issuer have been reserved for individual mortgage loan applicants.

### **Issuer Delinquency Experience**

The delinquencies experienced with respect to the Issuer's Program as a whole (all mortgage loans relating to Bonds issued under the General Indenture and all other mortgage loans originated, acquired, or serviced by the Issuer under the Program) on average for each quarter, beginning in 2023, are as set forth in the table below. The Issuer is currently servicing all new mortgage loans originated under the Program within the Issuer's loan servicing department.

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Idaho Housing and Finance Association  
Delinquency Statistics<sup>(1) (2)</sup>

Quarter	Loan Balance Outstanding	Loans Outstanding	60 Days Delinquent		90 Days Delinquent		Foreclosures	
			Loans	% of Total Outstanding	Loans	% of Total Outstanding	Loans	% of Total Outstanding
1st 2023	\$26,896,031,000	222,041	1,560	0.70%	3,203	1.44%	1,139	0.51%
2nd 2023	\$27,727,642,000	227,575	2,057	0.90%	3,394	1.49%	1,100	0.48%
3rd 2023	\$29,893,633,000	241,187	2,479	1.03%	4,252	1.76%	1,041	0.43%
4th 2023	\$31,118,419,000	249,286	3,266	1.31%	4,273	1.71%	1,107	0.44%
1st 2024	\$32,112,588,000	255,803	2,297	0.90%	3,559	1.39%	1,137	0.44%
2nd 2024	\$33,175,633,000	261,305	3,110	1.19%	3,151	1.21%	1,232	0.47%
3rd 2024	\$34,451,660,000	267,851	3,236	1.21%	4,067	1.52%	1,482	0.55%
4th 2024	\$35,599,439,000	273,455	3,458	1.26%	4,957	1.81%	1,589	0.58%
1st 2025	\$36,787,318,000	278,868	2,451	0.87%	4,315	1.55%	1,774	0.63%
2nd 2025	\$37,832,459,000	282,770	3,018	1.07%	4,413	1.56%	1,723	0.61%
3rd 2025	\$39,123,178,000	288,411	3,292	1.14%	5,119	1.77%	1,918	0.67%
4th 2025	\$39,988,119,000	292,053	3,162	1.08%	6,976	2.39%	2,407	0.82%
1st 2026	\$40,849,850,000	295,723	1,848	0.62%	7,760	2.62%	3,143	1.06%

<sup>(1)</sup> Data include statistics for mortgage loans purchased from the proceeds of prior single family bond issues and from proceeds of other single family programs of the Issuer and includes mortgage loans underlying mortgage backed securities.

<sup>(2)</sup> Any payment more than 30 days late is considered delinquent.

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## FINANCING PLAN

### Use of Proceeds of 2026 Series A/B Bonds

A portion of the proceeds of the 2026 Series A Bonds and the 2026 Series B Bonds shall be used to (i) finance the purchase of, or a participation interest in, MBS (the “2026 Series A/B MBS”) backed by 2026 Series A/B Mortgage Loans (defined below); (ii) pay servicing release premium related to the 2026 Series A/B Mortgage Loans; (iii) make deposits in the Funds and Accounts required by the Indenture; and (iv) pay the costs of issuance of the 2026 Series A/B Bonds.

It is anticipated that the 2026 Series A/B MBS will entirely consist of mortgage-backed certificates guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (“Ginnie Mae”), the Federal National Mortgage Association (“Fannie Mae”), or the Federal Home Loan Mortgage Corporation (“Freddie Mac”). See “APPENDIX C – GINNIE MAE CERTIFICATES” for a description of the Ginnie Mae program, “APPENDIX D – FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM” for a description of the Fannie Mae program, and “APPENDIX E – FREDDIE MAC MORTGAGE-BACKED SECURITIES PROGRAM” for a description of the Freddie Mac program.

The 2026 Series A/B MBS will be backed by pools of Mortgage Loans or other mortgage loans that have been or will be made by participating lenders or other lenders to qualified borrowers to finance the purchase of single-family residential housing located in the State (the “2026 Series A/B Mortgage Loans”). The 2026 Series A/B Mortgage Loans will have fixed interest rates for the life of the loan and will be secured by mortgages constituting first liens on single family, owner-occupied housing and are or will be, when purchased in whole or in part by the Issuer, with respect to Ginnie Mae Certificates and a potential portion of Fannie Mae Certificates and Freddie Mac Certificates backed by 2026 Series A/B Mortgage Loans, insured by the Federal Housing Administration (“FHA”), or guaranteed by the Department of Veterans Affairs (“VA”) or the Rural Housing and Community Development Service of the Department of Agriculture (formerly Farmers Home Administration). However, it is anticipated that the 2026 Series A/B Mortgage Loans backing the Fannie Mae Certificates and the Freddie Mac Certificates will primarily be conventional (not federally insured or guaranteed) mortgage loans having fixed interest rates for the life of the loan and will be secured by mortgages constituting first liens on single family, owner-occupied housing. See “SOURCES AND USES OF FUNDS.”

A portion of the proceeds of the 2026 Series A Bonds may be used to finance or reimburse the Issuer for the purchase of the 2026 Series A/B MBS backed by 2026 Series A/B Mortgage Loans that will also be financed in part from proceeds of other Bonds issued under the Indenture or other bonds issued by the Issuer, and a portion of the proceeds of the 2026 Series A Bonds may be used to finance or reimburse the Issuer for the purchase of other MBS (not constituting 2026 Series A/B MBS) backed by Mortgage Loans (not constituting 2026 Series A/B Mortgage Loans) that will also be financed in part from proceeds of other Bonds issued under the Indenture or other bonds issued by the Issuer. Upon repayment of such 2026 Series A/B Mortgage Loans financed in part from proceeds of the other bond issue (after pooling and securitizing such 2026 Series A/B Mortgage Loans as a guaranteed mortgage security), a designated portion of the principal payments will be allocated to the repayment of the 2026 Series A Bonds with the balance of the principal payments being allocated to the other bond issue that financed a portion of such 2026 Series A/B Mortgage Loans. A ratable (or other) portion of the interest payments with respect to such a loan may be allocated to the 2026 Series A Bonds, but it is anticipated that in fact no interest (“zero interest”) will be allocated to the repayment of the 2026 Series A Bonds. Upon repayment of the Mortgage Loans not constituting 2026 Series A/B Mortgage Loans (after pooling and securitizing such Mortgage Loans as a guaranteed mortgage security), a designated portion of the principal payments will be allocated to the repayment of the 2026 Series A Bonds with the balance of the principal payments being allocated to the other bond issue that financed a portion of such Mortgage Loans. It is anticipated that 100% of the interest payments with respect to such a loan will be allocated to the repayment of the 2026 Series A Bonds.

## DESCRIPTION OF THE 2026 SERIES A/B BONDS

### General Terms

2026 Series A Bonds. The 2026 Series A Bonds will be dated their date of delivery, will bear interest from such date at the rates and will mature in the amounts and on the dates set forth on the inside cover of this Official Statement. Interest on the 2026 Series A Bonds is payable on January 1 and July 1 of each year, commencing on January 1, 2027\*. The 2026 Series A Bonds will be issuable only as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the 2026 Series A Bonds will be calculated on the basis of a 360-day year of twelve 30-day months.

2026 Series B Bonds. The 2026 Series B Bonds will be dated their date of delivery and will initially bear interest at a Weekly Rate. The initial Effective Rate Period for the 2026 Series B Bonds shall commence on the delivery thereof and end July 21, 2026\* (both dates inclusive) and the interest rate for such period shall be determined in advance by the Remarketing Agent. Interest on the 2026 Series B Bonds will be payable on January 1 and July 1 of each year, commencing on January 1, 2027\*.

Interest accrued on the 2026 Series B Bonds prior to the Conversion Date and during any Mode Period (other than a Semiannual Mode Period) shall be computed on the basis of a 365-day year or a 366-day year, as applicable, for the number of days actually elapsed. Interest accrued on the 2026 Series B Bonds during the Semiannual Mode Period and after Conversion shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months. The 2026 Series B Bonds, prior to a Conversion Date, shall be issued in denominations of (i) during a Daily Mode Period, a Weekly Mode Period, a Monthly Mode Period, a Quarterly Mode Period, a VRO Mode Period, or a Floating Rate Mode Period, \$100,000 or integral multiples of \$5,000 in excess of \$100,000 and (ii) during a Semiannual Mode Period, \$5,000 or any integral multiple thereof.

Any Holder of 2026 Series B Bonds has the option of tendering the Bonds to the Remarketing Agent or the Tender Agent in accordance with the provisions of the 2026 Series A/B Indenture as set forth under “DESCRIPTION OF THE 2026 SERIES A/B BONDS – Description of the 2026 Series B Bonds” herein. 2026 Series B Bonds bearing interest at a VRO Rate, Floating Rate, or Fixed Interest Rate are not subject to tender at the option of the Holders thereof. Pursuant to the Initial 2026 Series B Liquidity Facility, the Bank has an obligation to purchase, under certain conditions and from time to time, 2026 Series B Bonds (other than 2026 Series B Bonds bearing interest at a VRO Rate, Floating Rate or Fixed Interest Rate) tendered or deemed tendered to the Remarketing Agent or the Tender Agent, as described in “APPENDIX H – MODE CHART FOR VARIABLE RATE BONDS,” which tendered Bonds are not remarketed.

Reference is hereby made to “APPENDIX H – MODE CHART FOR VARIABLE RATE BONDS” for a summary of certain provisions relating to the 2026 Series B Bonds, with such provisions more fully described herein. For additional information with respect to the 2026 Series B Bonds, see “DESCRIPTION OF THE 2026 SERIES A/B BONDS – Description of the 2026 Series B Bonds” herein and APPENDIX H.

### Special Redemption

Special Redemption of 2026 Series A Bonds with Unexpended Proceeds. The 2026 Series A Bonds are subject to redemption prior to their respective maturities, as a whole or in part at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, except that the 2026 Series A Bonds maturing on January 1, 2057\* (the “2026 Series A “PAC” Bonds”) will be redeemed at a Redemption Price that maintains the original yield on the 2026 Series A “PAC” Bonds (as calculated by the Issuer, which calculation, once made and the Redemption Price communicated to the Trustee, shall be conclusive on all parties), plus accrued interest to the date of redemption, at any time from amounts equal to moneys transferred from unexpended proceeds of the 2026 Series A Bonds in the 2026 Series A/B Subaccount of the Acquisition Account or from any other source as needed to pay the Redemption Price plus accrued interest to the date of redemption to the 2026 Series A Subaccount of the Redemption Fund. The Indenture requires that the Trustee so transfer amounts

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\* Preliminary; subject to change.

representing proceeds of the 2026 Series A Bonds equal to \$250,000 or more which are not used to purchase 2026 Series A/B MBS and remain on deposit in the 2026 Series A/B Subaccount of the Acquisition Account pursuant to an Issuer Request filed with the Trustee stating that the Issuer no longer reasonably expects to apply the amount to be transferred for any such purpose. Such amounts that are not expended by June 1, 2029\* are to be transferred not later than July 1, 2029\* for the redemption of the 2026 Series A Bonds. Notwithstanding the foregoing, the Issuer may extend such outside date for the redemption of the 2026 Series A Bonds to a later date or dates not later than January 1, 2030\* as to all or any part of such moneys, if the Issuer has filed with the Trustee an Issuer Request specifying such later date or dates for such withdrawal, accompanied by a Cash Flow Statement (unless the principal amount and term of such extension are covered by a previous Cash Flow Statement).

Special Mandatory Redemption of 2026 Series A “PAC” Bonds from Directed 2026 Series A Principal Payments. The 2026 Series A “PAC” Bonds are subject to mandatory redemption from Directed 2026 Series A Principal Payments (as defined herein) on one or more days during each semi-annual period ending on January 1 or July 1, commencing with the period ending January 1, 2027\*, at a Redemption Price equal to the principal amount thereof plus accrued interest to the redemption date to the extent that, after giving effect to such redemption, the aggregate principal amount of the 2026 Series A “PAC” Bonds outstanding on such redemption date is not less than the related cumulative applicable amount shown in the column entitled “2026 Series A Cumulative Applicable Amount” for the applicable semiannual period as set forth in the table below (the “2026 Series A Cumulative Applicable Amounts”) or, as such amount may have been adjusted due to a redemption of the 2026 Series A “PAC” Bonds from unexpended proceeds, unless the 2026 Series A “PAC” Bonds are the only 2026 Series A Bonds outstanding. The Directed 2026 Series A Principal Payments must be used for such mandatory redemption of the 2026 Series A “PAC” Bonds before being used for any other purposes under the Indenture.

As used in this Official Statement, the term “Directed 2026 Series A Principal Payments” means, with respect to any redemption date, the Mortgage Repayments and Prepayments relating to the portion of the 2026 Series A/B Mortgage Loans and 2026 Series A/B MBS funded by the 2026 Series A Bonds, less the sum of the principal amount of the 2026 Series A Bonds scheduled to mature or subject to sinking fund redemption on such redemption date (or if no 2026 Series A Bonds are scheduled to mature or are subject to sinking fund redemption on such redemption date, a pro rata portion of the next scheduled maturity amount or sinking fund installment amount of such 2026 Series A Bonds).

In the event the Directed 2026 Series A Principal Payments are insufficient in any semiannual period to call the 2026 Series A “PAC” Bonds in the amount described above, the 2026 Series A “PAC” Bonds would continue to be callable in future semiannual periods from Directed 2026 Series A Principal Payments received in such future semiannual periods. In the event that there are excess Directed 2026 Series A Principal Payments with respect to any semiannual period, such excess may be applied for any authorized purpose under the Indenture, including the redemption of the 2026 Series A Bonds as described in the other sections under this heading “– Special Redemption.”

<u>Payment Date*</u>	<u>2026 Series A Cumulative Applicable Amount*</u>	<u>Payment Date*</u>	<u>2026 Series A Cumulative Applicable Amount*</u>
Closing Date	\$24,865,000	July 1, 2032	\$10,235,000
January 1, 2027	24,625,000	January 1, 2033	8,985,000
July 1, 2027	24,010,000	July 1, 2033	7,770,000
January 1, 2028	23,085,000	January 1, 2034	6,610,000
July 1, 2028	21,870,000	July 1, 2034	5,495,000
January 1, 2029	20,390,000	January 1, 2035	4,425,000
July 1, 2029	18,790,000	July 1, 2035	3,400,000
January 1, 2030	17,240,000	January 1, 2036	2,425,000
July 1, 2030	15,740,000	July 1, 2036	1,485,000
January 1, 2031	14,290,000	January 1, 2037	600,000
July 1, 2031	12,890,000	July 1, 2037 and thereafter	-0-
January 1, 2032	11,545,000		

\* Preliminary; subject to change.

If the 2026 Series A “PAC” Bonds are redeemed from unexpended proceeds as described above, then each amount set forth in the 2026 Series A Cumulative Applicable Amount column in the table above shall be reduced by a fraction (i) the numerator of which is the principal amount of the 2026 Series A “PAC” Bonds remaining outstanding after such redemption and (ii) the denominator of which is the original principal amount of the 2026 Series A “PAC” Bonds, rounded to the nearest \$5,000 denomination.

The 2026 Series A Cumulative Applicable Amounts are derived from assumptions that include, among other assumptions, the expected origination schedule for the Mortgage Loans underlying the portion of the 2026 Series A/B MBS financed with proceeds of the 2026 Series A Bonds and receipt of Mortgage Prepayments for such Mortgage Loans at 75% of the PSA Prepayment Benchmark (as defined herein). See “Estimated Weighted Average Lives of the “PAC” Bonds” below for a description of the PSA Prepayment Benchmark.

Except as required by law to maintain the tax exemption of interest on the 2026 Series A Bonds or as may be permitted as described under “Optional Redemption” below, the Issuer may redeem 2026 Series A “PAC” Bonds from sources other than Directed 2026 Series A Principal Payments only if such redemption does not reduce the outstanding principal amount of the 2026 Series A “PAC” Bonds to an amount less than the 2026 Series A Cumulative Applicable Amounts shown in the table above, or as such amount may have been adjusted due to a redemption of the 2026 Series A “PAC” Bonds from unexpended proceeds.

Special Redemption of 2026 Series A Bonds from Mortgage Repayments and Prepayments. The 2026 Series A Bonds are subject to redemption prior to their respective stated maturities as a whole or in part at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, on any date, from Mortgage Repayments and Prepayments relating to Mortgage Loans or MBS allocable to Bonds of any Series, including, but not limited to, the 2026 Series A Bonds, to the extent not required to make regularly scheduled principal payments, including Sinking Fund Installments, on the 2026 Series A Bonds, deposited in the 2026 Series A Subaccount of the Special Redemption Account pursuant to the Indenture. See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Revenue Fund.” In certain cases, Mortgage Repayments and Prepayments are required under Federal tax law to be used to redeem Bonds.

To the extent of the Ten-Year Rule Special Redemption Requirement, such redemptions may occur at such times and with such frequency as the Issuer elects, provided that any redemptions so as to reduce the respective outstanding aggregate principal amounts of the 2026 Series A “PAC” Bonds to, but not below, the amounts shown in the column entitled 2026 Series A Cumulative Applicable Amount for the applicable semiannual period as set forth in the table above or, as such amount may have been adjusted due to a redemption of the 2026 Series A “PAC” Bonds from unexpended proceeds, must occur at least once during each semiannual period commencing with the semiannual period ending on January 1, 2027\* to the extent moneys in the 2026 Series A Subaccount of the Special Redemption Account and any other sources are legally available therefor. To the extent 2026 Series A “PAC” Bonds are to be redeemed on a date that is not a Payment Date, the 2026 Series A Cumulative Applicable Amounts as set forth in the table above or, as such amount may have been adjusted due to a redemption of the 2026 Series A “PAC” Bonds from unexpended proceeds, shall be deemed to be the amounts determined by interpolating such outstanding balances, using the straight-line method, by reference to the outstanding balances for the Payment Dates listed in the table above which are immediately prior to and immediately subsequent to such redemption date, and the number of calendar days elapsed since the Payment Date which is immediately prior to such redemption date.

During the initial 10-year period following the issue date of the 2026 Series A Bonds or the initial 10-year period following the issue date of any Tax-exempt Bonds refunded by the 2026 Series A Bonds, Directed 2026 Series A Principal Payments shall not be applied to the redemption of Bonds other than the 2026 Series A Bonds as described below under “– Cross Calls and Recycling” until (i) there has been deposited into the 2026 Series A Subaccount of the Special Redemption Account amounts sufficient to redeem 2026 Series A “PAC” Bonds to the extent that, after giving effect to such redemption, the aggregate principal amount of 2026 Series A “PAC” Bonds outstanding on such redemption date is not less than the 2026 Series A Cumulative Applicable Amount for the applicable semi-annual period or, as such amount may have been adjusted due to a redemption of the 2026 Series A “PAC” Bonds from unexpended proceeds, and (ii) a favorable opinion of Bond Counsel related to such redemption has been delivered to

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\* Preliminary; subject to change.

the Issuer and the Trustee. Upon and following the 10<sup>th</sup> anniversary of the issue date, Directed 2026 Series A Principal Payments shall not be applied to the redemption of Bonds other than the 2026 Series A Bonds.

Mortgage Repayments and Prepayments relating to the 2026 Series A/B MBS may be applied by the Trustee upon the direction of the Issuer to the redemption of the 2026 Series A “PAC” Bonds but only to the extent the outstanding aggregate principal amounts of the 2026 Series A “PAC” Bonds following such redemption is not less than the amounts shown in the column entitled 2026 Series A Cumulative Applicable Amount for the applicable semiannual period as set forth in the table above or, as such amount may have been adjusted due to a redemption of the 2026 Series A “PAC” Bonds from unexpended proceeds, unless the 2026 Series A “PAC” Bonds are the only 2026 Series A Bonds outstanding. Mortgage Repayments or Prepayments relating to Mortgage Loans and MBS securing any Series of Bonds other than the 2026 Series A/B Bonds and any other sources legally available therefor may be applied to the redemption of the 2026 Series A “PAC” Bonds so as to reduce the respective outstanding aggregate principal amounts of the 2026 Series A “PAC” Bonds to, but not below, the amounts shown in the column entitled 2026 Series A Cumulative Applicable Amount or, as such amounts may have been adjusted due to a redemption of the 2026 Series A “PAC” Bonds from unexpended proceeds, for the applicable semiannual period as set forth in the table above.

Special Redemption of 2026 Series A Bonds from Excess Revenues. The 2026 Series A Bonds are subject to redemption prior to their respective stated maturities as a whole or in part at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, on any date, from excess Revenues (excluding Mortgage Repayments and Prepayments as set forth in the preceding section) deposited in the 2026 Series A Subaccount of the Special Redemption Account pursuant to the Indenture, to the extent that, after giving effect to such redemption, the aggregate principal amount of the 2026 Series A “PAC” Bonds outstanding on such redemption date is not less than the 2026 Series A Cumulative Applicable Amount as set forth in the table above or, as such amount may have been adjusted due to a redemption of the 2026 Series A “PAC” Bonds from unexpended proceeds. See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Revenue Fund.”

No moneys in the 2026 Series A Subaccount of the Revenue Fund shall be transferred to a Related or an Unrelated subaccount of the Acquisition Account to be used to make or purchase Mortgage Loans or MBS as described below under “– Cross Calls and Recycling” until there has been deposited into the 2026 Series A Subaccount of the Special Redemption Account amounts sufficient to redeem 2026 Series A “PAC” Bonds as described in the preceding paragraph.

Moneys transferred to the 2026 Series A Subaccount of the Special Redemption Account pursuant to the Indenture shall not be required to be used on the earliest practicable date to redeem 2026 Series A Bonds as described above, but shall be used to redeem 2026 Series A Bonds only upon an Issuer Request.

Special Redemption of 2026 Series B Bonds with Unexpended Proceeds. The 2026 Series B Bonds are subject to redemption prior to their respective maturities, as a whole or in part at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, at any time from amounts equal to moneys transferred from unexpended proceeds of the 2026 Series B Bonds in the 2026 Series A/B Subaccount of the Acquisition Account or from any other source as needed to pay the Redemption Price plus accrued interest to the date of redemption to the 2026 Series B Subaccount of the Redemption Fund. The Indenture requires that the Trustee so transfer amounts representing proceeds of the 2026 Series B Bonds equal to \$250,000 or more which are not used to purchase 2026 Series A/B MBS and remain on deposit in the 2026 Series A/B Subaccount of the Acquisition Account pursuant to an Issuer Request filed with the Trustee stating that the Issuer no longer reasonably expects to apply the amount to be transferred for any such purpose. Such amounts that are not expended by June 1, 2029\* are to be transferred not later than July 1, 2029\* for the redemption of the 2026 Series B Bonds. Notwithstanding the foregoing, the Issuer may extend such outside date for the redemption of the 2026 Series B Bonds to a later date or dates as it deems appropriate as to all or any part of such moneys, if the Issuer has filed with the Trustee an Issuer Request specifying such later date or dates for such withdrawal, accompanied by a Cash Flow Statement (unless the principal amount and term of such extension are covered by a previous Cash Flow Statement).

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\* Preliminary; subject to change.

Special Redemption of 2026 Series B Bonds from Mortgage Repayments and Prepayments. The 2026 Series B Bonds are subject to redemption prior to their respective stated maturities as a whole or in part at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, on any date, from Mortgage Repayments and Prepayments relating to Mortgage Loans or MBS allocable to Bonds of any Series, including, but not limited to, the 2026 Series B Bonds, to the extent not required to make regularly scheduled principal payments, including Sinking Fund Installments, on the 2026 Series B Bonds, deposited in the 2026 Series B Subaccount of the Special Redemption Account pursuant to the Indenture. See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Revenue Fund.” In certain cases, Mortgage Repayments and Prepayments are required under Federal tax law to be used to redeem Bonds. Such redemptions may occur at such times and with such frequency as the Issuer elects.

As used in this Official Statement, the term “Directed 2026 Series B Principal Payments” means, with respect to any redemption date, the Mortgage Repayments and Prepayments relating to the portion of the 2026 Series A/B Mortgage Loans and 2026 Series A/B MBS funded by the 2026 Series B Bonds, less the sum of the principal amount of the 2026 Series B Bonds scheduled to mature or subject to sinking fund redemption on such redemption date (or if no 2026 Series B Bonds are scheduled to mature or are subject to sinking fund redemption on such redemption date, a pro rata portion of the next scheduled maturity amount or sinking fund installment amount of such 2026 Series B Bonds).

Directed 2026 Series B Principal Payments shall not be applied to the redemption of Bonds other than the 2026 Series B Bonds as described below under “– Cross Calls and Recycling” until a favorable opinion of Bond Counsel related to such redemption has been delivered to the Issuer and the Trustee.

Special Redemption of 2026 Series B Bonds from Excess Revenues. The 2026 Series B Bonds are subject to redemption prior to their respective stated maturities as a whole or in part at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, on any date, from excess Revenues (excluding Mortgage Repayments and Prepayments as set forth in the preceding section) deposited in the 2026 Series B Subaccount of the Special Redemption Account pursuant to the Indenture. See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Revenue Fund.”

Moneys transferred to the 2026 Series B Subaccount of the Special Redemption Account shall be used to redeem 2026 Series B Bonds as directed pursuant to an Issuer Request.

Cross Calls and Recycling. Upon satisfaction of the conditions set forth in the Indenture, the Issuer may, by delivery of an Issuer Request to the Trustee, instruct the Trustee to transfer moneys on deposit in any subaccount of the Redemption Fund Related to a Series of Bonds to be applied to the redemption of the Bonds of a different Series. In addition, the Indenture permits the Issuer, by delivery of an Issuer Request to the Trustee at any time prior to the giving of notice of redemption, to instruct the Trustee to transfer moneys on deposit in any subaccount in the Redemption Fund to a Related or an Unrelated subaccount of the Acquisition Account to be used to make or purchase Mortgage Loans, MBS or DPA as permitted by the Indenture. See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Redemption Fund.” Cross calls of the 2026 Series A/B Bonds with any Mortgage Repayments or Prepayments on Mortgage Loans and MBS securing any Series of Bonds other than the 2026 Series A/B Bonds and any other sources legally available therefor are permitted except that no such Mortgage Repayments or Prepayments may be applied to the redemption of the 2026 Series A “PAC” Bonds so as to reduce the respective outstanding aggregate principal amounts of the 2026 Series A “PAC” Bonds to, but not below, the amounts shown in the column entitled 2026 Series A Cumulative Applicable Amount for the applicable semiannual period as set forth in the tables in “– Special Redemption” above or as such amount may have been adjusted due to a redemption of the 2026 Series A “PAC” Bonds from unexpended proceeds.

### **Estimated Weighted Average Lives of the “PAC” Bonds**

The weighted average life of a security refers to the average of the length of time that will elapse from the date of issuance of such security to the date each installment of principal is paid to the investor weighted by the amount of such installment. The weighted average lives of the “PAC” Bonds will be influenced by, among other factors, the

rate at which principal payments (including scheduled payments and principal prepayments) are made relating to the 2026 Series A/B MBS.

Payments of mortgage loans are commonly projected in accordance with a prepayment standard or model. The results of the model used in this Official Statement have been calculated using the Securities Industry and Financial Markets Association (formerly known as the Public Securities Association (“PSA”)) prepayment standard or model (the “PSA Prepayment Benchmark”) which is based on an assumed rate of prepayment each month of the then unpaid principal balance of the mortgage loans. The PSA Prepayment Benchmark assumes an increasingly larger percentage of the mortgage loans prepaying each month for the first 30 months of the mortgages’ life and then assumes a constant prepayment rate of 6% per annum of the unpaid principal balance for the remaining life of the mortgage loans.

***Estimated Weighted Average Lives of the 2026 Series A “PAC” Bonds***

The following table assumes, among other assumptions, that:

- (i) all of the mortgage loans underlying the 2026 Series A/B MBS are prepaid at the indicated percentage of PSA Prepayment Benchmark;
- (ii) all Mortgage Repayments and Prepayments relating to the 2026 Series A/B MBS are timely received;
- (iii) all Directed 2026 Series A Principal Payments are used to redeem the 2026 Series A “PAC” Bonds pursuant to the provisions described above under “Special Redemption”;
- (iv) no moneys are withdrawn from the trust estate by the Issuer after satisfaction of the Asset Requirement;
- (v) no amounts in the 2026 Series A subaccounts of the 2026 Series A Special Redemption Account, other than the deposits of Directed 2026 Series A Principal Payments, are used to redeem 2026 Series A Bonds, and Directed 2026 Series A Principal Payments are only used to redeem 2026 Series A Bonds;
- (vi) 2026 Series A Bonds are not redeemed pursuant to the optional redemption provisions of the Indenture except as indicated under “Estimated Projected Weighted Average Life (In Years) of the “PAC” Bonds”, below; and
- (vii) the 2026 Series A/B MBS are expected to have the characteristics set forth in the following table:

New MBS Characteristic Assumptions\*

MBS Designation	2026 Series A/B MBS
Approximate Principal Balance of MBS	\$100,000,000
Weighted Average Mortgage Rate	5.679%
Weighted Average Pass-Through Rate	5.215%
Weighted Average Original Term	359 months
Weighted Average Origination Date	06/22/2026
% Funded by 2026 Series A Bonds	70.91%
% Funded by 2026 Series B Bonds	29.09%

\* Preliminary; subject to change.

The PSA Prepayment Benchmark does not purport to be a prediction of the anticipated rate of prepayments of the mortgage loans underlying the 2026 Series A/B MBS, and there is no assurance that the Prepayments of the 2026 Series A/B MBS will conform to any of the assumed prepayment rates. See “ASSUMPTIONS REGARDING REVENUES, DEBT SERVICE REQUIREMENTS, OPERATING EXPENSES AND CERTAIN OTHER MATTERS” for a discussion of certain factors that may affect the rate of prepayment of the 2026 Series A/B MBS. The Issuer makes no representation as to the percentage of the principal balance of 2026 Series A/B MBS that will be paid as of any date or as to the overall rate of prepayment.

THE FOLLOWING TABLE ALSO ASSUMES THAT MONEYS ON DEPOSIT IN SUBACCOUNTS OF THE REDEMPTION FUND RELATED TO OTHER SERIES WILL NOT BE APPLIED TO REDEEM 2026 SERIES A BONDS OR PURCHASE MBS AND THAT MONEYS TO BE USED TO REDEEM 2026 SERIES A BONDS WILL NOT BE APPLIED TO REDEEM BONDS OF ANOTHER SERIES OR MAKE OR PURCHASE MORTGAGE LOANS OR MBS RELATED TO ANOTHER SERIES. See “DESCRIPTION OF THE 2026 SERIES A BONDS – Special Redemption – Cross Calls and Recycling.” Based on such assumptions, some or all of which are unlikely to reflect actual experience, the following table indicates the projected weighted average lives of the “PAC” Bonds.

**Estimated Projected Weighted Average Life (In Years)<sup>(1)</sup> of the “PAC” Bonds**

PSA Prepayment Speed	<u>2026 Series A “PAC” Bonds</u>	
	Optional Call	Optional Call
	<u>Not Exercised*</u>	<u>Exercised January 1, 2034*</u>
0%	19.0	7.1
25%	11.7	6.4
50%	7.4	5.7
75%	5.6	5.1
100%	5.6	5.1
200%	5.6	5.1
300%	5.6	5.1
400%	5.6	5.1
500%	5.6	5.1
600%	5.0	4.8
700%	4.5	4.5

<sup>(1)</sup> The weighted average life of a bond is determined by: (i) multiplying the amount of each principal payment by the number of years from the date of the issuance of the bond to the related principal payment date, (ii) adding the results, and (iii) dividing the sum of the total principal paid on the bond.

**Optional Redemption**

2026 Series A Bonds. The 2026 Series A Bonds (other than the 2026 Series A “PAC” Bonds) are subject to redemption at the option of the Issuer, on or after January 1, 2034\*, either in whole or in part on any date, at a Redemption Price, without premium, equal to the principal amount thereof plus accrued interest thereon to the date of redemption.

The 2026 Series A “PAC” Bonds are subject to redemption prior to maturity at the option of the Issuer, on or after January 1, 2034\*, either in whole or in part on any date, at the following Redemption Prices plus the accrued interest thereon to the date of redemption, provided that to the extent that 2026 Series A “PAC” Bonds are redeemed on a date other than a date specified below, the Redemption Price shall be the price determined by straight-line

\* Preliminary; subject to change.

interpolation between the Redemption Prices listed immediately preceding and immediately succeeding such redemption date:

<u>Date*</u>	<u>Redemption Price*</u>
January 1, 2034	____%
July 1, 2034	____%
January 1, 2035	____%
July 1, 2035	____%
January 1, 2036	____%
July 1, 2036	____%
January 1, 2037	____%
July 1, 2037 and thereafter	100.000%

2026 Series B Bonds. Prior to Conversion, the 2026 Series B Bonds are subject to redemption, at the option of the Issuer, on any date at a Redemption Price, without premium, equal to the principal amount thereof plus accrued interest thereon to the date of redemption.

In the event of a partial redemption, the Issuer shall direct the tenor, Series, maturity or maturities, and the amounts thereof, so to be redeemed.

#### Sinking Fund Redemption

2026 Series A Bonds. The 2026 Series A Term Bonds maturing on July 1, 2041\* are subject to redemption in part, by lot, at the principal amount thereof plus accrued interest thereon to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem or pay at maturity the principal amount of such Bonds specified for each of the dates shown herein:

<u>Date*</u>	<u>Amount*</u>	<u>Date*</u>	<u>Amount*</u>
January 1, 2039	\$570,000	July 1, 2040	\$630,000
July 1, 2039	595,000	January 1, 2041	640,000
January 1, 2040	600,000	July 1, 2041**	665,000

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\*\* Final Maturity

The 2026 Series A Term Bonds maturing on July 1, 2046\* are subject to redemption in part, by lot, at the principal amount thereof plus accrued interest thereon to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem or pay at maturity the principal amount of such Bonds specified for each of the dates shown herein:

<u>Date*</u>	<u>Amount*</u>	<u>Date*</u>	<u>Amount*</u>
January 1, 2042	\$680,000	July 1, 2044	\$790,000
July 1, 2042	695,000	January 1, 2045	805,000
January 1, 2043	725,000	July 1, 2045	825,000
July 1, 2043	735,000	January 1, 2046	850,000
January 1, 2044	760,000	July 1, 2046**	880,000

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\*\* Final Maturity

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\* Preliminary; subject to change.

The 2026 Series A Term Bonds maturing on July 1, 2051\* are subject to redemption in part, by lot, at the principal amount thereof plus accrued interest thereon to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem or pay at maturity the principal amount of such Bonds specified for each of the dates shown herein:

<u>Date*</u>	<u>Amount*</u>	<u>Date*</u>	<u>Amount*</u>
January 1, 2047	\$905,000	July 1, 2049	\$1,040,000
July 1, 2047	925,000	January 1, 2050	1,070,000
January 1, 2048	955,000	July 1, 2050	1,100,000
July 1, 2048	985,000	January 1, 2051	1,130,000
January 1, 2049	1,010,000	July 1, 2051**	1,170,000

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\*\* Final Maturity

The 2026 Series A Term Bonds maturing on July 1, 2056\* are subject to redemption in part, by lot, at the principal amount thereof plus accrued interest thereon to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem or pay at maturity the principal amount of such Bonds specified for each of the dates shown herein:

<u>Date*</u>	<u>Amount*</u>	<u>Date*</u>	<u>Amount*</u>
January 1, 2052	\$1,195,000	July 1, 2054	\$1,380,000
July 1, 2052	1,230,000	January 1, 2055	1,415,000
January 1, 2053	1,270,000	July 1, 2055	1,465,000
July 1, 2053	1,305,000	January 1, 2056	1,505,000
January 1, 2054	1,345,000	July 1, 2056**	1,530,000

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\*\* Final Maturity

The 2026 Series A "PAC" Bonds maturing on January 1, 2057\* are subject to redemption in part, by lot, at the principal amount thereof plus accrued interest thereon to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem or pay at maturity the principal amount of such Bonds specified for each of the dates shown herein:

<u>Date*</u>	<u>Amount*</u>	<u>Date*</u>	<u>Amount*</u>
January 1, 2027	\$110,000	July 1, 2042	\$385,000
July 1, 2027	165,000	January 1, 2043	390,000
January 1, 2028	160,000	July 1, 2043	405,000
July 1, 2028	175,000	January 1, 2044	410,000
January 1, 2029	175,000	July 1, 2044	425,000
July 1, 2029	180,000	January 1, 2045	435,000
January 1, 2030	190,000	July 1, 2045	455,000
July 1, 2030	195,000	January 1, 2046	465,000
January 1, 2031	195,000	July 1, 2046	475,000
July 1, 2031	205,000	January 1, 2047	490,000
January 1, 2032	215,000	July 1, 2047	510,000
July 1, 2032	215,000	January 1, 2048	520,000
January 1, 2033	220,000	July 1, 2048	530,000
July 1, 2033	235,000	January 1, 2049	550,000
January 1, 2034	225,000	July 1, 2049	570,000
July 1, 2034	245,000	January 1, 2050	580,000
January 1, 2035	250,000	July 1, 2050	600,000
July 1, 2035	255,000	January 1, 2051	615,000
January 1, 2036	265,000	July 1, 2051	630,000
July 1, 2036	270,000	January 1, 2052	655,000

January 1, 2037	280,000	July 1, 2052	670,000
July 1, 2037	285,000	January 1, 2053	690,000
January 1, 2038	295,000	July 1, 2053	710,000
July 1, 2038	300,000	January 1, 2054	725,000
January 1, 2039	315,000	July 1, 2054	755,000
July 1, 2039	320,000	January 1, 2055	775,000
January 1, 2040	335,000	July 1, 2055	795,000
July 1, 2040	340,000	January 1, 2056	810,000
January 1, 2041	350,000	July 1, 2056	845,000
July 1, 2041	355,000	January 1, 2057**	305,000
January 1, 2042	370,000		

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\*\* Final Maturity

**2026 Series B Bonds.** The 2026 Series B Bonds maturing on January 1, 2057\* are subject to redemption in part, by lot, at the principal amount thereof plus accrued interest thereon to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem or pay at maturity the principal amount of such Bonds specified for each of the dates shown herein:

<u>Date*</u>	<u>Amount*</u>	<u>Date*</u>	<u>Amount*</u>
January 1, 2027	\$125,000	July 1, 2042	\$460,000
July 1, 2027	200,000	January 1, 2043	475,000
January 1, 2028	205,000	July 1, 2043	490,000
July 1, 2028	205,000	January 1, 2044	510,000
January 1, 2029	220,000	July 1, 2044	515,000
July 1, 2029	225,000	January 1, 2045	535,000
January 1, 2030	225,000	July 1, 2045	550,000
July 1, 2030	235,000	January 1, 2046	565,000
January 1, 2031	245,000	July 1, 2046	580,000
July 1, 2031	245,000	January 1, 2047	595,000
January 1, 2032	255,000	July 1, 2047	615,000
July 1, 2032	260,000	January 1, 2048	630,000
January 1, 2033	270,000	July 1, 2048	650,000
July 1, 2033	280,000	January 1, 2049	670,000
January 1, 2034	290,000	July 1, 2049	685,000
July 1, 2034	295,000	January 1, 2050	710,000
January 1, 2035	300,000	July 1, 2050	725,000
July 1, 2035	310,000	January 1, 2051	755,000
January 1, 2036	325,000	July 1, 2051	765,000
July 1, 2036	325,000	January 1, 2052	795,000
January 1, 2037	340,000	July 1, 2052	820,000
July 1, 2037	350,000	January 1, 2053	835,000
January 1, 2038	360,000	July 1, 2053	865,000
July 1, 2038	370,000	January 1, 2054	890,000
January 1, 2039	380,000	July 1, 2054	910,000
July 1, 2039	390,000	January 1, 2055	945,000
January 1, 2040	400,000	July 1, 2055	960,000
July 1, 2040	410,000	January 1, 2056	1,000,000
January 1, 2041	425,000	July 1, 2056	1,015,000
July 1, 2041	440,000	January 1, 2057**	130,000
January 1, 2042	450,000		

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\*\* Final Maturity

The amounts accumulated for each Sinking Fund Installment may be applied by the Trustee or the Paying Agent, at the direction of the Issuer, prior to the giving of notice of redemption of 2026 Series A/B Bonds from such Sinking Fund Installment, to the purchase for cancellation of 2026 Series A/B Bonds for which such Sinking Fund Installment was established at a price (including any brokerage and other charges) not exceeding the principal amount thereof, plus accrued interest to the date of purchase.

Upon any purchase or redemption of 2026 Series A/B Bonds for which Sinking Fund Installments shall have been established, other than by application of Sinking Fund Installments, an amount equal to the applicable principal amount thereof will be credited toward a part or all of any one or more of such Sinking Fund Installments, as directed by the Issuer in written instructions accompanied by a Cash Flow Statement with respect to the 2026 Series A/B Bonds, or in the absence of such direction, toward each such Sinking Fund Installment in amounts bearing the same ratio as the total principal amount of such 2026 Series A/B Bonds so purchased or redeemed bears to the total amount of all such Sinking Fund Installments to be credited.

**“Ten-Year Rule”.** To comply with federal tax law as it relates to the 2026 Series A/B MBS, the following approximate cumulative percentages of scheduled Mortgage Payments and Mortgage Prepayments relating to the 2026 Series A/B MBS allocated to the 2026 Series A Bonds received on or after the following dates is expected to be applied no later than the close of the first semiannual period beginning after the date of receipt to redeem 2026 Series A Bonds through payment thereof at maturity or redemption:

Start Date	End Date	Percent
July 16, 2026	_____	___%
_____	_____	___
_____	_____	___
_____	_____	___
_____	_____	___
_____	_____	___
_____	_____	___
July 16, 2036	and thereafter	100%

If the Issuer is required to apply scheduled Mortgage Payments and Mortgage Prepayments relating to the 2026 Series A/B MBS as described in this paragraph, such amounts shall only be applied to redeem the 2026 Series A PAC Bonds in excess of the 2026 Series A Cumulative Applicable Amounts to the extent that no other 2026 Series A Bonds are outstanding. The Issuer reserves the right to modify the amounts and timing of redemptions at any time to the extent the Code permits or requires such modification.

**Other Provisions Concerning Redemption**

Notice of redemption is to be given not less than 20 nor more than 60 days prior to the redemption date by first-class mail or such other method as may be customary for the industry to the registered owner of any 2026 Series A/B Bonds or portions of 2026 Series A/B Bonds to be redeemed at such registered owner’s last address appearing on the registration records of the Bond Registrar. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the registered owners of such 2026 Series A/B Bonds shall have actually received such notice. Receipt of such notice by the registered owner of any 2026 Series A/B Bond shall not be a condition precedent to the redemption of such Bond. Failure to give notice of redemption to any registered owner or any defect therein shall not affect the validity of redemption proceedings for any 2026 Series A/B Bond with respect to which no such failure or defect has occurred.

If DTC or its nominee is the registered owner of any 2026 Series A/B Bonds to be redeemed, notice of redemption will be given to DTC or its nominee as the registered owner of such 2026 Series A/B Bond. Any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner of any 2026 Series A/B Bond to be redeemed shall not affect the validity of the redemption of such Bond. See “BOOK-ENTRY PROVISIONS.”

If less than all the 2026 Series A/B Bonds are to be redeemed, except as otherwise directed by an Issuer Request that satisfies the requirements of the Indenture, and subject to any limitations in or requirements of the 2026 Series A/B Indenture, the Bond Registrar shall select a pro rata amount of 2026 Series A/B Bonds of each tenor and maturity for redemption. If less than all the 2026 Series A/B Bonds of like tenor and maturity are to be redeemed, the particular 2026 Series A/B Bonds or the respective portions thereof to be redeemed will be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its discretion deems fair and appropriate; provided, however, in the event of any redemption hereunder, Bank Bonds shall be redeemed prior to any other Bonds of the same tenor, Series, and maturity.

The portion of any 2026 Series A/B Bond of a denomination larger than the minimum denomination may be redeemed in the principal amount of such minimum denomination or in an integral multiple of \$5,000 in excess thereof, and for purposes of selection and redemption, any such 2026 Series A/B Bond of a denomination larger than the minimum denomination shall be considered to be that number of separate 2026 Series A/B Bonds of such minimum denomination which is obtained by dividing the principal amount of such 2026 Series A/B Bond by such minimum denomination (provided that one of such Bonds may be in a denomination in excess of such minimum denomination). If there shall be selected for redemption less than all of a 2026 Series A/B Bond, the Issuer shall execute and the Bond Registrar shall authenticate and deliver, upon the surrender of such 2026 Series A/B Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the 2026 Series A/B Bond so surrendered, 2026 Series A/B Bonds of like interest rate, tenor and maturity in any of the authorized denominations.

The Issuer may, at its option, prior to the date fixed for redemption in any notice of redemption rescind and cancel such redemption by Issuer Request to the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the redemption being cancelled.

If, on the redemption date, moneys for the redemption of 2026 Series A/B Bonds or portions thereof, together with interest to the redemption date, shall be held by the Trustee or the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the 2026 Series A/B Bonds or portions thereof so called for redemption shall cease to accrue and become payable.

Subject to the terms and conditions set forth in the Indenture and prior to the mailing by the Bond Registrar of a notice of redemption with respect to 2026 Series A/B Bonds of any particular tenor and maturity, the Issuer may direct the Trustee or the Paying Agent to purchase such 2026 Series A/B Bonds with available moneys under the Indenture for cancellation in lieu of redemption. The Trustee and the Paying Agent shall apply available moneys in accordance with the Indenture from the Funds and Accounts specified in the Indenture to purchase such 2026 Series A/B Bonds.

### **Description of the 2026 Series B Bonds**

The following is not intended to describe the 2026 Series B Bonds subsequent to conversion to the VRO Rate, Floating Rate, or Fixed Interest Rate. See APPENDIX I for the definitions of certain capitalized terms with respect to the 2026 Series B Bonds. Reference is also made to “APPENDIX H – MODE CHART FOR VARIABLE RATE BONDS” for a description of certain of the terms defined herein. References to Variable Rate Bonds under this caption are to the 2026 Series B Bonds.

Interest on the Variable Rate Bonds Prior to Conversion. From the date of initial authentication and delivery of the Variable Rate Bonds to and including the day preceding the next Effective Rate Date, the Variable Rate Bonds shall bear interest at the Weekly Rate determined in advance by the Remarketing Agent. Thereafter, the Variable Rate Bonds shall bear interest, commencing on the Effective Rate Date based on the current Mode, at the rate determined by the Remarketing Agent for the new Effective Rate Period (except for the Variable Rate Bonds that are held by the Bank which, in accordance with the Related Liquidity Facility, shall bear interest at the applicable Bank Rate). In no event shall the interest rate borne by such Bonds exceed the Maximum Rate.

From time to time, by notice to the Notice Parties as required under the 2026 Series A/B Indenture, the Issuer may designate a new Mode Period with respect to all or any portion of a Series of the Variable Rate Bonds. During

each Mode Period, the Effective Rate shall be that rate which, in the determination of the Remarketing Agent, would result as nearly as practicable in the market value of the Variable Rate Bonds on the Effective Rate Date being 100% of the principal amount thereof, and which shall not exceed the Maximum Rate.

The Remarketing Agent, in determining the Effective Rate, shall take into account to the extent applicable (1) market interest rates for comparable securities held by tax-exempt or taxable (as applicable) open-end municipal bond funds or other institutional or private investors with substantial portfolios (a) with interest rate adjustment periods and demand purchase options substantially identical to the Variable Rate Bonds, (b) bearing interest at a variable rate intended to maintain par value, and (c) rated by a national credit rating agency in the same category as the Variable Rate Bonds; (2) other financial market rates and indices that may have a bearing on the Effective Rate (including, but not limited to, rates borne by commercial paper, Treasury Bills, commercial bank prime rates, certificate of deposit rates, federal fund rates, SOFR, indices maintained by *The Bond Buyer*, and other publicly available tax-exempt or taxable (as applicable) interest rate indices); (3) general financial market conditions; and (4) factors particular to the Issuer and the Variable Rate Bonds.

The determination by the Remarketing Agent of the Effective Rate to be borne by the Variable Rate Bonds (other than Variable Rate Bonds that are held by the Bank, which, in accordance with the Related Liquidity Facility, shall bear interest at the applicable Bank Rate) shall be conclusive and binding on the Holders of such Variable Rate Bonds and the other Notice Parties except as provided in the Indenture. Failure by the Remarketing Agent or the Trustee to give any notice required under the Indenture, or any defect in such notice, shall not affect the interest rate borne by the Variable Rate Bonds or the rights of the Holders thereof.

If for any reason the position of Remarketing Agent is vacant or the Remarketing Agent fails to act, the Effective Rate on the Variable Rate Bonds shall be the interest rate as determined or caused to be determined, at the expense of the Issuer, by the Trustee equal to the interest rate for the prior Mode Period, provided that in the event the Remarketing Agent fails to set a rate for two consecutive Mode Periods if in the Weekly Mode or for one Mode Period if in any other Mode, the Effective Rate on the Variable Rate Bonds shall thereafter be equal to the applicable Bank Rate.

From and after a failure by the Bank to purchase any 2026 Series B Bonds tendered or deemed tendered for purchase by the Holders thereof to and until the earlier of the related maturity date, redemption date, mandatory tender date, the date on which such failure is cured by the Bank or the date of delivery of an Alternate Liquidity Facility, 2026 Series B Bonds shall bear interest at an interest rate determined on a weekly basis to be the lesser of (i) the SOFR plus 0.50% or (ii) the Maximum Rate, and the Holders shall not have the right to tender their Bonds during the period that the interest rate is so determined.

From and after the occurrence of an Immediate Termination Event or a Suspension Event to and until the earlier of the related maturity date, redemption date, mandatory tender date, the date on which the Bank's obligations under the 2026 Series B Liquidity Facility are reinstated or the date of delivery of an Alternate Liquidity Facility, neither the Issuer nor the 2026 Series B Liquidity Facility Provider are obligated to purchase 2026 Series B Bonds tendered at the option of the Holder or subject to mandatory tender for purchase pursuant to the Indenture. Upon the occurrence of an Immediate Termination Event or Suspension Event, the 2026 Series B Bonds shall automatically bear interest in a Weekly Mode Period with the interest rate reset on a weekly basis at the lesser of (i) the SOFR plus 0.50% or (ii) the Maximum Rate, and the Holders shall not have the right to tender their Bonds during the period that the interest rate is so determined.

Optional Tender. Any Holder of Variable Rate Bonds may elect to tender their Variable Rate Bonds (prior to conversion to the VRO Rate, Floating Rate or Fixed Interest Rate), which, if so tendered upon proper notice at the times and in the manner set forth in "APPENDIX H – MODE CHART FOR VARIABLE RATE BONDS," will be purchased on the next Effective Rate Date (or, in the case of Variable Rate Bonds in a Weekly Mode, on the purchase date specified in the Tender Notice) at a price equal to 100% of the principal amount thereof plus accrued interest. Such notice of optional tender for purchase of Variable Rate Bonds by the Holders thereof will be irrevocable once such notice is given to the Remarketing Agent and Tender Agent, as directed in the 2026 Series A/B Indenture and described in "APPENDIX H – MODE CHART FOR VARIABLE RATE BONDS."

Holders of Variable Rate Bonds may not elect to tender their Bonds after the occurrence of an Immediate Termination Event under the Related Liquidity Facility. Holders of Variable Rate Bonds may not elect to tender their Bonds after the occurrence of a Related Suspension Event under the Related Liquidity Facility unless the obligations of the Bank under such Liquidity Facility have been reinstated.

Failure of Bank to Purchase Variable Rate Bonds; Immediate Termination Event; Suspension Event. Under the terms and provisions of the Remarketing Agreement and the Liquidity Facility, the purchase price of Variable Rate Bonds in an amount equal to the principal amount thereof and accrued interest, if any, thereon will be payable from moneys furnished in connection with remarketing of the Variable Rate Bonds or from the Liquidity Facility. The Issuer is not responsible for any failure by a Bank to purchase Variable Rate Bonds tendered at the option of the Holder or subject to mandatory tender for purchase pursuant to the 2026 Series A/B Indenture. Failure to purchase a Variable Rate Bond tendered at the option of the Holder or subject to mandatory tender for purchase as described herein and in accordance with the 2026 Series A/B Indenture does not constitute an Event of Default under the Indenture.

Upon the occurrence of an Immediate Termination Event or a Suspension Event under the Initial Liquidity Facility, the Bank's obligation to purchase the Variable Rate Bonds supported by such Liquidity Facility shall immediately terminate or be suspended without notice or other action on the part of the Bank. See "THE INITIAL 2026 SERIES B LIQUIDITY FACILITY" herein. Holders of Variable Rate Bonds may not elect to tender their Bonds after the occurrence of an Immediate Termination Event. Holders of Variable Rate Bonds may not elect to tender their Bonds after the occurrence of a Suspension Event unless the obligations of the Bank under the Initial Liquidity Facility have been reinstated. Subsequent to each such event, Holders of Variable Rate Bonds may be required to hold their Variable Rate Bonds to their respective maturities or prior redemption. The occurrence of an Immediate Termination Event or a Suspension Event does not constitute an Event of Default under the Indenture.

Mandatory Tender. The Variable Rate Bonds are subject to mandatory tender for purchase (with no right to retain) (i) on each Mode Change Date, (ii) with respect to a Liquidity Expiration Event, on a date not less than five days prior to the scheduled expiration of the Liquidity Facility, (iii) on any Conversion Date, and (iv) on any date of delivery of an Alternate Liquidity Facility (each a "Mandatory Tender Date"), at a purchase price equal to 100% of the principal amount thereof plus accrued interest. Upon any such event, the Trustee promptly shall deliver a notice of mandatory tender to Holders stating the reason for the mandatory tender, the date of mandatory tender, and that all Holders of Variable Rate Bonds subject to such mandatory tender shall be deemed to have tendered their Variable Rate Bonds upon such date. In the case of a mandatory tender pursuant to (ii) above, notice shall be given to holders as soon as practicable but no less than five days prior to the mandatory tender date.

On each date on which Variable Rate Bonds are required to be tendered and purchased, the Remarketing Agent shall use its best efforts as described herein to sell such Variable Rate Bonds at an Effective Rate that results as nearly as practicable in the price being 100% of the principal amount thereof. In the event the Remarketing Agent is unable to remarket the Variable Rate Bonds so tendered, the Bank will purchase such Bonds in accordance with, and subject to satisfaction of the conditions of, the Initial Liquidity Facility. See "THE INITIAL 2026 SERIES B LIQUIDITY FACILITY."

The following paragraph is applicable only if the book-entry system has been discontinued and replacement bonds have been issued or if DTC has exercised its option to surrender and exchange its Variable Rate Bond certificates. Any Variable Rate Bond not tendered and delivered to the Tender Agent on or prior to its Mandatory Tender Date ("Untendered Bonds"), for which there have been irrevocably deposited in trust with the Trustee the purchase price equal to the principal amount of such Variable Rate Bonds plus accrued interest shall be deemed to have been tendered and purchased on such Mandatory Tender Date. Holders of Untendered Bonds shall not be entitled to any payment (including any interest to accrue on or after the Mandatory Tender Date) other than the principal amount of such Untendered Bonds, plus accrued interest to the day preceding the Mandatory Tender Date, and said Holders shall no longer be entitled to the benefits of the Indenture, except for the purpose of payment of the purchase price. Bond certificates will be issued in place of Untendered Bonds pursuant to the Indenture and, after the issuance of the replacement Variable Rate Bond certificates, such Untendered Bonds will be deemed purchased, canceled, and no longer Outstanding under the Indenture.

Conversion to a Fixed Interest Rate. The 2026 Series A/B Indenture provides that the Issuer has the option to Convert all or a portion of the Variable Rate Bonds on any Effective Rate Date to Fixed Interest Bonds bearing Fixed Interest Rates, in accordance with the 2026 Series A/B Indenture and as described herein. Prior to and as a condition of the Conversion of any of the Variable Rate Bonds, the Trustee must deliver a notice to the Holders thereof specifying the Conversion Date, which Date shall be not less than 30 days following delivery of such notice. No Fixed Interest Rate shall be established unless, on or before the Rate Determination Date for such Fixed Interest Rate Period, a Counsel's Opinion has been delivered to the Trustee to the effect that the Conversion to a Fixed Interest Rate in accordance with the provisions of the 2026 Series A/B Indenture is lawful under the Act and is permitted by the 2026 Series A/B Indenture. Unless and until such conditions for Conversion are satisfied, the Variable Rate Bonds shall continue to bear interest at the Effective Rate.

Designation of Subseries upon Conversion. On any Conversion Date, all such Variable Rate Bonds subject to such Conversion on such Conversion Date shall automatically, upon such Conversion, bear a subseries designation determined by the Issuer and the Trustee. Such redesignations shall continue until all Outstanding Variable Rate Bonds shall have been Converted to Fixed Interest Rates.

After Conversion. Any Variable Rate Bonds that are Converted will bear interest at Fixed Interest Rates determined upon such Conversion until the maturity or prior redemption thereof. The Remarketing Agent shall determine the Fixed Interest Rates as those rates which, in the determination of the Remarketing Agent, would result as nearly as practicable in the market value of the Converted Variable Rate Bonds on the Conversion Date being 100% of the principal amount thereof.

### **The Remarketing Agent and the Remarketing of Variable Rate Bonds**

The Remarketing Agent is Paid by the Issuer. The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing 2026 Series B Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Related Remarketing Agreement), all as further described in this Official Statement. The Remarketing Agent is appointed by the Issuer and is paid by the Issuer for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of 2026 Series B Bonds.

The Remarketing Agent Routinely Purchases 2026 Series B Bonds for its Own Account. The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchases such obligations for its own account. The Remarketing Agent is permitted, but not obligated, to purchase tendered 2026 Series B Bonds for its own account and, in its sole discretion, may routinely acquire such tendered 2026 Series B Bonds in order to achieve a successful remarketing of the 2026 Series B Bonds (i.e., because there otherwise are not enough other buyers to purchase the 2026 Series B Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase 2026 Series B Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the 2026 Series B Bonds by routinely purchasing and selling 2026 Series B Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the 2026 Series B Bonds. The Remarketing Agent may also sell any 2026 Series B Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others. The purchase of 2026 Series B Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the 2026 Series B Bonds in the market than is actually the case. The practices described above also may result in fewer 2026 Series B Bonds being tendered in a remarketing.

2026 Series B Bonds May be Offered at Different Prices on Any Date Including a Rate Determination Date. Pursuant to the Related Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest which, in the best judgment of the Remarketing Agent, if borne by the applicable 2026 Series B Bonds on the date of such determination, would cause such 2026 Series B Bonds to trade in the secondary market at a price equal to 100% of the principal amount thereof plus accrued or unpaid interest thereon; *provided, however*, such rate shall not exceed the Maximum Rate. The interest rate will reflect, among other factors, the level of market demand for the 2026 Series B Bonds (including whether the Remarketing Agent is willing to purchase 2026 Series B Bonds for its own account). There may or may not be 2026 Series B Bonds tendered and remarketed on a Rate Determination

Date, the Remarketing Agent may or may not be able to remarket any 2026 Series B Bonds tendered for purchase on such date at par and the Remarketing Agent may sell 2026 Series B Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the 2026 Series B Bonds at the remarketing price. The Remarketing Agent, in its sole discretion, may offer 2026 Series B Bonds on any date, including the Rate Determination Date, at a discount to par to some investors.

The Ability to Sell the 2026 Series B Bonds Other Than Through Tender Process May Be Limited. The Remarketing Agent may buy and sell 2026 Series B Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require holders that wish to tender their 2026 Series B Bonds to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the 2026 Series B Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their 2026 Series B Bonds other than by tendering the 2026 Series B Bonds in accordance with the tender process.

Under Certain Circumstances, the Remarketing Agent May Resign or Cease Remarketing the 2026 Series B Bonds, Without a Successor Being Named. Under certain circumstances the Remarketing Agent may have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Related Remarketing Agreement. The Issuer will not remove the Remarketing Agent until the appointment of a successor Remarketing Agent under the Indenture. If the position of Remarketing Agent becomes vacant for any reason, or if any bankruptcy, insolvency or similar proceeding shall be commenced by or against the Remarketing Agent, the Issuer will appoint a successor Remarketing Agent to fill the vacancy and provide notice of such appointment to the Notice Parties.

## **BOOK-ENTRY PROVISIONS**

The 2026 Series A/B Bonds initially will be issued solely in book-entry form to be held in the book-entry-only system maintained by The Depository Trust Company (“DTC”), New York, New York. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of 2026 Series A/B Bonds and, except as otherwise provided herein with respect to tenders by Beneficial Owners (as hereinafter defined) of beneficial ownership interests, Beneficial Owners will not be or be considered to be, and will not have any rights as, owners or holders of the 2026 Series A/B Bonds under the Indenture.

The following information about the book-entry-only system applicable to the 2026 Series A/B Bonds has been supplied by DTC. Neither the Issuer nor the Trustee makes any representations, warranties or guarantees with respect to its accuracy or completeness.

DTC will act as securities depository for the 2026 Series A/B Bonds. The 2026 Series A/B Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each of the 2026 Series A/B Bonds, as set forth on the inside cover page hereof, each in the aggregate principal amount of each maturity of the 2026 Series A/B Bonds and deposited with DTC.

DTC, the world’s largest 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 of 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 S&P Global’s rating of AA+. The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of the 2026 Series A/B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2026 Series A/B Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2026 Series A/B Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2026 Series A/B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2026 Series A/B Bonds, except in the event that use of the book-entry system for the 2026 Series A/B Bonds is discontinued.

To facilitate subsequent transfers, all 2026 Series A/B Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2026 Series A/B Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of 2026 Series A/B Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2026 Series A/B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2026 Series A/B Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2026 Series A/B Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2026 Series A/B Bond documents. For example, Beneficial Owners of the 2026 Series A/B Bonds may wish to ascertain that the nominee holding the 2026 Series A/B Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2026 Series A/B Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2026 Series A/B Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer 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 2026 Series A/B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the 2026 Series A/B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners are governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, Paying Agent, or Issuer, 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 Issuer or the Paying

Agent, and disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its 2026 Series B Bonds purchased or tendered, through its Participant, to the Remarketing Agent and the Tender Agent, and shall effect delivery of such 2026 Series B Bonds by causing the Direct Participant to transfer the Participant's interest in the 2026 Series B Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of 2026 Series B Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the 2026 Series B Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of such tendered 2026 Series B Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the 2026 Series A/B Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2026 Series A/B Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2026 Series A/B Bond certificates will be printed and delivered to DTC.

**NEITHER THE ISSUER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A HOLDER WITH RESPECT TO: (1) THE 2026 SERIES A/B BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE 2026 SERIES A/B BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO HOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2026 SERIES A/B BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.**

Each Beneficial Owner for whom a Direct Participant or Indirect Participant acquires an interest in the 2026 Series A/B Bonds, as nominee, may desire to make arrangements with such Direct Participant or Indirect Participant to receive a credit balance in the records of such Direct Participant or Indirect Participant, to have all notices of redemption or other communications to or by DTC, which may affect such Beneficial Owner forwarded in writing by such Direct Participant or Indirect Participant, and to have notification made of all debt service payments.

Beneficial Owners may be charged a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation to any transfer or exchange of their interests in the 2026 Series A/B Bonds.

The Issuer cannot and does not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of debt service on the 2026 Series A/B Bonds made to DTC or its nominee as the registered owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement.

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

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**SOURCES AND USES OF FUNDS**

The estimated sources and uses of funds with respect to the 2026 Series A/B Bonds are set forth below:

	<u>Total</u>
<b>Sources*</b>	
2026 Series A Principal Amount	\$ _____
2026 Series A [Net] Original Issue [Premium/Discount]	_____
2026 Series B Principal Amount	_____
Total	\$ _____
 <b>Uses*</b>	
Deposit to Acquisition Account <sup>1</sup>	\$ _____
Servicing Release Premium	_____
Underwriters' Discount	_____
Costs of Issuance	_____
Total	\$ _____

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<sup>1</sup> Approximately \$ \_\_\_\_\_ of the proceeds of the 2026 Series A Bonds will be used to refund certain indebtedness of the Issuer to make approximately \$ \_\_\_\_\_ transferred proceeds available for deposit to the 2026 Series A/B subaccount of the Acquisition Account.

**SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS**

**Pledge**

The Bonds and Auxiliary Obligations are to be secured under the Indenture by a pledge of and lien on the proceeds of the Bonds, the Revenues, all moneys and securities in the Funds and Accounts (other than moneys and securities in the Rebate Account, the Bond Purchase Fund, and the Short-Term Bond Account, and the Rebate Requirement required to be deposited in the Rebate Account) created by or pursuant to the Indenture, including the Investments thereof (if any), the rights and interest of the Issuer in and to the Mortgage Loans and MBS, and any and all other property of any kind from time to time hereafter pledged as additional security under the Indenture by a Series or Supplemental Indenture, by delivery or by writing of any kind by the Issuer or by any person on its behalf.

Mortgage Loans held under the General Indenture shall be secured by Mortgages constituting first liens on single family, owner-occupied housing and were, when purchased by the Issuer, insured by the FHA, guaranteed by the VA or the Rural Housing and Community Development Service of the Department of Agriculture (formerly Farmers Home Administration) or constitute PMI Insured/Uninsured Mortgage Loans. Mortgage Loans are not required to be securitized into an MBS and, consequently, can constitute Whole Loans. See “MORTGAGE LOAN AND MBS PORTFOLIO.” Also, see “SINGLE FAMILY MORTGAGE PROGRAM” and “APPENDIX A – INSURANCE, GUARANTEES AND FORECLOSURE” for a summary of the Issuer’s single family mortgage program; and, see “SINGLE FAMILY MORTGAGE PROGRAM – Requirements for Mortgage Loans” for a summary of the Issuer’s experience regarding various loan types. The Indenture does not require Mortgage Loans purchased with amounts made available by the proceeds of Additional Bonds (“Additional Mortgage Loans”) to be insured or guaranteed as set forth herein or be placed in pools backed by mortgage-backed certificates.

For purposes of the pledge and lien of the Indenture, the term “Mortgage Loan” and “MBS” includes only Mortgage Loans and MBS acquired by the Trustee from monies in the Acquisition Account.

The term “Revenues” means (a) all Mortgage Repayments, Prepayments and, except insofar as such payments may constitute Servicing Fees, any penalty payments on account of overdue Mortgage Repayments, (b) Investment Revenues, (c) any Mortgage Repayments, Prepayments or other income or cash or liquid securities held in the Additional Security Account, (d) Interest Rate Contract Revenues and (e) all other payments and receipts received by the Issuer with respect to MBS, Mortgage Loans or other mortgage loans and DPA, but shall not include

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\* Preliminary; subject to change.

(i) Escrow Payments, (ii) Servicing Fees, unless such fees are specifically pledged to the Trustee, (iii) any commitment, reservation, extension, or application fees charged by the Issuer in connection with a Mortgage Loan or Mortgage Purchase Agreement, (iv) any commitment, reservation, extension or application fees charged by a Mortgage Lender in connection with a Mortgage Loan or (v) accrued interest received in connection with the purchase of any Investment Obligations.

The pledge is subject in all cases to the provisions of the Indenture permitting the application of such moneys and assets for or to the purposes and on the terms and conditions set forth therein. Such applications include refunding certain outstanding bonds of the Issuer, purchasing Mortgage Loans and MBS with Bond proceeds and paying principal of and interest on the Bonds and certain payments with respect to Auxiliary Obligations with Revenues. Moneys and investments held in subaccounts of any Issuer Payment Account of the Debt Service Fund are pledged solely for the payment of Principal Installments, Redemption Price of, interest on and other amounts payable with respect to General Obligations of the Related Series with respect to which such subaccount was created and are not pledged to pay principal, Redemption Price of, interest on and other amounts payable with respect to any other Bonds or Auxiliary Obligations; and provided further that proceeds derived from the sale of a Series of Short-Term Bonds may be pledged solely for the Principal Installments and Redemption Price, if any, and interest on such Series of Short-Term Bonds. The 2026 Series A/B Bonds are not secured by amounts on deposit in the Issuer Payment Account. Any Additional Security deposited to the Additional Security Account in the Revenue Fund shall secure the Bonds but not be related to a particular Series, unless otherwise set forth in a Related Series Indenture.

All Bonds are equally and ratably secured as provided in the Indenture.

#### **Debt Service Reserve Fund**

The Indenture establishes a Debt Service Reserve Fund and a Debt Service Reserve Fund Requirement for the Bonds. “Debt Service Reserve Fund Requirement” means 5% of the outstanding aggregate principal amount of the mortgage loans not securitized by an MBS and not including such percentage of any mortgage loans held in the Additional Security Account. See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Debt Service Reserve Fund.” Proceeds of the 2026 Series A/B Bonds will not be deposited in the Debt Service Reserve Fund as the Debt Service Reserve Fund Requirement does not apply to mortgage loans securitized by an MBS or held in the Additional Security Account.

#### **Additional Bonds; Refunding Bonds**

The Issuer may issue Additional Bonds and/or Refunding Bonds secured by the pledge and lien of the General Indenture upon satisfaction of the terms and conditions of the General Indenture, including the condition that, so long as there are Outstanding Bonds rated by a Rating Agency, the Issuer will obtain a confirmation from each such Rating Agency then providing a rating on any Outstanding Bonds that the issuance of such Bonds will not result in the lowering or withdrawal of its then current rating on each Series of Outstanding Bonds. The Issuer has reserved the right to issue other obligations not secured by the pledge and lien of the General Indenture, including bonds secured by its general revenues.

#### **THE INITIAL 2026 SERIES B LIQUIDITY FACILITY**

The following discussion of the Initial 2026 Series B Liquidity Facility does not purport to be comprehensive or definitive and is subject in all respects to all of the terms and provisions of the Initial 2026 Series B Liquidity Facility, to which reference is made hereby. Investors are urged to obtain and review a copy of the Initial 2026 Series B Liquidity Facility in order to understand all of its terms.

**The Initial 2026 Series B Liquidity Facility secures only payment of the purchase price of the 2026 Series B Bonds bearing interest at a Weekly Rate (as defined in the Indenture and a “Covered Rate”) tendered for purchase as described above, and does not otherwise secure payment of the principal of or interest on the 2026 Series B Bonds. The Initial 2026 Series B Liquidity Facility is subject to termination as described below and in “APPENDIX J – CERTAIN TERMS OF THE INITIAL 2026 SERIES B LIQUIDITY FACILITY.”**

## **General**

The Initial 2026 Series B Liquidity Facility contains various provisions, covenants and conditions, certain of which are summarized in “APPENDIX J – CERTAIN TERMS OF THE INITIAL 2026 SERIES B LIQUIDITY FACILITY” herein. Other than the terms “Initial 2026 Series B Liquidity Facility” and “2026 Series B Bonds” (which shall have the meaning set forth in this Official Statement), capitalized terms used herein are defined in the Initial 2026 Series B Liquidity Facility and reference thereto is made for full understanding of their import.

It is anticipated that on the date of issuance of the 2026 Series B Bonds, the Issuer will enter into a Standby Bond Purchase Agreement (the “Standby Bond Purchase Agreement” or the “Initial 2026 Series B Liquidity Facility”) with the Bank, the Tender Agent and the Trustee. The Initial 2026 Series B Liquidity Facility will be effective upon satisfaction of certain conditions set forth in the Initial 2026 Series B Liquidity Facility (the “Liquidity Facility Effective Date”).

The Eligible Bonds subject to optional or mandatory tender for purchase and not remarketed by the Remarketing Agent will be purchased, subject to certain conditions precedent, by the Bank pursuant to the terms of the Standby Bond Purchase Agreement. The Eligible Bonds purchased by the Bank in accordance with the Standby Bond Purchase Agreement shall constitute Bank Bonds and will bear interest at the Bank Rate. The Standby Bond Purchase Agreement will terminate on its stated expiration date of July 16, 2031\* unless earlier terminated or extended in accordance with its terms. See “APPENDIX J – CERTAIN TERMS OF THE INITIAL 2026 SERIES B LIQUIDITY FACILITY.” In the event that the Standby Bond Purchase Agreement expires and is not renewed or replaced, the Eligible Bonds are subject to mandatory tender.

A summary of certain terms of the Standby Bond Purchase Agreement is attached hereto as “APPENDIX J – CERTAIN TERMS OF THE INITIAL 2026 SERIES B LIQUIDITY FACILITY.” Bondholders should refer to APPENDIX J for a description of the terms of the Standby Bond Purchase Agreement.

## **The Bank**

Additional information concerning the Bank can be found in “APPENDIX K – CERTAIN INFORMATION RELATING TO THE BANK.” The Bank has not provided or approved any information in this Official Statement except with respect to the description of the Bank in APPENDIX K hereto, and the Bank takes no responsibility for any other information contained in this Official Statement.

Although the Bank is providing the Liquidity Facility in connection with the issuance of the 2026 Series B Bonds, the Bank may also purchase a portion of the 2026 Series B Bonds.

## **Alternate Liquidity Facility**

The Issuer may elect to replace any Liquidity Facility (including but not limited to the Initial 2026 Series B Liquidity Facility) with an Alternate Liquidity Facility. The Issuer shall notify the Notice Parties of the Issuer’s intention to deliver an Alternate Liquidity Facility at least 45 days prior to such delivery. Upon receipt of such notice, if the Alternate Liquidity Facility is to be provided by an entity other than the provider of the then current Liquidity Facility, the Tender Agent will promptly (but in no event later than two Business Days after its receipt of the Issuer’s notice) mail a notice of the anticipated delivery of an Alternate Liquidity Facility, including the name of the provider of such Alternate Liquidity Facility, by first-class mail to the Remarketing Agent, and to each Holder of the affected Series of 2026 Series B Bonds at such Holder’s registered address, at least 30 days prior to delivery of the Alternate Liquidity Facility.

The Issuer will use its best efforts to obtain an Alternate Liquidity Facility to replace the Initial 2026 Series B Liquidity Facility or cause the 2026 Series B Bonds to be Converted to Fixed Rate Bonds or to bear interest at an interest rate mode which does not require a Liquidity Facility in the event (i) the Bank shall decide not to extend the Expiration Date pursuant to the terms of the Initial 2026 Series B Liquidity Facility, (ii) the Issuer terminates the Initial

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\* Preliminary; subject to change.

2026 Series B Liquidity Facility pursuant to the terms of the Initial 2026 Series B Liquidity Facility, or (iii) the Bank furnishes a Termination Notice to the Trustee.

### **THE INITIAL 2026 SERIES B INTEREST RATE CONTRACTS**

In connection with the issuance of the 2026 Series B Bonds, the Issuer may obtain new interest rate contracts for the 2026 Series B Bonds (the “Initial 2026 Series B Interest Rate Contracts”). The purpose of such Initial 2026 Series B Interest Rate Contracts would be to place the aggregate net obligation of the Issuer with respect to the portion of the Program financed by certain of the 2026 Series B Bonds on an approximately fixed rate basis.

The obligation of the Issuer to make regular interest payments under the Initial 2026 Series B Interest Rate Contracts would be an obligation under the Indenture payable solely from and secured by the pledge pursuant to the Indenture of Revenues and the Issuer would not be obligated to make such payments from the Issuer’s other general revenues or moneys legally available therefor. The Issuer’s obligation to make such payments from Revenues would be secured on a parity with the Issuer’s obligation to pay principal of and interest on Bonds and other obligations. The obligation of the Issuer to make certain payments due upon early termination of the Initial 2026 Series B Interest Rate Contracts would not be payable from or secured by the trust estate established by the Indenture but would be payable out of the Issuer’s other general revenues or moneys legally available therefor, and not pledged or otherwise encumbered to secure other obligations of the Issuer. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – Pledge.” Payments made to the Issuer by the Interest Rate Contract Provider under the Initial 2026 Series B Interest Rate Contracts would be pledged as Revenues under the Indenture. See “ASSUMPTIONS REGARDING REVENUES, DEBT SERVICE REQUIREMENTS, OPERATING EXPENSES AND CERTAIN OTHER MATTERS – Interest Rate Contracts and Variable Rate Bonds.”

The Interest Rate Contract Provider. The Interest Rate Contract Provider under the Initial 2026 Series B Interest Rate Contracts will be selected by the Issuer on or about the Closing Date. Further information regarding the Interest Rate Contract Provider may be obtained by contacting the Issuer at the address set forth under “IDAHO HOUSING AND FINANCE ASSOCIATION.”

Alternate Interest Rate Contract. Under certain circumstances, the Initial 2026 Series B Interest Rate Contracts may be terminated and, upon such termination, the Issuer may elect to replace any of the Initial 2026 Series B Interest Rate Contracts with an Alternate Interest Rate Contract. The Issuer shall promptly notify the Notice Parties of the Issuer’s intention to deliver an Alternate Interest Rate Contract as soon as practicable.

### **ASSUMPTIONS REGARDING REVENUES, DEBT SERVICE REQUIREMENTS, OPERATING EXPENSES AND CERTAIN OTHER MATTERS**

The Issuer expects payments of principal and interest on Mortgage Loans and MBS, together with Prepayments to be received by the Issuer with respect to Mortgage Loans, MBS, Interest Rate Contract Revenues and income expected to be derived from the investment of moneys in funds and accounts established pursuant to the Indenture to be sufficient to pay the interest on, principal of and Sinking Fund Installments for the Bonds, amounts due under Related Auxiliary Obligations and the costs of operating the Program. Certain assumptions have been made as to the range of variation in the generation of Revenues from such sources in order to determine the effect of such variation on the sufficiency of Revenues to pay debt service on the Bonds. The Issuer has reviewed these assumptions and concluded that they are reasonable, but cannot guarantee that actual results will not vary materially from those projected. To the extent that (i) Mortgage Loans or MBS are not made or purchased at the times anticipated by the Issuer, or are not made or purchased at all, (ii) Mortgage Loans and MBS made or purchased by the Issuer are not paid on a timely basis in accordance with their terms, (iii) the rate of receipt of Prepayments is either more rapid or less rapid than that projected, (iv) interest payable on Variable Rate Bonds and amounts due under Related Auxiliary Obligations differs from Related Interest Rate Contract Revenues, or (v) actual investment income differs from that estimated by the Issuer, the moneys available may be insufficient for the payment of debt service on the Bonds and amounts due under Related Auxiliary Obligations and operating expenses of the Program.

Payments on Mortgage Loans and MBS, whether from scheduled monthly installments or from Prepayments, together with Revenues generated as investment income on the funds held under the Indenture and invested in Investment Obligations or under Investment Agreements, are assumed to be the primary source of revenue. Mortgage Loans are assumed to amortize based on their existing amortization schedules and to bear interest at fixed interest rates. Mortgage loans Relating to MBS will amortize based on a thirty-year schedule and will bear interest at fixed interest rates.

The Issuer anticipates that there will be some delinquent and defaulted Mortgage Loan payments. In addition, physical damage to the residences securing the Mortgage Loans may exceed the limits of, or be caused by a peril not insured under, the standard hazard insurance policies insuring such residences. The Issuer believes that it is reasonable to assume that the amount of delinquent and defaulted Mortgage Loan payments for which mortgage insurance proceeds will not have been received will not exceed the aggregate balance in the Debt Service Reserve Fund.

If Prepayments of the 2026 Series A/B MBS occur, a portion of the 2026 Series A/B Bonds may be redeemed pursuant to the special redemption provisions of the Indenture. See “DESCRIPTION OF THE 2026 SERIES A/B BONDS – Special Redemption” and “– Estimated Weighted Average Lives of the “PAC” Bonds.” The Issuer anticipates that a portion of the mortgage loans underlying the 2026 Series A/B MBS will be partially or completely prepaid or terminated prior to their respective final maturities and the 2026 Series A/B Bonds may have a substantially shorter life than the stated maturity of the 2026 Series A/B Bonds. The actual rate of principal payments on pools of mortgage loans may be influenced by a variety of economic, geographic, social and other factors and there is no reliable basis for predicting the actual average life of 2026 Series A/B MBS. Factors affecting prepayment of the mortgage loans underlying the 2026 Series A/B MBS may include changes in prevailing interest rates, changes in mortgagors’ housing needs, job transfers, unemployment, mortgagors’ net equity in the mortgaged properties, servicing decisions, the age and payment terms of the mortgages, the extent to which the mortgages are assumed or refinanced, the use of second-lien or other individualized financing arrangements and the requirements of the Program, including the requirements of the Code with respect to the assumption of mortgages funded with the proceeds of qualified mortgage bonds. The Issuer makes no representation as to the factors that will affect the prepayment of the mortgage loans underlying the 2026 Series A/B MBS or the relative importance of such factors. Factors not identified by the Issuer or discussed herein may significantly affect the prepayment of the 2026 Series A/B MBS.

Upon satisfaction of the conditions set forth in the Indenture, the Issuer may instruct the Trustee to apply moneys on deposit in subaccounts of the Redemption Fund related to other Series to redeem 2026 Series A/B Bonds and may instruct the Trustee to apply moneys on deposit in the Related subaccounts of the Redemption Fund to redeem Bonds of another Series under certain circumstances. Upon satisfaction of the conditions set forth in the Indenture, the Issuer may also instruct the Trustee to apply moneys on deposit in subaccounts of the Redemption Fund related to other Series to purchase Mortgage Loans and MBS related to the 2026 Series A/B Bonds or another Series and may instruct the Trustee to apply money on deposit in Related subaccounts of the Redemption Fund to make or purchase Mortgage Loans and MBS related to the 2026 Series A/B Bonds or another Series. See “DESCRIPTION OF THE 2026 SERIES A/B BONDS – Special Redemption – Cross Calls and Recycling.” Such instruction may result in the 2026 Series A/B Bonds having a shorter or longer life.

The Issuer believes the assumptions described herein are reasonable, but cannot guarantee that actual results will not vary materially from such assumptions. If subsequent events do not correspond to such assumptions, the amount of revenues from Mortgage Loans and MBS, investment earnings and insurance proceeds available for the payment of principal of, Sinking Fund Installments for and interest on the Bonds and costs of operating the Program may be adversely affected.

### **Delays after Defaults on Mortgage Loans**

In the event that a mortgagor defaults in the payment of a Mortgage Loan and the Issuer institutes foreclosure proceedings, there will be certain required time delays which, should they occur with respect to a sufficient number of Mortgage Loans, could disrupt the flow of revenues available for the payment of principal of, Sinking Fund Installments for and interest on the Bonds. These time delays derive from the procedures applicable to the collection of mortgage insurance or guarantees as well as those required under Idaho law for the enforcement of rights of

mortgagees. Those procedures are described in “APPENDIX A – INSURANCE, GUARANTEES AND FORECLOSURE.”

Certain mortgagors may be entitled to benefits under the Soldiers and Sailors Civil Relief Act, as amended (the “Relief Act”). Under the Relief Act, a mortgagor may be granted certain forms of relief from his or her obligations under a mortgage loan during any period of active military service. Such relief may reduce Revenues during such period.

### **Interest Rate Contracts and Variable Rate Bonds**

Amounts to be paid to the Issuer by the Related Interest Rate Contract Providers from time to time pursuant to the Related Interest Rate Contracts will be calculated based on notional amounts expected to correspond with the interest rates borne by the Related Variable Rate Bonds. Such notional amounts are structured to decline on a pro rata basis based on the projected decline of the outstanding amount for the Related Variable Rate Bonds. Under certain circumstances, the notional amount used to calculate the amounts to be paid to the Issuer by the Related Interest Rate Contract Provider pursuant to the Related Interest Rate Contract and the hedged portion of the outstanding principal amount of the Related Variable Rate Bonds may differ. Additionally, the Interest Rate Contract Rates may differ from the actual interest rates borne by the Related Variable Rate Bonds. Any differences from time to time between such notional amounts and the hedged portions of the outstanding principal amount of the Related Variable Rate Bonds and the respective Interest Rate Contract Rates and the interest rates borne by the Related Variable Rate Bonds will expose the Issuer to additional variable interest rate risk and will result in the Issuer’s interest obligation with respect to the hedged portion of the Related Variable Rate Bonds not being on an approximately fixed rate basis.

### **Cybersecurity**

The Issuer, the Trustee, Ginnie Mae, Fannie Mae, and Freddie Mac like many other public and private entities, rely on a technology environment to conduct their operations. As a recipient and provider of personal, private, or sensitive information, the Issuer, the Trustee, Ginnie Mae, Fannie Mae, and Freddie Mac are subject to multiple cyber threats including, but not limited to, hacking, viruses, malware, and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to their digital systems for the purpose of misappropriating assets or information or causing operational disruption and damage. No assurances can be given that efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the Issuer, the Trustee, Ginnie Mae, Fannie Mae, or Freddie Mac and adversely affect timely payment on the 2026 Series A/B Bonds.

### **Business Disruption Risks**

Certain external events, such as pandemics (including continued effects of the COVID-19 pandemic), natural disasters, severe weather, technological emergencies, riots, acts of war, terrorism or other circumstances could potentially disrupt the Issuer’s ability to conduct its business. A prolonged disruption in the Issuer’s operations could have an adverse effect on the Issuer’s financial condition and results of operations.

### **Continuing Inflation**

The State, like the rest of the nation, has recently experienced significant increases in costs of housing, food, and energy, in addition to associated wage and salary pressures. The Issuer anticipates that inflationary pressure, particularly in housing, wages, food, and energy prices, will continue for the foreseeable future.

Increased housing costs and rising interest rates for mortgage loans may have an adverse impact on the Issuer’s operations; however, the Issuer cannot predict the extent of inflationary pressures on its operations.

## OUTSTANDING BONDS, AUXILIARY OBLIGATIONS, AND OTHER GENERAL OBLIGATIONS

### Bonds

The following series of Bonds were issued and are Outstanding under the General Indenture as of the date set forth below:

#### Bonds as of March 31, 2026

<u>Series</u>	<u>Issued</u>	<u>Outstanding</u>
2019 Series A	\$29,860,000	\$4,280,000
2019 Series C	30,490,000	11,830,000
2022 Series A	253,615,000	187,465,000
2023 Series A	80,285,000	69,405,000
2023 Series B	75,220,000	56,180,000
2023 Series C	150,295,000	135,800,000
2023 Series D	87,565,000	65,870,000
2023 Series E	206,785,000	135,335,000
2024 Series A	290,940,000	257,865,000
2024 Series B	244,850,000	201,280,000
2024 Series C	175,000,000	137,295,000
2025 Series A	250,000,000	231,995,000
2025 Series B	175,000,000	153,940,000
2025 Series C	196,345,000	195,580,000
2025 Series D	128,655,000	127,815,000
2025 Series E	<u>175,000,000</u>	<u>174,915,000</u>
<b>Total</b>	<b>\$2,549,905,000</b>	<b>\$2,146,850,000</b>

### Auxiliary Obligations

In connection with the issuance of Bonds previously issued, the Issuer entered into certain Interest Rate Contracts and certain Liquidity Facilities. Certain obligations of the Issuer pursuant to such Auxiliary Agreements are secured by the pledge pursuant to the Indenture of Revenues. Certain of such obligations are obligations of the Issuer payable from and secured by the revenues and assets derived from the proceeds of the Bonds, as provided in the Indenture and other general revenues or moneys legally available therefor, and not pledged or encumbered to secure other obligations of the Issuer.

The Issuer has heretofore entered into Interest Rate Contracts and Liquidity Facilities with the following terms and parties and with respect to the following Series of Bonds issued and Outstanding under the General Indenture:

#### Interest Rate Contracts as of March 31, 2026

<u>Series</u>	<u>Notional Outstanding</u>	<u>Fixed Rate</u>	<u>Floating Rate</u>	<u>Provider</u>	<u>Termination Date</u>
2019 Series B-2	\$280,000	5.031%	SOFR + 0.56448%	Barclays Bank PLC	7/1/2026
2019 Series B-2	<u>290,000</u>	4.370%	SOFR*68% + 0.277846%	Barclays Bank PLC	1/1/2027
<b>Total</b>	<b>\$570,000</b>				

Liquidity Facilities as of March 31, 2026

<u>Series</u>	<u>Amount Outstanding</u>	<u>Provider</u>	<u>Termination Date</u>
2023 Series B-2	\$19,335,000	Federal Home Loan Bank of Des Moines	4/5/2028
2023 Series D-2	<u>8,880,000</u>	Federal Home Loan Bank of Des Moines	10/5/2027
<b>Total</b>	<b>\$28,215,000</b>		

**Other General Obligations**

The Issuer currently has other general obligations including certain lines of credit, commercial paper notes and Multifamily Housing Revenue Bonds. As of March 31, 2026, the lines of credit have an aggregate outstanding balance of \$177,173,619 on a \$450,000,000 total line of credit amount, the commercial paper notes have an aggregate outstanding balance of \$250,000,000 and the Multifamily Housing Revenue Bonds (Sunset Landing Apartments Project), 2021 Series A Fixed Rate have an outstanding balance of \$7,920,000.

**MORTGAGE LOAN AND MBS PORTFOLIO**

**Mortgage Loans**

The following table sets forth information with respect to the existing Mortgage Loans as of the date set forth below:

Mortgage Loans as of March 31, 2026

<u>Series</u>	<u>Mortgage Rate</u>	<u>Mortgage Loans Outstanding<sup>(1)</sup></u>	<u>Principal Balance of Mortgage Loans Outstanding</u>
2019 Series A/B	3.88%-6.48%	68	\$4,521,637
2019 Series C	2.13%-2.38%	26	5,467,976
2023 Series D-2	3.75%-6.60%	109	7,901,408
Additional Security <sup>(2)</sup>	3.49%-7.75%	<u>498</u>	<u>21,948,084</u>
<b>Total</b>		<b>701</b>	<b>\$39,839,105</b>

<sup>(1)</sup> This table does not include DPA loans or Mortgage Loans backing MBS.

<sup>(2)</sup> Mortgage Loans held in the Additional Security Account and not allocated to any Series of Bonds.

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## MBS

The following tables set forth information with respect to the existing MBS as of the date set forth below:

### MBS as of March 31, 2026

<u>Series</u>	<u>Weighted Average Pass-through Rate</u>	<u>MBS Type</u>	<u>Principal Balance of MBS Purchased</u>	<u>Principal Balance of MBS Outstanding</u>
2019 Series A/B	3.49%	GNMA II	\$108,252,508	\$10,998,185
2019 Series C	3.77%	GNMA II	30,002,380	3,920,258
2022 Series A	5.15%	GNMA II	253,432,138	170,937,435
2023 Series A	5.49%	GNMA II	71,796,505	58,339,265
2023 Series B	5.70%	GNMA II	74,921,390	50,819,958
2023 Series C	5.20%	Multiple <sup>(1)</sup>	141,882,207	122,224,689
2023 Series D	6.01%	GNMA II	75,779,977	53,175,715
2023A / 2023C	5.00%	GNMA II	31,964,810	14,002,349
2023 Series E	6.60%	Multiple <sup>(1)</sup>	204,738,867	128,071,988
2024 Series A/B	5.42%	GNMA II	440,004,921	369,738,540
2024 Series B	6.43%	GNMA II	93,935,824	58,165,382
2023C / 2024A	5.05%	Multiple <sup>(2)</sup>	15,053,030	6,091,238
2024 Series C	6.15%	GNMA II	175,537,141	124,035,048
2025 Series A	5.81%	GNMA II	254,886,807	220,562,149
2025 Series B	5.70%	GNMA II	175,710,316	126,313,621
2025 Series C	5.40%	Multiple <sup>(1)</sup>	190,676,621	186,384,140
2025 Series D	5.75%	GNMA II	128,837,877	124,212,105
2025 Series E	5.89%	GNMA II	175,683,645	171,962,024
Additional Security	4.71%	Multiple <sup>(3)</sup>	<u>52,675,624</u>	<u>41,326,732</u>
<b>Total</b>			<b>\$2,695,772,588</b>	<b>\$2,041,280,821</b>

<sup>(1)</sup> GNMA II, Fannie Mae Certificates, and Freddie Mac Certificates.

<sup>(2)</sup> GNMA II and Freddie Mac Certificates.

<sup>(3)</sup> GNMA II and Fannie Mae Certificates.

Additional information relating to the type of MBS described in the table above is set forth below:

### MBS Type as of March 31, 2026

<u>MBS Type</u>	<u>Outstanding Balance</u>	<u>Percentage</u>
GNMA II	\$1,758,349,807	86.14%
Fannie Mae Certificates	159,778,713	7.83
Freddie Mac Certificates	<u>123,152,301</u>	<u>6.03</u>
<b>Total</b>	<b>\$2,041,280,821</b>	<b>100.00%</b>

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## Delinquencies Relating to Mortgage Loans and MBS

The following table sets forth delinquency information with respect to the existing Mortgage Loans and mortgage loans backing the existing MBS:

### Delinquencies Relating to Mortgage Loans and MBS as of March 31, 2026

<u>Loan Balance</u> <u>Outstanding</u> <sup>(1)</sup>	<u>Loans</u> <u>Outstanding</u>	<u>60 Days</u> <u>Delinquent</u>		<u>90 Days</u> <u>Delinquent</u>		<u>Foreclosures</u>	
		<u>Loans</u>	<u>% of</u> <u>Total</u> <u>Outstanding</u>	<u>Loans</u>	<u>% of</u> <u>Total</u> <u>Outstanding</u>	<u>Loans</u>	<u>% of</u> <u>Total</u> <u>Outstanding</u>
\$2,236,885,751	8,630	92	1.07%	348	4.03%	202	2.34%

<sup>(1)</sup> The outstanding balance of mortgage loans backing the existing MBS may not match the outstanding balance of the MBS due to factors that include multiple issuer MBS pools and delays in reporting MBS data.

## New MBS

A portion of the proceeds of the 2026 Series A/B Bonds will be used to finance, or reimburse the Issuer for, the purchase of, or a participation interest in, the 2026 Series A/B MBS. See “FINANCING PLAN.” The 2026 Series A/B MBS will be backed by pools of mortgage loans that have been or will be made by participating lenders or other lenders to qualified borrowers to finance the purchase of single-family residential housing located in the State or in the state of another Qualified Issuer of the 2026 Series A/B MBS. The 2026 Series A/B MBS are expected to have the characteristics in the table under the heading “– Estimated Weighted Average Lives of the “PAC” Bonds.”

The 2026 Series A/B Indenture provides that the Issuer will voluntarily make a good faith effort to prepare (i) semiannual reports due on June 30 and December 31 of each calendar year beginning with the report for December 31, 2026, setting forth (a) a description of all 2026 Series A/B MBS purchased from proceeds of the 2026 Series A/B Bonds to the date thereof in substantially the form of APPENDIX G to this Official Statement related to the 2026 Series A/B Bonds and (b) the remaining amount held in the 2026 Series A/B Subaccount of the Acquisition Account, if any, and (ii) a final report setting forth the information in part (i) above within 10 Business days of the earlier of (a) the date the Issuer has determined that it has acquired all 2026 Series A/B MBS expected to be acquired with the proceeds of the 2026 Series A/B Bonds held in the 2026 Series A/B Subaccount of the Acquisition Account or (b) the date on which the proceeds of the 2026 Series A/B Bonds held in the 2026 Series A/B Subaccount of the Acquisition Account have been fully expended. Such final report will contain a certification by the Issuer to that effect. Issuer shall make a good faith effort to file said reports with EMMA on or prior to the applicable due dates set forth in the prior sentence, but failure to do so shall not be a default under the Indenture, and the Issuer shall have no further obligation to update the information so reported. Once the Issuer has so certified and filed its final report, no further reports will be provided.

Amounts made available by the proceeds of Additional Bonds may be used to finance the purchase of additional Mortgage Loans and additional MBS.

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## LOAN INSURANCE

The following table sets forth information as of March 31, 2026 with respect to the existing Mortgage Loans.

<u>Insurance/ Guaranty Provider</u>	<u>Number of Mortgage Loans</u>	<u>Outstanding Principal Balance</u>	<u>Percentage of Total (Number of Loans)</u>	<u>Percentage of Total (Amount)</u>
Conv Uninsured	76	\$3,258,420	10.84%	8.18%
Enact	74	5,554,206	10.56	13.94
FHA	374	20,846,673	53.35	52.33
FMHA/RD	68	4,041,628	9.70	10.14
IHFA/Risk Share	1	40,203	0.14	0.10
MGIC	23	1,530,087	3.28	3.84
None Required	47	2,159,551	6.70	5.42
Radian Ins.	4	353,584	0.57	0.89
REP	1	50,121	0.14	0.13
United Guaranty	2	144,457	0.29	0.36
VA	<u>31</u>	<u>1,860,175</u>	<u>4.42</u>	<u>4.67</u>
<b>Total</b>	<b>701</b>	<b>\$39,839,105</b>	<b>100.00%</b>	<b>100.00%</b>

See “APPENDIX A – INSURANCE, GUARANTEES AND FORECLOSURE” for a description of the mortgage insurance or guaranty to be maintained with respect to the Mortgage Loans.

## INVESTMENTS

As of March 31, 2026, the Issuer had the following investments and maturities:

<u>Series</u>	<u>Subaccount</u>	<u>Approximate Amount</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Provider</u>
2019A/B	Debt Service	\$19,947	6.150%	1/28/2028	FNMA
2019A/B	Debt Service	11,015	6.005	7/28/2028	FHLB
2019A/B	Debt Service	10,225	6.125	11/15/2027	US Treasury Note
2019A/B	Debt Service	126,052	3.500	7/20/2049	GNMA II
2019A/B	Special Red.	34,712	3.500	7/20/2049	GNMA II
2023D	Debt Service	580,724	5.410	4/17/2036	Federal Farm Cr
2019 Indenture	Add'l Security	26,145	5.700	8/3/2037	Federal Farm Cr
2019 Indenture	Add'l Security	21,371	6.005	7/28/2028	FHLB
2019 Indenture	Add'l Security	5,539	6.750	9/15/2029	FHLB
2019 Indenture	Add'l Security	106,830	6.500	11/15/2026	US Treasury Bond
2019 Indenture	Add'l Security	1,097,522	6.250	7/15/2032	FHLMC
2019 Indenture	Add'l Security	88,691	6.160	8/7/2028	FNMA
2019 Indenture	Add'l Security	<u>79,160</u>	6.150	1/28/2028	FNMA
	<b>Total</b>	<b>\$2,207,933</b>			

## SINGLE FAMILY MORTGAGE PROGRAM

### Introduction

Under the Issuer’s single family mortgage program (the “Program”) the Issuer may purchase mortgage loans and/or MBS backed by mortgage loans made by Mortgage Lenders to finance the acquisition of Residential Housing by low income persons and will service such mortgage loans. The Act provides that mortgage loans made or purchased by the Issuer be made to low income persons as defined in the Act who are deemed by the Issuer, due to insufficient income and without any governmental assistance, unable to make the payments on decent, safe and sanitary housing.

The Issuer has also entered into cooperative ventures (“Cooperative Ventures”) to partner with housing finance agencies in certain other states to provide those agencies with assistance in the processing and servicing of

mortgage loans for persons of lower income. Currently these states are: Connecticut, Iowa, Montana, New Mexico, Oregon, South Dakota, Texas, and Washington.

### **Reservation, Delivery and Making or Purchase of Mortgage Loans**

The Issuer's Single Family Underwriting Guide described below (the "Single Family Underwriting Guide") references and incorporates a reservation procedure, which describes the steps a Mortgage Lender must take in order to receive a commitment for each mortgage loan to be sold to the Issuer. The reservation procedure requires a Mortgage Lender to have taken a loan application from a potential home buyer who has entered into a binding purchase contract with the seller of a residence. The lender must complete the loan lock reservation which can be updated during that day. The following business day the loan lock reservation will become a loan lock confirmation. The Mortgage Lender must then deliver the mortgage loan to the Issuer for purchase on or before the final mortgage delivery date. Following correction of any deficiencies in the mortgage loan, the Issuer will direct the Trustee to disburse funds to the Mortgage Lender for the making or purchase of any eligible mortgage loans ("Mortgage Loans") delivered to the Issuer. It is not expected that the Issuer will directly purchase any Mortgage Loans with the proceeds of the 2026 Series A/B Bonds, but will purchase 2026 Series A/B MBS containing such Mortgage Loans.

Where Tax-exempt Bonds have been issued and are funding the purchase of qualified mortgage loans either directly or through the purchase of such mortgage loans, in order to satisfy the requirements of the Code, the Issuer will reserve 20% of the amount of the proceeds of the Tax-exempt Bonds available for the making or purchase of mortgage loans for the making or purchase of mortgage loans for residences located in Targeted Areas. Except as otherwise provided in the Indenture, such amount will be reserved until all of such amount is used by the Issuer to make or purchase mortgage loans on Targeted Area Residences or a date at least one year after the date on which amounts are first made available for the making or purchase of such mortgage loans.

### **Mortgage Loan Discount, Purchase Price and Servicing Acquisition**

The Issuer will purchase mortgage loans based at a purchase price of 100% of the outstanding principal balance plus unpaid accrued interest to the date of funding or purchase. Mortgage Lenders may charge the mortgagor or the seller of a residence securing a mortgage loan a fee based on the option elected by the mortgagor.

All Mortgage Lenders who are not qualified under the Single Family Servicing Guide described below ("Single Family Servicing Guide") to service mortgage loans must assign the servicing to the Issuer. In consideration for the assignment to the Issuer of servicing by any Mortgage Lenders the Issuer may pay to each such Mortgage Lender a transfer fee as of the date of purchase as further described below.

### **Down Payment Assistance**

In connection with certain mortgage loans originated by Mortgage Lenders under the Program, borrowers from time to time may be allowed to request and obtain down payment assistance ("DPA"), the proceeds of which may, subject to Program guidelines and depending on funding available to the Issuer, be used toward such borrowers' closing costs or down payment expenses. DPA is secured by a second lien and is made by the Issuer concurrently with the first lien mortgage loan. No proceeds of the 2026 Series A/B Bonds are being used to fund DPA.

### **Commercial Paper Program**

The Issuer has established a taxable commercial paper program to provide funds to make mortgage loans or to purchase mortgage loans from mortgage lenders on an interim basis, among other things. Prior to acquisition of Mortgage Loans or MBS by the Trustee from monies in the Acquisition Account, such Mortgage Loans or MBS will not be subject to the pledge and lien of the Indenture. If Mortgage Loans and MBS are acquired by the Issuer and held temporarily in its general fund in connection with its commercial paper program, such Mortgage Loans and MBS may be transferred to the Trustee at a price equal to the funding amount or purchase price paid by the Issuer therefor plus accrued interest, whether or not delinquent or in default, if such Mortgage Loans and MBS satisfied Indenture and Program requirements as of the date of acquisition into the Issuer's general fund.

## **Requirements for Mortgage Loans**

Mortgage loans financed with the proceeds of Tax-exempt Bonds must be made only to mortgagors who have not owned an interest in a principal residence during the three-year period prior to the date of execution of each respective mortgage which secures each such mortgage loan; provided, that such restriction does not apply with respect to mortgage loans secured by Targeted Area Residences or, in certain circumstances, to mortgage loans made to veterans. For such mortgage loans, each mortgagor must intend to occupy the unit as his or her principal place of residence and the Acquisition Cost of a residence financed with Bond proceeds may not exceed the lesser of (i) 90% (110% in the case of Targeted Area Residences) of the Average Area Purchase Price of previously occupied or new single family residences, as the case may be, for the statistical area in which the residence is located, or (ii) such Acquisition Cost limits as are established by the Issuer.

For mortgage loans described in the preceding paragraph, the term “Acquisition Cost” means the cost of acquiring a residence from the seller as a completed residential unit, including: (i) all amounts paid, either in cash or in kind, by the mortgagor (or a related party or for the benefit of the mortgagor) to the seller (or a related person or for the benefit of the seller) as consideration for the residence, (ii) the purchase price of the land and (iii) if the residence is incomplete, the reasonable cost of completing it (to the extent that the builder thereof normally completes work on similar residences which he builds, and so that occupancy thereof is legally permitted); but exclusive of (a) usual and reasonable settlement or financing costs (but only to the extent that such amounts do not exceed the usual and reasonable costs which would be paid by the mortgagor where financing is not provided through the proceeds of qualified mortgage bonds the interest on which is excludable from the gross income of the recipient for federal income tax purposes), and (b) the value of services performed by the mortgagor or members of his or her family in completing the residence.

With respect to mortgage loans described two paragraphs above, the term “Average Area Purchase Price” means the most current average area purchase price under the safe harbor limitations from time to time published by the United States Department of the Treasury for each applicable Metropolitan Statistical Area or other area within the State, stated separately with respect to residences which have not been previously occupied and residences which have been previously occupied; provided, however, that in lieu of such safe harbor limitations, the average area purchase price shall be determined by the Issuer in accordance with the Code but only upon receipt by the Issuer of an opinion of bond counsel that the use of the average area purchase price so determined by the Issuer will not cause interest on Tax-exempt Bonds to become included in gross income for purposes of federal income taxation. Average Area Purchase Prices will be revised by the Issuer as subsequently published by the United States Department of the Treasury or as shall be determined by the Issuer as the average purchase price of all newly constructed and existing single family residences in the applicable statistical area for the most recent 12-month period. The Issuer has determined acquisition cost limits that comply with the applicable provisions of the Code.

Each mortgage loan made by the Issuer or purchased by the Issuer from a Mortgage Lender (i) will meet the loan-to-value requirements for the applicable FHA Mortgage Insurance, VA or Rural Housing and Community Development Service Guaranty or (ii) will have acceptable private mortgage insurance meeting Fannie Mae or Freddie Mac guidelines, or, if uninsured, will have a loan to value ratio of 80% or less. Each mortgage loan will be secured by a mortgage which constitutes a first lien on real property, subject only to certain permitted encumbrances. See “MORTGAGE PURCHASE AGREEMENTS.”

Mortgage loans which are made or purchased under the Program shall be FHA insured or VA or Rural Housing and Community Development Service guaranteed or shall constitute Uninsured Mortgage Loans. These programs are summarized in Appendix A.

The Issuer or the seller of a residence may buy down the interest rate on mortgage loans with its own funds as permitted by FHA, VA, the Rural Housing and Community Development Service.

## **Mortgage Loan Purchase Contracts**

Purchases of mortgage loans from Mortgage Lenders are made pursuant to Mortgage Loan Purchase Contracts, each of which incorporates by reference the terms and provisions of the Single Family Underwriting Guide,

the Single Family Servicing Guide, the Issuer's rules and regulations and related documents. Each Mortgage Loan Purchase Contract provides for the sale of mortgage loans to be purchased with proceeds of Bonds. The Mortgage Loan Purchase Contract contemplates that the Issuer will evidence its commitment to purchase a mortgage loan with a Mortgage Confirmation Statement, which relates to a specific mortgagor, residence and mortgage loan amount for which the Mortgage Lender reserved funds with the Issuer pursuant to the reservation procedures described herein. The Single Family Underwriting Guide also provides that an origination fee equal to one percent (1%) of each mortgage loan may be charged by a Mortgage Lender to a mortgagor and servicing fees may also be collected by the Issuer as well, which servicing fee is included in the Mortgage Note rate.

All Mortgage Lenders who are not qualified under the Single Family Servicing Guide to service mortgage loans must assign the servicing to the Issuer. Most Mortgage Lenders are not so qualified. In consideration for the assignment to the Issuer of servicing by any Mortgage Lenders the Issuer may pay to each such Mortgage Lender from the moneys in the related Acquisition Account a transfer fee which on average is approximately 2.00% to 2.25% of the outstanding principal balance of each mortgage loan as of the date of purchase.

Each Mortgage Loan Purchase Contract (the "Mortgage Loan Purchase Contract") incorporates certain representations and warranties of Mortgage Lenders with respect to mortgage loans delivered thereunder and with respect to the servicing of such mortgage loans.

The Mortgage Lender will warrant, represent, covenant and agree each time it sells a mortgage loan to the Issuer to be purchased with proceeds of Bonds that such mortgage loan will meet the conditions required by the Mortgage Loan Purchase Contract which will satisfy the Mortgage Loan requirements of the Indenture.

For mortgage loans financed from proceeds of Tax-exempt Bonds, prior to a purchase by the Issuer of each mortgage loan to be purchased with proceeds of Bonds with respect to a residence (including as part of such residence all land financed by the mortgage loan), the Issuer shall obtain affidavits executed by each mortgagor and each seller and a certificate of the Mortgage Lender with respect to such residence designed to ensure compliance with the Code.

The Issuer reserves the right to modify or otherwise change its procedures under the Program from time to time on the basis of its experience in order to meet changed conditions. To the extent that such modifications or changes are made, the Issuer will be governed by the Act and by the covenants contained in the Indenture.

### **Single Family Underwriting Guide**

For mortgage loans purchased by the Issuer, the Single Family Underwriting Guide is referenced and incorporated in the Mortgage Loan Purchase Contract and describes the Program and contains representations, warranties, covenants and agreements of the Mortgage Lender to the Issuer, certain of which relate to: (i) the legality and validity of the mortgage loans and related documents; (ii) the existence and conveyance to the Issuer of a valid first lien (subject only to current taxes and assessments not yet due and payable, and encumbrances permitted by the Issuer) on mortgaged property, located in the State and held in fee simple; (iii) the absence of delinquencies with respect to payments on each mortgage loan; (iv) the absence of defaults under each mortgage loan; (v) the Mortgage Lender's right to sell each mortgage loan to the Issuer; (vi) the existence and validity of hazard insurance on the mortgaged property in an amount equal to at least 100% of the insurable value of the mortgaged property on a replacement cost basis; (vii) compliance by the Mortgage Lender with all requirements relating to the insurance or guaranty, if any, of the mortgage loan; (viii) compliance with the requirements of the Code if applicable; (ix) to the effect that required insurance or guaranty, if any, will inure to the benefit of the Issuer and (x) to the effect that each mortgage loan made or purchased by the Issuer would in all respects (excluding the interest rate on the mortgage loan) be a prudent investment. The Issuer has the right to decline to make or purchase any mortgage loan offered to it if, in the reasonable opinion of the Issuer, the mortgage loan does not conform to the requirements of the Act or the Underwriting Guide. See "Mortgage Loan Purchase Contracts" above.

The Underwriting Guide may be amended or supplemented from time to time, provided any such amendment or supplement does not adversely affect the rights or security of the Holders of the Bonds.

## **Single Family Servicing Guide**

The Single Family Servicing Guide, also incorporated by reference in each Mortgage Loan Purchase Contract, provides that each Mortgage Lender selling mortgage loans to the Issuer shall service such mortgage loans or assign the servicing to the Issuer. In performing functions as a servicer of mortgage loans the Issuer shall follow all servicing procedures and guidelines set forth in the Single Family Servicing Guide. Any Mortgage Lender who is not qualified under the Servicing Guide to service mortgage loans must assign the servicing to the Issuer. The Issuer is currently servicing all mortgage loans originated under its Single Family Program. The Issuer reserves the right to assign the servicing of any mortgage loans for which it is the servicer to any other servicer who is qualified under the Servicing Guide; provided, however, that Servicing Fees to be paid to or retained by the Mortgage Lender assignee may not exceed the amount set forth in the most recent Cash Flow Statement.

The Servicing Guide contains certain representations and warranties to be made with respect to the servicing of mortgage loans, certain of which relate to: (i) the servicing of mortgage loans in accordance with accepted mortgage practices of prudent lending institutions in the State or with such other standards as are required to maintain the insured or guaranteed status of any mortgage loans; and (ii) the maintaining of adequate mortgage servicing facilities and personnel. The Servicing Guide provides that the obligation of the servicer to cause insurance to be maintained shall be absolute, regardless of any failure or refusal by a mortgagor to pay in timely fashion the premiums therefor. The Issuer is obligated to reimburse a servicer for the full amount of any such premium so paid by such servicer in the event of any failure or refusal by any mortgagor to make payment of such premiums following foreclosure of mortgage loans. The Servicing Guide also provides that the servicer shall notify the Issuer of any mortgage loan which is delinquent and of any charges not paid and which could become a lien on the mortgaged property superior to the lien of the Mortgage. The Servicing Guide contemplates that the servicer will act on behalf of the Issuer, at the Issuer's expense, in any foreclosure or similar proceedings. Currently, the Issuer services all mortgage loans purchased from Mortgage Lenders.

The Servicing Guide may be amended or supplemented from time to time, provided that any such amendment or supplement does not in any manner impair or adversely affect the rights or security of the Holders of the Bonds.

### **SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**

The Indenture, copies of which are available from the Issuer and the Trustee, contains various covenants and security provisions, some of which are summarized herein.

#### Definitions of Certain Terms

“Accreted Value” means, with respect to each compound interest Bond as of any date of calculation, an amount equal to the sum of (i) the principal amount of such Bond, plus (ii) any interest that has been compounded, i.e., any interest amount that is itself then bearing interest, all determined as of such date.

“Act” means the Idaho Code, Title 67, Chapter 62, as amended or supplemented from time to time.

“Additional Bonds” means Bonds authenticated and delivered pursuant to the General Indenture (other than the initial Bonds).

“Additional Security” means any loans, MBS or other assets transferred to the Trustee to be pledged to the payment of the Bonds under the General Indenture.

“Additional Security Account” means the account so designated, which is created and established in the Revenue Fund by the General Indenture to hold the Additional Security in accordance with the General Indenture and which may contain subaccounts Related to a Series as provided for in a Related Series Indenture.

“Aggregate Debt Service” means, for any particular period, the Debt Service Payments becoming due and payable on all Payment Dates during such period with respect to the Bonds and Auxiliary Obligations.

“Aggregate Principal Amount” means, as of any date of calculation, the principal amount or Accreted Value of the Bonds referred to.

“Amortized Value” means, when used with respect to an Investment Obligation purchased at a premium above or at a discount below par, the value as of any given date obtained by dividing the total amount of the premium or the discount at which such Investment Obligation was purchased by the number of days remaining to the first call date (if callable) or the maturity date (if not callable) of such Investment Obligations at the time of such purchase and by multiplying the amount so calculated by the number of days having passed from the date of such purchase; and (a) in the case of an Investment Obligation purchased at a premium, by deducting the product thus obtained from the purchase price and (b) in the case of an Investment Obligation purchased at a discount, by adding the product thus obtained to the purchase price.

“Asset Requirement” means the requirement that, as of any date of calculation, the sum of (a) amounts held in the Revenue Fund, Acquisition Account, Debt Service Fund, Redemption Fund and Debt Service Reserve Fund, and (b) the aggregate unpaid principal balance of the MBS and Mortgage Loans, be at least equal to 102% of the aggregate principal amount of Bonds then Outstanding or such lower percentage as will not adversely affect the then existing rating on the Bonds by each Rating Agency then rating the Bonds.

“Auxiliary Agreements” means Interest Rate Contracts and Liquidity Facilities.

“Authorized Officer” means the Chairman, Vice Chairman, Secretary-Treasurer, President and Executive Director, Chief Financial Officer or Assistant Secretary-Treasurer of the Issuer, or any other officer or employee of the Issuer, authorized to perform the particular acts or duties by resolution duly adopted by the Issuer.

“Auxiliary Agreement Providers” means Interest Rate Contract Providers and Liquidity Facility Providers.

“Auxiliary Obligations” means obligations of the Issuer for the payment of money under Auxiliary Agreements.

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

“Bond Year” means, with respect to the 2026 Series A/B Bonds, the twelve-month period ending on the date specified by the 2026 Series A/B Indenture.

“Borrower” means the maker of, and any other party obligated on, a Mortgage Loan in connection with the acquisition, refinancing or rehabilitation of Residential Housing.

“Business Day” means, except as set forth in a Series Indenture, any day (a) on which banks in the cities in which the respective principal offices of the Paying Agent, the Bond Registrar, the Trustee and Related Auxiliary Agreement Providers are located are not required or authorized by law to be closed and (b) on which the New York Stock Exchange is open.

“Cash Flow Statement” means, with respect to any particular Bonds and Auxiliary Obligations, an Issuer Certificate (a) setting forth, for the then current and each future Bond Year during which such Bonds and Auxiliary Obligations will be Outstanding, and taking into account (i) any such Bonds expected to be issued or redeemed or purchased for cancellation in each such Bond Year upon or in connection with the filing of such Certificate (for which purpose, if such Issuer Certificate is delivered as of a date prior to a scheduled mandatory tender date for any Variable Rate Bonds, the Purchase Price of all such Variable Rate Bonds subject to scheduled mandatory tender on such tender date shall be assumed to be due and payable on such mandatory tender date), (ii) any such Auxiliary Obligations expected to be incurred upon or in connection with the filing of such Certificate, (iii) the interest rate, purchase price or funding amount, discount points and other terms of any Related Mortgage Loans, and (iii) the application, withdrawal or transfer of any moneys, MBS, Mortgage Loans or other assets expected to be applied, withdrawn or transferred upon or in connection with the filing of such Certificate:

(A) the amount of Mortgage Repayments and Prepayments reasonably expected to be received by the Issuer in each such Bond Year from Related Mortgage Loans or Related MBS, together with Related Investment Revenues, Related Interest Rate Contract Revenues and amounts reasonably expected to be received in connection with DPA, and other moneys (including without limitation moneys in any special escrows established with the Trustee) that are reasonably expected to be available to make Related Debt Service Payments and to pay Related Program Expenses and to pay the Purchase Price of any such Variable Rate Bonds subject to mandatory tender on any such tender date; and

(B) the Aggregate Debt Service for each such Bond Year on all such Bonds and Auxiliary Obligations reasonably expected to be Outstanding, together with the Related Program Expenses reasonably estimated for each such Bond Year;

and (b) showing that in each such Bond Year the aggregate of the amounts set forth in clause (a)(A) of this definition exceeds the aggregate of the amounts set forth in clause (a)(B) of this definition. Reference to a Cash Flow Statement with respect to a Series shall be taken to mean a Cash Flow Statement with respect to such Series and any Related Auxiliary Obligations and any other Series and Related Auxiliary Obligations to which such Series has been linked for Cash Flow Statement purposes.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Treasury Department promulgated thereunder.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the Issuer and dated the date of issuance and delivery of the 2026 Series A/B Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Cooperative Venture” means a cooperative venture under the Act between the Issuer and a housing finance agency in another state where the Issuer has agreed to assist that agency in servicing mortgage loans of such agency and related matters.

“Costs of Issuance” means the items of expense payable or reimbursable directly or indirectly by the Issuer and other costs incurred by the Issuer, all related to the authorization, sale and issuance of Bonds, the execution and delivery of Auxiliary Agreements and the establishment of the Program, which costs and items of expense shall include, but not be limited to, underwriters’ compensation, printing costs, costs of developing, reproducing, storing and safekeeping documents and other information processing or storage of materials, equipment and software related to the Bonds, filing and recording fees, travel expenses incurred by the Issuer in relation to such issuance of Bonds or for the Program, initial fees and charges of the Trustee, the Bond Registrar and the Paying Agent, initial premiums with respect to insurance required by the Indenture to be paid by the Issuer or by the Trustee, legal fees and charges, consultants’ fees, accountants’ fees, costs of bond ratings, and fees and charges for execution, transportation and safekeeping of the Bonds.

“Covenant Default” means an Event of Default described in clause (c) of the section “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Events of Default.”

“Debt Service Payment” means, when used with respect to any Payment Date, the sum of the (a) interest, if any, (b) Principal Installments, if any, and (c) Auxiliary Obligations, if any, due and payable on such date with respect to the Bonds and Auxiliary Agreements referred to.

“Debt Service Reserve Fund Credit Facility” means a letter of credit, insurance policy, surety bond, or other credit facility provided to the Trustee by a bank, insurance company or other financial institution whose senior unsecured debt obligations are, or whose claims paying ability is, at the time of the delivery of such Debt Service Reserve Fund Credit Facility, rated in at least the top two rating categories, without regard to modifier, by at least one Rating Agency, which provides for payment when due, in accordance with the terms thereof, of the principal or redemption price of and/or interest on the Bonds.

“Debt Service Reserve Fund Requirement” means 5% of the outstanding aggregate principal amount of the mortgage loans not securitized by an MBS and not including such percentage of any mortgage loans held in the Additional Security Account.

“Defeasance Obligations” means Investment Obligations that (a) are described in clause (i) of the definition of “Investment Obligations” and (b) are not subject to redemption by the issuer thereof prior to their maturity.

“Depository” means any bank, trust company, or savings and loan association (including any Fiduciary) selected by the Issuer and approved by the Trustee as a depository of moneys, MBS, Mortgage Loans or Investment Obligations held under the provisions of the Indenture, and its successor or successors.

“DPA” means down payment assistance provided to a mortgagor in connection with a Mortgage Loan. The DPA may contain such terms, interest rate and other provisions determined by the Issuer prior to the issuance of a Series of Bonds funding the Mortgage Loan and related DPA.

“Eligible Borrower” means a person or a family qualifying as a mortgagor for a Mortgage Loan under determinations made by the Issuer in accordance with the Act or under determinations made by another state housing finance agency under its programs in a Cooperative Venture. Such term shall not apply to any borrower under a mortgage loan which is not part of the Issuer’s Mortgage Loan Program or part of a Cooperative Venture.

“Escrow Payment” means all payments made by or on behalf of the obligor of a Mortgage Loan in order to obtain or maintain mortgage insurance or guaranty coverage of, and fire and other hazard insurance with respect to, a Mortgage Loan, and any payments required to be made with respect to such Mortgage Loan for taxes, other governmental charges and other similar charges required to be escrowed under the Mortgage.

“Fannie Mae” means Fannie Mae, a corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C., Section 1716 et seq., and its successors and assigns.

“Fannie Mae Certificate” means a single pool, guaranteed mortgage, pass-through certificate, bearing interest at the Pass-Through Rate, issued by Fannie Mae, guaranteed as to timely payment of interest and principal by Fannie Mae and backed by conventional mortgage loans, which will mature not later than the date set forth in the applicable Series Indenture.

“Fannie Mae Certificate Purchase Price” means the percentage of the principal balance of the applicable pool of mortgage loans on record at Fannie Mae on the first day of the month of purchase, or such other percentage of such principal balance as may be reported by the Issuer to the Trustee upon the acquisition of the related Fannie Mae Certificate.

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

“FHA Experience” means the prepayment rate on a cumulative basis set forth for thirty-year loans in the “FHA Survivorship and Decrement Tables as of June 30, 1991, Based on Aggregate Insurance and Termination Experience for Home Mortgages Insured Since 1970, Section 203, U.S. Totals, 30-Year Term.”

“Fiduciary” means the Trustee, the Bond Registrar, the Paying Agent or a Depository or any or all of them, as may be appropriate.

“Fiduciary Expenses” means the fees and expenses of Fiduciaries, except Servicing Fees payable to such Persons.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation or any successor thereto.

“Freddie Mac Certificate” means a mortgage participation certificate issued by Freddie Mac and representing an undivided interest in a pool of conventional mortgage loans identified by a particular alphanumeric number and

CUSIP number, guaranteed as to timely payment of principal and interest by Freddie Mac and bearing interest at the Pass-Through Rate, which will mature not later than the date set forth in the applicable Series Indenture.

“Freddie Mac Certificate Purchase Price” means the percentage of the principal balance of the applicable pool of mortgage loans on record at Freddie Mac on the first day of the month of purchase, as reported by the Issuer to the Trustee upon the acquisition of the related Freddie Mac Certificate.

“General Obligation Bond” means a Bond, the payment of principal of and interest on which is a General Obligation of the Issuer.

“General Obligations” means Bonds or Auxiliary Obligations secured or additionally secured, as provided in the Related Series Indenture, by a pledge of general revenues or moneys of the Issuer legally available therefor, and not pledged or otherwise encumbered to secure other obligations of the Issuer and subject to the Issuer’s right at any time to apply such revenues and moneys to any lawful purpose.

“Ginnie Mae” means the Government National Mortgage Association, a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development or any successor to its functions.

“Ginnie Mae Certificate” means a fully modified, mortgage backed security (which may be issued under either the GNMA I Program or the GNMA II Program) bearing interest at the Pass-Through Rate, issued by the Issuer or other Qualified Issuer, registered in the name of the Trustee and guaranteed as to timely payment of principal and interest by Ginnie Mae pursuant to Section 306(g) of Title III of the National Housing Act of 1934 and the regulations promulgated thereunder backed by FHA insured mortgage loans, VA guaranteed mortgage loans or other mortgage loans insured or guaranteed by an eligible Governmental Insurer, which will mature not later than the date set forth in the applicable Series Indenture.

“Ginnie Mae Certificate Purchase Price” means the percentage of the principal balance of the applicable pool of Mortgage Loans on record at Ginnie Mae on the first day of the month of purchase, as reported by the Issuer to the Trustee upon the acquisition of the related Ginnie Mae Certificate.

“GMI” means governmental mortgage insurance or guaranty issued by a Governmental Insurer and providing primary mortgage insurance or guaranty coverage of a Mortgage Loan in accordance with the requirements of the Related Series Indenture.

“Governmental Insurer” means FHA, VA or the Rural Housing and Community Development Service of the Department of Agriculture.

“Guide” means each respective Single Family Underwriting Guide and each respective Single Family Servicing Guide incorporated by reference into each respective Mortgage Purchase Agreement, as the same may be amended from time to time.

“Indenture” means the General Indenture authorized, executed and issued by an Authorized Officer and any amendments or supplements made in accordance with its terms, including all Series Indentures.

“Interest Payment Date” means, for each Bond, any Payment Date upon which interest on such Bond is due and payable in accordance with the Related Series Indenture.

“Interest Rate Contract” means an interest rate exchange or swap contract, a cash flow exchange or swap contract, any derivative of such contracts, including forward swaps and options to enter into swaps, and interest rate floors, caps or collars, entered into between the Issuer and an Interest Rate Contract Provider.

“Interest Rate Contract Provider” means a Person that is a party to an Interest Rate Contract with the Issuer with respect to specified Bonds and whose credit rating by each nationally recognized rating agency then rating the

Bonds is sufficiently high to maintain the then current rating on such Bonds by such rating agency or the equivalent of such rating by virtue of guarantees or insurance arrangements.

“Interest Rate Contract Revenues” means all payments and receipts received by the Issuer under an Interest Rate Contract.

“Investment Obligations” means and includes any of the following which at the time are legal investments for fiduciaries under the laws of the State for moneys held under the Indenture which are then proposed to be invested therein: (i) direct general obligations of the United States of America; (ii) obligations the payment of the principal of and interest on which is unconditionally guaranteed by the United States of America; (iii) direct and general obligations of any state within the United States of America or of any political subdivision thereof, provided that at the time of purchase such obligations are rated by each nationally recognized rating agency then rating the Bonds sufficiently high to maintain the then current rating on the Bonds by such rating agency; (iv) senior bonds, debentures, participation certificates, notes, collateralized mortgage obligations or mortgage backed securities issued by any of the following: Bank for Cooperatives, Federal Financing Bank, Federal Land Banks, Federal Intermediate Credit Banks, Federal National Mortgage Association (excluding mortgage strip securities valued greater than par), Export-Import Bank of the United States, Farmers Home Administration, Federal Home Loan Mortgage Corporation (but, with respect to participation certificates thereof, only to the extent that the payment of principal on such participation certificates is guaranteed as to timely payment) or Government National Mortgage Association, or any other agency or corporation which has been or may hereafter be created by or pursuant to an Act of the Congress of the United States as an agency or instrumentality thereof whose obligations are unconditionally guaranteed by the United States of America; (v) public housing bonds, temporary notes or preliminary loan notes fully secured by contracts with the United States of America; (vi) negotiable or non-negotiable certificates of deposit, time deposits or other similar banking arrangements which are (A) issued by any bank or trust company whose negotiable or non-negotiable certificates of deposit, time deposits or other similar banking arrangements are rated at the time of their issuance by each nationally recognized rating agency then rating the Bonds sufficiently high to maintain the then current rating on the Bonds by such rating agency or (B) collateralized by Investment Obligations described in (i) or (ii) above having a market value at all times (exclusive of accrued interest) at least equal to the greater of 100% of the amount of such deposit or similar banking arrangement or such other amount as shall be acceptable to each nationally recognized rating agency then rating the Bonds in order for each such rating agency to maintain the rating then in effect on the Bonds; provided, however, that such collateral shall be in the possession of the Trustee or a third party acting as agent for the Trustee; (vii) repurchase agreements which are (A) with any institution whose long-term debt securities have a rating sufficiently high to maintain the then current rating on the Bonds by each nationally recognized rating agency then rating the Bonds (or equivalent rating of short term obligations if the investment is for a period not exceeding 3 years), or (B) collateralized by Investment Obligations described in (i) or (ii) above having a market value at all times (exclusive of accrued interest) at least equal to the greater of 100% of the amount of the repurchase price payable with respect to such repurchase agreement or such other amount as shall be acceptable to each nationally recognized rating agency then rating the Bonds in order for each such rating agency to maintain the rating then in effect on the Bonds; provided, however, that in the case of collateralized Investment Obligations, such collateral shall be in the possession of the Trustee or a third party acting as agent for the Trustee; (viii) units of a money market fund comprised solely of obligations guaranteed by the full faith and credit of the United States of America which have a rating from each nationally recognized rating agency then rating the Bonds sufficiently high to maintain the then current rating on the Bonds by such rating agency; (ix) units of a money market or mutual fund or any other investment which has a rating sufficiently high to maintain the then current rating on the Bonds by each Rating Agency; (x) general obligations of an Investment Provider under investment agreements; (xi) Mortgage Loans insured by the FHA and (xii) municipal obligations, the payment of principal and redemption price, if any, and interest on which is irrevocably secured by obligations of the type referred to in clauses (i) or (ii) above and which obligations have been deposited in an escrow arrangement which is irrevocably pledged to the payment of such municipal obligations and which municipal obligations are rated in the highest rating category for comparable types of obligations by each Rating Agency then maintaining a rating on the Bonds. The Issuer and the Trustee may rely upon a Counsel’s Opinion in determining what constitutes an “Investment Obligation” at any particular time.

“Investment Providers” means any commercial bank or trust company, bank holding company, investment company or other entity (which may include the Trustee, the Bond Registrar or the Paying Agent), whose credit rating (or the equivalent of such rating by virtue of guarantees or insurance arrangements) by each nationally recognized

rating agency then rating the Bonds is sufficiently high to maintain the then current rating on such Bonds by such rating agency or is otherwise acceptable to each such rating agency in order to maintain the then current rating on such Bonds by such rating agency which Investment Providers shall be approved by the Issuer for the purpose of providing investment agreements.

“Investment Revenues” means amounts earned on investments (other than MBS and Mortgage Loans) credited to any Fund or Account pursuant to the Indenture (including gains upon the sale or disposition of such investments) except the Rebate Requirement.

“Issuer” means the Idaho Housing and Finance Association, the independent public body corporate and politic created by the Act, and any body, authority, agency or other entity which may hereafter by law succeed to the powers, duties and functions of the Issuer.

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

“Issuer Payment Account” means the Account so designated, which is created and established in the Debt Service Fund with respect to General Obligations by the Indenture.

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

“MBS” means, collectively, the Ginnie Mae Certificates, the Fannie Mae Certificates and the Freddie Mac Certificates and any Uniform Mortgage-Backed Securities issued and guaranteed by Fannie Mae or Freddie Mac, as applicable, and as provided for by law. In the event that only a portion of or interest in an MBS is acquired under the Indenture, references herein to such MBS shall be interpreted and applied to relate to such portion or interest.

“Mortgage” means a deed of trust securing a Mortgage Loan and constituting a first lien on real property (such property held in fee simple by the mortgagor) improved by Residential Housing.

“Mortgage Lender” means any bank or trust company, Federal National Mortgage Association-approved mortgage banker, savings bank, national banking association, life insurance company, credit union, or other financial institution or governmental agency which is approved by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation or which is an FHA approved direct endorsement lender and a VA approved automatic lender, and is deemed eligible under the Program, and the Issuer.

“Mortgage Loan” means a permanent loan secured by a Mortgage for the purchase of owner-occupied Residential Housing made to an Eligible Borrower which is made or purchased by the Issuer pursuant to the Program and which loan satisfies the requirements of the Act and the Indenture, provided, that for purposes of the pledge and lien of the Indenture, the term “Mortgage Loan” shall only include Mortgage Loans acquired by the Trustee from money in the Acquisition Account.

“Mortgage Purchase Agreement” means an agreement between the Issuer and/or a housing finance agency under a Cooperative Venture and a Mortgage Lender, relating to the commitment to purchase a Mortgage Loan, as such agreement may from time to time be amended, substituted or supplemented.

“Mortgage Repayments” means, with respect to any Mortgage Loan or other mortgage loans or the Related MBS, the amounts received by or for the account of the Issuer as scheduled payments of principal and interest on such Mortgage Loan or other mortgage loans or the Related MBS, by or on behalf of a borrower to or for the account of the Issuer and does not include Prepayments, Servicing Fees or Escrow Payments.

“Mortgage Revenues” means all Revenues other than Investment Revenues and Interest Rate Contract Revenues.

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

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

and, with respect to any Auxiliary Obligations, means Auxiliary Obligations which have not been paid or otherwise satisfied.

“Pass-Through Rate” means the rate of interest on an MBS reported by the Issuer to the Trustee upon the acquisition of such MBS, equal to the rate of interest on the Mortgage Loans underlying such MBS less authorized Servicing Fees (including the guarantee fee charged by Ginnie Mae, Fannie Mae or Freddie Mac, as applicable).

“Payment Date” means for each Bond, each date on which interest or a Principal Installment or both are payable on such Bond and for each Auxiliary Obligation, each date on which an amount is payable with respect to such Auxiliary Obligation, and unless limited, means all such dates.

“Person” means an individual, partnership, corporation, trust or unincorporated organization or a government or any agency, instrumentality, program, account, fund, political subdivision or corporation thereof.

“Prepayment” means any moneys received or recovered by or for the account of the Issuer 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 MBS or Mortgage Loan or other mortgage loan, but excluding any Servicing Fees with respect to the collection of such moneys) on any MBS or Mortgage Loan or other mortgage loan prior to the scheduled payments of principal called for by such MBS or Mortgage Loan or other mortgage loan, whether (a) by voluntary prepayment made by a borrower or (b) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof or (c) by the sale, assignment, endorsement or other disposition of such MBS or Mortgage Loan or other mortgage loan by the Issuer or (d) in the event of a default thereon by the Borrower, by the acceleration, sale, assignment, endorsement or other disposition of such MBS or Mortgage Loan or other mortgage loan by the Issuer or by any other proceedings taken by the Issuer.

“Principal Installment” means, as of any date of calculation, and for any Payment Date, (a) the principal amount or Accreted Value of all Bonds due and payable on such date, plus (b) any Sinking Fund Installments due and payable on such date.

“Program” means the Issuer’s Single Family Mortgage Program pursuant to which the Issuer has determined to make, purchase, finance or service Mortgage Loans in accordance with the Act and the Rules and the Indenture and to assist other state housing finance agencies under a Cooperative Venture with activities relating to the servicing of Mortgage Loans.

“Program Expenses” means all the Issuer’s expenses of administering the Program under the Indenture and the Act and shall include without limiting the generality of the foregoing; salaries, supplies, utilities, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, including information processing equipment; software, insurance premiums, credit enhancement fees, legal, accounting, management, consulting and banking services and expenses; Fiduciary Expenses; remarketing fees; Costs of Issuance not paid from proceeds of Bonds; and payments to pension, retirement, health and hospitalization funds; and any other expenses required or permitted to be paid by the Issuer.

“PSA Experience” means the prepayment rate on a cumulative basis set forth for thirty-year mortgage loans in the Securities Industry and Financial Markets Association prepayment standard or model, which assumes an increasingly larger percentage of the mortgage loans prepaying each month for the first 30 months of the mortgage lives and then assumes a constant prepayment rate of six percent (6%) of the unpaid principal balance for the remaining life of each of the mortgage loans.

“Qualified PMI Company” means any private insurance company acceptable to the Issuer, qualified to do business in the State, qualified to provide insurance on mortgages purchased by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, and recognized by a nationally recognized rating service as being sufficiently credit worthy so that the credit rating of securities secured by a pool of conventional single-family mortgages insured by such private mortgage insurance company are rated sufficiently high to maintain the ratings then in effect on Outstanding Bonds.

“Qualified Issuer” means a lender of FHA insured mortgage loans or VA or Rural Housing and Community Development Service of the Department of Agriculture guaranteed mortgage loans eligible per Ginnie Mae requirements to acquire or originate eligible mortgage loans to be used in the creation, marketing, and servicing of Ginnie Mae Certificates.

“Rating Agency” means, at any particular time, any nationally recognized credit rating service designated by the Issuer, if and to the extent such service has at the time one or more outstanding ratings of Bonds. The Issuer shall at all times have designated at least one such service as a Rating Agency under the Indenture.

“Rebate Requirement” means the amount of rebatable arbitrage computed pursuant to Treasury Regulation Section 1.148-3.

“Record Date,” means, except as otherwise provided in a Series Indenture (i) with respect to each Payment Date, with respect to Bonds which are not Variable Rate Bonds, the Bond Registrar’s close of business on the fifteenth day of the month immediately preceding such Payment Date or, if any such date is not a Business Day, the next preceding day which is a Business Day; and (ii) in the case of each redemption, such Record Date shall be specified by the Bond Registrar in the notice of redemption, provided that such Record Date shall not be less than fifteen (15) calendar days before the mailing of such notice of redemption.

“Redemption Price” means, when used with respect to a Bond or portion thereof to be redeemed, the principal amount or Accreted Value of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof as determined by the Series Indenture authorizing the Series of Bonds.

“Related” (whether capitalized or not) means, with respect to any particular Bond, Series, Series Indenture, Supplemental Indenture, Cash Flow Statement, Fund, Account, MBS (or portion thereof), Mortgage Loan, Additional Security, Auxiliary Agreement, Mortgage Repayment or Prepayment, having been created in connection with the issuance of, or having been derived from the proceeds of, or having been reallocated to, or concerning, the same Series, as the case may be.

“Representation Letter” means the representation letter from the Issuer to DTC.

“Residential Housing” or “residence” means a residential dwelling located within the State that qualifies for financing by the Issuer within the meaning of the Act and the Rules or a residential dwelling located in another state

whose housing finance agency is participating in a Cooperative Venture with the Issuer, and which qualifies under the requirements of such agency.

“Revenues” means (a) all Mortgage Repayments, Prepayments and, except insofar as such payments may constitute Servicing Fees, any penalty payments on account of overdue Mortgage Repayments, (b) Investment Revenues, (c) any Mortgage Repayments, Prepayments or other income or cash or liquid securities held in the Additional Security Account, (d) Interest Rate Contract Revenues and (e) all other payments and receipts received by the Issuer with respect to MBS, Mortgage Loans or other mortgage loans and DPA, but shall not include (i) Escrow Payments, (ii) Servicing Fees, unless such fees are specifically pledged to the Trustee, (iii) any commitment, reservation, extension, or application fees charged by the Issuer in connection with a Mortgage Loan or Mortgage Purchase Agreement, (iv) any commitment, reservation, extension or application fees charged by a Mortgage Lender in connection with a Mortgage Loan or (v) accrued interest received in connection with the purchase of any Investment Obligations.

“Rules” means the rules adopted by the Issuer pursuant to the Act governing the activities authorized by the Act to carry into effect the powers and purposes of the Issuer and the conduct of its business, as the same may be amended and supplemented from time to time.

“Series” means and refers to all of the Bonds designated as such in the Related Series Indenture, regardless of variations, dated date, maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to the General Indenture and a Related Series Indenture.

“Servicing Fees” means (a) any fees paid to or retained by a Mortgage Lender in connection with the servicing obligations undertaken by the Mortgage Lender in accordance with the Related Mortgage Purchase Agreement and (b) any fees retained by or expenses reimbursed to the Issuer with respect to Mortgage Loans serviced by the Issuer.

“Supplemental Indenture” means any supplemental indenture (including a Series Indenture) approved by the Issuer in accordance with the General Indenture amending or supplementing the Indenture.

“Tax-exempt Bonds” means Bonds the interest on which is intended to be excluded from gross income of the owner thereof for federal income tax purposes.

“Tax-exempt Status” means the exclusion of interest on Tax-exempt Bonds from the gross income of the recipient thereof for federal income tax purposes.

“Term Bonds” means Bonds for which Sinking Fund Installments have been established as provided in the Related Series Indenture.

“Unrelated” (whether capitalized or not) means not “Related,” within the meaning of that term.

“VA” means the Department of Veterans Affairs and any agency or instrumentality of the United States of America succeeding to the mortgage guaranty functions thereof.

“Variable Rate Bonds” means Bonds the interest rate on which is not fixed to maturity.

### **Funds and Accounts Established by the Indenture**

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

- (a) the Program Fund, consisting of:
  - (i) the Acquisition Account;
  - (ii) the Short-Term Bond Account; and

- (iii) the Cost of Issuance Account;
- (b) the Revenue Fund, consisting of:
  - (i) the Revenue Account;
  - (ii) the Rebate Account; and
  - (iii) the Additional Security Account;
- (c) the Debt Service Reserve Fund;
- (d) the Debt Service Fund which may include an Issuer Payment Account; and
- (e) the Redemption Fund.

Subaccounts shall be created in all funds and accounts described in the General Indenture for each Series of Bonds. Except as otherwise provided in the General Indenture or in a Series Indenture, bond proceeds and other moneys relating to a Series of Bonds shall be deposited in the Related subaccounts created with respect to such Series of Bonds.

The Issuer may reallocate moneys, investments, MBS and Mortgage Loans among Series under any of the following circumstances:

- (a) if and to the extent required by the General Indenture;
- (b) if and to the extent necessary to enable the Issuer to deliver a Cash Flow Statement with respect to one or more Series;
- (c) in connection with an Issuer Request filed pursuant to the Indenture; and
- (d) if and to the extent that the aggregate amount of moneys, investments, MBS and Mortgage Loans allocated to any particular Series exceeds the aggregate amount of Outstanding Bonds of such Series.

If the Issuer determines to make such a reallocation of moneys, investments, MBS and Mortgage Loans among Series, the Issuer shall deliver to the Trustee an Issuer Request specifying such reallocations. Upon receipt of such request, the Trustee shall transfer moneys, investments, MBS and/or Mortgage Loans (or portions thereof or interests therein) among subaccounts Related to each Series as requested. MBS and Mortgage Loans reallocated among Series are not required to meet the requirements of the Series Indenture Related to the Series to which such MBS and Mortgage Loans are being reallocated, if such MBS and Mortgage Loans at the time of their original acquisition by the Issuer met the requirements of the General Indenture and the applicable requirements of the Series Indenture Related to such MBS and Mortgage Loans at the time of their funding or purchase.

Special temporary accounts in the Program Fund and the Debt Service Reserve Fund may be created and established to facilitate the refunding of the Issuer's bonds and any exchange of funds related thereto.

#### **Program Fund; Acquisition Account**

Proceeds of the Bonds and other moneys deposited in the Acquisition Account shall be applied to make or purchase Mortgage Loans, acquire MBS or fund DPA in accordance with the provisions of the Indenture; provided, however, that such Mortgage Loans or Mortgage Loans related to such MBS must satisfy the terms and conditions set forth in the General Indenture and applicable provisions of the Related Series Indenture.

When no Bonds or Related Auxiliary Obligations of a particular Series remain Outstanding, upon receipt of an Issuer Request to withdraw all or any portion of the Related moneys, investments, MBS and/or Mortgage Loans

from the Related Funds, Accounts and subaccounts, the Trustee shall make such withdrawal and shall transfer such moneys, investments, MBS and/or Mortgage Loans, as the case may be, to or upon the order of, the Issuer; provided, however, that the Issuer Request must certify that such withdrawal is consistent with the most recently filed Cash Flow Statement for all Bonds and the most recently filed Cash Flow Statement for any Series to which such retired Series has been linked.

### **Cost of Issuance Account**

Upon the issuance, sale and delivery of Bonds, certain moneys, if any, as specified in the Related Series Indenture shall be deposited in the Cost of Issuance Account. Moneys in such Account shall be used to pay Costs of Issuance and for no other purpose except that any excess remaining upon payment of all Costs of Issuance shall be transferred by the Trustee to the Issuer or to the Related subaccount in the Acquisition Account.

In the event that the moneys deposited in the Cost of Issuance Account are not sufficient to pay all Costs of Issuance, Costs of Issuance may be paid from any available moneys of the Issuer.

### **Revenue Fund**

The Issuer shall pay all Revenues or cause all Revenues to be paid to the Trustee promptly upon their receipt and, in any event, at least once each month. Except as otherwise provided in the General Indenture or in a Series Indenture, all Revenues and the Rebate Requirement shall be deposited by the Trustee in the Related subaccounts and the Additional Security Account of the Revenue Fund as follows:

- (i) for credit to the Related subaccount of the Revenue Account, all Revenues Related to each Series of Bonds;
- (ii) for credit to the Related subaccount of the Rebate Account, at the times directed by the Issuer, the Rebate Requirement Related to the Tax-exempt Bonds of each Series;
- (iii) for credit to the Additional Security Account, all Revenues related to the Additional Security.

There may also be deposited in the Revenue Fund, at the option of the Issuer, any other moneys of the Issuer, unless required to be otherwise applied as provided by the Indenture.

Promptly upon receipt of interest on a Mortgage Loan with respect to which moneys were withdrawn from the Acquisition Account to pay for interest accrued on such Mortgage Loan at the time of making or purchase, the Trustee shall withdraw from the Related subaccount of the Revenue Account and transfer to the Related subaccount of the Acquisition Account an amount equal to such accrued interest paid. Alternatively, accrued interest on Mortgage Loans at the time of making or purchase may be paid from the Related subaccount of the Revenue Account as the Issuer shall direct in an Issuer Request.

The Trustee shall pay or transfer from the Related subaccount and as needed the Additional Security Account of the Revenue Account (i) directly to the Fiduciaries, all Fiduciary Expenses, when and as payable and (ii) to the Issuer or to its order reasonable and necessary Program Expenses, respectively, only to the extent, if any, provided in the following paragraphs.

On the last Business Day prior to each Payment Date or more frequently if required by a Series Indenture or by Issuer Request, the Trustee shall withdraw from each subaccount and as needed the Additional Security Account of the Revenue Account and deposit into the Related subaccounts of the following Funds or Accounts and shall pay to the following parties the following amounts, in the following order of priority, the requirements of each such Fund, Account or party (including the making up of any deficiencies in any such Fund or Account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any payment or transfer is made subsequent in priority:

(A) Into the Related subaccount of the Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of interest becoming due and payable on such Payment Date upon all Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments becoming due and payable on the Outstanding Related Bonds and Auxiliary Obligations on such Payment Date; provided however, that if such Payment Date is not a date for the payment of a Principal Installment on Related Serial Bonds, such transfer shall include an amount equal to one-half the amount of Principal Installments becoming due and payable on Outstanding Related Serial Bonds on the next following Payment Date;

(B) Into each Unrelated subaccount of the Debt Service Fund, after making any transfer into such subaccount required by the General Indenture, on a proportionate basis with all other Unrelated such subaccounts or as otherwise directed by Issuer Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by subsection (A) as of such date;

(C) Into the Related subaccount of the Special Redemption Account, the amount, if any, directed by an Issuer Request;

(D) Into each Unrelated subaccount of the Special Redemption Account, the amount, if any, directed by an Issuer Request;

(E) Into the Related subaccount of the Debt Service Reserve Fund, the amount, if any, needed to increase the amount in such subaccount to the Debt Service Reserve Fund Requirement of the Related Series of Bonds;

(F) Into each Unrelated subaccount of the Debt Service Reserve Fund, on a proportionate basis with all other Unrelated such subaccounts or as otherwise directed by Issuer Request, the amount, if any, needed to increase the amount in such subaccount to the Debt Service Reserve Fund Requirement;

(G) To the Issuer, the amount of any reasonable and necessary Fiduciary Expenses with respect to the Related Series of Bonds previously incurred but not reimbursed to the Issuer or reasonably anticipated to be payable in the following six months; provided, however, that in no event shall the aggregate of all Fiduciary Expenses with respect to the Related Series of Bonds paid directly to Fiduciaries or to the Issuer under this subsection in any Bond Year exceed any limitation set forth in the Related Series Indenture;

(H) To the Issuer, the amount of any reasonable and necessary Fiduciary Expenses with respect to Unrelated Series of Bonds, on a proportionate basis with all other Unrelated Series of Bonds or as otherwise directed by Issuer Request, any deficiency resulting from the lack of moneys sufficient to make the deposit required by subsection (G) as of such date;

(I) To the Issuer, the amount of any reasonable and necessary Program Expenses with respect to the Related Series of Bonds previously incurred but not reimbursed to the Issuer or reasonably anticipated to be payable in the following six months; provided, however, that in no event shall the aggregate of such amounts paid to the Issuer, plus amounts paid to the Issuer with respect to such Series of Bonds pursuant to subsections (G) and (H) herein and plus all Fiduciary Expenses with respect to the Related Series of Bonds paid directly to Fiduciaries exceed any limitations set forth in the Related Series Indenture;

(J) To the Issuer, the amount of any reasonable and necessary Program Expenses with respect to Unrelated Series of Bonds, on a proportionate basis with all other Unrelated Series of Bonds or as otherwise directed by Issuer Request, any deficiency resulting from the lack of moneys sufficient to make the deposit required by subsection (I) as of such date;

The Issuer may direct the Trustee to make any of the above transfers more frequently than on Payment Dates, in amounts proportionate to the frequency of transfers so directed.

Following such transfers, the balance, if any, in each subaccount and as needed the Additional Security Account of the Revenue Account, or such lesser amount thereof as shall be requested by the Issuer shall, subject to the satisfaction of the Asset Requirement, be paid to the Issuer for the payment of Program Expenses or for any other purposes free and clear of the lien and pledge of the Indenture upon receipt of an Issuer Request made within 30 days of such Payment Date. Any amount in each subaccount of the Revenue Account not so paid to the Issuer shall be transferred to the Related subaccounts of the Redemption Fund and allocated among the Related subaccounts of the Special Redemption Account or shall be transferred and allocated as set forth in an Issuer Request, subject in each case to any requirements of the Related Series Indenture.

Prior to, but as close as practicable to, the latest date on which the Trustee would be permitted to give notice of a redemption to occur on a Payment Date from amounts deposited in the Redemption Fund, the Trustee shall calculate the amounts then on deposit in each subaccount of the Revenue Account which would be transferred to the Related subaccounts of the Debt Service Fund, and the Related subaccounts of the Redemption Fund, in accordance with the priorities and provisions of such subsection. Such amounts may be withdrawn from such subaccount of the Revenue Account for application on or prior to the next succeeding Payment Date (A) upon receipt of an Issuer Request, to the purchase in lieu of redemption of the Related Bonds, (B) to the payment of accrued interest on Bonds being purchased pursuant to or redeemed pursuant to the Indenture, or (C) to the redemption of Bonds on such Payment Date.

In the event Bonds are to be redeemed on a date other than a Payment Date, and to the extent moneys are not available in the Related subaccounts of the Debt Service Fund to pay accrued interest on such redemption date for such Bonds, respectively, the Trustee shall apply or cause the Paying Agent to apply available moneys in the Related subaccount of the Revenue Account for the payment of such interest.

Any Additional Security shall be held in the Additional Security Account and any loan payments or other income received on such Additional Security shall be deemed a part of Revenues and applied together with any other Revenues as set forth in the General Indenture; provided that such funds shall be used as needed to make payments on the Bonds and none of such funds shall be deposited to the Redemption Fund unless directed otherwise by an Issuer Request. Any of such funds remaining after being applied as said, shall be deposited to the Additional Security Account to be used as provided above. Monies, mortgage loans or other assets held in the Additional Security Account may be liquidated or withdrawn upon an Issuer's Request with a Cash Flow Statement showing that the Asset Requirement will be met upon such liquidation or withdrawal.

### **Debt Service Fund**

Amounts in each subaccount of the Debt Service Fund shall be used and withdrawn by the Trustee solely for transfer to the Paying Agent (i) on each Payment Date for the purpose of paying the interest and Principal Installments on the Related Bonds as the same shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to the Indenture), (ii) on each Payment Date for the purpose of paying amounts due under Related Auxiliary Obligations as the same shall become due and payable or (iii) on each purchase date for the purpose of paying the purchase price of Related Bonds purchased in lieu of redemption by Related Sinking Fund Installments.

Amounts remaining in each subaccount of the Debt Service Fund after all the Related Obligations have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Account.

### **Debt Service Reserve Fund**

Upon the issuance, sale and delivery of a Series of Bonds pursuant to the Indenture, the Trustee shall deposit in the Related subaccount of the Debt Service Reserve Fund such amounts, if any, or a Debt Service Reserve Fund Credit Facility, as shall be at least sufficient to equal the Debt Service Reserve Fund Requirement, calculated after giving effect to the issuance of such Bonds. Additional moneys may be deposited in the Related subaccount of the Debt Service Reserve Fund in accordance with the provision relating to the allocation of moneys in the Revenue Account described under "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Revenue Fund." In

lieu of making the foregoing deposit, the Issuer may deposit in a Debt Service Reserve Fund Credit Facility in a stated amount equal to the amounts required to be so deposited.

On or prior to each Payment Date, the Trustee shall calculate the amount of the Debt Service Reserve Fund Requirement for each Series of Bonds as of the next succeeding Payment Date and shall determine the amount, if any, in the Related subaccount of the Debt Service Reserve Fund (other than amounts attributable to accrued, but unrealized interest purchased on Investment Obligations) which is in excess of such Requirement, shall notify the Issuer of such excess amount and shall, unless otherwise instructed by an Issuer Request, transfer such excess amount from the Related subaccount of the Debt Service Reserve Fund to the Related subaccount of the Revenue Account.

On the last Business Day prior to each Payment Date or more frequently if required by a Series Indenture, and in each case in conjunction with the transfers, deposits and payments to be made from the Revenue Fund, the Trustee shall transfer from each subaccount of the Debt Service Reserve Fund to the specified subaccounts of other Funds or Accounts the following amounts, in the following order of priority, the requirements of each such transfer to be satisfied, and the results of such satisfaction being taken into account, before any payment or transfer is made subsequent in priority:

(i) In the event that the amount transferred to any subaccount of the Debt Service Fund is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Obligations on the next succeeding Payment Date, the Trustee shall transfer from the Related subaccount of the Debt Service Reserve Fund, to such subaccount of the Debt Service Fund the amount of such insufficiency.

(ii) In the event that the amount transferred to a subaccount of the Debt Service Fund is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Obligations on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund on a proportionate basis or as otherwise directed by Issuer Request, from subaccounts of the Debt Service Reserve Fund, to such subaccount of the Debt Service Fund the amount of such insufficiency.

### **Application of Issuer Payment Accounts**

If, following transfers made from the Revenue Fund and the Debt Service Reserve Fund, there are not sufficient moneys, or any moneys allocated, to pay all interest or any other required payment due and payable on any General Obligations or to pay any Principal Installment on any General Obligations at maturity, the Trustee shall immediately notify the Issuer in writing of the amount of such insufficiency and shall request from the Issuer an immediate deposit of legally available funds equal to such insufficiency. The Issuer shall pay to the Trustee (from the Issuer's other general revenues or moneys legally available therefor, subject only to agreements made or to be made with holders of notes, bonds or other obligations pledging particular revenues or moneys for the payment thereof) for deposit in the Related subaccounts of the Issuer Payment Account the amount of such insufficiency. If the amount provided by the Issuer is less than the amount of such insufficiency, any shortfall shall be allocated pro rata among the holders of the Related General Obligations in proportion to the amounts then due and payable on such Auxiliary Obligations.

Amounts deposited with the Trustee by the Issuer as described herein shall be deposited into the respective subaccounts of the Issuer Payment Accounts for the General Obligations for which such amounts are provided. Amounts in such subaccounts shall only be used to pay interest or Principal Installments or other amounts due and payable on the Related General Obligations and may not be transferred to any Debt Service Fund for Bonds or Auxiliary Obligations which are not General Obligations or to any other Fund or Account for any reason.

### **Redemption Fund**

Moneys deposited in the subaccounts of the Redemption Fund shall be applied by the Trustee to the purchase or applied by the Paying Agent (if directed by the Trustee) to the redemption of Bonds in accordance with the provisions of the General Indenture and each Related Series Indenture.

Except as set forth in the General Indenture or in the Related Series Indenture, moneys deposited in a subaccount of the Special Redemption Account pursuant to the General Indenture or pursuant to the Related Series Indenture, shall be applied as directed by Issuer Request. Any amounts remaining in such Special Redemption Account after all Bonds of the Related Series have been paid shall be transferred to the Related subaccount of the Revenue Account.

The Issuer may by the delivery of an Issuer Request to the Trustee at any time prior to the mailing of notices of redemption, instruct the Trustee to transfer moneys on deposit in a subaccount of an Account in the Redemption Fund to another subaccount of the same Account in the Redemption Fund to be applied to the redemption of the Bonds of a different Series. Each such Issuer Request (i) shall certify that it is consistent with the most recently filed Related Cash Flow Statement (which may, if necessary, link the Related Series) and not prohibited by the Related Series Indenture and (ii) shall be accompanied by evidence of the satisfaction of the Asset Requirement.

The Issuer may by the delivery of an Issuer Request to the Trustee at any time prior to the giving of notice of redemption, instruct the Trustee to transfer moneys on deposit in a subaccount of an Account in the Redemption Fund to a Related or an Unrelated subaccount of the Acquisition Account to be applied to make or purchase Mortgage Loans or MBS. Each such Issuer Request (i) shall certify that it is consistent with the most recently filed Related Cash Flow Statement and not prohibited by the Related Series Indenture and (ii) shall be accompanied by evidence of the satisfaction of the Asset Requirement.

#### **Investment of Moneys Held by the Trustee; Limitation on Investment Yields**

Moneys in all Funds and Accounts held by the Trustee shall be invested to the fullest extent possible in Investment Obligations, in accordance with directions given to the Trustee in an Issuer Request or Certificate; provided that the maturity date or the date on which such Investment Obligations may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes of the Indenture.

Amounts credited to any Fund or Account may be invested, together with amounts credited to one or more other Funds or Accounts, in the same Investment Obligation or Investment Obligations, provided that each such investment complies in all respects with the provisions of the General Indenture as they apply to each Fund or Account for which the joint investment is made, the Trustee maintains separate records for each Fund and Account and such investments are accurately reflected therein and amounts credited to the Rebate Account may be invested together with amounts credited to any other Fund or Account. The maturity date or the date on which Investment Obligations may be redeemed at the option of holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes provided in the Indenture.

Except as otherwise specifically provided for in the Indenture, the income or interest earned by, or gain to, all Funds and Accounts due to the investment thereof shall be transferred by the Trustee upon receipt thereof to the Related subaccount of the Revenue Account, in accordance with the Indenture, except that no such transfer shall be made from, and such income, interest or gain (as described herein) shall be retained in, the Debt Service Reserve Fund, unless after giving effect to the transfer the amount therein at least equals the aggregate Debt Service Reserve Fund Requirement.

#### **Assignment or Disposition of Mortgage Loans; Amendment of Mortgage Loan**

Following the acquisition of a Mortgage Loan by the Trustee, the Issuer shall not sell, assign, transfer, pledge or otherwise dispose of or encumber any Mortgage Loan or any of the rights of the Issuer with respect to any Mortgage Loan or arising out of the Mortgage or the other obligations evidencing or securing any Mortgage Loan except a Mortgage Loan in default, unless the Issuer determines that such sale, assignment, transfer or other disposition would not have a material adverse effect on the ability of the Issuer to pay the principal of and interest on the Outstanding Bonds.

The Issuer shall not consent or agree to or permit any amendment or modification of the economic terms of any MBS or Mortgage Loan in any manner materially adverse to the interests of the Bondholders, as determined in good faith by Issuer Certificate.

### **Creation of Liens**

The Issuer covenants that it shall not issue any bonds or other evidences of indebtedness, other than the Bonds and Auxiliary Obligations, secured by a pledge of the Revenues or of the moneys, securities, rights and interests pledged or held or set aside by the Issuer or by any Fiduciary under the Indenture and shall not create or cause to be created, other than by the Indenture, any lien or charge on the Revenues or such moneys, securities, rights or interests; provided, however, that nothing in the Indenture shall prevent the Issuer from issuing (i) evidences of indebtedness secured by a pledge of Revenues to be derived after the pledge of the Revenues provided in the Indenture shall be discharged and satisfied as provided in the General Indenture; or (ii) notes or bonds or other obligations of the Issuer not secured under the Indenture; or (iii) notes, bonds or other obligations which are general obligations of the Issuer under the Act.

### **Events of Default**

Each of the following constitutes an “Event of Default” under the Indenture:

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

(b) The Issuer shall fail to pay any installment of interest on any Bond when and as the same shall become due and payable, or any interest payment on an Auxiliary Obligation which is secured on a parity lien basis with the Bonds, and such failure shall continue for a period of 5 days;

(c) The Issuer shall fail to perform or observe any other covenant, agreement or condition on its part contained in the Indenture (except the requirement that a Cash Flow Statement satisfy the requirements of clause (b) of the definition thereof and the requirement that the Issuer pay amounts to the Trustee from its other revenues, moneys or assets in connection with General Obligations), or in the Bonds and such failure shall continue for a period of 60 days after written notice thereof to the Issuer by the Trustee or to the Issuer and to the Trustee by the Holders of not less than 10% in Aggregate Principal Amount of the Bonds Outstanding; or

(d) The Issuer shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State.

### **Remedies**

Upon the occurrence of an Event of Default, the Trustee may, and upon the written request of the Holders of not less than 25% in Aggregate Principal Amount of Outstanding Bonds following an Event of Default described in subsections (a), (b) and (d) of the section entitled “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Events of Default” and not less than 50% in Aggregate Principal Amount of Outstanding Bonds following an Event of Default described in subsection (c) of such section shall, give 30 days’ notice in writing to the Issuer of its intention to declare the Aggregate Principal Amount of all Bonds Outstanding immediately due and payable. At the end of such 30-day period the Trustee may, and upon such written request of Holders of not less than 25% in Aggregate Principal Amount of Outstanding Bonds shall, by notice in writing to the Issuer, declare the Aggregate Principal Amount of all Bonds Outstanding immediately due and payable; and the Aggregate Principal Amount of such Bonds shall become and be immediately due and payable, anything in the Bonds or in the Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest which will accrue thereon to the date of payment.

Notwithstanding the preceding paragraph, following a Covenant Default (except for a failure which could adversely affect the exclusion from gross income for federal income tax purposes of interest on any Tax-exempt

Bonds), the Trustee shall not declare the Aggregate Principal Amount of all Bonds Outstanding immediately due and payable unless the Trustee is so directed by the written request of Holders of 100% in Aggregate Principal Amount of Outstanding Bonds.

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

Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon the written request of the Holders of not less than 25% in Aggregate Principal Amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Bondholders under the Act, the Bonds and the Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient.

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

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

### **Majority Bondholders Control Proceedings**

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

### **Modification of Indenture and Outstanding Bonds**

The Indenture provides procedures whereby the Issuer may amend the Indenture by execution and delivery of a Supplemental Indenture. Amendments that may be made without consent of Bondholders or the Trustee must be

for only the following purposes: (a) To add to the covenants and agreements of the Issuer in the Indenture, other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect; (b) To add to the limitations and restrictions in the Indenture, other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect; (c) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Indenture of the Revenues or of any other moneys, securities or funds; (d) To increase the maximum permitted yield to be provided by Mortgage Loans or to change the maximum permitted investment yield to be provided by Investment Obligations credited to any Fund or Account; (e) To modify any provisions of the Indenture in any respect whatever, provided that the modification, in the sole judgment of the Issuer, is reasonably necessary to assure that the interest on Tax-exempt Bonds remains excludable from the gross income of the owners thereof for federal income tax purposes; or (f) To provide for the issuance of Bonds pursuant to the Indenture and to provide for the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed.

With the consent of the Trustee, a Supplemental Indenture may be executed and delivered by the Issuer: (a) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture; (b) To insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture theretofore in effect; (c) To provide for additional duties of the Trustee in connection with the Mortgage Loans; (d) To waive any right reserved to the Issuer, provided that the loss of such right shall not adversely impair the Revenues available to pay the Outstanding Bonds; (e) To amend the Indenture to provide for the issuance of bonds secured by a lien that is subordinate to the lien of the Bonds, or (f) To make any other amendment or change that will not materially affect the interest of Owners of Outstanding Bonds.

Any modification or amendment of the Indenture and of the rights and obligations of the Issuer and of the Bondholders, in any particular, may be made by a Supplemental Indenture, with the written consent given as provided in the General Indenture of the Holders of at least a majority in Aggregate Principal Amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holders of all such Bonds, or shall reduce the percentages of Bonds the consent of the Holders of which is required to effect any such modification or amendment without the consent of the Holders of all Bonds then Outstanding or shall change the provisions of the Indenture relating to the ability to declare the Aggregate Principal Amount of Bonds to be due and payable; or shall change or modify any of the rights or obligations of any Fiduciary or any Auxiliary Agreement Provider without its written assent thereto. If any such modification or amendment will, by its terms not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. The Trustee, relying upon a Counsel's Opinion, may determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular maturity would be affected by any modification or amendment of the Indenture, and any such determination shall be binding and conclusive on the Issuer and the Bondholders.

## **Defeasance**

If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture and if the Issuer shall pay or cause to be paid to all Auxiliary Agreement Providers all amounts due and payable under all Auxiliary Agreements, then the pledge of any Revenues, and other moneys and securities pledged under the Indenture and all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Issuer to be prepared and filed with the Issuer and, upon the request of the Issuer, shall execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to or upon the order of the Issuer all moneys or securities held by them pursuant to the Indenture that are not required for the payment of principal, or Redemption Price, if applicable, of or interest on Bonds not theretofore surrendered to them for such payment or redemption.

Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee or the Paying Agent (through deposit by the Issuer of moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the General Indenture. Outstanding Bonds shall be deemed, prior to the maturity or redemption date thereof, to have been paid within the meaning and with the effect expressed in the General Indenture if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Bond Registrar in form satisfactory to it irrevocable instructions to mail a notice of redemption of such Bonds on said date; (ii) there shall have been deposited with the Trustee either moneys in an amount sufficient, or Defeasance Obligations the principal of and the interest on which when due (whether at maturity or the prior redemption thereof at the option of the holder thereof) will provide moneys in an amount that, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Issuer shall have given to the Bond Registrar in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Bondholders of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price of and interest on said Bonds.

## **SUMMARY OF CERTAIN PROVISIONS OF THE CONTINUING DISCLOSURE CERTIFICATE**

### **Definitions**

“Annual Bond Disclosure Report” shall mean any Annual Bond Disclosure Report provided by the Issuer pursuant to, and as described in, the Continuing Disclosure Certificate.

“Beneficial Owner” shall mean (for purposes of the Continuing Disclosure Certificate) any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2026 Series A/B Bonds (including persons holding 2026 Series A/B Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the Issuer, or any successor dissemination agent designated in writing by the Issuer.

“Financial Obligation” shall mean, for purposes of the Listed Events, the following: (i) a debt obligation, (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

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

“Participating Underwriter” shall mean the original Underwriters of the 2026 Series A/B Bonds required to comply with the Rule in connection with offering of the 2026 Series A/B Bonds.

“Repository” shall mean the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at [emma.msrb.org](http://emma.msrb.org).

“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.

“SEC” shall mean the Securities and Exchange Commission and any successor agency thereto.

## **Provision of Annual Bond Disclosure Reports**

The Issuer shall provide, or shall cause the Dissemination Agent to provide, not later than 270 days after the end of each fiscal year, commencing with a report for the fiscal year ending June 30, 2026, to the Repository an Annual Bond Disclosure Report which is consistent with the requirements of the Continuing Disclosure Certificate.

If an Annual Bond Disclosure Report has not been provided to the Repository by the date specified in the preceding paragraph, the Issuer shall promptly send a notice to the Repository stating that such Annual Bond Disclosure Report has not been timely provided and, if known, stating the date by which the Issuer anticipates such Annual Bond Disclosure Report will be provided.

## **Content of Annual Bond Disclosure Reports**

Each Annual Bond Disclosure Report of the Issuer shall contain or include by reference the following:

1. The audited financial statements of the Issuer for the most recently ended fiscal year, currently prepared in accordance with generally accepted accounting principles.
2. Tables setting forth the following information, as of the end of such fiscal year:
  - (a) For each maturity of the 2026 Series A/B Bonds, the interest rate on such Bonds, original aggregate principal amount of such Bonds and the principal amount of such Bonds remaining Outstanding.
  - (b) For each Series of Bonds, the original aggregate principal amount of Bonds and the aggregate principal amount of Bonds remaining Outstanding.
  - (c) The amounts credited to the Revenue Account, the Additional Security Account, the Debt Service Reserve Fund, the Debt Service Fund, the Redemption Fund (including all subaccounts) and the Short Term Bond Account.
  - (d) With respect to each Series of Bonds, the number and aggregate principal amount of Mortgage Loans made or purchased and the number and aggregate principal balance of Mortgage Loans remaining outstanding.
  - (e) The delinquency rates for Mortgage Loans securing the Bonds and the number of foreclosures on Mortgage Loans securing the Bonds for the preceding 12 months and on a cumulative basis.

For purposes of the requirements in subparagraph (d) and (e) above, the term “Mortgage Loans” shall not include DPA loans or Mortgage Loans backing MBS.

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 Issuer or related public entities, which have been submitted to the Repository or the SEC. The Issuer 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:

- (a) Principal and interest payment delinquencies with respect to the 2026 Series A/B Bonds.
- (b) Non-payment related defaults with respect to the 2026 Series A/B Bonds, if material.
- (c) Modifications to rights of holders of the 2026 Series A/B Bonds, if material.
- (d) (a) 2026 Series A/B Bond calls, if material, and (b) tender offers.

- (e) Defeasances.
- (f) Rating changes.
- (g) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2026 Series A/B Bonds or other material events affecting the tax status of the 2026 Series A/B Bonds.
- (h) Unscheduled draws on the debt service reserves reflecting financial difficulties.
- (i) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (j) Substitution of credit or liquidity providers, or their failure to perform.
- (k) Release, substitution, or sale of property securing repayment of the 2026 Series A/B Bonds, if material.
- (l) Bankruptcy, insolvency, receivership or similar event of the Issuer.
- (m) The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (n) Appointment of a successor or additional trustee or the change in the name of the trustee, if material.
- (o) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.
- (p) Default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, it shall determine if such event would be material under applicable federal securities laws, provided that Listed Events of the type specified above in paragraphs (a), (d)(b), (e), (f), (g), (h), (i), (j), (l) and (p) will always be deemed to be material. If the Issuer determines that knowledge of the event would be material under applicable federal securities laws, it shall, in a timely manner but in no event more than 10 Business Days after the occurrence of the Listed Event, file in an electronic format a notice of such occurrence with the MSRB.

### **Central Filing; Termination of Reporting Obligation**

Any filing or reporting obligation to a Repository under the Continuing Disclosure Certificate may be made solely by transmitting such filing or report to the Municipal Securities Rulemaking Board pursuant to its Electronic Municipal Market Access (EMMA) system as provided at [www.emma.msrb.org](http://www.emma.msrb.org). The Issuer's obligations under the Continuing Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2026 Series A/B Bonds.

### **Dissemination Agent**

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

## **Amendment; Waiver**

The Issuer may amend the Continuing Disclosure Certificate and any provision of the Continuing Disclosure Certificate may be waived provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions described in the first paragraph under “Provisions of Annual Bond Disclosure Reports” or under “Content of Annual Bond Disclosure Reports” or in the first paragraph under “Reporting of Significant Events,” it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2026 Series A/B Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2026 Series A/B Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the 2026 Series A/B Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the 2026 Series A/B Bonds.

In the event of any amendment or waiver of a provision of the Continuing Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Bond Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under the Continuing Disclosure Certificate, and (ii) the Annual Bond Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

## **Additional Information**

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

## **Default**

In the event of a failure of the Issuer to comply with any provision of the Continuing Disclosure Certificate, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding 2026 Series A/B Bonds, shall), or any Holder or Beneficial Owner of the 2026 Series A/B Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Continuing Disclosure Certificate. A default under the Continuing Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under the Continuing Disclosure Certificate in the event of any failure of the Issuer to comply with the Continuing Disclosure Certificate shall be an action to compel performance.

## **Beneficiaries**

The Continuing Disclosure Certificate shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriter, Holders and Beneficial Owners from time to time of the 2026 Series A/B Bonds, and shall create no rights in any other person or entity.

## **LEGALITY FOR INVESTMENT**

Pursuant to the Act, the 2026 Series A/B Bonds are eligible for investment in Idaho by state and municipal officers, banks, trust companies, savings banks and saving associations, savings and loan associations, national banking associations, insurance companies, executors, trustees and other fiduciaries, and all other persons who are authorized to invest in bonds or other obligations of the State of Idaho.

## **LEGALITY AND TAX STATUS**

Certain legal matters in connection with the issuance of the 2026 Series A/B Bonds are subject to the approval of Skinner Fawcett LLP, Bond Counsel. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the Underwriters by Gilmore & Bell, P.C. Certain legal matters relating to the Issuer will be passed upon by John R. McDevitt, Esq. of Skinner Fawcett LLP, Boise, Idaho, as general counsel to the Issuer.

In the opinion of Bond Counsel to the Issuer, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2026 Series A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is of the further opinion that interest on the 2026 Series A Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel notes that interest on the 2026 Series A Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. Interest on the 2026 Series B Bonds is *not* excluded from gross income for federal income tax. Bond Counsel is of the opinion that interest on the 2026 Series A/B Bonds is exempt from State of Idaho personal income taxes. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX B hereto.

The 2026 Series A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2026 Series A Bonds. The Issuer has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2026 Series A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2026 Series A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2026 Series A/B Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) or any other matters coming to the Bond Counsel's attention after the date of issuance of the 2026 Series A Bonds may adversely affect the value of, or the tax status of interest on, the 2026 Series A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the 2026 Series A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of Idaho personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the 2026 Series A Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2026 Series A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market the price for, or marketability of, the 2026 Series A Bonds. Prospective purchasers of the 2026 Series A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2026 Series A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Issuer, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Issuer has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2026 Series A/B Bonds ends with the issuance of the 2026 Series A/B Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the Beneficial Owners regarding the tax-exempt status of the 2026 Series A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Issuer and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the 2026 Series A/B Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2026 Series A Bonds, and may cause the Issuer or the Beneficial Owners to incur significant expense.

Bond Counsel's engagement with respect to the 2026 Series A/B Bonds ends with the issuance of the 2026 Series A/B Bonds.

## **NO LITIGATION**

There is no proceeding or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the 2026 Series A/B Bonds, or in any way contesting or affecting the validity of the 2026 Series A/B Bonds, any proceedings of the Issuer taken with respect to the issuance or sale thereof, the pledge or application of any money or security provided for the payment of the 2026 Series A/B Bonds, the existence or powers of the Issuer relating to the 2026 Series A/B Bonds or the title of any officers of the Issuer to their respective positions.

## **RATINGS**

Moody's Investors Service ("Moody's") has assigned the 2026 Series A Bonds a rating of "Aa1." The Issuer expects that Moody's will assign the 2026 Series B Bonds a rating of "VMIG 1/Aa1" prior to the posting of the final Official Statement relating to the 2026 Series B Bonds; however, there is no assurance that Moody's will assign such ratings to the 2026 Series B Bonds.

Each rating reflects only the views of the Rating Agency. Explanations of the significance of the rating may be obtained from the Rating Agency as follows: Moody's Investors Service, Inc., 99 Church Street, New York, New

York 10007, (212) 553-0300. A rating is not a recommendation to buy, sell or hold the 2026 Series A/B Bonds, and there is no assurance that any rating will be maintained for any given period of time by the Rating Agency or that it will not be revised or withdrawn entirely by the Rating Agency, if in its judgment circumstances so warrant. Any such revision or withdrawal of a rating may have an adverse effect on the market price of the 2026 Series A/B Bonds.

## UNDERWRITING

The 2026 Series A Bonds will be purchased from the Issuer by the Underwriters, represented by Barclays Capital Inc. (“Barclays”) and the 2026 Series B Bonds will be purchased from the Issuer by RBC Capital Markets, LLC (“RBCCM”), under a Purchase Contract dated \_\_\_\_\_, 2026 (the “Purchase Contract”), pursuant to which the Underwriters agree, subject to certain conditions, to purchase all of such 2026 Series A Bonds and RBCCM agrees, subject to certain conditions, to purchase all of such 2026 Series B Bonds. The Underwriters have agreed to purchase the 2026 Series A Bonds from the Issuer at a price of \$\_\_\_\_\_ which reflects an Underwriters’ discount of \$\_\_\_\_\_ [plus/less] [net] original issue [premium/discount] of \$\_\_\_\_\_. RBCCM has agreed to purchase the 2026 Series B Bonds from the Issuer at a price of \$\_\_\_\_\_ which reflects an Underwriter’s discount of \$\_\_\_\_\_.

BofA Securities, Inc., one of the Underwriters of the 2026 Series A Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the 2026 Series A Bonds.

RBCCM, one of the Underwriters of the 2026 Series A Bonds and the sole underwriter of the 2026 Series B Bonds, has entered into a distribution arrangement with its affiliate RBC Securities, Inc. (“RBC Securities”) (formerly known as City National Securities, Inc). As part of this arrangement, RBCCM may distribute municipal securities to investors through the financial advisor network of RBC Securities. As part of this arrangement, RBCCM may compensate RBC Securities for its selling efforts with respect to the 2026 Series A/B Bonds. The Royal Bank of Canada, acting through its branch currently located at 200 Vesey Street, New York, New York, 10281, an affiliate of RBCCM, provides a line of credit to the Issuer.

PNC Capital Markets LLC, one of the Underwriters of the 2026 Series A Bonds, and PNC Bank, National Association are both wholly-owned subsidiaries of PNC Financial Services Group, Inc. PNC Capital Markets LLC is not a bank, and is a distinct legal entity from PNC Bank, National Association. PNC Bank, National Association has other banking and financial relationships, including credit relationships, with the Issuer.

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

The initial public offering prices stated on the inside front cover of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell the 2026 Series A/B Bonds to certain dealers (including dealers depositing such Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

The Underwriters are not acting as financial advisor to the Issuer in connection with the offer and sale of the 2026 Series A/B Bonds.

Zions Bancorporation, National Association, one of the Underwriters of the 2026 Series A Bonds, is also serving as Trustee under the Indenture pursuant to which the 2026 Series A/B Bonds are issued.

### **FINANCIAL STATEMENTS OF THE ISSUER**

The audited financial statements of the Issuer for the fiscal year ending June 30, 2025 are included in APPENDIX F.

### **ADDITIONAL INFORMATION**

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or holders of any of the 2026 Series A/B Bonds.

Copies in reasonable quantity of the Indenture and other documents referenced herein may be obtained during the offering period from the Underwriters or from the Issuer at 565 West Myrtle Street, Boise, Idaho 83702.

The delivery of this Official Statement has been duly authorized by the Issuer. Concurrently with the delivery of the 2026 Series A/B Bonds, the Issuer will furnish a certificate executed on behalf of the Issuer to the effect that this Official Statement, as of the date of this Official Statement and as of the date of delivery of the 2026 Series A/B Bonds, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading.

IDAHO HOUSING AND FINANCE ASSOCIATION

**APPENDIX A  
INSURANCE, GUARANTEES AND FORECLOSURE**

**Federal Housing Administration Single Family Mortgage Insurance**

FHA may insure loans on amounts up to 115 percent of the area median house price, when that amount is between the national minimum (\$541,287) and maximum (\$1,249,125). The minimum and maximum loan limits are based on 65 percent and 150 percent of the conforming loan limits for Government-Sponsored Enterprises (GSE), which in 2026 is \$832,750.

In Idaho, the current maximum insurable mortgage amounts are as follows:

<u>Counties</u>	<u>Mortgage Amount Limit (\$)</u>
Blaine and Camas	\$759,000
Teton	1,249,125
Ada, Boise, Canyon, Gem, and Owyhee	586,500
Valley	615,250
Kootenai	572,700
All other	541,287

In addition, the loan to value ratio for each insurable mortgage may not exceed 96.5% of the value of the properties. After the FHA Modernization Act of 2008 became effective, a minimum down payment of 3.5% of the property value is required be collected. Home buyers may finance an up-front mortgage insurance premium and a portion of any closing costs, but in no event may the loan to value ratio exceed 100% of the value of a property. However, when a unit of government or an instrumentality of one is offering down payment and/or closing cost assistance in the form of secondary financing, the combined LTV can exceed 100% of the appraised value. Value is defined as the lesser of (a) appraised value of the property plus closing costs, or (b) the sales price of the property plus closing costs paid by the mortgagor.

Currently, home buyers under the Section 203(b) Program are required to pay an up-front mortgage insurance premium. Since July 1, 1991, an annual risk-based premium has been assessed based on the amount of down payment. Under current regulations, a .55% fee will be assessed annually if the initial loan-to-value ratio (LTV) is greater than 95% and .50% if the LTV is less than or equal to 95%. For Mortgage Loans with an FHA case number assigned on or between January 1, 2001 and June 2, 2013, such annual mortgage insurance premiums will be cancelled automatically when the LTV is less than or equal to 78%, provided that the mortgagor has paid the annual mortgage insurance premium for at least five years. The contract of insurance will remain in force for any such Mortgage Loan's full term. For a Mortgage Loan with an original LTV exceeding 90% and an FHA case number assigned on or after June 3, 2013, the annual mortgage insurance must be paid monthly, as long as there is a principal balance outstanding, up through the full 30-year amortization schedule.

The regulations governing the FHA single-family programs under which the Mortgage Loans may be insured provide that a mortgage loan will be considered to be in default if the mortgagor fails to make any payment or perform any other obligation under the mortgage, and such failure continues for a period of 30 days. Insurance benefits are payable to the mortgagee either upon foreclosure (or other acquisition of the property) and conveyance of mortgaged premises to HUD. In the event of a default on an FHA-insured single-family mortgage loan, the mortgagee must determine whether or not the default is caused by a circumstance or set of circumstances beyond the mortgagor's control which temporarily renders the mortgagor financially unable to cure the delinquency within a reasonable time or to make full mortgage payments. If the determination is made that the default is caused by such circumstances, the mortgagee generally is not permitted to initiate foreclosure proceedings unless and until it has offered the mortgagor appropriate loss mitigation alternatives. FHA insurance claims are paid in an amount equal to one hundred percent (100%) of the outstanding principal balance of the mortgage loan plus interest and certain additional costs and expenses. When entitlement to insurance benefits results from foreclosure (or other acquisition of the property) and conveyance, the insurance payment is computed as of the date of the default by the mortgagor. The insurance payment itself bears interest as provided under FHA regulations.

Payment for insurance claims may include reimbursement to the mortgagees for tax, insurance, and similar payments made by them, as well as deductions for amounts received or retained by them after default. Under most FHA insurance programs for single-family residences the Federal Housing Commissioner has the option of paying insurance claims in cash or in debentures. The HUD debenture rate may be less than the interest rate on the mortgage loans, and any such debentures would mature 20 years after the date of issue, pay interest semiannually and may be redeemable at par at the option of HUD. Current FHA policy, which is subject to change at any time, is to pay insurance claims in cash.

### **Department of Veterans Administration Guaranty Program**

The Serviceman's Readjustment Act of 1944, as amended, permits eligible veterans (or in certain circumstances a veteran's spouse) and service members to obtain a mortgage loan guarantee by the Department of Veterans Affairs (the "VA") covering mortgage financing of the purchase of a one-to-four unit family dwelling at interest rates permitted by the VA.

The VA charges a funding fee to eligible borrowers based on the type of loan, the amount of the down payment, and whether the borrower has used the program before, up to a maximum of 3.3% of the total loan amount.

For VA loans over \$144,000, the VA will guarantee up to 25% of the loan amount for the purchase or construction of a home or the purchase of a condominium unit for eligible veterans, service members and survivors with full entitlement. Full entitlement is available for borrowers who have never used the benefit before or who have repaid a prior loan that had a VA guarantee. The maximum guaranty on a VA loan under \$144,000 for the purchase or construction of a home or the purchase of a condominium unit is \$36,000.

For eligible borrowers who have used the VA guarantee before and still have remaining entitlement, the maximum guaranty on a VA loan is 25% of the loan limit of the county in which the borrower resides minus the amount of the VA guarantee already used by the borrower.

Claims for the payment of a VA guarantee may be submitted when any default of the mortgagor continues for a period of three months. A guarantee may be paid without the mortgagee instituting foreclosure proceedings or otherwise acquiring title.

Before initiating suit or foreclosure, the mortgagee must notify the VA of a default, and within thirty days thereafter the VA may, at the VA's option, pay the mortgagee the unpaid balance of the obligation plus accrued interest and receive an assignment of the loan and security.

The liability on the guarantee is reduced or increased pro rata with any reduction or increase in the amount of the indebtedness, but will in no event exceed the original amount of the guarantee. Notwithstanding the dollar and percentage limitations of the guarantee, a mortgagee will ordinarily suffer a monetary loss only when the difference between the unsatisfied indebtedness and the proceeds of any foreclosure sale of a mortgaged premises is greater than the original guarantee as adjusted. The VA may, at its option and without regard to the guarantee, make full payment to a mortgagee of unsatisfied indebtedness on a mortgage upon the mortgagee's obtaining title and conveying it to the VA.

### **Rural Housing and Community Development Service Guaranteed Housing Loan Program**

Title V of the Housing Act of 1949 permits the Rural Housing and Community Development Service of the Department of Agriculture (formerly the Farmers Home Administration) (FHA) to provide mortgage guarantees for single family rural housing loans. A Rural Housing and Community Development Service guarantee constitutes an obligation supported by the full faith and credit of the United States.

The maximum loss payment under a Rural Housing and Community Development Service guarantee will be the lesser of:

- (a) Any loss of an amount equal to 90 percent of the principal amount actually advanced to the mortgagor, or
- (b) Any loss sustained by the lender of an amount up to 35 percent of the principal amount actually advanced to the mortgagor, plus any additional loss sustained by the lender of an amount up to 85 percent of the remaining 65 percent of the principal amount actually advanced to the mortgagor.

Loss includes only (1) principal and interest evidenced by the note; (2) any loan subsidy due and owing; and (3) any principal and interest indebtedness on Rural Housing and Community Development Service approved protective advances for protection and preservation of collateral. Interest is covered by the guarantee to the date of the final loss settlement when the lender conducts liquidation of collateral in an expeditious manner. Net proceeds received from liquidation of the collateral will be used in calculating the amount of loss sustained. If the lender acquires the collateral, the net proceeds from collateral for calculating loss shall be determined by the Rural Housing and Community Development Service as follows: (i) the collateral will be appraised at its current market value as of the date of acquisition by the lender then (ii) deduct from such appraised value an estimate of liquidation costs which will include an allowance for the estimated time the property will be held by the lender. The Rural Housing and Community Development Service will pay its claim based on an appraisal after foreclosure has occurred rather than upon the sale of the property.

### **Idaho Foreclosure Procedures**

The mortgages employed in Idaho generally take the form of trust deeds. The Idaho Code permits the trustee under a trust deed to conduct a non-judicial foreclosure sale. The trustee institutes this process by filing for record a notice of default; copies of this notice are also mailed or delivered to the trustor (mortgagor) and any other persons who have requested such notice.

Subsequent to recording the notice of default and at least 120 days prior to the date fixed for sale of the property, the trustee must give notice of such sale by registered or certified mail to the last known address of the trustor and to certain other parties prescribed by statute. In addition, the notice of sale must be published in a newspaper of general circulation in the county where the property is located and such notice must be served on all occupants of the property or posted on the property, if vacant. Under certain circumstances, the trustor or other interested party may reinstate the trust deed by paying the amount in default plus costs and expenses incurred in foreclosure. The sale, once made, is deemed final as to all persons who have been given notice as prescribed by statute. No redemption is permitted after the sale.

While a majority of foreclosures in Idaho are conducted non-judicially, foreclosures involving deceased borrowers, title issues, junior federal/HUD encumbrances on the property, or other specialized circumstances may preclude a trustee's ability to conduct a non-judicial foreclosure sale. Should this occur, the foreclosure is conducted judicially by filing a complaint in the court of the county where the property is located. The sale is then conducted by the sheriff of said county pursuant to a writ of execution issued by the court. For judicial foreclosures of property less than 20 acres, the Idaho Code prescribes a redemption period of six (6) months from the date of sale.

### **Servicemembers' Civil Relief Act**

The Servicemembers' Civil Relief Act applies to anyone called to active military duty and who has debts (including mortgage debt) incurred before they were so activated. The Servicemembers' Civil Relief Act, as amended by the FHA Modernization Act of 2008, effectively provides that, upon activation and during the period of active duty and for a period of nine months, thereafter such debts may not be foreclosed on. Additionally, during the period of active duty and for a period of one year thereafter any interest on such debts in excess of 6% must be forgiven.

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**APPENDIX B**  
**PROPOSED FORM OF OPINION OF BOND COUNSEL**

*Upon the issuance of the 2026 Series A/B Bonds, Skinner Fawcett LLP, Bond Counsel, proposes to issue an opinion in substantially the following form:*

Idaho Housing and Finance Association  
Boise, Idaho

Idaho Housing and Finance Association  
Single Family Mortgage Bonds  
2026 Series A (Fixed Rate) (Non-AMT)  
2026 Series B (Variable Rate) (Federally Taxable)

We have acted as bond counsel to the Idaho Housing and Finance Association (the “Issuer”) in connection with the issuance of \$\_\_\_\_\_ aggregate principal amount of Idaho Housing and Finance Association Single Family Mortgage Bonds, 2026 Series A (Fixed Rate) (Non-AMT) (the “2026 Series A Bonds”); and \$\_\_\_\_\_ aggregate principal amount of Idaho Housing and Finance Association Single Family Mortgage Bonds, 2026 Series B (Variable Rate) (Federally Taxable) (the “2026 Series B Bonds” and together with the 2026 Series A Bonds, the “2026 Series A/B Bonds”). The 2026 Series A/B Bonds are issued pursuant to a General Indenture of Trust, dated as of July 1, 2019, as amended and supplemented, between the Issuer and Zions Bancorporation, National Association, as trustee (the “Trustee”) and a 2026 Series A/B Indenture, dated as of July 1, 2026, between the Issuer and the Trustee (collectively, the “Indenture”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Tax Certificate, dated the date hereof (the “Tax Certificate”), an opinion of counsel to the Issuer, certificates of the Issuer, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the 2026 Series A Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the 2026 Series A/B Bonds, the Indenture, the Tax Certificate, and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public agencies like the Issuer. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no

responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the 2026 Series A/B Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Issuer is an independent public body corporate and politic, duly organized and validly existing under the laws of the State of Idaho, and has lawful authority to issue the 2026 Series A/B Bonds.
2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the 2026 Series A/B Bonds, of the Revenues and any other amounts held by the Trustee in any fund or account established pursuant to the Indenture (except for amounts on deposit in the Rebate Account, the Bond Purchase Fund, the Short Term Bond Account and any Issuer Payment Account, and except for any Rebate Requirement to be deposited in the Rebate Account), and of the rights and interests of the Issuer in and to the MBS and the Mortgage Loans, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.
3. The 2026 Series A/B Bonds constitute valid and binding limited obligations of the Issuer, payable solely from the Revenues and other assets pledged therefor under the Indenture. None of the 2026 Series A/B Bonds constitute a debt or liability of the State of Idaho or any political subdivision thereof.
4. Interest on the 2026 Series A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the 2026 Series A Bonds is not a specific preference item for purposes of the federal alternative minimum tax. We observe that interest on the 2026 Series A Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.
5. Interest on the 2026 Series B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code.
6. Interest on the 2026 Series A/B Bonds is exempt from State of Idaho personal income taxes.

We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2026 Series A/B Bonds.

Faithfully yours,

SKINNER FAWCETT LLP

## APPENDIX C GINNIE MAE CERTIFICATES

This summary of the Ginnie Mae Mortgage Backed Securities Program, the Ginnie Mae Certificates and the documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the Ginnie Mae Mortgage Backed Securities Guide published by Ginnie Mae and to said documents for full and complete statements of their provisions. As of the date of this Disclosure Statement, such guide can be found at [www.ginniemae.gov/issuers/program\\_guidelines/Pages/mbsguidelib.aspx](http://www.ginniemae.gov/issuers/program_guidelines/Pages/mbsguidelib.aspx). The following summary is of the GNMA I Program and the GNMA II Program.

Government National Mortgage Association (“Ginnie Mae”) is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development (“HUD”) with its principal office in Washington, D.C.

To issue Ginnie Mae Certificates, a Master Servicer must first apply to and receive from Ginnie Mae the Commitment to Guarantee Mortgage Backed Securities (the “MBS Agreement”). The MBS Agreement authorizes such Master Servicer to apply to Ginnie Mae for the issuance of Mortgage-backed Securities eligible for guaranty by Ginnie Mae up to a stated date and issue Ginnie Mae Certificates up to a stated amount during a one-year period following the date of the MBS Agreement. Each MBS Agreement is valid for a 12-month period from the date of commitment.

Each Ginnie Mae Certificate is to be backed by a mortgage pool consisting of mortgage loans. Each Ginnie Mae I Certificate will be a “mortgage loan pass-through certificate” which will require the Master Servicer to pass through to the paying and transfer agent for the Ginnie Mae I program by 7:00 a.m. Eastern Time on the fifteenth calendar day of each month (or if the fifteenth calendar day is not a business day, then the next business day), the regular monthly payments on the mortgage loans (less the Ginnie Mae Guaranty Fee and the Master Servicer’s servicing fee), whether or not the Master Servicer receive such payments, plus any recoveries of principal of the mortgage loans received by the Master Servicer in the previous month. Each Ginnie Mae II Certificate will be a “mortgage loan pass-through certificate” which will require the Master Servicer to pass through to the Central Paying and Transfer Agent for the Ginnie Mae II program, by 7:00 a.m. Eastern Time on the twentieth calendar day of each month (or if the twentieth calendar day is not a business day, then the next business day), the regular monthly payments on the mortgage loans (less the Ginnie Mae Guaranty Fee and the Master Servicer’s servicing fee), whether or not the Master Servicer received such payments, plus any recoveries of principal on the mortgage loans received by the Master Servicer. The Central Paying and Transfer Agent for the GNMA II program is then required to pass through to the Trustee on the twentieth day of each month (or if such day is not a business day, the next business day) the scheduled payments received from the Master Servicer. Ginnie Mae guarantees timely payment of principal of and interest with respect to the Ginnie Mae Certificate.

Ginnie Mae is authorized by Section 306(g) of Title III of the National Housing Act of 1934, as amended (the “Housing Act”), to guarantee the timely payment of the principal of, and interest on, securities that are based on and backed by a pool of mortgage loans insured or guaranteed under the National Housing Act, Title V of the Housing Act of 1949, the Servicemen's Readjustment Act of 1944, chapter 37 of Title 38, United States Code, or section 184 of the Housing and Community Development Act of 1992. Section 306(g) further provides that “the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection.” An opinion, dated December 9, 1969, of an Assistant Attorney General of the United States, states that such guarantees under Section 306(g) of mortgage backed certificates of the type being delivered to the Trustee on behalf of the Issuer are authorized to be made by Ginnie Mae and “would constitute general obligations of the United States backed by its full faith and credit.”

Ginnie Mae, upon execution of the Ginnie Mae Guaranty appended to the Ginnie Mae Certificate, and upon delivery of the Ginnie Mae Certificate to the Master Servicer, will have guaranteed to the Trustee as holder of the Ginnie Mae Certificate the timely payment of principal of and interest on the Ginnie Mae Certificate. In order to meet its obligations under such guaranty, Ginnie Mae, in its corporate capacity under Section 306(d) of Title III of the Housing Act, may issue its general obligations to the United States Treasury Department in an amount outstanding at any one time sufficient to enable Ginnie Mae, 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 Ginnie Mae Certificate. The Treasury is authorized to purchase any obligation so issued by Ginnie Mae and has indicated in a letter dated February 13, 1970,

from the Secretary of the Treasury to the Secretary of HUD that the Treasury will make loans to Ginnie Mae, if needed, to implement the aforementioned guaranty.

Ginnie Mae is required to warrant to the Trustee as the holder of the Ginnie Mae Certificate, that, in the event it is called upon at any time to make payment on its guaranty of the principal of and interest on the Ginnie Mae Certificate, it will, if necessary, in accordance with Section 306(d) of Title III of the Housing Act, apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make payments of principal and interest.

The Master Servicer will be responsible for servicing and otherwise administering the mortgage loans in accordance with generally accepted practices of the mortgage banking industry and the Ginnie Mae Mortgage Backed Securities Guide (the "Guide").

The monthly remuneration of the Master Servicer for its servicing and administrative functions, and the Guaranty Fee charged by Ginnie Mae are based on the total aggregate unpaid principal balance of mortgage loans outstanding. The Master Servicer's servicing fee and the Ginnie Mae Guaranty Fee are deducted from payments on the mortgage loans before payments are passed through to the holder of the Ginnie Mae Certificates.

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

The Master Servicer is required to advise Ginnie Mae in advance of any impending default on scheduled payments so that Ginnie Mae as guarantor will be able to continue such payments as scheduled on the third business day following the twentieth calendar day of each month. If, however, such payments are not received as scheduled, the Trustee has recourse directly to Ginnie Mae.

The Ginnie Mae Guaranty Agreement to be entered into by Ginnie Mae and the Master Servicer upon issuance of the Ginnie Mae Certificates (the "Ginnie Mae Guaranty Agreement") will provide that, in the event of a default by the Master Servicer, Ginnie Mae will have the right, by letter to the Master Servicer, to effect and complete the extinguishment of the Master Servicer's interest in the mortgage loans, and the mortgage loans are to thereupon become the absolute property of Ginnie Mae, subject only to the unsatisfied rights of the holder of the Ginnie Mae Certificate. In such event, the Ginnie Mae Guaranty Agreement will provide that Ginnie Mae will be the successor in all respects to the Master Servicer in its capacity under the Ginnie Mae Guaranty Agreement and the transaction and arrangements set forth or arranged for therein. At any time, Ginnie Mae may enter into an agreement with an institution approved by Ginnie Mae under which such institution undertakes and agrees to assume any part or all of such duties, and no such agreement will detract from or diminish the responsibilities, duties or liabilities of Ginnie Mae in its capacity as guarantor.

## **APPENDIX D**

### **FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM**

The summary of Fannie Mae MBS Program (as defined below), the Fannie Mae Certificates and other documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae Selling Guide and the Fannie Mae Servicing Guide (collectively, the “Fannie Mae Guides”) and the Fannie Mae Certificates and other documents for full and complete statements of their provisions. Copies of the Fannie Mae Guides, the Fannie Mae Prospectus and Fannie Mae’s most recent annual and quarterly reports and proxy statement are available from Fannie Mae, 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016, (800-237-8627), or at [www.fanniemae.com](http://www.fanniemae.com). Neither the Issuer nor the Underwriters make any representation with respect to the accuracy or completeness of this summary.

#### **General**

Federal National Mortgage Association (“Fannie Mae”) is a federally chartered and stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act, as amended (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 and was transformed into a stockholder-owned and privately managed corporation by legislation enacted in 1968. Fannie Mae provides funds to the mortgage market by purchasing mortgage loans from lenders, thereby replenishing their funds for additional lending. Fannie Mae acquires funds to purchase mortgage loans from many capital market investors that may not ordinarily invest in mortgage loans, thereby expanding the total amount of funds available for housing. In addition, Fannie Mae issues mortgage-backed securities primarily in exchange for pools of mortgage loans from lenders.

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.

The Federal Housing Finance Regulatory Reform Act of 2008 (the “Reform Act”) established the Federal Housing Finance Agency (“FHFA”), which assumed the regulatory and oversight duties of Fannie Mae of the Office of Federal Housing Enterprise Oversight and the Department of Housing and Urban Development. In 2008, the Director of FHFA placed Fannie Mae into conservatorship, appointing FHFA as conservator. This conservatorship does not have a specified termination date.

#### **Fannie Mae Mortgage-Backed Securities Program**

Fannie Mae has implemented a mortgage-backed securities program pursuant to which Fannie Mae issues securities backed by pools of mortgage loans (the “Fannie Mae MBS Program”). The obligations of Fannie Mae, including its obligations under the Fannie Mae Certificates, 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 purchase contract, and, in the case of mortgage loans such as the Mortgage Loans, a 2009 Single-Family Master Trust Agreement dated as of January 1, 2009, as amended from time to time, 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. A Fannie Mae Prospectus Supplement may not be available as to Fannie Mae Certificates acquired pursuant to the Program. The Issuer does not and will not participate in the preparation of the Fannie Mae Prospectus, annual reports, quarterly reports, proxy statements or any other documents issued by Fannie Mae.

#### **Fannie Mae Certificates**

Fannie Mae Certificates are mortgage-backed pass-through securities issued and guaranteed by Fannie Mae under its MBS Program. As of June 3, 2019, each Fannie Mae Certificate is now a UMBS. Any Fannie Mae Certificate acquired by the Issuer will represent a fractional undivided interest in a specified pool of Mortgage Loans purchased by Fannie Mae from the servicer and identified in records maintained by Fannie Mae. The Mortgage Loans backing each Fannie Mae Certificate will bear interest at a specified rate per annum, and each Fannie Mae Certificate 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 Certificate will be collected by the servicer and used to pay the servicer’s servicing fee and Fannie Mae’s guaranty fee. Fannie Mae will guarantee to the registered holder of the Fannie Mae Certificates that it will distribute amounts representing scheduled principal and interest at the applicable pass-through rate on the Mortgage Loans in the pools represented by such Fannie Mae Certificates, whether or not received, and the full principal balance of any foreclosed or other finally liquidated Mortgage Loan, whether or not such principal balance is actually received.

THE OBLIGATIONS OF FANNIE MAE UNDER SUCH GUARANTEES ARE OBLIGATIONS SOLELY OF FANNIE MAE AND ARE NOT BACKED BY, NOR ENTITLED TO, THE FAITH AND CREDIT OF THE UNITED STATES. IF FANNIE MAE WERE UNABLE TO SATISFY SUCH OBLIGATIONS, DISTRIBUTIONS TO THE TRUSTEE, AS THE REGISTERED HOLDER OF FANNIE MAE CERTIFICATES, WOULD CONSIST SOLELY OF PAYMENTS AND OTHER RECOVERIES ON THE UNDERLYING MORTGAGE LOANS AND, ACCORDINGLY, MONTHLY DISTRIBUTIONS TO THE TRUSTEE AS THE HOLDER OF FANNIE MAE CERTIFICATES, WOULD BE AFFECTED BY DELINQUENT PAYMENTS AND DEFAULTS ON SUCH MORTGAGE LOANS.

### **Payments on Mortgage Loans; Distributions on Fannie Mae Certificates**

Payments on a Fannie Mae Certificate are made to the owner thereof on the twenty-fifth day of each month (beginning with the month following the month such Fannie Mae Certificate 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 Certificate, Fannie Mae will distribute to the beneficial owner an amount equal to the total of (a) the principal due on the Mortgage Loans in the related pool underlying such Fannie Mae Certificate 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, (b) the stated principal balance of any Mortgage Loan that was prepaid in full during the calendar month immediately 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), (c) the amount of any partial prepayment of a Mortgage Loan received during the calendar month immediately preceding the month of distribution (during the second preceding calendar month, for pools of loans formed from the Fannie Mae portfolio that are serviced on a basis that requires remittance of actual payments to Fannie Mae instead of scheduled payments) and (d) one month’s interest at the pass-through rate on the principal balance of the Fannie Mae Certificate as reported to the holder thereof in connection with the previous distribution (or, respecting the first distribution, the principal balance of the Fannie Mae Certificate 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.

### **Reduced Guaranty Fees**

If Fannie Mae reduces its guaranty fee to an amount that is less than that used in structuring the cash flows for any Bonds, the difference will become part of the Issuer’s fee and will not secure such Bonds.

## **APPENDIX E**

### **FREDDIE MAC MORTGAGE-BACKED SECURITIES PROGRAM**

The summary of the Freddie Mac Guarantor Program (as defined below), the Freddie Mac Certificates and other documents referred to herein does not purport to be complete and is qualified in its entirety by reference to Freddie Mac's Single-Family Seller/Servicer Guide (the "Freddie Mac Guide"), Freddie Mac's Mortgage Participation Certificates Offering Circular, any applicable Offering Circular Supplements, Freddie Mac's most recent annual and quarterly reports and proxy statements and any other documents made available by Freddie Mac. Copies of these documents can be obtained by writing or calling Freddie Mac's Investor Inquiry Department at 8200 Jones Branch Drive, McLean, Virginia 22102 (800-336-FMPC), or at [www.freddiemac.com](http://www.freddiemac.com). Neither the Issuer nor the Underwriters make any representation with respect to the accuracy or completeness of this summary.

#### **General**

Freddie Mac is a shareholder-owned, government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Program Operator Act, Title III of the Emergency Home Finance Act of 1970, as amended (the "Freddie Mac Act"). Freddie Mac's statutory mission is (a) to provide stability in the secondary market for residential mortgages, (b) to respond appropriately to the private capital market, (c) to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing and (d) to promote access to mortgage credit throughout the United States (including central cities, rural areas and underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing. Neither the United States nor any agency or instrumentality of the United States is obligated, either directly or indirectly, to fund the mortgage purchase or financing activities of Freddie Mac.

The Federal Housing Finance Regulatory Reform Act of 2008 (the "Reform Act") established the Federal Housing Finance Agency ("FHFA"), which assumed the regulatory and oversight duties of Freddie Mac of the Office of Federal Housing Enterprise Oversight and the United States Department of Housing and Urban Development ("HUD") with respect to safety, soundness and mission. HUD remains the regulator of Freddie Mac with respect to fair lending matters. In addition, on September 6, 2008, the Director of FHFA placed Freddie Mac into conservatorship, appointing FHFA as conservator. This conservatorship does not have a specified termination date.

#### **Freddie Mac Guarantor Program**

Freddie Mac has established a mortgage purchase program pursuant to which Freddie Mac purchases a group of mortgages from a single seller in exchange for a Freddie Mac Certificate representing an undivided interest in a pool consisting of the same Mortgage Loans (the "Guarantor Program"). Each Freddie Mac Certificate is guaranteed by Freddie Mac as to the timely payment of interest and the full and final payment of principal. The obligations of Freddie Mac under its guarantees of the Freddie Mac Certificates are obligations of Freddie Mac only. The Freddie Mac Certificates, including the interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac.

The Issuer does not and will not participate in the preparation of Freddie Mac's Mortgage Participation Certificate Offering Circular, annual reports, quarterly reports or proxy statements.

Freddie Mac supervises the servicing of Mortgage Loans according to the policies in the Freddie Mac Guide, and in accordance with the PC Master Trust Agreement, dated September 25, 2009, as amended from time to time.

#### **Freddie Mac Certificates**

Freddie Mac Certificates will be mortgage participation certificates issued under Freddie Mac's Guarantor Program. As of June 3, 2019, each Freddie Mac Certificate is now a UMBS. Under the Guarantor Program, the annual pass-through rate on a Freddie Mac Certificate is established based upon the lowest interest rate on the underlying mortgage loans, minus a minimum servicing fee and the amount of Freddie Mac's management and guarantee fee as agreed upon between the Servicer and Freddie Mac. The lowest interest rate on a mortgage loan in a Certificate Pool

will be greater than or equal to the annual pass-through rate on the related Freddie Mac Certificate plus a minimum servicing fee and Freddie Mac's management and guarantee fee, and the highest interest rate will not exceed two and one-half percentage points above the pass-through rate.

Freddie Mac will guarantee to the registered holder of each Freddie Mac Certificate the timely payment of interest by each mortgagor to the extent of the applicable certificate rate on the registered holder's pro rata share of the unpaid principal balance outstanding on the mortgage loans underlying such Freddie Mac Certificate. Freddie Mac also will guarantee to the Trustee or its nominee as the registered holder of such Freddie Mac Certificate full and final payment of principal. Pursuant to its guarantee, Freddie Mac will indemnify the holder of such Freddie Mac Certificate against any diminution in principal by reason of charges for property repairs, maintenance and foreclosure. 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 loan, but not later than (a) 30 days following foreclosure sale, (b) 30 days following payment of the claim by any mortgage issuer, or (c) 30 days following the expiration of any right of redemption, whichever occurs last, but in any event no later than one year after demand has been made upon the mortgagor for accelerated payment of principal.

The obligations of Freddie Mac under its guarantees of the Freddie Mac Certificates are obligations of Freddie Mac only. The Freddie Mac Certificates, including the interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. If Freddie Mac were unable to satisfy such obligations, distributions on the Freddie Mac Certificates would consist solely of payments and other recoveries on the underlying mortgage loans and, accordingly, delinquencies and defaults would affect monthly distributions on such Freddie Mac Certificates and could adversely affect the payments on the Bonds.

Holders of Freddie Mac Certificates are entitled to receive their pro rata share of all principal payments on the underlying mortgage loans received by Freddie Mac, including any scheduled principal payments, full and partial repayments of principal and principal received by Freddie Mac by virtue of condemnation, insurance, liquidation or foreclosure, including repayments of principal resulting from acquisition by Freddie Mac of the real property securing the mortgage. Freddie Mac is required to remit each registered Freddie Mac Certificate holder's pro rata share of principal payments on the underlying mortgage loans, interest at the certificate rate and any other sums within 60 days of the date on which such payments are received by Freddie Mac.

### **Reduced Guaranty Fees**

If Freddie Mac reduces its guaranty fee to an amount that is less than that used in structuring the cash flows for any Bonds, the difference will become part of the Issuer's fee and will not secure such Bonds.

**APPENDIX F**  
**FINANCIAL STATEMENTS OF ISSUER**

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***Idaho Housing  
and Finance  
Association***

***[www.idahohousing.com](http://www.idahohousing.com)***

**Audit Report as of  
June 30, 2025 and 2024**

Idaho Housing and Finance Association

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June 30, 2025 and 2024

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## Independent Auditor's Report

To the Board of Commissioners  
Idaho Housing and Finance Association  
Boise, Idaho

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Idaho Housing and Finance Association (the Association), a component unit of the State of Idaho, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Association as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

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

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Idaho Housing and Finance Association’s basic financial statements. The supplementary financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated September 26, 2025 on our consideration of the Association’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association’s internal control over financial reporting and compliance.



Boise, Idaho  
September 26, 2025

The Idaho Housing and Finance Association's (the Association) Management Discussion and Analysis presents readers of the Association's financial statements a narrative overview and analysis of the financial activities of the Association for the years ended June 30, 2025 and 2024.

### **Organizational Overview**

The Association is a self-supporting organization that must generate all revenue necessary to cover the cost of its operations. The Association services loans for single-family borrowers in Idaho, Connecticut, Iowa, New Mexico, South Dakota, Texas, Oregon, and Washington, and multifamily affordable housing projects in Idaho. The Association administers seventeen (17) Housing and Urban Development (HUD) programs---Emergency Solutions Grants Program, HOME Investment Partnerships Program, Home – American Rescue Plan, Housing Trust Fund, Neighborhood Stabilization Program, Continuum of Care Program, Youth Homelessness Demonstration Program, Youth Homelessness System Improvement, Comprehensive Housing and Counseling Program, Family Self-Sufficiency Program, Section 8 Performance Based Contract Administration, Housing Choice Voucher Program, Emergency Housing Voucher Program, Mainstream 5 Year Program, Coronavirus State and Local Fiscal Recovery Funds (Workforce Housing and Idaho Collateral Support Program), Federal Housing Administration Insured Mortgage Loans, and Public and Indian Housing Loan Guarantee program; three (3) U.S. Treasury programs---Tax Credit Assistance Program, Homeowner Assistance Fund, and Emergency Rental Assistance; one (1) Department of Veterans Affairs (VA) program---Guaranteed Mortgage Loans; and one (1) U.S. Department of Agriculture (USDA) program---USDA Rural Housing Services Insured Mortgage Loans. The Association also issues bonds to finance nonprofit facilities, economic development projects, and road improvements throughout the State of Idaho.

### **Financial Highlights**

The Association reported a positive operating income during fiscal year 2025, reflecting continued robust loan acquisition production, a growing servicing portfolio, higher servicing revenue, and on-going cost containment measures. The sustained high interest rates experienced during the fiscal year drove up both interest income and interest expense as compared to the prior year. The Association continued to pursue its strategy of selling mortgage-backed securities via the most favorable avenue offered by the market. In fiscal year 2023, many sales were shifted into bond indentures rather than being immediately sold on the open market. Similar market conditions continued into fiscal year 2025. As a result, gain on loan sales reported on the Statements of Revenues, Expenses, and Changes in Net Position remained relatively comparable to the prior year.

The issuance of new bonds in fiscal year 2025 caused large increases to both the assets and liabilities of the Association's balance sheet. This activity was somewhat offset by existing mortgage-backed securities continuing to pay down, decreasing the liabilities and the associated assets. Other assets increased mostly due to receivables associated with real estate owned. The principal associated with the majority of these properties is guaranteed by insurance from the Federal Housing Administration, the Department of Veterans Affairs, or the United States Department of Agriculture.

The financial highlights of the Association as of June 30, 2025 compared to June 30, 2024, are as follows:

- Operating income increased from \$10.633 million to \$27.361 million which is an increase of \$16.728 million.
- Total net position, after fair market value and federal pass-through adjustments, increased \$56.009 million mainly attributable to positive operating income and an increase in the fair value of the Association's investments.
- Total assets and deferred outflows of resources increased \$1.183 billion or 24% mainly due to new bond issuances.
- Total liabilities and deferred inflows of resources increased \$1.127 billion or 27% mainly due to new bond issuances.

The Financial Analysis section of this Management's Discussion and Analysis includes a table that summarizes the changes in assets and liabilities that occurred during the years ended June 30, 2025, 2024, and 2023, as well as the changes in net position.

Fiscal year 2025 was characterized by relatively stable interest rates and a continued strength in the real estate market in Idaho. The Association also experienced stable loan purchases of tax-exempt bond eligible loans by first time home buyers.

The Association has various joint-venture or subservicing relationships with Connecticut Housing Finance Authority (CHFA), Iowa Finance Authority (IFA), New Mexico Mortgage Finance Authority (MFA), South Dakota Housing Development Authority (SDHDA), Texas Department of Housing and Community Affairs (TDHCA), and Washington State Housing Finance Commission (WSHFC). The Association also has master servicing relationships with Oregon Housing and Community Services (OHCS), and Montana Board of Housing (MBOH).

Overall, the Association has successfully managed its loan and financing programs during this period. Looking forward, the Association, in line with market expectations, anticipates more uncertainty in the economic, legal, political, and mortgage-lending environments as volatilities in interest rates, tariffs, and inflation impacts the Association's business.

See the Financial Analysis section of this Management's Discussion and Analysis for additional information on the Government Accounting Standards Board (GASB) required fair value adjustments.

### **Overview of the Financial Statements**

This annual financial report consists of three parts: Management's Discussion and Analysis; the financial statements, including notes to the financial statements; and supplemental schedules. Summary information is presented for separate mortgage revenue bond programs in the supplemental schedules.

According to the American Institute of Certified Public Accountants (AICPA), in its Audit Guide for Not-For-Profit Organizations, the Association meets the definition of a governmental entity and incorporates GASB accounting standards into its financial statements. However, due to the nature of the Association, it is considered a Special Purpose Governmental Entity engaged only in business-type activities. Accordingly, the Association uses Proprietary Enterprise Fund reporting and the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The Association's financial statements provide detailed information about the most significant activities within the Proprietary Fund. Some of the activities are required by the Department of Housing and Urban Development (HUD) or by certain bond requirements. However, the Association has established others to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money.

Component units are organizations legally separate from but financially accountable to the Association and their relationship with the Association is such that exclusion would cause the Association's financial statements to be misleading. The Association has determined that The Housing Company, the Home Partnership Foundation, and IHFA Community Investment Holdings LLC are integral and material components of the Association's reporting entity and their respective financial statements have been incorporated as such.

Accordingly, The Housing Company's basic financial statements are presented immediately following the Association's basic financial statements while the Home Partnership Foundation's and IHFA Community Investment Holdings LLC's basic financial statements have been blended with the Association's basic financial statements.

Idaho Housing and Finance Association  
Management's Discussion and Analysis  
June 30, 2025 and 2024

**Financial Analysis**

The following table summarizes the changes in assets and liabilities that occurred during the years ended June 30, 2025 and 2024, as well as the changes in net position.

for the Period Ended June 30, 2025 (in thousands)	2025		2024		2023
	Balance	% Change from prior period	Balance	% Change from prior period	Balance
Cash and cash equivalents (partially restricted)	\$ 590,265	9.7%	\$ 538,108	10.1%	\$ 488,665
Investments (partially held in trust)	3,077,370	26.3%	2,435,960	77.9%	1,368,916
Loans held for investment, net	322,717	12.3%	287,306	7.1%	268,183
Loans available for sale	157,061	81.7%	86,452	(8.3%)	94,289
Mortgage servicing rights	305,048	1.8%	299,781	26.0%	237,912
Government bond payments receivable	1,371,045	27.0%	1,079,191	28.7%	838,359
Capital assets and right of use leases	11,261	16.6%	9,660	(30.8%)	13,956
Derivative assets	1,822	130.9%	789	(72.4%)	2,855
Other assets	188,631	80.7%	104,389	(0.8%)	105,207
Interest rate swap contracts, amortized value	372	(51.1%)	760	(89.3%)	7,095
Interest rate swap contracts, fair value	614	(51.0%)	1,253	53.6%	816
<b>Total assets and deferred outflow</b>	<b>\$ 6,026,206</b>	<b>24.4%</b>	<b>\$ 4,843,649</b>	<b>41.4%</b>	<b>\$ 3,426,253</b>
Bonds and Notes	\$ 4,135,789	20.9%	\$ 3,420,498	72.6%	\$ 1,982,203
Short-term borrowings	608,864	119.2%	277,814	(28.5%)	388,370
Escrow and project reserve deposits	279,716	4.1%	268,798	31.9%	203,795
Investor remittance liability	155,261	44.0%	107,810	(0.8%)	108,700
Derivative liabilities	4,679	120.1%	2,126	(85.8%)	14,965
Other liabilities	125,890	18.1%	106,605	(27.9%)	147,953
<b>Total liabilities and deferred inflow</b>	<b>\$ 5,310,199</b>	<b>26.9%</b>	<b>\$ 4,183,651</b>	<b>47.0%</b>	<b>\$ 2,845,986</b>
Net investment in capital assets	10,215	12.8%	9,053	(29.2%)	12,779
Restricted	139,648	111.8%	65,937		62,560
Unrestricted	566,144	(3.2%)	585,008	15.9%	504,928
<b>Total net position</b>	<b>\$ 716,007</b>	<b>8.5%</b>	<b>\$ 659,998</b>	<b>13.7%</b>	<b>\$ 580,267</b>

Idaho Housing and Finance Association  
Management's Discussion and Analysis  
June 30, 2025 and 2024

For the years ended June 30, (in thousands)	2025		2024		2023
	Balance	% Change from prior period	Balance	% Change from prior period	Balance
Interest on cash and investments	\$ 128,176	37.7%	\$ 93,094	296.5%	\$ 23,479
Interest on loans receivable	72,778	18.3%	61,520	23.8%	49,690
Loan servicing revenues	86,296	11.7%	77,289	23.1%	62,803
Gain on sale of loans	12,271	(6.2%)	13,076	2.7%	12,733
Grant and contract administration fees	14,646	(11.6%)	16,571	(7.4%)	17,901
Other operating revenues	9,479	145.4%	3,862	(0.1%)	3,864
Total revenues	<u>323,646</u>	21.9%	<u>265,412</u>	55.7%	<u>170,470</u>
Interest expense	191,499	26.2%	151,700	112.9%	71,265
Salaries and benefits	38,026	8.2%	35,131	6.6%	32,956
General operating	28,788	33.8%	21,521	(5.2%)	22,704
Loan acquisition costs	30,159	(18.7%)	37,090	52.8%	24,277
Net provision for loan losses	4,874	8.3%	4,501	8.4%	4,154
Grants to others	330	(89.9%)	3,266	172.6%	1,198
Bond financing costs	171	52.7%	112	3.7%	108
Other operating expenses	2,438	67.2%	1,458	(8.4%)	1,591
Total expenses	<u>296,285</u>	16.3%	<u>254,779</u>	61.0%	<u>158,253</u>
Operating income/(loss)	<u>27,361</u>	157.3%	<u>10,633</u>	(13.0%)	<u>12,217</u>
Net increase (decrease) in fair value of investments	26,108	(699.2%)	(4,357)	(73.2%)	(16,250)
Net increase in fair value of servicing contracts	5,267	(91.5%)	61,869		(114,371)
Net increase (decrease) in fair value of derivatives	(3,058)	(124.9%)	12,305	(199.4%)	(12,376)
Federal/State pass-through revenues	95,923	(23.2%)	124,842	8.6%	114,918
Federal/State pass-through expenses	(95,592)	(23.9%)	(125,561)	9.5%	(114,633)
Total non-operating revenues and expenses	<u>28,648</u>	(58.5%)	<u>69,098</u>	(148.4%)	<u>(142,712)</u>
Increase/(decrease) in net position	<u>\$ 56,009</u>	(29.8%)	<u>\$ 79,731</u>	(161.1%)	<u>\$ (130,495)</u>

The fair value adjustments reported in the Statement of Net Position on page 10 and the Statement of Revenues, Expenses, and Changes in Net Position on page 11 are required under GASB Statements No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and No. 72, *Fair Value Measurement and Application*.

### Capital Asset and Debt Administration

Capital Assets: The Association's capital assets include land, buildings, office, and computer equipment. Capital assets are presented in the financial statements at \$11.261 million (net of accumulated depreciation).

The Association periodically sells bonds to investors to raise capital. Bonds are marketable securities-backed by mortgage loans on residential and multifamily properties. The Association's bond issues are highly rated because, in addition to a mortgage on the property being financed, the bond issue requires cash reserves along with mortgage insurance and other safeguards, giving the investor or bondholder additional assurance that the bond issuer (the Association) will repay the loan.

Additional information about our long-term liabilities is presented in the notes to the financial statements.

### **Economic Factors**

The primary business activity of the Association is funding the purchase and servicing of single-family home mortgages. The Association's mortgage financing activities are sensitive to the level of interest rates, the spread between the rate available on Association loans and those available in the conventional mortgage markets and the availability of affordable housing. The availability of Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and Government National Mortgage Association (GNMA) to purchase loans or guarantee loan securities; the availability of the Federal Housing Administration (FHA), the Veterans Administration (VA), and the Department of Agriculture's Office of Rural Development (RD) to guarantee loans; the continuation of servicing relationships outside of Idaho; and the availability of long-term, tax-exempt financing on favorable terms are key elements in providing the resources necessary for the Association to continue its mortgage financing and servicing activities. In addition, the funding of the Association's federal programs activities is dependent on budget appropriations from the U.S. Department of Housing and Urban Development, as contained in the Federal budget.

### **Contacting the Association's Financial Management**

This financial report is designed to provide a general overview of Idaho Housing and Finance Association's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Controller at Idaho Housing and Finance Association, P.O. Box 7899, Boise, ID 83707-1899, or contact our website at [www.idahohousing.com](http://www.idahohousing.com).

Idaho Housing and Finance Association

Statements of Net Position

June 30, 2025 and 2024

(in thousands)

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Cash and cash equivalents (partially restricted)	\$ 590,265	\$ 538,108
Investments (partially held in trust)	3,077,370	2,435,960
Loans held for investment, net	322,717	287,306
Loans available for sale	157,061	86,452
Mortgage servicing rights	305,048	299,781
Government bond payments receivable	1,371,045	1,079,191
Capital assets and right of use leases	11,261	9,660
Derivative assets	1,822	789
Other assets	188,631	104,389
	<u>6,025,220</u>	<u>4,841,636</u>
<b>Deferred Outflow of Resources</b>		
Interest rate swap contracts, amortized value	372	760
Interest rate swap contracts, fair value	614	1,253
	<u>986</u>	<u>2,013</u>
	<u>\$ 6,026,206</u>	<u>\$ 4,843,649</u>
<b>Liabilities</b>		
Bonds and Notes	\$ 4,135,789	\$ 3,420,498
Short-term borrowings	608,864	277,814
Escrow and project reserve deposits	279,716	268,798
Investor remittance liability	155,261	107,810
Derivative liabilities	4,679	2,126
Other liabilities	125,890	106,605
	<u>5,310,199</u>	<u>4,183,651</u>
<b>Net Position</b>		
Net investment in capital assets	10,215	9,053
Restricted	139,648	65,937
Unrestricted	566,144	585,008
	<u>716,007</u>	<u>659,998</u>
	<u>\$ 6,026,206</u>	<u>\$ 4,843,649</u>

Idaho Housing and Finance Association  
Statements of Revenues, Expenses, and Changes in Net Position  
Years Ended June 30, 2025 and 2024  
(in thousands)

	2025	2024
<b>Operating Revenues</b>		
Interest on cash and investments	\$ 128,176	\$ 93,094
Interest on loans receivable	72,778	61,520
Loan servicing revenues	86,296	77,289
Gain on sale of loans	12,271	13,076
Grant and contract administration fees	14,646	16,571
Other operating revenues	9,479	3,862
Total operating revenues	323,646	265,412
<b>Operating Expenses</b>		
Interest expense	191,499	151,700
Salaries and benefits	38,026	35,131
General operating	28,788	21,521
Loan acquisition costs	30,159	37,090
Net provision for loan losses	4,874	4,501
Grants to others	330	3,266
Bond financing costs	171	112
Other operating expenses	2,438	1,458
Total operating expenses	296,285	254,779
<b>Operating Income</b>	27,361	10,633
<b>Nonoperating Revenues and (Expenses)</b>		
Net increase (decrease) in fair value of investments	26,108	(4,357)
Net increase in fair value of servicing contracts	5,267	61,869
Net increase (decrease) in fair value of derivatives	(3,058)	12,305
Federal/State pass-through revenues	95,923	124,842
Federal/State pass-through expenses	(95,592)	(125,561)
Total nonoperating revenues and (expenses)	28,648	69,098
<b>Increase in Net Position</b>	56,009	79,731
<b>Net Position, Beginning of Year</b>	659,998	580,267
<b>Net Position, End of Year</b>	\$ 716,007	\$ 659,998

Idaho Housing and Finance Association

Statements of Cash Flows

Years Ended June 30, 2025 and 2024

(in thousands)

	2025	2024
<b>Operating Activities</b>		
Receipts from customers, loan interest, and other	\$ 3,985,952	\$ 2,949,699
Loan principal payments	54,128	46,465
Principal and interest pass-through remittances as servicing agent	(3,860,206)	(2,711,105)
Escrow deposits	1,366,694	1,178,384
Escrow disbursements	(1,355,775)	(1,113,381)
Loan sales	6,733,629	6,938,867
Loan acquisition costs	(30,159)	(37,090)
Interest paid	(174,709)	(128,371)
Payments to suppliers	(4,119)	(485)
Payments for transportation program costs	85,188	28,737
Payments for loans available for sale	(7,028,461)	(7,200,582)
Payments to employees for services and benefits	(37,413)	(34,494)
Loan principal additions	(91,575)	(121,469)
<b>Net Cash used for Operating Activities</b>	<b>(356,826)</b>	<b>(204,825)</b>
<b>Noncapital Financing Activities</b>		
Bond financing	26,761	41,586
Bond and short-term borrowings payments	(979,275)	(993,966)
Bond and short-term borrowings issued	2,004,424	2,271,335
Federal pass-through revenues	95,923	124,842
Federal pass-through expenses	(95,592)	(125,561)
<b>Net Cash from Noncapital Financing Activities</b>	<b>1,052,241</b>	<b>1,318,236</b>
<b>Capital and Related Financing Activities</b>		
Acquisition and construction of capital assets	(1,860)	(265)
<b>Net Cash used for Capital and Related Financing Activities</b>	<b>(1,860)</b>	<b>(265)</b>
<b>Investing Activities</b>		
Proceeds from sale of assets	13	3,344
Investment purchases	(4,137,371)	(5,091,316)
Investment redemptions	3,367,784	3,931,175
Investment income	128,176	93,094
<b>Net Cash used for Investing Activities</b>	<b>(641,398)</b>	<b>(1,063,703)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>52,157</b>	<b>49,443</b>
Cash and Cash Equivalents, Beginning of Year	538,108	488,665
Cash and Cash Equivalents, End of Year	<b>\$ 590,265</b>	<b>\$ 538,108</b>

Idaho Housing and Finance Association

Statements of Cash Flows  
 Years Ended June 30, 2025 and 2024  
 (in thousands)

	<u>2025</u>	<u>2024</u>
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating income	\$ 27,361	\$ 10,633
Adjustments to reconcile operating income to net cash used for operating activities		
Loan principal received	54,128	46,465
Loans issued	(91,575)	(121,469)
Bond financing	26,761	41,586
Depreciation and other amortization	246	1,218
Changes in assets and liabilities		
Interest receivable	664	67
Interest payable	16,730	28,465
Interest on investments	(128,176)	(93,094)
Pledged revenues	(399,512)	(289,249)
Other assets	243,660	267,217
Accounts payable and other liabilities	(107,113)	(96,664)
	<u>(384,187)</u>	<u>(215,458)</u>
Net Cash used for Operating Activities	<u>\$ (356,826)</u>	<u>\$ (204,825)</u>

**The Housing Company**  
 A Component Unit of Idaho Housing and Finance Association  
 Consolidated Statements of Financial Position  
 December 31, 2024 and 2023

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 14,714,576	\$ 11,111,062
Investments in subsidiaries	4,768	5,746
Restricted cash	6,751,128	5,968,851
Receivables	1,408,810	1,499,976
Mortgage proceeds held in trust	-	1,033,535
Prepaid expenses	809,855	705,280
Land	13,915,031	13,290,033
Buildings and equipment (net of accumulated depreciation)	114,808,913	94,060,326
Tax credit fees and other (net of accumulated amortization)	535,330	512,805
	\$ 152,948,411	\$ 128,187,614
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 2,859,550	\$ 1,763,962
Interest payable	413,750	295,492
Real estate taxes payable	458,117	431,655
Long-term debt (net of unamortized debt issuance costs)	87,619,392	71,762,177
Security deposits payable	523,923	508,991
	91,874,732	74,762,277
<b>Net Assets Without Donor Restrictions</b>		
Controlling interests	12,994,260	11,200,892
Noncontrolling interests	48,079,419	42,224,445
	\$ 152,948,411	\$ 128,187,614

**The Housing Company**  
 A Component Unit of Idaho Housing and Finance Association  
 Consolidated Statements of Activities  
 Years Ended December 31, 2024 and 2023

	2024	2023
<b>Revenues</b>		
Tenant rents	\$ 13,361,230	\$ 12,261,365
Housing assistance payments	2,851,568	2,741,011
Grants and other contributions	1,889,112	434,130
Interest and dividends	399,681	370,983
Forgiveness of debt on tax credit exchange loan	310,605	310,605
Property management services	249,268	245,674
Other	380,240	503,823
Total revenues	19,441,704	16,867,591
<b>Expenses</b>		
Administrative	4,962,505	4,418,331
Utilities and maintenance	4,524,345	4,070,890
Real estate taxes and insurance	2,085,298	1,880,556
Depreciation and amortization	6,329,999	6,188,987
Interest	2,327,767	2,323,812
Total expenses	20,229,914	18,882,576
<b>Net Operating Loss</b>	(788,210)	(2,014,985)
<b>Non-Operating Expenses</b>		
Loss on disposal of assets	(427,409)	(179,020)
Gain or loss in subsidiaries	(977)	(831)
<b>Total net assets without donor restrictions before noncontrolling Interests</b>	(1,216,596)	(2,194,836)
<b>Noncontrolling Interests in Partnership Losses</b>	3,009,964	2,921,190
<b>Change in Net Assets Without Donor Restrictions</b>	\$ 1,793,368	\$ 726,354

**Note 1 - Authorizing Legislation**

The Idaho Housing and Finance Association (Association) is created, as an independent public body corporate and politic, by the Idaho Legislature under the provisions of Chapter 62, Title 67 of the Idaho Code, as amended by the Act. The Act empowers the Association, among other things, to issue notes and bonds in furtherance of its purpose of providing safe and sanitary housing for persons and families of limited income residing in Idaho and, in addition, to coordinate and encourage cooperation among private enterprise and State and local governments to sponsor, build and rehabilitate residential housing for such persons; to issue notes and bonds in furtherance of its purpose of financing economic development projects in partnership with private financial institutions and State and local economic development entities; and to issue notes and bonds to finance projects that improve the transportation infrastructure in Idaho.

The enabling legislation, along with bond indentures and bond resolutions adopted by the Association, contains specific provisions pertaining to (a) the use of the proceeds from the sale of notes and bonds, (b) the application of pledged receipts and recoveries of principal from mortgages, and (c) the creation of certain accounts along with the accounting policies of such accounts. Association administrative obligations from bond and other housing programs extend to the year 2056.

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Accounting**

The accounting and reporting policies of the Association conform to generally accepted accounting principles of the Governmental Accounting Standards Board (GASB) and follow the accrual basis of accounting. The Association is accounted for as an Enterprise Fund.

The accompanying combined financial statements include the accounts of the Enterprise Fund of the Association. All inter-fund balances and transactions have been eliminated.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Association's policy is to first apply the expense towards restricted resources, and then toward unrestricted resources.

**Reporting Entity**

Although the State of Idaho considers the Association a component unit for financial reporting purposes in accordance with GASB Statement No. 61, *The Financial Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, and the State's governor appoints the Board of Commissioners of the Association, the Association is legally separate from the State of Idaho, is not a State agency under State law, and uses no State funds or State employees to support its operations.

The Home Partnership Foundation (HPF), The Housing Company (THC), and IHFA Community Investment Holdings LLC (ICIH LLC) are component units of the Association and the financial statements of each have been incorporated into these financial statements and notes. The degree of control governs the reporting presentation; as such, HPF's and ICIH LLC's presentations have been blended and THC's presentation has been discretely presented.

HPF and ICIH LLC report under GASB standards in the same manner as the Association with the same fiscal year-end. THC reports under FASB standards, including FASB ASC 958, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to THC's entity presentation in the Association's financial statements for these differences. THC uses a calendar year basis as its fiscal year and the most recent audited financial statements are presented as of December 31, 2024.

#### **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in determining the collectability of receivables, determining the recoverability on other real estate owned property, the fair value of interest rate swaps, and loan servicing contracts. It is at least reasonably possible that the significant estimates used will change within the next year.

#### **Program Accounting**

Financial activities of the Association are recorded in business units established under various bond indentures and bond resolutions and in business units established for the administration of the various programs empowered by the Act.

Business Operations includes the General Operating business unit and various custodial accounts established to administer the ongoing responsibilities of programs maintained by the Association. Direct administrative and operational activities, including the operating expenses of various programs, are recorded in this business unit. Revenues are primarily generated from fees earned for administering federal programs, fees earned for servicing loans, and earnings on investments held to finance future programs.

The Federally Assisted Program area was established to account for activities directly related to the limited-income rental assistance and other related programs funded by the U.S. Department of Housing and Urban Development (HUD). This business unit is primarily used for housing assistance pass-through funds and for properties owned and utilized in affordable housing programs. The funding of the Association's federal programs activities is dependent on budget appropriations from HUD, as contained in the Federal budget.

The Affordable Housing Investment Trust was established to account for activities intended for affordable housing projects in Idaho. This business unit consists primarily of investments and loans receivable and the earnings thereon, as well as the residual income generated through Business Operations each year.

The Rating Compliance and Loan Guaranty Trust, established to account for activities intended to meet bond rating agency requirements for asset security and bond debt service liquidity. This business unit consists primarily of investments and loans receivable and earnings thereon.

Single-Family Mortgage Bonds, established under separate trust indentures, account for the proceeds from the sale of Single-Family Mortgage Bonds and the debt service requirements of these bonds. Activities within these business units are, in general, limited to the purchase of mortgage loans made by mortgage lenders to qualifying, limited-income persons for single-family, owner-occupied housing in Idaho.

Grant and Revenue Anticipation Bonds (GARVEE) and Transportation Expansion/Congestion Mitigation (TECM), established under a separate trust indenture, account for the proceeds from the sale of GARVEE/TECM Bonds and the debt service requirements of these bonds. The GARVEE/TECM Bonds program allows the Association to advance funds to the State of Idaho for improving and enhancing the State's highway infrastructure.

Tax-exempt mortgage-backed securities (TEMS), established under a separate trust indenture, account for the pass-through activities associated with TEMS. TEMS are tax-exempt securities which are collateralized by mortgage loan pools. The TEMS are special, limited obligations of the Association and are payable solely from pledged mortgages and their revenues. The TEMS are secured by the mortgages, their related revenues, and the Ginnie Mae mortgage-backed security guarantee. Neither the State of Idaho nor any political subdivision thereof is obligated to pay the TEMS. Nor is the faith and credit, nor the taxing power of the State of Idaho or of any political subdivision thereof pledged for the payment of the principal or interest on the TEMS.

TEMS are collateralized by the mortgage loan pool with the same maturity terms as the TEMS. The payments from the mortgages are used to pay the principal and interest payments of the TEMS. The Association is the servicer for the mortgages. The Ginnie Mae trustee holds the deed of trust and the first lien on the properties that underlie the mortgages in a trust that benefits the Association as mortgage pool owner as well as Ginnie Mae as mortgage pool guarantor.

### **Cash and Cash Equivalents**

Cash and cash equivalents include General Operating Account cash, Federally Assisted Program cash and Affordable Housing Investment Trust cash held at Zions Bank. Investments with maturities of less than three months at the date of purchase are also included in cash and cash equivalents. Non-escrow cash and cash equivalents deposited at Zions Bank are collateralized with U.S. Treasury obligations and U.S. Agency obligations and are held by Zions Bank in the Association's name. Custodial credit risk is the risk that the Association's deposits may not be returned in the event of a bank failure. The Association does not have a formal deposit policy for custodial credit risk. In the opinion of management, the Association is adequately protected from this risk at June 30, 2025 and 2024. Restricted cash as of June 30, 2025, consists of \$44.878 million in Federal Programs, \$302.198 million in escrow deposits, and \$176.114 million in General Operating. Restricted cash as of June 30, 2024 consists of \$56.275 million in Federal Programs, \$284.932 million in escrow deposits, and \$123.959 million in General Operating.

### **Bond Financing Costs/Bond Financing Cost Expense**

Bond financing costs are expensed in the period incurred.

### **Loan Sale Gains, Acquisition Costs, and Servicing Contracts**

GASB Statement No. 48 *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* establishes criteria for determining the reporting of proceeds from loan sales. This standard provides that net gain or loss on a sale be calculated by subtracting the carrying value of loans from the proceeds. Since the Association's seller/servicing relationships are independent of the loan acquisition process, service release premiums paid are included in the carrying value of loans and are reported as loan acquisition costs and expensed in the current period. Statement No. 48 does not require an analysis of, or valuation of servicing contracts created in the sales process.

Mortgage Servicing Rights (MSR) is an asset that represents the rights to service mortgage loans for others. The Association recognizes MSR when loans are sold, securitized, or acquired. The Association has adopted a principle of valuing these servicing contracts determined by FASB ASC 860 *Transfers and Servicing* and reported using GASB Statement No. 72 *Fair Value Measurement and Application Guidance*. The Association reports MSR at fair values in the Statements of Net Position and changes in the fair value reported in the Statements of Revenues, Expenses, and Changes in Net Position. The Association uses the services of a reputable, nationally recognized company to estimate the fair value of MSR. The Association calculates the present value of estimated future net servicing income and incorporates inputs and assumptions that market participants use in estimating fair value. MSR is fair valued using a third-party proprietary financial model (Level 3 input).

During the years of June 30, 2025 and 2024 the Association has MSR fair valued on its statements of net position at \$305.048 million and \$299.781. During the years ended June 30, 2025 and 2024, the Association had an unrealized MSR fair value increase of \$5.267 million and \$61.869 million, respectively. The Association holds these assets until maturity meaning that the value will ultimately be realized over a long-time horizon as loan servicing fees.

Risks considered in determination of MSR fair value include prepayment speeds, market discount rates, delinquency and foreclosure rates, and interest rate change shock rates. Assumptions included prepayment speeds, market interest rates, earnings rates, servicing costs, acquisition costs, ancillary income, and borrower rates. The average discount rate used in this analysis was 10.87%. The range of prepayment speeds used were from 62 to 216 PSA with an average of 157 PSA.

### **Federally Assisted Program Advances and Fees**

In accordance with the terms of contracts between the Association and HUD, the Association administers rental assistance programs as HUD's agent in certain areas of Idaho. Under these programs, persons of limited income receive rental subsidies from HUD through the Association. HUD advances funds sufficient to cover the monthly housing assistance payments and the Association's management service fees. These management service fees are recognized as revenue to the Association when earned. Federal Pass-Through Revenues and Expenses on the Statement of Revenues, Expenses and Changes in Net Position represent housing assistance payments and related federal funding that is passed through the Association to carry out such programs. Federal program revenues are recorded when all eligibility requirements have been met.

### **Capital Assets**

Capital Assets held by the General Operating and Federally Assisted Program Accounts are recorded at cost and depreciated over the estimated useful lives of the related assets. The Association uses the straight-line method of depreciation with estimated lives of three to seven years for office and computer equipment and 40 years for real property and buildings. Depreciation expense for the years ending June 30, 2025 and 2024, was \$0.749 million and 0.716 million. Capital Assets are presented in the Statement of Net Position, net of accumulated depreciation at \$10.213 million and \$9.053 million at June 30, 2025 and 2024, respectively.

### **Provisions for Loan Losses**

Periodic evaluation of the loans receivable portfolio is performed in order to determine whether an allowance for loan losses should be established and reflected in current operations. The evaluation of a loan loss provision considers both loans receivable and real estate owned (REO) property, estimated value of the collateral, subsidies, guarantees, mortgage insurance, economic conditions, and historical loss experience for each loan type. The provision's charge against current operations considers holding costs, including accrued interest.

The Association has established an allowance for losses in the General Operating Account on recourse obligations related to FNMA-held, FHLMC-held, and GNMA-secured loan foreclosures. The Association estimates this amount to be \$8.500 million as of June 30, 2025 and \$8.064 million as of June 30, 2024. The Association has established an allowance for loan loss and REO activity in the Loan Guarantee and Compliance Fund for Association-held loan losses not recoverable. As of June 30, 2025 and 2024, the Association estimates this amount to be \$0.834 million and \$0.834 million. Actual losses are charged against this provision and allocated, via an operating transfer, on a pro-rata basis to bond trusts with current year losses. The Association has established an allowance for loan losses in the Affordable Housing Investment Trust for Association down payment assistance loans due to the forgivability on an Association-held primary loan. The Association has established an allowance for forgivable loans in the Affordable Housing Investment Trust for Association down payment assistance loans not recoverable due to borrowers meeting their obligation on the primary loan and therefore qualifying for loan forgiveness. The Association estimates that amount to be \$8.324 million and \$9.405 million as of June 30, 2025 and 2024, respectively.

Generally, loans in default are reported in Loans until foreclosed. A loan is considered past due when payment is 30 days late. When payment is 90 days late, a 30-day demand to "pay in full or bring the account current" letter is issued. If payment is not made and payment is 120 days late, the loan is then moved to the foreclosure process. Once a loan is foreclosed, it is reclassified from Loans to Other Assets as REO mortgage receivable, pending recovery from the relevant source(s) of security and subject to indemnification limitations of those guarantors and insurance providers.

### **Escrow and Project Reserve Deposits**

Escrow and project reserve deposits represent amounts held by the Association for insurance, real estate taxes and as reserves for replacement and operation. The Association invests these funds and allows earnings on multifamily project escrows to accrue to the benefit of the mortgagors of those projects. All escrow and project reserve deposits are included in Cash and Cash Equivalents in the Statement of Net Position.

### **Investor Remittance Liability**

Investor Remittance Liability is composed of borrower principal and interest payment funds held by the Association pending remittance to the owners of the loans, primarily GNMA, FNMA, and FHLMC. These funds are remitted according to the loan owners' contractual requirements, which vary, but in no case exceed 30 days. Investor Remittance liabilities payable were \$155.261 million and \$107.810 million at June 30, 2025 and 2024 respectively.

### **Short-Term and Other Borrowings**

The Association has a commercial paper facility that provides funds to purchase single-family mortgage loans on an interim basis as well as financing for multifamily construction loans. Additionally, the Association has three lines of bank revolving credit facilities, and a warehouse facility with Federal Home Loan Bank.

### **Other Real Estate Owned**

Assets acquired through, or in lieu of, loan foreclosure are to be sold and are initially recorded at the lower of cost basis in the loan or fair value at the date of foreclosure less estimated costs to sell, establishing a new cost basis. After foreclosure, valuations are periodically performed by management and the asset is carried at the lower of cost or fair value less cost to sell. Expenses from operations are included in other expenses. Revenues, net gains and losses on sales, other disposals of real estate owned, and changes in valuation are included in losses on real estate-owned property.

### **Net Position**

Net Position, the amount total assets plus deferred outflows of resources exceeding total liabilities plus deferred inflow of resources, is an aggregation of all Association bond trust and program accounts. Restricted net positions are those required to meet the various covenants as defined in bond indentures or other laws or regulations. Designated net position indicates that position set aside at the discretion of the Association to be used for a specific purpose and not for general operations. Net position in the amount of \$133.601 million and \$61.539 million at June 30, 2025 and 2024, respectively, are restricted by bond indentures and programmatic requirements; \$3.933 million and \$2.434 million are restricted, associated with Federal Programs; and \$2.114 million and \$1.964 million are restricted, associated with the Home Partnership Foundation. Unrestricted net position includes \$13.492 million and \$9.700 million associated with the IHFA Community Investment Holdings, LLC and \$522.652 million and \$575.308 million, respectively, associated with general operating business at June 30, 2025 and 2024.

### **Classification of Revenues**

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) interest on loans and investments and (2) administration and loan servicing fees. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as (1) federal pass-through awards, (2) change in the fair value of investments, and (3) any other revenue sources that the Association may receive that are defined as non-operating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

### **New Accounting Principles**

GASB has issued the following standards effective for fiscal year 2025:

GASB Statement No. 101, *Compensated Absences*, GASB Statement No. 102 *Certain Risk Disclosures*. The Association's implementation of GASB Statement No. 101 is documented in footnote 7 which covers compensated absences. The Association had already been accruing for compensated absences, so the only result of the implementation was the additional disclosures in the footnote. In the opinion of the management, GASB Statement No. 102 does not have a material impact on the Association's financial position given current operations and obligations.

GASB has issued the following standards effective for fiscal year 2026 or later:

GASB Statement No. 103 Financial Reporting Model Improvements and GASB Statement No. 104, Disclosure of Certain Capital Assets. Management has not fully studied these standards but is of the opinion that any impact will be minimal.

### **Note 3 - Investments**

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application* require certain investments be reported at fair value in the Statements of Net Position. The Association reports all investments at fair value in the Statements of Net Position. The Association has entered into investing agreements with Zions Bank where excess cash balances (classified as cash and cash equivalents) are invested overnight in money market mutual funds and repurchase agreements. Investments are held in the Association's account in the name of the respective bank. As of June 30, 2025 and 2024, the Association has overnight investments of \$23.323 million and \$41.374, respectively.

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value focuses on market price from the perspective of a seller (exit price). The fair value of a financial asset is determined based on real or potential market transactions in the Association's principal market, or in the absence of a principal market, the Association's most advantageous market. The fair value of a nonfinancial asset takes into account the highest and best use of that asset, which normally is presumed its current use. A fair value measurement of a liability assumes that the liability would be transferred to a market participant and not settled with the counterparty (such as certain liabilities related to derivatives). Therefore, the fair value would be the price that would have to be paid for a third party to assume the liability, not the price that would have to be paid to the counterparty to settle the obligation. GASB Statement No. 72 explains that the Association may determine the market price of an asset in one of three ways: 1) actual market transactions for identical or similar items (market approach); 2) the current cost to replace the service capacity of an asset (cost approach); or 3) discounting the current value of future cash flows (income approach). It also establishes a three-tier hierarchy of input quality as follows:

- Level 1 inputs---quoted prices in active markets for identical items;
- Level 2 inputs---directly or indirectly observable prices, but not Level 1; and
- Level 3 inputs---unobservable inputs such as financial models.

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As of June 30, 2025, the Association categorizes the combined fair value of \$3.077 billion of Investments and Investments held in trust within this hierarchy. Money market funds of \$365.713 million, U.S. Agency obligations of \$3.610 million, U.S. Agency pooled obligations of \$1.997 billion, U.S. Government mortgage-backed securities of \$210.624 million, U.S. Treasury bonds of \$301.068 million, Municipal bonds of \$1.700 million, guaranteed investment contracts of \$183.497 million, and accrued interest of \$14.196 million are valued using quoted market prices (Level 1). Interest rate swaps of \$(0.326) million are valued using a propriety-pricing model (Level 2).

As of June 30, 2024, the Association categorizes the combined fair value of \$2.436 billion of Investments and Investments held in trust within this hierarchy. Money market funds of \$249.439 million, U.S. Agency obligations of \$1.565 billion, U.S. Government mortgage-backed securities of \$39.718 million, U.S. Treasury bonds of \$223.883 million, Municipal bonds of \$1.800 million, guaranteed investment contracts of \$345.459 million, and accrued interest of \$10.744 million are valued using quoted market prices (Level 1). Interest rate swaps of \$(0.182) million are valued using a propriety-pricing model (Level 2).

Interest Rate Risk: The Association has adopted bond indentures, bond resolutions, and trust resolutions as policy for the determination of investment maturities. These indentures and resolutions provide that investment maturities be based upon the cash requirements of the Association's accounts, as determined by authorized Association investment officers.

June 30, 2025	Fair Value	Investment Maturities (in Years)							
		Less Than 1	1-5	6-10	11-15	16-20	21-25	26-30	More Than 30
Interest rate swaps	\$ (326)	\$ (326)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Money market funds	365,713	365,713	-	-	-	-	-	-	-
U.S. Agency obligations	3,610	-	743	2,048	819	-	-	-	-
U.S. Agency/Pooled obligation	1,997,288	-	-	-	-	-	11,564	1,920,317	65,407
U.S. Government mortgage backed securities	210,624	210,624	-	-	-	-	-	-	-
U.S. Treasury Bonds	301,068	78,950	222,118	-	-	-	-	-	-
Municipal Bonds	1,700	-	-	-	-	-	700	1,000	-
Guaranteed Investment Contract	183,497	-	183,497	-	-	-	-	-	-
	<u>\$ 3,063,174</u>	<u>\$654,961</u>	<u>\$406,358</u>	<u>\$2,048</u>	<u>\$ 819</u>	<u>\$ -</u>	<u>\$12,264</u>	<u>\$1,921,317</u>	<u>\$ 65,407</u>
Accrued interest	14,196								
All Investments	<u>\$ 3,077,370</u>								

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June 30, 2024	Fair Value	Investment Maturities (in Years)							
		Less Than 1	1-5	6-10	11-15	16-20	21-25	26-30	More Than 30
Interest rate swaps	\$ (182)	\$ -	\$ (182)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Money market funds	249,439	249,439	-	-	-	-	-	-	-
U.S. Agency obligations	6,560	2,976	406	2,430	748	-	-	-	-
U.S. Agency/Pooled obligation	1,558,539	-	-	-	-	-	-	1,529,738	28,801
U.S. Government mortgage backed securities	39,718	39,718	-	-	-	-	-	-	-
U.S. Treasury Bonds	223,883	24	223,859	-	-	-	-	-	-
Municipal Bonds	1,800	-	-	-	-	-	800	1,000	-
Guaranteed Investment Contract	345,459	-	345,459	-	-	-	-	-	-
	<u>\$ 2,425,216</u>	<u>\$292,157</u>	<u>\$ 569,542</u>	<u>\$ 2,430</u>	<u>\$ 748</u>	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ 1,530,738</u>	<u>\$ 28,801</u>
Accrued interest	10,744								
All Investments	<u>\$ 2,435,960</u>								

At June 30, 2025, the Association had 1,105 U.S. agency mortgage-backed security pools, which pay monthly principal and interest.

At June 30, 2024, the Association had 843 U.S. agency mortgage-backed security pools, which pay monthly principal and interest.

At June 30, 2025, the Association had \$8.975 million in notional amount of fixed payer/variable receiver interest rate swap contracts outstanding in connection with its outstanding variable rate demand note mortgage revenue bond issues. The Association pays fixed-rate payments between 3.7% and 5.0% and receives variable rate payments based on SIFMA (Securities Industry and Financial Markets Association) and LIBOR (London Interbank Offered Rate) indices. The Association entered into the swap contracts in November 2008, which mature between 2025 and 2029. These contracts are not rated.

At June 30, 2024, the Association had \$17.560 million in notional amount of fixed payer/variable receiver interest rate swap contracts outstanding in connection with its outstanding variable rate demand note mortgage revenue bond issues. The Association pays fixed-rate payments between 3.7% and 5.5% and receives variable rate payments based on SIFMA and LIBOR indices. The Association entered into the swap contracts in November 2008, which mature between 2024 and 2030. These contracts are not rated.

At June 30, 2025 and 2024, the Association has \$492.500 million and \$250.000 million, respectively, in forward sales contracts ("To Be Announced" or "TBA" contracts) or GNMA securities in order to lock in the sales price for the securitization of single-family loans.

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Credit Risk: Investments for each bond issue are those permitted by the various bond indentures and bond resolutions adopted by the Association. Program account investments are restricted to those empowered by the Act or by Federal regulations. The Association has adopted resolutions as policy for the Affordable Housing Investment, Loan Guarantee Trusts, and Business Operations investments. As of June 30, 2025 and 2024, the Association's investments were rated by Moody's Investor Service as follows (in thousands):

Investment Type	Rating	2025
U.S. Agency Obligations	Aa1	\$ 2,000,898
Money market funds	Aaa	365,713
U.S. Government mortgage backed securities	Aaa	210,624
U.S. Treasury Bonds	Aa1	301,068
Municipal Bonds (Maine)	Aa1	1,000
Municipal Bonds (New York)	Aa2	700
Guaranteed Investment Contract	A1	183,497

The Association's U.S. government and U.S. agency obligations are held by the Association's trustee in the Association's name. Corporate and other obligations are held by the Association's trustee in either the Association's account or in the Association's name.

Investment agreements are non-participating investments with financial institutions, are carried at cost, and not rated by rating agencies. Securities are not used as collateral for these investment agreements. Investment agreements are structured for both short-term and long-term bond proceeds in connection with the Association's single-family mortgage bond programs. Financial institutions providing the agreements have been rated by nationally recognized rating agencies at debt ratings sufficient to rate the Association's mortgage revenue bonds investment grade by those rating agencies.

Concentration of Credit Risk: The Association places no limit on the amount the Association may invest in any one issuer. The Affordable Housing Investment Trust investment policy places limits on the amounts the Association may invest in certain types of investments authorized by the Act.

As of June 30, 2025, the Association had investments of five percent or more in Ginnie Mae obligations of \$1.750 billion, Fidelity obligations of \$365.141 million, U.S. Treasury Note obligations of \$300.916 million, Federal Home Loan Bank obligations of \$210.727 million, and Natixis obligations of \$183.5497 million.

As of June 30, 2024, the Association had investments of five percent or more in Ginnie Mae obligations of \$1.300 billion, Natixis obligations of \$345.459 million, Fidelity obligations of \$248.891 million, U.S. Treasury Note obligations of \$223.705 million and Federal National Mortgage Association obligations of \$140.886 million.

During the years ended June 30, 2025 and 2024, the Association realized net gains of \$3.929 million and \$7.714 million, respectively, from sales of investments. The calculation of realized gains is independent of the calculation of the change in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in a current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net change in the fair value of investments as of June 30, 2025 and 2024, were a \$24.782 million and \$4.993 decrease, respectively. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the fiscal year. Included in the amount for the years ending June 30, 2025 and 2024, was a decrease of \$0.143 and \$2.481 million, respectively, related to derivative interest rate swap contracts fair market value considered investments.

The unrealized gain on investments held at June 30, 2025 was \$4.491 million and the unrealized loss on investments held at June 30, 2024, was \$19.950 million. The Association matches the duration of its investments with the maturity debt in various bond accounts, and therefore, does not anticipate material unrealized gains or losses to be realized. For the years ending June 30, 2025 and 2024, the Association's financial report uses GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, to report derivative interest rate swap and forward sale contracts.

#### **Note 4 - Loans Held for Investment and Loans Serviced as Agent**

The Association has single-family, multifamily and other loans. The majority of the Association's loan portfolio consists of single-family mortgage loans to persons of limited income residing in Idaho. The Association has obtained various levels of security for loans. All loans are secured by mortgages or deeds of trust on the related properties. Additionally, loans are insured or guaranteed by the federal government, commercial mortgage insurers or by Association self-insurance reserves. In some cases, as required by bond resolutions or bond indentures, master mortgage guaranty insurance (pool insurance) provides a final level of security for certain losses sustained by reason of default, which are in excess of FHA, VA or primary insurance.

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A summary of security for loans as of June 30, 2025, is as follows (in thousands):

	Non-Pool Insured	Pool Insured	2025 Total
FHA Insurance	\$ 95,898	\$ -	\$ 95,898
VA Guaranteed	9,126	-	9,126
Commercially Insured	19,016	2,242	21,258
USDA Rural Development Insurance	8,188	-	8,188
Association Insured	12,610	-	12,610
Public Indian Housing	196	-	196
	\$ 145,034	\$ 2,242	147,276
 Other			
Single Family IHFA Capital Pool			5,770
Multifamily IHFA Capital Pool			1,894
Social Service and Development IHFA Capital Pool			121,030
Construction			10,051
State Small Business Credit Initiative			35,278
SRP			2,016
Loan Loss Provision on Forgivable Loans			(8,324)
Loan Loss Provision			(835)
Loans Pending Modification			5,888
Interest Receivable on Loans			2,673
Total loans held for investment, net			\$ 322,717

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A summary of security for loans as of June 30, 2024, is as follows (in thousands):

	Non-Pool Insured	Pool Insured	2024 Total
FHA Insurance	\$ 84,583	\$ -	\$ 84,583
VA Guaranteed	7,258	-	7,258
Commercially Insured	18,385	1,645	20,030
USDA Rural Development Insurance	9,902	-	9,902
Association Insured	13,280	-	13,280
Public Indian Housing	91	-	91
	\$ 133,499	\$ 1,645	135,144
 Other			
Single Family IHFA Capital Pool			2,524
Multifamily IHFA Capital Pool			2,033
Social Service and Development IHFA Capital Pool			124,475
Construction			8,780
State Small Business Credit Initiative			18,628
SRP			2,187
Loan Loss Provision on Forgivable Loans			(9,405)
Loan Loss Provision			(834)
Loans Pending Modification			1,765
Interest Receivable on Loans			2,009
Total loans held for investment, net			\$ 287,306

As of June 30, 2025 and 2024, the loans receivable includes \$2.032 million and \$2.735 million, respectively, in notes receivable from The Housing Company (THC), which require repayment within 15 years and 16 years, respectively. The notes are secured by various multifamily housing projects and accrue interest at 4.50 percent.

Construction, bridge and permanent financing, and multifamily projects, throughout Idaho are included as "Other." In addition to holding a first lien on the majority of these loans, performance bonds are in place to ensure completion of the projects under construction.

Interest charged on loans ranged from approximately 0 to 10.13 percent during fiscal year 2025. Loan interest rates are fixed over the loan term at levels exceeding yields on corresponding debt issued to purchase the loans. Federal tax law limits such excess yields. Loan terms range from less than one year to 40 years.

Each mortgage loan for all single-family financing programs is serviced pursuant to a Mortgage Loan Servicing Agreement. A master servicing arrangement was implemented beginning with the 1983 Series B Single-Family Mortgage purchase program. The mortgage servicer may, but need not, be a lending institution and a program participant.

The Association records loan servicing fee income, which is netted out of interest income. Fees are collected in the general operating account, and the principal and remaining interest are remitted to the loan owner or its trustee.

Mortgage loans to be serviced externally or by the Association are purchased at par or a discount of one to two percent of the outstanding principal balance as of the date of purchase. For loans serviced, but not owned, by the Association, loans are purchased at a premium of up to 3%, at par, or a discount of 1% or 2% of the outstanding principal balance is paid to the originating lender as of the date of purchase as consideration for the assignment of the servicing rights.

Loans and bonds are valued at their carrying amounts, which approximate par value. Due to the structured financing characteristics of the Association's bond issues and restrictions under various trust indentures, the Association is restricted from selling loans at a value that would impair its ability to service the bonds to which those loans are specifically pledged. These loans are specifically identified with a particular bond issue and pledged under the applicable trust indenture. Any changes in market interest rates subsequent to bond issuance and loan origination would be expected to approximate an equal impact on the fair value of the bonds and the related mortgages, if sold. The Association establishes the yield spread between the interest rate on the mortgages and related tax-exempt bonds to not exceed 1.125 percent, the maximum allowed by Section 143 of the Internal Revenue Code.

Loans originated and intended for sale to FNMA or FHLMC or securitized through GNMA are carried at the lower of aggregate cost or fair value. IHFA services loans sold to FNMA or FHLMC or secured by GNMA. Gains or losses are recognized based on the difference between the selling price and the carrying value of the related mortgage loan sold. Net unrealized losses are charged to Operating Expenses in the Statement of Revenues, Expenses and Changes in Net Position.

Loans available for sale are determined as a function of the Association's liquidity preference, customer preference, contractual requirements, and regulatory requirements. For the fiscal years ending June 30, 2025 and 2024, the Association realized \$12.271 million and \$13.076 million, respectively, in gains on the sale of loans to FNMA, FHLMC, and GNMA. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$228.363 million and \$50.779 million, respectively, of single-family mortgages to FNMA and FHLMC or through GNMA. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$54.720 million and \$74.193 million, respectively, of single-family mortgages on behalf of Connecticut Housing Finance Authority. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$67.550 million and \$53.174 million, respectively, of single-family mortgages on behalf of South Dakota Housing Development Authority. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$26.756 million and \$30.917 million, respectively, of single-family mortgages on behalf of Iowa Finance Authority. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$44.867 million and \$51.967 million, respectively, on behalf of New Mexico Mortgage Finance Authority. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$1.853 million and \$54.445 million, respectively on behalf of Texas Department of Housing and Community Affairs. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$146.804 million and \$117.717 million, respectively on behalf of Washington State Housing Finance Commission. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$20.680 million and \$2.954 million, respectively on behalf of Oregon Housing and Community Services Department. As of June 30, 2025, the Association had commitments to sell or secure \$13.313 million on behalf of Montana Board of Housing.

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As of June 30, 2025 and 2024, the Association estimates \$57.119 million and \$46.638 million, respectively, of loans receivable as current. Estimates consider loan principal due during the next twelve months plus anticipated prepayments made on outstanding principal balances. The Association had commitments to purchase \$1,068.519 million and \$1,140.554 million, respectively of single-family mortgages, which had not yet been funded as of June 30, 2025 and 2024.

As of June 30, 2025 and 2024, the Association was an agent for the following loans (in thousands):

Loans serviced as agent	2025	2024
Federal Home Loan Mortgage Corporation	\$ 4,655,432	\$ 3,610,711
Federal National Mortgage Association	7,787,850	7,377,045
Government National Mortgage Association	23,586,377	20,565,882
Iowa Finance Authority	91,140	68,311
Connecticut Housing Finance Authority	200,403	227,743
South Dakota Housing Development Authority	115,551	96,810
New Mexico Mortgage Finance Authority	65,930	67,231
Texas Department of Housing and Community Affairs	330,594	391,571
Washington State Housing Finance Commission	414,729	276,018
Montana Board of Housing	1,247	-
Oregon Housing and Community Services	6,948	1,697
Idaho Community Reinvestment Corporation	10,181	10,471
Neighborhood Housing Services	2,489	2,511
Boise Valley Habitat	850	684
Lewiston-Clarkston Habitat for Humanity	1,220	1,055
HOME Loan Balances	90,224	87,414
Neighborhood Stabilization Program	13,761	11,132
Housing Trust Fund	14,944	14,019
Workforce Housing	35,755	24,180
Tax Credit Assistance Program	10,051	10,051
TCEP Loan Program	3,654	5,349
Other	3,592	4,010
Total loans serviced as agent	\$ 37,442,922	\$ 32,853,895

**Note 5 - Capital Assets and Leases**

A summary of activity in the capital assets and leases is as follows:

(in thousands)	Balance at July 1, 2024	Additions	Reclass	Retirements	Balance at June 30, 2025
<b>Capital assets</b>					
Land	\$ 2,183	\$ 664	\$ -	\$ -	\$ 2,847
Buildings and improvements	9,755	939	-	-	10,694
Furniture and equipment	5,634	222	-	(483)	5,373
Leasehold improvements	872	-	-	-	872
Computer software	391	34	-	-	425
<b>Total capital assets</b>	<b>18,835</b>	<b>1,859</b>	<b>-</b>	<b>(483)</b>	<b>20,211</b>
<b>Less accumulated depreciation for</b>					
Buildings and improvements	(4,075)	(259)	-	-	(4,334)
Furniture and equipment	(4,930)	(430)	-	534	(4,826)
Leasehold improvements	(415)	(35)	-	-	(450)
Computer software	(362)	(25)	-	-	(387)
<b>Total accumulated depreciation</b>	<b>(9,782)</b>	<b>(749)</b>	<b>-</b>	<b>534</b>	<b>(9,997)</b>
<b>Right of Use Asset</b>					
	<u>July 1, 2024</u>	<u>Additions</u>		<u>Deletions</u>	<u>June 30, 2025</u>
Office space	\$ 3,479	\$ 1,006		\$ (2,758)	\$ 1,727
Amortization	(2,872)	(580)		2,771	(680)
<b>Total Right-to-Use Asset</b>	<b>\$ 607</b>	<b>\$ 426</b>		<b>\$ 13</b>	<b>\$ 1,047</b>
<b>Total capital assets, net</b>	<b>\$ 9,660</b>	<b>\$ 1,536</b>	<b>\$ -</b>	<b>\$ 64</b>	<b>\$ 11,261</b>

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(in thousands)	Balance at July 1, 2023	Additions	Reclass	Retirements	Balance at June 30, 2024
<b>Capital assets</b>					
Land	\$ 5,404	\$ -	\$ -	\$ (3,221)	\$ 2,183
Buildings and improvements	9,732	23	-	-	9,755
Furniture and equipment	5,522	156	-	(44)	5,634
Leasehold improvements	872	-	-	-	872
Computer software	359	32	-	-	391
Total capital assets	<u>21,889</u>	<u>211</u>	<u>-</u>	<u>(3,265)</u>	<u>18,835</u>
<b>Less accumulated depreciation for</b>					
Buildings and improvements	(3,827)	(248)	-	-	(4,075)
Furniture and equipment	(4,550)	(424)	-	44	(4,930)
Leasehold improvements	(380)	(35)	-	-	(415)
Computer software	(353)	(9)	-	-	(362)
Total accumulated depreciation	<u>(9,110)</u>	<u>(716)</u>	<u>-</u>	<u>44</u>	<u>(9,782)</u>
<b>Right of Use Asset</b>					
	<u>July 1, 2023</u>	<u>Additions</u>		<u>Deletions</u>	<u>June 30, 2024</u>
Office space	\$ 3,479	\$ -		\$ -	\$ 3,479
Equipment	262	-		(262)	-
Amortization	<u>(2,564)</u>	<u>(570)</u>		<u>262</u>	<u>(2,872)</u>
Total Right-to-Use Asset	<u>\$ 1,177</u>	<u>\$ (570)</u>		<u>\$ -</u>	<u>\$ 607</u>
Total capital assets, net	<u>\$ 13,956</u>	<u>\$ (1,075)</u>	<u>\$ -</u>	<u>\$ (3,221)</u>	<u>\$ 9,660</u>

At June 30, 2025 and 2024, the Association has recognized right-to-use assets of \$1.047 million and \$0.607 million and lease liabilities of \$1.061 million and \$0.678 million respectively. During the fiscal years, the Association recorded \$0.426 million and \$(0.570) million in amortization expense and \$0.039 million and \$0.014 in interest expense.

Remaining obligations associated with these leases are as follows:

June 30, 2025	Period	Interest
2025	\$ 601	\$ 31
2026	450	8
2027	10	-
2028	-	-
2029	-	-
Total	\$ 1,061	\$ 39
June 30, 2024	Period	Interest
2025	\$ 503	\$ 10
2026	108	3
2027	57	1
2028	10	-
2029	-	-
Total	\$ 678	\$ 14

**Note 6 - Other Assets and Liabilities**

Other assets and other liabilities as of June 30, 2025 and 2024, are composed of the accounts and balances as follows (in thousands):

	2025	2024
<b>Other Assets</b>		
Accounts receivable	\$ 85,244	\$ 52,482
Multifamily trusts' pledged revenues receivable	-	-
Prepaid expenses	2,825	2,092
Insurance receivable	15,936	12,257
Loans Pending Foreclosure	-	-
Nonconforming loans-held for sale	-	-
REO mortgages receivable	84,626	37,558
	\$ 188,631	\$ 104,389
	2025	2024
<b>Other Liabilities</b>		
Accounts payable	\$ 346	\$ 214
Accrued vacation and other payroll related liabilities	3,000	2,387
Arbitrage rebate	58	122
Deferred buydowns		
Federal programs advances and unapplied program income	58,175	62,425
Multifamily trusts' pledged revenues payable		
Security deposits		
Unapplied payments	33,154	18,888
Reserve on loans serviced	11,763	11,327
Other accrued liability	19,394	11,242
	\$ 125,890	\$ 106,605

**Note 7 - Compensated Absences**

Vacation and sick accrual liability are recognized at the following schedule. A maximum of 192 hours during the first five years of continuous employment. A maximum of 240 hours between five years plus one and the tenth year of service. A maximum of 288 hours between the tenth year plus 1 day and the fifteenth year of service. A maximum of 336 hours after the fifteenth plus 1 year of service. Sick leave in excess of 180 hours is to be contributed to the Deferred Compensation Plan. Specifically, accrued sick leave hours exceeding 180 and up to 240 will be contributed at a rate of 50%. All accumulated sick leave hours exceeding 250 will be contributed at a rate of 100%. Compensated absences activity for the years ended June 30, 2025 and 2024, was as follows (in thousands):

	Beginning Balance			Ending Balance		Amounts Due
	July 1, 2024	Additions	Reductions	June 30, 2025	June 30, 2024	within One Year
Compensated Absences	\$ 1,244	\$ 2,345	\$ (2,102)	\$ 1,487	\$ 1,244	\$ 2,513

  

	Beginning Balance			Ending Balance		Amounts Due
	July 1, 2023	Additions	Reductions	June 30, 2024	June 30, 2023	within One Year
Compensated Absences	\$ 1,172	\$ 2,100	\$ (2,028)	\$ 1,244	\$ 1,172	\$ 2,152

**Note 8 - Short-Term and Other Borrowings**

The commercial paper facility provides funds to purchase single-family mortgage loans on an interim basis as well as financing for multifamily construction loans. Commercial paper activity is recorded in the General Operating business unit. The Association transfers mortgage loans purchased with proceeds from commercial paper to bond accounts or to sell to FNMA or FHLMC or to securitize through GNMA. Mortgage acquisition monies from bond accounts or from FNMA or FHLMC sale proceeds or GNMA securitization proceeds, respectively, reimburse the commercial paper facility. Transfers associated with bond accounts will be made prior to the end of the acquisition period as specified in the applicable bond indentures. The commercial paper borrowing is not backed by collateral. As of June 30, 2025, the Association had \$197.850 million of commercial paper outstanding maturing in 62 to 92 days, with weighted average interest rates of 0.04429%. As of June 30, 2024, the Association had \$157.850 million of commercial paper outstanding maturing in 51 to 100 days, with weighted average interest rates of .05506%.

The borrowings at PNC Bank, Zions Bank and Royal Bank of Canada are not backed by collateral. As of June 30, 2025, the Association had \$60.000 million of borrowings outstanding with PNC Bank maturing in April 2027 with a variable interest rate equal to the "Bank Index Rate", which means a per annum rate of interest equal to the sum of Daily 1M SOFR (Secured Overnight Financing Rate) and sixty hundredths of a percent (0.60%). As of June 30, 2024, the Association had \$10.000 million of borrowings outstanding with PNC Bank maturing in May 2025 with a variable interest rate equal to the "Bank Index Rate", which means the sum of the Daily BSBY (Bloomberg Short-Term Bank Yield) Rate and sixty hundredths of a percent (0.60%). As of June 30, 2025, the Association had \$144.964 million of borrowings outstanding with Zions Bank maturing in June 2027, with a variable interest rate equal to the "Bank Index Rate" which means a per annum rate of interest equal to the sum of the Lender's Term SOFR 1 Month and sixty-four hundredths and thirty six of a percent (0.6436%). As of June 30, 2024 the Association had \$109.964 million of borrowings outstanding with Zions Bank maturing in June 2025, with a

variable interest rate equal to the sum of the BSBY 1 Month Rate and sixty hundredths of a percent (0.60%). As of June 30, 2025 the Association had \$27.550 million of borrowings outstanding with Royal Bank of Canada, with a variable interest rate equal to the “Bank Index Rate”, which means for Daily Simple SOFR Rate loans, a per annum rate of interest equal to the sum of Daily Simple SOFR and seventy hundredths of a percent (0.70%) and for term SOFR Rate loans, a per annum rate of interest equal to the sum of the Term SOFR and seventy hundredths of a percent (0.70%). As of June 30, 2024 the Association had no borrowings outstanding with Royal Bank of Canada. The borrowings at Federal Home Loan Bank (FHLB) are backed by collateral. As of June 30, 2025 the Association had \$178.500 million of borrowings outstanding with FHLB maturing in August 2025 with a weighted average interest rate of 4.504%. As of June 30, 2024 the Association had no outstanding borrowings with FHLB.

**Note 9 - Bonds**

Description and Due Date	Average Bond Yield	2025	2024
Single-Family Mortgage Bonds			
2000 Indenture			
Variable Rate Class 1	5.010%	\$ 1,113	\$ 3,932
2003 Indenture			
Class I Bonds	3.731%	11,420	13,655
Variable Rate Class I	4.182%	11,035	16,705
Variable Rate Class II	4.302%	1,975	2,235
	3.981%	<u>24,430</u>	<u>32,595</u>
2019 Indenture			
Class I Bonds	5.485%	1,837,430	1,367,830
Variable Rate Class I	4.302%	32,855	37,105
	5.464%	<u>1,870,285</u>	<u>1,404,935</u>
Total single-family mortgage bonds		<u>1,895,828</u>	<u>1,441,462</u>
Grant and Revenue Anticipation Bonds			
2010 Series A	6.348%	54,805	57,680
2014 Series A	4.922%	37,465	41,835
2015 Series A	5.000%	53,685	76,090
2017 Series A	5.000%	50,935	59,615
2019 Series A	5.000%	114,090	114,090
2021 Series A	4.539%	172,860	172,860
	4.981%	483,840	522,170

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Description and Due Date	Average Bond Yield	2025	2024
Transportation Expansion and Congestion Mitigation Bonds			
2022 Series A	5.000%	176,795	180,790
2023 Series A	4.986%	342,755	349,685
2024 Series A	4.828%	338,780	338,780
2025 Series A	4.756%	320,795	-
	4.901%	1,179,125	869,255
Multifamily Housing Revenue Bonds			
Sunset 2021 Series A Class I Bonds	2.961%	8,030	13,740
Tax Exempt Mortgage Securities	3.732%	141,848	164,319
Total bonds		<u>3,708,671</u>	<u>3,010,946</u>
Interest Payable		75,465	58,734
Net Unamortized (Discount)/Premium		223,737	196,806
Notes Payable		<u>127,916</u>	<u>154,012</u>
Total bonds and notes		<u>\$ 4,135,789</u>	<u>\$ 3,420,498</u>

Premiums and discounts on bonds are amortized using the bonds outstanding method over the life of the bonds to which they relate.

The bonds are either special or general obligations of the Association and do not constitute a debt of the State of Idaho or any political subdivision thereof. Each bond issue is secured by the pledge of repayments of mortgage loans purchased with the bond proceeds and of all revenue earned relating to those bonds.

The Association has issued debt in a variable rate mode. The bulk of the variable rate debt is re-marketed on a weekly basis by a Remarketing Agent, retained by the Association, to periodically re-market the debt at the prevailing interest rates.

On November 14, 2024, the Association issued the 2024C Single Family Mortgage Bonds in furtherance of the Single-Family Mortgage Program and to assist other state housing finance agencies in other states to finance the purchase or servicing of housing by low income persons. On March 11, 2025, the Association issued Transportation Expansion and Congestion Mitigation Fund, Series 2024A Sales Tax Revenue Bonds. On March 25, 2025, the Association issued the 2025A Single Family Mortgage Bonds in furtherance of the Single-Family Mortgage Program and to assist other state housing finance agencies in other states to finance the purchase or servicing of housing by low income persons. On June 3, 2025, the Association issued the 2025B Single Family Mortgage Bonds in furtherance of the Single-Family Mortgage Program and to assist other state housing finance agencies in other states to finance the purchase or servicing of housing by low income persons.

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The scheduled principal debt service, including July 1, 2025 special redemptions, for the periods subsequent to, and as of June 30, 2025, is as follows (in thousands):

	2026	2027	2028	2029	2030	2031 2035
<b>Single-Family Mortgage Bonds</b>						
2000 Indenture	\$ 1,113	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Indenture	4,185	760	865	910	1,405	13,975
2019 Indenture	76,740	87,075	98,630	92,585	76,185	399,400
<b>Total Single-Family</b>	<b>82,038</b>	<b>87,835</b>	<b>99,495</b>	<b>93,495</b>	<b>77,590</b>	<b>413,375</b>
<b>GARVEE Bonds</b>						
2010 Series A	3,060	3,260	3,465	45,020	-	-
2014 Series A	4,595	4,830	5,075	5,325	5,595	12,045
2015 Series A	22,620	31,065	-	-	-	-
2017 Series A	10,075	3,315	37,545	-	-	-
2019 Series A	-	-	-	-	-	59,695
2021 Series A	-	-	-	-	46,430	37,905
<b>Total GARVEE</b>	<b>40,350</b>	<b>42,470</b>	<b>46,085</b>	<b>50,345</b>	<b>52,025</b>	<b>109,645</b>
<b>TECM Bonds</b>						
2022 Series A	4,200	4,415	4,640	4,880	5,130	29,870
2022 Series A	7,285	7,660	8,050	8,465	8,895	51,815
2022 Series A	6,195	6,510	6,850	7,195	7,570	44,080
2025 Series A	-	5,355	5,630	5,920	6,220	36,240
<b>Total TECM</b>	<b>17,680</b>	<b>23,940</b>	<b>25,170</b>	<b>26,460</b>	<b>27,815</b>	<b>162,005</b>
<b>Multifamily Housing Revenue Bonds</b>						
Sunset 2021 Series A	110	110	115	120	120	650
<b>Tax Exempt Mortgage Securities</b>	<b>4,721</b>	<b>4,901</b>	<b>5,087</b>	<b>5,280</b>	<b>5,480</b>	<b>30,683</b>
<b>Total principal</b>	<b>\$ 144,899</b>	<b>\$ 159,256</b>	<b>\$ 175,952</b>	<b>\$ 175,700</b>	<b>\$ 163,030</b>	<b>\$ 716,358</b>
Variable rate principal	4,793	650	680	710	860	5,620
<b>Interest</b>						
Fixed	\$ 182,081	\$ 174,156	\$ 164,950	\$ 154,951	\$ 146,471	\$ 620,448
Variable	\$ 1,818	\$ 1,794	\$ 1,765	\$ 1,735	\$ 1,699	\$ 7,876
<b>Total interest</b>	<b>\$ 183,899</b>	<b>\$ 175,950</b>	<b>\$ 166,715</b>	<b>\$ 156,686</b>	<b>\$ 148,170</b>	<b>\$ 628,324</b>

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2025 and 2024

	2036 2040	2041 2045	2046 2050	2051 2055	2056 2060	TOTAL
<b>Single-Family Mortgage Bonds</b>						
2000 Indenture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,113
2003 Indenture	2,330	-	-	-	-	24,430
2019 Indenture	247,820	284,480	327,085	179,915	370	1,870,285
<b>Total Single-Family</b>	<b>250,150</b>	<b>284,480</b>	<b>327,085</b>	<b>179,915</b>	<b>370</b>	<b>1,895,828</b>
<b>GARVEE Bonds</b>						
2010 Series A	-	-	-	-	-	54,805
2014 Series A	-	-	-	-	-	37,465
2015 Series A	-	-	-	-	-	53,685
2017 Series A	-	-	-	-	-	50,935
2019 Series A	54,395	-	-	-	-	114,090
2021 Series A	88,525	-	-	-	-	172,860
<b>Total GARVEE</b>	<b>142,920</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>483,840</b>
<b>TECM Bonds</b>						
2022 Series A	38,365	49,255	36,040	-	-	176,795
2022 Series A	66,530	85,430	98,625	-	-	342,755
2022 Series A	56,600	72,685	131,095	-	-	338,780
2025 Series A	46,525	59,745	76,730	78,430	-	320,795
<b>Total TECM</b>	<b>208,020</b>	<b>267,115</b>	<b>342,490</b>	<b>78,430</b>	<b>-</b>	<b>1,179,125</b>
<b>Multifamily Housing Revenue Bonds</b>						
Sunset 2021 Series A	755	880	1,040	4,130	-	8,030
<b>Tax Exempt Mortgage Securities</b>						
	36,966	44,536	4,194	-	-	141,848
<b>Total principal</b>	<b>\$ 638,811</b>	<b>\$ 597,011</b>	<b>\$ 674,809</b>	<b>\$ 262,475</b>	<b>\$ 370</b>	<b>\$ 3,708,671</b>
Variable rate principal	1,390	-	17,675	14,600	-	46,978
<b>Interest</b>						
Fixed	\$ 450,712	\$ 300,709	\$ 132,205	\$ 14,229	\$ -	\$ 2,340,912
Variable	\$ 6,974	\$ 6,942	\$ 5,350	\$ 821	\$ -	\$ 36,774
<b>Total interest</b>	<b>\$ 457,686</b>	<b>\$ 307,651</b>	<b>\$ 137,555</b>	<b>\$ 15,050</b>	<b>\$ -</b>	<b>\$ 2,377,686</b>

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Long-term bond liability and short-term borrowing activity for the year ended June 30, 2025 and 2024, was as follows (in thousands):

June 30, 2025	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One year
Par Bonds Payable	\$ 3,010,946	\$ 1,538,271	\$ (840,545)	\$ 3,708,672	\$ 149,621
Note Payable	154,012	-	(26,097)	127,915	3,820
Interest Payable	58,734	(137,719)	154,449	75,464	183,899
Net Unamortized (Discount)/Premium	196,806	(17,546)	44,478	223,738	26,932
Total bonds payable at June 30, 2025	<u>\$ 3,420,498</u>	<u>\$ 1,383,006</u>	<u>\$ (667,715)</u>	<u>\$ 4,135,789</u>	<u>\$ 364,272</u>
Short-Term And Other Borrowings at June 30, 2025	\$ 277,814	\$ 1,083,513	\$ (752,463)	\$ 608,864	\$ 608,864
June 30, 2024	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One year
Par Bonds Payable	\$ 1,796,714	\$ 2,691,070	\$ (1,476,838)	\$ 3,010,946	\$ 111,228
Note Payable	-	175,000	(20,988)	154,012	3,549
Interest Payable	30,269	106,294	(77,829)	58,734	143,175
Net Unamortized (Discount)/Premium	155,220	(14,511)	56,097	196,806	4,825
Total bonds payable at June 30, 2024	<u>\$ 1,982,203</u>	<u>\$ 2,957,853</u>	<u>\$ (1,519,558)</u>	<u>\$ 3,420,498</u>	<u>\$ 262,777</u>
Short-Term And Other Borrowings at June 30, 2024	\$ 388,370	\$ 776,620	\$ (887,176)	\$ 277,814	\$ 277,814

**Note 10 - Redemption of Bonds**

Special redemptions were made in the following bond issues for the year ended June 30, 2025 and 2024 (in thousands):

<u>Bond Series Redeemed</u>	<u>Par Value of Bonds Redeemed</u>		
	<u>July 1, 2025</u>	<u>For the Year Ended June 30, 2025</u>	<u>For the Year Ended June 30, 2024</u>
Single-Family Mortgage Bonds			
2000 Indenture	\$ 1,009	\$ 2,250	\$ 2,235
2003 Indenture	2,650	5,245	4,855
2006 Indenture	-	-	17,135
2009 Indenture	34,195	-	-
2019 Indenture	-	120,370	9,325
Special redeem all bonds	<u>37,854</u>	<u>127,865</u>	<u>33,550</u>

**Note 11 - Tax Exempt Mortgage-Backed Securities**

Tax-exempt mortgage-backed securities (TEMS) are tax-exempt securities which are collateralized by mortgage-backed securities. The TEMS are special, limited obligations of the Association and are payable solely from pledged mortgages and their revenues. The TEMS are secured by the mortgages, their related revenues, and the Ginnie Mae mortgage-backed security guarantee. Neither the State of Idaho nor any political subdivision thereof is obligated to pay the TEMS. Nor is the faith and credit, nor the taxing power of the State of Idaho or of any political subdivision thereof pledged for the payment of the principal or interest on the TEMS.

TEMS are collateralized by the mortgage loan pool with the same maturity terms as the TEMS. The payments from the mortgages are used to pay the principal and interest payments of the TEMS. The Association is the servicer for the mortgages. A Ginnie Mae authorized document custodian holds note and the deed of trust while the underlying mortgage loans are insured by the U.S. Federal Housing Administration (FHA) or the U.S. Department of Agriculture (USDA). These loans are then contributed to a mortgage-backed security, which is guaranteed by Ginnie Mae.

Series	Maturity Date	Security Rate	2025	2024
IHFA HOMES 2014 A	May 2044	3.50%	\$ 1,762	\$ 2,133
IHFA HOMES 2014 B	August 2044	3.50%	2,213	2,297
IHFA HOMES 2014 C	December 2044	3.50%	1,051	1,197
IHFA HOMES 2015 A	April 2045	3.00%	1,338	1,528
IHFA HOMES 2015 B	May 2045	3.00%	1,208	1,931
IHFA HOMES 2015 C	July 2045	3.00%	4,019	6,158
IHFA TEMS 2015A	October 2045	3.50%	4,360	4,726
IHFA TEMS 2015B	November 2045	0.00%	-	3,429
IHFA TEMS 2015C	December 2045	3.00%	1,633	4,446
IHFA TEMS 2016A	February 2046	3.00%	7,476	8,323
IHFA TEMS 2016B	March 2046	3.00%	2,048	2,116
IHFA TEMS 2016C	April 2046	3.00%	3,397	3,506
IHFA TEMS 2016D	May 2046	3.00%	3,894	4,699
IHFA TEMS 2016E	June 2046	3.00%	3,456	3,913
IHFA TEMS 2016F	July 2046	3.00%	2,948	3,580
IHFA TEMS 2016G	August 2046	3.00%	7,318	7,866
IHFA TEMS 2016H	September 2046	3.00%	2,910	3,099
IHFA TEMS 2016I	December 2046	3.00%	3,233	3,332
IHFA TEMS 2017A	January 2047	3.00%	4,568	5,147
IHFA TEMS 2017B	February 2047	3.00%	2,122	2,463
IHFA TEMS 2017C	April 2047	3.50%	3,454	3,901
IHFA TEMS 2017D	May 2047	3.50%	3,558	3,910
IHFA TEMS 2017E	July 2047	3.50%	3,091	3,175

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Series	Maturity Date	Security Rate	2025	2024
IHFA TEMS 2017F	August 2048	3.00%	4,952	5,541
IHFA TEMS 2017G	September 2047	3.00%	3,832	4,182
IHFA TEMS 2017H	October 2047	3.00%	4,282	4,857
IHFA TEMS 2017I	November 2047	3.00%	4,638	4,879
IHFA TEMS 2017J	December 2047	3.00%	6,172	6,614
IHFA TEMS 2018A	January 2048	3.00%	2,722	2,840
IHFA TEMS 2018B	April 2048	3.50%	2,629	2,695
IHFA TEMS 2018C	July 2048	4.00%	2,387	2,727
IHFA TEMS 2018D	August 2048	4.00%	3,307	4,107
IHFA TEMS 2018E	October 2048	4.00%	5,917	6,297
IHFA TEMS 2018F	December 2048	4.00%	7,354	7,669
IHFA TEMS 2019A	January 2049	4.50%	4,349	4,439
IHFA TEMS 2019B	April 2049	4.00%	4,642	5,075
IHFA TEMS 2019C	June 2049	3.50%	5,157	5,619
IHFA TEMS 2019D	July 2019	4.00%	3,576	3,986
IHFA TEMS 2019E	August 2049	3.50%	4,875	5,917
Total Tax-Exempt Mortgage-back Securities (TEMS)			<u>\$ 141,848</u>	<u>\$ 164,319</u>

A summary of TEMS activity for the periods reported is as follows (in thousands):

	Beginning Balance as of July 1, 2024	Additions	Reductions	Ending Balance as of June 30, 2025
Tax Exempt Mortgage Securities	\$ 164,319	\$ -	\$ (22,471)	\$ 141,848
	Beginning Balance as of June 30, 2023	Additions	Reductions	Ending Balance as of June 30, 2024
Tax Exempt Mortgage Securities	\$ 183,999	\$ -	\$ (19,680)	\$ 164,319

The scheduled principal payments for the periods subsequent to, and as of, June 30, 2025, is as follows (in thousands):

Original Year	Principal Payments (in thousands)	Interest Payments (in thousands)
2026	\$ 4,721	\$ 5,195
2027	4,901	5,016
2028	5,087	4,830
2029	5,280	4,637
2030	5,480	4,437
2031-2035	30,683	18,900
2036-2040	36,966	12,617
2041-2045	44,536	5,047
2046-2047	4,194	33
Total	\$ 141,848	\$ 60,712

**Note 12 - Derivatives**

The Association has entered into multiple interest rate swap agreements to reduce the Association’s overall cost of borrowing long-term capital and protect against the risk of rising interest rates. To do this, the Association issued variable rate debt in connection with the same Single-Family Mortgage Bond issues. The swap agreements, when combined with the associated variable rate debt, create a synthetic fixed rate debt obligation. From 2000 through 2008, the Association’s use of these instruments allowed it to competitively price and acquire single-family loans while reducing interest rate risk.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* defines derivative instruments and requires that they be reported at fair value in the Statements of Net Position. The swap agreements the Association has entered into are characterized as derivatives. Offsetting changes in fair value are carried on the Statements of Net Position as either a deferred inflow or outflow or recognized in earnings of the current period as a change in investments fair value. Changes in fair value are reported depending on whether the derivative instrument is considered an effective hedge. Effective hedge fair value changes are reported as deferred inflows or outflows while non-effective hedge fair value changes are recognized in earnings in the current period. Statement No. 53 provides several methods for determining effectiveness.

The fair values of swap agreements were estimated as the approximate amount the Association's would pay a market participant to terminate the contractual positions as of June 30, 2025. While key assumptions and methods used in deriving fair value are proprietary; in general, the fair values are determined as the difference between the present value of the fixed-rate payments made to the counterparty and the variable-rate (based on interest rates as of June 30, 2025) payments paid to the Association. A positive fair value indicates the amount the Association is entitled to receive from the counterparty upon termination of the swap and is reported under Other Assets. Conversely, a negative fair value reflects the amount the Association must pay, which is recorded under Other Liabilities. As of June 30, 2025, and 2024, these amounts are \$(0.224) million and \$(0.490) million, respectively, as shown in the Statement of Net Position.

The Association has determined that a substantial portion of its interest rate swaps effectively hedge against changes in variable interest rates. As such, changes in fair value for hedge swaps are reported as a deferred outflow of resources in the Statement of Net Position of \$0.986 million and \$2.013 million as of June 30, 2025 and 2024, respectively. A portion of the interest rate swaps are considered non-effective for hedging purposes and are reported in the Statement of Net Position in Investments at June 30, 2025 and 2024 of \$(0.326) million and \$(0.182) million, respectively. This portion represents the notional amount of interest rate swaps that falls short of the notional amount of underlying variable debt.

The Association engaged an independent third party to calculate the fair values of contracts as of June 30, 2025 and 2024. The results of the calculation correlate materially with the fair values provided by the Association's counterparties.

Credit risk: As of June 30, 2025, the Association is exposed to a negligible amount of counterparty credit risk on certain outstanding swaps due to their positive fair values. The Association's counterparty has a current rating of A+ (Fitch), A1 (Moody's), and AA- (S&P).

Basis risk: All but 22 of the Association's swaps have a dual basis: 68% of Securities Industry and Financial Markets Association (SIFMA) index plus 20 basis points when the one-month Secured Overnight Financing Rate (SOFR) is less than either 3.5% or 4.0% (depending on the bond series). Four non-dual basis swaps have a basis of SIFMA plus 20 basis points, two have a basis of SOFR plus 76 basis points, three have a basis of SOFR plus 75 basis points, three have a basis of SOFR plus 71 basis points, five have a basis of SOFR plus 45 basis points, and five have a basis of SOFR plus 5 basis points. The Association is exposed to basis risk on dual basis swaps when variable payments received are based on SOFR and do not offset the variable rate paid on bonds, which is based on SIFMA. On June 30, 2025, SIFMA was 1.920% and one-month SOFR was 4.450%.

Rollover risk: Rollover risk relates to a mismatch in the amortization of the swaps with the amortization of the variable rate bonds. The Association has structured its debt such that not all variable debt is matched by interest rate swaps and calls certain variable rate bonds independent of the expiration of the associated interest rate swap. This exposes the Association to the risk of incurring a higher interest expense than it might otherwise incur. Swap notional amounts no longer associated with variable rate debt are reported as investment derivatives.

Termination risk: The Association or Barclays Capital may terminate an interest rate swap if the other party fails to perform under the terms of the contract. If any of the swaps are terminated, the associated variable rate bonds would no longer carry synthetic fixed interest rates and the Association would be exposed to changing interest rates and incurring interest rate risk. A termination event also results in the loss of hedge accounting, requiring all fair value deferrals to be recognized immediately. The economic risk also includes requiring making payments to the counter party to the extent of any negative fair value amounts. The risk may be offset by identifying a suitable counter party willing to enter into identical swap contracts at the termination date.

The swaps were entered into for the purpose of hedging the change in interest rates of specific series of variable rate bonds. From time to time, certain hedged bonds may be redeemed early, refinanced or reissued resulting in the termination of existing hedging relationships and the creation of new hedging relationships if permitted. The accounting rules provide that at the time such events occur, the swap's then fair value, or balance in the deferral account, for the related swap should be reduced to zero and offset by a new balance which shall be amortized on fixed rate interest expense basis over a period equal to the shorter of the remaining term of the refunding bonds, refunded bonds, or swap. In future periods reductions in the amortizing balances are recorded as interest expense, and to the extent a new hedging relationship can be established by the swap, it is a hedging swap and future changes in fair value are recorded as deferred inflows/outflows. If no new hedging relationship can be established, it is an investment swap and the change in fair value for the swap is recognized as investment earnings in the current period.

Idaho Housing and Finance Association  
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Hedging Fair Values in the table below include the value of the amortizing balances.

Interest Rate Swap Agreements  
(in thousands)  
2025

Parity Indenture	Series	Outstanding Notional Amount		Fair Values		Change in Fair Values	
		Hedging	Investment	Hedging	Investment	Hedging	Investment
2015A	2003 Series A	\$ 435	\$ -	\$ (5)	\$ -	\$ 1	\$ -
2015A	2003 Series C	-	10	-	-	2	-
2014A	2003 Series D	195	-	(1)	-	4	-
2016A	2003 Series E	-	195	-	(1)	8	(7)
2016A	2004 Series A	355	-	(2)	-	(3)	-
2016A	2004 Series B	-	825	(14)	1	13	(20)
2016A	2004 Series C	-	260	-	(1)	9	(9)
2016A	2004 Series D	1,730	-	(33)	-	(30)	-
2016A	2005 Series A	2,025	-	(51)	-	(36)	-
2009A	2005 Series B	-	1,855	-	(68)	(35)	8
2009A	2005 Series C	-	1,910	-	(63)	(34)	2
2016A	2005 Series D	2,000	-	(47)	-	(37)	-
2016A	2005 Series E	2,105	-	(54)	-	(39)	-
2009A	2005 Series F	-	2,285	-	(97)	(44)	7
2009A	2006 Series A	-	2,340	-	(96)	62	(95)
2009A	2006 Series B	130	-	(3)	-	10	-
2009A	2006 Series C	-	-	-	-	12	-
2009A	2006 Series D	-	-	-	-	14	-
2013A	2007 Series A	-	960	(14)	(1)	11	(29)
		<u>\$ 8,975</u>	<u>\$ 10,640</u>	<u>\$ (224)</u>	<u>\$ (326)</u>	<u>\$ (112)</u>	<u>\$ (143)</u>

Idaho Housing and Finance Association  
Notes to Financial Statements  
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Interest Rate Swap Agreements  
(in thousands)  
2025

Parity Indenture	Series	Fixed Rate Paid by IHFA	Variable Rate		Interest Rate Contract Provider	Credit Rating	Scheduled Termination Date	Inception Date
			Received by IHFA from Interest Rate Contract Provider					
2015A	2003 Series A	4.519%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	1/1/2026	11/6/2008
2015A	2003 Series C	3.780%	100% 1W SIFMA + 20 bp		Barclays Capital	A+/A1/AA-	7/1/2025	11/6/2008
2014A	2003 Series D	4.840%	100% 1W SIFMA + 20 bp		Barclays Capital	A+/A1/AA-	7/1/2025	11/6/2008
2016A	2003 Series E	4.530%	100% 1W SIFMA + 20 bp		Barclays Capital	A+/A1/AA-	7/1/2025	7/6/2016
2016A	2004 Series A	4.029%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	1/1/2026	7/6/2016
2016A	2004 Series B	4.370%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	1/1/2027	7/6/2016
2016A	2004 Series C	4.330%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	7/1/2025	7/6/2016
2016A	2004 Series D	3.850%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	1/1/2028	7/6/2016
2016A	2005 Series A	3.900%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	1/1/2029	7/6/2016
2009A	2005 Series B	3.985%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	7/1/2028	11/7/2008
2009A	2005 Series C	3.730%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	7/1/2028	11/7/2008
2016A	2005 Series D	3.865%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A+/A1/AA-	7/1/2028	7/6/2016
2016A	2005 Series E	3.930%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A+/A1/AA-	1/1/2029	7/6/2016
2009A	2005 Series F	4.095%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A+/A1/AA-	1/1/2029	11/7/2008
2009A	2006 Series A	4.100%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A+/A1/AA-	1/1/2029	11/7/2008
2009A	2006 Series B	4.350%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A+/A1/AA-	7/1/2025	11/7/2008
2009A	2006 Series C	4.360%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A+/A1/AA-	1/1/2025	11/7/2008
2009A	2006 Series D	4.450%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A+/A1/AA-	1/1/2025	11/7/2008
2013A	2007 Series A	5.031%	100% 1M LIBOR + 45 bp		Barclays Capital	A+/A1/AA-	7/1/2026	7/3/2017

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Interest Rate Swap Agreements  
(in thousands)  
2024

Parity Indenture	Series	Outstanding Notional Amount		Fair Values		Change in Fair Values	
		Hedging	Investment	Hedging	Investment	Hedging	Investment
2009A	2005 Series C	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -
2016A	2005 Series D	-	-	-	-	3	-
2016A	2005 Series E	1,025	-	(15)	-	(59)	-
2009A	2005 Series F	60	-	(0)	-	(1)	-
2009A	2006 Series A	-	325	(2)	(0)	(17)	(0)
2009A	2006 Series B	740	-	(10)	-	(42)	-
2009A	2006 Series C	-	740	(13)	6	(23)	(19)
2009A	2006 Series D	900	-	(6)	-	(50)	-
2013A	2006 Series E	-	1,390	(45)	21	(96)	21
2013A	2006 Series F	-	855	(15)	8	(26)	(22)
2013A	2006 Series G	2,330	-	(35)	-	(114)	-
2013A	2007 Series A	2,600	-	(52)	-	(124)	-
2013A	2007 Series B	-	2,450	-	(77)	(162)	31
2013A	2007 Series C	-	2,495	-	(65)	(154)	25
2012A	2007 Series D	2,590	-	(46)	-	(124)	-
2012A	2007 Series G	2,695	-	(55)	-	(129)	-
2012A	2007 Series H	-	2,895	-	(104)	(196)	41
2012A	2007 Series J	2,925	-	(108)	-	(157)	-
2012A	2007 Series K	625	-	(16)	-	(29)	-
2013A	2008 Series A	495	-	(12)	-	(21)	-
2013A	2008 Series B	575	-	(14)	-	(25)	-
2013A	2008 Series C	-	-	-	-	56	(29)
2013A	2008 Series C	-	-	-	-	50	(28)
2013A	2008 Series C	-	-	-	-	19	-
2013A	2008 Series C	-	1,660	(47)	29	(155)	29
2013A	2008 Series C	-	-	-	-	34	-
2013A	2008 Series C	-	-	-	-	112	(67)
2013A	2008 Series C	-	-	-	-	(7)	-
2013A	2008 Series C	-	-	-	-	370	-
2013A	2008 Series C	-	-	-	-	1,520	(1,190)
2013A	2008 Series C	-	-	-	-	349	-
2013A	2008 Series C	-	-	-	-	887	(474)
2013A	2008 Series C	-	-	-	-	903	(475)
2013A	2008 Series C	-	-	-	-	347	(237)
2013A	2008 Series C	-	-	-	-	92	(63)
2013A	2008 Series D	-	-	-	-	29	(24)
		<u>\$ 17,560</u>	<u>\$ 12,810</u>	<u>\$ (490)</u>	<u>\$ (182)</u>	<u>\$ 3,064</u>	<u>\$ (2,481)</u>

Idaho Housing and Finance Association

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Interest Rate Swap Agreements  
(in thousands)  
2024

Parity Indenture	Series	Fixed Rate Paid by IHFA	Variable Rate		Interest Rate Contract Provider	Credit Rating	Scheduled Termination Date	Inception Date
			Received by IHFA from Interest Rate Contract Provider					
2009A	2005 Series C	3.730%	68% 1M (or SIFMA 1M<3.5%)	+20	Barclays Capital	A/A1	7/1/2028	11/7/2008
2016A	2005 Series D	3.865%	68% 1M (or SIFMA 1M<4.0%)	+20	Barclays Capital	A/A1	7/1/2028	7/6/2016
2016A	2005 Series E	3.930%	68% 1M (or SIFMA 1M<4.0%)	+20	Barclays Capital	A/A1	1/1/2029	7/6/2016
2009A	2005 Series F	4.095%	68% 1M (or SIFMA 1M<4.0%)	+20	Barclays Capital	A/A1	1/1/2029	11/7/2008
2009A	2006 Series A	4.100%	68% 1M (or SIFMA 1M<4.0%)	+20	Barclays Capital	A/A1	1/1/2029	11/7/2008
2009A	2006 Series B	4.350%	68% 1M (or SIFMA 1M<4.0%)	+20	Barclays Capital	A/A1	7/1/2025	11/7/2008
2009A	2006 Series C	4.360%	68% 1M (or SIFMA 1M<4.0%)	+20	Barclays Capital	A/A1	1/1/2025	11/7/2008
2009A	2006 Series D	4.450%	68% 1M (or SIFMA 1M<4.0%)	+20	Barclays Capital	A/A1	1/1/2025	11/7/2008
2013A	2006 Series E	5.518%	100% 1M LIBOR + 75 bp		Barclays Capital	A/A1	1/1/2026	7/3/2017
2013A	2006 Series F	5.290%	100% 1M LIBOR + 75 bp		Barclays Capital	A/A1	1/1/2026	7/3/2017
2013A	2006 Series G	5.167%	100% 1M LIBOR + 75 bp		Barclays Capital	A/A1	1/1/2026	7/3/2017
2013A	2007 Series A	5.031%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2007 Series B	4.882%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	1/1/2027	7/3/2017
2013A	2007 Series C	4.972%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	1/1/2027	7/3/2017
2012A	2007 Series D	4.893%	100% 1M LIBOR + 71 bp		Barclays Capital	A/A1	1/1/2026	7/1/2016
2012A	2007 Series G	4.691%	100% 1M LIBOR + 5 bp		Barclays Capital	A/A1	7/1/2028	1/1/2013
2012A	2007 Series H	5.198%	100% 1M LIBOR + 76 bp		Barclays Capital	A/A1	7/1/2030	7/1/2016
2012A	2007 Series J	4.415%	100% 1M LIBOR + 5 bp		Barclays Capital	A/A1	7/1/2028	7/3/2017
2012A	2007 Series K	4.231%	100% 1M LIBOR + 5 bp		Barclays Capital	A/A1	7/1/2030	7/3/2017
2013A	2008 Series A	4.382%	100% 1M LIBOR + 5 bp		Barclays Capital	A/A1	7/1/2030	7/3/2017
2013A	2008 Series B	4.235%	100% 1M LIBOR + 5 bp		Barclays Capital	A/A1	7/1/2029	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series D	4.437%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017

## Idaho Housing and Finance Association

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June 30, 2025 and 2024

At June 30, 2025 and 2024, the Association had \$492.500 million and \$250.000 million, respectively, in forward sales contracts (“To Be Announced” or “TBA” contracts) to issue GNMA securities in order to lock in the sales price for the securitization of single-family loans. These securities represent pools of qualified first mortgage loans originated by Association-approved lenders and brokers. Under this program, the Association periodically enters into forward contracts to sell GNMA Mortgage-Backed Securities to investors before the securities are ready for delivery. The Association enters into TBA mortgage-backed security contracts to hedge the interest rate risk for loan commitments made to originating mortgage lenders. These contracts are considered investment derivatives and are not rated.

TBA Forward Contracts  
(in thousands)  
2025

Contract	Coupon rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating
August 20, 2024	5.50%	\$ 3,000	\$ (58)	BBB
August 20, 2024	6.00%	1,000	(19)	BBB+
August 20, 2024	6.50%	1,000	(19)	BBB+
July 15, 2024	6.00%	1,000	-	AA+
July 15, 2024	5.00%	1,000	-	AA+
July 15, 2024	5.50%	2,000	-	AA+
July 15, 2024	6.00%	1,000	(43)	AA+
July 15, 2024	6.50%	1,000	-	A-
July 22, 2024	6.50%	3,000	(58)	BBB
July 22, 2024	4.50%	1,000	(19)	BBB
July 22, 2024	4.50%	2,000	-	A+
July 22, 2024	5.00%	3,000	-	BBB+
July 22, 2024	5.00%	1,500	(29)	BBB+
July 22, 2024	5.50%	8,500	141	BBB+
July 22, 2024	6.00%	1,000	-	A-
July 22, 2024	6.50%	2,000	(39)	BBB+
July 22, 2024	6.50%	7,000	(136)	BBB+
September 16, 2024	6.00%	7,000	1	AA+
September 23, 2024	5.50%	2,000	-	BBB
September 23, 2024	5.50%	1,000	17	BBB
September 23, 2024	5.50%	1,000	17	BBB
September 23, 2024	5.50%	3,000	-	BBB
September 23, 2024	5.50%	1,000	-	BBB
September 23, 2024	5.50%	1,000	(19)	BBB
September 23, 2024	5.50%	1,000	-	BBB
September 23, 2024	5.50%	6,000	99	BBB
September 23, 2024	5.50%	2,000	(39)	BBB

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Notes to Financial Statements  
June 30, 2025 and 2024

TBA Forward Contracts  
(in thousands)  
2025

Contract	Coupon rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating
September 23, 2024	5.50%	6,000	99	BBB
September 23, 2024	5.50%	1,500	25	BBB
September 23, 2024	5.50%	1,000	(19)	BBB
September 23, 2024	5.50%	500	(21)	BBB
September 23, 2024	5.50%	3,000	(58)	BBB
September 23, 2024	5.50%	3,500	1	BBB
September 23, 2024	5.50%	3,000	-	BBB
September 23, 2024	5.50%	1,000	17	BBB
September 23, 2024	5.50%	500	-	BBB
September 23, 2024	5.50%	1,000	(43)	BBB
September 23, 2024	5.50%	1,000	(43)	BBB
September 23, 2024	5.50%	8,000	113	BBB
September 23, 2024	5.50%	5,000	5	BBB
September 23, 2024	5.50%	2,000	(85)	BBB
September 23, 2024	5.50%	2,000	(36)	BBB
September 23, 2024	5.50%	4,000	4	BBB
September 23, 2024	5.50%	3,000	42	BBB
September 23, 2024	5.50%	4,500	5	BBB
September 23, 2024	5.50%	2,000	2	BBB
September 23, 2024	5.50%	1,000	(43)	BBB
September 23, 2024	5.50%	1,000	(18)	BBB
September 23, 2024	5.50%	6,000	7	BBB
September 23, 2024	5.50%	9,000	127	BBB
September 23, 2024	5.50%	2,000	55	BBB
September 23, 2024	5.50%	3,000	(272)	BBB
September 23, 2024	5.50%	2,000	(36)	BBB
September 23, 2024	5.50%	1,500	(27)	BBB
September 23, 2024	5.50%	1,000	(18)	BBB
September 23, 2024	5.50%	2,000	2	BBB
September 23, 2024	5.50%	1,000	28	BBB
September 23, 2024	5.50%	5,000	5	BBB
September 23, 2024	5.50%	4,000	56	BBB
September 23, 2024	5.50%	1,000	28	BBB
September 23, 2024	5.50%	3,000	3	BBB
September 23, 2024	5.50%	2,000	2	BBB
September 23, 2024	5.50%	5,000	70	BBB
September 23, 2024	5.50%	7,000	8	BBB
September 23, 2024	5.50%	5,000	5	BBB
September 23, 2024	5.50%	15,000	16	BBB

Idaho Housing and Finance Association  
Notes to Financial Statements  
June 30, 2025 and 2024

TBA Forward Contracts  
(in thousands)  
2025

Contract	Coupon rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating
September 23, 2024	5.50%	21,000	295	BBB
September 23, 2024	5.50%	6,000	(108)	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	2,000	2	BBB
September 23, 2024	5.50%	4,000	(72)	BBB
September 23, 2024	5.50%	2,000	(85)	BBB
September 23, 2024	5.50%	16,000	(288)	BBB
September 23, 2024	5.50%	22,000	24	BBB
September 23, 2024	5.50%	5,000	70	BBB
September 23, 2024	5.50%	2,000	28	BBB
September 23, 2024	5.50%	14,000	197	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	3,000	(54)	BBB
September 23, 2024	5.50%	5,000	5	BBB
September 23, 2024	5.50%	3,000	42	BBB
September 23, 2024	5.50%	4,000	56	BBB
September 23, 2024	5.50%	2,000	(36)	BBB
September 23, 2024	5.50%	11,000	12	BBB
September 23, 2024	5.50%	9,500	134	BBB
September 23, 2024	5.50%	5,000	(352)	BBB
September 23, 2024	5.50%	1,000	14	BBB
September 23, 2024	5.50%	3,000	3	BBB
September 23, 2024	5.50%	6,000	(108)	BBB
September 23, 2024	5.50%	3,000	(128)	BBB
September 23, 2024	5.50%	10,000	(180)	BBB
September 23, 2024	5.50%	4,000	4	BBB
September 23, 2024	5.50%	7,000	8	BBB
September 23, 2024	5.50%	2,000	28	BBB
September 23, 2024	5.50%	3,500	(63)	BBB
September 23, 2024	5.50%	4,500	(81)	BBB
September 23, 2024	5.50%	5,000	70	BBB
September 23, 2024	5.50%	3,000	83	BBB
September 23, 2024	5.50%	3,000	3	BBB
September 23, 2024	5.50%	1,000	(18)	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	1,000	(18)	BBB
September 23, 2024	5.50%	2,500	35	BBB
September 23, 2024	5.50%	2,000	32	BBB

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2025 and 2024

TBA Forward Contracts  
(in thousands)  
2025

Contract	Coupon rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating
September 23, 2024	5.50%	1,000	-	BBB
September 23, 2024	5.50%	2,000	32	BBB
September 23, 2024	5.50%	3,000	47	BBB
September 23, 2024	5.50%	1,000	-	BBB
September 23, 2024	5.50%	2,000	32	BBB
September 23, 2024	5.50%	2,000	(1)	BBB
September 23, 2024	5.50%	1,500	24	BBB
September 23, 2024	5.50%	1,000	-	BBB
September 23, 2024	5.50%	2,000	32	BBB
September 23, 2024	5.50%	1,000	16	BBB
September 23, 2024	5.50%	7,000	93	BBB
September 23, 2024	5.50%	5,000	4	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	2,000	2	BBB
September 23, 2024	5.50%	3,000	40	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	3,000	40	BBB
September 23, 2024	5.50%	6,000	80	BBB
September 23, 2024	5.50%	5,000	141	BBB
September 23, 2024	5.50%	3,000	2	BBB
September 23, 2024	5.50%	1,000	(18)	BBB
September 23, 2024	5.50%	4,000	53	BBB
September 23, 2024	5.50%	2,000	27	BBB
September 23, 2024	5.50%	5,000	66	BBB
September 23, 2024	5.50%	2,000	2	BBB
September 23, 2024	5.50%	5,000	66	BBB
September 23, 2024	5.50%	4,000	53	BBB
September 23, 2024	5.50%	3,000	2	BBB
September 23, 2024	5.50%	2,000	27	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	2,000	2	BBB
September 23, 2024	5.50%	2,000	27	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	1,000	25	BBB
September 23, 2024	5.50%	2,000	27	BBB
September 23, 2024	5.50%	2,000	(36)	BBB
September 23, 2024	5.50%	2,000	27	BBB
September 23, 2024	5.50%	2,000	61	BBB
September 23, 2024	5.50%	1,000	15	BBB
		\$ 492,500	\$ 375	

Idaho Housing and Finance Association  
Notes to Financial Statements  
June 30, 2025 and 2024

TBA Forward Contracts (in thousands) 2024					
Contract	Coupon Rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating	
August 20, 2024	5.50%	\$ 10,000	\$ 63	BBB	
August 20, 2024	6.00%	15,000	59	BBB+	
August 20, 2024	6.50%	7,000	8	BBB+	
July 15, 2024	6.00%	20,000	22	AA+	
July 15, 2024	5.00%	1,000	(1)	AA+	
July 15, 2024	5.50%	16,000	(2)	AA+	
July 15, 2024	6.00%	28,000	(4)	AA+	
July 15, 2024	6.50%	14,000	(9)	A-	
July 22, 2024	6.50%	32,000	45	BBB	
July 22, 2024	4.50%	7,000	86	BBB	
July 22, 2024	4.50%	4,000	42	A+	
July 22, 2024	5.00%	5,000	47	BBB+	
July 22, 2024	5.00%	12,000	129	BBB+	
July 22, 2024	5.50%	2,000	14	BBB+	
July 22, 2024	6.00%	24,500	92	A-	
July 22, 2024	6.50%	15,500	34	BBB+	
July 22, 2024	6.50%	7,000	8	BBB+	
September 16, 2024	6.00%	10,000	59	AA+	
September 23, 2024	5.50%	20,000	85	BBB	
		\$ 250,000	\$ 777		

**Note 13 - Retirement Plans**

The Idaho Housing and Finance Association Defined Contribution Retirement Plan covers substantially all Association employees. The Association contributes eight percent of annual compensation for each eligible permanent employee to a segregated account held in trust by Principle Insurance. Employees are eligible to participate in the retirement plan after completion of 1,040 hours (6 months) of continuous employment, and 100 percent vesting is achieved ratably over a period of five years. Plan provisions and contribution requirements are established, and may be amended, by the Association. The Association's retirement plan expense for the year ending June 30, 2025 and 2024, were \$2,069 million and \$1.959 million, respectively. Employees do not contribute to this Plan.

The Association also offers a deferred compensation plan qualified under Section 457 of the Internal Revenue Code. All employees who have completed 30 days of continuous employment with the Association are eligible to participate. The plan permits employees to defer up to 99 percent per year (or a maximum of \$23,000 for those under 50 and \$30,000 for those 50 and older), of salary before taxes. The Association will match up to two percent of the employee's deferral to be deposited into the employee's account and immediately vested. The Association's deferred compensation plan expense for the year ending June 30, 2025 and 2024 were \$359,000 and \$339,000, respectively. Investment choices for all contributions are employee-directed. The assets for these retirement plans are not included in the Association's financial statements as they are substantially the property of employees and are held in segregated trust accounts.

#### **Note 14 - Conduit Debt Obligations**

GASB Statement No. 91 requires disclosure of conduit debt obligations. Conduit debt obligations are certain limited obligation debt instruments issued for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. From time to time, the Association has issued bonds to provide financial assistance to entities for the construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying investments. Upon repayment of the bonds, ownership of the constructed facilities transfers to the entity served by the bond issuance. The Association is not obligated in any manner for repayment of these bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2025 and 2024, there were eighty-one and seventy-eight series of bonds outstanding that meet the description of conduit debt obligations not included in the Association's financial statements. They had aggregate principal amounts payable of \$920.226 million and \$777.790 million, respectively.

The Association services conduit debt obligations for housing and transportation-related bond issuances. The Association is not obligated in any manner for repayment of these housing and transportation related conduit debt obligations. The Association has determined that this series of bonds outstanding meet the description of conduit debt obligations. The total outstanding indebtedness and accrued interest as of June 30, 2025 and 2024, is \$1.886 billion and \$1.590 billion, respectively.

#### **Note 15 - Risk Management**

The Association maintains commercial insurance coverage for officer errors and omissions, tort claims, and property loss and other casualties. WCF writes the Association's worker's compensation coverage. The Association's premiums and loss experience modifications are based on the loss experience of the Association. Claims have not exceeded coverage for the past three years.

**Note 16 - Component Units**

THC was formed to develop, acquire and operate real estate for the benefit of elderly, disadvantaged, limited income or otherwise needy persons throughout the state of Idaho. As of December 31, 2024, THC had acquired and was operating fifteen multifamily housing complexes; had constructed and was operating twenty-two multifamily housing complexes; had constructed two additional phases of housing to existing developments; had completed renovations of two hotels and turned them into a new multifamily complex; had built a single family home known as The Cottage with HOME funds; had purchased a single family home in Canyon County with federal Neighborhood Stabilization Program (NSP) funds and turned it into special needs housing as intended by the program; had purchased three duplexes in Canyon County with federal NSP funds to rent as affordable housing; had constructed and sold three homes in Nez Perce County with HOME funds; had completed construction on three duplexes in Kuna with HOME and Housing Trust Fund moneys; had started construction on two multi-family complexes in Twin Falls, Idaho, and Nampa, Idaho and had purchased land in Dillon, Montana, with the intent of constructing another multifamily complex. Certain personnel of the Association provide services to THC and three Association Commissioners serve on THC's Board, along with the President of IHFA. As of December 31, 2024, three Association Commissioners and the Association's President serve on THC's Board of Directors. As of June 30, 2025 and 2024, THC paid the Association \$2.084 million and \$1.991 million, respectively for expenses associated with THC operations. THC owed \$0.185 million and \$0.162 million for the years ended June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, ICIH had notes receivable of \$7.061 and \$6.061 million, respectively, with THC. IHFA is holding a bond for the construction of the Sunset Landing multi-family project in Caldwell, Idaho, of \$8,030 million and \$13.740 million as of June 30, 2025 and 2024, respectively. Complete financial statements for THC can be obtained from THC at P.O. Box 7899, Boise, ID 83707.

THC processes and pays vendor invoices for one IHFA owned REO rental property. The Association reimburses THC for amounts paid on a yearly basis.

HPF helps people build a strong foundation for their lives through stable, safe, and affordable housing by making available financial resources they would not be able to obtain elsewhere. The Foundation supports shelters and shelter services for Idaho's homeless and most disadvantaged, encourages financial independence by educating individuals and families, invests in workforce housing, and facilitates tax-advantaged land donations for housing development. HPF's Board of Directors consists solely of Association Commissioners. Certain general, administrative and fundraising expenses of the Foundation are paid by the Association. The Association also provides occupancy, accounting, gift receipting and cash management services to the Foundation. The value of these services is not reflected in the accompanying financial statements since they are not susceptible to objective measurement or valuation. Complete financial statements for HPF can be obtained from HPF at P.O. Box 7899, Boise, ID 83707.

ICIH was formed to own and hold the real property associated with projects created to support IHFA's mission. ICIH is an Idaho limited liability company with IHFA being the sole member. ICIH has an agreement with THC related to the Teton Mesa 4, Canyon Terrace, Sunset Landing, and Alder multifamily projects. ICIH has a receivable from THC of \$7.061 million and \$6.061 million in relation to these projects as of June 30, 2025 and June 30, 2024.

Supplementary Information

June 30, 2025

# Idaho Housing and Finance Association

Idaho Housing and Finance Association  
 Combined Statement of Net Position – Association Accounts  
 June 30, 2025  
 (in thousands)

	Business Operations			Affordable Housing Investment Trust	Rating Compliance and Loan Guarantee Trust	Combined Bondholder Trusts (1)	Interfund Eliminations	All Association Accounts	The Home Partnership Foundation	Idaho Community Investment Holdings, LLC	HomeLoanServ Inc.	Inter-Component Unit Eliminations	All Reporting Entity Accounts	
	General Operating and Custodial Accounts	Federally Assisted Program	State of Idaho Program											Combined
Statement of Net Position														
Assets and Deferred Outflow of Resources														
Cash and cash equivalents	\$ 61,984	\$ -	\$ -	\$ 61,984	\$ 2,000	\$ -	\$ -	\$ 63,984	\$ 315	\$ -	\$ 3	\$ -	\$ 64,302	
Cash and cash equivalents held in trust or as agent	176,114	44,878	-	220,992	-	-	-	220,992	1,410	1,363	-	-	223,765	
Cash held in escrow	302,198	-	-	302,198	-	-	-	302,198	-	-	-	-	302,198	
Investments, fair value	22,927	-	-	22,927	554	-	-	23,481	-	-	-	-	23,481	
Investments held in trust, fair value	353,363	-	-	353,363	-	3,126	2,696,828	3,053,317	572	-	-	-	3,053,889	
Loans held for investment, net	104,138	18,352	-	122,490	105,143	4,115	72,945	304,693	-	12,136	-	-	316,829	
Loans available for sale	157,061	-	-	157,061	-	-	-	157,061	-	-	-	-	157,061	
Loan servicing contracts	305,048	-	-	305,048	-	-	-	305,048	-	-	-	-	305,048	
Loans pending modification	5,888	-	-	5,888	-	-	-	5,888	-	-	-	-	5,888	
Property and equipment	7,490	-	-	7,490	43	-	-	7,533	-	2,682	-	-	10,215	
Right of use lease asset	1,046	-	-	1,046	-	-	-	1,046	-	-	-	-	1,046	
Derivative Assets	1,822	-	-	1,822	-	-	-	1,822	-	-	-	-	1,822	
Other assets	204,564	408	-	204,972	19,334	119,251	1,049	(155,845)	188,761	-	-	(130)	188,631	
Tax exempt mortgage securities asset	141,849	-	-	141,849	-	-	-	141,849	-	-	-	-	141,849	
State of Idaho GARVEE and TECM Assets	-	-	-	-	-	-	1,229,196	1,229,196	-	-	-	-	1,229,196	
Deferred outflow---interest rate swap contracts, amortized value	-	-	-	-	-	-	372	372	-	-	-	-	372	
Deferred outflow---interest rate swap contracts, fair value	-	-	-	-	-	-	614	614	-	-	-	-	614	
<b>Total assets and deferred outflow of resources</b>	<b>\$ 1,845,492</b>	<b>\$ 63,638</b>	<b>\$ -</b>	<b>\$ 1,909,130</b>	<b>\$ 127,074</b>	<b>\$ 126,492</b>	<b>\$ 4,001,004</b>	<b>\$ (155,845)</b>	<b>\$ 6,007,855</b>	<b>\$ 2,297</b>	<b>\$ 16,181</b>	<b>\$ 3</b>	<b>\$ (130)</b>	<b>\$ 6,026,206</b>
Liabilities, Deferred Inflow of Resources, and Net Position														
Short Term and Other Borrowing	\$ 608,864	\$ -	\$ -	\$ 608,864	\$ -	\$ -	\$ -	\$ 608,864	\$ -	\$ -	\$ -	\$ -	\$ 608,864	
Bonds	127,915	-	-	127,915	-	-	3,866,025	3,993,940	-	-	-	-	3,993,940	
Tax exempt mortgage securities liability	141,848	-	-	141,848	-	-	-	141,848	-	-	-	-	141,848	
Interest payable-swap contract	-	-	-	-	-	-	401	401	-	-	-	-	401	
Investor remittance liability	155,261	-	-	155,261	-	-	-	155,261	-	-	-	-	155,261	
Escrow and project reserve deposits	279,351	365	-	279,716	-	-	-	279,716	-	-	-	-	279,716	
Swap contract fair value liability	-	-	-	-	-	-	149	149	-	-	-	-	149	
Derivative Liabilities	4,679	-	-	4,679	-	-	-	4,679	-	-	-	-	4,679	
Other liabilities	220,813	59,340	-	280,153	15	-	828	(155,845)	125,151	183	7	-	125,341	
Net Inv in capital assets	7,490	-	-	7,490	43	-	-	7,533	-	2,682	-	-	10,215	
Bond Funds	-	-	-	-	-	-	133,601	133,601	-	-	-	-	133,601	
Federal Programs	-	3,933	-	3,933	-	-	-	3,933	-	-	-	-	3,933	
The Home Partnership Fndn, Inc	-	-	-	-	-	-	-	-	2,114	-	-	-	2,114	
Idaho Comm Invest Holdings, LLC	-	-	-	-	-	-	-	-	-	13,492	-	-	13,492	
Unrestricted	299,271	-	-	299,271	127,016	126,492	-	552,779	-	-	3	(130)	552,652	
<b>Total liabilities, deferred inflow of resources, and net position</b>	<b>\$ 1,845,492</b>	<b>\$ 63,638</b>	<b>\$ -</b>	<b>\$ 1,909,130</b>	<b>\$ 127,074</b>	<b>\$ 126,492</b>	<b>\$ 4,001,004</b>	<b>\$ (155,845)</b>	<b>\$ 6,007,855</b>	<b>\$ 2,297</b>	<b>\$ 16,181</b>	<b>\$ 3</b>	<b>\$ (130)</b>	<b>\$ 6,026,206</b>

Idaho Housing and Finance Association  
 Combined Statement of Revenues, Expenses, and Changes in Net Position – Association Accounts  
 Year Ended June 30, 2025  
 (in thousands)

	Business Operations			Affordable Housing Investment Trust	Rating Compliance and Loan Guarantee Trust	Combined Bondholder Trusts (1)	Interfund Eliminations	All Association Accounts	The Home Partnership Foundation	Idaho Community Investment Holdings, LLC	Idaho Community Investment Holdings, LLC	Inter-Component Unit Eliminations	All Reporting Entity Accounts	
	General Operating and Custodial Accounts	Federally Assisted Program	Federally Assisted Program											Combined
Statement of Revenues, Expenses and Changes in Net Position														
Operating Revenues														
Gains on loan sales	\$ 12,271	\$ -	\$ -	\$ 12,271	\$ -	\$ -	\$ -	\$ -	\$ 12,271	\$ -	\$ -	\$ -	\$ -	\$ 12,271
Interest on loans and GARVEE pledged revenues	19,259	1,135	-	20,394	5,851	2,039	44,494	-	72,778	-	-	-	-	72,778
Interest on investments	10,758	236	-	10,994	133	181	116,745	-	128,053	49	74	-	-	128,176
Loan servicing fees	86,235	-	-	86,235	1	5	55	-	86,296	-	-	-	-	86,296
Contract and grant administration fees	14,646	-	-	14,646	-	-	-	-	14,646	815	-	-	(815)	14,646
Other operating revenues	8,975	80	-	9,055	5	-	-	-	9,060	549	-	-	(130)	9,479
<b>Total operating revenues</b>	<b>152,144</b>	<b>1,451</b>	<b>-</b>	<b>153,595</b>	<b>5,990</b>	<b>2,225</b>	<b>161,294</b>	<b>-</b>	<b>323,104</b>	<b>1,413</b>	<b>74</b>	<b>-</b>	<b>(945)</b>	<b>323,646</b>
Operating Expenses														
Loan acquisition costs	30,159	-	-	30,159	-	-	-	-	30,159	-	-	-	-	30,159
Interest	37,258	-	-	37,258	-	-	154,241	-	191,499	-	-	-	-	191,499
Salaries and benefits	37,892	-	-	37,892	-	-	-	-	37,892	134	-	-	-	38,026
General operating	22,084	108	-	22,192	-	-	6,430	-	28,622	144	22	-	-	28,788
Bond financing costs	-	-	-	-	-	-	171	-	171	-	-	-	-	171
Grants to others	-	-	-	-	-	-	-	-	-	985	160	-	(815)	330
Loss on real estate owned properties	4,199	188	-	4,387	487	-	-	-	4,874	-	-	-	-	4,874
Other operating expenses	1,563	-	-	1,563	815	-	-	-	2,378	-	60	-	-	2,438
<b>Total operating expenses</b>	<b>133,155</b>	<b>296</b>	<b>-</b>	<b>133,451</b>	<b>1,302</b>	<b>-</b>	<b>160,842</b>	<b>-</b>	<b>295,595</b>	<b>1,263</b>	<b>242</b>	<b>-</b>	<b>(815)</b>	<b>296,285</b>
<b>Operating Income (Loss)</b>	<b>18,989</b>	<b>1,155</b>	<b>-</b>	<b>20,144</b>	<b>4,688</b>	<b>2,225</b>	<b>452</b>	<b>-</b>	<b>27,509</b>	<b>150</b>	<b>(168)</b>	<b>-</b>	<b>(130)</b>	<b>27,361</b>
Nonoperating Revenues and Expenses														
Net increase (decrease) in fair value of investments	2,170	-	-	2,170	-	63	23,875	-	26,108	-	-	-	-	26,108
Net increase (decrease) in fair value of derivatives	(2,354)	-	-	(2,354)	-	-	(704)	-	(3,058)	-	-	-	-	(3,058)
Net increase (decrease) in fair value of servicing contracts	5,267	-	-	5,267	-	-	-	-	5,267	-	-	-	-	5,267
Federal pass-through revenues	-	93,423	2,500	95,923	-	-	-	-	95,923	-	-	-	-	95,923
Federal pass-through expenses	-	(93,079)	(2,513)	(95,592)	-	-	-	-	(95,592)	-	-	-	-	(95,592)
Transfers	(45,834)	-	-	(45,834)	(6,978)	50	48,454	-	(4,308)	-	4,308	-	-	-
<b>Total nonoperating revenues and expenses</b>	<b>(40,751)</b>	<b>344</b>	<b>(13)</b>	<b>(40,420)</b>	<b>(6,978)</b>	<b>113</b>	<b>71,625</b>	<b>-</b>	<b>24,340</b>	<b>-</b>	<b>4,308</b>	<b>-</b>	<b>-</b>	<b>28,648</b>
<b>Change in Net Position</b>	<b>(21,762)</b>	<b>1,499</b>	<b>(13)</b>	<b>(20,276)</b>	<b>(2,290)</b>	<b>2,338</b>	<b>72,077</b>	<b>-</b>	<b>51,849</b>	<b>150</b>	<b>4,140</b>	<b>-</b>	<b>(130)</b>	<b>56,009</b>
<b>Net Position, Beginning of Period</b>	<b>328,523</b>	<b>2,434</b>	<b>13</b>	<b>330,970</b>	<b>129,349</b>	<b>124,154</b>	<b>61,524</b>	<b>-</b>	<b>645,997</b>	<b>1,964</b>	<b>12,034</b>	<b>3</b>	<b>-</b>	<b>659,998</b>
<b>Net Position, End of Period</b>	<b>\$ 306,761</b>	<b>\$ 3,933</b>	<b>\$ -</b>	<b>\$ 310,694</b>	<b>\$ 127,059</b>	<b>\$ 126,492</b>	<b>\$ 133,601</b>	<b>\$ -</b>	<b>\$ 697,846</b>	<b>\$ 2,114</b>	<b>\$ 16,174</b>	<b>\$ 3</b>	<b>\$ (130)</b>	<b>\$ 716,007</b>

(1) The detail of the Combined Bondholder Trusts is presented on pages 59-60.

Idaho Housing and Finance Association  
 Combined Statement of Net Position – Combined Bondholder Trusts  
 June 30, 2025  
 (in thousands)

	2000	2003	2006	2009	2019	Multi-Family	2010A	2014A	2015A	2017A	2019A	2021A	Transportation	Transportation	Transportation	Combined
	Indenture	Indenture	Indenture	Indenture	Indenture	Bond	Grant and Revenue Anticipation Bond	Grant and Revenue Anticipation Bond	Grant and Revenue Anticipation Bond	Grant and Revenue Anticipation Bond	Grant and Revenue Anticipation Bond	Grant and Revenue Anticipation Bond	Expansion and Congestion Mitigation Bond 2022A	Expansion and Congestion Mitigation Bond 2023A	Expansion and Congestion Mitigation Bond 2024A	Bonds
Statement of Net Position																
Assets and Deferred Outflow of Resources																
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents held in trust or as agent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash held in escrow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments, fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments held in trust, fair value	1,294	20,516	-	-	2,017,590	452	1,959	492	1,999	935	628	866	9,475	101,645	538,977	2,696,828
Loans held for investment, net	7,137	17,893	-	-	39,915	8,000	-	-	-	-	-	-	-	-	-	72,945
Loans available for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan servicing contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans pending modification	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Right of use lease asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	142	238	1	8	634	26	-	-	-	-	-	-	-	-	-	1,049
Tax exempt mortgage securities asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State of Idaho GARVEE and TECM Assets	-	-	-	-	-	-	54,540	39,803	54,020	53,921	132,451	212,142	199,407	294,362	188,550	1,229,196
Deferred outflow---interest rate swap contracts, amortized value	-	344	-	-	28	-	-	-	-	-	-	-	-	-	-	372
Deferred outflow---interest rate swap contracts, fair value	-	(148)	762	-	-	-	-	-	-	-	-	-	-	-	-	614
<b>Total assets and deferred outflow of resources</b>	<b>\$ 8,573</b>	<b>\$ 38,843</b>	<b>\$ 763</b>	<b>\$ 8</b>	<b>\$ 2,058,167</b>	<b>\$ 8,478</b>	<b>\$ 56,499</b>	<b>\$ 40,295</b>	<b>\$ 56,019</b>	<b>\$ 54,856</b>	<b>\$ 133,079</b>	<b>\$ 213,008</b>	<b>\$ 208,882</b>	<b>\$ 396,007</b>	<b>\$ 727,527</b>	<b>\$ 4,001,004</b>
Liabilities, Deferred Inflow of Resources, and Net Position																
Short Term and Other Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds	1,141	25,427	-	-	1,945,136	8,149	56,499	40,295	56,019	54,856	133,079	213,008	208,882	396,007	727,527	3,866,025
Tax exempt mortgage securities liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest payable-swap contract	-	358	-	-	43	-	-	-	-	-	-	-	-	-	-	401
Investor remittance liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Escrow and project reserve deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Swap contract fair value liability	-	164	-	-	(15)	-	-	-	-	-	-	-	-	-	-	149
Derivative Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	24	94	-	-	710	-	-	-	-	-	-	-	-	-	-	828
Net Inv in capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Funds	7,408	12,800	763	8	112,293	329	-	-	-	-	-	-	-	-	-	133,601
Federal Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The Home Partnership Fndn, Inc	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Idaho Comm Invst Holdings,LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities, deferred inflow of resources, and net position</b>	<b>\$ 8,573</b>	<b>\$ 38,843</b>	<b>\$ 763</b>	<b>\$ 8</b>	<b>\$ 2,058,167</b>	<b>\$ 8,478</b>	<b>\$ 56,499</b>	<b>\$ 40,295</b>	<b>\$ 56,019</b>	<b>\$ 54,856</b>	<b>\$ 133,079</b>	<b>\$ 213,008</b>	<b>\$ 208,882</b>	<b>\$ 396,007</b>	<b>\$ 727,527</b>	<b>\$ 4,001,004</b>

Idaho Housing and Finance Association  
 Combined Statement of Revenues, Expenses and Changes in Net Position – Combined Bondholder Trusts  
 June 30, 2025  
 (in thousands)

	2000	2003	2006	2009	2019	Multi-Family	2010A	2014A	2015A	2017A	2019A	2021A	Transportation	Transportation	Transportation	Combined	
	Indenture	Indenture	Indenture	Indenture	Indenture	Bond	Grant and	Grant and	Grant and	Grant and	Grant and	Grant and	Expansion and	Expansion and	Expansion and	Bonds	
							Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Congestion	Congestion	Congestion		
							Anticipation	Anticipation	Anticipation	Anticipation	Anticipation	Anticipation	Mitigation	Mitigation	Mitigation		
							Bond	Bond	Bond	Bond	Bond	Bond	Bond 2022A	Bond 2023A	Bond 2024A		
Statement of Revenues, Expenses and Changes in Net Position																	
Operating Revenues																	
Gains on loan sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on loans and GARVEE pledged revenues	438	1,031	-	-	2,000	271	3,407	1,463	1,676	1,337	4,321	6,194	7,348	8,969	6,039	44,494	
Interest on investments	77	670	-	-	89,065	11	57	22	88	40	30	5	1,658	8,443	16,579	116,745	
Loan servicing fees	-	23	-	-	32	-	-	-	-	-	-	-	-	-	-	55	
Contract and grant administration fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other operating revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total operating revenues</b>	<b>515</b>	<b>1,724</b>	<b>-</b>	<b>-</b>	<b>91,097</b>	<b>282</b>	<b>3,464</b>	<b>1,485</b>	<b>1,764</b>	<b>1,377</b>	<b>4,351</b>	<b>6,199</b>	<b>9,006</b>	<b>17,412</b>	<b>22,618</b>	<b>161,294</b>	
Operating Expenses																	
Loan acquisition costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest	100	1,077	761	-	84,729	238	3,447	1,475	1,750	1,363	4,326	6,157	8,965	17,321	22,532	154,241	
Salaries and benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
General operating	4	3	-	-	6,083	-	17	10	14	14	25	42	41	91	86	6,430	
Bond financing costs	-	-	-	-	171	-	-	-	-	-	-	-	-	-	-	171	
Grants to others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loss on real estate owned properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total operating expenses</b>	<b>104</b>	<b>1,080</b>	<b>761</b>	<b>-</b>	<b>90,983</b>	<b>238</b>	<b>3,464</b>	<b>1,485</b>	<b>1,764</b>	<b>1,377</b>	<b>4,351</b>	<b>6,199</b>	<b>9,006</b>	<b>17,412</b>	<b>22,618</b>	<b>160,842</b>	
<b>Operating Income (Loss)</b>	<b>411</b>	<b>644</b>	<b>(761)</b>	<b>-</b>	<b>114</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>452</b>	
Nonoperating Revenues and Expenses																	
Net increase (decrease) in fair value of investments	(67)	537	-	-	23,405	-	-	-	-	-	-	-	-	-	-	23,875	
Net increase (decrease) in fair value of derivatives	-	(619)	-	-	(85)	-	-	-	-	-	-	-	-	-	-	(704)	
Net increase (decrease) in fair value of servicing contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Federal pass-through revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Federal pass-through expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers	4	15	-	-	48,430	-	-	-	-	-	-	-	-	-	5	48,454	
<b>Total nonoperating revenues and expenses</b>	<b>(63)</b>	<b>(67)</b>	<b>-</b>	<b>-</b>	<b>71,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>71,625</b>	
<b>Change in Net Position</b>	<b>348</b>	<b>577</b>	<b>(761)</b>	<b>-</b>	<b>71,864</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>72,077</b>	
Net Position, Beginning of Period	7,060	12,223	1,524	8	40,429	285	-	-	-	-	-	-	-	-	(5)	61,524	
<b>Net Position, End of Period</b>	<b>\$ 7,408</b>	<b>\$ 12,800</b>	<b>\$ 763</b>	<b>\$ 8</b>	<b>\$ 112,293</b>	<b>\$ 329</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 133,601</b>	

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**APPENDIX G**  
**2026 Series A/B MBS**

CUSIP <sup>(1)</sup>	MBS Designation	Pool # <sup>(1)</sup>	Issue Type <sup>(1)</sup>	Pool Type <sup>(1)</sup>	Security Interest Rate (%) <sup>(1)</sup>	Pool Current Weighted Average Loan Interest Rate (%) <sup>(1)</sup>	Pool Current # of Loans <sup>(1)</sup>	Pool Current Weighted Average Loan Remaining Maturity (Months) <sup>(1)</sup>	Security Issue Date <sup>(1)</sup>	Security Maturity Date <sup>(1)</sup>	Security Original Balance (\$) <sup>(1)</sup>	Security Current Balance (\$) <sup>(1)</sup>	IHFA Current Principal Participation Amount (\$) <sup>(1)</sup>	IHFA Principal Participation % Of Current Balance <sup>(1)</sup>	IHFA Current # of Loans <sup>(1)</sup>	IHFA Current % of Loans <sup>(1)</sup>
3618VQDR2	2026 A/B	DS3712	GNMA II	Custom	5.000%	5.625%	2	359	5/7/2026	4/20/2056	\$558,167	\$558,167	\$558,167	100.00%	2	100.00%
3140UB6D0	2026 A/B	DG8067	FNMA	Custom	5.250%	6.000%	1	358	5/18/2026	4/1/2056	\$281,019	\$281,019	\$281,019	100.00%	1	100.00%
3140UB6E8	2026 A/B	DG8068	FNMA	Custom	5.375%	6.125%	1	358	5/18/2026	4/1/2056	\$397,303	\$397,303	\$397,303	100.00%	1	100.00%
3140UB6F5	2026 A/B	DG8069	FNMA	Custom	5.500%	6.250%	1	359	5/18/2026	5/1/2056	\$349,200	\$349,200	\$349,200	100.00%	1	100.00%
3140UB6G3	2026 A/B	DG8070	FNMA	Custom	5.625%	6.375%	1	359	5/18/2026	5/1/2056	\$541,500	\$541,500	\$541,500	100.00%	1	100.00%
3618VU3U7	2026 A/B	DS8011	GNMA II	Custom	5.000%	5.501%	19	360	5/18/2026	5/20/2056	\$6,379,767	\$6,379,767	\$6,379,767	100.00%	19	100.00%
3618VU3V5	2026 A/B	DS8012	GNMA II	Custom	5.500%	5.778%	3	360	5/18/2026	5/20/2056	\$957,319	\$957,319	\$957,319	100.00%	3	100.00%
3140UB7H0	2026 A/B	DG8095	FNMA	Custom	5.125%	5.875%	1	359	6/5/2026	5/1/2056	\$346,396	\$346,396	\$346,396	100.00%	1	100.00%
3140UB7K3	2026 A/B	DG8097	FNMA	Custom	5.500%	6.250%	4	359	6/5/2026	5/1/2056	\$1,080,568	\$1,080,568	\$1,080,568	100.00%	4	100.00%
3140UB7L1	2026 A/B	DG8098	FNMA	Custom	5.625%	6.375%	1	359	6/5/2026	5/1/2056	\$274,295	\$274,295	\$274,295	100.00%	1	100.00%
3140UB7M9	2026 A/B	DG8099	FNMA	Custom	5.750%	6.500%	1	359	6/5/2026	5/1/2056	\$318,744	\$318,744	\$318,744	100.00%	1	100.00%
3618VU6D2	2026 A/B	DS8068	GNMA II	Custom	5.000%	5.457%	21	359	6/5/2026	6/20/2056	\$6,900,092	\$6,900,092	\$6,900,092	100.00%	21	100.00%
3618VU6E0	2026 A/B	DS8069	GNMA II	Custom	5.500%	5.858%	17	359	6/5/2026	6/20/2056	\$5,767,091	\$5,767,091	\$5,767,091	100.00%	17	100.00%
3618VQDR2	2026 A/B	DS3712	GNMA II	Custom	5.000%	5.625%	2	359	5/7/2026	4/20/2056	\$558,167	\$558,167	\$558,167	100.00%	2	100.00%
<b>Total/Wtd. Avg.</b>					<b>5.211%</b>	<b>5.696%</b>	<b>73</b>	<b>359</b>			<b>\$24,151,461</b>	<b>\$24,151,461</b>	<b>\$24,151,461</b>	<b>100.00%</b>	<b>73</b>	<b>100.00%</b>

<sup>(1)</sup> Source: (1) The Issuer, Ginniemae.gov, and Fanniemae.com. Except as set forth in this table, the information on such websites is not incorporated by reference and is not a part of this Preliminary Official Statement. Information in this table is as of June 8, 2026

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**APPENDIX H  
MODE CHART FOR VARIABLE RATE BONDS**

	<b>DAILY MODE</b>	<b>WEEKLY MODE</b>	<b>MONTHLY MODE</b>	<b>QUARTERLY MODE</b>	<b>SEMIANNUAL MODE</b>	<b>VRO MODE</b>	<b>FLOATING RATE MODE</b>
<b>Interest Payment Date</b>	January 1 and July 1 of each year	January 1 and July 1 of each year	January 1 and July 1 of each year	January 1 and July 1 of each year	January 1 and July 1 of each year	January 1 and July 1 of each year	January 1 and July 1 of each year
<b>Rate Determination Date</b>	Each Business Day by 10:00 a.m.*	First Business Day preceding Effective Rate Date by 6:30 p.m.	First Business Day preceding Effective Rate Date by 6:30 p.m.	First Business Day preceding Effective Rate Date by 6:30 p.m.	First Business Day preceding Effective Rate Date by 6:30 p.m.	First Business Day preceding Effective Rate Date by 6:30 p.m.	First Business Day preceding Effective Rate Date by 6:30 p.m.
<b>Effective Rate Date</b>	Daily	Wednesday following the Rate Determination Date	First day of each calendar month	January 1, April 1, July 1 and October 1 of each year	January 1 and July 1 of each year	Daily	First day of each calendar month
<b>Statement of Effective Rate</b>	Trustee to provide or cause to be provided to Holder monthly statement of Daily Effective Rates for prior month within 7 Business Days of end of each calendar month	Trustee to provide or cause to be provided to Holder monthly statement of Weekly Effective Rates for prior month within 7 Business Days of end of each calendar month	Trustee to provide or cause to be provided to Holder notice of Effective Rate for prior month within 7 Business Days following each Rate Determination Date	Trustee to provide or cause to be provided to Holder notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Holder notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Holder monthly statement of Daily Effective Rates for prior month within 7 Business Days of end of each calendar month	Trustee to provide or cause to be provided to Holder notice of Effective Rate for prior month within 7 Business Days following each Rate Determination Date
<b>Irrevocable Notice of Tender by Holder to Remarketing Agent** and Tender Agent*** and Purchase Date (Within Mode Period)</b>	Notice by Holder to Remarketing Agent and Tender Agent prior to 11:00 a.m. on any Business Day, which shall also be the Tender and Purchase Date	Notice by Holder to Remarketing Agent and Tender Agent not later than 5:00 p.m. on any Business Day at least 7 calendar days prior to the Purchase Date, which shall be any Business Day, and shall be set forth in the Tender Notice	Notice by Holder to Remarketing Agent and Tender Agent not later than 5:00 p.m. on the Business Day 7 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Holder to Remarketing Agent and Tender Agent not later than 5:00 p.m. on the Business Day 13 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Holder to Remarketing Agent and Tender Agent not later than 5:00 p.m. on the Business Day 15 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Holder to Remarketing Agent and Tender Agent not later than 5:00 p.m. on any Business Day at least 7 calendar days prior to the Purchase Date, which shall be any Business Day, and shall be set forth in the Tender Notice	No optional tender
<b>Written Mode Change Notice and Notice of Mandatory Tender</b>	<ul style="list-style-type: none"> <li>● Issuer to give notice to Notice Parties of Mode Change Date 20 days prior to change to Weekly Mode, and 45 days prior to change to Monthly or longer Mode</li> <li>● Trustee to give notice to Holders 15 days prior to change to Weekly Mode and 30 days prior to change to Monthly or longer Mode</li> </ul>	<ul style="list-style-type: none"> <li>● Issuer to give notice to Notice Parties of Mode Change Date 20 days prior to change to Daily Mode, and 45 days prior to change to Monthly or longer Mode</li> <li>● Trustee to give notice to Holders 15 days prior to change to Daily Mode and 30 days prior to change to Monthly or longer Mode</li> </ul>	<ul style="list-style-type: none"> <li>● Issuer to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</li> <li>● Trustee to give notice to Holders 30 days prior to Mode Change Date</li> </ul>	<ul style="list-style-type: none"> <li>● Issuer to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</li> <li>● Trustee to give notice to Holders 30 days prior to Mode Change Date</li> </ul>	<ul style="list-style-type: none"> <li>● Issuer to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</li> <li>● Trustee to give notice to Holders 30 days prior to Mode Change Date</li> </ul>	<ul style="list-style-type: none"> <li>● Issuer to give notice to Notice Parties of Mode Change Date 20 days prior to change to Weekly Mode or Daily Mode, and 45 days prior to change to Monthly or longer Mode</li> <li>● Trustee to give notice to Holders 15 days prior to change to Weekly Mode or Daily Mode and 30 days prior to change to Monthly or longer Mode</li> </ul>	<ul style="list-style-type: none"> <li>● Issuer to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</li> <li>● Trustee to give notice to Holders 30 days prior to Mode Change Date</li> </ul>

\* All times referred to in this Mode Chart for Variable Rate Bonds are New York City time.

\*\* Notice of Tender to Remarketing Agent must be in writing and addressed to RBC Capital Markets, LLC, 200 Vesey Street, 9th Floor, New York, NY 10281, Attention: Craig Laria.

\*\*\* Notice of Tender to Tender Agent must be in writing and addressed to: Zions Bancorporation, National Association, 800 W. Main Street, Suite 700, Boise, ID 83702.

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**APPENDIX I**  
**CERTAIN DEFINITIONS FOR VARIABLE RATE BONDS**

“Affiliate” means any other Person controlling or controlled by, or under common control with, the Issuer or the Bank, as applicable. For purposes of this definition, “control,” when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract or otherwise.

“Alternate Liquidity Facility” means any Liquidity Facility providing liquidity for the 2026 Series B Bonds delivered by the Issuer pursuant to the terms of the 2026 Series A/B Indenture other than the Initial Liquidity Facility, provided, however, that the delivery of any such Alternate Liquidity Facility shall not result in a short-term rating on the 2026 Series B Bonds which is lower than the then existing short-term rating on such Bonds by each Rating Agency then rating such Bonds.

“Available Commitment” has the meaning set forth in the Liquidity Facility.

“Bank” means Royal Bank of Canada, acting through its branch currently located at 200 Vesey Street, New York, New York, 10281, the obligor under each Initial Liquidity Facility, and its successors and assigns, or, with respect to an Alternate Liquidity Facility, the obligor thereunder, as described herein.

“Bank Bonds” means 2026 Series B Bonds purchased with funds provided by a Bank pursuant to a Related Liquidity Facility.

“Bank Rate” means the rate of interest on any Bank Bond as determined and calculated in accordance with the provisions of a Related Liquidity Facility.

“Bondholder” or “Holder” means, for purposes of this Official Statement, any Holder (as defined under the Indenture) of offered Bonds, except that (i) where the context so requires, such terms shall mean Holders of Bonds under the Indenture, and (ii) except under “Legality and Tax Status” herein, so long as the offered Bonds are immobilized in the custody of DTC, such terms shall mean, for purposes of giving notice to such Bondholders or Holders, DTC or its nominee. (See “DTC AND BOOK-ENTRY” herein.)

“Conversion Date” means the Business Day on which the interest rate on any of the Variable Rate Bonds is Converted to a Fixed Interest Rate.

“Convert,” “Converted,” or “Conversion,” as appropriate, means the conversion of the interest rate on the Variable Rate Bonds to a Fixed Interest Rate as herein described.

“Covered Rate” means the Weekly Rate, Monthly Rate, Quarterly Rate and Semiannual Rate. For purposes of the Initial Liquidity Facility, the “Covered Rate” means the Weekly Rate.

“Debt” means with respect to any Person, all items that would be classified as a liability in accordance with generally accepted accounting principles, including, without limitation, (a) indebtedness or liability for borrowed money, or for the deferred purchase price of property or services (including trade obligations); (b) obligations as lessee under leases which should have been, or should be, recorded as capital leases in accordance with generally accepted accounting principles; (c) current liabilities in respect of unfunded benefits under employee benefit, retirement or pension plans; (d) obligations issued for the account of any other Person; (e) all obligations arising under acceptance facilities; (f) all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any other Person or otherwise to assure a creditor against loss; (g) obligations secured by any mortgage, lien, pledge, security interest or other charge or encumbrance on property, whether or not the obligations have been assumed; (h) obligations under Bank Agreements; and (i) obligation under Derivative Agreements.

“Derivative Agreement” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity

or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc. or any International Foreign Exchange Master Agreement, including any such obligations or liabilities thereunder.

“Effective Rate” means the rate of interest, which rate shall be less than or equal to the Maximum Rate, payable on the 2026 Series B Bonds prior to each Conversion, as determined for each Effective Rate Period pursuant to the 2026 Series A/B Indenture.

“Effective Rate Date” means each date on which any of the 2026 Series B Bonds begin to bear interest at the applicable Effective Rate.

“Effective Rate Period” means the period during which interest accrues under a particular Mode from one Effective Rate Date to and including the day preceding the next Effective Rate Date.

“Eligible Bonds” means any 2026 Series B Bonds Outstanding under and entitled to the benefits of the Indenture which bear interest at a Covered Rate and that are eligible to be tendered or deemed tendered for purchase pursuant to the Indenture other than any such 2026 Series B Bond which (a) is a Bank Bond or (b) is owned by or on behalf of or is held for the account or for the benefit of the Issuer or any Affiliate of the Issuer.

“Event of Insolvency” means, with respect to any Person, the occurrence of one or more of the following events:

(a) the Person shall (i) commence a voluntary case or other proceeding seeking liquidation, reorganization, arrangement, adjustment, winding-up, dissolution, composition or other similar relief with respect to itself or its indebtedness under any bankruptcy, insolvency, reorganization or other similar law for the relief of debtors now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or a substantial part of its property, (ii) consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, (iii) make a general assignment for the benefit of creditors, (iv) fail generally to pay or admit in writing its inability to pay its indebtedness as it becomes due, or (v) take (through an authorized officer or representative) any official action to authorize any of the foregoing; or

(b) any of the following shall occur with respect to such Person: (i) an involuntary case or other proceeding shall be commenced against such Person seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and either (A) such Person shall consent in writing to such action or (B) such case shall not be dismissed within sixty (60) days, (ii) an order for relief shall be entered against such Person under the federal bankruptcy laws as now or hereafter in effect or pursuant to any other State or federal laws concerning insolvency or of similar purpose, (iii) a final and non-appealable debt moratorium, debt adjustment, debt restructuring or comparable extraordinary restriction with respect to the payment of principal or interest on the indebtedness of such Person shall be declared or imposed pursuant to a finding or ruling by such Person, the United States of America, the State, any instrumentality thereof or any other Governmental Authority of competent jurisdiction over such Person, or (iv) the issuance, under the laws of any state or under the laws of the United States of America, of an order of rehabilitation, liquidation or dissolution of such Person.

“Fixed Interest Rate” means a long-term interest rate fixed to maturity of a 2026 Series B Bond, established in accordance with the 2026 Series A/B Indenture.

“Immediate Termination Event” means, with respect to the 2026 Series B Bonds, an event of default as described in the Initial Liquidity Facility or any Alternate Liquidity Facility that causes immediate termination of a Liquidity Facility without requirement of notice or demand.

“Initial Liquidity Facility” means the Related Standby Bond Purchase Agreement, by and among the Issuer, the Trustee, the Bank and the Tender Agent, and dated as of the date set forth in the 2026 Series A/B Indenture, as such may be supplemented, amended or extended.

“Liquidity Expiration Event” means either (i) the Issuer or the Liquidity Provider has determined to terminate (other than in connection with an Immediate Termination Event or in connection with the delivery of an Alternate Liquidity Facility) a Liquidity Facility in accordance with its terms, or (ii) the Trustee has not received notice from the Bank or, in the case of the replacement of the Liquidity Facility, the Issuer, on or prior to forty-five (45) days prior to the scheduled expiration of a Liquidity Facility that such Liquidity Facility will be extended, renewed or replaced.

“Liquidity Facility” means, for purposes of the 2026 Series B Bonds, any Liquidity Facility delivered pursuant to the 2026 Series A/B Indenture by the Issuer, including each Initial Liquidity Facility and any Alternate Liquidity Facility.

“Mandatory Tender Date” means each date on which 2026 Series B Bonds are subject to mandatory tender pursuant to the 2026 Series A/B Indenture. (See “APPENDIX H – MODE CHART FOR VARIABLE RATE BONDS”).

“Material Debt” has the meaning set forth in the Liquidity Facility.

“Maximum Lawful Rate” means the maximum rate of interest on the relevant obligation permitted by applicable law without regard to any filing made by a lender with respect to notice of rates in excess of any statutory or regulatory threshold interest rate.

“Maximum Rate” means, with respect to the 2026 Series B Bonds, 12.00% per annum or with respect to the 2026 Series B Bank Bonds, the maximum interest rate set forth in an Initial 2026 Series B Liquidity Facility or an Alternate 2026 Series B Liquidity Facility.

“Mode” means the manner in which the interest rate on any of the 2026 Series B Bonds is determined on each Rate Determination Date, consisting of a Daily Rate, Weekly Rate, Monthly Rate, Quarterly Rate, Semiannual Rate, VRO Rate or Floating Rate.

“Mode Change” means a change in Mode Period.

“Mode Period” means each period beginning on the first Effective Rate Date for the 2026 Series B Bonds, or the first Effective Rate Date following a change from one Mode to another, and ending on the date immediately preceding the first Effective Rate Date following the next such change in Mode. (See “APPENDIX H – MODE CHART FOR VARIABLE RATE BONDS.”)

“Notice Parties” means the Issuer, the Remarketing Agent, the Tender Agent, the Bank and the Trustee.

“Purchase Date” means a Business Day during the Purchase Period on which Eligible Bonds are tendered for purchase pursuant to the Indenture.

“Purchase Price” means an amount equal to 100% of the unpaid principal amount of any Tendered Bond, plus accrued and unpaid interest thereon from and including the Interest Payment Date next preceding the Purchase Date thereof, in each case, without premium to the Purchase Date; provided, however, that if the Purchase Date is an Interest Payment Date, then the Purchase Price shall not include accrued and unpaid interest; and provided further that neither (a) the aggregate amount of the Purchase Price constituting the Interest Component nor (b) the aggregate amount of the Purchase Price constituting the Principal Component shall exceed the respective amount specified in the Liquidity Facility.

“Rate Determination Date” means the date on which the Effective Rate for the Effective Rate Period following each such Rate Determination Date is determined, as described in “APPENDIX H – MODE CHART FOR VARIABLE RATE BONDS” and herein.

“Remarketing Agent” means RBC Capital Markets, LLC and its successors and assigns, unless another remarketing agent shall be duly appointed in accordance with the 2026 Series A/B Indenture.

“SIFMA Index” means the rate determined on the basis of an index based upon the weekly interest rate resets of tax-exempt variable issues included in a database maintained by Municipal Market Data which meet specific criteria established by the Securities Industry and Financial Markets Association, formerly known as The Bond Market Association.

“SOFR” means the daily Secured Overnight Financing Rate published by the Federal Reserve Bank of New York on its website at approximately 8:00 a.m. New York time on each Business Day. If the Secured Overnight Financing Rate is no longer published, the rate will be determined by such alternate method as selected by the Remarketing Agent and is then currently being used by the municipal finance industry as a substitute for the Secured Overnight Financing Rate.

“Suspension Event” means, with respect to the 2026 Series B Bonds, an event of default as described in the Initial Liquidity Facility or any Alternate Liquidity Facility that causes immediate suspension of a Liquidity Facility without requirement of notice or demand.

“Tender Agent” means Zions Bancorporation, National Association, and its successors and assigns.

“Tendered Bonds” means any Eligible Bonds that are tendered or deemed tendered to the Bank for purchase pursuant to the Indenture other than any such Eligible Bond which (a) is a Bank Bond or (b) is owned by or on behalf of or is held for the account or for the benefit of the Issuer or any Affiliate of the Issuer.

“Variable Rate Bonds” means the 2026 Series B Bonds during a Daily Mode Period, a Monthly Mode Period, a Quarterly Mode Period, a Semiannual Mode Period, a Weekly Mode Period, a VRO Mode Period, or a Floating Rate Mode Period.

## APPENDIX J

### CERTAIN TERMS OF THE INITIAL 2026 SERIES B LIQUIDITY FACILITY

The Standby Bond Purchase Agreement (the “Initial 2026 Series B Liquidity Facility”) by and among Idaho Housing and Finance Association (the “Issuer”), Zions Bancorporation, National Association, as trustee and tender agent (the “Trustee”) and Royal Bank of Canada, acting through its branch currently located at 200 Vesey Street, New York, New York, 10281 (the “Bank”) relating to \$30,000,000\* Idaho Housing and Finance Association Single Family Mortgage Bonds, 2026 Series B (Variable Rate) (Federally Taxable) (the “2026 Series B Bonds”) provides liquidity support only for the 2026 Series B Bonds.

This Appendix contains a brief summary of certain provisions of the Initial 2026 Series B Liquidity Facility and does not purport to be comprehensive or definitive and is subject to all the terms and provisions of the Initial 2026 Series B Liquidity Facility to which reference is made hereby. Investors are urged to obtain and review a copy of the Initial 2026 Series B Liquidity Facility in order to understand all of the terms of that document. A copy of the Initial 2026 Series B Liquidity Facility may be obtained from the Issuer. Capitalized terms used in this Appendix and not otherwise defined in this Appendix have the meanings given said terms in the Initial 2026 Series B Liquidity Facility.

The Initial 2026 Series B Liquidity Facility may be amended at any time without the consent of or notice to the owners of the 2026 Series B Bonds. Any Substitute Liquidity Facility may have terms substantially different from those of the Initial 2026 Series B Liquidity Facility.

*For information regarding the Bank, see Appendix K to this Official Statement.*

Pursuant to the Initial 2026 Series B Liquidity Facility, the Bank agrees, subject to the terms and conditions therein, to purchase Eligible Bonds that are not remarketed by the Remarketing Agent.

THE INITIAL 2026 SERIES B LIQUIDITY FACILITY PROVIDES FUNDS ONLY FOR PAYMENT OF THE PURCHASE PRICE OF THE ELIGIBLE BONDS, DOES NOT SECURE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2026 SERIES B BONDS AND MAY BE TERMINATED OR SUSPENDED AS DESCRIBED BELOW.

#### **Defined Terms**

“Act” means Idaho Code, Title 67, Chapter 62, as amended or supplemented from time to time.

“Authorized Denominations” means denominations of \$100,000 or integral multiples of \$5,000 in excess of \$100,000.

“Available Commitment” as of any day means the sum of the Available Principal Commitment and the Available Interest Commitment, in each case as of such day.

“Available Interest Commitment” means an amount equal to one hundred eighty-seven (187) days’ interest on the 2026 Series B Bonds, computed as if the 2026 Series B Bonds bore interest at the rate of twelve percent (12%) per annum and on the basis of a 365-day year. The Available Interest Commitment may be adjusted from time to time as follows:

(a) downward by an amount that bears the same proportion to the Available Interest Commitment prior to such reduction as the amount of the related reduction in the Available Principal Commitment pursuant to the definition of “Available Principal Commitment” bears to the Available Principal Commitment prior to such reduction; and

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\* Preliminary; subject to change.

(b) upward by an amount that bears the same proportion to the Available Interest Commitment prior to such increase as the amount of the related increase in the Available Principal Commitment pursuant to clause (c) of the definition of “Available Principal Commitment” bears to the Available Principal Commitment prior to such increase;

provided that after giving effect to such adjustment the Available Interest Commitment shall never exceed the amount listed in the definition of “Available Interest Commitment” in the Initial 2026 Series B Liquidity Facility. Any adjustment to the Available Interest Commitment pursuant to clause (a) or (b) above shall occur simultaneously with the event requiring such adjustment.

“Available Principal Commitment” means, initially, the aggregate principal amount of the 2026 Series B Bonds Outstanding (as detailed on the cover page hereof) and thereafter means such initial amount adjusted from time to time as follows:

(a) downward by the amount of any mandatory reduction of the Available Principal Commitment pursuant to the Initial 2026 Series B Liquidity Facility;

(b) downward by the principal amount of any 2026 Series B Bonds purchased by the Bank pursuant to the Initial 2026 Series B Liquidity Facility; and

(c) upward by the principal amount of any 2026 Series B Bonds previously purchased by the Bank pursuant to the Initial 2026 Series B Liquidity Facility that a Bank Bondholder elects to retain pursuant to the Initial 2026 Series B Liquidity Facility or that are sold or deemed sold by a Bank Bondholder pursuant to the Initial 2026 Series B Liquidity Facility (regardless of the Purchase Price received for such 2026 Series B Bonds).

Any adjustment to the Available Principal Commitment as described in clauses (a), (b) or (c) above shall occur simultaneously with the occurrence of the events described in such clauses.

“Bank Agreement” means any contract or agreement (or any amendment, supplement or modification thereto) under which, directly or indirectly, any person undertakes to purchase any Material Debt of the Issuer or to make, loan or provide funds, liquidity or credit enhancement to the Issuer with respect to any such Material Debt, or under which, directly or indirectly, the obligation of the Issuer to reimburse such person is secured on parity with Material Debt.

“Bank Bond” means any 2026 Series B Bond purchased by the Bank pursuant to the Initial 2026 Series B Liquidity Facility and held by or for the account of a Bank Bondholder in accordance with the terms of the Initial 2026 Series B Liquidity Facility, until purchased from the Bank Bondholder or retained by the Bank Bondholder or redeemed in accordance with the Initial 2026 Series B Liquidity Facility or otherwise.

“Bank Bondholder” means the Bank (but only in its capacity as owner (which as used herein shall mean the beneficial owner if at the relevant time Bank Bonds are held in book entry form) of Bank Bonds pursuant to the Initial 2026 Series B Liquidity Facility) and any other person to which a Bank Bondholder has sold Bank Bonds pursuant to the Initial 2026 Series B Liquidity Facility.

“Bank Rate” has the meaning assigned to such term in the Initial 2026 Series B Liquidity Facility.

“Business Day” has the meaning assigned to such term in the Series Indenture.

“Closing Date” means the date on which the 2026 Series B Bonds are issued.

“Covered Rate” means the Weekly Rate (as defined in the Series Indenture).

“Debt” has the meaning assigned to such term in the Initial 2026 Series B Liquidity Facility.

“Defaulted Interest” means accrued interest on the 2026 Series B Bonds which was not paid when due under the terms of the Indenture and any amounts accruing on amounts owed on the 2026 Series B Bonds by reason of such amounts being not paid when due.

“Effective Date” has the meaning assigned to such term in the Initial 2026 Series B Liquidity Facility.

“Eligible Bonds” means any 2026 Series B Bonds Outstanding under and entitled to the benefits of the Indenture that bear interest at the Covered Rate and that are tendered or deemed tendered for purchase pursuant to the Series Indenture other than any such 2026 Series B Bond which (a) is a Bank Bond or (b) is owned by or on behalf of or is held for the account or for the benefit of the Issuer or any affiliate of the Issuer.

“EMMA” means the Electronic Municipal Market Access system maintained by the Municipal Securities Rule Making Board (“MSRB”), or such other service or services of the MSRB, or any successor to the MSRB, that may replace EMMA.

“EMMA Amendment” means any amendment to or addition of any (a)(i) Immediate Termination Event, (ii) Immediate Suspension Event or (iii) condition precedent to the purchase of 2026 Series B Bonds by the Bank pursuant to the Initial 2026 Series B Liquidity Facility or (b) any amendment to this Agreement to include additional circumstances that permit the termination of the Available Commitment or the Purchase Period in less than thirty (30) days after the Trustee’s receipt of a Notice of Termination Date from the Bank .

“Expiration Date” means the fifth anniversary of the Closing Date, as such date may be extended from time to time by the Bank pursuant to the terms of the Initial 2026 Series B Liquidity Facility.

“Fee Letter” means the Fee Letter dated the Closing Date, between the Issuer and the Bank relating to the 2026 Series B Bonds.

“Fitch” means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors or assigns.

“General Indenture” means the General Indenture of Trust dated as of July 1, 2019, between the Issuer and the Trustee, as the same may be amended, modified or supplemented from time to time.

“Governmental Authority” means any national, state or local government (whether domestic or foreign), any political subdivision thereof, any other governmental, quasi governmental, judicial, public or statutory instrumentality, authority, body, tribunal, court, agency, bureau or entity (including any zoning authority, the Federal Deposit Insurance Corporation, the Federal Reserve Board, any central bank and any comparable authority), or any arbitrator with authority to bind a party at law; including, without limitations, the European Union, the United Nations and the Organization for Economic Co-operation and Development.

“Indenture” means, collectively, the General Indenture and the Series Indenture.

“Interest Component” has the meaning assigned to such term in the Initial 2026 Series B Liquidity Facility.

“Interest Payment Date” has the meaning assigned to such term in the Series Indenture.

“Interest Rate Protection Agreement” means an interest rate swap, cap or collar agreement or similar arrangement between any Person and a financial institution providing for the transfer or mitigation of interest rate risks either generally or under specific contingencies and shall include all Interest Rate Contracts.

“Material Debt” means (a) the 2026 Series B Bonds and (b) any other obligation which is secured by a lien on the Trust Estate on a parity with or senior to the lien which secures the 2026 Series B Bonds.

“Maximum Rate” means the lower of (a) 25% per annum and (b) the maximum rate of interest on the relevant obligation permitted by applicable law without regard to any filing made by a lender with respect to notice of rates in excess of any statutory or regulatory threshold interest rate.

“Moody’s” means Moody’s Investors Service, Inc. or any successor thereto.

“Most Favored Nations Provision” means a specific provision, commonly referred to as a “most favored nations provision” in a Bank Agreement that provides to a credit or liquidity provider or lender under such Bank Agreement, the benefit of more restrictive covenants, more restrictive events of default and/or greater rights and remedies if such provisions are provided to any other credit or liquidity provider or lender in any other Bank Agreement.

“Notice of Bank Purchase” has the meaning assigned to such term in the Initial 2026 Series B Liquidity Facility.

“Notice of Termination Date” has the meaning assigned to such term in the Initial 2026 Series B Liquidity Facility.

“Outstanding” has the meaning assigned to such term in the General Indenture.

“Purchase Date” means any Business Day during the Purchase Period on which the Bank is required to purchase Eligible Bonds pursuant to the Initial 2026 Series B Liquidity Facility.

“Purchase Period” means the period from the Effective Date to and including the close of business on the earliest of (a) the Expiration Date (as such date may be extended from time to time by the Bank under the Initial 2026 Series B Liquidity Facility), (b) the day immediately succeeding the date on which no 2026 Series B Bonds are Outstanding, and (c) the date on which the Available Commitment and the Bank’s obligation to purchase Eligible Bonds has been terminated in their entireties pursuant to the Initial 2026 Series B Liquidity Facility.

“Purchase Price” means, with respect to any Eligible Bond as of any date, 100% of the principal amount of such Eligible Bond plus accrued and unpaid interest thereon to the Purchase Date but in no event to exceed the Available Commitment; provided, however, that if the Purchase Date for any Eligible Bond is also an Interest Payment Date for such Eligible Bond, the Purchase Price for such Eligible Bond shall not include accrued but unpaid interest on such Eligible Bond; and provided, further, that in no event shall the Purchase Price of any Eligible Bond include Defaulted Interest accrued on such Eligible Bond or any premium owed with respect to such Eligible Bond.

“Purchaser” has the meaning assigned to such term in the Initial 2026 Series B Liquidity Facility.

“Related Documents” has the meaning assigned to such term in the Initial 2026 Series B Liquidity Facility.

“Remarketing Agent” has the meaning assigned to such term in the Initial 2026 Series B Liquidity Facility.

“Sale Date” has the meaning assigned to such term in the Initial 2026 Series B Liquidity Facility.

“S&P” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, or any successor thereto.

“Series Indenture” has the meaning assigned to such term in the Initial 2026 Series B Liquidity Facility.

“State” means the State of Idaho.

“Substitute Liquidity Facility” means a replacement standby bond purchase agreement or other liquidity facility which is delivered to the Trustee pursuant to the Series Indenture in replacement of the Initial 2026 Series B Liquidity Facility.

“Tender Agent” means Zions Bancorporation, National Association, in its capacity as tender agent under the Indenture, and any permitted successors as tender agent under the Indenture.

“Trust Estate” has the meaning assigned to such term in the Initial 2026 Series B Liquidity Facility.

### **Most Favored Provisions Covenant**

The Issuer shall not enter into or otherwise consent to any Bank Agreement which such Bank Agreement includes a Most Favored Nations Provision; provided, however, if the Issuer does enter into or otherwise consent to any Bank Agreement containing a Most Favored Nations Provision, the benefit of such Most Favored Nations Provision shall automatically extend to the Bank.

### **Events of Default not Permitting Immediate Termination**

The occurrence of any of the following events shall constitute an “Event of Default” under the Initial 2026 Series B Liquidity Facility.

(a) Payments. The Issuer shall fail to pay (i) when due certain amounts owed by the Issuer to the Bank pursuant to the Initial 2026 Series B Liquidity Facility or any other General Obligations (as defined in the General Indenture) of the Issuer (other than as specified under the caption “Events of Default Permitting Immediate Suspension or Termination” below); or (ii) within five (5) Business Days after the same shall become due any amount owed to the Bank pursuant to certain other provisions of the Initial 2026 Series B Liquidity Facility (other than as specified under the caption “Events of Default Permitting Immediate Suspension or Termination” below) or the Fee Letter.

(b) Representations. Any representation or warranty made by or on behalf of the Issuer in the Initial 2026 Series B Liquidity Facility or in any other Related Document or in any certificate or statement delivered thereunder shall prove to have been incorrect or untrue in any material respect when made or deemed to have been made.

(c) Covenants. The Issuer shall fail to observe or perform certain covenants in the Initial 2026 Series B Liquidity Facility.

(d) Other Covenants. The Issuer shall fail to perform or observe any term, covenant or agreement (other than ones described in any other paragraph under this caption) contained in the Initial 2026 Series B Liquidity Facility or any other Related Document on its part to be performed or observed which failure continues for 30 days or more.

(e) Other Documents. Any event of default under any of the other Related Documents shall occur.

(f) Downgrade. The rating assigned to the 2026 Series B Bonds or to any other Material Debt (without regard to third party credit enhancement) by Moody’s, S&P or Fitch shall be withdrawn or suspended or fall below “A3” by Moody’s, or “A-” by S&P or “A-” by Fitch, as applicable.

(g) Cross Acceleration. Any act or omission by the Issuer shall occur under any mortgage, agreement or other instrument under or pursuant to which any Material Debt is incurred or issued which results in such Material Debt becoming, or being capable of becoming, immediately due and payable.

(h) Cross Default. The Issuer shall default under any mortgage, agreement or other instrument under or pursuant to which any Material Debt is incurred or issued, and such default shall continue beyond the period of grace, if any, allowed with respect thereto.

(i) Invalidity or Contest of Validity. Other than as described under the below caption “Events of Default Permitting Immediate Suspension or Termination,” (i) the Initial 2026 Series B Liquidity Facility,

any other Related Document or any provision thereof shall at any time for any reason cease to be valid and binding on the Issuer or shall be declared in a final, non-appealable judgment by any court of competent jurisdiction to be null and void, invalid or unenforceable or (ii) the Issuer, the State or any other Governmental Authority with appropriate jurisdiction shall contest the validity or enforceability of the Issuer's obligations under the Initial 2026 Series B Liquidity Facility or under the other Related Documents or deny that the Issuer has any further liability or obligation under the Initial 2026 Series B Liquidity Facility or under the other Related Documents.

(j) Default. The Issuer shall default in the payment of any regularly scheduled amount due in respect of any Interest Rate Protection Agreement with the Bank or in the payment due in respect of any principal of or interest on any Debt owed to the Bank.

(k) Cross Default to Certain Debt. The Issuer shall default in the payment of any amount due in respect of any Debt in an aggregate amount in excess of Five Million Dollars (\$5,000,000), as and when the same shall become due, or default under any mortgage, agreement or other instrument pursuant to which such Debt is incurred or issued, and continuance of such default beyond the period of grace, if any, allowed with respect thereto, or the occurrence of any act or omission by the Issuer under any such mortgage, agreement or other instrument which results in such Debt becoming, or being capable of becoming immediately due and payable (or, with respect to any Interest Rate Protection Agreement, which results in such Interest Rate Protection Agreement being terminated early or being capable of being terminated early).

#### **Events of Default Permitting Immediate Suspension or Termination**

The occurrence of any of the following events shall constitute an "Event of Default" under the Initial 2026 Series B Liquidity Facility.

- (a) Event of Insolvency. Any of the following shall have occurred with respect to the Issuer:
- i. the issuance, under the laws of any state or under the laws of the United States of America, of an order for relief, rehabilitation, liquidation or dissolution of the Issuer;
  - ii. the commencement by or against the Issuer of a case or other proceeding seeking an order for relief, liquidation, reorganization or other relief with respect to the Issuer or its debts under any bankruptcy, insolvency, reorganization or other similar state or federal law now or hereafter in effect, including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for the Issuer or any substantial part of its property or the appointment, or the designation with respect to it, of an entity such as an organization, board, commission, authority, agency or body to monitor, review, oversee, recommend or declare a financial emergency or similar state of financial distress with respect to it or the declaration of, or the introduction or proposal for consideration by it or by any legislative or regulatory body with competent jurisdiction over it of, the existence of a state of financial emergency or similar state of financial distress in respect of it;
  - iii. the making of an assignment for the benefit of creditors by the Issuer;
  - iv. the Issuer is "insolvent" as defined in Section 101(32) of the United States Bankruptcy Code;
  - v. the declaration of a moratorium with respect to the payment of the debts of the Issuer which means that a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction is declared by, or imposed on, Material Debt as a result of a finding or ruling of a Governmental Authority with jurisdiction over the Issuer;
  - vi. the admission by the Issuer in writing of its inability to pay its debts when due; or

vii. the initiation of any actions to authorize any of the foregoing by or on behalf of the Issuer.

(b) Payment Default. Any principal or interest due with respect to the 2026 Series B Bonds (including regularly scheduled payments of principal and interest on Bank Bonds) is not paid when due or the Issuer fails to make or otherwise defaults in any payment of regularly scheduled principal of or interest on any other Material Debt beyond any grace period provided with respect thereto.

(c) Invalidity. (i) The Act, the 2026 Series B Bonds (including Bank Bonds), the Initial 2026 Series B Liquidity Facility, the Indenture, any Material Debt, or any material provision thereof relating to the payment of principal of or interest on the 2026 Series B Bonds or other Material Debt, shall at any time for any reason cease to be valid and binding on the Issuer or shall be declared in a final, non-appealable judgment by any court of competent jurisdiction to be null and void, invalid or unenforceable; (ii) the pledge of and lien on the Trust Estate shall at any time for any reason cease to be valid and binding on the Issuer or shall be declared in a final, non-appealable judgment by any court of competent jurisdiction to be null and void, invalid or unenforceable; or (iii) any Governmental Authority with jurisdiction to rule on the validity of the Initial 2026 Series B Liquidity Facility, the Act, the 2026 Series B Bonds (including Bank Bonds), the Indenture or any Material Debt shall find or rule that any of the Act, the Initial 2026 Series B Liquidity Facility, the 2026 Series B Bonds (including Bank Bonds), the Indenture or any Material Debt, as the case may be, or any provision thereof relating to (A) the payment of principal of or interest on the 2026 Series B Bonds (including Bank Bonds) or any Material Debt or (B) the pledge of and lien on the Trust Estate is not valid or not binding on the Issuer or is null and void.

(d) Contest of Validity. The Issuer or any Governmental Authority with appropriate jurisdiction (i) shall repudiate or deny that the Issuer has any further liability or obligation under the Initial 2026 Series B Liquidity Facility, the 2026 Series B Bonds (including Bank Bonds), the Act, the Indenture or any Material Debt or (ii) shall claim that any of the provisions that provide (A) for the payment of principal of or interest on the 2026 Series B Bonds (including Bank Bonds) or any Material Debt or (B) for the pledge of and lien on the Trust Estate, in the Indenture, the 2026 Series B Bonds (including Bank Bonds) or the Initial 2026 Series B Liquidity Facility, is not valid or not binding on the Issuer; or (iii) shall initiate any legal proceedings to seek an adjudication that any of the provisions that provide (A) for the payment of principal of or interest on the 2026 Series B Bonds (including Bank Bonds) or any Material Debt or (B) for the pledge of and lien on the Trust Estate, in the Indenture, the 2026 Series B Bonds (including Bank Bonds) or the Initial 2026 Series B Liquidity Facility is not valid or not binding on the Issuer; (iv) shall have taken or permitted to be taken any official action, or shall have duly enacted any statute, which would materially adversely affect the enforceability of any of the provisions that provide (A) for the payment of principal of or interest on the 2026 Series B Bonds (including Bank Bonds) or any Material Debt or (B) for the pledge of and lien on the Trust Estate, in the Indenture, the 2026 Series B Bonds (including Bank Bonds) or the Initial 2026 Series B Liquidity Facility.

(e) Investment Grade Rating. The unenhanced rating of the 2026 Series B Bonds or any other Material Debt shall be withdrawn or suspended for credit-related reasons or reduced below “Baa3” by Moody’s, or “BBB-” by S&P or “BBB-” by Fitch, as applicable.

(f) Judgment. (i) One or more final, non-appealable judgments or orders in an amount in excess of \$5,000,000 in the aggregate shall be rendered against the Issuer and (ii) such judgments or orders shall not have been paid in accordance with the terms of such judgments or orders or discharged, vacated, satisfied or stayed within 60 days after entry thereof, or if, after the expiration of any such stay, such judgments or orders shall not have been paid in accordance with the terms of such judgments or orders or discharged.

## Remedies

(a) Immediate Termination. Upon the occurrence of any Event of Default described in (a), (b), (c)(i), (c)(ii), (d), (e) or (f) under the caption “Events of Default Permitting Immediate Suspension or Termination” (each an “Immediate Termination Event”), the Available Commitment, the Purchase Period and the obligation of the Bank to purchase Eligible Bonds shall immediately terminate without notice or demand, and thereafter the Bank shall be under no obligation to purchase Eligible Bonds under the Initial

2026 Series B Liquidity Facility. Upon an Immediate Termination Event, the Bank shall promptly give written notice of the same to the Issuer, the Trustee, the Tender Agent and the Remarketing Agent; provided that the Bank shall incur no liability of any kind by reason of its failure to give such notice, and such failure shall in no way affect the termination of the Available Commitment, the Purchase Period and the Bank's obligation to purchase Eligible Bonds pursuant to the Initial 2026 Series B Liquidity Facility.

(b) Termination with Notice. Upon the occurrence of any Event of Default described under the caption "Events of Default not Permitting Immediate Termination," the Bank may terminate the Available Commitment and the Purchase Period by giving a Notice of Termination Date to the Issuer, the Tender Agent, the Trustee and the Remarketing Agent, specifying the date on which the Available Commitment and Purchase Period shall terminate, which date shall be not less than thirty (30) days after the date of receipt of such Notice of Termination Date by the Trustee. On and after the date specified in a Notice of Termination Date, the Available Commitment and the Purchase Period shall terminate and the Bank shall be under no further obligation to purchase Eligible Bonds under the Initial 2026 Series B Liquidity Facility.

(c) Suspension Events. In the case of an Event of Default specified in clause (c)(iii) under the caption "Events of Default Permitting Immediate Suspension or Termination" (following the entry of a judgment subject to further proceedings and prior to the entry of a final, non-appealable judgment) (an "Immediate Suspension Event"), the Bank's obligation to purchase Eligible Bonds shall be immediately suspended without notice or demand and thereafter the Bank shall be under no obligation to purchase Eligible Bonds until such obligation is reinstated pursuant to the Initial 2026 Series B Liquidity Facility. Promptly upon the Bank obtaining knowledge of any such Immediate Suspension Event, the Bank shall give written notice to the Issuer, the Tender Agent, the Trustee and the Remarketing Agent of such suspension; provided that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the suspension of the Bank's obligation to purchase Eligible Bonds. If a court with jurisdiction to rule on the validity of the provisions described in such clause (c)(iii) shall enter a final, non-appealable judgment that any such provision is not valid and binding on the Issuer, then the Purchase Period, the Available Commitment and the Bank's obligation to purchase Eligible Bonds shall immediately terminate. If a court with jurisdiction to rule on the validity of the provisions described in such clause (c)(iii) shall thereafter find or rule that such provisions are valid and binding on the Issuer, the Bank's obligation to purchase Eligible Bonds under the Initial 2026 Series B Liquidity Facility shall be automatically reinstated and the terms of the Initial 2026 Series B Liquidity Facility will continue in full force and effect (unless the obligation of the Bank to purchase Eligible Bonds under the Initial 2026 Series B Liquidity Facility shall otherwise have terminated or been suspended as provided in the Initial 2026 Series B Liquidity Facility). Notwithstanding the foregoing, if, upon the earlier of the expiration of the Purchase Period and the date which is two (2) years after the effective date of suspension of the Bank's obligation pursuant to the provision described in this paragraph (c), litigation is still pending and a judgment regarding the validity of the provisions described in such clause (c)(iii) that are the cause of such Immediate Suspension Event has not been obtained, then the Available Commitment, the Purchase Period and the obligation of the Bank to purchase Eligible Bonds shall at such time immediately terminate and thereafter the Bank shall be under no obligation to purchase Eligible Bonds under the Initial 2026 Series B Liquidity Facility.

(d) Other Remedies. In addition to the rights and remedies described in clauses (a), (b) and (c) under this caption "Remedies," upon the occurrence of any Event of Default specified in the Initial 2026 Series B Liquidity Facility, upon the election of the Bank: (i) all amounts payable under the Initial 2026 Series B Liquidity Facility, under the Fee Letter and under the Bank Bonds shall, upon demand by the Bank given to the Issuer and the Trustee, become immediately due and payable without other presentment, demand, protest or further notice of any kind, all of which are expressly waived by the Issuer in the Initial 2026 Series B Liquidity Facility; and (ii) all Bank Bonds shall, upon demand by the Bank made to the Issuer and the Trustee, become subject to immediate mandatory redemption. Upon the occurrence of any Event of Default specified in the Initial 2026 Series B Liquidity Facility, the Bank shall have all the rights and remedies available to it under the Initial 2026 Series B Liquidity Facility, the other Related Documents or otherwise pursuant to law or equity; provided, however, that the Bank shall not have the right to terminate its obligation to purchase Eligible Bonds or to declare any amount due under the Initial 2026 Series B Liquidity Facility due and payable except as expressly provided in the Initial 2026 Series B Liquidity Facility.

(e) Remedies Non-Exclusive. The remedies described under the caption “Remedies” shall only be exclusive with respect to Events of Default to the extent described above and to the extent they are obtained by the Bank. If, for any reason whatsoever, the Bank is not able to obtain all such remedies, then the Bank reserves the right and shall have the right to pursue any other available remedies, whether provided by law, equity, or any Related Documents.

Notwithstanding the provisions described above, if, upon the occurrence of an Event of Default under the caption “Events of Default not Permitting Immediate Termination”, the Bank exercises its rights under the Initial 2026 Series B Liquidity Facility to declare the amounts owed thereunder, under the Fee Letter and under the Bank Bonds to be immediately due and payable or to have the Bank Bonds become subject to immediate mandatory redemption, the failure by the Issuer to pay such accelerated amounts shall not, by itself, permit the immediate termination of the Available Commitment, the Purchase Period or the Bank’s obligation to purchase Eligible Bonds pursuant to the Initial 2026 Series B Liquidity Facility.

### **Bank Bonds; Accelerated Payments**

Notwithstanding anything to the contrary contained in any Bank Bond, the Issuer agrees in the Initial 2026 Series B Liquidity Facility that (a) the Issuer shall pay the Bank interest at the Bank Rate on the Interest Component, if any, included in the Purchase Price from the Purchase Date until, and the Interest Component (together with interest thereon at the Bank Rate) shall be due and payable on, the earliest of (i) the Interest Payment Date next succeeding the Purchase Date, (ii) the Sale Date or the date such Bank Bond is paid at maturity or redeemed and (iii) the last day of the Purchase Period and (b)(i) interest on the unpaid principal amount of each Bank Bond from and including the Purchase Date shall be computed at a rate per annum equal to the Bank Rate, subject to the provisions of the Initial 2026 Series B Liquidity Facility, and (ii) interest payable as described in clause (b)(i) above shall be payable (each date described in this clause (b)(ii) being a “Bank Bond Interest Payment Date”) (A) on the first Business Day of each January, April, July and October, (B) upon redemption or purchase in lieu of redemption of such Bank Bond pursuant to the Indenture (to the extent of the interest accrued on the amount being redeemed), (C) on each Sale Date (to the extent of the interest accrued on the amount being sold or deemed sold after a credit for any interest included in the Sale Price and as provided in the Initial 2026 Series B Liquidity Facility), (D) on the date the Purchase Period is terminated pursuant to the terms of the Initial 2026 Series B Liquidity Facility and (E) at maturity (whether by acceleration or otherwise). In the event any Bank Bond is remarketed or otherwise transferred by the Bank before payment in full of the funds advanced by the Bank under the Initial 2026 Series B Liquidity Facility with respect thereto, together with interest thereon at the Bank Rate, the provisions of the Initial 2026 Series B Liquidity Facility shall continue to apply to such indebtedness until all sums owing for all periods during which the same was a Bank Bond are paid. All or any portion of the Bank Bonds may be optionally redeemed at any time without penalty, but only in Authorized Denominations. The obligation of the Issuer to make the payments described under this caption shall be reduced to the extent that such obligations are paid pursuant to the Series Indenture or as part of the Sale Price.

Subject to the conditions that (a) no Event of Default shall have occurred and be continuing and (b) the representations and warranties contained in the Initial 2026 Series B Liquidity Facility are true and correct (except for representations and warranties which relate to a specific date, in which case such representations and warranties will be true as of such date), in each case on the Term-Out Commencement Date (as defined below) immediately following a Purchase Date, Bank Bonds purchased on such Purchase Date shall not be subject to mandatory redemption on such Term-Out Commencement Date and, instead, shall be subject to mandatory redemption as described in the immediately succeeding sentence. If the conditions described in the preceding sentence are satisfied on the Term Out Commencement Date, such Bank Bonds shall be subject to mandatory redemption in equal quarterly principal installments, on the first Business Day of each January, April, July and October (commencing on the first such quarterly date to occur following the 366<sup>th</sup> day after the Purchase Date (the “Term Out Commencement Date”)) so that such Bank Bonds are paid in full no later than the third (3<sup>rd</sup>) anniversary of such Purchase Date (the date of each such redemption being a “Bank Bond Redemption Date”). If the conditions of the first sentence of this paragraph are not satisfied on such Term-Out Commencement Date, such Bank Bonds shall be subject to mandatory redemption on such Term-Out Commencement Date. Interest on such Bank Bonds shall be payable as provided in the Initial 2026 Series B Liquidity Facility. Notwithstanding the foregoing, the Issuer may optionally redeem any Bank Bond without penalty. All Issuer obligations with respect to all Bank Bonds (including the payment of the Interest Component with interest) shall be due and payable in full on the earliest of (a) the date such Bank Bonds are remarketed and sold or

deemed sold by the Bank or a Bank Bondholder to a Purchaser pursuant to the Initial 2026 Series B Liquidity Facility, (b) the date the interest rate borne by the 2026 Series B Bonds is converted to a rate other than a Covered Rate, (c) the date of the delivery of a Substitute Liquidity Facility in substitution for the Initial 2026 Series B Liquidity Facility, (d) the date such Bank Bonds are purchased in lieu of redemption in accordance with the General Indenture and (e) any date determined pursuant to the Initial 2026 Series B Liquidity Facility.

If the amount of interest payable on any Bank Bond for any period in accordance with terms of the Initial 2026 Series B Liquidity Facility exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Rate, then interest for such period shall be payable in an amount calculated at the Maximum Rate for such period.

Any interest that would have been due and payable for any period but for the operation of terms in the Initial 2026 Series B Liquidity Facility shall accrue and be payable as provided in the Initial 2026 Series B Liquidity Facility and shall, less interest actually paid to the Bank for such period, constitute the "Excess Interest Amount". If there is any accrued and unpaid Excess Interest Amount as of any date, then the principal amount under the Initial 2026 Series B Liquidity Facility with respect to which interest is payable, together with the Bank Bonds, if any, shall bear interest at the Maximum Rate until payment to the Bank of the entire Excess Interest Amount.

Notwithstanding the foregoing, on the date on which no principal amount under the Initial 2026 Series B Liquidity Facility remains unpaid and no Bank Bonds are outstanding, the Issuer shall pay to the Bank a fee equal to any accrued and unpaid Excess Interest Amount to the extent such payment may be made without violating applicable law.

#### **Amendments and Waivers**

No amendment or waiver of any provision of the Initial 2026 Series B Liquidity Facility nor consent to any departure by the Issuer from any such provision shall in any event be effective unless the same shall be in writing and signed by the Bank in the case of waivers and signed by the parties to the Initial 2026 Series B Liquidity Facility in the case of amendments; provided, however, that the Expiration Date may be extended in accordance with the terms of the Initial 2026 Series B Liquidity Facility by instruments in writing signed solely by the Bank and with written notice to the Trustee, the Tender Agent, the Remarketing Agent, the Issuer, Moody's; provided, further, that no EMMA Amendment shall become effective until the latest of (a) ten (10) calendar days after the Issuer has posted such EMMA Amendment on EMMA, (b) fifteen (15) calendar days after the Trustee has provided notice of such EMMA Amendment to the holders of the 2026 Series B Bonds and (c) the date on which the Trustee receives confirmation from each Rating Agency then rating the 2026 Series B Bonds that such EMMA Amendment will not result in the withdrawal or reduction in the ratings then assigned to the 2026 Series B Bonds. Additionally, the Issuer will use its best efforts to post such EMMA Amendment on Bloomberg ten (10) calendar days prior to the effective date of such EMMA Amendment. In the event that the Issuer and the Bank enter into any EMMA Amendment, the Issuer hereby covenants to (1) post a final draft of such EMMA Amendment on EMMA ten (10) calendar days prior to the effective date of such EMMA Amendment (such effective date to be a date as determined by the Issuer and the Bank), (2) to cause the Trustee to provide notice of such EMMA Amendment to the holders of the 2026 Series B Bonds fifteen (15) calendar days prior to the effective date of such EMMA Amendment (such effective date to be a date as determined by the Issuer and the Bank) and (3) request the confirmation from the Rating Agencies described in clause (c) of this paragraph. Failure of the Issuer to comply with the covenants described in the preceding sentence shall be considered a covenant default under the Initial 2026 Series B Liquidity Facility. Notwithstanding anything set forth in the provision described above, any amendment to any provision of the Initial 2026 Series B Liquidity Facility other than an EMMA Amendment, whether or not contained in an amendment to the Initial 2026 Series B Liquidity Facility which includes an EMMA Amendment, shall become effective on the date set forth in such amendment whether or not the Issuer has complied with the third to last sentence of this paragraph prior to the effective date of such amendment.

Any waiver of or amendment to any provision of the Initial 2026 Series B Liquidity Facility shall be effective only in the specific instance and for the specific purpose for which given. In the event any agreement contained in the Initial 2026 Series B Liquidity Facility should be breached by the Issuer and thereafter waived by the Bank, such waiver shall be limited to the particular breach so waived for the specific period set out in such waiver and such waiver shall not constitute a waiver of such breach for any other period and shall not waive any other or similar breach hereunder.

## APPENDIX K

### CERTAIN INFORMATION RELATING TO THE BANK

Royal Bank of Canada (referred to in this section as “Royal Bank”) is a Schedule I bank under the *Bank Act* (Canada), which constitutes its charter and governs its operations. Royal Bank’s corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J5, Canada, and its head office is located at 1 Place Ville Marie, Montreal, Quebec, H3B 3A9, Canada. Royal Bank is the parent company of RBC Capital Markets, LLC, an Underwriter and the Remarketing Agent.

Royal Bank is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 101,000+ employees who leverage their imaginations and insights to bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada’s biggest bank, and one of the largest in the world based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our more than 19 million clients in Canada, the U.S. and 27 other countries.

Royal Bank had, on a consolidated basis, as at April 30, 2026, total assets of C\$2,396.1 billion (approximately US\$1,763.5 billion<sup>1</sup>), equity attributable to shareholders of C\$140.7 billion (approximately US\$103.6 billion<sup>1</sup>) and total deposits of C\$1,581.5 billion (approximately US\$1,164 billion<sup>1</sup>). The foregoing figures were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been extracted and derived from, and are qualified by reference to, Royal Bank’s unaudited Interim Condensed Consolidated Financial Statements included in its quarterly Report to Shareholders for the fiscal period ended April 30, 2026.

The senior long-term debt<sup>2</sup> of Royal Bank has been assigned ratings of A (stable outlook) by S&P Global Ratings, A1 (stable outlook) by Moody’s Investors Service and AA- (stable outlook) by Fitch Ratings. The long-term non-bail-inable senior unsecured debt<sup>3</sup> of Royal Bank has been assigned ratings of AA- by S&P Global Ratings, Aa1 by Moody’s Investors Service and AA+ by Fitch Ratings. Royal Bank’s common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange under the trading symbol “RY.” Its preferred shares are listed on the Toronto Stock Exchange.

On written request, and without charge, Royal Bank will provide a copy of its most recent publicly filed Annual Report on Form 40-F, which includes audited Consolidated Financial Statements, to any person to whom this Official Statement is delivered. Requests for such copies should be directed to Investor Relations, Royal Bank of Canada, by writing to 200 Bay Street, South Tower, Toronto, Ontario, M5J 2J5, Canada, or by calling 416-842-2000, or by visiting [rbc.com/investorrelations](http://rbc.com/investorrelations)<sup>4</sup>.

The delivery of this Official Statement does not imply that there has been no change in the affairs of Royal Bank since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.

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<sup>1</sup> As at April 30, 2026: C\$1.00 = US\$0.736

<sup>2</sup> Includes senior long-term debt which is subject to conversion under the Canadian Bank Recapitalization (Bail-in) regime.

<sup>3</sup> Excluded from the Bail-in regime.

<sup>4</sup> This website URL is an inactive textual reference only, and none of the information on the website is incorporated in this Official Statement.

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