PRELIMINARY OFFICIAL STATEMENT DATED JULY 27, 2026

NEW ISSUE **MOODY'S: "Aaa"**
(See "RATING" Herein)

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, (a) interest on the Offered Bonds is excludable from gross income for federal income tax purposes, except for interest on any 2026 Series C Bond or any 2026 Series D Bond for any period during which such 2026 Series C Bond or 2026 Series D Bond is held by a "substantial user" of the facilities financed by the 2026 Series C Bonds and the 2026 Series D Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, and (b) interest on the Offered Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Offered Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that under existing Maryland laws, the Offered Bonds, their transfer, and the income therefrom, including any profit made on the sale thereof, are free from taxation of every kind by the State of Maryland, and by the municipalities and all other political subdivisions of the State, except that no opinion is expressed as to exemption from Maryland franchise taxes or estate or inheritance taxes. See "Tax Matters" herein.

$103,695,000*
HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY (MONTGOMERY COUNTY, MARYLAND)
Multifamily Housing Development Bonds
$89,345,000* 2026 Series B (Non-AMT)
$7,720,000* 2026 Series C (Non-AMT)
$6,630,000* 2026 Series D (Non-AMT)

Dated: Date of delivery **Due: As set forth on the inside cover hereof**

The 2026 Series B Bonds, the 2026 Series C Bonds and the 2026 Series D Bonds (collectively, the "Offered Bonds") are issuable only as fully registered bonds. The Offered Bonds will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Offered Bonds. Individual purchases of the Offered Bonds will be in book-entry form only in principal amounts of $5,000 or any integral multiples of $5,000 in excess thereof. Interest on the Offered Bonds is payable on January 1, 2027 and semiannually thereafter on July 1 and January 1 of each year by the Trustee to DTC. Principal of the Offered Bonds is payable at maturity or upon redemption or purchase by the Trustee to DTC. Additional information is contained under the caption "The Offered Bonds" herein. U.S. Bank Trust Company, National Association, Richmond, Virginia, is Trustee and Registrar for the Offered Bonds.

The Offered Bonds are subject to redemption or purchase in lieu of redemption, prior to maturity, at the times, under the conditions and at the prices set forth under the caption "The Offered Bonds – Redemption Provisions" herein.

The Offered Bonds are limited obligations of the Housing Opportunities Commission of Montgomery County (the "Commission") and will be payable solely out of moneys in the Funds and Accounts, Revenues and certain reserve funds as described herein. The Offered Bonds are secured as described herein. The Commission has no taxing power. The Offered Bonds do not constitute a debt of Montgomery County, the State of Maryland or any political subdivision thereof, and neither Montgomery County, the State of Maryland nor any political subdivision thereof shall be liable thereon, nor in any event shall the Offered Bonds be payable out of any funds or properties of the Commission other than those pledged therefor.

The Offered Bonds are being offered by the Underwriters, subject to receiving the opinion of Kutak Rock LLP, Washington, D.C., Bond Counsel, as described above and herein, and with certain other considerations. Certain legal matters pertaining to the Commission and its authority to issue the Offered Bonds will be passed upon by General Counsel to the Commission. Certain legal matters will be passed upon for the Underwriters by Chapman and Cutler LLP, Washington, D.C. It is expected that the Offered Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about August , 2026.*

Wells Fargo Securities **PNC Capital Markets LLC**

BofA Securities **Jefferies** **Morgan Stanley**

RBC Capital Markets **TD Financial Products**

July , 2026*

*Subject to change

MATURITY SCHEDULE*

$89,345,000 2026 SERIES B BONDS (Non-AMT)

$6,515,000 Serial Bonds

Due	Amount	Interest Rate	Price	CUSIP† Number	Due	Amount	Interest Rate	Price	CUSIP† Number
July 1, 2031	$ 325,000	%	%		July 1, 2035	$ 445,000	%	%	
January 1, 2032	395,000				January 1, 2036	450,000			
July 1, 2032	400,000				July 1, 2036	460,000			
January 1, 2033	410,000				January 1, 2037	470,000			
July 1, 2033	415,000				July 1, 2037	480,000			
January 1, 2034	420,000				January 1, 2038	485,000			
July 1, 2034	430,000				July 1, 2038	495,000			
January 1, 2035	435,000								

$ 3,210,000	**%**	**Term Bonds due July 1, 2041**	**Price: %**	**CUSIP: †**
$ 6,405,000	**%**	**Term Bonds due July 1, 2046**	**Price: %**	**CUSIP: †**
$ 8,110,000	**%**	**Term Bonds due July 1, 2051**	**Price: %**	**CUSIP: †**
$ 65,105,000	**%**	**Term Bonds due July 1, 2053**	**Price: %**	**CUSIP: †**

$7,720,000 2026 SERIES C BONDS (Non-AMT)

$585,000 Serial Bonds

Due	Amount	Interest Rate	Price	CUSIP† Number	Due	Amount	Interest Rate	Price	CUSIP† Number
July 1, 2031	$ 30,000	%	%		July 1, 2035	$ 40,000	%	%	
January 1, 2032	35,000				January 1, 2036	40,000			
July 1, 2032	35,000				July 1, 2036	40,000			
January 1, 2033	35,000				January 1, 2037	40,000			
July 1, 2033	35,000				July 1, 2037	45,000			
January 1, 2034	40,000				January 1, 2038	45,000			
July 1, 2034	40,000				July 1, 2038	45,000			
January 1, 2035	40,000								

$ 285,000	**%**	**Term Bonds due July 1, 2041**	**Price: %**	**CUSIP: †**
$ 575,000	**%**	**Term Bonds due July 1, 2046**	**Price: %**	**CUSIP: †**
$ 725,000	**%**	**Term Bonds due July 1, 2051**	**Price: %**	**CUSIP: †**
$ 5,550,000	**%**	**Term Bonds due July 1, 2053**	**Price: %**	**CUSIP: †**

$6,630,000 2026 SERIES D BONDS (Non-AMT)

$ 6,630,000	**%**	**Term Bonds due January 1, 2031**	**Price: %**	**CUSIP: †**

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*Subject to change

† CUSIP data herein is provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. The CUSIP numbers have been assigned by an organization not affiliated with the Commission and are included for the convenience of the holders of the Offered Bonds. The Commission is not responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness on the Offered Bonds or as indicated above.

No dealer, broker, salesman or other person has been authorized by the Commission 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 Offered 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 Commission and other sources that are believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Commission since the date hereof. 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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Caine Mitter & Associates Incorporated
Financial Advisor

The Housing Opportunities Commission of Montgomery County
is a member of the National Association of Local Housing Finance Agencies.

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OFFICIAL STATEMENT

Relating to

$103,695,000*

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

Multifamily Housing Development Bonds
$89,345,000* 2026 Series B (Non-AMT)
$7,720,000* 2026 Series C (Non-AMT)
$6,630,000* 2026 Series D (Non-AMT)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices hereto, is to set forth information in connection with the sale by the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") of its Multifamily Housing Development Bonds, 2026 Series B Bonds (the "2026 Series B Bonds"), 2026 Series C Bonds (the "2026 Series C Bonds"), and the 2026 Series D Bonds (the "2026 Series D Bonds" and together with the 2026 Series B Bonds and the 2026 Series C Bonds, the "Offered Bonds"). The Offered Bonds are being issued pursuant to Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, Article VI of Chapter 56 of Part II of the Montgomery County Code, as amended, known as the Housing Opportunity Act, a Memorandum of Understanding by and between the Commission and Montgomery County, Maryland (the "County") dated June 29, 2018 (collectively, the "Act"), a resolution adopted by the Commission on March 11, 2026 (the "Authorizing Resolution"), the Trust Indenture dated as of November 1, 1996, as amended from time to time (the "Indenture"), by and between the Commission and U.S. Bank Trust Company, National Association, Richmond, Virginia, as trustee (the "Trustee"), and the Series Indenture Providing for the Issuance and Sale of $89,345,000* Aggregate Principal Amount of Multifamily Housing Development Bonds 2026 Series B, $7,720,000* Aggregate Principal Amount of Multifamily Housing Development Bonds 2026 Series C and $6,630,000* Aggregate Principal Amount of Multifamily Housing Development Bonds 2026 Series D dated as of August 1, 2026* (the "Series Indenture"). The Offered Bonds are the forty-sixth, forty-seventh, and forty-eighth Series of Bonds under the Indenture. All outstanding Series of Bonds issued under the Indenture, including the Offered Bonds and any additional bonds which may be issued in the future under the Indenture (unless otherwise provided in the related series indenture), are and will be on a parity, equally and ratably secured by the Indenture (such parity bonds collectively, the "Bonds").

Pursuant to the Indenture, the Commission intends to carry out a program authorized by the Act (the "Program") by issuing Bonds to provide funds to finance mortgage loans (the "Mortgage Loans") or to purchase mortgage-backed securities (the "Guaranteed Mortgage Securities") which finance mortgage loans for multifamily housing developments within the County that primarily contain housing units for persons or families of eligible income (the "Developments"), to make deposits in various accounts and to pay the costs of issuing Bonds. All Mortgage Loans must (1) have the benefit of insurance by the Federal Housing Administration ("FHA Insurance") under (a) Section 542(c) of the Housing and Community Development Act of 1992, as amended, and the regulations promulgated thereunder (the "Risk Sharing Act"), or under any section of the National Housing Act, as amended, that provides for payment of insurance claims in cash at least equal to payments under the Risk Sharing Act (the "FHA Risk Sharing Insurance Program") or (b) other insurance programs including Section 207, 220, 221(d)(3), 221(d)(4) or 223(f) of Title II of the National Housing Act, as amended, and the regulations promulgated thereunder, (2) have the benefit of a Credit Facility constituting a guarantee, surety bond, insurance policy or unconditional, irrevocable direct pay or standby letter of credit or cash and investments constituting collateral meeting criteria such that, at the time of issuance, the then current rating or ratings assigned to the Bonds by the rating agency or agencies pursuant to a request by the Commission (the "Rating") will not be adversely affected or (3) meet, or have the benefit of a Credit Facility meeting, alternative requirements such that the financing of such Mortgage Loans will not adversely affect the then current Rating on the Bonds. Each Guaranteed Mortgage Security must be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA"), Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac") or any other agency or instrumentality of or chartered by the United States to which the powers of GNMA, Fannie Mae or Freddie Mac have been transferred or which have similar powers.

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* Subject to change.

The Series Indenture authorizes the issuance of the Offered Bonds and the deposit of the proceeds of the Offered Bonds into accounts established under the Indenture, including the 2026 Series B Mortgage Loan Account (the "2026 Series B Mortgage Loan Account"), the 2026 Series C Mortgage Loan Account (the "2026 Series C Mortgage Loan Account") and the 2026 Series D Mortgage Loan Account (the "2026 Series D Mortgage Loan Account"), all of which proceeds are expected to be used in connection with the financing of a mixed used multifamily residential property located in Bethesda, Maryland. Amounts on deposit in the 2026 Series B Mortgage Loan Account will be used to finance a Mortgage Loan (the "2026 Series B Mortgage Loan"), which will provide a portion of the acquisition, rehabilitation and permanent financing for a multifamily housing development consisting of 216 units (the "2026 Series B Development"). The 2026 Series B Mortgage Loan will be secured by a leasehold mortgage in the 2026 Series B Development and is expected to be endorsed by the United States Department of Housing and Urban Development ("HUD") for insurance under the FHA Risk Sharing Insurance Program. Amounts on deposit in the 2026 Series C Mortgage Loan Account will finance a Mortgage Loan (the "2026 Series C Mortgage Loan") and amounts on deposit in the 2026 Series D Mortgage Loan Account will finance a loan (the "2026 Series D Loan"), each of which will provide a portion of the acquisition, rehabilitation and permanent financing for a multifamily housing development consisting of 92 units (the "2026 Series CD Development"). The 2026 Series C Mortgage Loan will be secured by a leasehold mortgage in the 2026 Series CD Development and is expected to be endorsed by HUD for insurance under the FHA Risk Sharing Insurance Program. As moneys are disbursed from the 2026 Series D Mortgage Loan Account to finance the 2026 Series CD Development, a corresponding amount drawn under a bridge loan from a commercial bank (the "2026 Series D Bridge Loan") will be deposited into an account established under the Indenture (the "2026 Series D Collateral Account"). There is no cross default between the 2026 Series B Mortgage Loan, the 2026 Series C Mortgage Loan and the 2026 Series D Loan.

Brief descriptions of the Offered Bonds, the Commission, the security for the Bonds, the Program, including the 2026 Series B Mortgage Loan, the 2026 Series C Mortgage Loan and the 2026 Series D Loan, and the Indenture are included in this Official Statement. Information concerning the Developments financed with Mortgage Loans under the Program; the financial statements of the Commission relating to the Program; a summary of FHA Insurance, Guaranteed Mortgage Securities and Fannie Mae Standby Credit Enhancement; information regarding DTC and Book-Entry; the form of Continuing Disclosure Agreement; and the proposed form of the opinion of Bond Counsel relating to the Offered Bonds, are included as Appendices attached hereto. Capitalized terms not otherwise defined herein are defined in the Indenture. All references herein to the Indenture and other documents are qualified in their entirety by reference to such documents, and references herein to the Offered Bonds are qualified in their entirety by reference to the forms thereof included in the Series Indenture and the information with respect thereto included in the aforesaid Indenture, documents and agreements, copies of which are available from the Commission. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's 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 for purposes of, and as that term is defined in, SEC Rule 15c2-12 (17 C.F.R. Part 240, § 240, 15c2-12).

THE COMMISSION

In 1939, the Housing Authorities Law established the Housing Authority of Montgomery County (the "Authority"), a public body corporate and politic, and authorized the Authority to issue bonds in order to fulfill its public purposes as defined therein. In 1974, the General Assembly of the State of Maryland reconstituted the Authority, changing its name to the Housing Opportunities Commission of Montgomery County, and granted it additional powers for the purpose of providing housing for persons and families who lack sufficient income or assets, as determined by the Montgomery County Executive, to enable them, without financial assistance, to live in decent, safe and sanitary dwellings without overcrowding. The additional powers included the making of mortgage loans to persons of eligible income and the purchasing of mortgage loans secured by housing for persons of eligible income.

Commissioners

The powers of the Commission are vested in seven Commissioners appointed by the Montgomery County Executive and confirmed by the County Council for terms of five years. The Chair, Vice Chair and Chair Pro Tem are selected by the Commission from among its members. The Commission is authorized to employ a secretary-treasurer who is the President/Executive Director, technical experts and other officers, agents and employees, permanent and temporary, and to determine their qualifications, duties and compensation. The Commission's Chair, Vice Chair, Chair Pro Tem, Commissioners and President/Executive Director and Secretary-Treasurer are below.

Name	Position	Term Expires	Occupation
Roy Priest	Commissioner and Chair	August 2030	Retiree
Jeffrey Merkowitz*	Commissioner and Vice Chair	August 2026	Senior Advisor, US Department of the Treasury CDFI
Robin Salomon*	Commissioner and Chair Pro Tem	August 2025	President, Skyline LLC
Linda Croom	Commissioner	August 2027	Para-educator, Montgomery County Public School System
Jonathan Miller	Commissioner	February 2030	Retiree
Izola Shaw	Commissioner	February 2030	Rockville City Council Member
Paul Weech	Commissioner	February 2030	Principal, Innovative Housing Strategies, LLC
Chelsea J. Andrews	President/Executive Director and Secretary-Treasurer		

* Continues to serve until reappointed or a successor is appointed.

Organization and Staff

The Commission is organized into eight functions reporting to the President/Executive Director: (1) the Executive Division, which is responsible for all of the administrative activities of the Commission, including Equal Opportunity, training, personnel and labor relations, facilities management, Office of General Counsel, Risk Management, Asset Management, Information Technology, Legislative and Government Affairs, Public Affairs and Communications, office of the Customer Ombudsman, client and program Compliance, providing information to the Commission staff on federally regulated programs, and the Commission's program compliance with the U.S. Department of Housing and Urban Development ("HUD") and other regulations; (2) the Real Estate Division, which is responsible for development of new mixed-income housing, preservation of existing affordable housing, positioning of the Commission's real estate portfolio, construction management in support of the Commission's real estate acquisition and development initiatives, acquisition of multifamily properties and moderately priced dwelling units, and activities contributing to the revitalization of obsolete properties in the County; (3) the Finance Division, which is responsible for accounting, procurement, budgeting, payroll, maintaining financial records, and filing reports with other governmental agencies; (4) the Mortgage Finance Division, which is responsible for structuring the bond issues to finance the Commission's multifamily and single family programs and the management of mortgage loans under the multifamily and single family loan programs; (5) the Property Management Division, which is responsible for providing operational oversight of the Commission's assets, including public housing and other assisted and non-assisted properties owned or operated by the Commission or its affiliates, including the management of all third-party property management relationships; (6) the Maintenance Division, which is responsible for the maintenance operations of four regional areas, covering 507 square miles of Montgomery County, and containing approximately 1,717 units; (7) the Resident Services Division, which is responsible for providing social services to residents in properties owned, leased or managed by the Commission and includes among other services, the HOC Academy and Fatherhood Initiative; and (8) the Housing Resources Division, which is responsible for administering the Housing Choice Voucher program pursuant to Title 24, Housing and Urban Development, of the Code of Federal Regulations, and providing the community with access to all of the Commission's programs through service centers operated in different parts of the County. As of December 1, 2025, the staff of the Commission consisted of approximately 363 active career and term personnel. Approximately 229 staff members are represented by the Municipal and County Government Employees Organization (MCGEO) for purposes of collective bargaining. The backgrounds of the President/Executive Director of the Commission, the Senior Executive Vice President, the Senior Vice President of Legal Affairs and General Counsel, the Senior Vice President of Finance, the Chief Financial Officer, the Vice President of Mortgage Finance, and the Assistant Director of Federal Financing Programs are briefly described below.

Chelsea J. Andrews is the President/Executive Director of the Commission and joined the Commission in July 2022. As President/Executive Director, she oversees all areas of the Commission, including, but not limited to working directly with the Commissioners to build and maintain the Commission's strategic and operational goals. Prior to joining the Commission, Ms. Andrews worked as an executive in the homeless and affordable housing sectors, including as the President/Executive Director of EveryOne Home, an organization that works to prevent and end homelessness for individuals in California. Prior to leading EveryOne Home, Ms. Andrews served as the Senior Executive Vice President and General Counsel for the District of Columbia Housing Authority, with a portfolio of 8,500 public housing units, 13,000 vouchers, a budget of over $400 million and approximately 900 staff and 40,000 clients. Ms. Andrews earned her Bachelor's degree and Master's degree in Business Administration from Florida A&M University and her Juris Doctorate degree from The George Washington University Law School.

Kayrine V. Brown, Senior Executive Vice President, has been with the Commission since 1998, and has served in several roles, with nearly 30 years of experience in the area of real estate development and finance that includes the structuring of complex transactions with multiple funding sources. As Senior Executive Vice President, Ms. Brown works closely with the President/Executive Director to implement the initiatives of the Commission, but also oversees the Commission's multifamily and single family bond programs as well as the acquisition and development activities of the Real Estate Division. In addition, Ms. Brown manages certain day-to-day operating functions and client facing activities of the Commission, including property management, asset management, property maintenance, federal programs, resident services, information technology, logistics and facilities. Prior to joining the Commission, Ms. Brown worked as a Financial Analyst in the Real Estate Asset Management Division of Archon Group, LP, an affiliate of Goldman Sachs, and as a Senior Financial Analyst in the Affordable Housing Finance Division of Ocwen Financial. In the fall of 2016, spring 2018 and spring 2020, Ms. Brown taught Real Estate Finance, a graduate studies course, as an Adjunct Professor for the Calvin Institute of Real Estate Development at the School of Architecture, Planning and Preservation at the University of Maryland, College Park. Ms. Brown holds a Bachelor of Business Administration degree from Baruch College, City University of New York and a Master of Business Administration, with concentration in Finance, from the University of Florida.

Aisha E. Memon serves as the Senior Vice President of Legal Affairs and General Counsel to the Commission. Ms. Memon joined the Commission in March 2018. Ms. Memon is responsible for the overall administration of the Commission's legal and risk management divisions. This includes managing the legal aspects of the Commission's real estate transactions, including acquisitions/dispositions, refinancing, low-income housing tax credit transactions, joint ventures, and commercial leases. The General Counsel is also responsible for managing all litigation affecting the Commission (including landlord-tenant matters); all of the Commission's contractual obligations; compliance with local, state, and federal legislation (including processing public information act requests); employment concerns and ethics; the Commission's various policies and procedures; and assisting with the overall governance of the Commission. The risk management division reports to the General Counsel and handles procuring and maintaining insurance for the Commission, its projects, and properties, and advising on mitigating liability throughout the Commission. Prior to joining the Commission, Ms. Memon worked at a large national law firm located in Washington D.C. focusing primarily on commercial real estate and financing. Ms. Memon holds a Bachelor of Science degree from the University of Maryland, College Park and a Juris Doctorate from the Georgetown University Law Center.

Kenneth Tecler, Esq. has joined HOC as interim general counsel as of July 2026, and previously served as general counsel to the Commission from 1979 to 2010 and as Staff Counsel to the Commission from 2010 to 2015. Mr. Tecler is an accomplished attorney with over 50 years of real estate and affordable housing experience, and during his tenure at HOC was instrumental in the acquisition and financing of affordable housing units under the MPDU, Section 8 Disposition and RAD programs. Since 2015, Mr. Tecler maintained a solo practice focusing on real estate matters, primarily affordable housing for non-profit organizations. More recently, he has served on several non-profit corporation boards that offer services and housing to low and moderate income persons in Montgomery County. From 1979 to 2010, he was a partner in the firm of Chen Walsh Tecler & McCabe, specializing in real estate, condominium law and real estate finance and has represented both housing authorities and non-profit organizations in development, construction, operation and management of affordable housing properties. From 1971 to 1973, he served in the United States Justice Department in the Land and Natural Resources Division as a trial attorney. Prior to entering private practice, he was an Assistant County Attorney for Montgomery County for three years. He holds a Bachelor of Arts degree from the University of Wisconsin-Madison and a Juris Doctor degree from Georgetown University Law Center.

Timothy J. Goetzinger is the Senior Vice President of Finance/Chief Financial Officer of the Commission. He joined the Commission in April 2021. In his role as Senior Vice President of Finance/Chief Financial Officer, Mr. Goetzinger is responsible for the budget, procurement and finance offices. Additionally, Mr. Goetzinger provides oversight of the Housing Production Fund and the Opportunity Housing Reserve Fund related to usage of the funds for various Commission-approved real estate projects. Prior to joining the Commission, Mr. Goetzinger was the Chief of Finance and Administration for the Montgomery County Department of Housing and Community Affairs (the "Department"). Mr. Goetzinger was involved with various aspects of the Department's operations and managed multiple business units including budget and finance, human resources, grant and asset management, information technology, licensing and registration and the common ownership communities (COC) program. During his time with the Department, Mr. Goetzinger managed over $1 billion in local, state and federal resources and oversaw a loan portfolio in excess of $500 million leveraging $2.5 billion in real estate. Mr. Goetzinger holds a B.B.A. in Business Economics from Loyola University Maryland. Mr. Goetzinger has also been serving as Chief Financial Officer since November 29, 2021.

Michael G. Somerville is the Vice President of Mortgage Finance and joined the Commission in April 2024. As the Director of Mortgage Finance, he reports directly to the Commission's Senior Executive Vice President and is responsible for the development and strategic implementation, and all financial aspects of multifamily and single family finance initiatives within the business plan and bond programs. Prior to working at the Commission, Mr. Somerville served as Senior Vice President and FHA Product Manager for Grandbridge Real Estate Capital, a FHA approved MAP lender focused on origination of affordable and market rate housing with over $1 billion in executed transactions. Prior to that, Mr. Somerville helped establish the FHA MAP lender operations for EagleBank, N.A. and served as Director of the Multifamily Asset and Counterparty Oversight Division for the U.S. Department of Housing and Urban Development responsible for monitoring the insured and uninsured portfolio consisting of over 30,000 properties. Mr. Somerville has also held credit and counterparty risk management positions with Fannie Mae, Federal Home Loan Bank of Cincinnati, Federal Home Loan Bank of Dallas as well as the Depository Trust and Clearing Corporation. Mr. Somerville earned his Bachelor's Degree in Finance from Xavier University in Cincinnati, Ohio, and Master's in Business Administration from George Washington University.

Vivian Benjamin is the Assistant Director of Federal Financing Programs, has been with the Commission since 1984. She has served the Commission as Senior Multifamily Underwriter for many years. Currently, Ms. Benjamin is primarily responsible for managing the lender relationship between the Commission and the Federal Housing Administration ("FHA") as well as other federal government Agencies and Departments, such as the U.S. Treasury and HUD. Ms. Benjamin is vested with the responsibility to keep the Commission advised of financing ideas which develop at the state, federal, and local levels, and among active local housing finance agencies similar to the Commission, that can shape the industry and bring additional resources to the Commission. She works with local and state associations to keep abreast of housing program changes and legislative issues and topics that may affect housing finance and will assist other partners in financing approaches for the furtherance of affordable housing goals in the County. Ms. Benjamin assists with the underwriting of new and existing multifamily rental developments. Prior to joining the Commission, she was a housing development officer for the Maryland Community Development Administration for a period of nine years. Ms. Benjamin serves as the Treasurer and board member of the National Association of Local Housing Finance Agencies, a nationwide association of professionals in the field of financing and affordable housing. She also served as the past Treasurer and member of the Board of Directors of the

Neighborhood Design Center, a nonprofit agency that provides design assistance, community development and planning services to other nonprofits and municipalities. Ms. Benjamin holds a Bachelor of Arts degree from Morgan State University and a Master's Degree in Administration from the University of Maryland School of Social Work and Community Planning.

The current headquarters office of the Commission is located at 1328 Fenwick Lane, Silver Spring, Maryland 20910, and the telephone number is (240) 627-9400.

Mission

The mission of the Commission is to provide affordable housing and supportive services that enhance the lives of low and moderate income families and individuals throughout the County so that no one in the County is living in substandard housing. The Commission strengthens families and communities as good neighbors, establishes an efficient and productive environment that fosters trust, open communication and mutual respect; and works with advocates and providers to maintain support for all the work of the Commission. To achieve this mission, the Commission operates as an affordable housing agency, a housing finance agency and a housing developer.

The Mortgage Finance Division operates the Commission's bond financing programs, raising capital by utilizing traditional and innovative methods, to preserve and create decent, safe and affordable rental and home ownership housing in Montgomery County, to assure continued availability of such housing and to generate revenue to benefit the Commission's programs. The Commission raises funds in the capital markets through the issuance of tax-exempt bonds for single family and multifamily programs. It also uses taxable bond financing in transactions where a tax-exempt structure is not appropriate. Through its financing activity, the Mortgage Finance Division enables the Commission to provide below market interest rate mortgages for homeownership, finances the Commission's acquisition and development activities, and finances the acquisition and development of private projects that include an affordable housing component. The Commission may also issue bonds to fund essential functions, thereby meeting its public purpose.

Among the responsibilities of the Mortgage Finance Division are: (1) underwriting and preparing multifamily developments for bond or conventional financing; (2) administering the FHA Risk Sharing Insurance Program; (3) identifying lenders to provide financing for affordable housing through the issuance of taxable GNMA securities; (4) managing and overseeing the Commission's multifamily loan portfolio; (5) administering the single family mortgage purchase program, which extends and affords homeownership opportunities to first time homebuyers in the County by generating below market financing (through the direct purchase of mortgage loans or the purchase of GNMA and mortgage backed securities financing mortgage loans) and administering various programs, which provide special assistance to eligible buyers; (6) administering the Commission's Home Ownership Program, a program designed to assist renters in the Commission's multifamily housing become first-time homebuyers; and (7) administering the Montgomery County Homeownership Assistance Fund, which provides down payment and closing cost assistance loans to qualified purchasers of single-family loans.

The Real Estate Division operates to preserve and expand the number of mixed income rental and for-sale homes in the County. The Real Estate Division works through partnerships with non-profit and for-profit developers, tax credit partners and local government agencies to create and preserve affordable housing. Through these partnerships, the Commission both acquires existing multifamily housing and develops new multifamily rental housing as well as owns, and in some cases, manages rental housing. The Real Estate Division monitors existing multifamily housing financed or managed by the Commission to identify redevelopment opportunities, new sources of funding and alternative sources of equity. A major focus of the Real Estate Division is the development (and sustained operation) of mixed-income housing that is environmentally and financially stable.

The Housing Resources Division of the Commission works with citizens of the County who are seeking affordable housing, including specialized housing for the elderly and the disabled. It is responsible for determining their eligibility for the Federal Government's rental assistance programs, calculating subsidies and in advising as to reasonable rents for subsidized units.

The Commission has issued revenue bonds to provide financing for multifamily developments containing 9,164 units of which 7,159 units were located in developments owned by the Commission or by corporations, limited partnerships, or limited liability companies affiliated with the Commission. Approximately 10,538 mixed income housing units currently owned by the Commission or corporations affiliated with the Commission were developed and financed through bonds issued by the Commission or through state and local grants or conventional taxable financing. The Commission manages 2,172 of such units. The Commission also manages 12 units for non-profit organization. The Commission administers 8,549 units in various HUD Section 8 housing programs and 632 units under various other federal, State and local transitional housing programs. The Commission no longer owns public housing units acquired through HUD grants. The Commission participates in the FHA Risk Sharing Program which provides mortgage insurance for some of the mortgages financing developments owned by the Commission or by corporations or partnerships affiliated with the Commission.

As of March 31, 2026, the Commission financed (1) $1,208,714,006 single family mortgage loans under its mortgage revenue bond programs, and (2) $122,530,930 single family mortgage loans under its Guaranteed Mortgage Security secondary market program.

Business Disruption Risk

Certain adverse external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the Commission's ability to conduct its business. A prolonged disruption in the Commission's operations could have an adverse effect on the Commission's financial condition and results of operations. One such external event was the global outbreak of Coronavirus 2019 Disease (the "Pandemic"), a respiratory disease declared to be a pandemic, which affected national capital markets, the County's housing market and the region's overall economy. To mitigate the impact of the Pandemic and any other such event on its operations, the Commission adopted a plan (the "Plan") for monitoring its business lines and operations so as to carry out its essential functions and serve the participants in its programs while minimizing potential disruptions. The Commission will make such revisions to the Plan as are practical to address the occurrence and nature of any emergency event.

The Commission closely monitors emergency events and their impact on the Commission's operations and financial position. The Commission also reviews on an ongoing basis all federal, State and local legislative and regulatory initiatives for their impact on the Commission's programs, operations and cash flow. The Commission cannot predict (1) the occurrence, duration or extent of any outbreak emergency; (2) whether and to what extent such outbreak or emergency may disrupt the local or global economy, manufacturing, or supply chain, or whether any such disruption may adversely impact the Commission, its programs or its operations; or (3) whether or to what extent the Commission or other government agencies may initiate programs or initiatives that have an impact on the performance of the Commission's operations or programs. The information set forth herein should not be relied upon as indicative of future financial performance of the Commission.

From time to time, there may be legislative proposals in Congress and in the states that, if enacted, could alter or amend the matters referred to under this section. In addition, regulatory actions may be from time to time announced or proposed and litigation may be threatened or commenced which, if implemented or concluded in a particular manner, could alter or amend the matters referred to under this section. It cannot be predicted whether any such legislative proposals will be enacted, whether any such regulatory actions will be implemented, how any particular litigation or judicial action will be resolved, or whether the Offered Bonds or the market value thereof would be impacted thereby. Purchasers of the Offered Bonds should consult their advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

SECURITY FOR THE BONDS

Under the Indenture, the Bonds are secured by a pledge of and security interest in the following (the "Trust Estate"): (1) the proceeds of the Bonds, (2) the Mortgage Loans and Guaranteed Mortgage Securities, (3) the Credit Facilities, (4) revenues consisting of (a) all amounts received with respect to Mortgage Loans (including, but not limited to, proceeds of certain draws and payments with respect to a Credit Facility, if any, securing such Mortgage Loans) or Guaranteed Mortgage Securities, in each case representing scheduled payments of principal thereof and interest thereon (unless otherwise provided in a series indenture authorizing the financing thereof or pledging the same), (b) Prepayments and Recovery Payments, (c) interest or income received on investments of money held in any Fund (except the Rebate Fund or earnings on the Rebate Amount) pursuant to the Indenture, (d) all other payments and receipts received by the Commission with respect to Mortgage Loans or Guaranteed Mortgage Securities, but not including Escrow Payments, Servicing Fees or, unless otherwise provided in a series indenture, commitment fees and financing fees charged to mortgage lenders by the Commission, and (e) all income derived by the Commission from its acquisition, operation or ownership of a Development to which the Commission has acquired title or taken possession (the "Revenues"), (5) all Funds and Accounts, including the investment thereof, if any, and any moneys therein, other than the Rebate Fund, if any, or amounts representing the Rebate Amount, and (6) all moneys and securities from time to time held by any fiduciary under the terms of the Indenture and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture by the Commission or by anyone on its behalf, or with its written consent, to the Trustee which is authorized under the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms thereof. The pledge and security interest established under the Indenture is subject to the right of the Commission to release amounts free and clear of the lien of the Indenture after satisfying the requirements of the Funds and certain other conditions as provided in the Indenture. Additionally, the Commission may, under certain circumstances described in the Indenture, sell, assign or otherwise dispose of a Guaranteed Mortgage Security or a Mortgage Loan (or the Development to which such Mortgage Loan relates), and such Guaranteed Mortgage Security or Mortgage Loan (or the Development to which such Mortgage Loan relates) will then be released free and clear of the lien of the Indenture, including in order to realize the benefits of any Credit Facility or any other security with respect to such Guaranteed Mortgage Security, Mortgage Loan or Development.

The ability of the Commission to pay the principal of and interest on the Bonds depends upon the timely receipt of sufficient Revenues. The requirements with respect to Mortgage Loans, Guaranteed Mortgage Securities, Credit Facilities and the Reserve Fund have been established to provide for the payment of debt service on the Bonds. In the event that one or more mortgagors fail to satisfy their obligations under the Program and the proceeds of mortgage insurance and other sources of security, including fund balances, are insufficient, it is possible that sufficient moneys may not be available to pay principal of and interest on the Bonds as it becomes due and payable.

The Bonds are limited obligations of the Commission and will be payable solely from the Revenues and funds pledged for the payment thereof pursuant to the Indenture. The Commission has no taxing power. The Bonds do not constitute a debt of Montgomery County, the State of Maryland or any political subdivision thereof and neither Montgomery County, the State of Maryland nor any political subdivision thereof shall be liable thereon, nor in any event shall the Bonds be payable out of any funds or properties of the Commission other than those pledged therefor.

Mortgage Loans and Guaranteed Mortgage Securities

Mortgage Loan Requirements. As required by the Indenture, Mortgage Loans financed with the proceeds of Bonds must: (1) have the benefit of FHA Insurance or (2) have the benefit of a Credit Facility constituting a guarantee, surety bond, insurance policy or unconditional, irrevocable direct pay or standby letter of credit meeting criteria or cash and investments constituting collateral that, at the time of issuance, will not adversely affect the then current Rating on the Bonds or (3) meet, or have the benefit of a Credit Facility meeting, alternative requirements such that the financing of such Mortgage Loans will not adversely affect the then current Rating on the Bonds.

Guaranteed Mortgage Security Requirements. If the proceeds of Bonds are applied to the financing of a Guaranteed Mortgage Security, the timely payment of principal of and interest on such Guaranteed Mortgage Security must, at the time of purchase, be fully guaranteed as to the timely payment of principal and interest by GNMA, Fannie Mae, Freddie Mac or any other agency or instrumentality of or chartered by the United States to which the powers of GNMA, Fannie Mae or Freddie Mac have been transferred or which have similar powers.

Cash Flow Requirements. Prior to the issuance of a Series of Bonds and at certain other times as provided in the Indenture, the Commission is required to prepare a cash flow certificate (the "Cash Flow Certificate") which sets forth projected Revenues, Program Expenses and Aggregate Debt Service for each bond year during which Bonds will be outstanding based upon the reasonable expectations of the Commission at the time such Cash Flow Certificate is filed showing, as of the date of calculation, that the Revenues and amounts available in or credited to the funds and accounts under the Indenture (except the Surplus Fund and amounts in the Redemption Fund designated for the payment of the principal of Bonds) are at least sufficient to pay the principal of and interest on Outstanding Bonds.

Reserve Fund

The Reserve Fund is required to be maintained at the aggregate amount of the Reserve Fund Requirements for all Series of Outstanding Bonds (the "Reserve Fund Requirement"). The Reserve Fund Requirement for each Series will be established in the related series indenture. The Reserve Fund Requirement for the Offered Bonds is an amount equal to the maximum semiannual amount of principal, whether at maturity or upon mandatory redemption, and interest payable on the Offered Bonds, except for such amounts payable on July 1, 2053.

The money in the Reserve Fund is required to provide the amount, if any, necessary to increase the balance in the Revenue Fund to an amount sufficient to pay any principal or interest or redemption price due and payable with respect to the Outstanding Bonds, to the extent that such amount is not available in the Revenue Fund.

As of March 31, 2026, the Reserve Fund had a balance of $24,734,639.17. Upon the issuance of the Offered Bonds, the Commission will deposit $3,115,000* from the proceeds of the Offered Bonds into the Reserve Fund. The amount on deposit in the Reserve Fund upon the issuance of the Offered Bonds will satisfy the Reserve Fund Requirement for all Bonds.

Moneys in the Reserve Fund in excess of the Reserve Fund Requirement may, upon written request by the Commission be transferred to the Revenue Fund and thereafter treated as Revenues, or to the Redemption Fund and applied to the redemption of Bonds.

The Reserve Fund Requirement with respect to any Series of Bonds may be funded through a letter of credit, insurance policy, surety bond, guarantee or other security arrangement (a "Security Arrangement"). In connection with any discussion of "moneys" on deposit in or held for the credit of the Reserve Fund, "moneys" will be deemed to include any such Security Arrangement.

Additional Series of Bonds

The Indenture permits the issuance of additional Series of Bonds to provide funds for the purposes of the Program and to refund Bonds and other bonds of the Commission, but only upon satisfying certain conditions for the issuance of parity Bonds set forth in the Indenture. The specific terms for such additional Bonds will be set forth in a series indenture relating to such Series of Bonds. The Offered Bonds, any previously issued Bonds and any additional Bonds issued under the Indenture will be on a parity and will be entitled to the equal benefit, protection and security of the provisions, covenants, and agreements of the Indenture.

Interest Rate Exchange Agreements

The Commission has the ability to enter into interest rate exchange agreements and related financial instruments and derivatives associated with any Series of the Bonds (the "Swap Agreements") and has entered into Swap Agreements with respect to prior series of Bonds as described herein under the heading "Interest Rate Swap Counterparties for the Bonds". Payments made by the Commission pursuant to such Swap Agreements are to be made as Program Expenses from amounts in the Revenue Fund. The Commission's obligation to make such payments is secured by a lien on the Trust Estate, as defined in the Indenture, subordinate to the lien securing the obligations on the Bonds.

THE OFFERED BONDS

General Description

The Offered Bonds will be issuable only as fully registered bonds and will be initially registered only in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Offered Bonds. Certain information relating to DTC is

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* Subject to change.

contained in Appendix D. Individual purchases of the Offered Bonds will be in book-entry form only in denominations of $5,000 or integral multiples of $5,000 in excess thereof.

In the event that the book-entry system is discontinued as described in Appendix D, the following requirements of the Indenture will apply. Interest on the Offered Bonds will be payable by check mailed by the Trustee to the registered owner thereof or, upon the timely written request of a registered owner of Offered Bonds and payment of an applicable wire transfer fee, by wire transfer from the Trustee to the registered owner thereof. Interest will be paid to the holders of record, as to the Offered Bonds, as of the 15th day of the month preceding the date of payment. The principal, redemption premium, if any, and interest due at maturity or upon redemption or purchase of the Offered Bonds are payable at the designated corporate trust office of the Trustee upon presentation to the Trustee of the Offered Bonds on or after the date of maturity or redemption or purchase. Upon each exchange or transfer of the Offered Bonds, the subsequent owner will be required to pay any tax or other governmental charge and may be required to pay a reasonable fee of the Trustee. The Trustee is not required to make any exchange or transfer during the 15-day period preceding an Interest Payment Date or date of notice of redemption or purchase relating to the Offered Bonds, as applicable.

The Offered Bonds will bear interest from their dated date at the rates set forth on the inside cover pages hereof, payable semiannually on January 1 and July 1 of each year, commencing January 1, 2027, by the Trustee. If any such dates are not business days, then such payments will be made on the next business day. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Offered Bonds will mature in the years and amounts set forth on the inside cover pages of this Official Statement.

Application of the Proceeds of the Offered Bonds*

The Commission expects to apply the proceeds of the sale of the Offered Bonds to finance the 2026 Series B Mortgage Loan, the 2026 Series C Mortgage Loan, the 2026 Series D Loan and deposit funds in the Reserve Fund. The proceeds of the Offered Bonds are expected to be applied as follows:

For deposit to the 2026 Series B Mortgage Loan Account..........................	$ 86,230,000
For deposit to the 2026 Series C Mortgage Loan Account..........................	7,720,000
For deposit to the 2026 Series D Mortgage Loan Account..........................	6,630,000
For deposit to the Reserve Fund	3,115,000
Total	$ 103,695,000

The costs of issuing the Offered Bonds will be paid by the Commission.

Redemption Provisions*

Sinking Fund Redemption. The 2026 Series B Bonds maturing on July 1, 2041 are subject to mandatory redemption in part by lot on January 1, 2039 and on each July 1 and January 1 thereafter, to and including July 1, 2041, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

Year	Principal Amount (January)	Principal Amount (July)	Year	Principal Amount (January)	Principal Amount (July)	
2039	$ 505,000	$ 520,000	2041	$ 550,000	$ 565,000	(maturity)
2040	530,000	540,000				

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* Subject to change.

The 2026 Series B Bonds maturing on July 1, 2046 are subject to mandatory redemption in part by lot on January 1, 2042 and on each July 1 and January 1 thereafter, to and including July 1, 2046, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

Year	**Principal Amount (January)**	**Principal Amount (July)**	**Year**	**Principal Amount (January)**	**Principal Amount (July)**	
2042	$ 575,000	$ 590,000	2045	$ 660,000	$ 680,000	
2043	605,000	615,000	2046	695,000	710,000	(maturity)
2044	630,000	645,000				

The 2026 Series B Bonds maturing on July 1, 2051 are subject to mandatory redemption in part by lot on January 1, 2047 and on each July 1 and January 1 thereafter, to and including July 1, 2051, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

Year	**Principal Amount (January)**	**Principal Amount (July)**	**Year**	**Principal Amount (January)**	**Principal Amount (July)**	
2047	$ 725,000	$ 745,000	2050	$ 840,000	$ 860,000	
2048	760,000	780,000	2051	880,000	900,000	(maturity)
2049	800,000	820,000				

The 2026 Series B Bonds maturing on July 1, 2053 are subject to mandatory redemption in part by lot on January 1, 2052 and on each July 1 and January 1 thereafter, to and including July 1, 2053, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

Year	**Principal Amount (January)**	**Principal Amount (July)**	**Year**	**Principal Amount (January)**	**Principal Amount (July)**	
2052	$ 920,000	$ 945,000	2053	$ 965,000	$ 62,275,000	(maturity)

The 2026 Series C Bonds maturing on July 1, 2041 are subject to mandatory redemption in part by lot on January 1, 2039 and on each July 1 and January 1 thereafter, to and including July 1, 2041, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

Year	**Principal Amount (January)**	**Principal Amount (July)**	**Year**	**Principal Amount (January)**	**Principal Amount (July)**	
2039	$ 45,000	$ 45,000	2041	$ 50,000	$ 50,000	(maturity)
2040	45,000	50,000				

The 2026 Series C Bonds maturing on July 1, 2046 are subject to mandatory redemption in part by lot on January 1, 2042 and on each July 1 and January 1 thereafter, to and including July 1, 2046, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

Year	**Principal Amount (January)**	**Principal Amount (July)**	**Year**	**Principal Amount (January)**	**Principal Amount (July)**	
2042	$ 50,000	$ 55,000	2045	$ 60,000	$ 60,000	
2043	55,000	55,000	2046	60,000	65,000	(maturity)
2044	55,000	60,000				

The 2026 Series C Bonds maturing on July 1, 2051 are subject to mandatory redemption in part by lot on January 1, 2047 and on each July 1 and January 1 thereafter, to and including July 1, 2051, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

Year	**Principal Amount (January)**	**Principal Amount (July)**	**Year**	**Principal Amount (January)**	**Principal Amount (July)**	
2047	$ 65,000	$ 65,000	2050	$ 75,000	$ 75,000	
2048	70,000	70,000	2051	80,000	80,000	(maturity)
2049	70,000	75,000				

The 2026 Series C Bonds maturing on July 1, 2053 are subject to mandatory redemption in part by lot on January 1, 2052 and on each July 1 and January 1 thereafter, to and including July 1, 2053, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

Year	**Principal Amount (January)**	**Principal Amount (July)**	**Year**	**Principal Amount (January)**	**Principal Amount (July)**	
2052	$ 85,000	$ 85,000	2053	$ 85,000	$ 5,295,000	(maturity)

Special Redemption. The Offered Bonds are subject to special redemption, at the principal amount thereof, plus accrued interest, if any, in whole or in part, at any time, at the option of the Commission, from (1) amounts made available from the issuance of the Offered Bonds not used to make, purchase or finance Mortgage Loans or Guaranteed Mortgage Securities, (2) Revenues with respect to any Series of Bonds, including amounts resulting from Recovery Payments and Prepayments relating to Mortgage Loans or Guaranteed Mortgage Securities financed with the proceeds of any Series of Bonds and (3) amounts resulting from a reduction in the Reserve Fund Requirement. The 2026 Series B Mortgage Loan and the 2026 Series C Mortgage Loan are expected to be financed shortly after the issuance of the Offered Bonds. In general, Mortgage Loans, including the 2026 Series B Mortgage Loan and 2026 Series C Mortgage Loan, are not permitted to prepay for ten years without the consent of the Commission. In the past, the Commission has consented to the prepayment of certain Mortgage Loans. The Commission cannot predict the timing or amount of future Prepayments or Recovery Payments relating to Mortgage Loans and Guaranteed Mortgage Securities. The Commission reserves the right to apply Revenues with respect to a Series of Bonds (including the Prepayments and Recovery Payments received in connection with the Mortgage Loans financed with respect to such Series) to the redemption of other Series of Bonds provided that it receives an opinion of Bond Counsel to the effect that such redemption does not adversely affect the exclusion of interest on any tax-exempt Bonds from gross income for federal income tax purposes. Certain information related to the Developments, including the 2026 Series B Development, and the 2026 Series CD Development are provided under "THE PROGRAM – General" herein and in Appendix A.

Optional Redemption. The Offered Bonds maturing on or after January 1, 2035* are subject to redemption or purchase in lieu of redemption, at the option of the Commission, from any funds available to the Commission, in whole or in part, at any time on or after July 1, 2034*, at the principal amount thereof plus accrued interest, if any, to the redemption date.

General Provisions. Upon notice from the Commission of its election or direction to redeem Bonds, the Trustee will give notice of the redemption of such Bonds, which redemption may be contingent upon receipt of certain funds. Such notice will specify, among other things, the series and maturities (or portions thereof) of the Bonds to be redeemed as selected by the Commission in its discretion, the Redemption Date and the place or places where amounts due upon such redemption will be payable. The Indenture requires that notice of redemption be mailed not less than 30 days but not more than 60 days prior to the redemption date (except that in the event the Bonds are subject to special redemption by reason of a Recovery Payment made by FHA under its Risk Sharing Act or under any section that provides for payment of insurance claims in cash at least equal to that under the Risk Sharing Act, with respect to a Mortgage Loan, the Trustee will give the maximum notice possible, if any, but in no event more than 30 days' notice, or such other number of days' notice as permitted by FHA). Subject to the exception in the preceding parenthetical, as long as the Bonds are registered with Cede & Co., notice of redemption will be sent to DTC not less than 30 and not more than 60 days prior to the redemption date. Subject to the same exception, notice of the redemption will be sent by the Trustee not less than 30 days before the Redemption Date to the registered owners of any Bonds which are to be redeemed, at their last address appearing upon the registration books, but such mailing is not a condition precedent to such redemption and failure to so mail any such notice will not affect the validity of the proceedings for the redemption of Bonds. If less than all the Bonds of a single maturity are called for redemption, the particular Bonds to be redeemed are to be selected by lot using such method of selection as the Trustee deems proper. All Bonds called for redemption will cease to accrue interest on the specified redemption date and will no longer be considered outstanding under the Indenture, provided funds sufficient for the redemption of such Bonds are deposited with the Trustee.

THE PROGRAM

General

Under the Program, the Commission provides financing for the acquisition, construction or rehabilitation of Developments in the County through the making or purchasing of Mortgage Loans or the purchasing of Guaranteed Mortgage Securities. Mortgage Loans financed from the proceeds of the Bonds are required to be subject to FHA Insurance, guaranteed by a Credit Facility meeting the criteria set forth in the Indenture and the applicable series indenture, which criteria, when established, will not adversely affect the then current Rating on the Bonds or meet, or have the benefit of a Credit Facility meeting, alternative requirements such that either the financing of such Mortgage Loans or the issuance of a series of Bonds will not adversely affect the then current Rating on the Bonds. Many of the Developments financed under the Program benefit from a subsidy or additional loans provided by the Commission or the County. Such loans are subordinate to the Mortgage Loans financed with the proceeds of Bonds.

In addition to providing financing for the Mortgage Loans under the Program, the Commission has other roles in the case of many of the Developments. Such roles include acting as Mortgagor or general partner or managing member of a Mortgagor, serving as insurance provider (with HUD) under the FHA Risk Sharing Insurance Program with respect to related Mortgage Loans, and acting as administrator of related HAP Contracts, if any. Appendix A identifies, as applicable, other roles of the Commission for each of the Mortgage Loans in the Program.

2026 Series B Development and 2026 Series CD Development

The 2026 Series B Mortgage Loan will provide funds for a portion of the acquisition, rehabilitation and permanent financing of the 2026 Series B Development. The 2026 Series B Mortgage Loan is expected to be endorsed by HUD for insurance under the FHA Risk Sharing Insurance Program. The 2026 Series C Mortgage Loan and the 2026 Series D Loan will provide funds for a portion of the acquisition, rehabilitation and permanent financing of the 2026 Series CD Development. The 2026 Series C Mortgage Loan is expected to be endorsed by HUD for insurance under the FHA Risk Sharing Insurance Program. The 2026 Series B Development and the 2026 Series CD Development, which taken together comprise a 308 unit, mixed income residential community with ground floor retail space, located at 7620 Old Georgetown Rd, Bethesda, MD 20814. Of the total units, 216 residential units (the “2026 Series B Units”) will be owned by The Metropolitan Development Corporation, formed as a single purpose entity created and controlled by the Commission for the purpose of leasing the units comprising the 2026 Series B Development. The remaining 92 units (the “2026 Series CD Units”) will be owned by HOC at the Metropolitan LIHTC, LLC, a Maryland limited liability company, formed as a single purpose entity for the purpose of leasing such units comprising the 2026 Series CD Development. The managing member of HOC at the Metropolitan LIHTC, LLC is expected to be an entity controlled by the Commission. The investor member interests in HOC at the Metropolitan LIHTC, LLC will be sold to an entity that will be allocated the low-income housing tax credits related to the 2026 Series CD Units. The 2026 Series CD Units will be income restricted for tenants between 25% and 50% of the Area Median Income and include 20 units that are expected to receive project-based vouchers pursuant to Section 8 of the Housing Act of 1937 (“Section 8”). The 2026 Series B Units are not income restricted. The portion of the acquisition, rehabilitation and permanent financing of the 2026 Series B Development and the 2026 Series CD Development not financed with the 2026 Series B Mortgage Loan, the 2026 Series C Mortgage Loan or the 2026 Series D Loan will be financed with subordinate loans and other sources of funds.

The 2026 Series B Mortgage Loan and 2026 Series C Mortgage Loan cannot be prepaid prior to ten years without the consent of the Commission. To the extent that such Prepayment occurs prior to the optional redemption of the Offered Bonds, all or a portion of the Offered Bonds may be redeemed pursuant to a special redemption at the principal amount thereof plus accrued interest thereon.

The Commission has covenanted in the Series Indenture not to make, finance or purchase any Mortgage Loan or purchase any Guaranteed Mortgage Security with the proceeds of the Offered Bonds, other than the 2026 Series B Mortgage Loan and 2026 Series C Mortgage Loan, unless the Commission has received an opinion of Bond Counsel to the effect that such making, financing, or purchasing does not adversely affect the exclusion of interest on the Offered Bonds from gross income for federal income tax purposes.

Processing and Review

The Commission has established certain procedures for processing proposed mortgage loans. Each sponsor, other than the Commission, is required to submit a commitment application which includes (1) information relating to the sponsor, the general contractor and architect, the management agent, the servicer or mortgage lender, as applicable; (2) a financial analysis of the proposed development; (3) architectural plans and specifications, if appropriate; (4) information concerning the site; (5) a detailed estimate of construction or rehabilitation costs by trade, if appropriate; (6) a marketing plan; (7) a management plan; (8) organizational documents of the mortgagor; and (9) any subsidies available with respect to the developments. The staff of the Commission makes an underwriting analysis of, among other things, the market demand for the units at the proposed rents; the architectural plans; the cost of land, construction, rehabilitation and operation; and the plans for marketing the units and managing the proposed development, and makes a recommendation to the Commission to accept or reject the proposed mortgage loan. For certain mortgage loans, including mortgage loans underlying Guaranteed Mortgage Securities and Mortgage Loans enhanced by Credit Facilities, the staff also reviews underwriting provided by a lender or loan servicer. If the application is accepted, the staff commits, subject to certain conditions, to make a Mortgage Loan or to finance a mortgage loan underlying a Guaranteed Mortgage Security, and the sponsor submits documents necessary for the initial closing including a note, deed of trust, building loan agreement, construction contract, regulatory agreement, working capital escrow agreement and property management agreement. There may be variations in particular cases and the policies, procedures and requirements of the Commission may be waived or modified from time to time.

If a Development involves new construction or substantial rehabilitation, the mortgagor is required to enter into a building loan agreement or other financing agreement with the Commission or, in the case of mortgage loans financed in conjunction with Guaranteed Mortgage Securities or Mortgage Loans enhanced by Credit Facilities, a similar agreement with the lender and servicer, if any, and subject to the approval of the Commission. These agreements set forth certain obligations of the mortgagor during construction of the Development. All mortgagors, other than the Commission or an instrumentality of the Commission, are required to enter into a regulatory agreement with the Commission or the mortgage lender, if any. Such regulatory agreement sets forth certain obligations of the mortgagor in connection with the management and operation of a Development. Certain provisions of the building loan agreement and the regulatory agreement are summarized herein.

In the case where the Mortgage Loan finances a Development that is owned by the Commission or an instrumentality of the Commission, the Commission conducts an analysis similar to that described above. At closing the Commission or such instrumentality will execute a note and a mortgage for the benefit of the Trustee and will execute any other documents and provide any other assurances, funds or guaranties required by FHA or the provider of a Credit Facility.

Income Limits

In accordance with the Act, the Commission requires that any Development have (1) 50% or more of the dwelling units occupied first by persons of eligible income as established by the County Executive of Montgomery County or (2) 20% or more of the dwelling units occupied by low-income persons assisted or eligible for assistance under federal subsidies. In addition, pursuant to Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code") for a Development that (1) is not owned by the Commission or an instrumentality of the Commission, or any other political subdivision of the State, or (2) is an existing property which will not be "substantially rehabilitated" within the meaning of Section 145(d)(2)(C) of the Code and is owned by any entity qualified under Section 501(c)(3) of the Code, the units in the Development must be occupied, or held available for occupancy, on a continuous basis to satisfy either of the following requirements, whichever is elected by the Commission at the time of issuance of a Series of Bonds as further described under the Code: (1) 20% or more of the units in such development must be occupied by individuals whose income is 50% or less of "area median gross income" as adjusted for family size, or (2) 40% of the units in such development must be occupied by individuals whose income is 60% or less of "area median gross income" as adjusted for family size. Under the Code, income and "area median gross income" as adjusted for family size, will be as determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 (or, if the Section 8 program is terminated, as determined under such program as in effect immediately before such termination). Appendix A indicates the applicable federal tax law occupancy requirements for the Developments. The Commission does impose additional occupancy regulations and rent restrictions on many of the Developments and reserves the right to impose additional occupancy and income requirements and rent restrictions at the time of financing a Mortgage Loan.

The following table sets forth the current maximum incomes for the County as established or required by: (1) the United States Treasury Department for the following persons: (a) individuals eligible for Section 8 federal assistance and (b) individuals whose "income" is 50%, 60% and 80%, respectively, of "area median gross income," in each case, as established by HUD, and (2) the Commission for persons of eligible income in compliance with County regulations issued by the County Executive of Montgomery County for persons of eligible income in the Developments:

Income Limits in Dollars

	Number of Persons in Household				
	1	2	3	4	5
Persons eligible for Section 8 assistance	$ 58,150	$ 66,450	$ 74,750	$ 83,050	$ 89,700
County "Eligible Income"	116,300	132,900	149,500	166,100	179,400
Treasury Department					
50% of median	58,150	66,450	74,750	83,050	89,700
60% of median	69,780	79,740	89,700	99,660	107,640
80% of median	93,040	106,320	119,600	132,880	143,520

Generally, median income figures are based on a household size of four persons, and for each person by which such base household size is reduced or increased, an adjustment is made to determine the appropriate income for such household size.

HUD, the County Executive and the Commission periodically adjust the appropriate maximum income limits for the County.

Requirements Relating to Mortgage Loans and Guaranteed Mortgage Securities

Each Mortgage Loan and each mortgage loan underlying a Guaranteed Mortgage Security must conform to certain terms, conditions, provisions and limitations set forth in the Indenture and the series indentures except to the extent, if any, that a variance therefrom is permitted under the Indenture.

The following is a discussion of such terms and conditions as well as of the procedures that are generally followed by the Commission in making or purchasing Mortgage Loans. Except for the provisions relating to use of mortgage loan proceeds and prepayments of mortgage loans, the following discussion does not apply to mortgage loans underlying Guaranteed Mortgage Securities. Generally, with respect to such mortgage loans, a financial institution or commercial lender which is an FHA-approved mortgagee, Fannie Mae-approved servicer or GNMA-approved lender, as applicable, acts as mortgagee and servicer and undertakes the duties of the Commission and/or Trustee described below in accordance with the applicable rules, regulations, policies and procedures of FHA, Fannie Mae or GNMA. Any additional procedures to be followed by the Commission with respect to such mortgage loans will be set forth in the series indenture or financing agreement governing the financing of such mortgage loans. In addition, in the case of certain Mortgage Loans and mortgage loans underlying Guaranteed Mortgage Securities, the Commission may vary from the procedures and requirements set forth below. Mortgage Loans enhanced under the Fannie Mae Standby Credit Enhancement Program are governed only by certain of the following procedures and provisions, including those relating to the use of proceeds, covenants in the mortgage, and prepayments. Such Mortgage Loans are also serviced by Fannie Mae-approved construction lenders, during construction, and servicers after the conclusion of construction or rehabilitation of the related Development, and therefore provisions related to the Commission's exercise of certain approval rights related to the construction and development of a Development may not be applicable.

The proceeds of a Mortgage Loan and mortgage loan underlying a Guaranteed Mortgage Security must be expended solely for payment of costs of a Development. Each mortgagor (which includes the Commission or an instrumentality thereof in the case of ownership of a Development owned by the Commission or such instrumentality) must have marketable title in fee simple to the real property and improvements constituting the Development for which the Mortgage Loan is made, purchased or financed or a leasehold interest under a lease for a term at least twice the term of the Mortgage Loan at the time it is made or purchased. The Mortgage and complementary financing statements, if required, will be executed, recorded and filed in accordance with State law, so as to create and constitute, except as otherwise permitted under the Indenture, a valid first mortgage lien on such title or leasehold and a valid security interest in any personal property acquired with the proceeds of the Mortgage Loan and attached to or used or useful in connection with the Development. The Commission, or the Trustee if the Commission or an instrumentality of the Commission is the mortgagor (each a "Mortgagee"), will be furnished a mortgagee's title insurance policy acceptable to the Commission insuring that the Mortgage is a first lien on the Development, except as otherwise permitted under the Indenture and subject only to liens for taxes and assessments and such other liens, encumbrances, reservations and imperfections of title as, in the judgment of the Commission, set forth in a certificate of an Authorized Officer, do not materially impair the use or value of the premises or as to which appropriate steps, in the judgment of the Commission as set forth in such certificates, have been taken to secure the interest of the Commission or the Trustee, as Mortgagee.

Under the provisions of the Mortgage or accompanying documents, the mortgagor must: (1) warrant title to the Development and agree to appear in and defend any action or proceeding affecting the security of the Mortgage Loan, and to execute such further assurance as may be required to protect the title; (2) covenant to procure and maintain insurance on the Development against fire and extended coverage risks and such other risks as may be required by the Commission in an amount equal to the full insurable value, with a standard mortgagee clause in favor of (a) the Commission, or of the Trustee if the Commission or an instrumentality of the Commission is the mortgagor and (b) FHA (as its interests may appear), and to reimburse the Commission, or the Trustee, if the Commission or an instrumentality of the Commission is the mortgagor, for any premiums paid by it for such insurance on the mortgagor's default in so insuring the Development; (3) covenant to pay all taxes, special assessments and water and sewer and other lawful governmental charges with respect to the Development before they become delinquent, and all claims for work done and materials furnished with respect thereto before they are filed as liens on the Development, except during any period for which payment of part or all thereof may be deferred, with the written consent of and upon such terms as are specified by an Authorized Officer, for the purpose of contesting the same, that in the event of default in the payment thereof when due, the Commission, or the Trustee, if the Commission or an instrumentality of the Commission is the mortgagor, without notice to or demand of the mortgagor may pay the same or any of them; that all moneys paid by the Commission, or the Trustee, if the Commission or an instrumentality of the Commission is the mortgagor, with respect to such taxes, assessments, charges or claims will be a lien on the Development, added to the amount of the Mortgage Loan, secured by the Mortgage, and payable on demand with interest from the time of payment by the Commission, or the Trustee, if the Commission or an instrumentality of the Commission is the mortgagor, at the rate applicable to the Mortgage Loan; and that upon request of the Commission, or the Trustee, if the Commission or an instrumentality of the Commission is the mortgagor, the mortgagor will exhibit to the Commission receipts for the payment of all items specified in this paragraph prior to the date when the same become delinquent; (4) covenant to maintain the Development in good condition and repair, not to commit or suffer any waste, and to comply with all laws, ordinances and requirements of any governmental authority relating to the premises; (5) agree to make monthly Escrow Payments to the Commission or a Servicer of the Mortgage Loan, or to set aside and hold such Escrow Payments if the Commission or an instrumentality of the Commission is the mortgagor, sufficient to accumulate funds for the payment of all taxes, governmental charges and insurance premiums when due; and (6) make such other covenants as may be required by any series indenture or otherwise by the Commission.

To the extent permitted by law, neither a Mortgage Loan nor a mortgage loan underlying a Guaranteed Mortgage Security may be prepaid voluntarily by the mortgagor which is not the Commission or an instrumentality thereof without the consent of the Commission, which consent will not be given unless (1) the amount to be paid prior to satisfaction of the Mortgage Loan or the Guaranteed Mortgage Security, together with any amount that the Commission may appropriate from any available moneys of the Commission, equals, as of the date of the Prepayment (a) the unpaid principal balance of, and accrued but unpaid interest on, the Mortgage Loan or the Guaranteed Mortgage Security; plus (b) interest at the rate provided in the Mortgage Loan or the Guaranteed Mortgage Security on that principal amount from the date of the Prepayment to the earliest date on which a like amount of Outstanding Bonds may be redeemed, other than as part of a Sinking Fund Installment; plus (c) the premium, if any, required for redemption of the amount of Bonds to be redeemed as a result of such Prepayment on such date and the costs and expenses of the Commission in connection therewith; plus (d) the portion of the unamortized principal amount of Bonds attributable to the Mortgage Loan or the Guaranteed Mortgage Security the proceeds of which were used to provide funds for a discount on the issuance of Bonds, the Cost of Issuance and capitalized interest; plus (e) the proportionate share of the Reserve Fund Requirement attributable to the Mortgage Loan or the Guaranteed Mortgage Security, computed by dividing the principal balance of the Mortgage Loan or the Guaranteed Mortgage Security by the total outstanding principal balance of all Mortgage Loans or Guaranteed Mortgage Securities and multiplying the result by the Reserve Fund Requirement; less (f) the amount, if any, that will be available for the payment of the foregoing amounts from income on the investment of the Prepayment while held in the Redemption Fund and from a withdrawal from the Reserve Fund by reason of a reduction in the Reserve Fund Requirement resulting from the Prepayment, and (2) an Authorized Officer certifies to the Trustee that after such Prepayment, the payments receivable with respect to other Mortgage Loans and Guaranteed Mortgage Securities, among other things, will be sufficient at all times for there to be scheduled payments of principal and interest on Mortgage Loans and Guaranteed Mortgage Securities pledged under the Indenture which, when added to any other legally enforceable payments on Mortgage Loans and Guaranteed Mortgage Securities and interest and other income estimated by the Commission to be derived from the investment or deposit of money available in any Fund or Account created by or pursuant to the Indenture, will be sufficient to pay Program Expenses and the principal of and interest on all Outstanding Bonds as they become due at maturity or by prior redemption.

The Commission reserves the right to consent to the Prepayment of Mortgage Loans and mortgage loans underlying Guaranteed Mortgage Securities at any time and the right to prepay at any time a Mortgage Loan as to which the Commission or an instrumentality thereof is the Mortgagor. The Commission also reserves the right, subject to the terms and conditions of the Indenture, to allow the sale of a Mortgage Loan, a mortgage loan underlying a Guaranteed Mortgage Security or Guaranteed Mortgage Securities in connection with a Prepayment. Any Prepayment may be applied to the special redemption of Bonds. In the case of certain Mortgage Loans made or purchased by the Commission or mortgage loans underlying Guaranteed Mortgage Securities, the foregoing prepayment provisions will not be set forth in the related mortgage notes, but rather will be contained in financing agreements between the Commission and the mortgagors. All prepayment provisions that apply to mortgage loans are subject to the requirements of the FHA, Fannie Mae or GNMA programs pursuant to which such mortgage loans are financed.

The Commission from time to time has consented to the prepayment of Mortgage Loans and has prepaid Mortgage Loans as to which the Commission (or an instrumentality thereof) is the mortgagor. Such prepayments have been applied to the special redemption without premium of Bonds that previously financed the Mortgage Loans.

Prior to the initial disbursement on a Mortgage Loan, the mortgagor will have (l) completed construction or rehabilitation and paid all costs thereof in a manner approved by an Authorized Officer or (2) if construction of the Development has not been completed, taken the following steps: (a) obtained all governmental approvals then required by law for the acquisition and construction or rehabilitation of the Development; (b) obtained written approval by an Authorized Officer of the final plans and specifications for the Development and a surety bond, letter of credit, or other assurance of a nature and in an amount which is sufficient, in the opinion of an Authorized Officer, to secure performance of the work in accordance therewith; and (c) deposited with the Trustee cash or an irrevocable letter of credit or other valuable consideration satisfactory to an Authorized Officer, in any amount by which the cost of the Development, as estimated by the Commission, (excluding, in the case of a mortgagor other than the Commission or an instrumentality of the Commission, fees and profits of the mortgagor or persons having an ownership interest in the mortgagor) exceeds the authorized amount of the Mortgage Loan.

No Mortgage Loan will permit the sale, lease (other than residential leases or approved commercial leases) or encumbrance of any Development financed under the Program (other than a Development owned by the Commission or an instrumentality thereof) without the written consent of the Commission by an Authorized Officer. Consent will be given only in the cases of: (1) receipt of a Prepayment conforming to the requirements described above; (2) grant of easements, licenses or rights-of-way over, under or upon the site of the Development which, in the opinion of an Authorized Officer, do not destroy or diminish the use of the Development for the purpose intended; (3) lease of the Development or a part thereof to a third party for the purpose of operation, provided that such lease is permitted by law and is subject to all of the terms, provisions and limitations of the Mortgage Loan or mortgage loan underlying the related Guaranteed Mortgage Security; (4) sale or exchange of any land on which no building or structure comprising part of the Development financed by the Mortgage Loan or mortgage loan underlying the related Guaranteed Mortgage Security is situated and which, in the Authorized Officer's opinion, is not needed for operation of the Development, provided that the proceeds thereof shall be applied and accounted for as a Prepayment; or (5) sale to another mortgagor approved by resolution of the Commission, who assumes all obligations of the original mortgagor under the related mortgage and accompanying documents; in which case, the Commission may release the original mortgagor, unless otherwise provided in the Mortgage Loan or mortgage loan underlying the Guaranteed Mortgage Security.

The Commission may at any time sell, assign or otherwise dispose of a Guaranteed Mortgage Security or a Mortgage Loan (or the Development to which such Mortgage Loan relates), and such Guaranteed Mortgage Security or Mortgage Loan (or Development to which such Mortgage Loan relates) shall be released free and clear of the lien of the Indenture in order to (1) realize the benefits of any FHA Insurance or Credit Facility, as the case may be, with respect to such Guaranteed Mortgage Security, Mortgage Loan or Development; (2) provide funds to finance another Mortgage Loan or Guaranteed Mortgage Security having substantially equivalent terms as the remainder of such Mortgage Loan or Guaranteed Mortgage Security; or (3) provide funds for the redemption or purchase of a principal amount of Bonds corresponding to the unpaid principal amount of such Mortgage Loan or Guaranteed Mortgage Security. In the event of any such sale, assignment or other disposition of a Guaranteed Mortgage Security or a Mortgage Loan (or the Development to which such Mortgage Loan relates) free and clear from the lien of the Indenture, the provisions of the Indenture required to be satisfied with respect to any Mortgage Loan or mortgage loan underlying a Guaranteed Mortgage Security or the related Development as summarized hereinabove shall no longer apply.

Building Loan Agreement. Under the Program with respect to a Mortgage Loan insured by FHA under its Risk Sharing Insurance Program, the Commission disburses the proceeds of a Mortgage Loan providing construction financing pursuant to a form of building loan agreement approved by HUD and entered into with a mortgagor. If the Commission does not act as servicer of a Mortgage Loan for construction financing, the Commission will disburse construction funds pursuant to a financing agreement and in accordance with the Indenture and the series indentures. The following is a summary of certain provisions of the building loan agreement which the Commission expects to execute with mortgagors for which the Commission acts as Servicer. The provisions of such building loan agreement may be modified, altered or amended from time to time by the Commission subject to the requirements of the Indenture.

The building loan agreement requires, among other things, that:

(l) The Development be completed by a specified date in accordance with construction contract documents approved by the Commission;

(2) Any changes in contract documents resulting from (a) necessity, betterments or substitutions, (b) cost increases or decreases or (c) time extensions be affected only with the prior written approval of the Commission and FHA, as appropriate, and under such conditions as the Commission and FHA, as appropriate, may establish;

(3) Disbursements for construction be (a) subject to prior approval of the Commission, (b) made only for work completed, together with the value of materials and equipment not incorporated in the work but delivered to and suitably stored on or off the site, subject to a holdback which will be released subsequent to compliance with certain requirements of the building loan agreement, and (c) subject to the conditions that, (1) no event of default under the terms of any contract document entered into by the mortgagor and the Commission has occurred, (2) the mortgagor, if requested by the Commission, has furnished waivers of liens and receipted invoices from each subcontractor and supplier for work performed and materials furnished through the date covered by the last disbursement and (3) the mortgagor has delivered certain certifications by the architect and the engineer's survey;

(4) A mortgagee title insurance policy or binder covering the Development in an amount not less than the principal amount of the Mortgage be furnished by the mortgagor, prior to the first disbursement;

(5) There be deposited with the Commission (a) evidence of governmental approvals for construction, (b) satisfactory assurances of availability of funds required for construction of the

Development in excess of the proceeds of the Mortgage Loan, (c) required insurance policies including both the design architect's and inspecting architect's certificate of Errors and Omissions Insurance and (d) a monthly construction loan draw schedule for the term of the Mortgage Loan;

(6) The cost of completing construction does not exceed the total of undistributed proceeds of the Mortgage Loan (after provision for reserves, fees, expenses and other deposits required by the Commission);

(7) The Development be constructed strictly in accordance with all applicable ordinances and statutes and the requirements of all regulatory authorities and any rating or inspection organization, bureau, association, or office having jurisdiction or authority; and

(8) A certification, together with an opinion of the mortgagor's independent certified public accountants relating thereto, be submitted by the mortgagor within 60 days of substantial completion in form and substance acceptable to the Commission indicating the actual construction and development costs of the Development.

The Commission may terminate the building loan agreement if the mortgagor (l) fails to commence substantial construction within 30 days after execution and recording of the Mortgage, (2) at any time prior to completion of the Development fails to comply with the terms of the building loan agreement for 10 days after notice thereof, (3) fails to complete the construction of the Development strictly in accordance with the construction contract documents, (4) makes changes in the construction contract documents without prior written approval from the Commission, (5) discontinues work on the Development for a period of 20 days or longer, (6) fails to pay amounts due to contractors or suppliers for work done, or (7) fails to make timely payment of principal, interest, mortgage insurance premiums, deposits to the reserve fund for replacements fund, or any other payment required by the Mortgage or regulatory agreement. In the event the Commission elects to terminate the building loan agreement, it may use and apply any funds deposited with it by the mortgagor, regardless of the purpose for which such funds were deposited, subject to the requirements of the Indenture and the series indentures.

If the Commission elects not to terminate the building loan agreement as described in the preceding paragraph, it may enter into possession of the Development site and cause the performance of any and all work and labor necessary to complete the improvements substantially in accordance with the drawings. The Commission may advance any proceeds of the Mortgage Loan remaining unadvanced together with any additional sums required to complete and protect the Development, and these sums shall be secured by the Mortgage. The building loan agreement provides for the irrevocable appointment of the Commission as the mortgagor's attorney-in-fact for the purpose of expediting the mortgagor's completion of the Development in the name of the mortgagor and to do any and all things which the mortgagor might do on its own behalf in connection with the completion of the Development. The building loan agreement also provides for an assignment to the mortgagor of all sums not previously advanced under the Mortgage and all sums due in escrow, conditioned upon the use of such moneys for the completion of the Development.

Development Reserves and Assurances. In an attempt to minimize the risks inherent in making construction and permanent Mortgage Loans, the Commission has established requirements for reserves and assurances for Developments other than those owned by the Commission or an instrumentality thereof, including the following:

Reserve Fund for Replacements. Under the regulatory agreement, the mortgagor must deposit each month into a reserve for replacements funds in amounts as agreed to by the mortgagor, the Commission and FHA, where applicable.

Construction Assurances. General contractors are required to provide (1) for construction financings, bonds covering payment and performance for labor and materials or an unconditional irrevocable letter of credit for Developments financed with Mortgage Loans insured by FHA and (2) for permanent financings, bonds covering liability for defects in the construction of a Development during the latent liability period identified in such bonds.

Developments Owned by the Commission. The Commission will enter into, or cause an instrumentality of the Commission to enter into, building loan agreements and other agreements containing provisions, and establish escrows and reserve funds, that in each case are necessary in the judgment of the Commission or required by FHA or the provider of the Credit Facility with respect to the 2026 Series B Mortgage Loan and the 2026 Series C Mortgage Loan.

OUTSTANDING MULTIFAMILY HOUSING DEVELOPMENT BONDS

The following table sets forth certain information about the Bonds issued under the Indenture by the Commission that were outstanding as of March 31, 2026.

	Final Maturity	Amount Issued	Amount Outstanding	
MULTIFAMILY HOUSING DEVELOPMENT BONDS				
2004 Series A	7/1/2036	$ 13,700,000	$ 7,390,000	
2004 Series B	7/1/2045	4,085,000	2,820,000	
2005 Series B	7/1/2034	5,440,000	2,600,000	
2005 Series C	7/1/2037	28,630,000	16,405,000	
2011 Series A	1/1/2049	33,585,000	26,655,000	(1)
2011 Series B	1/1/2049	3,020,000	2,430,000	(1)
2012 Series A	7/1/2043	24,935,000	11,745,000	
2012 Series B	7/1/2033	18,190,000	440,000	
2012 Series C	7/1/2031	24,230,000	1,015,000	
2012 Series D	7/1/2043	34,975,000	19,875,000	
2014 Series A	7/1/2046	24,000,000	18,780,000	
2015 Series A-1	1/1/2053	15,010,000	12,880,000	
2017 Series A	7/1/2054	12,000,000	10,640,000	
2019 Series A-1	7/1/2064	51,420,000	50,335,000	
2019 Series B	7/1/2036	7,565,000	5,105,000	
2019 Series C	7/1/2036	9,840,000	6,635,000	
2020 Series A	1/1/2063	25,665,000	24,450,000	
2020 Series B	7/1/2041	25,270,000	18,550,000	
2020 Series C	7/1/2037	16,410,000	11,315,000	
2021 Series A	7/1/2052	99,250,000	96,084,313	
2021 Series B	7/1/2063	16,145,000	15,525,000	(2)
2021 Series C	1/1/2051	104,245,000	92,510,000	
2021 Series D	1/1/2030	7,115,000	6,320,000	
2023 Series A	1/1/2064	28,500,000	27,680,000	
2024 Series A	1/1/2050	17,475,000	17,475,000	
2025 Series A	7/1/2034	42,825,000	42,825,000	
2026 Series A	1/1/2071	150,000,000	150,000,000	
Total		$ 843,525,000	$ 698,484,313	

(1) Variable rate Bonds with respect to which the Commission entered into a direct pay letter of credit provided by TD Bank, N.A., expiring on January 2, 2030.
(2) Bonds are separately secured, non-parity bonds.

INTEREST RATE SWAP COUNTERPARTIES FOR THE BONDS

The Commission has entered into Swap Agreements related to the Bonds. The following table sets forth information about the outstanding Swap Agreements as of March 31, 2026.

Bond Series	Notional Amount	Bond Maturity	Swap Maturity	Swap Counterparty	Swap Provider Rating by Moody's Investors Service (1)
2011 Series A	$25,725,000	1/1/2049	1/1/2049	Bank of America	Aa2
2011 Series B	2,290,000	1/1/2049	1/1/2049	Bank of America	Aa2
2023 Series A	25,530,000	1/1/2063	7/1/2062	Royal Bank of Canada	Aa1
(2)	97,205,000	-	1/1/2050	Bank of America	Aa2

(1) Ratings by Moody's Investors Service are subject to change.
(2) Forward starting swap in connection with bonds expected to be issued prior to January 1, 2029 to provide permanent financing for a multifamily development currently under construction.

OTHER OUTSTANDING INDEBTEDNESS

The following table sets forth certain information about other bonds issued by the Commission that were outstanding as of March 31, 2026.

	Final Maturity	Amount Issued	Amount Outstanding	
BONDS ISSUED TO FINANCE SINGLE FAMILY HOUSING				
Single Family Mortgage Revenue Bonds				
2008 Series D	7/1/2039	$ 17,200,000	$ 11,840,000	(1)
2013 Series B	7/1/2043	14,825,000	465,000	
2016 Series A	7/1/2046	32,805,000	2,975,000	
2017 Series A	7/1/2048	22,000,000	4,570,000	
2017 Series B	7/1/2030	11,300,000	3,955,000	
2018 Series A	7/1/2049	29,435,000	13,590,000	
2018 Series B	7/1/2039	8,450,000	7,045,000	(1)
2021 Series A	1/1/2050	22,750,000	17,510,000	
2021 Series B	7/1/2029	5,650,000	2,075,000	
2021 Series C	1/1/2041	10,000,000	10,000,000	(1)
2022 Series A	7/1/2052	14,660,000	12,715,000	
2022 Series B	7/1/2038	2,940,000	2,940,000	
2022 Series C	7/1/2034	3,000,000	2,525,000	
2022 Series D	1/1/2049	11,000,000	11,000,000	(1)
2023 Series A	7/1/2054	21,405,000	20,325,000	
2023 Series B	1/1/2039	8,000,000	7,340,000	
2024 Series A	7/1/2055	17,065,000	16,545,000	
2024 Series B	7/1/2044	12,935,000	12,560,000	
2025 Series A	7/1/2056	22,280,000	22,275,000	
2025 Series B	7/1/2039	7,295,000	7,295,000	
Single Family Housing Revenue Bonds				
2009 Series C-4	1/1/2041	9,770,000	620,000	
2009 Series C-5	7/1/2031	2,610,000	2,370,000	
2012 Series A	7/1/2028	12,545,000	360,000	
Total Single Family Bonds		$ 319,920,000	$ 192,895,000	

BONDS ISSUED TO FINANCE SINGLE FAMILY AND MULTIFAMILY HOUSING				
Program Revenue Bonds				
2019 Series A	7/1/2049	$ 28,280,000	$ 8,530,000	
2019 Series B	1/1/2033	4,610,000	1,945,000	
2019 Series C	7/1/2039	11,220,000	4,720,000	
Total Program Revenue Bonds		$ 44,110,000	$ 15,195,000	
BONDS ISSUED TO PROVIDE MULTIFAMILY HOUSING				
Multifamily Housing Revenue Bonds				
2001 Issue A (Draper Lane Apartments) ….....	3/1/2040	$ 35,000,000	$ 35,000,000	
2001 Issue B (Draper Lane Apartments)	3/1/2040	11,000,000	11,000,000	
2001 Issue C (Draper Lane Apartments)	3/1/2040	6,000,000	6,000,000	
2004 Issue B (Blair Park Apartments)	10/15/2036	2,700,000	1,181,701	
2006 Issue A (Covenant Village)	12/1/2048	6,418,000	5,310,677	
2008 Issue A (Victory Forest)	9/1/2045	6,600,000	1,047,486	
2015 Issue A (The Crossings at Old Towne) ..	4/1/2048	25,525,000	22,312,216	
2015 Issue B (Lakeview House Apartments) ..	7/1/2031	34,225,000	28,285,627	
Series 2018 (Hillside Senior Living)..............	2/1/2060	26,270,000	19,541,488	
Multifamily Housing Revenue Bonds				
1984 Series A	7/1/2026	5,521,992	48,669	(2)
Variable Rate Housing Revenue Bonds				
2012 Issue A (Victory Court)	1/1/2030	8,400,000	6,584,582	(1)
Housing Development Bonds (Guaranteed by Montgomery County)				
1998 Issue A (Landings Edge)	7/1/2028	12,900,000	2,290,000	
Housing Production Fund				
Series 2021	6/1/2041	50,000,000	40,925,000	
Series 2025	12/1/2044	50,000,000	48,450,000	
Total Multifamily Bonds		$ 280,559,992	$ 227,977,446	
BONDS ISSUED FOR MULTIPLE PURPOSE				
2023 Series A	1/1/2060	$ 57,355,000	$ 57,355,000	
2023 Series B	1/1/2029	3,645,000	2,235,000	
2023 Series C	1/1/2029	74,240,000	74,240,000	
Total Multiple Purpose Bonds		$ 135,240,000	$ 133,830,000	
Total Bonds		$ 779,829,992	$ 569,897,446	

(1) Bears interest at a variable rate.
(2) Includes accreted value.
(3) Approximately $30,000,000 principal amount of Single Family Mortgage Revenue Bonds, 2026 Series AB, are expected to be issued in August 2026.

As of March 31, 2026, the Commission (1) had entered into two lines of credit totaling $270,000,000 with PNC Bank, N.A. to provide short term funds and (2) had $173.329,865 outstanding on such lines of credit related to real estate acquisition and development activities.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture and such summary is qualified in its entirety by reference to the Indenture.

Certain Definitions

"Aggregate Debt Service" means, with respect to any particular Bond Year and as of any particular date of computation, the sum of the individual amounts of aggregate debt service of such Bond Year with respect to all Series.

"Authorized Newspaper" means a newspaper or financial journal printed in the English language and customarily published (except in the case of legal holidays) at least once a day for at least five days in each calendar week.

"Authorized Officer" means the Chair, Vice Chair, Chair Pro Tem or Executive Director of the Commission or any other person designated by the Commission to act on its behalf.

"Credit Facility" means (1) a guarantee, surety bond, insurance policy or unconditional (except to the extent such letter of credit may have a fixed termination date), irrevocable direct pay or standby letter of credit (fully collateralized, to the extent necessary to, at the time of issuance thereof, not adversely affect the then current Rating on the Bonds, by Investment Obligations referred to in clauses (1) and (2) of the definition of "Investment Obligations") which is issued by a bank, trust company, national banking association, insurance company, corporation or other entity, provided that financing a Mortgage Loan secured by a guarantee, surety bond, insurance policy or letter of credit at the time of issuance thereof will not adversely affect the then current Rating on the Bonds or (2) a credit facility or a collateral account securing a Mortgage Loan or the Bonds meeting alternative requirements set forth in the applicable series indenture such that the financing of the Mortgage Loan secured thereby will not adversely affect the then current Rating on the Bonds.

"Development Cost" means the sum of all reasonable expenses incurred by a qualified housing sponsor in undertaking and completing a Development approved by the Commission. Such costs include, but are not limited to, the expenses incurred by a qualified housing sponsor for studies and surveys; plans, specifications, architectural and engineering services; legal, organizational and other special services; financing, acquisition, demolition, construction, equipment and site development of new and rehabilitated housing units; movement of existing buildings to new sites; the cost of acquisition, or estimated fair market value, of land and other interests in real estate; rehabilitation, reconstruction, repair or remodeling of existing buildings; estimated carrying charges during construction and for a reasonable period thereafter; placement of tenants or occupants and relocation services in connection with the related Development; reasonable builder's or sponsor's profit and risk allowance; and, to the extent not already included, all development costs and such other costs as provided by the Act.

"Escrow Payments" means and includes all amounts paid directly to the Commission or to the Servicer of any Mortgage Loan representing payments to obtain or maintain mortgage insurance or any subsidy with respect to a Mortgage Loan or the mortgaged premises or payments in connection with real estate taxes, assessments, water charges, sewer rents, fire or other insurance, replacement or operating reserves or other like amounts in connection therewith.

"Government Obligations" means obligations (including obligations issued or held in book-entry form on the books of the U.S. Department of the Treasury or the Federal Reserve System) of the United States of America or as to which the principal thereof and interest thereon are directly or indirectly guaranteed as to the timely payment of principal and interest by the United States of America.

"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 funds held under the Indenture which are then proposed to be invested therein: (1) Government Obligations, or obligations rated in the highest letter rating category by the Rating Agencies, of any state of the United States of America or any political subdivision of such a state, payment of which is secured by an irrevocable pledge of such Government Obligations; (2) bonds, debentures or other obligations issued by Farm Credit Banks, Federal Home Loan Banks, Tennessee Valley Authority, Fannie Mae, Freddie Mac and Student Loan Marketing Association; (3) time deposits, certificates of deposit or any other deposit with a bank, trust company, national banking association, savings bank, federal mutual savings bank, savings and loan association, federal savings and loan association or any other institution chartered or licensed by any state or the U.S. Comptroller of the Currency to accept deposits in such state ("deposits" meaning obligations evidencing deposit liability which rank at least on a parity with the claims of general creditors in liquidation), which are (a) fully secured by direct obligations of the United States having a market value (exclusive of accrued interest) not less than the amount of such deposit and (b) secured to the extent, if any, required by the Commission and made with an institution whose debt securities are rated at least equal to the then current Rating on the Bonds (or equivalent rating of short-term obligations if the investment is for a period not exceeding one year) by the Rating Agencies; (4) repurchase agreements backed by or related to obligations described in (1) or (2) above with any institution which will not adversely affect the then current Rating on the Bonds by the Rating Agencies; (5) investment agreements, secured or unsecured as required by the Commission, with any institution which will not adversely affect the then current Rating on the Bonds by the Rating Agencies; (6) if rated at a level which will not adversely affect the then current Rating on the Bonds by the Rating Agencies, direct and general obligations of or obligations guaranteed by any state or possession of the United States or the District of Columbia, to the payment of the principal of and interest on which the full faith and credit of such state, possession or District of Columbia is pledged; (7) interest bearing notes issued by a bank holding company having combined capital and surplus of at least $500,000,000 whose senior debt is rated at a level which will not adversely affect the current Rating on the Bonds; (8) Tax-Exempt Obligations; and (9) money market funds registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, which invests only in securities having the highest possible rating from the Rating Agency, provided that it is expressly understood that the definition of Investment Obligations shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to the Indenture, thus permitting investments with different characteristics from those permitted which the Commission deems from time to time to be in the interest of the Commission to include as Investment Obligations, if at the time of inclusion such inclusion will not, in and of itself, adversely affect the then current Rating on the Bonds.

"Outstanding," when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Indenture except: (1) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation because of payment at maturity or redemption or purchase price at or prior to maturity; (2) any Bond (or portion of a Bond) for the payment or redemption of which there have been separately set aside and held in the Redemption Fund thereunder either: (a) moneys in an amount sufficient to effect payment of the principal or applicable redemption price thereof, together with accrued interest on such Bond to the payment date or redemption date; (b) Government Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment date or Redemption Date; or (c) any combination of (a) and (b) above; (3) any Bond in lieu of or in substitution for which other Bonds have been authenticated and delivered pursuant to the Indenture; and (4) any Bond deemed to have been paid as provided in the Indenture.

"Permitted Encumbrances" means (l) intervening liens of contractors, subcontractors, suppliers of materials and equipment and laborers which are acceptable to the Commission, (2) ad valorem property taxes ratably accrued but not yet due and payable, (3) severed mineral estates or interests, owned by others, and (4) such other liens, encumbrances, reservations and other clouds on title as the Commission shall determine do not impair the use or value of the premises.

"Prepayment" means any moneys (other than Recovery Payments or Risk Sharing Reimbursement Payments) received by the Commission from any payment of or with respect to the principal (including any penalty, fee, premium or other additional charge for prepayment of principal which may be provided by the terms of a Mortgage Loan or Guaranteed Mortgage Security) on any Mortgage Loan or Guaranteed Mortgage Security (other than the scheduled payments of principal called for by such Mortgage Loan or Guaranteed Mortgage Security), whether (1) by voluntary prepayment made by the mortgagor or (2) by the sale, assignment, endorsement or other disposition (including any modifications of the terms) of such Mortgage Loan or Guaranteed Mortgage Security by the Commission.

"Program Expenses" means all the Commission's expenses in carrying out and administering its Program under the Indenture, including, but not limited to, Trustee Fees.

"Rating Agencies" means the rating agency or agencies that shall have an outstanding Rating on any of the Bonds pursuant to a request by the Commission.

"Rebate Amount" means such amounts identified by the Commission or on deposit in the Rebate Fund, if any, as shall be necessary to comply with the provisions of the Indenture and the Series Indenture authorizing the issuance of such Series of Bonds.

"Recovery Payment" means any moneys or amounts (other than Prepayments or Risk Sharing Reimbursement Payments) recovered by the Commission from any payment of or with respect to the principal on any Mortgage Loan or Guaranteed Mortgage Security (other than the scheduled payments of principal called for by such Mortgage Loan or Guaranteed Mortgage Security) whether (1) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof or (2) related to a Mortgage Loan or mortgage loan underlying a Guaranteed Mortgage Security as a result of a default or any action taken relating to a default or to prevent an event of default on a Mortgage Loan or mortgage loan underlying a Guaranteed Mortgage Security, including the acceleration, sale, refinancing, assignment, endorsement or other disposition or restructuring of such Mortgage Loan, or such mortgage loan underlying a Guaranteed Mortgage Security.

"Reserve Fund Requirement" means, as of any date of calculation for any Series of Bonds, the amount specified for such Series of Bonds in the related Series Indenture and, for the Indenture, shall mean the aggregate of the Reserve Fund Requirements for all Series of Outstanding Bonds. The Reserve Fund Requirement for the Offered Bonds is described under the heading "Security for the Bonds – Reserve Fund."

"Revenues" has the meaning set forth in clause (4) in the first paragraph under the section "Security for the Bonds" herein.

"Risk Sharing Reimbursement Payments" means moneys which, under the regulations applicable to FHA Insurance provided pursuant to the Risk Sharing Act, are required to be paid by the Commission to HUD following HUD's payment of an insurance claim with respect to a Mortgage Loan, including but not limited to: (1) that portion of an initial claim payment by HUD in excess of the amount necessary to retire Bonds which financed or are deemed by the Commission to have financed the related Mortgage Loan; (2) Mortgage Loan payments by a mortgagor after payment of an insurance claim by HUD with respect to such Mortgage Loan, up to an amount equal to that amount due to HUD; and (3) that portion of the proceeds from the foreclosure of the related Mortgage Loan equal to the amount due HUD.

"Servicer" means any person approved by the Commission for participation in the Program who will service a Mortgage Loan or a mortgage loan underlying a Guaranteed Mortgage Security.

"Servicing Fees" means any fees paid to or retained by a Servicer, or retained by the Commission where the Commission services a Mortgage Loan or mortgage loan underlying a Guaranteed Mortgage Security, from payments on a Mortgage Loan or a mortgage loan underlying a Guaranteed Mortgage Security or any reimbursement of the cost of servicing Mortgage Loans or mortgage loans underlying Guaranteed Mortgage Securities.

"Tax-Exempt Obligation" means (a) obligations, which are rated at a level which will not impair the then current Rating on the Bonds, the interest on which is excluded from gross income of the owner thereof for federal income tax purposes under Section 103 of the Code (other than an obligation described in Section 57(a)(5)(c) of the Code), and (b) United States Treasury - State and Local Government Series, demand deposit securities.

"Trustee Fees" means the fees and expenses payable to the Trustee, which Trustee Fees will in no event exceed the amount designated as Trustee Fees in the most recent Cash Flow Certificate.

Indenture as Contract with Bondowners

The provisions of the Indenture constitute a contract between the Commission, the Trustee and the owners of the Bonds, and the pledges and assignments made by the Indenture and the agreements to be performed by or on behalf of the Commission are for the equal benefit, protection, and security of all such owners.

Provisions for Issuance of Bonds and Additional Bonds

The Indenture authorizes Bonds to be issued from time to time in one or more Series. The Bonds of a Series may be authenticated and delivered only upon receipt by the Trustee of, among other things:

(1) A certified copy of the resolution of the Commission and the series indenture authorizing the issuance and delivery and specifying the terms of such Series of Bonds and the purpose for which such Series is being issued (including to refund other bonds or Bonds of the Commission);

(2) A bond counsel's opinion to the effect, among other things, that the Bonds of such Series have been duly and validly authorized and issued in accordance with the constitution and laws of the State, including the Act, as amended to the date of such opinion, and in accordance with the Indenture;

(3) A request and authorization to the Trustee on behalf of the Commission, signed by an Authorized Officer, to authenticate and deliver the Bonds to the purchaser or purchasers therein identified upon payment to the Trustee for the account of the Commission of the purchase price therefor;

(4) The amount of the proceeds of such Bonds to be deposited in the accounts held by the Trustee pursuant to the Indenture;

(5) A Certificate of an Authorized Officer stating that (a) the principal amount of the Bonds then to be issued, together with the principal amount of the Bonds, notes and other obligations theretofore issued pursuant to the Act, will not exceed in aggregate principal amount any limitation thereon imposed by law; (b) upon the issuance and delivery of such Bonds, the Reserve Fund Requirement will be met; and (c) except in the case of refunding Bonds, at the time of issuance of such additional Bonds, the Commission shall not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture;

(6) A Cash Flow Certificate taking into account the issuance of the Bonds and the Mortgage Loans and Guaranteed Mortgage Securities reasonably expected to be purchased or financed with the proceeds of such Bonds;

(7) With respect to the initial Series of Bonds issued pursuant to the Indenture, evidence that the Rating Agencies have issued a Rating of "Aaa" and for every subsequent Series of Bonds issued pursuant to the Indenture, evidence that the Rating Agencies have confirmed that the issuance of such Series will not cause the Rating of the Bonds to be lowered; and

(8) Such further documents and moneys as are required by the provisions of the related series indenture.

Establishment of Funds and Accounts

The Indenture establishes a Program Fund, Revenue Fund, Redemption Fund and Reserve Fund. The Commission may also, at its election, direct the Trustee to create and designate under the Indenture as special trust funds, a Rebate Fund and Surplus Fund.

All these Funds and Accounts are to be held by the Trustee or are to be held by depositaries in trust for the Trustee. All moneys or securities held by the Trustee or any depositary pursuant to the Indenture must be held in trust and applied only in accordance with the Indenture and the Act.

Program Fund

Upon the issuance of a Series of Bonds, the Trustee shall establish a Series Mortgage Loan Account applicable to such Series of Bonds within the Program Fund and will deposit proceeds from the issuance of such Bonds into such Mortgage Loan Account in the amount set forth in the series indenture authorizing the issuance thereof (provided that the applicable series indenture may provide that proceeds of a Series of Bonds will be deposited to the credit of any Series Mortgage Loan Account established with respect to any other Series of Bonds). In the case of refunding Bonds, the Trustee will establish such accounts as shall be provided in the series indenture with respect to such Bonds. Notwithstanding the foregoing, at the written direction of the Commission and as may be permitted under the terms of the corresponding series indenture, all or a portion of funds held in any Series Mortgage Loan Account may be transferred to one or more other Series Mortgage Loan Accounts and/or the designation of a Series Mortgage Loan Account may be changed. Upon a request by the Commission, moneys in each Series Mortgage Loan Account in the Program Fund shall be applied by the Trustee to the financing of Mortgage Loans, as described in the Indenture and in the applicable series indenture, or to the financing of Guaranteed Mortgage Securities, as described in the applicable series indenture, or both, in any case consistent with the Cash Flow Certificate delivered in connection with the issuance of the related Series of Bonds.

The Trustee will from time to time pay out, or permit the withdrawal of, moneys in the Series Mortgage Loan Account for the purpose of exchanging certain sums of a like amount in connection with refundings of Bonds, purchasing Guaranteed Mortgage Securities and, upon receipt by the Trustee of the following, funding one or more Mortgage Loans: (1) a Commission Request stating certain information relating to the Mortgage Loan; and (2) a certificate signed by an Authorized Officer or a duly authorized agent of the Commission and attached to the Commission Request certifying (a) (i) that the amount being paid from the Series Mortgage Loan Account pursuant to such requisition, together with all prior withdrawals from the Series Mortgage Loan Account and all prior advances made by the Commission on account of the related Mortgage Loan, is covered by FHA Insurance and will not exceed in the aggregate the amount of the Mortgage Loan for the Development with respect to which the Mortgage Loan is being made to the mortgagor or (ii) that payments on the Mortgage Loan are secured by a Credit Facility, which Credit Facility may be for less than the term of the Mortgage Loan if it provides by its terms that prior to its expiration it may be drawn upon if (A) a replacement Credit Facility is not in place or (B) the Mortgage Loan is not at that time the subject of FHA Insurance and (b) such other matters as may be required to be certified in the corresponding series indenture.

In order to accept any Credit Facility, except to the extent cash and investments constitute the Credit Facility as permitted under the Indenture, the Commission must receive an opinion of counsel to the provider thereof that such Credit Facility is a valid and enforceable obligation of such provider, and, if the Credit Facility is collateralized, the Commission must receive an opinion of counsel to the provider thereof to the effect that the security agreement with respect to the collateral is valid and enforceable in accordance with its terms and the Trustee or the Commission, as applicable, has a first perfected security interest in the collateral.

The Trustee will from time to time transfer moneys in the Series Mortgage Loan Account to fund Guaranteed Mortgage Securities, upon receipt by the Trustee of a Commission Request identifying the Development with respect to which such transfer is to be made, and the amount of the payment.

Under the conditions set forth in the applicable series indenture, the Trustee will transfer from any Series Mortgage Loan Account to the Revenue Fund or the Redemption Fund any amount specified by the Commission from time to time in a Commission Request for the purpose of redeeming or purchasing Bonds.

Revenue Fund

All Revenues as received by the Commission will be promptly transferred to the Trustee. Except as otherwise provided in the Indenture, all Revenues received by the Trustee are to be deposited in the Revenue Fund and used as described in the Indenture, provided that Prepayments and Recovery Payments will be segregated and used as described below; provided further, if Revenues representing payments made under a Credit Facility with respect to mortgage payments on a Mortgage Loan are received by the Trustee, to the extent funds representing such mortgage payments by the mortgagor are deposited under the Indenture, then those funds will be released to, and constitute reimbursement of, the provider of that Credit Facility pursuant to the terms of the reimbursement agreement or other agreement corresponding to such Credit Facility.

As directed by the Commission, the Trustee will identify within the Revenue Fund or pay out of the Revenue Fund and to the credit of the Rebate Fund, the Rebate Amount. Any Rebate Amount will be paid, as directed in a Commission Request, at such times and in such amounts as are necessary to comply with the requirements of the Indenture.

As of each, but prior to each, interest payment date, redemption date and on such other dates as directed by the Commission, the Trustee will transfer amounts in the Revenue Fund as follows in the following order: (1) an amount equal to any interest previously due and unpaid on the Bonds plus the interest on the Bonds which will become due and payable on such interest payment date (including any accrued interest payable in connection with a redemption of Bonds on such date) shall be set aside in special trust and applied as required by the Indenture; (2) an amount equal to an amount sufficient to cause the remaining amounts on deposit in the Revenue Fund to equal any principal of the Bonds previously due and unpaid plus principal of the Bonds which is payable on such interest payment date will be held in special trust and applied as required by the Indenture; plus (3) an amount shall be transferred to the credit of the Reserve Fund sufficient to cause the amount on deposit in said Fund to equal the Reserve Fund Requirement.

Prepayments and Recovery Payments will be transferred to the Redemption Fund unless otherwise provided in a series indenture or the Commission, pursuant to a Commission request and upon the filing of a Cash Flow Certificate directs that all or a portion thereof be transferred to the Program Fund or retained in the Revenue Fund. Any Recovery Payments may, at the option of the Commission, be used to repair or restore such property, provided that the Mortgage Loan continues to be insured or guaranteed to the extent required in the related series indenture, and, if not so used, will be applied in accordance with the above provisions.

The Trustee may at any time make transfers from the Revenue Fund, upon the written direction of an Authorized Officer, (1) to the Commission, free and clear of the lien of the Indenture, an amount equal to the Program Expenses, which withdrawal of Program Expenses will not exceed the amount permitted to be withdrawn in the most recent Cash Flow Certificate and (2) to the Surplus Fund or to the Commission, free and clear of the lien of the Indenture, such amount as is shown in the most recent Cash Flow Certificate as may be so transferred or withdrawn, provided the outstanding principal balance of all Mortgage Loans and Guaranteed Mortgage Securities pledged under the Indenture, plus the money and Investment Obligations held in the Program Fund and any amounts to be retained in the Revenue Fund to pay principal of and interest on the Bonds and to fund the Redemption Fund (to the extent not needed for the payment of the principal of Bonds) and the Reserve Fund, are greater than the principal amount of Outstanding Bonds, plus accrued interest thereon.

Redemption Fund

All amounts deposited in the Redemption Fund are required to be applied to the purchase or redemption of Bonds, as directed by the Commission in accordance with the Indenture and with the applicable series indenture.

Upon any purchase or redemption of Bonds for which Sinking Fund Payments have been established from amounts in the Redemption Fund, there is to be credited toward each subsequent Sinking Fund Payment an amount bearing the same ratio to such Sinking Fund Payment as the total principal amount of such Bonds so purchased or redeemed bears to the total amount of all such Sinking Fund Payments to be credited. If, however, written instructions of an Authorized Officer are filed with the Trustee specifying a different method for crediting Sinking Fund Payments and the Trustee consents to such method, then such Sinking Fund Payments will be credited as so provided.

The Commission may purchase Bonds of any particular Series or maturity in lieu of redemption of Bonds of such Series or maturity upon the written request of an Authorized Officer. Such purchases will be made in such manner as the Trustee shall determine at any time prior to the mailing by the Trustee of a notice of redemption.

Reserve Fund

If, on any interest payment date, the amount in the Revenue Fund is less than the amount required for the payment of all principal and interest or redemption price payable on the outstanding Bonds on such date, the Trustee is required to apply amounts from the Reserve Fund to the extent necessary to make good the deficiency.

As of any interest payment date, amounts in the Reserve Fund in excess of the Reserve Fund Requirement will, upon receipt by the Trustee of the written instructions of an Authorized Officer determining to withdraw such amount, be paid to and deposited in the Revenue Fund or the Redemption Fund.

The Reserve Fund Requirement with respect to any Series of Bonds may be funded through Security Arrangements which may include letters of credit, insurance policies, surety bonds, guarantees or other security arrangements (as described in a series indenture) which will not adversely affect the then current Rating on the Bonds.

In connection with any discussion of "moneys" on deposit in or held for the credit of the Reserve Fund "moneys" shall be deemed to include said Security Arrangement.

Surplus Fund

The Commission may direct the Trustee to establish a Surplus Fund, moneys in which, as directed by the Commission, will be transferred to any other Fund or Account under the Indenture or withdrawn free and clear of the lien of the Indenture for any purpose permitted by the Act.

Deficiencies in Revenue Fund

If amounts in the Revenue Fund are insufficient to pay the principal of or the interest on the Bonds on any principal payment date or interest payment date, the Trustee is required to withdraw amounts, first, from the Reserve Fund, second, from the Redemption Fund and, third, from the Program Fund to eliminate such deficiency; provided, however, that moneys in the Redemption Fund which are to be used to redeem Bonds as to which notice of redemption has been published and moneys in the Program Fund which are to be used to purchase Mortgage Loans or Guaranteed Mortgage Securities with respect to which the Commission has entered into commitments will not be transferred to the Revenue Fund, nor will Mortgage Loans or Guaranteed Mortgage Securities be sold or otherwise disposed of to provide moneys for such purpose.

Payment of Bonds

The Commission covenants that it will duly and punctually pay or cause to be paid, but solely from the Revenues and assets pledged therefor under the Indenture, the principal or redemption price of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds and will duly and punctually pay or cause to be paid all Sinking Fund Payments, if any, becoming payable with respect to any Bonds.

Tax Covenants

The Commission covenants at all times to perform all acts necessary or desirable to assure that interest payable on the Bonds shall be excludable, for federal income tax purposes, from gross income of the owners thereof, except in the case of any private activity bond held by a "substantial user" of the respective facilities financed from the proceeds of the Bonds or a "related person" thereto within the meaning of Section 147(a) of the Code. The Commission further covenants not to permit any of the proceeds of the Bonds or other funds of the Commission to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in the Code, and that it shall not permit such proceeds or other funds of the Commission to be used in such manner as would result in the exclusion of interest on any Bond from the treatment afforded by Section 103(a) of the Code (except in the case of private activity bonds held by a person who is a "substantial user" or a "related person" within the meaning of Section 147 of the Code).

Notwithstanding the foregoing, the Commission has reserved the right to elect to issue Bonds the interest on which is not exempt from federal income taxation, if such election is made prior to the issuance of such Bonds, and the covenants described above will not apply to such Bonds.

Funds and Reports

The Commission covenants that it will keep, or cause to be kept, proper books of record and account in which complete and accurate entries will be made of all its transactions relating to the Mortgage Loans and Guaranteed Mortgage Securities and all Funds and Accounts established by the Indenture which will at all reasonable times be subject to the inspection of the Trustee and the owners of an aggregate of not less than 5% in principal amount of Bonds then outstanding or their representatives duly authorized in writing.

The Commission must annually, within 190 days after the close of each fiscal year, prepare financial statements for such fiscal year. The financial statements will be accompanied by the report of an accountant stating that the financial statements examined present fairly the financial position of the Commission, results of its operations and changes in financial position for the period examined, in conformity with generally accepted accounting principles. Any such financial statements may be presented with respect to the funds and accounts for the Bonds or on a consolidated or combined basis with other reports of the Commission. A copy of each such financial statement and any accountant report relating thereto will be mailed promptly by the Commission to each Bondowner who has filed his name and address with the Commission for such purpose.

Enforcement of Rights

The Commission covenants that, to the extent necessary in order to protect and enforce the interests and security of the owners of the Bonds, it will commence foreclosure or pursue other appropriate remedies with respect to any Mortgage Loan which is in default. If the Commission, in its discretion, determines such action to be in the best interests of the owners of the Bonds, the Commission may bid for and purchase the Development securing any such Mortgage Loan at any foreclosure sale thereof or may otherwise take possession of or acquire such Development prior to the purchase or acquisition of any such Development and take such further action as determined by the Commission to be most appropriate.

Sale, Assignment or other Disposition of Mortgage Loans and Guaranteed Mortgage Securities

The Commission may at any time sell, assign or otherwise dispose of a Guaranteed Mortgage Security or a Mortgage Loan (or the Development to which such Mortgage Loan relates), and such Guaranteed Mortgage Security or Mortgage Loan (or the Development to which such Mortgage Loan relates) will be released free and clear of the lien of the Indenture in order to:

(1) realize the benefits of any FHA Insurance or Credit Facility, as the case may be, with respect to such Guaranteed Mortgage Security, Mortgage Loan or Development;

(2) provide funds to finance another Mortgage Loan or Guaranteed Mortgage Security having substantially equivalent terms as the remainder of such Mortgage Loan or Guaranteed Mortgage Security; or

(3) provide funds for the redemption or purchase of a principal amount of Bonds corresponding to the unpaid principal amount of such Mortgage Loan or Guaranteed Mortgage Security.

In addition, the Commission may sell any Development if it determines that (1) the proposed sale and the terms thereof are in the best interests of the Bondowners and (2) (a) the loss of revenues available for the payment or retirement of Bonds as a result of such sale is less than that estimated to result if the Development were not so sold or (b) the risk of such a loss in the event that the Development is not so sold is substantial.

Enforcement and FHA Insurance and Credit Facilities

The Commission covenants to diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms, covenants and conditions of the Mortgage Loans, including the prompt collection of Mortgage Loan repayments.

The Commission also covenants to do all that it is reasonably necessary on the part of the Commission to maintain the FHA Insurance, to the extent applicable, and covenants not to amend the Indenture or any series indenture in a manner that conflicts with the regulations established by HUD or other covenants, agreements, stipulations or documents with respect thereto. Whenever it is necessary to protect and enforce the rights of the Commission under a mortgage securing a Mortgage Loan and to protect and enforce the rights and interests of Bondowners under the Indenture, the Commission covenants to do, or cause to be done, all things necessary to enforce its rights under any FHA Insurance and any Credit Facility and to receive payment of any claims thereon in cash. In the case of any Credit Facility, such obligation on the part of the Commission will include making, or causing the Trustee to make, draws or requests for payments on such Credit Facility at such times, and in such amounts, as are necessary to fund the debt service of the corresponding Mortgage Loan. In the event of any default of a Mortgage Loan having the benefit of FHA Insurance, the Commission covenants to notify HUD of the tax-exempt status of the security for which such Mortgage Loan is pledged and that a claim under the FHA Insurance may be forthcoming.

Modification of Mortgage Terms

The Commission covenants not to consent to the modification of, or modify, the rate of interest of or the amount or time of payment of any installment of principal or interest of any Mortgage Loan, or the security for or any terms or provisions of any Mortgage Loan or the mortgage securing the same in a manner detrimental to Bondowners; provided, however, that the Commission may consent to such modification of and modify such Mortgage Loan and the mortgage so long as the applicable mortgagor will remain obligated to pay mortgage repayments in conformance with the most recent Cash Flow Certificate. The Commission covenants not to modify a mortgage or the terms of a Mortgage Loan having the benefit of FHA Insurance without the approval of HUD if required by statute.

Deposits and Investments

Subject to the right of the Commission to direct investment of funds, the Indenture requires the Trustee to continually invest and reinvest moneys on deposit under the Indenture in Investment Obligations that bear interest at such rates with the objective that sufficient money will be available to pay the interest due on the Bonds and will mature or be subject to redemption with the objective that sufficient money will be available for the purposes intended in accordance with the Indenture. The Trustee may make any and all such investments through its own banking or investment department or the banking or investment department of any affiliate thereof. The Trustee will not be liable for any depreciation of the value of any investment made pursuant to the Indenture or for any loss resulting from any such investment on the redemption, sale and maturity thereof. In the absence of any Commission request, the Trustee will invest in Government Obligations or obligations rated in the highest letter rating category by the Rating Agencies, of any state of the United States of America or any political subdivision of such state (payment of which is secured by an irrevocable pledge of such Government Obligations), having maturities on or before the date on which such funds will be needed, but in no event greater than six months.

Any Investment Obligations so purchased in any Fund or Account shall be deemed at all times to be part of such Fund or Account. Except as otherwise provided in the Indenture with respect to unclaimed funds, or unless otherwise provided in a series indenture, interest paid on the investment in any Fund or Account will be credited to the Revenue Fund and thereafter treated as Revenues.

In computing the amount on deposit in any Fund or Account, obligations purchased as an investment of amounts therein are to be valued at amortized value plus the amount of interest on such obligations purchased with moneys in such Fund or Account.

Powers of Amendment

The Commission may amend the Indenture at any time, without the consent of Bondowners, for the following purposes: (1) to confirm the pledge effected thereby, (2) to surrender any of its rights or powers, (3) add to its covenants, restrictions and limitations contained therein, (4) to cure any ambiguity or correct any defect or inconsistent provision of the Indenture, (5) to insert such provisions clarifying matters or questions arising under the Indenture, (6) to make such modifications or changes as are not materially adverse to the interests of the Bondowners, (7) to make such modifications or changes therein in order to comply with any requirements of HUD imposed as a condition of providing FHA Insurance with respect to Mortgage Loans, if such modifications or changes will not, in the judgment of the Commission, adversely impact the ability of the mortgagor thereof to make payments to the Commission sufficient to pay amounts due on the Bonds, (8) to provide for the issuance of Series of Bonds which are not on a parity with other Bonds issued under the Indenture, (9) to provide for additional duties of the Trustee in connection with the Mortgage Loans or Guaranteed Mortgage Securities or (10) to close the Indenture. With the consent of the Trustee the Commission may amend the Indenture to provide additional Trustee duties. Any other modification or amendment of any provision of the Indenture or of the rights and obligations of the Commission and of the owners of the Bonds may be made by a supplemental indenture, but only with the written consent (a) of the owners of at least two-thirds in principal amount of the Outstanding Bonds, or (b) in case less than all the several Series of Outstanding Bonds are affected by the modification or amendment, of the owners of at least two-thirds in principal amount of the Bonds so affected and Outstanding at the time such consent is given, or (c) in case the modification or amendment changes the terms of any sinking fund payment, of the owners of at least two-thirds in principal amount of the Outstanding Bonds of the particular Series and maturity entitled to such sinking fund payment at the time such consent is given. If such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified maturity remain Outstanding, however, the consent of the owners of such Bonds will not be required. No such modification or amendment will permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the owners of such Bonds, or shall reduce the percentages or otherwise affect any Series or class of Bonds, the consent of the owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any fiduciary without its written assent thereto.

Events of Default

Each of the following events is an "event of default": (1) payment of the principal or redemption price of any Bond is not made when due, whether at maturity or upon call for redemption or otherwise; (2) payment of any installment of interest on any of the Bonds is not made when it becomes due; or (3) the Commission fails or refuses to comply with the provisions of the Indenture, or defaults in the performance or observance of any of the covenants, agreements or conditions contained therein, in any Series Indenture, or in any series indenture or in the Bonds, and such failure, refusal or default continues for a period of 60 days after written notice thereof by the Trustee or by owners of not less than 25% in principal amount of the Outstanding Bonds.

Remedies

Upon the happening and continuance of any event of default specified in clauses (1) and (2) above, the Trustee must proceed or, upon the happening and continuance of any event of default specified in clause (3) above (except with respect to declaring all Bonds due and payable, in which case the consent of owners of not less than 100% in principal amount of the Outstanding Bonds will be required), the Trustee may proceed and, upon the written request of the owners of not less than 25% in principal amount of the Outstanding Bonds is required to proceed, in its own name, subject to its right to indemnification and other provisions of the Indenture, to protect and enforce the rights of the Bondowners by such of the following remedies as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights: (a) by mandamus or other suit, action or proceeding in law or in equity, to enforce all rights of the Bondowners, including the right to require the Commission to receive and collect Revenues adequate to carry out the covenants and agreements as to, and the assignment of, the Mortgage Loans and Guaranteed Mortgage Securities and to carry out any other covenants or agreements with Bondowners and to perform its duties under the Act; (b) by bringing suit upon the Bonds; (c) by action or suit in equity, to require the Commission to account as if it were the trustee of an express trust for the owners of the Bonds; (d) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds; (e) by declaring all Bonds due and payable, and if all defaults are cured, then, with the written consent of the owners of not less than 100% in principal amount of the Outstanding Bonds, by annulling such declaration and its consequences; or (f) in the event that all Bonds are declared due and payable, by selling Mortgage Loans, Guaranteed Mortgage Securities and Investment Obligations. Upon commencement of judicial proceedings by the Trustee to enforce the rights of the Bondowners under the Indenture, the Trustee is entitled to cause the appointment of a receiver of the assets and Revenues of the Commission relating to the Program.

Except upon the occurrence and during the continuance of an event of default, the Commission expressly reserves and retains the privilege to receive and, subject to the terms and provisions of the Indenture, to keep or dispose of, claim, bring suit upon or otherwise exercise, enforce or realize upon its rights and interest in and to the Mortgage Loans, Guaranteed Mortgage Securities and the proceeds and collections therefrom and neither the Trustee nor any Bondowner will be an indispensable party to the exercise of any such privilege, claim or suit.

Priority of Payments After Default

If, upon the happening and continuance of any event of default, the funds held by the Trustee and Paying Agents are insufficient for the payment of principal or redemption price of and interest then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds or maturities which have theretofore become due) and any other amounts received or collected by the Trustee are to be applied as follows, after making provision for the payment of expenses to protect the interest of the owners of the Bonds and of charges, expenses and liabilities incurred and advances made by the Trustee or any Paying Agent in the performance of their respective duties under the Indenture:

(1) Unless the principal of all the Bonds has become or has been declared due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments and, if the amount available is not sufficient to pay in full any installment, then to the payment thereof ratably to the persons entitled thereto without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or redemption price of any Bonds which have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available are not sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably to the persons entitled thereto, without any discrimination or preference.

(2) If the principal of all the Bonds has become or been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

Whenever the Trustee is to apply money in accordance with the foregoing provisions, it will do so at such times, and from time to time, as it in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available. Deposit of such money with the Paying Agents, or otherwise setting aside such moneys in trust for the proper purpose, constitutes proper application by the Trustee, and the Trustee incurs no liability to the Commission, to any Bondowner or to any other person for any delay in applying any such moneys, so long as it acts with reasonable diligence and ultimately applies such moneys in accordance with the provisions of the Indenture. Whenever the Trustee exercises such discretion in applying such moneys, it must fix the date (which will be an interest payment date unless it deems another date more suitable) upon which such application is to be made and give such notice as it deems appropriate. Upon such date interest on the amounts of principal to be paid on such date will cease to accrue. The Trustee is not required to make payments to the owner of any Bond unless such Bond is presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Bondowners' Direction of Proceedings

The owners of 25% in principal amount of the Bonds then Outstanding have the right to direct the method of conducting all remedial proceedings to be taken by the Trustee provided that such direction is in accordance with law and the provisions of the Indenture. However, the Trustee has the right to decline to follow any such direction which in its opinion would be unjustly prejudicial to Bondowners not parties to such direction.

Limitation on Rights of Bondowners

No Bondowner may initiate legal proceedings to enforce rights under the Indenture unless such owner has given to the Trustee written notice of the event of default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the owners of not less than 25% in principal amount of the Bonds then Outstanding have made written request of the Trustee after the right to exercise such right of action has occurred, and have afforded the Trustee a reasonable opportunity either to exercise the powers granted to it under the Indenture or to institute such proceedings in its name unless, also, there has been offered to the Trustee reasonable security and indemnity against costs, expenses and liabilities and the Trustee has refused or neglected to comply with such request within a reasonable time. No provision in the Indenture on defaults and remedies affects or impairs the right of any Bondowner to enforce the payment of the principal of and interest on his Bond or the obligation of the Commission to pay the same.

Notice of Event of Default

The Trustee must give the Bondowners notice of each event of default known to the Trustee within 30 days of actual knowledge of the occurrence thereof, unless such event of default has been remedied or cured, except that, in the case of default in the payment of the principal or redemption price of or interest on any of the Bonds or in the making of any payment required to be made into the Program Account, the Trustee may withhold such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Bondowners. Each such notice is to be given by mail: (1) to all registered owners of Bonds, as their names and addresses appear upon the books for registration and transfer of Bonds as kept by the Trustee and (2) to such other persons as is required by law.

Responsibility of Fiduciaries

No fiduciary assumes any responsibility in respect of the validity, sufficiency, due execution or acknowledgment of the Indenture or of Bonds or in respect of the security afforded by the Indenture. No fiduciary has any responsibility or duty with respect to the application of the proceeds thereof or the application of any moneys paid to the Commission. No fiduciary has any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect of the Indenture or to advance any of its own moneys, unless properly indemnified. No fiduciary is liable in connection with the performance of its duties under the Indenture except for its own negligence or default. Neither the Trustee nor any Paying Agent has any responsibility or duty with respect to the application of any moneys paid to any one of the others.

Resignation of Trustee

The Trustee may resign and thereby become discharged from the trusts created by the Indenture, by notice in writing to be given to the Commission, not less than 60 days before such resignation is to take effect, but such resignation will take effect immediately upon the appointment of a new Trustee under the Indenture, if such new Trustee will be appointed before the time established by such notice and must then accept such trusts.

Removal of Trustee

The Trustee may be removed at any time by an instrument or concurrent instruments in writing executed by the owners of not less than a majority in principal amount of the Bonds then Outstanding and filed with the Commission. The Commission may remove the Trustee at any time (if the Commission is not in default under the Indenture).

Appointment of Successor Trustee

If at any time the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as Trustee shall be taken over by any governmental official, agency, department or board, the Commission covenants and agrees to appoint a successor Trustee. No resignation or removal of the Trustee will become effective unless a successor Trustee has been appointed under the Indenture and such successor Trustee has accepted its appointment thereunder.

At any time within one year after any such vacancy shall have occurred, the owners of a majority in principal amount of the Bonds secured by the Indenture and then Outstanding, by an instrument or concurrent instruments in writing, executed by such Bondowners and filed with the Commission, may appoint a successor Trustee, which will supersede any Trustee theretofore appointed by the Commission.

If no appointment of a successor Trustee is made pursuant to the foregoing provisions within ten days after the vacancy has occurred, the owner of any Bond Outstanding may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Any successor Trustee must be a trust company or bank, duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, of good standing and having a combined capital, surplus and undivided profits aggregating not less than $25,000,000 at the time of its appointment.

Defeasance

If, when the Bonds secured under the Indenture have become due and payable in accordance with their terms or otherwise as provided in the Indenture, or have been duly called for redemption or irrevocable instructions to call the Bonds for redemption have been given by the Commission to the Trustee and (a) the whole amount of the principal of, redemption price and the interest on all of such Bonds shall be paid or (b) the Trustee holds either money, or Government Obligations which are not callable or redeemable other than at the option of the owner thereof or holds both money and Government Obligations which are not callable or redeemable other than at the option of the owner thereof, sufficient to pay the principal of, redemption price and interest on all Outstanding Bonds on their respective interest payment dates, stated maturity or prescribed redemption dates, provided that such Government Obligations will be in such amount that the principal of and the interest on such Government Obligations so held by the Trustee, when due and payable, will provide sufficient money which, with any and all other money held by the Trustee for such purpose under the Indenture, shall be sufficient to pay such principal of, redemption price and the interest on such Bonds and, if sufficient funds shall also have been provided for paying all other obligations payable under the Indenture by the Commission, then and in that case the right, title and interest of the Trustee will thereupon cease, determine and become void, and the Trustee in such case, on demand of the Commission, will release the Indenture and the security, and execute such documents to evidence such release as may be reasonably required by the Commission, and turn over to the agency or to such officer, board or body as may then be entitled to receive the same, all the remaining property held by the Trustee under the Indenture. Otherwise, the Indenture will continue and remain in full force and effect; provided, however, that in the event such Government Obligations are deposited with and held by the Trustee as hereinabove provided: (1) in addition to the requirements set forth in the Indenture, the Trustee will, within 30 days after such Government Obligations have been deposited with it, cause a notice signed by the Trustee to be published once in an Authorized Newspaper, setting forth (a) the date designated for the redemption of the Bonds, (b) that such Government Obligations are held by it in accordance with the Indenture and (c) that the Indenture has been released in accordance with the provisions of this paragraph and (2) applicable provisions of the Indenture, pertaining to the payment of the principal of, redemption price or interest on the Bonds and other obligations payable under the Indenture by the Commission, will be continued in force until such Bonds and other obligations have been fully paid.

TAX MATTERS

Federal Tax Matters – The Offered Bonds

General Matters. In the opinion of Kutak Rock LLP, Washington, D.C., Bond Counsel, under existing laws, regulations, rulings and judicial decisions, (a) interest on the Offered Bonds is excludable from gross income for federal income tax purposes, except for interest on any 2026 Series C Bond or any 2026 Series D Bond for any period during which such 2026 Series C Bond or 2026 Series D Bond is held by a "substantial user" of the facilities financed by the 2026 Series C Bonds and the 2026 Series D Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, and (b) interest on the Offered Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described above assumes the accuracy of certain representations and compliance by the Commission and the owners of the 2026 Series B Development and the 2026 Series CD Development with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Offered Bonds. Failure to comply with such requirements could cause interest on the Offered Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Offered Bonds. The Commission and the owners of the 2026 Series B Development and the 2026 Series CD Development have covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Offered Bonds. Interest on the Offered Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Offered Bonds may otherwise affect a Bondowner's federal income tax liability. The nature and extent of these other tax consequences will depend upon the Bondowner's particular tax status and other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences.

Purchasers of the Offered Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property and casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Offered Bonds.

Backup Withholding. An owner of an Offered Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Offered Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Internal Revenue Service Audits. The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is included in the gross income for federal income tax purposes. It cannot be predicted whether or not the Internal Revenue Service will commence an audit of any of the Offered Bonds. If an audit is commenced, under current procedures the Internal Revenue Service may treat the Commission, as the issuer of the Offered Bonds, as a taxpayer, and the registered owners of the Offered Bonds may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the related Offered Bonds until the audit is concluded, regardless of the ultimate outcome.

Maryland Tax Matters

In the opinion of Bond Counsel, under existing Maryland law, interest on the Offered Bonds, their transfer, and the income therefrom, including any profit made on the sale thereof, is free from taxation of every kind by the State of Maryland (the "State"), and by the municipalities and all other political subdivisions of the State, except that no opinion is expressed as to such exemption from Maryland franchise taxes or estate or inheritance taxes.

Interest on the Offered Bonds may be subject to state or local taxes in jurisdictions other than the State under applicable state or local tax laws. Purchasers of the Offered Bonds should consult their own tax advisors with regard to the tax consequences of the Offered Bonds in those other jurisdictions.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Offered Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to obligations issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Offered Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Offered Bonds or the market value thereof would be impacted thereby. Purchasers of the Offered Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Offered Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE OFFERED BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE OFFERED BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE OFFERED BONDS.

LITIGATION

There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best of knowledge of the Commission, threatened against or affecting the Commission, wherein an unfavorable decision, ruling or finding would materially adversely affect (1) the transactions contemplated by the Official Statement or the validity of the Authorizing Resolution, the Indenture, or the Offered Bonds, (2) the financial position of the Commission, (3) the ability of the Commission to perform its obligations under, or in connection with, the Offered Bonds or (4) the security for the Bonds.

In the opinion of the Commission's General Counsel, there is no litigation pending which, if concluded unfavorably to the Commission, is not covered by insurance or would have a materially adverse effect upon the ability of the Commission to meet its obligations with respect to payment of principal of and interest on the Offered Bonds or the operation of the Program.

FINANCIAL STATEMENTS

The financial statements of the Commission relating to the Indenture as of and for the year ended June 30, 2025 have been audited by CliftonLarsonAllen LLP, independent public accountants, as indicated in its report with respect thereto, and included as Appendix B to this Official Statement.

LEGAL MATTERS

The authorization, issuance and delivery of the Offered Bonds are subject to receipt of the opinions of Kutak Rock LLP, Washington, D.C., Bond Counsel, which will be in substantially the forms set forth in Appendix F. Certain legal matters pertaining to the Commission and its authority to issue the Offered Bonds will be passed upon by General Counsel to the Commission. Certain legal matters will be passed upon for the Underwriters by Chapman and Cutler LLP, Washington, D.C.

CONTINUING DISCLOSURE

The Commission will enter into a Continuing Disclosure Agreement in connection with the issuance of the Offered Bonds substantially in the form contained in Appendix E (the "Disclosure Agreement") with U.S. Bank Trust Company, National Association (in such capacity, the "Dissemination Agent") pursuant to which the Commission will (1) cause certain financial information and operating data relating to the Commission, the Program and any Developments owned by the Commission or an instrumentality thereof or by an entity in which the Commission is the general partner or managing member and financed in connection with the Offered Bonds, to be sent to the Municipal Securities Rulemaking Board ("MSRB") or any other entity designed or authorized by the Securities and Exchange Commission ("SEC") annually and (2) provide notice to the MSRB of certain events, all in accordance with the requirements of Section (b)(5)(i) of SEC Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12). Such information will be filed with EMMA. The Commission will covenant in the Disclosure Agreement not to finance any Development unless the mortgagor with respect to such Development (if the mortgagor is not the Commission, an instrumentality of the Commission or an entity in which the Commission is, or is acting as, the general partner or managing member) has entered into a continuing disclosure agreement with the Commission and the Dissemination Agent, pursuant to which agreement, the mortgagor will agree to provide to the Dissemination Agent its annual audited financial statement for the prior fiscal year until the earlier of (1) legal defeasance, prior redemption or repayment of the Offered Bonds or (2) repayment (either through voluntary prepayment or with the proceeds of foreclosure, liquidation or insurance) in full of such mortgagor's mortgage loan; provided that the Commission reserves the right not to require such an agreement if either (a) the Commission agrees to provide the related mortgagor's annual audited financial statements to the Dissemination Agent or (b) the related mortgagor's mortgage loan comprises 10% or less of the aggregate Bond proceeds used to finance Developments. The Commission has determined not to require such an agreement from any of the current mortgagors under the Program, each of which has a mortgage loan smaller than 10% of the financed mortgage loans.

Although the Commission has been in material compliance with its continuing disclosure obligations under the Program, its other multifamily programs and its single family bond programs over the past five years, (1) certain annual operational data related to rent levels for one development that was required by the continuing disclosure agreement entered into with respect to Multiple Purpose Bonds of the Commission issued in 2002 (and retired in 2020) was not filed, (2) certain annual audit and operational data required by related continuing disclosure agreements were filed late, (3) certain audit and operational data were filed on time but without being linked to certain related CUSIPs, (4) certain reserve balances and operational data were filed on time through inclusion in official statements, footnotes to financial statements or other filings without clear direction to investors as to the location of that information on

EMMA (e.g., headings that did not match those contained in the related continuing disclosure agreements or updated financial or other information included in offering documents or financial statements without the related filings noting the incorporation by reference therein of information to fulfill other continuing disclosure obligations), and (5) listed events relating to rating changes for banks providing letters of credit on certain variable rate bonds and one bond redemption notice were filed late. The Commission has put in place several measures to improve the completeness and timeliness of its information filings. Among those procedures is the inclusion by the Commission's independent auditors in their report prepared in connection with the financial statements for each of the Commission's bond programs, of a section entitled "Other Information – Continuing Disclosure Requirements" in which the independent auditors update, as of the last day of the applicable audited fiscal year, the program information required by the continuing disclosure agreements for each such program to be filed on EMMA in an annual report. See "Continuing Disclosure Requirements Multifamily Housing Development Bonds – 1996 Indenture" in Appendix B - Financial Statements of the Program.

MUNICIPAL ADVISOR

Caine Mitter & Associates Incorporated ("Caine Mitter") has been engaged as a municipal advisor to the Commission in connection with the issuance of the Offered Bonds. Caine Mitter is an independent registered municipal advisor and is not engaged in the underwriting, trading, or distribution of municipal or other public securities. Caine Mitter is not a public accounting firm and has not been engaged to compile, review, examine, or audit the information contained herein in accordance with accounting standards. Any cash flow projections, quantitative analyses, or other work products prepared by Caine Mitter rely on information obtained from the Commission and other parties to the transaction and third-party sources believed to be reliable, as well as assumptions provided by or on behalf of the Commission. Caine Mitter has not independently verified and assumes no responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement, compliance with any continuing disclosure undertakings, or the provisions of the legal documents relating to the Offered Bonds.

RATING

Moody's Investors Service (the "Rating Agency") has assigned the Offered Bonds the long-term municipal bond rating of "Aaa". Such rating reflects only the view of such Rating Agency and is not a recommendation to buy, sell or hold the Offered Bonds. An explanation of the significance of such rating may be obtained from such Rating Agency. There is no assurance that such rating will be maintained for any given period of time or that such rating may not be raised, lowered, suspended or withdrawn entirely by such Rating Agency, if in its judgment, circumstances warrant. Any such downward change in or suspension of or withdrawal of such rating may have an adverse effect on the market price of the Offered Bonds.

UNDERWRITING FOR THE OFFERED BONDS

The Offered Bonds are being purchased by Wells Fargo Bank, National Association, PNC Capital Markets LLC, BofA Securities, Inc., Jefferies LLC, Morgan Stanley, RBC Capital Markets, LLC, and TD Financial Products (the "Underwriters"). The Underwriters have agreed to purchase the Offered Bonds at a price equal to $. The Contract of Purchase for the Offered Bonds provides that the Underwriters will purchase all the Offered Bonds if any such Offered Bonds are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in such Contract of Purchase, the approval of certain legal matters by counsel and certain other conditions. The initial public offering prices may be changed, from time to time, by the Underwriters. The Underwriters may offer and sell the Offered Bonds to certain dealers and certain dealer banks and banks acting as agents at prices lower than the public offering prices stated on the inside cover page hereof. The Underwriters will receive a fee of $ relating to the sale of the Offered Bonds. The Commission will pay the underwriting fees from funds available to the Commission.

Wells Fargo Securities is the trade name for certain securities‑related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association ("WFBNA"), which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National

Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to the Section 15B(a) of the Securities Exchange Act of 1934.

PNC Capital Markets LLC ("PNCCM"), one of the Underwriters, may offer to sell to its affiliate, PNC Wealth Management LLC ("PNCWM"), securities in PNCCM's inventory for resale to PNCWM's customers, including securities such as those to be offered by the Commission. PNCCM may share a portion of the fee or commission paid to PNCCM if any of the Offered Bonds are sold to customers of PNCWM.

BofA Securities, Inc., one of the Underwriters, 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 Offered Bonds.

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

RBC Capital Markets, LLC ("RBCCM"), one of the Underwriters, 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 Offered Bonds. The Royal Bank of Canada ("RBC"), an affiliate of RBCCM, serves as swap counterparty for the Commission and is separately compensated for serving in that capacity.

TD Financial Products LLC, one of the Underwriters of the Offered Bonds, has entered into two negotiated dealer agreements (the "TD Dealer Agreements") with Charles Schwab & Co., Inc. ("CS&Co.") and Revere Securities LLC ("Revere") for the retail distribution of certain securities offerings, including the Offered Bonds at the original issue prices. Pursuant to the TD Dealer Agreements, CS&Co. and Revere may purchase the Bonds from TD Financial Products LLC at the original issues prices less a negotiated portion of the selling concession applicable to any of the Bonds CS&Co. or Revere sells.

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

Each of the Underwriters and its affiliates is a full service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Each of the Underwriters and its affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the Commission, for which they may have received or will receive customary fees and expenses. In the ordinary course of their various business activities, each of the Underwriters and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Commission.

Each of the Underwriters and its 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 clients that they should acquire, long and/or short positions in such assets, securities and instruments.

MULTIPLE ROLES OF PARTIES

PNC Bank, National Association ("PNC Bank") and PNCCM, one of the Underwriters with respect to the Offered Bonds, are both wholly owned subsidiaries of the PNC Financial Service Group, Inc. PNCCM is not a bank and is a distinct legal entity from PNC Bank. PNC Bank has other banking and financial relationships with the Commission. Among other banking and financial relationships, PNC Bank provides the Commission with lines of credit as described under the heading "Other Outstanding Indebtedness."

Wells Fargo Bank, National Association, one of the Underwriters with respect to the Offered Bonds, will own the investor member interests in HOC at The Metropolitan LIHTC, LLC and will be allocated the low-income housing tax credits related to the 2026 Series CD Units and is also providing to the Commission the 2026 Series D Bridge Loan and a swap in connection therewith.

MISCELLANEOUS

The summaries and explanation of, or references to, the Acts, the Program documents, the Indenture, the Series Indenture and the Offered Bonds 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 reference to each such document, copies of which are either included in this Official Statement or on file at the office of the Commission.

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

HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

By:__________________________________
Chairman

July , 2026*

* Subject to change.

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APPENDIX A

DESCRIPTION OF MULTIFAMILY DEVELOPMENTS

Appendix A-1*

Mortgage Loan Expected to be Financed with the Proceeds of Offered Bonds

Development	Location	Developer/ Owner	Number of Total Units/Section 8 Units	Expected Insurer, Guarantor or Credit Facility	Interest Rate (%)	Permanent Mortgage Amount	Term of Permanent Mortgage (Months)	Expected Financing Date	Date of Construction Completion	Occupancy as of 3/31/2026 (%)	Net Operating Income before Debt Service in CY 2025	Projected Net Operating Income Year 1 Stabilized
The Metropolitan	Bethesda	HOC at The Metropolitan LIHTC, LLC (1)	92/20 (1)	FHA – RS		7,720,000	540	8/2026	12/31/2028	91.5%	$149,224	$561,747
The Metropolitan	Bethesda	The Metropolitan Development Corporation (an instrumentality of the Commission)	216/0	FHA - RS		95,975,000	540	8/2026	12/31/2028	80.2%	$4,312,916	$6,272,587

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* Subject to change.

(1) 20 of the units are expected to receive project based vouchers pursuant to Section 8 of the Housing Act of 1937 (“Section 8”).

Appendix A-2
Mortgage Loans and Developments Financed with the Proceeds of Bonds as of March 31, 2026

Development	Location	Developer/Owner	Number of Total Units/ Section 8 Units		Insurer or Guarantor	Interest Rate (%)	Original Mortgage Amount	Outstanding Principal Balance	Original Term (Months)	Remaining Term (Months)	Occupancy as of 3/31/2026 (%)	Expiration of LIHTC Compliance
Charter House	Silver Spring	Homes for Silver Spring, LLC - Charter	212/0	(1)(2)	Fannie Mae	6.020	13,700,000	8,058,532	360	135	89.0% (3)	n.a.
RHE Apartments	Rockville	RELP One LLP	56/0	(2)(4)	FHA - RS	5.210	3,900,000	2,790,028	480	227	97.2%	12/31/18
The Metropolitan	Bethesda	The Metropolitan of Bethesda Limited Partnership (an instrumentality of HOC)	92/0	(2)(5)(6)	FHA - RS	6.375	7,470,518	4,041,189	466	129	91.5% (7)	12/31/12
The Metropolitan	Bethesda	Metropolitan Development Corp (an instrumentality of HOC)	216/0	(5)(8)	FHA - RS	6.375	31,425,878	16,999,863	466	129	80.2% (7)	n.a.
MetroPointe	Wheaton	Wheaton Metro Development Corp (an instrumentality of HOC)	120/0	(8)	FHA – RS	4.500	33,380,000	25,667,397	480	274	93.3%	n.a.
MetroPointe	Wheaton	Wheaton Metro LP (1)	53/0	(2)(6)	FHA - RS	6.500	2,970,000	2,479,482	480	274	90.4%	12/31/23
Ring House	Rockville	Ring House Corporation	250/0	(6)	FHA - RS	6.100	18,375,000	5,330,978	360	55	66.7% (9)	n.a.
Scattered Sites One Development	Scattered Sites	Scattered Site One Development Corp (an instrumentality of HOC)	190/0	(2)(6)	FHA - RS	3.950	9,200,000	6,321,043	360	197	81.3% (3)	n.a.
Oaks at Four Corners	Wheaton	Oaks at Four Corners Development Corp (an instrumentality of HOC)	120/0	(6)	FHA - RS	6.300	3,695,000	134,740	360	6	97.4%	n.a.
Manchester Manor Apartments	Silver Spring	Manchester Manor LP (10)	53/0	(2)(6)	FHA - RS	5.200	2,453,386	604,443	360	50	87.9%	12/31/15
The Willows	Gaithersburg	The Willows of Gaithersburg Associates LP (10)	195/39	(2)(6)(11)	FHA - RS	5.200	7,254,606	595,356	360	34	97.9%	12/31/14
Brookside Glen	Wheaton	Brookside Glen LP (an instrumentality of HOC)	90/0	(2)(6)	FHA - RS	4.650	7,090,000	2,721,590	360	88	94.4%	n.a.
Diamond Square	Gaithersburg	Diamond Square LP (an instrumentality of HOC)	124/0	(2)(12)	FHA - RS	4.650	1,810,000	694,792	360	88	92.3%	n.a.
Montgomery Arms	Silver Spring	Montgomery Arms Development Corp (an instrumentality of HOC)	129/22	(2)(6)(11)	FHA - RS	4.650	10,400,000	4,583,032	360	104	93.3%	n.a.
Pooks Hill High Rise	Bethesda	Pooks Hill Development Corp (an instrumentality of HOC)	189/57	(2)(11)(13)	FHA - RS	3.225	18,200,000	12,295,463	360	202	89.2% (3)	n.a.
RAD 6	Scattered Sites	RAD 6 Development Corp (an instrumentality of HOC)	268/209	(1)(2)(11)(14)	FHA - RS	4.125	24,000,000	19,038,524	360	241	92.3%	n.a.
Arcola Towers	Silver Spring	Arcola Towers RAD LP (10)	141/141	(2)(6)(11)(14)	FHA - RS	4.550	6,116,778	5,360,594	420	316	96.5%	12/31/30

Waverly House	Bethesda	Waverly House RAD LP (10)	157/145	(2)(6)(11)(14)	FHA - RS	4.550	8,425,487	7,383,890	420	316	93.9%	12/31/30
Greenhills Apartments	Damascus	Greenhills Apartments LP (10)	77/0	(2)(6)	FHA - RS	4.100	12,000,000	10,853,216	420	342	91.1% (13)	12/31/32
The Leggett (Elizabeth House III)	Silver Spring	Elizabeth House III Limited Partnership	267/106	(6)(11)(14)	FHA - RS	3.500	51,420,000	50,944,185	480	471	96.8%	12/31/34
Barclay	Bethesda	Barclay One Development Corp (an instrumentality of HOC)	76/0	(8)	FHA - RS	4.450	10,557,738	5,345,399	360	126	96.9%	n.a.
Barclay	Bethesda	Barclay One Associates, LP (10)	81/36	(2)(6)(11)	FHA - RS	4.550	6,775,732	3,454,193	360	126	92.8%	12/31/21
Spring Garden	Silver Spring	Spring Garden One Associates LP (10)	83/0	(2)(6)	FHA - RS	4.550	6,862,931	3,498,646	360	126	98.0%	12/31/21
Forest Oak Towers Apartments	Gaithersburg	Forest Oak Towers LP (10)	175/175	(2)(6)(11)	FHA - RS	4.927	18,100,000	9,860,017	360	133	99.5%	12/31/22
Bauer Park	Rockville	Bauer Park Apartments LP	142/56	(2)(6)(11)	FHA - RS	3.250	25,665,000	24,679,343	480	444	94.6%	9/1/35
Magruder's Discovery	Bethesda	Magruder's Discovery Development Corp (an instrumentality of HOC)	134/134	(1)(2)(11)	FHA - RS	6.400	11,567,791	8,507,133	360	183	95.2%	n.a.
Strathmore Court	North Bethesda	Strathmore Court Associates LP	202/10	(1)(2)(11)	FHA - RS	5.640	13,658,173	9,860,287	133	87	90.3%	n.a.
Tax Credits IX/Pond Ridge	Scattered Sites	Montgomery Homes LP IX – MHLP (10)	116/0	(2)(6)	FHA - RS	6.300	6,177,731	758,444	360	21	78.6% (3)	12/31/13
Stewartown Homes Apartments	Gaithersburg	HOC at Stewartown Homes LLC	94/19	(2)(6)(11)	FHA - RS	2.950	16,045,000	15,391,177	480	447	96.3%	12/31/36
Shady Grove Apartments	Rockville	HOC at Shady Grove LLC	144/144	(2)(6)(11)	FHA - RS	2.773	28,700,000	27,955,998	420	292	99.5%	12/31/36
Georgian Court Apartments	Silver Spring	HOC at Georgian Court LLC	147/30	(2)(6)(11)	FHA - RS	2.773	28,990,000	16,983,856	420	292	99.1%	12/31/36
Willow Manor Properties	Scattered Sites	HOC at Willow Manor LLC	286/0	(2)(6)	FHA - RS	2.786	49,550,000	48,711,283	480	292	95.9%	12/31/36
Residences on the Lane (Upton II)	Rockville	HOC at the Upton II LLC	150/0	(2)(6)	FHA - RS	3.400	27,000,000	26,009,718	480	444	93.2%	12/31/38
Hillandale NAR LIHTC	Silver Spring	HOC at Hillandale NAR, LLC	93/93	(2)(6)	FHA - RS	4.880	0	0	480	480	n.a. (15)	12/31/42
Hillandale NAR Market	Silver Spring	Hillandale Gateway, LLC	215/0	(8)	FHA - RS	3.980	0	0	480	480	n.a. (15)	n.a.
Battery Park	Bethesda	HOC at Battery Park, LLC	256/192	(2)(6)	Fannie Mae	4.780	42,825,000	42,825,000	360	360	87.7% (3)	n.a.
The Sage	Derwood	HOC at Westside Building B, LLC	413/21	(1)(2)(11)	FHA - RS	4.990	145,000,000	0	480	480	n.a. (15)	n.a.

(Notes on following page)

The Commission is herein referred to as “HOC.”

(1) 20% of the units are required to be occupied or held available for occupancy by persons whose incomes are 50% or less of "area gross median income".

(2) Subject to occupancy and/or rent restrictions in addition to those required by federal tax law and the Act.

(3) Property occupancy due to lease enforcement and/or ongoing renovations to a large number of units.

(4) 100% of the units are required to be occupied or held available for occupancy by persons whose incomes are 60% or less of "area gross median income".

(5) Mortgage Loan will be prepaid upon the sale of development, expected to occur within 90 days. The new mortgage loan for this Development is expected to be financed with the proceeds of the Offered Bonds.

(6) 40% of the units are required to be occupied or held available for occupancy by persons whose incomes are 60% or less of "area gross median income".

(7) Vacancy artificially created to prepare for the substantial renovation of the property, which is planned to commence upon closing in March 2026.

(8) All units are market rate.

(9) Third Party Owned Property - Low occupancy is related to possible repositioning of the property. Owner holding units vacant to move forward with possible unit conversions and other renovations.

(10) If an LP, entity is a Maryland limited partnership of which HOC is the managing general partner and in which limited partnership interests have been sold to investors in the low-income housing tax credits allocated to the development. If an LLC, entity is a Maryland limited liability company of which HOC is the managing member or manages the managing member and in which investor member interests have been sold to investors in the low-income housing tax credits allocated to the development.

(11) HAP Contracts are subject to availability of appropriations.

(12) 65% of the units are required to be occupied or held available for occupancy by persons whose incomes are 50% or less of "area gross median income".

(13) 30% of the units are required to be occupied or held available for occupancy by persons whose income are 50% or less of "area gross median income".

(14) Former Public Housing developments, which converted under HUD’s Rental Assistance Demonstration Program.

(15) Property is in construction phase.

n.a. Not applicable

APPENDIX B

FINANCIAL STATEMENTS OF THE PROGRAM

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND

MULTIFAMILY HOUSING DEVELOPMENT BONDS (1996 INDENTURE)

BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025
(With Independent Auditors' Report Thereon)

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

MULTIFAMILY HOUSING DEVELOPMENT BONDS (1996 INDENTURE)
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YEAR ENDED JUNE 30, 2025

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Opportunities Commission of Montgomery County, Maryland
Kensington, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Multifamily Housing Development Bonds 1996 Indenture (the Indenture) of the Housing Opportunities Commission of Montgomery County, Maryland (the Commission), a component unit of Montgomery County, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Indenture's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Indenture, as of June 30, 2025, and the changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Indenture and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of a Matter

As discussed in Note 1, the financial statements present only the financial position, the changes in financial position and cash flows of the Indenture and do not purport to, and do not, present fairly the financial position of the Commission as of and for the year ended June 30, 2025 and the changes in its net position and its cash flows, in conformity with accounting principles generally accepted in the United States of America. Our opinion on the basic financial statements was not modified with respect to this matter.

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.

Auditors' 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 auditors' report that includes our opinion. 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 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, 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 Indenture'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.

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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Continuing Disclosure Requirements but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
December 3, 2025

HOUSING OPPORTUNITIES COMMISSION OF
MONTGOMERY COUNTY, MARYLAND
MULTIFAMILY HOUSING DEVELOPMENT BONDS (1996 INDENTURE)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

As management of the Housing Opportunities Commission of Montgomery County, Maryland, 1996 Multifamily Housing Development Bonds Indenture (the Indenture), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Indenture for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements.

Financial Highlights

- During fiscal year 2025, net position of the Indenture increased by $2.2 million.
- Outstanding mortgages and construction loans receivable increased by $71.1 million due to the issuance of new bonds and the related distribution of loans.
- Bonds payable increased by $28.3 million, the result of a new bond series issued during fiscal year 2025 offset by optional and scheduled bond redemptions.
- Other liabilities increased by $1.3 million due to increases in accrued interest payables and deposits held in escrow.
- Operating revenues decreased by $0.5 million primarily as a result of unrealized losses on investments and decreases in investment income and interest on mortgage loan receivables.
- Operating Expenses increased by $1.3 million due to decreased unrealized losses on investments, offset by new interest expenses from a new bond series in fiscal year 2025.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Indenture's financial statements. The basic financial statements and notes to the basic financial statements are comprised of three components: management's discussion and analysis, the financial statements, and notes to the financial statements.

The financial statements are designed to provide readers with a broad overview of the Indenture's finances, in a manner similar to a private-sector business. These statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units using the economic resources measurement focus and the accrual basis of accounting. Under this basis of accounting, revenues are recognized in the period they are earned, while expenses are recognized in the period they are incurred.

The Statement of Net Position presents information on all of the Indenture's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the residual amount reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Indenture is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents the operating results of the Indenture for the fiscal year.

The Statement of Cash Flows explains the sources and uses of cash during the fiscal year.

Financial Analysis of the 1996 Indenture

15.7% of the Indenture's total assets reflect cash, cash equivalents, and investments ($82.8 million) are restricted as to their use and are used to meet debt service requirements.

83.4% of the Indenture's total assets reflects mortgages and construction loans receivable ($440.6 million). These restricted assets are used to provide financing and funding for affordable housing.

0.92% of the Indenture's total assets reflect other assets ($4.8 million) which represent derivative assets, accrued interest receivable and prepaid expenses.

The Indenture's total assets increased by 6.60% for the fiscal year ended June 30, 2025.

1996 Indenture's Net Position
As of June 30

	2025	2024	$ Change	% Change
Assets				
Cash, Cash Equivalents, and Investments	$ 82,826,219	$ 121,971,871	$ (39,145,652)	-32.09%
Mortgage and Construction Loans Receivable	440,648,628	369,511,465	71,137,163	19.25%
Other Assets	4,844,369	4,145,546	698,823	16.86%
Total Assets	528,319,216	495,628,882	32,690,334	6.60%
Liabilities				
Accounts Payable	50,830	83,356	(32,526)	-39.02%
Bonds Payable	476,615,000	448,280,000	28,335,000	6.32%
Other Liabilities	10,598,720	9,335,307	1,263,413	13.53%
Total Liabilities	487,264,550	457,698,663	29,565,887	6.46%
Deferred Inflows of Resources				
Accumulated Decrease in Fair Value of Hedging Derivatives	3,216,686	2,308,685	908,001	39.33%
Net Position	$ 37,837,980	$ 35,621,534	$ 2,216,446	6.22%

Net position of the Indenture increased by $2.2 million in 2025. Key elements of this increase are detailed below:

1996 Indenture's Changes in Net Position
For the years ended June 30

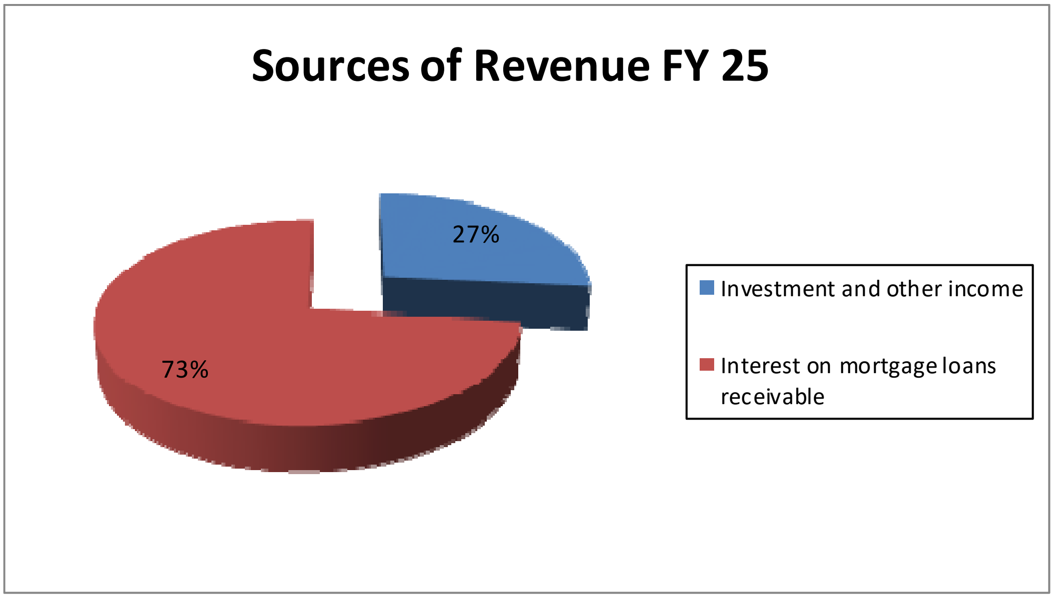
	2025	2024	$ Change	% Change
Operating Revenues				
Investment and Other Income	$ 5,290,960	$ 5,317,651	$ (26,691)	-0.50%
Interest on Mortgage and Construction Loans Receivable	14,566,058	14,661,233	(95,175)	-0.65%
Unrealized Gain on Investments	-	349,568	(349,568)	100.00%
Total Operating Revenues	19,857,018	20,328,452	(471,434)	-2.32%
Operating Expenses				
Administrative Expenses	796,908	737,234	59,674	8.09%
Unrealized Loss on Investments	344,879	-	344,879	100.00%
Bond Interest	14,168,134	13,281,259	886,875	6.68%
Total Operating Expenses	15,309,921	14,018,493	1,291,428	9.21%
Operating Income	4,547,097	6,309,959	(1,762,862)	-27.94%
Transfer to Other Indentures	(2,330,651)	(2,449,629)	118,978	-4.86%
Change in Net Position	2,216,446	3,860,330	(1,643,884)	-42.58%
Net Position - Beginning of Year	35,621,534	31,761,204	3,860,330	12.15%
Net Position - End of Year	$ 37,837,980	$ 35,621,534	$ 2,216,446	6.22%

As a result of the interest rate and investment market to market environment, the indenture operating revenues decreased by $0.5 million as a result of a new bond series issued during fiscal year 2025.

Operating Expenses increased by $1.3 million due to increased unrealized loss on investments, offset by new interest expenses from a new bond series in fiscal year 2025.

Bond interest increased from $13.3 million in 2024 to $14.2 million in 2025 as a result of a new bond issuance.

The following chart shows the Indenture's sources of revenue as a percentage of total revenue. The primary sources of revenue for the Indenture are investment income and interest on mortgages and construction loans receivables.



Long-Term Debt

As of June 30, 2025 and 2024, the Indenture's debt consisted of $476.6 and $448.2 million of tax-exempt Multifamily Housing Development Bonds, respectively. Sources of payments for the bonds are multifamily mortgages, cash, cash equivalents, and investments held by the trustees. Long-term debt is secured by first-mortgages on real estate assets.

1996 Indenture's Outstanding Debt
As of June 30

	2025	2024
2004 Series A	$ 7,895,000	$ 8,370,000
2004 Series B	2,910,000	2,990,000
2005 Series B	2,840,000	3,070,000
2005 Series C	17,445,000	18,435,000
2011 Series A	27,300,000	27,920,000
2011 Series B	2,485,000	2,535,000
2012 Series A	12,880,000	13,980,000
2012 Series B	720,000	990,000
2012 Series C	1,205,000	1,385,000
2012 Series D	21,180,000	22,455,000
2014 Series A	19,390,000	19,980,000
2015 Series A-1	13,150,000	13,415,000
2017 Series A	10,870,000	11,095,000
2019 Series A-1	51,060,000	51,420,000
2019 Series A-2	-	3,580,000
2019 Series B	5,530,000	5,950,000
2019 Series C	7,195,000	7,740,000
2020 Series A	24,860,000	25,265,000
2020 Series B	19,915,000	21,205,000
2020 Series C	12,340,000	13,315,000
2021 Series B	15,795,000	16,065,000
2021 Series C	104,245,000	104,245,000
2021 Series D	7,115,000	7,115,000
2023 Series A	27,990,000	28,285,000
2024 Series A	17,475,000	17,475,000
2025 Series A	42,825,000	-
Total	$ 476,615,000	$ 448,280,000

Economic Outlook

The Commission expects to finance additional mortgage loans under this Indenture in the future. The Commission expects to issue new bonds that finance mortgage loans and reserves, resulting in an increase in liabilities in the Indenture, and provide the mortgage loans and reserve funds for the Indenture, thereby increasing the assets of the Indenture. Such increases in assets and liabilities are expected to increase revenues in the Indenture. These factors were considered in preparing the Indenture budget for the 2025 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the Indenture finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Senior VP, Finance / Chief Financial Officer, 10400 Detrick Avenue, Kensington, Maryland, 20895.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
MULTIFAMILY HOUSING DEVELOPMENT BONDS (1996 INDENTURE)
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS	
Unrestricted:	
Accrued Interest Receivable	$ 1,601,037
Mortgages and Construction Loans Receivable, Current Portion	13,285,532
Unrestricted Cash and Cash Equivalents	3,160,060
Prepaid Expenses and Other Assets	26,646
Total Unrestricted Current Assets	18,073,275
Restricted Cash and Cash Equivalents:	
Restricted Cash and Cash Equivalents	21,283,940
Cash Restricted for Current Bonds Payable	31,481,963
Total Restricted Cash and Cash Equivalents	52,765,903
Total Current Assets	70,839,178
NONCURRENT ASSETS	
Long-Term Investments	26,900,256
Mortgages and Construction Loans Receivable, Net of Current Portion	427,363,096
Derivative Instrument	3,216,686
Total Noncurrent Assets	457,480,038
Total Assets	$ 528,319,216

LIABILITIES AND NET POSITION

CURRENT LIABILITIES	
Accounts Payable	$ 50,830
Bonds Payable, Current Portion	24,215,000
Accrued Interest Payable	7,266,963
Total Current Liabilities	31,532,793
NONCURRENT LIABILITIES	
Bonds Payable, Net of Current	452,400,000
Escrows and Other Deposits	3,331,757
Total Noncurrent Liabilities	455,731,757
DEFERRED INFLOWS OF RESOURCES	
Accumulated Decrease in Fair Value of Hedging Derivatives	3,216,686
Total Liabilities and Deferred Inflows of Resources	490,481,236
NET POSITION	
Unrestricted	3,160,060
Restricted	34,677,920
Total Net Position	37,837,980
Total Liabilities and Net Position	$ 528,319,216

See accompanying Notes to Financial Statements.

HOUSING OPPORTUNITIES COMMISSION OF
MONTGOMERY COUNTY, MARYLAND
MULTIFAMILY HOUSING DEVELOPMENT BONDS (1996 INDENTURE)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

OPERATING REVENUES	
Interest on Mortgages and Construction Loans Receivable	$ 14,566,058
Investment Income	5,290,960
Unrealized Loss on Investments	(344,879)
Total Operating Revenues	19,512,139
OPERATING EXPENSES	
Bond Interest	14,168,134
General Operating Expenses	796,908
Total Operating Expenses	14,965,042
OPERATING INCOME	4,547,097
TRANSFER TO OTHER INDENTURES	(2,330,651)
CHANGE IN NET POSITION	2,216,446
Total Net Position - Beginning of Year	35,621,534
TOTAL NET POSITION - END OF YEAR	$ 37,837,980

See accompanying Notes to Financial Statements.

HOUSING OPPORTUNITIES COMMISSION OF
MONTGOMERY COUNTY, MARYLAND
MULTIFAMILY HOUSING DEVELOPMENT BONDS (1996 INDENTURE)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Investment Income Received	$ 5,864,428
Mortgage Principal Disbursed	(94,245,000)
Mortgage Principal Received	23,107,837
Mortgage Interest Received	14,770,499
Mortgage Loan Principal Disbursed	(824,697)
Bond Interest Paid	(13,478,189)
Net Cash Used by Operating Activities	(64,805,122)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds From Issuance of Bonds	42,825,000
Scheduled Bond Payments	(14,490,000)
Disbursement to Other Indentures	(2,330,651)
Net Cash Provided by Noncapital Financing Activities	26,004,349
CASH FLOWS FROM INVESTING ACTIVITIES	
Investments Sold	38,341,423
Net Cash Provided by Investing Activities	38,341,423
NET DECREASE IN CASH AND CASH EQUIVALENTS	(459,350)
Cash and Cash Equivalents - Beginning of Year	56,385,313
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 55,925,963
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Income	$ 4,547,097
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:	
Unrealized Loss on Investments	344,879
Effects of Changes in Operating Assets and Liabilities:	
Mortgages and Construction Loans Receivable	23,107,837
Accrued Interest Receivable	204,441
Prepaid Expenses and Other Assets	4,737
Accounts Payable	(32,526)
Accrued Interest Payable	689,945
Undrawn Proceeds	(94,245,000)
Escrow and Other Deposits	573,468
Net Cash Used by Operating Activities	$ (64,805,122)

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Description of the Commission

The Housing Opportunities Commission of Montgomery County, Maryland (a component unit of Montgomery County, Maryland) (the Commission) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law. Chapter 41 of the laws of Montgomery County, Maryland, known as the Housing Opportunities Act, permits Montgomery County (the County) to authorize the Commission to perform various housing functions either through a Memorandum of Understanding with the County or by local law.

Specific powers of the Commission include the following:

- Acquiring land
- Utilizing federal/state housing subsidies
- Making mortgage loans and rent subsidy payments
- Making construction loans
- Providing permanent mortgage financing and mortgage insurance
- Purchasing mortgages
- Issuing bonds

The County has determined that the Commission is a discretely presented component unit of the County. Accordingly, the County is required to report the financial data of the Commission in a column separate from the financial data of the County, to emphasize that the Commission is legally separate from the County.

The bonds issued by the Commission include Multifamily Housing Development Bonds. The Multifamily Housing Development Bonds provide funding for below-market rental units and market rate units within multifamily developments for low- to moderate-income families and those households without regard to income.

The Multifamily Housing Development Bonds do not constitute a liability or obligation, either direct or indirect, of the County, the State of Maryland (the State) or any political subdivision thereof and are not backed by the full faith and credit of the County and the Commission, the State or any political subdivision thereof, but are limited obligations of the Commission payable solely from the revenue and other assets of the Commission pursuant to individual Series Resolutions.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Presentation

The accompanying financial statements present only the accounts of the Multifamily Housing Development Bonds 1996 Indenture (the Indenture) and are not intended to present fairly the financial position, results of operations and cash flows of the Commission as a whole or the Commission's Multifamily Program Fund (the Program) in conformity with accounting principles generally accepted in the United States of America.

The Multifamily Housing Development Bond Resolution related to the Bonds was executed on October 1, 1996 and since then, 40 series of bonds have been issued:

1. 1996 Series A dated November 12, 1996 (redeemed in fiscal year 1998);
2. 1996 Series B dated November 15, 1996 (redeemed in fiscal year 2008);
3. 1998 Series A dated November 19, 1998 (redeemed in fiscal year 2013);
4. 1998 Series B dated November 19, 1998 (redeemed in fiscal year 2013);
5. 2000 Series A dated June 28, 2000; (remarketed in fiscal year 2012 to 2012 Series A);
6. 2000 Series B dated June 28, 2000; (portion redeemed in fiscal year 2012, remainder redeemed in fiscal year 2015);
7. 2001 Series A dated July 1, 2001; (redeemed in fiscal year 2012);
8. 2002 Series A dated September 30, 2002 (redeemed in fiscal year 2013);
9. 2002 Series B dated September 30, 2002 (redeemed in fiscal year 2013);
10. 2003 Series A dated June 11, 2003 (redeemed in fiscal year 2013);
11. 2003 Series B dated June 11, 2003 (redeemed in fiscal year 2013);
12. 2004 Series A dated November 5, 2004;
13. 2004 Series B dated November 5, 2004;
14. 2004 Series C dated November 5, 2004 (portion redeemed in fiscal year 2016, remainder redeemed in fiscal year 2020);
15. 2004 Series D dated November 5, 2004 (remarketed in fiscal year 2012, redeemed in fiscal year 2020);
16. 2005 Series A dated October 18, 2005 (redeemed in fiscal year 2010);
17. 2005 Series B dated October 18, 2005 (remarketed in fiscal year 2011);
18. 2005 Series C dated October 18, 2005 (remarketed in fiscal year 2011);
19. 2007 Series A dated March 14, 2007 (redeemed in fiscal year 2021);
20. 2007 Series B dated August 22, 2007 (remarketed in fiscal year 2011 to Series B-1 & B-2);
    a. 2007 Series B-1 dated December 1, 2010 (redeemed in fiscal year 2015);
    b. 2007 Series B-2 dated December 1, 2010 (redeemed in fiscal year 2013);
21. 2007 Series C dated August 22, 2007 (remarketed in fiscal year 2011 to Series C-1 & C-2);
    a. 2007 Series C-1 dated December 1, 2010 (redeemed in fiscal year 2021);
    b. 2007 Series C-2 dated December 1, 2010 (redeemed in fiscal year 2015);
22. 2010 Series A dated April 28, 2010 (redeemed in fiscal year 2021);
23. 2011 Series A dated December 20, 2011;
24. 2011 Series B dated December 20, 2011;
25. 2012 Series A dated May 9, 2012;
26. 2012 Series B dated September 12, 2012;
27. 2012 Series C dated September 12, 2012;
28. 2012 Series D dated December 5, 2012;
29. 2014 Series A dated November 5, 2014;
30. 2015 Series A-1 dated December 2, 2015;

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Presentation (Continued)

31. 2015 Series A-2 dated December 2, 2015 (redeemed in fiscal year 2019);
32. 2017 Series A dated August 30, 2017;
33. 2019 Series A-1 dated October 31, 2019;
34. 2019 Series A-1 dated October 31, 2019;
35. 2019 Series B dated December 19, 2019;
36. 2019 Series C dated December 19, 2019;
37. 2020 Series A dated July 8, 2020;
38. 2020 Series B dated July 8, 2020;
39. 2020 Series C dated July 8, 2020;
40. 2021 Series B dated June 9, 2021;
41. 2021 Series C dated December 7, 2021;
42. 2021 Series D dated December 7, 2021;
43. 2023 Series A dated March 2, 2023;
44. 2024 Series A dated June 27, 2024; and
45. 2025 Series A dated June 14, 2025

(c) Basis of Accounting

The Indenture is used to account for the proceeds of revenue bonds, the debt service requirements on the bonds, investments held pursuant to the Indenture authorizing the issuance of the bonds and the related mortgage-loan financing for newly constructed or rehabilitated multifamily rental housing in the County. These financial statements have been prepared using the accrual basis of accounting, whereby expenses are recognized when a liability is incurred, and revenue is recognized when earned.

The financial statements of the Indenture have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Commission is required to follow all statements of the Governmental Accounting Standards Board (GASB).

(d) Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(e) Cash Equivalents

For purposes of the Statement of Cash Flows, the Commission considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Investments

Investments consist of those permitted by the Indenture adopted by the Commission providing for the issuance of bonds and are restricted pursuant to the terms of the Indenture. Investments are recorded at fair value, except for guaranteed investment contracts which are recorded at amortized cost or contract value. Fair value is based upon valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The valuation techniques include the market approach, the cost approach or the income approach. The Indenture classifies its investments as current or long-term based on the maturity dates. Long-term investments have maturities longer than one year.

(g) Mortgages and Construction Loans Receivable

Mortgages and construction loans are carried at amounts advanced, net of collections and reserves for loan losses, if any. As of June 30, 2025, there were no reserves for loan losses. Loans that become past due as to principal and interest are evaluated for collectability. Generally, loans are not placed on nonaccrual status because they are insured or otherwise guaranteed. Historically, the Commission has not experienced loan losses in the Indenture.

(h) Net Position

Net position represents the residual amount of the Indenture's assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is reflected in three components as follows:

Net investment in capital assets – this component of net position consists of all capital assets, reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. The Indenture does not have any capital assets.

Restricted net position – this component of net position consists of restricted assets when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc. The indenture considers all residual net position to be restricted for purposes of the indenture.

Unrestricted net position – this component of net position consists of resources that do not meet the definition of *net investment in capital assets* or *restricted net position.*

It is the Indenture's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

NOTE 2 CASH EQUIVALENTS AND INVESTMENTS

The Indenture is subject to interest rate, credit, and custodial credit risk as described below:

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment requirements for the Multifamily Bond Fund are specified within the Indenture. The bond trustee is required to invest money in obligations with the objective that sufficient money will be available to pay the interest due on the bonds, bonds that mature or may be subject to redemption or for other purposes intended in accordance with the Indenture.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Indenture requires that the Trustee invests moneys on deposit under the Indenture in Investment Obligations as defined by the respective bond indenture. Investment Obligations are defined as the following: (i) Government obligations; (ii) bond debentures or other obligation issued by government agencies or corporations; (iii) time deposits or certificate of deposits insured by the Federal Deposit Insurance Corporation; (iv) repurchase agreements backed by obligations described in (i) and (ii) above; (v) investment agreements; (vi) tax exempt obligations; and (vii) money market funds.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of June 30, 2025, the Commission's deposits were fully collateralized.

Concentration of Credit Risk: The Commission places no limits on the amount that it may invest in any one issuer provided the investments meet the requirements of the Bond resolution. The Commission does not have a formal policy for concentration of credit risk.

Amounts held in money market funds and investment agreements within the Indenture are typically collateralized at 102% by either U.S. Treasuries or other government guaranteed securities. The Indenture permits investments in funds that contain agency debt which are not collateralized by U.S. Treasuries or other guaranteed government securities. As of June 30, 2025, the Commission held investments in agency securities which were not collateralized but were rated Aaa by Moody's Investors Service (Moody's).

Cash equivalents and investments held by the Trustee were as follows as of June 30, 2025:

	Total Fair Value	1 Year or Less	1-5 Years	6-10 Years	Greater Than 10 Years	Moody's Rating	Concentration
Money Market Accounts	$ 55,925,963	$ 55,925,963	$ -	$ -	$ -	N/A	67.52%
Fannie Mae	1,714,335	-	1,714,335	-	-	Aaa	2.07%
Federal Farms Credit Bank	4,597,577	-	876,020	310,607	3,410,950	Aaa	5.55%
Federal Home Loan Mort. Corp	741,512	-	-	741,512	-	Aaa	0.90%
Federal Home Loan Bank	819,234	-	819,234	-	-	Unrated	0.99%
Variable Municipal Bonds	1,300,000	-	-	-	1,300,000	Aa1	1.57%
Mass Mutual Life Ins - GIC	17,475,000	-	17,475,000	-	-	Unrated	21.10%
U.S. Treasury Bonds/Notes	252,598	-	252,598	-	-	Aaa	0.30%
Total	$ 82,826,219	$ 55,925,963	$ 21,137,187	$ 1,052,119	$ 4,710,950		

Substantially all cash, cash equivalents, and investments are restricted for the advance of, or purchases of, mortgage loans and payment of debt service on the related bonds.

NOTE 2 CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Fair Value Measurements: The Indenture categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable units; Level 3 inputs are significant unobservable inputs. Money market accounts and guaranteed investment contracts are recorded at amortized cost or contract value, thus are not included within the fair value hierarchy established by accounting principles generally accepted in the United States of America.

As of June 30, 2025, the fair value measurements are as follows:

		Fair Value Measurements Using	
	June 30, 2025	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level			
Debt Securities:			
Fannie Mae	$ 1,714,335	$ -	$ 1,714,335
Federal Farms Credit Bank	4,597,577	-	4,597,577
Federal Home Loan Mort. Corp	741,512	-	741,512
Federal Home Loan Bank	819,234	-	819,234
Variable Municipal Bonds	1,300,000	-	1,300,000
Mass Mutual Life Ins - GIC	17,475,000	-	17,475,000
U.S. Treasury Bonds/Notes	252,598	252,598	-
Total Debt Securities	26,900,256	252,598	26,647,658
Investment Derivative Instruments:			
Interest Rate Swaps	3,216,686	-	3,216,686
Total Investments by Fair Value Level	$ 30,116,942	$ 252,598	$ 29,864,344

NOTE 3 MORTGAGES AND CONSTRUCTION LOANS RECEIVABLE

Mortgages and construction loans receivable are secured by deeds of trust evidencing first mortgage liens on applicable real property and are insured by the U.S. Federal Housing Administration and Fannie Mae. The weighted-average interest rate of the mortgages and construction loans receivable as of June 30, 2025 was 4.99%. Construction loans are also originated and funded from bond proceeds, and are generally converted to permanent mortgage loans, with repayments extending up to 40 years.

Included in the mortgage and construction loans receivable balance are mortgages receivable from the Commission of $169.9 million as of June 30, 2025.

NOTE 3 MORTGAGES AND CONSTRUCTION LOANS RECEIVABLE (CONTINUED)

Mortgage and construction loans receivable were as follows as of June 30, 2025:

Mortgage Loans Due from Commission	$ 169,855,422
Mortgage Loans Due from Commission's Component Units	253,442,862
Mortgage Loans Due from Other Projects	17,350,344
Mortgage Receivable - Net	440,648,628
Less Current Portion	(13,285,532)
Long-Term Portion	$ 427,363,096

NOTE 4 BONDS PAYABLE

The Commission is empowered to issue bonds pursuant to Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Chapter 41 of the laws of Montgomery County, Maryland, known as the Housing Opportunities Act.

Bonds have been issued to provide financing for the Commission’s housing programs and are collateralized by:

- Mortgage loans made on the related developments.
- Substantially all revenue, mortgage payments, and recovery payments received by the Commission from mortgage loans made on the related developments.
- Debt service reserve funds, established pursuant to the Indenture authorizing issuance of the bonds, which totaled $42.8 million as of June 30, 2025.

NOTE 4 BONDS PAYABLE (CONTINUED)

The following table reflects the changes in bonds payable for the year ended June 30, 2025:

	Outstanding Beginning of Year	Issued This Year	Retired This Year	Outstanding End of of Year	Amount Due Within One Year
Multifamily Bonds:					
2004 Series A	$ 8,370,000	$ -	$ 475,000	$ 7,895,000	$ 505,000
2004 Series B	2,990,000	-	80,000	2,910,000	90,000
2005 Series B	3,070,000	-	230,000	2,840,000	240,000
2005 Series C	18,435,000	-	990,000	17,445,000	1,040,000
2011 Series A	27,920,000	-	620,000	27,300,000	645,000
2011 Series B	2,535,000	-	50,000	2,485,000	55,000
2012 Series A	13,980,000	-	1,100,000	12,880,000	1,135,000
2012 Series B	990,000	-	270,000	720,000	280,000
2012 Series C	1,385,000	-	180,000	1,205,000	190,000
2012 Series D	22,455,000	-	1,275,000	21,180,000	1,305,000
2014 Series A	19,980,000	-	590,000	19,390,000	610,000
2015 Series A-1	13,415,000	-	265,000	13,150,000	270,000
2017 Series A	11,095,000	-	225,000	10,870,000	230,000
2019 Series A-1	51,420,000	-	360,000	51,060,000	725,000
2019 Series A-2	3,580,000	-	3,580,000	-	-
2019 Series B	5,950,000	-	420,000	5,530,000	425,000
2019 Series C	7,740,000	-	545,000	7,195,000	560,000
2020 Series A	25,265,000	-	405,000	24,860,000	410,000
2020 Series B	21,205,000	-	1,290,000	19,915,000	1,365,000
2020 Series C	13,315,000	-	975,000	12,340,000	1,025,000
2021 Series B	16,065,000	-	270,000	15,795,000	270,000
2021 Series C	104,245,000	-	-	104,245,000	11,735,000
2021 Series D	7,115,000	-	-	7,115,000	795,000
2023 Series A	28,285,000	-	295,000	27,990,000	310,000
2024 Series A	17,475,000	-	-	17,475,000	-
2025 Series A	-	42,825,000	-	42,825,000	-
Total	$ 448,280,000	$ 42,825,000	$ 14,490,000	$ 476,615,000	$ 24,215,000

The bonds bear interest at rates ranging from 0.32**%** to 11.25% and mature between 2026 and 2065. Scheduled principal and interest payments on the bonds through maturity are as follows for the years ending June 30:

Year Ending June 30,	Principal	Interest
2026	$ 24,215,000	$ 12,810,169
2027	13,710,000	12,711,893
2028	14,020,000	12,365,960
2029	14,200,000	11,759,556
2030	15,090,000	11,613,555
2031-2035	116,725,000	50,696,053
2036-2040	57,610,000	33,662,027
2041-2045	50,405,000	26,760,061
2046-2050	57,035,000	20,765,186
2051-2055	72,100,000	7,949,126
2056-2060	21,695,000	3,841,998
2061-2065	19,810,000	1,132,668
Total	$ 476,615,000	$ 206,068,252

NOTE 5 DERIVATIVE INSTRUMENTS

At June 30, 2025, the Commission has four derivative instruments outstanding as noted in the table below. The Commission used the synthetic instrument method to evaluate the hedge effectiveness of the interest rate swaps. This method evaluates effectiveness by combining cash flows on the derivative with the cash flows on the hedged item to create a new instrument. The synthetic rate on the cash flows is calculated based on the combination of all the cash flows and is compared against the fixed rate on the derivative. A potential hedging derivative instrument is effective if the actual synthetic rate is within a range of 90 to 111% of the fixed rate of the potential hedging derivative instrument to be substantially fixed.

The Commission also used the regression analysis method to evaluate the hedge effectiveness of the forward starting interest rate swaps. This method evaluates effectiveness by utilizing statistical regression analysis to compare quantitative information about the relationship between the price of the hedged item and that of the hedging derivative.

At June 30, 2025, all hedging derivative instruments shown in the table below met the criteria for effectiveness. The Commission has experienced an increase in fair value of $0.1 million in its interest rate swap and has recorded this increase in the deferred inflow of resources.

Objective of the interest rate swaps: In order to protect against the potential of rising interest rates, the Commission entered into three separate interest rate swap agreements. The net interest paid on the swaps and variable rate debt is anticipated to be less than the interest the Commission would have paid if it had issued fixed-rate debt to finance these transactions at that time.

Terms: The swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated “bonds payable” category during the period that the bonds are hedged. The Commission may terminate the swap at market value at any time.

NOTE 5 DERIVATIVE INSTRUMENTS (CONTINUED)

Fair value: The combined termination value of all swaps had a positive fair value as of June 30, 2025 as a result of high interest rates. Because the coupons on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value increases. The fair values were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

Associated Bond Issue	Notional Amounts	Trade Date	Terms	Fair Values	Swap Termination Date	Counterparty/ Credit Rating
Multifamily 2011 Series A	$ 26,350,000	4/3/2006	Receive 64.0% LIBOR + .019% pay 4.02%	$ (260,965)	1/1/2049	BANA Aa2/A+/AA
Multifamily 2011 Series B	2,345,000	4/3/2006	Receive 100% LIBOR + 0.10% pay 6.067%	(35,871)	1/1/2049	BANA Aa2/A+/AA
Upton Permanent	25,965,000	6/3/2019	Receive 70% LIBOR pay 2.39%	2,188,806	7/1/2062	RBC Aa1/AA-/AA-
Hillandale	97,205,000	6/20/2024	Receive 70% SOFR + 0.10% pay 3.25%	1,324,716	1/1/2050	BANA Aa2/A+/AA
Total	$ 151,865,000			$ 3,216,686		

Credit risk: The Commission's counterparties may become unable to meet their obligations under the swap agreement. The counterparties for the Commission's swaps are Merrill Lynch Capital Services (MLCS) and Royal Bank of Canada (RBC). As of June 30, 2025, the Commission was not exposed to credit risk with respect to termination payments on its swap agreements that had negative fair values on this date. The Commission was exposed to credit risk on its swap agreements that had positive fair values in the amount of the corresponding fair value. The swap agreements do not contain any collateral agreements with counterparties.

Basis Risk: Basis risk refers to a mismatch between the interest rate received from the swap contract and the interest actually owed on the Commission's bonds. The Commission's risk is that the variable interest payments received from the counterparty will be less than the variable interest payments actually owed on the Commission's VRDOs. The mismatch between the actual bond rate and the swap interest rate could cause financial loss to the Commission. This mismatch could occur for various reasons, including an increased supply of tax-exempt bonds, deterioration of the Commission's credit quality, deterioration of a liquidity provider's credit quality and rating or a reduction of federal income tax rates for corporations and individuals. Tax risk is a form of basis risk.

NOTE 5 DERIVATIVE INSTRUMENTS (CONTINUED)

Tax Risk: All issuers who issue tax-exempt variable rate debt inherently accept risk stemming from changes in marginal income tax rates. Decreases in marginal income tax rates for individuals and corporations could result in tax-exempt variable rates rising faster than taxable variable rates. This is a result of the tax code's impact on the trading value of tax-exempt bonds. This risk is also known as "tax event" risk, a form of basis risk under swap contracts. Percentage of LIBOR and certain Securities Industry and Financial Markets Association (SIFMA) swaps can also expose the Commission to tax event risk.

Counterparty Risk: Counterparty risk is the risk that the swap counterparty will not perform pursuant to the contract's terms. Under a fixed payor swap, for example, if the counterparty defaults, the Commission could be exposed to an unhedged variable rate bond position. The creditworthiness of the counterparty is indicated by its issuer rating. The Commission's counterparties are currently MLCS and RBC with termination payments guaranteed by MLDP.

Market and Termination Risk: Termination risk is the risk that the swap could be terminated as a result of any of several events, which may include a ratings downgrade for the Commission or its counterparties, covenant violation by either party, bankruptcy of either party, swap payment default by either party, and default events as defined in the Bond Resolution/Indenture.

From time to time, the Commission may ask its counterparties to provide a termination value. Product values after execution and before maturity are subjective judgments based on projected future market conditions. Also, reference prices or indices underlying the product may change, possibly increasing the Commission's cost of unwinding a transaction if the Commission chooses to do so. Termination may require a payment to be made by the Commission or may result in a payment being made to the Commission, depending on the market at the time of termination.

In certain circumstances, the Commission may determine that it would be advantageous to voluntarily terminate a swap transaction or to assign a swap transaction to another party. Prior to assigning a swap, the Commission must obtain consent from the counterparty. The counterparty's decision regarding an assignment to counterparty will be at its discretion.

Liquidity Risk: VRDO issuers face particular liquidity risk due to the embedded tender options in this debt. If a VRDO bond remarketing were to fail, the liquidity provider providing liquidity support to cover tenders would own the bonds, at which point the Commission would have to pay the "bank rate" and pay off the bonds in a much shorter period of time. The bank rate typically is set at a few percentage points higher than the prime rate.

Liquidity risk also encompasses the possibility that when current liquidity facilities mature, a new liquidity facility may not be able to be secured or would have significantly higher fees.

If the Commission decides to provide its own liquidity, the Commission may be forced to liquidate investment assets at an inopportune time to pay for tendered, but un-remarketed, bonds.

NOTE 5 DERIVATIVE INSTRUMENTS (CONTINUED)

Rollover Risk: Rollover risk is the risk that the swap contract is not coterminous with the related bonds. If the Commission entered into the swap to hedge for a specified period of time and decides at termination that the Commission wishes to maintain the same or a similar hedge position, the Commission may incur re-hedging costs at that time.

NOTE 6 TRANSFERS

The financial statements reflect operating transfers authorized by the Commission in accordance with the bond indenture agreements. These transfers out represent amounts disbursed by the Indenture to the Commission and to the Multifamily Housing Development Bonds 1984 Indenture indentures during fiscal year 2025. The amounts were transferred out were to provide for the administration of the Multifamily Bond Program of the Commission.

NOTE 7 RISK MANAGEMENT

The Commission is exposed to various risks of losses related to torts; thefts of, damages to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Commission participates in Montgomery County’s self-insurance fund or purchases insurance to address such exposures. The County fund is maintained for property, comprehensive general liability (CGL), automobile and professional liability, fire and theft, the liability for errors, omissions, worker’s compensation and other selected areas which require coverage. Additionally, commercial insurance is purchased for property, CGL, excess umbrella insurance cyber liability insurance, sexual abuse and molestation insurance and automobile claims that are not covered by the County self-insurance fund. The Commission’s liability for claims includes a deductible of up to $250,000 for property claims. In fiscal year 2021, when the Commission renewed CGL, as part of the renewal negotiations, all properties, with the exception of Hillandale Gateway LLC, are subject to a deductible of up to $1,000. Hillandale Gateway LLC is subject to a $2,500 deductible.

During the year, there were no significant reductions in commercial insurance coverage. For the past five years, no insurance settlements exceeded commercial insurance coverage.

OTHER INFORMATION (UNAUDITED)

CONTINUING DISCLOSURE REQUIREMENTS

MULTIFAMILY HOUSING DEVELOPMENT BONDS – 1996 INDENTURE

HOUSING OPPORTUNITIES COMMISSION OF
MONTGOMERY COUNTY, MARYLAND
MULTIFAMILY HOUSING DEVELOPMENT BONDS (1996 INDENTURE)
OTHER INFORMATION (UNAUDITED)
JUNE 30, 2025

MULTIFAMILY HOUSING DEVELOPMENT BONDS - 1996 INDENTURE

1. Mortgage Loans or Guaranteed Mortgage Securities Financed with Bonds Proceeds

As of June 30, 2025, the following schedule reflects Mortgage Loans Financed with Bond Proceeds.

	BONDS	OWNERSHIP	REPORTING YEAR	ORIGINAL MORTGAGE	RATE	REVENUE	OPERATING EXPENSES	RFR DEPOSIT	Net Operating Income (NOI)	Debt Service (DS)	DSC	Annual Average Occupancy
1996 Indenture Multifamily Housing Development Bonds												
Charter House	2004 Series A	Third Party Sponsored	Calendar Year	$ 13,700,000	4.980%	$ 3,079,549	$ 2,285,576	$ 85,909	$ 708,064	$ 987,780	0.72	95.4%
RELP One	2004 Series B	Third Party Sponsored	Calendar Year	3,900,000	5.210%	880,799	543,399	24,155	313,246	248,072	1.26	96.9%
Metropolitan of Bethesda LP (Aff)	2005 Series B	HOC Affiliated/HOC Sponsored	Calendar Year	6,590,654	6.375%	902,481	757,520	41,400	103,561	543,197	0.19	93.7%
Metropolitan Dev Corp (Market)	2005 Series C	HOC Affiliated/HOC Sponsored	Fiscal Year	27,724,593	6.375%	6,706,001	2,267,436	97,200	4,341,365	2,285,042	1.90	87.6%
Metro Pointe Dev Corp (Market)	2011 Series A	Third Party Sponsored	Fiscal Year	32,535,472	4.500%	2,819,837	917,747	30,000	1,872,090	1,935,876	0.97	95.4%
Metro Pointe LP (Affordable)	2011 Series B	HOC Affiliated	Calendar Year	2,924,691	6.500%	875,868	484,329	24,954	366,585	221,541	1.65	93.1%
Ring House	2012 Series A	HOC Affiliated	Calendar Year	14,762,070	6.100%	8,942,717	7,007,006	-	1,935,711	1,130,907	1.71	67.8%
Scattered Site One	2012 Series A	HOC Sponsored	Fiscal Year	9,200,000	3.950%	2,655,199	1,955,581	114,000	585,618	558,387	1.05	90.2%
Oaks at Four Corners	2012 Series B	HOC Sponsored	Fiscal Year	2,548,878	6.300%	1,532,428	833,896	171,996	526,536	277,858	1.89	98.3%
Manchester Manor Apartments	2012 Series C	HOC Sponsored	Fiscal Year	1,865,060	5.200%	764,361	660,404	21,412	82,545	166,038	0.50	91.2%
The Willows	2012 Series C	HOC Sponsored	Fiscal Year	3,996,285	5.200%	2,454,337	1,701,144	78,000	675,193	236,861	2.85	98.3%
Brookside Glen	2012 Series D	HOC Affiliated	Fiscal Year	5,804,983	4.650%	1,416,043	1,120,853	58,871	236,320	455,608	0.52	94.3%
Diamond Square	2012 Series D	HOC Affiliated	Fiscal Year	1,481,949	4.650%	1,336,597	1,010,119	131,040	195,438	116,304	1.68	95.8%
Montgomery Arms	2012 Series D	HOC Affiliated	Fiscal Year	8,834,529	4.650%	1,944,107	1,128,546	46,200	769,361	673,072	1.14	94.8%
Pooks Hill (Tower)	2012 Series D	HOC Affiliated	Fiscal Year	18,200,000	3.225%	3,015,698	1,242,037	187,404	1,586,258	1,014,835	1.56	91.8%
RAD 6	2014 Series A	HOC Affiliated	Fiscal Year	24,000,000	4.125%	3,804,318	3,375,684	155,184	273,451	1,497,415	0.18	90.1%
Arcola Towers	2015 Series A-1	HOC Sponsored	Calendar Year	6,116,778	4.550%	1,572,178	1,143,084	75,763	353,331	377,564	0.94	95.8%
Waverly House	2015 Series A-2	HOC Sponsored	Calendar Year	8,425,487	4.550%	1,774,428	1,081,520	84,360	608,548	520,071	1.17	94.0%
Greenhills Apts & Townhomes	2017 Series A	HOC Sponsored	Calendar Year	12,000,000	4.100%	1,482,852	662,344	30,496	790,013	674,455	1.17	93.8%
Elizabeth House III (2)	2019 Series A	HOC Sponsored	Calendar Year	55,000,000	3.25%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Barclay Apartments (Market)	2019 Series B	HOC Affiliated/HOC Sponsored	Fiscal Year	10,557,738	4.450%	1,304,862	543,378	22,800	738,684	669,102	1.10	97.5%
Barclay One Assoc (Affordable)	2019 Series C	HOC Affiliated/HOC Sponsored	Calendar Year	6,775,732	4.550%	1,153,390	633,054	24,300	496,036	434,365	1.14	96.4%
Spring Garden	2019 Series C	HOC Sponsored	Calendar Year	6,862,931	4.550%	1,176,013	710,865	49,692	415,456	439,955	0.94	98.6%
Bauer Park	2020 Series A	HOC Sponsored	Calendar Year	25,665,000	3.25%	2,385,396	1,067,012	65,438	1,252,946	1,232,242	1.02	94.1%
Strathmore Court at White Flint	2020 Series B	HOC Sponsored	Fiscal Year	13,658,173	5.640%	4,246,296	1,760,760	72,998	2,412,539	1,841,052	1.31	96.6%
Magruder's Discovery	2020 Series B	HOC Sponsored	Fiscal Year	11,780,518	6.400%	2,538,088	932,149	45,047	1,560,892	920,970	1.69	89.1%
Forest Oak Towers	2020 Series C	HOC Sponsored	Calendar Year	18,100,000	4.927%	3,097,128	1,411,573	170,003	1,515,552	1,212,601	1.25	99.4%
MHLP IX/Pond Ridge	2020 Series C	HOC Sponsored	Fiscal Year	4,767,566	6.300%	1,743,761	1,376,069	46,400	321,292	513,016	0.63	89.0%
Westside Shady Grove	2021 Series A	HOC Sponsored	Calendar Year	99,250,000	2.200%	6,644,906	2,821,547	16,750	3,806,609	1,176,423	3.24	N/A
Stewartown Homes Apartments	2021 Series B	HOC Sponsored	Calendar Year	16,045,000	2.577%	2,085,686	948,100	32,900	1,104,686	682,963	1.62	89.9%
Shady Grove Apartments (3, 5)	2021 Series C	HOC Sponsored	Calendar Year	28,700,000	2.773%	2,977,784	1,233,755	-	1,744,030	-	N/A	88.1%
Georgian Court Apartments (3, 5)	2021 Series C	HOC Sponsored	Calendar Year	28,990,000	2.773%	1,878,707	862,376	-	1,016,331	-	N/A	81.1%
Willow Manor Properties (3, 5)	2021 Series CD	HOC Sponsored	Calendar Year	49,550,000	2.786%	3,723,444	1,872,230	-	1,851,214	-	N/A	73.6%
HOC at the Upton II	2023 Series A	HOC Sponsored	Calendar Year	27,000,000	3.400%	3,384,566	1,321,324	45,338	2,017,904	1,665,168	1.21	96.4%
Hillandale NAR LIHTC (2,5)	2024 Series A	HOC Sponsored	Calendar Year	17,475,000	4.880%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			TOTAL OVERALL	$ 624,789,087	4.61%	$ 71,074,984	$ 40,882,507	$ 2,033,259	$ 28,159,219	$ 23,532,315	1.20	92.1%

2. Hedge Providers for Bonds

In connection with two Series of outstanding bonds, the Indenture has entered into hedge agreements with financial institutions, pursuant to which the Indenture makes a periodic payment based on a fixed percentage and receives a periodic payment based on a variable percentage. The following table lists certain information concerning the Hedge providers related to the bonds as of June 30, 2025.

Bonds Series	Swap Outstanding	Swap Maturity	Hedge Maturity	Hedge Provider	Hedge Provider Rating by Moody's Investors Service
2011 Series A	$ (260,965)	1/1/2049	1/1/2049	Merrill Lynch Capital Services	Aa2/A+/AA
2011 Series B	$ (35,871)	1/1/2049	1/1/2049	Merrill Lynch Capital Services	Aa2/A+/AA
2023 Series A	$ 2,188,806	7/1/2062	7/1/2062	RBC Capital Markets	Aa1/AA-/AA-
Hillandale	$ 1,324,716	1/1/2050	1/1/2029	Merrill Lynch Capital Services	Aa2/A+/AA

3. Liquidity

In connection with certain Series of bonds bearing interest at a variable rate, the Commission has entered into liquidity facilities with financial institutions, pursuant to each of which the related financial institution will purchase the bonds of such series to extend such bonds if they are tendered for purchase and remarketed by the applicable remarketing agent. The following table sets forth certain information relating to the liquidity facilities as of June 30, 2025.

Bonds Series	Bonds Outstanding	Bond Maturity	Liquidity Facility Maturity	Liquidity Provider	Liquidity Facility Rating by Moody's Investors Service
2011 Series A	$ 27,300,000	1/1/2049	1/2/2025	TD Bank, N.A.	Aa3/A+/AA-
2011 Series B	$ 2,485,000	1/1/2049	1/2/2025	TD Bank, N.A.	Aa3/A+/AA-
2023 Series A	$ 27,990,000	7/1/2062	3/2/2028	TD Bank, N.A.	A/A/A+

No assurance is given that the Commission will be able or will choose to extend the scheduled expiration on a liquidity facility.

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Posted to EMMA

As of June 30, 2025, the following items were posted to EMMA (Electronic Municipal Market Access).

Multifamily Housing Development Bonds - Fiscal Year Property List

Series	Indenture	Property	*Audit Posted to EMMA
2004 Series C	96	Barclay Apartments	N/A
2005 Series B	96	The Metropolitan LP	Final 5/1/25
2005 Series C	96	The Metropolitan / HOC Combined	Final 5/1/25
2010 Series A	96	Magruder's Discovery	N/A
2011 Series A	96	MetroPointe-Wheaton Metro Dev Corp	Final 3/13/25
2012 Series A	96	Scattered Sites	Final 1/16/25
2012 Series B	96	Oaks at Four Corners	Final 5/5/25
2012 Series D	96	Pooks Hill	Draft 10/21/24
2012 Series D	96	Diamond Square	Final 10/5/24
2012 Series D	96	Montgomery Arms	Final 4/30/25
2012 Series D	96	Brookside Glen (The Glen)	Final 2/12/25
2014 Series A	96	RAD 6	Final 4/24/25
2019 Series A	96	Elizabeth House	Final 6/9/25
2019 Series B	96	Barclay Apartments	Draft 12/4/24
2020 Series B	96	Magruder's Discovery	Final 2/7/25
2020 Series B	MP	Strathmore Court	Final 2/28/25
2020 Series B	MP	Strathmore Court Partnership	Final 2/28/25
2025 Series A	96	Battery Park	N/A
All 96	96	Agency Audit	Final 11/19/24
All 96	96	96 Indenture Audit	Final 12/16/24
All 96	96	96 Multifamily Project Summary	Filed 10/7/24
All 96	96	96 Indenture DSR Balances	Filed 10/8/24
All 96	96	HOC Adopted Budget	Sent 11/4/24

Multifamily Housing Development Bonds - Calendar Year Property List

Series	Indenture	Property	*Audit posted to EMMA
2004 Series A	96	Charter House	Final 4/21/25
2004 Series B	96	RHE Apartments-RELP	Final 6/12/25
2004 Series D	96	Barclay LP	N/A
2004 Series D	96	Spring Gardens	N/A
2007 Series A	96	Forest Oak Towers	N/A
2007 Series C-1	96	Tax Credits 9 Pond Ridge	N/A
2011 Series B	96	MetroPointe LP	Draft 6/9/25
2012 Series A	96	Ring House	Final 4/1/25
2012 Series B	96	Dring's Reach	N/A
2012 Series C	96	Shady Grove Apartments	N/A
2012 Series C	96	Manchester Manor Apartments	Draft 4/11/25
2012 Series C	96	The Willows	Draft 4/11/25
2012 Series C	96	Tax Credit X	N/A
2012 Series C	96	Stewartown Homes	N/A
2012 Series C	96	Georgian Court	N/A
2015 Series A	96	Arcola	Final 6/9/25
2015 Series A	96	Waverly	Final 6/9/25
2017 Series A	96	Greenhills	Final 8/12/25
2019 Series C	96	Barclay LP	Draft 4/21/25
2019 Series C	96	Spring Gardens	Draft 6/9/25
2020 Series A	96	Bauer Park	Final 6/9/25
2020 Series C	96	Forest Oak Towers	Final 4/11/25
2020 Series C	96	Tax Credits 9 Pond Ridge	Draft 6/9/25
2021 Series B	96	Stewartown Homes	Final 8/12/25
2021 Series C	96	The Willows Manor	Draft 4/21/25
2021 Series C	96	Shady Grove	Final 4/24/25
2021 Series C	96	Georgian Court	Final 4/24/25
2021 Series D	96	The Willows Manor	Draft 4/21/25
2023 Series A	96	Upton II	Final 5/21/25
2024 Series A	96	Hillandale	Draft 6/20/25

*Draft are filed when finals are not available by due date

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		Requirement	Face Value/ Par Value	Tax Cost	Market Value
2004 Series B - Rockville		185,000.00			
	FHLM		155,000.00	183,464.20	175,740.55
	MM			-	-
2005 Series B - Metro Tx Cr		260,000.00			
	MM		260,000.33	260,000.33	260,000.33
				-	-
2005 Series C - Metro HOC		1,290,000.00			
	MM		1,290,001.59	1,290,001.59	1,290,001.59
				-	-
2011 Series A & B - MetroPointe		1,170,000.00			
	MM		1,170,001.44	1,170,001.44	1,170,001.44
2011 Series A & B - MetroPointe		140,000.00	-	-	
	MM		140,000.18	140,000.18	140,000.18
2012 Series A - Ring House		662,930.00			
	FFCB		665,000.00	662,406.50	629,748.35
	MM		523.50	523.50	523.50
2012 Series A - Scattered Sites		310,000.00			
	FFCB		287,000.00	307,750.10	246,271.83
	MM		-	-	-
2012 Series B - Oaks		779,211.98			
	FNMA		768,000.00	1,117,440.00	836,428.80
	MM		368,000.00	368,000.00	368,000.00
	MM		-	-	-
2012 Series C - Man, Will		1,072,004.47			
	FNMA		632,000.00	625,540.96	660,086.08
	FHLB		785,000.00	1,001,974.00	819,233.85
	MM		88,303.11	88,303.11	88,303.11
2012 Series D - Pooks Hill, Diamond Square, The Glen		1,211,601.00			
	FNMA		200,000.00	244,900.00	217,820.00
	Federal Farm		510,000.00	563,550.00	462,728.10
	Federal Farm		290,000.00	390,688.00	310,607.40
	MM		-	-	-
2014 Series A - RAD 6		790,716.00	-	-	-
2015 Series A-1 - Arcola & Waverly		467,735.00	-	-	
2015 Series A-2 - Arcola & Waverly	MM		467,462.92	467,462.92	467,462.92
2017 Series A - Greenhills		363,302.00	-	-	-

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		Requirement	Face Value/ Par Value	Tax Cost	Market Value
2019 Series A-1 - Elizabeth House III		-	-	-	-
2019 Series B - Barclay (HOC)		635,892.00	724,721.52	724,721.52	724,721.52
	MM		-	-	-
2019 Series C - Barclay (Tx Cr) & Spring Garden		471,337.00	537,179.33	537,179.33	537,179.33
	MM		-	-	-
2020 Series A - Bauer Park		540,008.00	-	-	-
	MM		-	-	-
2020 Series B - Magruders & Strathmore (both)		594,482.00	821,528.72	821,528.72	821,528.72
		106,470.34			
		22,384.88			
	MM		-	-	-
2020 Series C - Forest Oak & Tax Cr 9 & Pond Ridge		955,000.00	1,895,564.60	1,895,564.60	1,895,564.60
		714,000.00			
	MM		-	-	-
2021 Series A - WSG		-			
		86,881.00	86,881.00	86,881.00	86,881.00
		616,033.14	699,596.30	699,596.30	699,596.30
	MM		-	-	-
2021 Series B - Stewartown		310,000.00	113,568.39	113,568.39	113,568.39
	MM		-	-	-
2021 Series C		-	-	-	-
2023 Series A		-			
	Idaho		1,300,000.00	1,300,000.00	1,300,000.00
	MM		352,705.66	352,705.66	352,705.66
2021 Series D		4,120,000.00			
	FFCB		4,057,000.00	4,114,041.42	2,948,221.90
	MM		-	-	-
2024 Series A - Hillandale		-	-	-	-
	MM		-	-	-
Balance at 6-30-25		17,874,988.81	18,665,038.59	19,527,793.77	17,622,925.45
Balance at 3-31-25		(17,874,988.81)	(18,611,633.42)	(19,474,388.60)	(17,588,073.30)
diff		-	53,405.17	53,405.17	34,852.15

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APPENDIX C

SUMMARY OF
MORTGAGE INSURANCE PROGRAMS, GUARANTEED MORTGAGE SECURITIES AND FANNIE MAE STANDBY CREDIT ENHANCEMENT

THE FHA MULTIFAMILY INSURANCE PROGRAM

The following is a brief description of the multifamily mortgage insurance program administered by HUD, acting through FHA, pursuant to Section 542(c) of the Housing and Community Development Act of 1992, as amended and Sections 207, 220, 221(d)(3), 221(d)(4) and 223(f) of Title II of the National Housing Act, as amended. The information is qualified in its entirety by reference to the Housing and Community Development Act of 1992 and to the National Housing Act and the regulations thereunder.

FHA Risk-Sharing Program

Section 542(c) of the Housing and Community Development Act of 1992, as amended (the “Housing Act”) authorized the Secretary of HUD to enter into risk-sharing agreements with qualified state or local housing finance agencies (“HFAs”) to enable those HFAs to underwrite and process loans for which HUD, acting through FHA, will provide full mortgage insurance for eligible projects. HUD has promulgated regulations at 24 C.F.R. Part 266 (the “Regulations”) pursuant to the Housing Act. The program established by the Risk Sharing Act (the “Risk Sharing Program”) allows HFAs to carry out certain HUD functions, including the assumption of underwriting, loan management and property disposition functions and responsibility for defaulted loans, including reimbursement of HUD for a portion of the loss from any defaults that occur while the HUD contract of mortgage insurance is in effect. The Risk Sharing Program is designed to increase the supply of affordable multifamily units by allowing HFAs to originate and service mortgage loans that are fully insured by HUD's Federal Housing Administration (the “FHA”).

This mortgage insurance program requires that an interested HFA first be approved as a qualified housing finance agency. Upon notification of approval as a qualified HFA, that HFA must execute a risk-sharing agreement between the Commissioner of FHA and the HFA. The risk-sharing agreement must state the agreed upon risk apportionment between HUD and the HFA, the number of units allocated to the HFA, a description of the HFA's standards and procedures for underwriting and servicing loans and a list of HFA certifications designed to assure its proper performance.

Projects eligible to be insured under the Risk-Sharing Program include projects receiving Section 8 or other rental subsidies, single room occupancy projects, board and care/assisted living facilities and elderly projects. Transient housing or hotels, projects in military impact areas, retirement service centers, and nursing homes or intermediate care facilities are specifically excluded from eligibility for insurance under the program.

The Commission has been designated by HUD as a “qualified HFA” under the Housing Act. The Commission has entered into a risk-sharing agreement with HUD dated as of September 23, 1994 (the “Risk-Sharing Agreement”) which sets out the terms for the Commission's participation in the Risk-Sharing Program. The Commission has a “Level I” approval under the Regulations which means it agrees to reimburse HUD for up to 90% of any losses incurred as a result of a default under a loan, which permits the Commission to use its own underwriting standards and loan terms and conditions (as disclosed and submitted with its application) to underwrite and approve loans without further review by HUD. The Commission also has a “Level II” approval under the Regulations which means it may insure less than 50% of any losses on the mortgage loan, and HUD also has agreed to allow the Commission to use its own underwriting standards and loan terms and conditions for Level II loans.

FHA Insurance under the Risk Sharing Program with respect to any mortgage loan may be terminated upon the occurrence of certain events, including the following: (1) the corresponding mortgage is paid in full; (2) the Commission acquires the mortgaged property and notifies the Commissioner that it will not file an insurance claim; (3) a party other than the Commission acquires the mortgaged property at a foreclosure sale; (4) the Commission notifies the Commissioner of a voluntary termination; (5) the Commission or its successors commit fraud or make a material misrepresentation to the Commissioner with respect to certain information; (6) the receipt by the

Commissioner of an application for final claims settlement by the Commission or (7) the Commission acquires the mortgaged property and fails to make an initial claim.

During its participation in the program, the HFA must take responsibility for certain functions, including those relating to the Affirmative Fair Housing Marketing Plan, labor standards, insurance of advances, cost certification, and lead-based paint requirements. A mortgagor must certify to the HFA that it is in compliance with certain enumerated discrimination and civil rights statutes and executive orders. HUD will monitor the HFA's compliance with requirements concerning subsidy layering, the Davis-Bacon Act, environmental laws, and other program criteria. Certain HUD requirements may only be applicable when construction financing is utilized.

Upon completion of construction, presentation of a closing docket, including an executed deed of trust regulatory agreement between the HFA and the mortgagor, and certifications required by the Regulations, FHA issues a final endorsement of the mortgage note for the costs related to the project which have been certified by an independent certified public accountant and have been approved by the Commission. Although the Commission has been given authority to approve cost certifications by a mortgagor, such certifications are contestable by HUD, up to and during final endorsement of the applicable mortgage. Cost certification is not required for loans in which new construction or substantial rehabilitation is not involved.

The Regulations define an event of default under an FHA-insured mortgage as (1) a failure to make any payment due under the mortgage (except a failure to make a payment during a period of forbearance granted as a result of the Pandemic) or (2) a failure to perform any other mortgage covenant (which include covenants in the related regulatory agreement, which is incorporated by reference in the applicable mortgage) if the mortgagee, because of such failure, has accelerated the debt. A mortgagee is entitled to receive the benefits of insurance after the mortgagor has defaulted and such default continues for a period of 30 days. If the default continues to exist at the end of the 30 day grace period, the mortgagee is required to give HUD written notice of the default within 10 days after such grace period and monthly thereafter, unless waived by HUD, until such default has been cured or the Commission has filed an application for an initial claim payment. Unless a written extension is granted by HUD, the Commission must file an application for initial claim payment (or, if appropriate, for partial claim payment) within 75 days from the date of default. Such claim may be made as early as the first day of the month following the month for which a payment was missed. Upon request of the Commission, HUD may extend, up to 180 days from the date of default, the deadline for filing a claim. In those cases where the Commission certifies that the project owner is in the process of transacting a bond refunding, refinancing the mortgage, or changing the ownership for the purpose of curing the default and bringing the mortgage current, HUD may extend the deadline for filing a claim beyond 180 days but not exceed 360 days from the date of default.

The initial claim amount is based on the unpaid principal balance of the mortgage note as of the date of default, plus interest at the mortgage note rate from the date of default to the date of initial claim payment. The mortgage note interest component of the initial claim amount is subject to curtailment as described below. HUD must make all claim payments in cash. The initial claim payment to the Commission is equal to the initial claim amount, less any delinquent mortgage insurance premiums, late charges and interest assessment under the Regulations. The Commission must use the proceeds of the initial claim payment to retire any bonds or any other financing mechanisms for the mortgages within 30 days of the initial claim payment. Any excess funds resulting from such retirement or repayment shall be returned to HUD within 30 days of the retirement. Within 30 days of the initial claim payment, the Commission must also issue to HUD a debenture, payable in five years unless extended, in an amount equal to the amount of the initial claim payment, representing the Commission's obligation to HUD under its Risk-Sharing Agreement.

In determining the mortgage note interest component of the initial claim amount, if the Commission fails to meet any of the requirements of the Regulations within the specified time (including any granted extension of time), HUD shall curtail the accrual of mortgage note interest by the number of days by which the required action was late. Losses sustained as a consequence of the sole negligence of the Commission will be the sole obligation of the Commission, notwithstanding the risk apportionment otherwise agreed to by HUD and the Commission.

When FHA pays a claim, the Risk Sharing Agreement provides that the Commission will issue a debenture (each, a “Debenture”) to HUD for the full amount of the claim, which shall be supported by the full faith and credit of the Commission. Each Debenture will have a term of five years, will bear interest at HUD's published debenture rate, and its interest will be payable annually. The Risk Sharing Act contemplates that during the five year term of each Debenture, the Commission would work toward curing the default, foreclosure or resale of the related development. Upon the due date of each Debenture, the total loss to be shared by the Commission and HUD shall be computed pursuant to the Risk Sharing Agreement.

The Regulations provide that not later than 30 days after either (1) foreclosure sale or sale after acceptance of a deed-in-lieu of foreclosure or (2) expiration of the term of the HFA debenture, loss on the mortgaged property is determined and allocated between HUD and the HFA in accordance with their respective percentages of risk specified in the mortgage note and risk-sharing agreement.

Information on project management and servicing will be required after endorsement. Additionally, the HFA must submit semi-annual reports, annual financial statements and must maintain its eligibility by continued compliance with the risk-sharing agreement, the regulatory agreement, and all the requirements for initial program eligibility.

Mortgage Insurance under Sections 207, 220, 221(d)(3), 221(d)(4) and 223(f)

Section 207 is the basic program used by HUD and FHA to insure mortgage loans made to public and private developers for the construction of multifamily housing with market-rate rents. The Sections 221(d)(3) and 221(d)(4) programs are both designed to insure mortgage loans to public and private developers (including nonprofit sponsors and cooperatives) for the construction or substantial rehabilitation of rental and cooperative housing for low-and moderate-income families. Under Section 223(f), HUD and FHA is authorized to insure mortgage loans in connection with the purchasing or refinancing of existing multifamily housing (whether or not previously subject to an FHA-insured mortgage) without substantial rehabilitation. FHA insurance benefits under the program are available only if the mortgagee of record is an FHA-approved mortgagee. The Commission is an FHA-approved mortgagee. Generally, in the case of a mortgage loan made or purchased by the Commission, either the Commission or, if the Commission or an instrumentality thereof is the mortgagor, the Trustee, will be the mortgagee of record; in the case of a mortgage loan underlying a Guaranteed Mortgage Security, a commercial lender which is an FHA-approved mortgagee will be the mortgagee of record. As used below, the term “mortgagee” shall apply to the Commission, the Trustee, or the FHA-approved commercial lender, as the case may be.

FHA Insurance Processing. Applications for insurance commitments under the FHA insurance program may undergo several processing stages. FHA's multifamily mortgage insurance program provides for any one of insured advances, insurance upon completion of the project or insurance in connection with the purchase or refinancing of an existing project. Following the submission of an acceptable application for FHA insurance, the mortgagee will receive a firm commitment from FHA for insurance. Issuance of the firm commitment evidences FHA's approval of the application for mortgage insurance for the proposed development and establishes the terms and conditions upon which the mortgage loan will be insured.

The firm commitment requires that the mortgagor pay an initial mortgage insurance premium to FHA in an amount equal to 1/4 of 1% of the outstanding principal balance of the mortgage loan (1% of the original principal balance of the mortgage loan in the case of a firm commitment to insure upon completion of improvements in an existing project), thereafter, the mortgagor is required to pay an annual mortgage insurance premium to FHA in an amount equal 1/4 of 1% (1% until the second anniversary date of initial endorsement in the case of insurance upon completion of improvements in an existing project) of the average outstanding principal balance of the mortgage loan. Mortgage insurance premiums are collected by the mortgagee on a monthly basis and remitted to FHA annually. FHA imposes a late charge on the mortgagee in the event it fails to pay the mortgage insurance premium in a timely manner, which charge may not be imposed on the owner.

After receipt of the firm commitment, the owner proceeds to closing (initial closing in the case of insured advances, final closing in the case of insurance upon completion or insurance in connection with the purchase or refinancing of an existing project) of the mortgage loan. At the closing the owner executes a standard form of FHA mortgage note evidencing the mortgage loan and an FHA standard form of mortgage securing the mortgage note. Concurrently with the execution of the mortgage and mortgage note, FHA initially endorses the mortgage note for mortgage insurance and funds are advanced to provide for either: (1) in the case of insured advances, initial fees and expenses, including land acquisition costs, title costs, design architect, attorney, inspection and other related fees and expenses; or (2) in the case of insurance upon completion or insurance in connection with the purchase or refinancing of an existing project, the mortgage amount. The firm commitment requires that endorsement take place within a stated time period which may be extended with approval from FHA.

Construction and Rent-Up**.** With respect to each mortgage loan with insured advances, construction of the related development is required to proceed in accordance with the FHA standard form of Building Loan Agreement. See "Building Loan Agreement" herein. During construction, a licensed inspecting architect hired by the owner and an FHA inspector make periodic inspections to ensure on-site conformity with FHA approved plans and specifications. Under the Building Loan Agreement, funds are disbursed on a percentage of completion basis with periodic requisitions for advance of funds. Prior to any disbursement, certain conditions, including the completion of certain inspections of the construction, the submission and approval of certain documentation of construction work progress and compliance with the approved plans and specifications, updated title evidence satisfactory to the mortgagee and FHA and others, must be satisfied. Each advance will be insured by FHA upon disbursement in accordance with FHA regulations. Disbursements for advances continue for only so long as the owner is not in default under the mortgage and otherwise complies with the requirements for disbursements.

Construction Changes. Changes in the plans and specifications originally approved by FHA at initial endorsement must be approved in writing by the owner, the owner's architect, FHA and the mortgagee (as well as the bonding company providing the contractor's payment and performance bond where such bonds are required and the scope of the change warrants prior approval). In the event of a change order requiring net increases in construction costs, the mortgagee is required to collect the amount of such increase from the owner prior to disbursement of the next advance unless FHA waives the requirements. Such funds may be disbursed to the owner and contractor as the additional work contemplated by the change order progresses and is approved by FHA.

Cost-Certification. Prior to final closing and final endorsement, the owner and the contractor must submit cost-certifications prepared by independent public accountants for FHA approval. After reviewing such certified costs, FHA determines the amount of the "maximum insurable mortgage". If the maximum insurable mortgage amount is less than the amount of the mortgage note at initial endorsement, the mortgage note will be reduced. In the event that the maximum insurable mortgage is in excess of the amount of the note at initial endorsement, the mortgage note may under certain circumstances be increased with the consent of the mortgagee.

Development Rent-Up. As the construction of a development nears completion, the owners begin to market those units which are available for occupancy. In certain developments, it may be possible to rent some of the units which have been completed prior to the completion of the entire development. In most projects however, it is not anticipated that any units will be rented until such time as all or substantially all of the units are completed as determined by FHA.

FHA regulations require that the mortgagee procure a certificate of occupancy from appropriate local governing bodies and obtain the necessary multiperil liability insurance policy from the owner prior to the occupancy of any unit in a development.

Final Endorsement for Insurance. Final endorsement of the mortgage note occurs only after cost-certification is completed. Increases in the maximum insurable amount of the mortgage loan approved by FHA and the mortgagee are funded at this time. Amounts remaining to be advanced under the mortgage will be disbursed, contingent upon FHA approval, upon the receipt of acceptable title insurance endorsements and the fulfillment of certain other obligations of the owner. FHA and the mortgagee review the final closing documents and the mortgage note is finally endorsed upon a determination by the mortgagee and FHA that all requirements for final endorsement have been satisfied.

The Mortgage Loan Documents. The FHA-insured Mortgage Loans financed with the proceeds of the Bonds will be made pursuant to certain standard form FHA documents which are hereinafter generally described. As the context indicates, certain of the FHA documents are entered into only in connection with mortgage loans with FHA-insured advances.

Building Loan Agreement. The standard form FHA Building Loan Agreement which is entered into between a development owner and a mortgagee requires, among other things, that a development be completed in accordance with plans and specifications approved by FHA and the mortgagee; any changes in the drawings and specifications, any changes by altering or adding to the work contemplated or orders for extra work must be approved by the architect and any changes which will result in a net construction cost increase, or will change the design concept, or will result in a net cumulative construction cost decrease may be effected only with the prior written approval of the mortgagee and FHA, and under such conditions as either the mortgagee or FHA may establish; advances for construction are to be made only for work completed and accepted by FHA, together with the value of materials and equipment not incorporated in the work but delivered to and suitably stored at the project site, subject to a 10% hold-back until completion of the development, and that all advances are subject to prior approval of the mortgagee and FHA. A building loan agreement is required for FHA-insured Mortgage Loans that fund construction and is not required for permanent FHA-insured Mortgage Loans.

Assurance of Completion. Pursuant to FHA regulations, the mortgagee will require the mortgagor and general contractor for each project to execute a standard form FHA construction contract. Under the contract, the general contractor agrees to complete its construction of the Development in accordance with plans and specifications approved by FHA. In order to assure completion of construction, the general contractor is required to provide either a payment and performance bond in an amount approved by FHA and the mortgagee or to enter into a completion assurance agreement with the mortgagee secured by a deposit of cash or an unconditional, irrevocable letter of credit in favor of the mortgagee. An Assurance of Completion is required for FHA-insured Mortgage Loans that fund construction and is not required for permanent FHA-insured Mortgage Loans.

Regulatory Agreement. Generally, the owner of a development enters into a Regulatory Agreement with FHA which sets forth certain of the owner's obligations in connection with the management and operation of a development. The regulations and restrictions governing the owner's management and operation of the development may also be set forth in the owner's corporate charter or such other means as FHA deems appropriate.

Pursuant to the Regulatory Agreement, the owner must establish a reserve fund for replacements. The reserve fund for replacements will be funded by monthly payments by the owner in the amount established by FHA. Moneys in such fund may be disbursed, with prior FHA approval, to effect replacement of structural elements or mechanical equipment of the development or for any other purpose.

The criteria governing eligible tenants are to be in accordance with the Treasury Regulations or the Section 8 Housing Assistance Payment Contract, whichever is applicable. Except in certain limited instances, such as projects constructed exclusively for elderly or handicapped tenants, in which HUD regulations govern rent-setting, the owner may make dwelling units and services of the development available at charges as from time to time may be mutually agreed upon between the owner and the tenants. Dwelling units may not be rented for a period of less than 30 days.

The owner may not make, receive or retain any distribution of assets or income from the development, except from “Surplus Cash”. “Surplus Cash” is defined in the HUD regulations as cash remaining at the end of any semiannual or annual fiscal period after the payment of (1) all sums due under the mortgage and the mortgage note, (2) all amounts required to be deposited in the reserve fund for replacements and (3) all obligations of the development other than the mortgage (unless otherwise provided for). Surplus Cash does not include amounts held in special funds required to be maintained for the development or tenant security deposits.

In the event the owner violates any provisions of the Regulatory Agreement and fails to cure the default within 30 days after the mailing of notice from FHA, or such longer period as FHA may determine, the Agreement provides that FHA may declare a default. In the event of a default under the Regulatory Agreement, the Agreement provides that FHA may notify the mortgagee of the default and request the mortgagee to declare a default under the mortgage and mortgage note. The mortgagee is not a party to the Regulatory Agreement and, therefore, may not directly declare the owner in default thereunder.

Mortgage Note. In the State of Maryland, the debt instrument for FHA-insured loans secured by real estate is a deed of trust note. References to a mortgage note herein are applicable to a deed of trust note.

The standard form FHA mortgage note is a nonrecourse obligation since the maker is not personally liable for the payment of the principal of and interest thereon. Each mortgage note will be in a face amount approved by FHA and will be endorsed for insurance by FHA at the closing of the mortgage loan. Each mortgage note will have a stated maturity date after the date set by FHA for commencement of amortization.

Each mortgage note for a development insured under Section 207 or Section 221(d)(3) or (d)(4) of the National Housing Act will provide that prepayment of the principal amount of the Mortgage Loan may be made only with approval of the mortgagee and FHA. Each mortgage note insured under the provisions of Section 207 relating to mortgage insurance for the purchase or refinancing of previously uninsured existing projects will provide that no prepayment may be made by a mortgagor for a period of five years (20 years if the mortgage was purchased by GNMA) from the date of endorsement unless the mortgagor enters into an agreement with FHA as to maintenance of the project as rental housing and FHA makes certain determinations as to the use and operation of the project. The remaining principal amount, if any, will be recast over the remaining portion of the original mortgage term in monthly payments in an amount approved by FHA and the mortgagee.

Mortgage. In the State of Maryland, the underlying security for a deed of trust note is a deed of trust. References to a mortgage herein are applicable to a deed of trust.

In order to secure the payment of the debt evidenced by the mortgage note, the owner of each development will grant for the benefit of the payee under the mortgage note a security interest on the project site, together with all buildings, improvements and fixtures to be constructed on the site and all articles of personal property of the owner located on the site (collectively, the "mortgaged property") and, in addition, will assign to the mortgagee all rents, profits and income to be derived from the mortgaged property. Until final payment of the indebtedness, each owner agrees not to encumber the mortgaged property in any way without the consent of the mortgagee and FHA.

In addition to the monthly payments due under the mortgage note, the mortgage obligates the owner to deposit with the mortgagee in escrow on the first day of each month sums sufficient to provide the mortgagee with funds to pay the next annual mortgage insurance premium and to pay the estimated fire and property insurance premiums, taxes and assessments, if any, with respect to the mortgaged property.

Collection of Insurance Benefits**.** A mortgagor is considered in default under a mortgage if the mortgagor (1) fails to make any payment due under the mortgage or (2) fails to perform any other covenant under the provisions of the mortgage and the mortgagee (or FHA) accelerates the debts. The mortgagee is required to notify FHA in the event of a default by the owner under the mortgage note or mortgage which continues for 30 days. Unless extended by FHA, applicable FHA regulations further require that the mortgagee must, within 45 days of the date of the event of default under the mortgage, make an election to either (l) assign the mortgage to FHA or (2) acquire and convey the property to FHA.

Upon the assignment of a defaulted mortgage to FHA, FHA deducts 1% of the outstanding principal balance of the mortgage as of the date of default from the amount of insurance benefits paid to the mortgagee. FHA also deducts (1) certain interest losses (if any), (2) any cash, letter of credit or securities held by the mortgagee or its agents or to which it is entitled including deposits made for the account of the mortgagee and which have not been applied in reduction of the principal amount of the mortgage loan indebtedness, (3) any amounts received by the mortgagee after the date of default with respect to such development, and (4) certain other deductions which may be made from insurance benefits paid by FHA.

Under the FHA insurance contract with the mortgagee, FHA agrees to pay interest to the mortgagee from the date of default at the "debenture" rate of interest which is in effect on the date FHA issues its firm commitment or the date of initial endorsement, whichever rate is higher.

As described above, FHA will reimburse the mortgagee an amount equal to the unpaid principal balance of the mortgage loan at the date of default (less 1%), plus debenture interest from the date of default on any remaining unpaid amount of the insurance claim. Payment of insurance benefits will be made (1) for mortgage loans insured under Section 207 or 223(f), in cash, in debentures or in a combination of both, at FHA's option, or (2) for mortgage loans insured under Section 221(d)(3) or (d)(4), in cash unless the mortgagee requests that insurance benefits be paid in debentures.

In the case of a monetary default, the date of default is deemed to be the date on which payment originally should have been received. Since interest is paid one month in arrears in FHA mortgage transactions, the mortgagee will not, in the event of a claim for insurance benefits, be reimbursed for interest which had accrued in the previous month and was due and payable on the date of default. FHA will reimburse the mortgagee only for interest at the debenture rate commencing on the date of default.

Upon a default by the mortgagor which entitles the mortgagee to assign the mortgage to FHA, the mortgagee must notify FHA of the default and of the mortgagee's intention to assign the mortgage. Upon receipt of this notification and election, FHA reviews the documentation to determine whether the mortgagee is entitled to assign the mortgage and to receive insurance benefits under the mortgage insurance contract. Prior to actual assignment of the loan to FHA and receipt of insurance benefits, the mortgagee must also satisfy certain legal requirements including submission of a title policy showing (except for encumbrances approved by FHA) that no liens or encumbrances are superior to the mortgage lien.

The mortgagee is required to submit all required documentation within 45 days from the date the mortgage is assigned to FHA unless the time is extended by FHA. The documentation required to be supplied to FHA includes the mortgage note, mortgage, building loan agreement, security agreement for chattels, financing statements, assurance of completion, title policy, hazard policy and other instruments, together with assignments of such documents to FHA. If the election is not made or the documents are not delivered within the 45 days allowed, FHA will not pay the mortgagee interest on sums outstanding from the date the election should have been made or the date the required documents should have been submitted to FHA, whichever is applicable, to the date when the insurance claim is finally paid unless FHA has agreed to extend the period with interest.

The ability of the mortgagee to realize benefits of insurance in the event of a non-monetary default resulting from the failure of a mortgagor to comply with the income and rental requirements of applicable federal income tax law, has not been conclusively determined, and the mortgagee may have to exercise other remedies, the effectiveness of which may depend on the discretion of a court.

Deposits Held by Mortgagee. The mortgagee is responsible for all deposits under its control. FHA deducts from any insurance claim the amount of cash held by the mortgagee on behalf of the owner. Where deposits are held by the mortgagee in the form of a letter of credit, it is the mortgagee's responsibility to convert the letter of credit to cash in the event the funds are necessary. For insurance purposes, FHA views a letter of credit held in lieu of cash deposit as the equivalent of cash. Letters of Credit accepted by the mortgagee must be unconditional and irrevocable. FHA does not review or approve Letters of Credit.

The mortgagee is responsible for all funds in its custody and must therefore obtain approvals from FHA and others, when required, prior to release of any funds which may be in its possession. Failure to protect properly such funds may result in a deduction from the FHA insurance claim in an amount equal to the funds FHA asserts should have properly been held as a deposit.

Warranties Upon Assignment. In the event of an assignment of a mortgage, FHA requires the mortgagee to warrant that (l) no act or omission of the mortgagee has impaired the validity and priority of the mortgage; (2) the mortgage is prior to all mechanics' and materialmen's liens filed on record subsequent to the recording of the mortgage, regardless of whether such liens attached prior to the recording date; (3) the mortgage is prior to all liens and encumbrances which may have attached or defects which may have arisen subsequent to the recording of the mortgage except such liens or other matters as may be approved by FHA; (4) the amount stated in the instrument of assignment is actually due under the mortgage and there are no offsets or counterclaims against such amount; and (5) the mortgagee has a good right to assign the mortgage. In assigning its security interest in chattels, including materials, located on the premises covered by the mortgage, or its security interest in building components stored either on-site or off-site at the time of the assignment, the mortgagee is required to warrant that (a) no act or omission of the mortgagee has impaired the validity or priority of the lien created by the chattel security instruments; (b) the mortgagee has a good right to assign the security instruments; and (c) the chattel security instruments are a first lien on the items covered by the instruments except for such other liens or encumbrances as may be approved by FHA.

Title Insurance Policy (Mechanics' and Other Liens). The mortgagee will be required to furnish FHA with a title policy which names FHA as the insured party and which assures FHA that the mortgage loan to be assigned constitutes a first lien on the mortgaged premises, subject only to such exceptions previously approved by FHA. The mortgagee will be required to remove any intervening liens and to obtain an updated endorsement within the 45-day period during which documents are required to be submitted. FHA will deduct the amount of any liens which have priority over the mortgage lien from the mortgagee's FHA insurance claim.

Tax liens against the property which have priority over the lien of the mortgage must be paid by the mortgagee. Although the mortgagee will be reimbursed for funds it advances to pay real estate taxes on the mortgaged property, failure to pay taxes when due may result in a penalty which will not be reimbursed by FHA in connection with the insurance claim.

Hazard Insurance Policy and Inspections. The mortgagee is required to inspect the mortgaged property at least annually and to advise FHA of its recommendations for actions necessary to protect or maintain the property and to maintain adequate hazard insurance coverage. Failure to maintain adequate coverage is grounds for termination of the FHA insurance contract, unless FHA has been timely notified of the unavailability of coverage. Losses occurring as a result of a failure to properly insure the mortgaged property will be deducted from the mortgage insurance claim.

Transfer of the Mortgage. In certain circumstances the mortgagee is permitted to transfer some or all of its interest in the mortgage. The transfer, pledge or assignment of a mortgage in a manner which is not in compliance with FHA requirements is grounds for termination of the FHA insurance. Prior to final endorsement, the mortgage note may be assigned only to another FHA-approved mortgagee with the prior approval of FHA. Partial interest in a mortgage note may be transferred pursuant to a participation agreement or arrangement without prior FHA approval if, among other things, legal title in the mortgage note is returned by an FHA-approved mortgagee who alone is recognized and dealt with by FHA and the mortgagor.

Losses on Advances other than Mortgage Proceeds. Although the mortgagee will be reimbursed for advances properly made for taxes, insurance premiums and preservation of the property, such reimbursement may not fully compensate the mortgagee for the making of such advances since the mortgagee will be paid only debenture interest on such advances from the date of default.

Reimbursement for Maintaining the Mortgaged Property. FHA will reimburse the mortgagee for funds advanced to maintain or preserve the mortgaged property if the approval of FHA is received prior to the time such funds are advanced.

THE GNMA GUARANTY PROGRAM

GNMA is a wholly-owned corporate instrumentality of the United States within the United States Department of Housing and Urban Development with its principal office in Washington, D.C.

A GNMA Guaranteed Security is a "fully modified pass through" mortgage-backed security which requires monthly payments by a lender, as the issuer of the GNMA Guaranteed Security (the "GNMA Lender"), to the registered holder of the GNMA Guaranteed Security of principal of and interest on such GNMA Guaranteed Security when due, whether or not the lender receives payments on the mortgage note underlying such GNMA Guaranteed Security, plus any prepayments of principal of the mortgage note received by the lender. GNMA guarantees full and timely payment of principal of and interest on GNMA Guaranteed Securities.

GNMA Guaranty

GNMA is authorized by Section 306(g) of Title III of the National Housing Act to guarantee the full and timely payment of the principal of and interest on GNMA Securities which are based on and backed by a mortgage insured by FHA or coinsured by FHA and an FHA approved coinsuring lender. Section 306(g) provides further 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".

In order to meet its obligations under such guaranty, GNMA is empowered under Section 306(d) of Title III of the National Housing Act to borrow from the United States Treasury, through the issuance of its general obligations, in an amount sufficient to enable GNMA to perform its obligations under its guaranty of the timely payment of the principal of and interest on GNMA Guaranteed Securities. The United States Treasury is authorized to purchase any obligations so issued by GNMA and has indicated in a letter dated February 13, 1970, from the Secretary of the United States Treasury to the Secretary of HUD, that the United States Treasury will make loans to GNMA, if needed, to implement the aforementioned guaranty. GNMA warrants to the registered owner of GNMA Guaranteed Securities, that, in the event it is called upon to make payment pursuant to such guaranty of the payment of principal of and interest on the GNMA Guaranteed Securities, it will, if necessary, apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make such payments.

GNMA Guaranteed Securities issued in connection with mortgage loans on multifamily projects are issued in two forms - construction loan certificates for projects under construction and project loan certificates for completed projects. Prior to the issuance of a GNMA Guaranteed Security, the GNMA Lender must obtain GNMA's commitment to guarantee such Security, and in the case of a project under construction, the GNMA Lender must obtain GNMA's commitment to guarantee payments of the construction loan certificates, and upon completion of the project, the project loan certificate.

Project loan certificates can be issued only after the project has been completed and the mortgage loan on the project finally endorsed for mortgage insurance by FHA.

Construction loan certificates are issued periodically, usually monthly, as construction of the project progresses, in the amount of the principal amount of the mortgage loan that at the time of such issuance has been disbursed and coinsured. Immediately following final endorsement for mortgage insurance or coinsurance by FHA, the construction loan certificates are exchanged for the project loan certificate.

As a condition to the issuance of each GNMA Guaranteed Security, the GNMA Lender will be obligated to deliver certain documents to GNMA not later than 20 days prior to the anticipated delivery date of such GNMA Guaranteed Security, including the mortgage loan (or other evidence of indebtedness) endorsed for insurance or coinsurance by FHA and an assignment of mortgage to GNMA, which is in recordable form but unrecorded.

Servicing of Mortgage

Under contractual arrangements between a GNMA Lender and GNMA, the GNMA Lender is responsible for servicing and otherwise administering the mortgage securing a GNMA Guaranteed Security in accordance with generally accepted practices of the mortgage lending industry and the GNMA Servicer's Guide.

The monthly remuneration of the GNMA Lender, for its servicing and administrative functions, and the guaranty fee charged by GNMA, are based on the unpaid principal amount of the GNMA Guaranteed Security outstanding. GNMA regulations and policies have fixed the total of these servicing and guaranty fees no less than .25% or greater than .50% per annum. Of this total fee, .13% is paid to GNMA as a guaranty fee, and the remainder is retained by the GNMA Lender as a servicing fee. A GNMA Guaranteed Security carries an interest rate that is fixed at between 0.25% and .50% per annum below the interest rate on the underlying mortgage note if the FHA insurance benefits with respect to such note are payable in cash, and at 0.45% per annum below the interest rate on the underlying mortgage note if the FHA insurance benefits with respect to such note are payable in debentures, and the servicing and guaranty fee is deducted from payments on the mortgage note so that interest payments received by the Commission on the GNMA Guaranteed Security are equal to the stated rate of interest on the GNMA Guaranteed Security. Repayment of principal of GNMA Guaranteed Securities is based on repayment of the mortgage notes which will occur more slowly than would repayment by equal installments of principal and interest at the interest rate on the GNMA Guaranteed Securities.

Payments of principal of and interest on the mortgage notes are expected to be received by the GNMA Lender from the mortgagor in amounts and at times sufficient to pay principal of and interest on the GNMA Guaranteed Securities. If such payments are less than the amount due, the GNMA Lender is obligated to advance its own funds to make the timely payment of all amounts due on the GNMA Guaranteed Security. GNMA guarantees such timely payment in the event of failure by the GNMA Lender to make scheduled payments when due. GNMA covenants and warrants in the GNMA Guaranty Agreement that if the GNMA Lender receives FHA debentures in settlement of any default on the mortgage obligation, GNMA will immediately purchase such debentures from the GNMA Lender for cash at par.

The GNMA Lender is required to advise GNMA in advance of any impending default on scheduled payments so that GNMA as a guarantor will be able to continue such payments as scheduled on the 15th day of each month. However, if such payments are not received as scheduled, the Commission has recourse directly to GNMA.

In the event of a default by the GNMA Lender, including (1) failure of the GNMA Lender to remit to the owner of a GNMA Guaranteed Security any payment required to be made on such Security, (2) a request to GNMA to make a payment of principal of or interest on a GNMA Guaranteed Security, (3) insolvency of the GNMA Lender, (4) change with respect to the business status of the GNMA Lender which materially adversely affects GNMA under the Guaranty Agreement or (5) default by the GNMA Lender under the guaranty agreement with GNMA with respect to the GNMA Security (the "Guaranty Agreement") or any other guaranty agreement with GNMA, the GNMA Guaranty Agreement provides that GNMA shall have the right, by letter to the GNMA Lender, to effect the complete extinguishment of the GNMA Lender's interest in the mortgage, and the mortgage will become the absolute property of GNMA, subject only to the unsatisfied rights of the owner of the GNMA Security. In such event, the GNMA Guaranty Agreement provides that on and after the time GNMA directs such a letter of extinguishment to the GNMA Lender, GNMA will be the successor in all respects to the GNMA Lender in its capacity under the GNMA Guaranty Agreement and the transaction and arrangements set forth or arranged for therein, and shall be subject to all responsibilities, duties, and liabilities (except the GNMA Lender's indemnification of GNMA), placed on the GNMA Lender by the terms and provisions of the GNMA Guaranty Agreement, provided that at any time, GNMA may enter into an agreement with any other eligible issuer of GNMA securities under which the latter undertakes and agrees to assume any part or all such responsibilities, duties or liabilities theretofore placed on the GNMA Lender, and provided that no such agreement shall detract from or diminish the responsibilities, duties or liabilities of GNMA in its capacity as guarantor of the GNMA Guaranteed Security, or otherwise adversely affect the rights of the holders thereof.

Payment of Principal and Interest on the GNMA Guaranteed Securities

Construction loan certificates pay interest only from their dated date, at the specified rate, until their maturity. Construction loan certificates are expected to be dated not later than the first day of the month following the month in which a construction advance is made and to pay 30 days of accrued interest commencing on the 15th day of the month following the issue date and continuing to the 15th day of each succeeding month until their maturity dates.

Project loan certificates pay interest and principal monthly on the 15th day of each month after issuance, with payments which correspond to the monthly scheduled installments of principal of and interest on the related mortgage note. Payment of the principal of project loan certificates is expected to commence upon issuance of the project loan certificate after completion of development. Each installment on project loan certificates is applied first to interest and then to the reduction of the principal balance then outstanding. Interest is paid at the specified rate on the unpaid portion of the principal of the project loan certificates. Project loan certificates are subject to prepayments, and payments of principal and interest are subject to adjustment due to prepayments or other early unscheduled recoveries of principal on the underlying mortgage notes.

The GNMA Lender agrees to pay to the owner of a construction loan certificate or a project loan certificate monthly installments of not less than the interest due on such construction loan certificate or project loan certificate at the rate specified in the GNMA Guaranteed Security, together with, in the case of a project loan certificate, any scheduled installments of principal, whether or not collected from the mortgagor and any prepayments or early recoveries of principal. Final payment is made upon surrender of the GNMA Guaranteed Securities.

FANNIE MAE

The information presented under this caption "Fannie Mae" (other than under the subsection entitled "Fannie Mae Credit Enhancement Instrument") has been supplied by Fannie Mae. None of the Agency, the Trustee or the Underwriters have independently verified such information, and none assumes responsibility for the accuracy of such information.

General. Fannie Mae is a federally chartered corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. 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 became a stockholder-owned and privately managed corporation by legislation enacted in 1968. Fannie Mae purchases, sells, and otherwise deals in mortgages in the secondary market. Fannie Mae does not make direct mortgage loans, but instead acquires mortgage loans originated by others. In addition, Fannie Mae issues mortgage-backed securities ("MBS") backed by pools of mortgage loans acquired from lenders. Fannie Mae receives guaranty fees for its guarantee of the timely payment of principal and interest on MBS certificates.

Conservatorship. On September 6, 2008, Fannie Mae's safety and soundness regulator, the Federal Housing Finance Agency, or FHFA, placed Fannie Mae into conservatorship. As the conservator, FHFA succeeded to all rights, titles, powers and privileges of Fannie Mae, and of any stockholder, officer, or director of Fannie Mae with respect to

Fannie Mae and the assets of Fannie Mae. On September 7, 2008, Fannie Mae, through FHFA as conservator, entered into two agreements with the U.S. Department of the Treasury ("Treasury") – a Senior Preferred Stock Purchase Agreement ("Stock Purchase Agreement") and a Common Stock Warrant. The Stock Purchase Agreement sets forth Treasury's commitment (the "Commitment") to provide funds to Fannie Mae under the terms and conditions set forth therein. Fannie Mae generally may draw funds under the Commitment on a quarterly basis if Fannie Mae's total liabilities exceed its total assets on its consolidated balance sheet calculated in accordance with generally accepted accounting principles as of the end of a quarter. See the documents incorporated by reference below for additional information about Fannie Mae, its operation in conservatorship, and its agreements with Treasury.

Additional Information. Fannie Mae is incorporating certain documents by reference in this Official Statement that Fannie Mae files from time to time with the Securities and Exchange Commission (the "SEC"). This means that Fannie Mae is disclosing information to you by referring you to those documents, rather than providing you with separate copies. Those documents are considered part of this Official Statement, so you should read this Official Statement, and any applicable supplements or amendments, together with those documents, before making an investment decision. You should rely only on the information provided or incorporated by reference in this Official Statement and any applicable supplement, and you should rely only on the most current information.

Fannie Mae incorporates by reference the following documents that Fannie Mae has filed, or may file with the SEC: (A) its most recently filed annual report on Form 10-K, (B) all other reports filed pursuant to Section 13(a) of the Securities Exchange Act of 1934 (the "Exchange Act") since the end of the year covered by such Form 10-K, excluding any information "furnished" to the SEC on Form 8-K; and (C) all documents filed pursuant to Section 13(a), 13(c), or 14 of the Exchange Act after the date of this Official Statement and prior to the termination of the offering related to the Bonds, excluding any information "furnished" to the SEC on Form 8-K. Fannie Mae's SEC filings are available at the SEC's website at www.sec.gov, and are also available on Fannie Mae's web site at http://www.fanniemae.com or from Fannie Mae at the Office of Investor Relations at 800-2FANNIE (800-232-6643).

Fannie Mae makes no representation as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Fannie Mae's role with respect to the Bonds is limited to issuing and discharging its obligations under the applicable Credit Enhancement Instrument and exercising the rights reserved to it in the Resolution and the applicable Reimbursement Agreement.

Fannie Mae Standby Credit Enhancement

Under Fannie Mae's DUS Program, Fannie Mae agrees to provide credit enhancement for mortgage loans financed with the proceeds of fixed-rate bonds pursuant to, and subject to the limitations of, a Standby Credit Enhancement Instrument. Under the Fannie Mae Standby Credit Enhancement Instrument issued with respect to a mortgage loan, if the related mortgagor fails to pay principal (whether regularly scheduled or a mandatory prepayment) or interest on the mortgage loan (at the rate expected to be sufficient to pay interest on the related bonds) when due, and such amount is not passed through to the Trustee by the 18th day of any month (or, if the 18th day is not a Business Day, the next Business Day thereafter), then the Trustee will draw on Fannie Mae and Fannie Mae will be obligated to make the required payment not later than the sixth Business Day following the date of proper presentation by the Trustee. The mortgagor's obligation to reimburse Fannie Mae for any funds provided by Fannie Mae under a Standby Credit Enhancement Instrument will be set forth in a Reimbursement Agreement between the applicable mortgagor and Fannie Mae. The Reimbursement Agreement specifies events of default and the rights and remedies of Fannie Mae following an event of default. Upon the occurrence of any Event of Default under the Reimbursement Agreement, Fannie Mae has the right to declare the entire principal amount of the related mortgage loan and accrued interest thereon at a default rate to be due and payable and to exercise all other rights and remedies available at law or in equity, including the right to foreclose on the mortgaged property.

Fannie Mae will provide credit enhancement for a mortgage loan delivered under the DUS Program ("Fannie Mae Enhanced Loan") for the permanent financing phase of such development (the "Permanent Phase"). During the Permanent Phase of a Fannie Mae Enhanced Loan, such Loan will be serviced by a Fannie Mae loan servicer designated by Fannie Mae. The selection (or replacement) of the Fannie Mae loan servicer is in the sole and absolute discretion of Fannie Mae.

The rights and remedies of the parties with interest in each Fannie Mae Enhanced Loan, namely the issuer of the bonds, the bond trustee, Fannie Mae and the related mortgagor are allocated in an Assignment and Intercreditor Agreement. Pursuant to the Assignment and Intercreditor Agreement, the issuer of the bonds which finance a Fannie Mae Enhanced Loan assigns to the bond trustee and Fannie Mae, without recourse to the issuer, all of the issuer's right, title and interest in and to the loan agreement, the mortgage note, the mortgage, and the other loan documents and the other property described in such documents, except for certain rights reserved to the issuer which include the payment of fees and indemnities. Generally, the bond trustee has the right to receive payments under the mortgage note intended to be sufficient to pay debt service on the bonds, and Fannie Mae retains all other rights (including payment rights) and remedies under the mortgage, the mortgage note and related documents. These other rights include the right to direct actions, to grant extensions, waivers and consents (including in the case of assignments and prepayments), to declare defaults and to exercise remedies.

APPENDIX D

DTC AND BOOK-ENTRY

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Offered Bonds. The Offered 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 Offered Bond certificate will be issued for each maturity of the Offered Bonds, each in the aggregate principal amount of such maturity of such series and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org (information on the DTC website is not a part of the Official Statement).

Purchases of the Offered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Offered Bonds on DTC's records. The ownership interest of each actual purchaser of each Offered 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 Offered 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 Offered Bonds, except in the event that use of the book-entry system for the Offered Bonds is discontinued.

To facilitate subsequent transfers, all Offered 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 Offered 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 the Offered Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Offered 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 Offered Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Offered Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Offered Bonds may wish to ascertain that the nominee holding the Offered Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Offered 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 Offered Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Commission 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 Offered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption price and interest payments on the Offered 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 Commission or the Trustee, on each payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price (if applicable) and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Offered Bonds at any time by giving reasonable notice to the Commission or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Offered Bond certificates are required to be printed and delivered.

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

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

So long as Cede & Co. is the registered owner of the Offered Bonds, as nominee for DTC, reference herein to the registered owners of the Offered Bonds (other than under the heading "Tax Exemption and Related Considerations" in the Official Statement) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Offered Bonds.

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the Housing Opportunities Commission of Montgomery County (the "Commission"), [Mortgagor] and U.S. Bank Trust Company, National Association (the "Dissemination Agent") in connection with the issuance of $89,345,000* Aggregate Principal Amount of Multifamily Housing Development Bonds 2026 Series B, $7,720,000* Aggregate Principal Amount of Multifamily Housing Development Bonds 2026 Series C, and $6,630,000* Aggregate Principal Amount of Multifamily Housing Development Bonds 2026 Series D, (collectively, (the "Bonds"). The Bonds shall be as described in the Trust Indenture dated as of November 1, 1996, as amended (the "Trust Indenture"), by and between the Commission and U.S. Bank Trust Company, National Association, as successor trustee, and the Series Indenture Providing for the Sale and Issuance of $89,345,000* Aggregate Principal Amount of Multifamily Housing Development Bonds 2026 Series B, $7,720,000* Aggregate Principal Amount of Multifamily Housing Development Bonds 2026 Series C, and $6,630,000* Aggregate Principal Amount of Multifamily Housing Development Bonds 2026 Series D dated as of August 1, 2026* (the "Series Indenture"). The Commission, Mortgagor and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Commission, [Mortgagor] and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters of the Bonds in complying with the Rule (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Indenture or the Series Indenture, as the case may be, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Commission pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or dispose of ownership of, any Bond including persons holding Bonds through nominees or depositories.

"Development" shall mean any [the [specify]] development financed with the proceeds of the Bonds.

"Disclosure Representative" shall mean the President/Executive Director of the Commission or his or her designee, or such other officer or employee as the Commission shall designate in writing to the Dissemination Agent from time to time [the [ ] of the Mortgagor].

"Listed Events" shall mean any of the events listed in Section 5(a) or Section 5(b) of this Disclosure Agreement.

"Mortgagor" shall mean the mortgagor (other than the Commission, an instrumentality thereof or an entity in which the Commission is, or acts as, the general partner or managing member) with respect to a mortgage loan on a [the] Development.

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

"Official Statement" shall mean the Commission's Official Statement dated [ ], relating to the Bonds.

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* Subject to change.

"Participating Underwriter" shall mean any of the original underwriters of Bonds required to comply with the Rule in connection with offering of the Bonds.

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

SECTION 3. Provision of Annual Reports.

(a) [The Commission shall deliver to the Dissemination Agent, not later than 190 days after the end of each fiscal year of the Commission (which currently would be January 6)], [The Mortgagor will deliver to the Commission and the Dissemination Agent not later than [ ] of each year] commencing with the report for the 20[ ] Fiscal Year ended June 30, 20[ ], an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than five (5) Business Days after each such delivery date, the Dissemination Agent shall deliver to the MSRB the related Annual Report. Each Annual Report may be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement. If the fiscal year of the Commission [Mortgagor] changes, the Commission [Mortgagor] shall give notice of such change in the same manner as for a Listed Event under Section 5(g). The Annual Report shall identify the Bonds by name and CUSIP number.

(b) The Commission shall also deliver to the Dissemination Agent, not later than 190 days after the end of each fiscal year of each Mortgagor (commencing with the end of the first fiscal year in which the Conversion Date occurs) with respect to each Development, the financial statements of each such Mortgagor with respect to the prior fiscal year's operations, which financial statements shall be audited in accordance with generally accepted accounting statements; provided that the Commission shall not be required to make such a delivery to the Dissemination Agent with respect to any Mortgagor that the Commission has determined is not required to enter into a continuing disclosure agreement in accordance with Section 6(b) hereof. Not later than five (5) Business Days after the Dissemination Agent receives any Mortgagor's financial statements from the Commission, the Dissemination Agent shall deliver the same to the MSRB.

(c) If by each date specified in subsection (a) for providing an Annual Report to the Dissemination Agent, the Dissemination Agent has not received a copy of such Annual Report, the Dissemination Agent shall contact the Commission [Mortgagor] to determine if the Commission [Mortgagor] has sent the related Annual Report in compliance with subsection (a). If by each date specified in subsection (b) above for providing Mortgagor financial statements to the Dissemination Agent, the Dissemination Agent has not received a copy of such financial statements, the Dissemination Agent shall contact the Commission to determine if the Commission has sent the related financial statements in accordance with subsection (b) above.

(d) If the Dissemination Agent is unable to verify that the Commission [Mortgagor] has sent (i) its Annual Report by the date required in subsection (a) above or (ii) the Mortgagor financial statements by the date required in subsection (b) above, the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit A.

SECTION 4. Content of Annual Reports.

The Commission's [Mortgagor's] Annual Report shall contain or include by reference the following (as applicable):

(i) audited annual financial statements of the Multifamily Housing Development Bonds of the Commission for the prior fiscal year, presented either as a separate financial statement or as part of the combined financial statements of the Commission, together with a statement as to the accounting principles applied thereto [audited annual financial statements of the Mortgagor];

(ii) an update, if necessary and if material to the Developments financed or expected to be financed with the Bond proceeds, of the County income limits listed in the table "Income Limits in Dollars" under the heading "The Program – Income Limits" in the Official Statement;

(iii) an update, as of a date no earlier than the end of the prior fiscal year, of the information relating to Mortgage Loans or Guaranteed Mortgage Securities financed with Bond proceeds; and

(iv) for each mortgagor with respect to a Development owned by the Commission, an instrumentality thereof or an entity in which the Commission is or acts as the general partner or managing member, financed with the proceeds of Bonds and the construction of which is completed, unaudited annual balance sheets and income statements (audited financial statements if required by FHA or other provider of Credit Facility), as of a date not earlier than the end of the most recently-ended fiscal year of such mortgagor relating to such Development; *provided, however*, that the Commission's Annual Report need not include such financial information for any mortgagor whose financed mortgage loan, as of the date of financing of such mortgage loan, comprises 10% or less of the aggregate outstanding principal amount of mortgage loans financed or expected to be financed with available proceeds of Bonds.

If the Commission's [Mortgagor's] audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements [in a format similar to the financial statements contained in the final [Official] Statement], and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available. Any or all of the items listed above may be included in, or by specific reference to other documents, including in financial statements of the Commission or its bond programs or official statements of debt issues of the Commission or other public entities, which have been provided to the MSRB or the Securities and Exchange Commission and made available to the public on their respective websites. If the document included by reference is a final official statement, it must be available from the MSRB. The Commission [Mortgagor] shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, the Commission shall give, or cause to be given, notice of the occurrence of any of the following events, not later than ten Business Days after the occurrence of the event:

1. principal and interest payment delinquencies.

2. unscheduled draws on the Reserve Fund reflecting financial difficulties.

3. unscheduled draws on Credit Facilities reflecting financial difficulties.

4. substitution of Credit Facilities or liquidity providers, or the failure of the provider of either to perform.

5. adverse tax opinions or the issuance by the Internal Revenue Service of a proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Offered Bonds (if applicable).

6. tender offers.

7. defeasances.

8. rating changes.

9. bankruptcy, insolvency, receivership or similar event of the Commission[1].

[1] For the purposes of the event identified in Section 5(a)(9) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Commission in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction

10. default, event of acceleration, termination event, modification of terms or other similar events under the terms of any financial obligation of the Commission any of which reflects financial difficulties.

(b) Pursuant to the provisions of this Section 5, the Commission shall give, or cause to be given, notice of the occurrence of any of the following events, not later than ten Business Days after the occurrence of the event, if material:

With respect to the Bonds,

1. non-payment related defaults.

2. other notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax-exempt status of any series of the Bonds (if applicable).

3. modifications to rights of Bondowners.

4. Bond calls (other than sinking fund redemptions).

5. release, substitution or sale of property securing repayment of the Bonds.

6. claims on FHA Insurance relating to Mortgage Loans.

7. appointment of a successor or additional trustee or change in the name of the trustee for the Bonds.

8. incurrence of a financial obligation of the Commission or agreement by the Commission to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affects Bondowners.

With respect to any Development Mortgagor shall give, or cause to be given, notice of the occurrence of any of the following events, not later than 10 business days after the occurrence of the events:

1. 90-day payment delinquencies under the related Mortgage Loan.

2. non-payment default (as to which the Commission has notice) under the related Mortgage, mortgage note or any other agreement relating to federal tax law requirements entered into with the Commission if material.

3. bankruptcy or insolvency of the related Mortgagor or the general partner (or other similar manager) of Mortgagor (as to which the Commission has notice).

4. consummation of a merger, consolidation or acquisition of the Mortgagor, sale of substantially all of the assets of the Mortgagor, or entry into a definitive agreement to take any such action or terminate any such action, if material.

(c) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative, inform such person

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over substantially all of the assets or business of the Commission, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Commission.

of the event, and, in the cause of an event specified in subsection (b), request that the Commission promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (g).

(d) Whenever the Commission obtains knowledge of the occurrence of a Listed Event specified in subsection (b), whether because of a notice from the Dissemination Agent pursuant to subsection (c) or otherwise, the Commission shall as soon as possible determine if such event would be material under applicable federal securities laws.

(e) If the Commission has determined that the occurrence of a Listed Event specified in subsection (b) would be material under applicable federal securities laws, the Commission shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (g).

(f) If the Commission has determined that the occurrence of a Listed Event specified in subsection (b) would not be material under applicable federal securities laws, the Commission shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (g).

If the Dissemination Agent has (i) knowledge of the occurrence of a Listed Event specified in subsection (a) or (ii) been instructed by the Commission to report the occurrence of a Listed Event specified in subsection (b), the Dissemination Agent shall file a notice of such occurrence in electronic format with the MSRB, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of a Listed Event relating to Bond calls or tender offers need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture.

SECTION 6. Commission Representation.

(a) The Commission represents and warrants that it is in material compliance with its undertakings in the continuing disclosure agreements previously entered into by it in connection with its program of financing mortgage loans with the proceeds of bonds issued under the Trust Indenture.

(b) The Commission covenants that it will not finance any Development (other than a Development owned by the Commission, an instrumentality thereof, or an entity of which the Commission is the general partner or managing member, or a Development currently financed in connection with the Bonds) unless the Mortgagor with respect to such Development has entered into a continuing disclosure agreement with the Commission and the Dissemination Agent, pursuant to which Agreement, such Mortgagor will agree to provide to the Dissemination Agent its annual audited financial statement for the prior fiscal year, and the Dissemination Agent will agree to deliver the same to MSRB, until the earlier of (1) legal defeasance, prior redemption or repayment of the Bonds, as applicable, or (2) repayment (either through voluntary prepayment or with the proceeds of foreclosure, liquidation or insurance) in full of such Mortgagor's mortgage loan; provided, however, that the Commission shall have the right, in its sole discretion, not to require that a continuing disclosure agreement be entered into by a Mortgagor whose financed mortgage loan, as of the date of financing of such mortgage loan, comprises 10% or less of the aggregate outstanding principal amount of mortgage loans financed or expected to be financed with available proceeds of Bonds.

SECTION 7. Termination of Reporting Obligation. The Commission's [Mortgagor's] obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds [or earlier repayment of Mortgagor's mortgage loan]. If such termination occurs prior to the final maturity of the Bonds, the Commission and the Dissemination Agent shall give notices of such termination in the same manner as for a Listed Event under Section 5; provided that the Commission's obligation under Section 3(b) with respect to a Mortgagor shall terminate earlier if such Mortgagor's mortgage loan is repaid (either through voluntary prepayment or with the proceeds of foreclosure, liquidation or otherwise).

SECTION 8. Dissemination Agent. The Commission [Mortgagor] may, from time to time, appoint or engage another dissemination agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such agent, with or without appointing a successor agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Commission, [Mortgagor] and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment which does not adversely affect the Dissemination Agent so requested by the Commission), and any provision of this Disclosure Agreement may be waived, it (a) if the amendment or waiver relates to the provisions of Section 3(a), 4 or 5(a) or (b), if 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 Bonds; (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 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 does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Commission [Mortgagor] shall describe such amendment in its next Annual 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 Commission [Mortgagor]. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements of the Commission [Mortgagor] or any Mortgagor whose financial statements are provided by the Commission, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(g), and (ii) the Annual 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.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Commission [Mortgagor] from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Commission [Mortgagor] chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Commission [Mortgagor] shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Commission, [Mortgagor] or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Commission, [Mortgagor] or Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. Notwithstanding the foregoing, the Dissemination Agent shall be required to take any such action if so requested by the Holders of at least 25% aggregate principal amount of Outstanding Bonds.

A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Commission, [Mortgagor] or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Scope of Agreement.

(a) The disclosure obligations under this Disclosure Agreement relate solely to the Bonds. Such disclosure obligations are not applicable to any other securities issued or to be issued by the Commission.

(b) The Dissemination Agent shall have no obligation to make disclosure about the Bonds, any Mortgagor, any Development or any other matter except as expressly provided herein. The fact that the Dissemination Agent or any affiliate of the Dissemination Agent may have any fiduciary or banking relationship with the Commission, any Mortgagor, any manager of a Development or any person with whom the Commission or a Mortgagor contracts in connection with a Development, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except in its capacity as Dissemination Agent or except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

(c) Neither this Disclosure Agreement, nor the performance by the Dissemination Agent or the Commission [Mortgagor] of its obligations hereunder, creates any third party beneficiary rights other than the rights of the Holders and Beneficial Owners from time to time of the Bonds. This Disclosure Agreement may not be enforced by any third party other than the Holders and Beneficial Owners from time to time of the Bonds and shall not constitute a basis for a claim by any person except as expressly provided herein.

(d) Nothing in this Disclosure Agreement shall be construed to mean or imply that the Dissemination Agent is an "obligated person" with respect to any Series of Bonds pursuant to the provisions of the Rule.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent; Disclaimer.

(a) Article XI of the Trust Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Trust Indenture.

(b) The Dissemination Agent shall be entitled to add to, or include in, any reports or notices made public by it under this Disclosure Agreement, a disclaimer with respect to the source of the information contained in, the identity of the party responsible for compiling or preparing, such reports or notices and that the Dissemination Agent, has made no investigation and makes no representation as to the accuracy, completeness or need to disclose this information.

(c) The Dissemination Agent has no power to enforce performance or non-performance on the part of the Commission [Mortgagor]. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Commission [Mortgagor] pursuant to this Disclosure Agreement.

SECTION 14. Compensation of Dissemination Agent. The Dissemination Agent shall be compensated for services rendered and expenses incurred by it in accordance with this Disclosure Agreement as determined between the Commission and the Dissemination Agent.

SECTION 15. Notices. Any notices or communications to or between either of the parties to this Disclosure Agreement may be given as follows:

To the Commission:

Housing Opportunities Commission of
Montgomery County
1328 Fenwick Lane
Silver Spring, MD 20910
Attention: President/Executive Director
Email: notice@hocmc.org
Telephone: (240) 627-9400
Facsimile: (301) 949-1274

[To the Mortgagor: [ ]]

To the Dissemination Agent:

U.S. Bank Trust Company, National Association
Global Corporate Trust
CN-VA-MUNI
5065 Wooster Road
Cincinnati, OH 45226
Telephone: (804) 771-7921
Facsimile: (804)-771-7940

SECTION 16. Binding Effect; Beneficiaries. This Disclosure Agreement shall be binding upon the Commission, [Mortgagor] and the Dissemination Agent and their respective successors and assigns and shall inure solely to the benefit of the Commission [Mortgagor], the Dissemination Agent and Holders and Beneficial Owners from time to time of the Bonds and their respective successors and assigns, and shall create no rights in any other person or entity.

SECTION 17. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: [ ]

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

By: ______________________________
Chelsea J. Andrews, President/Executive Director

[MORTGAGOR]

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Dissemination Agent

By: ______________________________
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE
[TIMELY] [ANNUAL REPORT] [FINANCIAL STATEMENTS]

Name of Issuer: ____

Name of Bond
Issue: ____ ________________________
____

Date of Issuance: ____

[SELECT APPROPRIATE NOTICE]

[NOTICE IS HEREBY GIVEN that the [Issuer] [Mortgagor] has not provided an Annual Report [state reason, if appropriate] with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Agreement for the above-referenced Bonds.

[NOTICE IS HEREBY GIVEN that although the [Issuer] [Mortgagor] has filed an Annual Report with respect to the above-captioned Bonds as required by Section 3 of the Continuing Disclosure Agreement for the above-referenced Bonds.

Dated:_______________

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
on behalf of ISSUER

By: ______________________________________
Name:
Title:

cc: Issuer

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APPENDIX F
PROPOSED FORM OF BOND COUNSEL OPINION

(Letterhead of Kutak Rock LLP, Washington, D.C.)

Housing Opportunities Commission
of Montgomery County
1328 Fenwick Lane,
Silver Spring, MD 20910

$89,345,000*
Housing Opportunities Commission of Montgomery County
Multifamily Housing Development Bonds
2026 Series B (Non-AMT)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the Housing Opportunities Commission of Montgomery County (the "Commission") of $89,345,000* aggregate principal amount of its Multifamily Housing Development Bonds, 2026 Series B (the "2026 Series B Bonds"). The Commission is a public body corporate and politic organized and existing under the Housing Authorities Law being Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, and a Memorandum of Understanding between the Commission and Montgomery County, Maryland (the "County") (together, the "Act"). The 2026 Series B Bonds are to be issued pursuant to the Act, a resolution adopted by the Commission on June 18, 2025 (the "HOC Resolution"), and the Trust Indenture dated as of November 1, 1996, as amended from time to time (the "General Indenture"), and the Series Indenture Providing for the Sale and Issuance of $89,345,000* Principal Amount of Multifamily Housing Development Bonds 2026 Series B, Principal Amount of Multifamily Housing Development Bonds 2026 Series B, $7,720,000* Principal Amount of Multifamily Housing Development Bonds 2026 Series C and $6,630,000* Principal Amount of Multifamily Housing Development Bonds 2026 Series D dated as of August 1, 2026* (the "Series Indenture"), each between the Commission and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"). The General Indenture and the Series Indenture are collectively referred to as the "Indenture."

The 2026 Series B Bonds are issuable as fully registered bonds without coupons in the denominations of $5,000 each or integral multiples of $5,000 in excess thereof. The 2026 Series B Bonds shall have such terms as are provided in the Indenture.

The 2026 Series B Bonds are limited obligations of the Commission and are payable solely from the revenues and other assets of the Commission pledged therefor pursuant to the Indenture. The Commission has no taxing power. The 2026 Series B Bonds do not constitute a debt of the County, the State of Maryland (the "State") or any political subdivision thereof, and neither the County, the State nor any political subdivision thereof shall be liable thereon, nor in any event shall the 2026 Series B Bonds be payable out of any funds or properties of the Commission other than those pledged therefor.

In connection with the issuance of the 2026 Series B Bonds, we have examined the following:

A. Certified copies of the Act.

B. An executed copy of the HOC Resolution.

C. Executed copies of the General Indenture and the Series Indenture.

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* Subject to change.

D. Such other opinions, documents, certificates and letters as we deem relevant in rendering this opinion.

From such examination we are of the opinion that:

1. The Commission was duly created and validly exists under the provisions of the Act as a public body corporate and politic of the State with full power to issue the 2026 Series B Bonds for the purpose authorized by the Indenture.

2. The HOC Resolution has been duly adopted and is in full force and effect. The General Indenture and the Series Indenture have been duly authorized and executed by the Commission, are valid and binding obligations of the Commission, are in full force and effect and are enforceable in accordance with their terms except to the extent enforcement may be limited by general principles of equity which may permit the exercise of judicial discretion, the reasonable exercise in the future by the State, the County and its governmental bodies of the police power inherent in the sovereignty of the State and the County, and applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally, now or hereafter in effect.

3. The 2026 Series B Bonds have been duly authorized, executed and issued in accordance with the laws of the County and the State, including the Act, now in force and represent valid and binding limited obligations of the Commission, enforceable in accordance with their terms and the terms of the HOC Resolution and the Indenture except to the extent enforcement may be limited by general principles of equity which may permit the exercise of judicial discretion, the reasonable exercise in the future by the State, the County and its governmental bodies of the police power inherent in the sovereignty of the State and the County, and applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally, now or hereafter in effect.

4. Under existing statutes, regulations, rulings and court decisions, assuming compliance with certain covenants, certificates and agreements intended to assure compliance with Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable provisions of Sections 141 through 150 of the Code, interest on the 2026 Series B Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the 2026 Series B Bonds may affect the federal alternative minimum tax imposed on certain corporations.

5. Under existing State law, the 2026 Series B Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, are free from taxation of every kind by the State and by the municipalities and all other political subdivisions of the State, except that no opinion is expressed as to such exemption from Maryland franchise taxes or estate or inheritance taxes.

The accrual or receipt of interest on the 2026 Series B Bonds may otherwise affect a bondowner's income tax liability. The nature and extent of these other tax consequences will depend upon the bondowner's particular tax status and the bondowner's other items of income and deduction. Bond Counsel expresses no opinion regarding such consequences. Purchasers of the 2026 Series B Bonds, particularly purchasers that are corporations (including S corporations, United States branches of foreign corporations and certain corporations subject to the alternative minimum tax imposed on corporations), property and casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the 2026 Series B Bonds.

The opinion we have expressed herein as to the treatment of the interest borne by the 2026 Series B Bonds for federal income tax purposes is based upon statutes, regulations, rulings and court decisions in effect on the date hereof and assumes the accuracy of certain representations and compliance by the Commission with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the 2026 Series B

Bonds. Failure to comply with such requirements could cause interest on the 2026 Series B Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2026 Series B Bonds.

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

We express no opinion regarding any other Federal or state tax consequences with respect to the 2026 Series B Bonds. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason.

Very truly yours,

PROPOSED FORM OF BOND COUNSEL OPINION

(Letterhead of Kutak Rock LLP, Washington, D.C.)

Housing Opportunities Commission
of Montgomery County
1328 Fenwick Lane,
Silver Spring, MD 20910

$7,720,000*
Housing Opportunities Commission of Montgomery County
Multifamily Housing Development Bonds
2026 Series C (Non-AMT)

$6,630,000*
Housing Opportunities Commission of Montgomery County
Multifamily Housing Development Bonds
2026 Series D (Non-AMT)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the Housing Opportunities Commission of Montgomery County (the "Commission") of $7,720,000* aggregate principal amount of its Multifamily Housing Development Bonds, 2026 Series C and $6,630,000* aggregate principal amount of its Multifamily Housing Development Bonds, 2026 Series D (collectively, the "2026 Series CD Bonds"). The Commission is a public body corporate and politic organized and existing under the Housing Authorities Law being Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, and a Memorandum of Understanding between the Commission and Montgomery County, Maryland (the "County") (together, the "Act"). The 2026 Series CD Bonds are to be issued pursuant to the Act, a resolution adopted by the Commission on June 18, 2025 (the "HOC Resolution"), and the Trust Indenture dated as of November 1, 1996, as amended from time to time (the "General Indenture"), and the Series Indenture Providing for the Sale and Issuance of $89,345,000* Principal Amount of Multifamily Housing Development Bonds 2026 Series B, Principal Amount of Multifamily Housing Development Bonds 2026 Series B, $7,720,000* Principal Amount of Multifamily Housing Development Bonds 2026 Series C and $6,630,000* Principal Amount of Multifamily Housing Development Bonds 2026 Series D dated as of August 1, 2026* (the "Series Indenture"), each between the Commission and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"). The General Indenture and the Series Indenture are collectively referred to as the "Indenture."

The 2026 Series CD Bonds are issuable as fully registered bonds without coupons in the denominations of $5,000 each or integral multiples of $5,000 in excess thereof. The 2026 Series CD Bonds shall have such terms as are provided in the Indenture.

The 2026 Series CD Bonds are limited obligations of the Commission and are payable solely from the revenues and other assets of the Commission pledged therefor pursuant to the Indenture. The Commission has no taxing power. The 2026 Series CD Bonds do not constitute a debt of the County, the State of Maryland (the "State") or any political subdivision thereof, and neither the County, the State nor any political subdivision thereof shall be liable thereon, nor in any event shall the 2026 Series CD Bonds be payable out of any funds or properties of the Commission other than those pledged therefor.

In connection with the issuance of the 2026 Series CD Bonds, we have examined the following:

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* Subject to change.

A. Certified copies of the Act.

B. An executed copy of the HOC Resolution.

C. Executed copies of the General Indenture and the Series Indenture.

D. Such other opinions, documents, certificates and letters as we deem relevant in rendering this opinion.

From such examination we are of the opinion that:

1. The Commission was duly created and validly exists under the provisions of the Act as a public body corporate and politic of the State with full power to issue the 2026 Series CD Bonds for the purpose authorized by the Indenture.

2. The HOC Resolution has been duly adopted and is in full force and effect. The General Indenture and the Series Indenture have been duly authorized and executed by the Commission, are valid and binding obligations of the Commission, are in full force and effect and are enforceable in accordance with their terms except to the extent enforcement may be limited by general principles of equity which may permit the exercise of judicial discretion, the reasonable exercise in the future by the State, the County and its governmental bodies of the police power inherent in the sovereignty of the State and the County, and applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally, now or hereafter in effect.

3. The 2026 Series CD Bonds have been duly authorized, executed and issued in accordance with the laws of the County and the State, including the Act, now in force and represent valid and binding limited obligations of the Commission, enforceable in accordance with their terms and the terms of the HOC Resolution and the Indenture except to the extent enforcement may be limited by general principles of equity which may permit the exercise of judicial discretion, the reasonable exercise in the future by the State, the County and its governmental bodies of the police power inherent in the sovereignty of the State and the County, and applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally, now or hereafter in effect.

4. Under existing statutes, regulations, rulings and court decisions, assuming compliance with certain covenants, certificates and agreements intended to assure compliance with Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable provisions of Sections 141 through 150 of the Code, interest on the 2026 Series CD Bonds (a) is excludable from the gross income of the owners thereof for federal income tax purposes, except for interest on any 2026 Series CD Bond for any period during which such 2026 Series CD Bond is held by a "substantial user" of the facilities financed by the 2026 Series CD Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, and (b) is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the 2026 Series CD Bonds may affect the federal alternative minimum tax imposed on certain corporations.

5. Under existing State law, the 2026 Series CD Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, are free from taxation of every kind by the State and by the municipalities and all other political subdivisions of the State, except that no opinion is expressed as to such exemption from Maryland franchise taxes or estate or inheritance taxes.

The accrual or receipt of interest on the 2026 Series CD Bonds may otherwise affect a bondowner's income tax liability. The nature and extent of these other tax consequences will depend upon the bondowner's particular tax status and the bondowner's other items of income and deduction. Bond Counsel expresses no opinion regarding such consequences. Purchasers of the 2026 Series CD Bonds, particularly purchasers that are corporations (including S corporations, United States branches of foreign corporations and certain corporations subject to the alternative minimum tax imposed on corporations), property and casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the 2026 Series CD Bonds.

The opinion we have expressed herein as to the treatment of the interest borne by the 2026 Series CD Bonds for federal income tax purposes is based upon statutes, regulations, rulings and court decisions in effect on the date hereof and assumes the accuracy of certain representations and compliance by the Commission and the owner of the development financed by the 2026 Series CD Bonds with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the 2026 Series CD Bonds. Failure to comply with such requirements could cause interest on the 2026 Series CD Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2026 Series CD Bonds.

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

We express no opinion regarding any other Federal or state tax consequences with respect to the 2026 Series CD Bonds. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason.

Very truly yours,

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