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

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 6, 2026

This Official Statement has been prepared on behalf of the State of Oregon Housing and Community Services Department to provide information on the Offered Bonds. Selected information is presented on this cover page for the convenience of the users. To make an informed decision regarding the Offered Bonds, a prospective investor should read this Official Statement in its entirety. Capitalized terms used and not otherwise defined on this cover page have the meanings given in this Official Statement.

NEW ISSUE

$80,000,000*
State of Oregon
Housing and Community Services Department
Mortgage Revenue Bonds
(Single-Family Mortgage Program)

$43,335,000*	$26,665,000*	$10,000,000*
2026 Series G	2026 Series H	2026 Series I
(Non-AMT)	(Non-AMT)	(Federally Taxable)
	(Variable Rate)	

Dated: Date of Closing/Settlement **Base CUSIP: 68609N** **Due: As set forth on the inside cover page**

Tax Exemption	In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Department, (1) under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (a) interest on the Series G Bonds and the Series H Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and (b) interest on the Series G Bonds and the Series H Bonds is not treated as a preference item for purposes of calculating the alternative minimum tax under the Code; *however*, interest on the Series G Bonds and the Series H Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code; (2) interest on the Series I Bonds is included in gross income for federal income tax purposes pursuant to the Code; and (3) under existing statutes, interest on the Offered Bonds is exempt from personal income taxes imposed by the State of Oregon. See "TAX MATTERS" herein.
Purpose and Authority	The Offered Bonds are issued by the State, acting by and through the Office of the State Treasurer, at the request of the Department, to (1) replace amounts that will be applied to refund, within 90 days of the date of issuance of the Series G Bonds, certain prior Series of Bonds, which will make an equal amount available to purchase newly-originated Guaranteed Mortgage Securities, (2) purchase newly-originated Guaranteed Mortgage Securities, (3) provide down payment and/or closing costs assistance and (4) make deposits into certain Accounts under the Indenture. The Offered Bonds are being issued pursuant to ORS 286A.001 to 286A.195, inclusive, and 456.515 to 456.725, inclusive, as amended, a Trust Indenture dated as of May 1, 1988, as amended and restated, by and between the State, acting by and through the Department, and U.S. Bank Trust Company, National Association, a national banking association organized under the laws of the United States, as the Trustee, and two Housing Finance Bond Declarations to be approved by and filed in the Office of the State Treasurer.
Security	The Bonds are special revenue obligations of the State and are secured by a pledge of and security interest in all Revenues, the proceeds of the sale of Bonds, all right, title and interest of the Department in and to the Mortgage Loans and related mortgage notes and mortgages, the Guaranteed Mortgage Securities, and other moneys in Accounts established by or pursuant to the Indenture. **The Bonds are not general obligation indebtedness of the State or any political subdivision thereof. Neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to payment of the Bonds.**
Interest Payment Dates	January 1 and July 1, commencing July 1, 2027*.
Denominations	Fixed Rate Bonds: $5,000 or any integral multiple thereof. Variable Rate Bonds in the Daily Mode Period or the Weekly Mode Period: $100,000 or any integral multiple of $5,000 in excess thereof.
Redemption	The Offered Bonds are subject to redemption prior to maturity at the times, under the conditions and at the prices set forth under "THE OFFERED BONDS – Redemption Provisions" herein, including redemption without premium, from certain sources.
Variable Rate Bonds	The Variable Rate Bonds will bear interest initially at the Weekly Rate and thereafter at the Daily Rate or the Weekly Rate, as described under "The Offered Bonds – General" and "The Offered Bonds – Description of the Variable Rate Bonds" herein. **THIS OFFICIAL STATEMENT ONLY DESCRIBES THE VARIABLE RATE BONDS THAT ARE IN THE DAILY MODE PERIOD OR THE WEEKLY MODE PERIOD AND WHILE THE INITIAL LIQUIDITY FACILITY IS IN EFFECT**.
Optional and Mandatory Tender of Variable Rate Bonds	The Variable Rate Bonds in a Daily Mode Period or a Weekly Mode Period are subject to optional or mandatory tender for purchase as described under "The Offered Bonds – Description of the Variable Rate Bonds" herein. Variable Rate Bonds tendered but not remarketed by the Remarketing Agent will be purchased, subject to certain conditions precedent, by TD Bank, N.A. (the "Bank"), pursuant to the Initial Liquidity Facility. The Initial Liquidity Facility will be a standby bond purchase agreement, among the State, acting by and through the Department, U.S. Bank Trust Company, National Association, as Tender Agent, and the Bank. The Initial Liquidity Facility expires on December 9, 2031* but may be extended as provided therein. The Initial Liquidity Facility may be terminated prior to its stated expiration date under certain circumstances, and, in some circumstances, such termination may be immediate and without notice to holders of the Variable Rate Bonds. In such event, no funds may be available pursuant to the Initial Liquidity Facility to purchase the Variable Rate Bonds. The Initial Liquidity Facility does not otherwise provide security or support for the payment of the principal of, premium, if any, or interest on the Variable Rate Bonds or provide for any payment whatsoever with respect to the Fixed Rate Bonds. TD Financial Products LLC will serve as the initial Remarketing Agent with respect to the Variable Rate Bonds.
Closing/Settlement	Expected to be available for delivery through the facilities of DTC on or about December 10, 2026*.
Trustee and Tender Agent	U.S. Bank Trust Company, National Association.
Legal Counsel	Hawkins Delafield & Wood LLP, Portland, Oregon and New York, New York, Bond Counsel to the Department; Kutak Rock LLP, Omaha, Nebraska, Underwriters' Counsel; Oregon Department of Justice, Salem, Oregon, the Department's Counsel; and Chapman and Cutler, LLP, Bank Counsel.

J.P. Morgan† **BofA Securities**

Jefferies **Ramirez & Co., Inc.** **Raymond James** **Wells Fargo Securities**

November ___, 2026

* Preliminary, subject to change.

† Sole underwriter with respect to the Variable Rate Bonds.

MATURITY SCHEDULE*

$43,335,000 2026 SERIES G BONDS (NON-AMT)

$8,185,000 Serial Bonds

Due	Amount	Interest Rate	Price	CUSIP† Number	Due	Amount	Interest Rate	Price	CUSIP† Number
July 1, 2034	$345,000	%	%	68609N___	January 1, 2037	$ 990,000	%	%	68609N___
January 1, 2035	900,000			68609N___	July 1, 2037	1,015,000			68609N___
July 1, 2035	920,000			68609N___	January 1, 2038	1,040,000			68609N___
January 1, 2036	945,000			68609N___	July 1, 2038	1,065,000			68609N___
July 1, 2036	965,000			68609N___					

$5,685,000 _____% Term Bonds due January 1, 2041 Price: _____% CUSIP† Number: 68609N___
$29,465,000 _____% Term Bonds due July 1, 2056 (PAC) Price: _____% CUSIP† Number: 68609N___

$26,665,000 2026 SERIES H BONDS (NON-AMT) (VARIABLE RATE)

$26,665,000 Term Bonds due January 1, 2050 Price: 100% CUSIP† Number: 68609N___

$10,000,000 2026 SERIES I BONDS (FEDERALLY TAXABLE)

Due	Amount	Interest Rate	Price	CUSIP† Number	Due	Amount	Interest Rate	Price	CUSIP† Number
January 1, 2028	$600,000	%	%	68609N___	July 1, 2031	$745,000	%	%	68609N___
July 1, 2028	640,000			68609N___	January 1, 2032	765,000			68609N___
January 1, 2029	655,000			68609N___	July 1, 2032	785,000			68609N___
July 1, 2029	670,000			68609N___	January 1, 2033	805,000			68609N___
January 1, 2030	690,000			68609N___	July 1, 2033	830,000			68609N___
July 1, 2030	705,000			68609N___	January 1, 2034	855,000			68609N___
January 1, 2031	725,000			68609N___	July 1, 2034	530,000			68609N___

* Preliminary, subject to change.

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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, in any jurisdiction in which it is unlawful for any person to make such offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized by the State of Oregon, including but not limited to the Department, to give any information or to make any representations, other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained from the State of Oregon, including but not limited to the Department, and other sources, including the Bank (but only with respect to the information set forth in Appendix D hereto under the heading "Certain Information Concerning the Bank"), which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the State of Oregon, including but not limited to the Department, since the date hereof.

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IN CONNECTION WITH THE OFFER AND SALE OF THE OFFERED BONDS, THE UNDERWRITERS MAY EFFECT TRANSACTIONS WHICH TEND TO STABILIZE OR MAINTAIN THE MARKET PRICE OF THE OFFERED BONDS ABOVE THE LEVELS WHICH WOULD OTHERWISE PREVAIL. SUCH ACTIVITIES, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Caine Mitter & Associates Incorporated
Municipal Advisor

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OFFICIAL STATEMENT

of the

STATE OF OREGON

Housing and Community Services Department

Relating to

**$80,000,000*
State of Oregon
Housing and Community Services Department
Mortgage Revenue Bonds
(Single-Family Mortgage Program)**

$43,335,000*	**$26,665,000***	**$10,000,000***
2026 Series G	**2026 Series H**	**2026 Series I**
(Non-AMT)	**(Non-AMT)**	**(Federally Taxable)**
	(Variable Rate)	

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the inside cover page and the Appendices hereto, is to set forth information in connection with the sale by the State of Oregon (the "**State**") of its Mortgage Revenue Bonds (Single-Family Mortgage Program), 2026 Series G (the "**Series G Bonds**"), its Mortgage Revenue Bonds (Single-Family Mortgage Program), 2026 Series H (the "**Series H Bonds**" or the "**Variable Rate Bonds**") and its Mortgage Revenue Bonds (Single-Family Mortgage Program), 2026 Series I (the "**Series I Bonds**"). The Series G Bonds and the Series I Bonds are referred to herein collectively as the "**Fixed Rate Bonds**;" and the Series G Bonds, the Series H Bonds and the Series I Bonds are referred to herein collectively as the "**Offered Bonds**." The Offered Bonds are being issued pursuant to Sections 286A.001 to 286A.195, inclusive, and 456.515 to 456.725, inclusive, of the Oregon Revised Statutes ("**ORS**"), as amended (the "**Act**"), a Trust Indenture dated as of May 1, 1988, as amended and restated (the "**Indenture**"), by and between the State, acting by and through the Oregon Housing and Community Services Department (the "**Department**"), and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"), and two Housing Finance Bond Declarations (each, a "**Bond Declaration**" and collectively, the "**Bond Declarations**") to be approved by and filed in the Office of the State Treasurer (the "**State Treasurer**"). Capitalized terms used and not otherwise herein defined have the respective meanings given such terms in the Indenture or in the Bond Declarations, as applicable.

The Offered Bonds are being issued by the State, acting by and through the State Treasurer, at the request of the Department. Proceeds of the Offered Bonds are expected to be used to (1) replace amounts that will be applied to refund, within 90 days of the date of issuance of the Series G Bonds, certain prior Series of Bonds, which will make an equal amount available to purchase newly-originated Guaranteed Mortgage Securities (defined below), (2) purchase newly-originated Guaranteed Mortgage Securities, (3) provide down payment and/or closing costs assistance in connection with related Underlying Loans (defined below) and (4) make deposits into certain Accounts under the Indenture, all as described herein. The Department expects to pay the costs related to the issuance of the Offered Bonds from available unrestricted funds of the Department.

State law requires the Oregon Legislative Assembly (the "**Legislative Assembly**") to establish the amount of bonds that may be issued during each two-year budget period (a "**biennium**") other than refunding bonds. There is no limit on the amount of refunding bonds which may be issued. The current biennium began on July 1, 2025, and ends on June 30, 2027 (the "**2025-27 Biennium**"). During its 2025 Regular Session, the Legislative Assembly authorized the Department to issue up to $500 million in direct revenue bonds during the 2025-27 Biennium. As of October 1,

* Preliminary, subject to change.

2026, the Department had issued approximately $213,105,000 of direct revenue bonds in the 2025-27 Biennium and had approximately $286,895,000 of its 2025-27 Biennium direct revenue bonds authority remaining, which amounts do not include the Offered Bonds or any other direct revenue bonds issued after October 1, 2026.

As of October 1, 2026, the Department had issued 264 Series of Bonds under the Indenture in an aggregate principal amount of $7,379,494,502, of which $1,309,900,000 in aggregate principal amount were Outstanding as of such date. The outstanding prior Series of Bonds, the Offered Bonds and any additional Bonds that may be issued in the future under the Indenture (collectively referred to as the "**Bonds**") are and will be on a parity, equally and ratably secured by the Indenture.

The Variable Rate Bonds will bear interest as described herein at an initial rate determined at or prior to delivery and at rates determined thereafter either daily or weekly (the "**Daily Mode Period**" or the "**Weekly Mode Period**," respectively). The Variable Rate Bonds will initially bear interest in the Weekly Mode Period. See "THE OFFERED BONDS – Description of the Variable Rate Bonds – Interest Provisions" herein. Subject to the requirements of the Bond Declaration for the Variable Rate Bonds (the "**Variable Rate Bond Declaration**"), the Department may elect to change the manner in which the interest rate on any or all of the Variable Rate Bonds is determined (each a "**Mode**," and a change from one Mode to another Mode, a "**Mode Change**" with respect to the Variable Rate Bonds to which it applies) or to convert all or part of the Variable Rate Bonds to bear interest at a fixed rate or a rate determined pursuant to an index (a "**Conversion**" with respect to the Variable Rate Bonds to which it applies). The Variable Rate Bonds will be subject to mandatory tender for purchase in the event of a Mode Change or a Conversion. **THIS OFFICIAL STATEMENT ONLY DESCRIBES VARIABLE RATE BONDS THAT ARE IN THE DAILY MODE PERIOD OR THE WEEKLY MODE PERIOD AND WHILE THE INITIAL LIQUIDITY FACILITY IS IN EFFECT.**

Except as otherwise provided herein, the owners of any Variable Rate Bonds in a Daily Mode Period or Weekly Mode Period are entitled to tender their Variable Rate Bonds for purchase at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the date of purchase, upon satisfaction of the terms and conditions described herein. The Variable Rate Bonds are also subject to mandatory tender for purchase under certain circumstances described herein. TD Financial Products LLC is the initial remarketing agent for the Variable Rate Bonds (the "**Remarketing Agent**").

Pursuant to the Variable Rate Bond Declaration, the Department will provide liquidity support for the purchase of Variable Rate Bonds in the Daily Mode Period and the Weekly Mode Period that are tendered for purchase and not remarketed in accordance with the terms of such Bond Declaration. Liquidity support for the Variable Rate Bonds will initially be in the form of a Standby Bond Purchase Agreement, dated as of December 1, 2026 (the "**Initial Liquidity Facility**"), among the State, acting by and through the Department, U.S. Bank Trust Company, National Association, as tender agent (the "**Tender Agent**"), and TD Bank, N.A. (the "**Bank**"), which will be effective with respect to the Variable Rate Bonds on their date of delivery (the "**Effective Date**"), and any Alternate Liquidity Facility, Non-Conforming Liquidity Facility or Self-Liquidity (each a "**Liquidity Facility**") described herein. If the Initial Liquidity Facility expires and is not extended, the Variable Rate Bonds in the Daily Mode Period or the Weekly Mode Period are subject to mandatory tender for purchase.

The Initial Liquidity Facility will only support the payment of the purchase price of the Variable Rate Bonds, subject to the terms and conditions thereof. The Bank is obligated only for the amount payable under the Initial Liquidity Facility subject to the terms and conditions set forth therein. The Initial Liquidity Facility does not guarantee or otherwise support the payment of principal of or interest or redemption premium, if any, on any Variable Rate Bonds in the event of non-payment of such interest, principal or redemption premium, if any, by the Department, or provide for any payment whatsoever with respect to the Fixed Rate Bonds.

The Initial Liquidity Facility expires on December 9, 2031* but is subject to extension at the option of the Bank as provided therein. The Initial Liquidity Facility may be terminated prior to its stated expiration under certain circumstances. **In some circumstances such termination may be immediate and without notice to owners of the Variable Rate Bonds, in which case no funds will be available under the Initial Liquidity Facility to purchase**

* Preliminary, subject to change.

the Variable Rate Bonds that are tendered and not remarketed. The Department is not responsible for any failure of the Bank to purchase Variable Rate Bonds that are tendered or deemed tendered and not remarketed, and such an occurrence does not constitute an Event of Default under the Indenture. See "THE INITIAL LIQUIDITY FACILITY" below and Appendix C hereto.

The Bank has not prepared or assisted in the preparation of this Official Statement, including any financial information included herein or attached hereto, and the Bank has no responsibility for the form and content of this Official Statement or any information omitted herefrom, other than solely with respect to the related information describing itself under the heading "Certain Information Concerning the Bank" in Appendix D hereto. The Bank has not independently verified, makes no representation regarding, nor accepts any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein or omitted herefrom, other than solely with respect to the related information describing itself under the heading "Certain Information Concerning the Bank" in Appendix D hereto. Accordingly, the Bank disclaims responsibility for the other information in this Official Statement or otherwise made in connection with the offering of the Variable Rate Bonds or the Fixed Rate Bonds.

Under the Indenture and in accordance with the Act, the State carries out a program (the "**Program**") of issuing Bonds to provide funds to the Department (i) to finance mortgage loans relating to single family owner-occupied housing in the State indirectly through the acquisition of pass-through mortgage-backed certificates issued by GNMA, Fannie Mae or Freddie Mac (each such term defined below) secured or backed by such mortgage loans ("**Guaranteed Mortgage Securities**"), (ii) to directly make, purchase or otherwise finance whole mortgage loans relating to single family owner-occupied housing in the State ("**Mortgage Loans**"), (iii) to provide down payment and/or closing costs assistance, (iv) to make deposits in various Accounts established under the Indenture and (v) to pay the costs of issuing Bonds.

The Indenture contains various program covenants and other requirements that apply to Mortgage Loans (see, e.g., "SECURITY FOR THE BONDS – Mortgage Loans" and APPENDIX A – "SUMMARY OF CERTAIN MORTGAGE INSURANCE AND SECURITY GUARANTY PROGRAMS – Mortgage Pool Insurance and Insurance Reserve Account"). Such Indenture program covenants and other requirements applicable to Mortgage Loans do *not* apply to mortgage loans underlying Guaranteed Mortgage Securities ("**Underlying Loans**").

While the Indenture has permitted, and will continue to permit, the purchase of both Mortgage Loans and Guaranteed Mortgage Securities, prior to March 31, 2025, lendable proceeds of Bonds were applied almost exclusively to the purchase of Mortgage Loans. Effective March 31, 2025, the Department ceased accepting reservations for Mortgage Loans and, while reserving the right to do otherwise, currently expects that the lendable proceeds of the Offered Bonds and the lendable proceeds of additional Bonds in the future will be applied to the purchase of Guaranteed Mortgage Securities and not to the financing of Mortgage Loans. *Notwithstanding the foregoing*, as of September 30, 2026, there were Mortgage Loans outstanding in the aggregate principal amount of $855,735,463 and Guaranteed Mortgage Securities outstanding in the aggregate par amount of $332,203,271. The Department expects that the principal amount of Mortgage Loans outstanding will exceed the par amount of Guaranteed Mortgage Securities outstanding for the foreseeable future. See APPENDIX K for additional information regarding outstanding Guaranteed Mortgage Securities.

Following the issuance of the Offered Bonds, and certain replacements described above, the Department expects to have approximately $81,000,000* on deposit in the Series Acquisition Subaccounts with respect to the Offered Bonds available to purchase newly-originated Guaranteed Mortgage Securities and to provide down payment and/or closing costs assistance. The Department also expects that approximately $2,500,000* of Offered Bonds proceeds expected to be deposited to the Debt Reserve Account will be used to purchase Guaranteed Mortgage Securities. See "SECURITY FOR THE BONDS – Debt Reserve Account" and "THE OFFERED BONDS – Application of the Proceeds of the Offered Bonds". All Guaranteed Mortgage Securities purchased with proceeds of, or allocable to, the Series G Bonds, the Series H Bonds and the Series I Bonds (the "**2026 Series GHI Guaranteed Mortgage Securities**") are expected to be backed by Underlying Loans that are Qualifying Loans (defined below);

* Preliminary, subject to change.

however, the Department reserves the right to purchase Guaranteed Mortgage Securities backed by Underlying Loans that are Non-Qualifying Loans (defined below) with proceeds of the Series I Bonds.

As used in this Official Statement, "**Qualifying Loans**" means mortgage loans that meet the requirements of federal tax law applicable to loans financed with proceeds of Qualified Mortgage Bonds (as defined under "THE PROGRAM – Requirements of Section 143 of the Code Relating to Certain Mortgage Loans and Underlying Loans" herein); and "**Non-Qualifying Loans**" means mortgage loans that do not meet the requirements of federal tax law applicable to loans financed with proceeds of Qualified Mortgage Bonds. While not a requirement of the Indenture, to date, over 99% of Mortgage Loans and Underlying Loans by dollar volume have been Qualifying Loans.

Mortgage Loans financed with, and Underlying Loans indirectly financed by the purchase of Guaranteed Mortgage Securities with, the proceeds of Bonds that are Qualified Mortgage Bonds, including the Series G Bonds and the Series H Bonds (together, the "**Tax-Exempt Bonds**"), must comply with conditions for exclusion of interest on such Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "**Code**"). Actions taken by the Department with respect to the investment of the proceeds of, or allocable to, the Tax-Exempt Bonds and the disposition of the earnings therefrom are required to comply with certain conditions for the exclusion of interest on the Tax-Exempt Bonds from gross income for purposes of federal income taxation under the Code. Information relating to the exclusion of interest on the Tax-Exempt Bonds from gross income for purposes of federal income taxation is contained under the caption "TAX MATTERS" herein.

Mortgage Loans and Underlying Loans are originated pursuant to agreements between the Department and mortgage lenders meeting the criteria established for the Program (the "**Mortgage Lenders**"). Mortgage Loans are purchased by the Trustee and serviced by a financial institution approved by the Department. Underlying Loans are purchased and serviced by the hereinafter-described Master Servicer, who sells the related Guaranteed Mortgage Securities to the Trustee. See "THE PROGRAM" herein.

Brief descriptions of the Offered Bonds, the Department, the security for the Bonds, the Program and the Indenture are included in this Official Statement. A Summary of Certain Mortgage Insurance and Security Guaranty Programs, selected Financial Statements of the Department, a Summary of Certain Provisions of the Initial Liquidity Facility, Information Concerning the Bank, information regarding DTC and its book-entry system, the Proposed Form of Continuing Disclosure Certificate, the Redemption Price Table for Certain Redemptions, the Projected Percentages of Initial Principal Balance Outstanding and Projected Weighted Average Lives for the PAC Bonds, a Summary of Certain Provisions of the Indenture, the Form of Proposed Approving Opinion of Bond Counsel, and Certain Information Relating to Outstanding Guaranteed Mortgage Securities are included as Appendices A, B, C, D, E, F, G, H, I, J and K hereto, respectively. All references herein to the Indenture, the Bond Declarations, the Offered Bonds, the Initial Liquidity Facility and other documents are qualified in their entirety by reference to such instruments, documents and agreements, copies of which are available for inspection at the office of the Department.

THE DEPARTMENT

The Housing Division of the Department of Commerce of the State (the "**Housing Division**") was established by the Act in 1971. On July 1, 1987, the Legislative Assembly dissolved the Department of Commerce and established the Oregon Housing Agency as an independent agency within the executive branch of state government and as the successor to the Housing Division. All of the staff and functions of the Housing Division were transferred to the Oregon Housing Agency. On July 1, 1991, the Legislative Assembly removed the State Community Services Division from the Department of Human Resources and merged it with the Oregon Housing Agency forming the current entity, the Housing and Community Services Department of the State. The Act empowers the Department to stimulate and increase the supply of housing for persons and families of lower income by acting as a central source of housing data and program information, training and education, planning and technical assistance, grants and loans. The Act also authorizes up to $2,500,000,000 in revenue bonds to be outstanding at any time to finance the construction, purchase and rehabilitation of housing for lower-income persons and families. The Department also has authority to issue State general obligation bonds to finance housing for elderly and disabled persons and to distribute federal tax credits for rental housing and homeownership.

From 1977 to October 1, 2026, the State, acting by and through the State Treasurer at the request of the Department, issued an aggregate principal amount of $13,819,333,307 of bonds and notes consisting of (a) $13,230,328,307 in aggregate principal amount of revenue bonds and notes and (b) $589,005,000 in aggregate principal amount of bonds representing general obligations of the State. As of October 1, 2026, $3,004,344,995 of the Department's revenue bonds and $16,000,000 of the Department's bonds representing general obligations of the State remained outstanding.

The Department prepares and publishes on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system a quarterly report for its Mortgage Revenue Bonds (Single-Family Mortgage Program), containing detailed information concerning characteristics of the Department's Mortgage Loan and Guaranteed Mortgage Securities portfolios and outstanding Bond issues, including Bond redemptions, which includes a summary of outstanding PAC bonds, and prepayments of Mortgage Loans and Guaranteed Mortgage Securities. The Department presently intends to continue to provide such information, but is not legally obligated to do so. Certain financial and statistical information in this Official Statement under "THE PROGRAM – Certain Information Relating to Outstanding Mortgage Loans," "– Certain Information Relating to Outstanding Guaranteed Mortgage Securities," "– Certain Information Relating to Mortgage Loan Delinquencies and Foreclosures," "– Amounts Available to Purchase Guaranteed Mortgage Securities" and "– Outstanding Mortgage Revenue Bonds" was obtained from the Department's Mortgage Revenue Bonds (Single-Family Mortgage Program) Quarterly Report dated as of October 1, 2026.

Organization

The Director of the Department is appointed by the Governor. A nine-member Oregon Housing Stability Council (formerly the State Housing Council, the "**Council**") is also appointed directly by the Governor and confirmed by the Senate to assist in the development of housing policies for the Department and to submit proposed legislation to the Legislative Assembly on measures the Council considers necessary to address housing programs. The Chair of the Council is designated by the Governor. Loans for the purpose of financing a single-family residence in excess of limits established by the Council must first be approved by the Council. The Council also has a responsibility to comment upon and advise the Governor, the Legislative Assembly and governmental agencies regarding legislation, rules and other actions that affect the cost and supply of housing within the State. The following are the current Council members:

Name	Term Expires	Occupation
Mary Ferrell, Chair	June 30, 2028	Executive Director
Javier Mena	June 30, 2030	Affordable Housing Professional
Sami Jo Difuntorum	June 30, 2027	Executive Director
Ed McNamara.....	June 30, 2030	Affordable Housing Professional
Sharon Nickleberry Rogers.....	June 30, 2029	Financial Analyst
Erin Meechan.....	June 30, 2028	Administrative Assistant
Kristy Willard	June 30, 2027	Executive Director
Brooke Standifer ……..	June 30, 2030	Housing Strategist
Carly Colgan ……	June 30, 2030	Executive Director

As of September 30, 2026, the staff of the Department consisted of 455 persons including professionals with experience in the fields of finance, mortgage underwriting, architecture, planning, economics, site and market analysis, construction inspection and property management. The Department provides services in these fields for its projects and programs and uses professional consulting services in these and other technical fields to supplement its own staff. The Oregon Department of Justice serves as counsel to the Department. The following individuals are the principal staff members of the Department who are directly involved in administering the Program:

Andrea Bell serves as the Director of the Oregon Housing and Community Services Department, where she oversees the strategic direction, vision and growth of the Department. In her previous role with the Department, she served as Director of Housing Stabilization, where she led the implementation of a wide range of homeless services, energy and weatherization assistance, rental assistance programs and policy initiatives. Most recently, she served as the Housing Director within the State's Medicaid system, where she directed the operations and expansion of State-funded Permanent Supportive Housing programs, as well as deployed sustainable solutions to end homelessness and

align funding and policy at the intersection of health and housing. Ms. Bell holds a master's degree in Public Health from Arizona State University and a bachelor's degree from California State University Northridge.

Caleb Yant serves as the Department's Deputy Director. Prior to assuming this role, Mr. Yant served as Chief Financial Officer from July 2014 to October of 2020. Prior to joining the Department, Mr. Yant served as the administrator of the Oregon Affordable Housing Assistance Corporation, a nonprofit associated with the Department that administers federal foreclosure prevention funds from the U.S. Treasury. Mr. Yant previously worked as a senior finance manager for the University of Phoenix for eight years. Mr. Yant has extensive experience in regulatory compliance, accounting and finance. He holds a Master in Business Administration from University of Phoenix and a Bachelor of Science in Business Administration from Oregon State University, with an emphasis in Accounting.

Matthew Harris serves as the Department's Chief Financial Officer. Prior to assuming this role, Mr. Harris served as the Department's Assistant Director of Capital Markets from July 2021 to May 2025. Prior to joining the Department, Mr. Harris served as a Debt Program Manager for the Oregon State Treasury. From July 2013 to May 2020, Mr. Harris served as the Senior Debt Analyst for nearly 6 years, and then as the Debt Manager at the Oregon Department of Transportation. Mr. Harris also served as a Debt Analyst for the Oregon State Treasury from April 2008 through July 2013. Mr. Harris holds a Master of Business Administration from the Atkinson Graduate School of Management at Willamette University as well as a Bachelor of Arts from Willamette University, majoring in Computer Science.

Beth Brown serves as the Department's Controller. Prior to assuming this role, Ms. Brown served as the Department's Assistant Director of Accounting from January 2020 through May 2025. Prior to working for the Department, Ms. Brown worked for the State as a Receipting Unit Manager from February 2015 through September 2017 and as a Grant Accounting Manager from October 2017 through January 2020. Prior to working for the State, Ms. Brown worked for a non-profit hospital for 12 years in Oregon holding various positions, including the Accounting Manager from March 2007 to June 2010 and Controller from June 2010 to February 2015 where she was responsible for all accounting functions. Previously, Ms. Brown held private sector positions in banking and finance. Ms. Brown holds a Master of Business Administration from Capella University in Accounting and a Bachelor of Science in Finance from Oregon State University.

Scott Shaw serves as the Department's Homeownership Lending Manager. Prior to assuming this role, Mr. Shaw was the Homeownership Division's Senior Program Analyst from March 2020 until December 2021. From December 2018 until March 2020 Mr. Shaw served in the Department's Affordable Rental Housing Division as a Production Analyst for Low Income Housing Tax Credits (LIHTC's) transactions. Prior to joining the Department, he spent 23 years in the mortgage banking industry, the most recent 11 years in capital markets as a Secondary Marketing Manager.

Siora Arce serves as the Department's Capital Markets Director. Ms. Arce joined the Department in 2019 as the Debt Management Analyst, became Debt Manager in 2022, and now leads the Department's capital markets strategy, overseeing bond issuances, cash flow modeling, and debt compliance. Ms. Arce previously served as a Finance Coordinator for Oregon State University for 8 years. Ms. Arce has held accounting and finance roles in both public and private sectors and holds a Bachelor of Science in Business and Economics with a minor in Accounting from Western Oregon University.

Angie Cleveland serves as the Department's Debt Manager. Prior to assuming this role, Ms. Cleveland was a Senior Debt Analyst within the Department from June 2021 to September 2025, a Debt Analyst within the Department from March 2020 to June 2021, and a Budget Analyst within the Department's Chief Financial Office division from May 2015 through February 2020. Prior to joining the Department, Ms. Cleveland worked in Payroll and Accounting for Oregon Parks and Recreation for five years. Ms. Cleveland holds a Master of Business Administration from Willamette University as well as a Bachelor of Arts in Economics from Willamette University.

Lindsay Lott serves as the Department's Senior Debt Management Analyst. Ms. Lott joined the Department in April 2023. Prior to this role, Ms. Lott was the Senior Financial Analyst for the Oregon Department of Veterans' Affairs ("**ODVA**") from April 2011 to March 2023. Other positions held at ODVA in the Financial Services Division include Financial Analyst from July 2006 to March 2011 and Accounting Systems Accountant from September 2003 to June 2006. Ms. Lott holds a Bachelor of Science in Business with a focus in Accounting from Western Oregon

University. Prior to attending Western Oregon University, Ms. Lott attended Chemeketa Community College and obtained an Associate of Arts Oregon Transfer degree.

Funds and Accounts of the Department

The Act authorizes the State, through the Department, to carry out certain housing programs and establishes the Elderly and Disabled Housing Fund and the Housing Finance Fund. The Elderly and Disabled Housing Fund consists of all funds relating to programs of the Department financed with general obligation bonds issued by the State under Article XI-I(2) of the Oregon Constitution. The Housing Finance Fund consists of all funds relating to programs of the Department financed with revenue bonds issued by the State, including the proceeds of revenue bonds and fees and charges received under such programs. The Act specifically provides that the State, through the Department, may enter into agreements with the owners of revenue bonds, such as the Bonds, pledging specific assets of the Housing Finance Fund and providing for the disposition of certain income.

Program Accounts in the Housing Finance Fund

The State has entered into indentures of trust securing bonds issued to finance certain programs of the State administered by the Department. Each indenture of trust establishes specific accounts within the Housing Finance Fund which separately secure the bonds issued under such indenture, directs certain income received by the State pursuant to such programs to be deposited in such accounts and pledges assets on deposit in such accounts that are transferred to the trustee as security for bonds issued pursuant to such indenture. Each indenture of trust provides that revenues remaining after the payment of debt service in each year upon satisfaction of certain other conditions may, in the discretion of the Department, be transferred to other accounts within the Housing Finance Fund. The State has entered into separate indentures of trust relating to the Department's Multifamily Housing Revenue Bonds, Housing Revenue Bonds and certain other bonds and notes which have been paid in full and are no longer outstanding. The State has entered into the Indenture relating to the Bonds, and the accounts thereunder are part of the Housing Finance Fund. For information pertaining to accounts relating to the Program, see "FINANCIAL STATEMENTS" herein. The revenues and assets of the Department which are pledged pursuant to the Indenture securing the Bonds and the conditions precedent to the release of excess revenues are more fully described under the caption "SECURITY FOR THE BONDS" herein.

Combined Program Account in the Housing Finance Fund

Pursuant to an indenture of trust between the State and U.S. Bank Trust Company, National Association, as successor trustee, dated December 1, 1980 (the "**Combined Program Account Indenture**"), the Combined Program Account (the "**Combined Program Account**") was established and exists within the Housing Finance Fund. As of September 30, 2026, the unaudited balance in the Combined Program Account was $22,960,626. Amounts on deposit in such account are pledged to the payment of the principal or redemption price of and interest on certain bonds issued by the State to the extent that the revenues and assets specifically pledged to such bonds are insufficient to make such payments. Bonds benefitting from such pledge currently include the Bonds. The Combined Program Account Indenture permits amounts on deposit to be pledged to the payment of bonds and notes to be issued to finance other programs and the establishment of preferences or priorities with respect to particular bonds and notes. The Combined Program Account Indenture also permits amounts on deposit to be expended for the making of deposits into reserve accounts pledged to specific bonds and notes and for the payment of the State's expenses in carrying out and administering its various programs under the Act as defined in the Combined Program Account Indenture. The Department may from time to time pledge amounts available under the Combined Program Account for other purposes permitted by the Act and the Combined Program Account Indenture, including as collateral for certain Section 8 rental assistance funds received by the Department from the United States Department of Housing and Urban Development. Amounts on deposit in the Combined Program Account may be invested in obligations which are legal for investment of the funds of the State, including loans which the Department is permitted to make or purchase pursuant to the Act. The Department anticipates that any additional funding for the Combined Program Account will be from interest income on funds on deposit in the Combined Program Account. The Combined Program Account also could be funded by permitted transfers from the accounts securing the Bonds and other bonds secured by a pledge of such account, but no such transfers are presently expected. There can be no assurance that sufficient moneys will be available in the

Combined Program Account if such moneys should be required for the payment of principal of or interest on the Bonds.

Cybersecurity

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

The State has adopted the National Institute of Standards and Technology Cybersecurity Framework (the "**NIST Cybersecurity Framework**") as a defining roadmap for reducing or mitigating risks or damage resulting from cybersecurity incidents. Enterprise Information Services ("**EIS**"), which is responsible for all State Information Technology ("**IT**") and computer systems, has established Statewide Information Security Standards for information systems security. The Statewide Information Security Standards and recommended best practices have been developed using a combination of international and national standards, including the NIST Cybersecurity Framework. These standards promote the development, implementation, and operation of secure information systems by establishing minimum levels of due diligence for information security. All state executive branch employees, including those of the Department and the State Treasurer, are required to take annual information security training. Executive branch, Department and State Treasurer information security training completion rates for calendar year 2025 were 90.3 percent, 96.9 percent and 96.7 percent, respectively.

EIS directs Information Security strategies and policies statewide. In August 2018, the State adopted a Statewide Information Security Plan to apply relevant safeguards to state agencies and state information, IT systems, networks, and applications. Compliance with this information security plan and statewide policies and standards is mandatory. Enterprise security governance was modified as a result of Executive Order 16-13 and ORS 276A.206, which unify information technology security functions under the authority of the State Chief Information Officer. Major cybersecurity initiatives that address findings of federal and state audits and cybersecurity risk assessments are coordinated through the Enterprise Leadership Team, which provides strategic direction for the executive agencies of the State. Agencies with elected leadership (Secretary of State, State Treasurer and Attorney General), the Legislature and Judiciary are coordinated within the implementation of cybersecurity initiatives to maximize the protection of critical State systems and data from a common threat.

Consistent with these state directives, the Department uses a layered approach that employs sound operational strategies and security technology solutions to secure against, detect, and mitigate the effects of cyber threats on its infrastructure and information assets. The Department conducts regular information security and privacy awareness training that is mandatory for all Department staff and regularly conducts risk assessments and tests of its cybersecurity systems and infrastructure. The Department's Chief Information Officer focuses on and leads the efforts of the Department to keep its cyber assets secure.

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

SECURITY FOR THE BONDS

Under the Indenture, the Bonds are secured by a pledge of and security interest in (1) all Revenues, as defined in the Indenture (primarily payments of principal of and interest on Mortgage Loans and Guaranteed Mortgage Securities), (2) the proceeds of the sale of Bonds (other than the proceeds pledged to the redemption of any prior Series of Bonds), (3) all right, title and interest of the Department in and to the Mortgage Loans and related mortgage notes and mortgages and the Guaranteed Mortgage Securities and (4) all other moneys in the Accounts established by or pursuant to the Indenture. The amounts on deposit in the Combined Program Account, to the extent available, may be used as an additional source of funds for the payment of principal of and interest on the Bonds. The lien of the Indenture is imposed on payments of principal of and interest on Mortgage Loans and Guaranteed Mortgage Securities only upon the deposit of such payments with the Trustee, which deposit is required under the Indenture to be made no less frequently than once each six months. Upon receipt of moneys and prior to deposit with the Trustee, the Department deposits such moneys with the Oregon Short Term Fund administered by the State Treasurer. On any interest payment date and after the payment of principal of and interest on the Bonds and the satisfaction of the requirements of all Accounts (other than the Insurance Reserve Account), the Department may direct that amounts on deposit in the Revenue Account, other than with respect to Expenses, be transferred to the Department free and clear of the pledge and lien of the Indenture, provided that no such transfer will be made unless (1) a Cash Flow Statement has been filed with the Trustee in accordance with the Indenture and (2) the amount on deposit in the Acquisition Account, the Revenue Account and the Debt Reserve Account, after any such transfer is made, plus the outstanding principal amount of Mortgage Loans and Guaranteed Mortgage Securities, plus accrued interest, is at least equal to 102% of the aggregate principal amount of Outstanding Bonds, plus accrued interest.

Amounts on deposit in the Combined Program Account are pledged and may in the future be pledged to the payment of the principal of and interest on certain revenue bonds issued to finance programs of the Department, including the Bonds, to the extent that the revenues and assets specifically pledged to such bonds are insufficient to make such payments. Amounts on deposit in the Combined Program Account may also be withdrawn at any time to be used to pay expenses of administering programs under the Act, to establish reserves for such expenses and to make deposits into reserve accounts pledged to specific bonds and notes. There can be no assurance that sufficient moneys will be available in the Combined Program Account if such moneys should be required for the payment of principal of or interest on the Bonds.

The Bonds are special revenue obligations of the State and are payable as to principal, redemption price and interest solely from the revenues and assets pledged for the payment thereof. The Bonds are not general obligation indebtedness of the State or any political subdivision thereof. Neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the Bonds.

Mortgage Loans

The information under this subheading applies *only* to Mortgage Loans and *not* to Underlying Loans.

Security Requirements

Each Mortgage Loan must be (1) secured by a deed of trust evidencing a first mortgage lien (subject to Permitted Encumbrances) on residential housing for occupancy by one family, (2) made substantially in accordance with the current standard underwriting policies of the Mortgage Lenders and of the Program and (3) covered by a title insurance policy insuring the deed of trust is a valid first lien (subject to Permitted Encumbrances) on the residential property. Each residential property on which a Mortgage Loan is made must be covered by a fire and extended coverage insurance policy in an amount at least sufficient to protect the interests of the Department.

Mortgage Insurance Requirements

Subject to (c) below,

(a) The original principal amount of each Mortgage Loan, unless such Mortgage Loan is the subject of insurance or guaranty by the Federal Housing Administration ("**FHA**"), the U.S. Department of Veterans Affairs ("**VA**") or the United States of America, acting through Rural Housing Service of the United States Department of Agriculture ("**RHS**"), or any successor to the foregoing entities, may not exceed 97% of the Value of the Property;

(b) Mortgage Loans financed by a Series of Bonds must consist of one of the following (in each case, subject to any additional requirements imposed by the related Housing Finance Bond Declaration):

(i) any Mortgage Loan insured by FHA;

(ii) any Mortgage Loan guaranteed by the VA as to which the unguaranteed portion of the principal amount thereof does not exceed (1) 58% of the Value of the Property or (2) the principal amount entitled to the benefits of Mortgage Pool Insurance or the Insurance Reserve Account;

(iii) any Mortgage Loan guaranteed by RHS as to which (1) the unguaranteed portion of the principal amount thereof does not exceed 50% of the Value of the Property and (2) coverage of the unguaranteed portion thereof is provided by the Insurance Reserve Account;

(iv) any Mortgage Loan which has a loan-to-Value of the Property ratio no greater than 75%;

(v) any Mortgage Loan which has a loan-to-Value of the Property ratio in excess of 80% as to which (1) Private Mortgage Insurance coverage thereof results in the uninsured portion of the principal amount thereof not exceeding 58% of the Value of the Property or (2) Private Mortgage Insurance coverage thereof results in the uninsured portion of the principal amount thereof not exceeding 72% of the Value of the Property and coverage thereof by Mortgage Pool Insurance or the Insurance Reserve Account is applicable; or

(vi) any Mortgage Loan which has a loan-to-Value of the Property ratio which is in excess of 75% and no greater than 80% and which is covered by Mortgage Pool Insurance or the Insurance Reserve Account; and

(c) The provisions described in (a) and (b) above will not apply to any Mortgage Loan to the extent that not applying one or more such provisions to such Mortgage Loan will not, in and of itself, impair, or cause the Bonds to fail to retain, the then-existing rating assigned to them by the Rating Agencies.

Insurance Reserve Account

Mortgage Loans will be covered by the Insurance Reserve Account as described above under "Mortgage Insurance Requirements" and to the extent of any additional requirement contained in any Housing Finance Bond Declaration. Any such coverage will be provided by initially funding the Insurance Reserve Account in an amount equal to the greater of:

(a) the amount established in the related Housing Finance Bond Declaration, or

(b) the following percentages of the original principal amount of such Mortgage Loans:

(1) in the case of Mortgage Loans not insured or guaranteed by FHA, the VA or RHS whose original principal amount exceeds 95% of the Value of the Property, 4.5%;

(2) in the case of Mortgage Loans described in (b)(iii) under "Mortgage Insurance Requirements" above, 3% (or such lesser percentage as provided in a Director's Determination if at the time thereof so providing will not, in and of itself, impair, or cause the Bonds to fail to retain, the then-existing rating assigned to them by the Rating Agencies); or

(3) in all other cases, 2%.

The Department will make a claim on Mortgage Pool Insurance or withdraw funds from the Insurance Reserve Account to the extent of any net loss as a result of a default in the payment of principal of or interest on a Mortgage Loan entitled to the benefits thereof. The Department may also withdraw funds from the Insurance Reserve Account as an advance against any amount not received by the Department as a result of a default in the payment of principal of or interest on any Mortgage Loan entitled to the benefits of the Insurance Reserve Account. If the Department withdraws funds for such an advance, the Department is required to reimburse the Insurance Reserve Account for such amount from the proceeds of insurance, guarantee or foreclosure received with respect to such Mortgage Loan.

The Housing Finance Bond Declarations relating to the prior Series of Bonds generally require that newly-originated Mortgage Loans purchased with the proceeds of such Series of Bonds be insured by FHA and be entitled to the benefits of the Insurance Reserve Account and that there be on deposit in the Insurance Reserve Account an amount equal to 2% of the outstanding principal amount of each such newly-originated Mortgage Loan or, pursuant to the Housing Finance Bond Declarations relating to certain Series of Bonds issued subsequent to the 1994 Series B Bonds, such lesser amount as may be otherwise established in a Director's Determination. In addition, the Housing Finance Bond Declarations relating to Bonds issued subsequent to the 1995 Series A Bonds permit the financing of Mortgage Loans which are VA-guaranteed, uninsured or insured by Private Mortgage Insurance, all in accordance with the requirements of the related Housing Finance Bond Declaration. The Housing Finance Bond Declarations relating to the 1999 Series A Bonds and 1999 Series B Bonds and all Bonds issued subsequent thereto permit the financing of Mortgage Loans which are guaranteed by RHS and require that such Mortgage Loans be entitled to the benefits of the Insurance Reserve Account and that there be on deposit in the Insurance Reserve Account an amount equal to 3% of the outstanding principal amount of each such newly-originated Mortgage Loan. The Department obtained Mortgage Pool Insurance covering certain Mortgage Loans that are insured by Private Mortgage Insurance and were purchased with the proceeds of each Series of Bonds issued after 1995; the Department has maintained such Mortgage Pool Insurance in effect or has provided coverage for such Mortgage Loans under the Insurance Reserve Account. The Housing Finance Bond Declaration relating to the 1991 Series D Bonds required that Mortgage Loans acquired with the proceeds of such Series of Bonds and originally financed with the proceeds of certain of the Department's Housing Finance Revenue Bonds (Single-Family Mortgage Program) be entitled to the benefits of the Insurance Reserve Account and that an amount equal to 3% of the outstanding principal amount of each such Mortgage Loan as of the date of acquisition by the Department be on deposit in the Insurance Reserve Account of such Series of Bonds.

As of September 30, 2026, the unaudited balance on deposit in the Insurance Reserve Account was $23,285,500, which is an amount at least equal to the amount required to be on deposit in the Insurance Reserve Account for Mortgage Loans entitled to the benefits of such Account that were financed or are expected to be financed with funds relating to the prior Series of Bonds.

Guaranteed Mortgage Securities

Guaranteed Mortgage Securities, at the time of acquisition by the Department, must have been issued by or guaranteed as to payment of principal and interest by the Government National Mortgage Association ("**GNMA**"), the 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 which has similar powers. Certain information concerning mortgage insurance and guaranty programs, the GNMA Securities, the Fannie Mae Securities and the Freddie Mac Securities can be found in APPENDIX A – "SUMMARY OF CERTAIN MORTGAGE INSURANCE AND SECURITY GUARANTY PROGRAMS". For certain information as of September 30, 2026 regarding Guaranteed Mortgage Securities, see "THE PROGRAM – Certain Information Relating to Outstanding Guaranteed Mortgage Securities" below. The Department expects to use the lendable proceeds of, or allocable to, the Offered Bonds to purchase Guaranteed Mortgage Securities, which may include UMBSs (defined below).

On June 3, 2019, Fannie Mae and Freddie Mac (each, an "**Enterprise**" and, together, the "**Enterprises**") began issuing new, common, single mortgage-backed securities, formally known as Uniform Mortgage-Backed Securities ("**UMBSs**"). The UMBSs issued by the Enterprises finance the same types of fixed-rate mortgages that back

Fannie Mae Securities and Freddie Mac Securities and are guaranteed by either Fannie Mae or Freddie Mac depending upon which Enterprise issues the UMBS. Each UMBS is backed by fixed-rate mortgage loans purchased entirely by one of the Enterprises; thus, there is no commingling of collateral. The UMBSs have characteristics similar to Fannie Mae Securities, and Freddie Mac has modified its security structure to more closely align with Fannie Mae Securities. The Enterprises may be required to consult with each other to ensure specific Enterprise programs or policies do not cause or have potential to cause cash flows to investors of mortgage-backed securities to misalign. For purposes of this Official Statement and the Indenture, the term "Guaranteed Mortgage Securities" includes UMBSs.

Debt Reserve Account

The Indenture establishes a reserve account (the "**Debt Reserve Account**") and provides that the requirement for such Account (the "**Debt Reserve Requirement**") is an amount equal to the aggregate of all amounts established with respect to each Series of Bonds, which must at least equal 3% of the outstanding aggregate principal amount of all Bonds, provided that no Housing Finance Bond Declaration relating to a Series of Bonds intended by the Department to be federally tax-exempt will establish any such requirement in an amount that, in the opinion of Bond Counsel, will cause interest on such Series of Bonds to be included in gross income for federal income tax purposes.

The money in the Debt Reserve Account is available to be used to pay the principal of and interest on the Bonds, to the extent that the amount necessary is not available in the Revenue Account.

Upon the issuance of the Offered Bonds, the Debt Reserve Account will have at least $41,697,000* on deposit, which is an amount at least equal to the Debt Reserve Requirement. On each interest payment date, amounts in the Debt Reserve Account in excess of the Debt Reserve Requirement may be transferred upon request by the Department to the Revenue Account and, thereafter, treated as Revenues.

Pursuant to the Act, a "capital reserve account" could be established under the Indenture. If a capital reserve account was so established, the Act requires that the Director certify to the Governor and the Legislative Assembly the amount, if any, needed to restore such capital reserve account to its required amount, and the Legislative Assembly would then consider whether or not to appropriate the amount so certified. The Debt Reserve Account is not a capital reserve account and is not subject to the provisions of the Act relating to a capital reserve account. The Indenture contains no requirement that such an account be established with respect to any Series of Bonds.

Cash Flow Statements

In accordance with the Indenture, the Department is required to prepare a Cash Flow Statement (1) at least annually as of the close of each Bond Year within 180 days of the end of each Bond Year, (2) upon the issuance of a Series of Bonds, (3) whenever amounts are to be applied to redeem or purchase Bonds, or whenever Revenues, including Prepayments, are to be applied to the acquisition of Mortgage Loans or Guaranteed Mortgage Securities, in a manner not reflected in the current Cash Flow Statement, (4) whenever amounts are to be released from the lien of the Indenture to an extent not reflected in the current Cash Flow Statement and (5) whenever required by a Housing Finance Bond Declaration. Each Cash Flow Statement will demonstrate that in the current and each succeeding Bond Year the amounts then expected to be on deposit in the Accounts (other than the Insurance Reserve Account) in each such Bond Year will be at least equal to all amounts required to pay the Parity Obligations and all Expenses in each such Bond Year. A Cash Flow Statement prepared for the issuance of a Series of Bonds may reflect the information contained in the most recent Cash Flow Statement, modified to show the issuance of such Series of Bonds and the receipt of any Revenues and the payment of any Parity Obligation Instruments which reflect events that have occurred and, as determined by the Department, may have a materially adverse effect on the ability of the Department to pay the Parity Obligations, including principal of and interest on the Bonds, and Expenses when due. If the annual Cash Flow Statement shows an inability by the Department to pay Parity Obligations and all Expenses in the current or any future Bond Year, no default occurs under the Indenture, but the Department is required to take all reasonable actions to provide for the payment of Parity Obligations and Expenses when due. The Department is precluded from issuing additional Bonds, redeeming or purchasing Bonds, applying Revenues to the acquisition of Mortgage Loans or Guaranteed Mortgage Securities or releasing amounts from the lien of the Indenture, if the current Cash Flow

* Preliminary, subject to change.

Statement shows that the taking of such action will result in or increase the inability of the Department to pay Parity Obligations and all Expenses in the current or any future Bond Year.

Additional Bonds

The Indenture permits the issuance of additional Bonds to provide funds for the purpose of purchasing Mortgage Loans or Guaranteed Mortgage Securities and, in addition, to refund outstanding Bonds issued under the Indenture or certain other indentures, if such additional Bonds meet all the requirements of the Indenture. Any additional Bonds issued under the Indenture will be on parity with all other Bonds Outstanding and any other Parity Obligations and will be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Indenture.

THE OFFERED BONDS

General

The Offered Bonds will be dated their date of delivery and will mature on the dates and in the amounts set forth on the inside cover page. The Fixed Rate Bonds will bear interest at the rates set forth on the inside cover page from the later of their date of delivery or most recent interest payment date, payable on the dates set forth on the cover page. Interest on the Fixed Rate Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Variable Rate Bonds will bear interest as provided under "Description of the Variable Rate Bonds – Interest Provisions" below. The Offered Bonds are issuable only as fully-registered Bonds. The Fixed Rate Bonds will be issued in denominations of $5,000 or any integral multiple thereof, and the Variable Rate Bonds will be issued in denominations of $100,000 or integral multiples of $5,000 in excess thereof.

DTC

The Offered Bonds initially will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("**DTC**"), which will act as securities depository for the Offered Bonds. Purchases of the Offered Bonds will be in book-entry form only in the denominations described above. Payments of principal of and interest on the Offered Bonds will be made by wire transfer from the Trustee to Cede & Co. as registered owner. If the date for making any payment of principal or premium, if any, or interest on the Bonds is a legal holiday or a day on which banking institutions in the city where the Trustee is located are authorized by law to remain closed, such payment may be made, with the same force and effect as if done on such date, on the next succeeding day which is not a legal holiday or not a day on which such banking institutions are authorized by law to remain closed. Certain information relating to DTC and book-entry is contained in APPENDIX E hereto.

Application of the Proceeds of the Offered Bonds*

Following certain replacements described above, the proceeds of the Tax-Exempt Bonds are expected to be applied approximately as follows:

For deposit in the 2026 Series GH Acquisition Subaccount	$
Total	**$**

The proceeds of the Series I Bonds are expected to be applied approximately as follows:

For deposit in the 2026 Series I Acquisition Subaccount	$
For deposit in the Debt Reserve Account	
Total	**$**

* Preliminary, subject to change.

The Department expects to pay the costs related to the issuance of the Offered Bonds from available unrestricted funds of the Department.

Redemption Provisions[*]

The Offered Bonds are subject to redemption prior to maturity upon notice by the Trustee from Sinking Fund Requirements, special redemption and/or optional redemption, as described below.

Sinking Fund Redemption

The Series G Bonds maturing on January 1, 2041 are subject to mandatory redemption in part by lot at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, on the dates and in the amounts as follows:

Year	Principal Amount (January 1)	Principal Amount (July 1)	Year	Principal Amount (January 1)	
2039	$1,090,000	$1,120,000	2041	$1,145,000	(maturity)
2040	1,150,000	1,180,000			

The Series G Bonds maturing on July 1, 2056 (the "**PAC Bonds**") are subject to mandatory redemption in part by lot at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, on the dates and in the amounts as follows:

Year	Principal Amount (January 1)	Principal Amount (July 1)	Year	Principal Amount (January 1)	Principal Amount (July 1)	
2050	$ 235,000	$1,810,000	2054	$2,310,000	$2,390,000	
2051	1,875,000	1,940,000	2055	2,475,000	2,560,000	
2052	2,010,000	2,080,000	2056	2,650,000	2,745,000	(maturity)
2053	2,155,000	2,230,000				

The Series H Bonds are subject to mandatory redemption in part by lot at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, on the dates and in the amounts as follows:

Year	Principal Amount (January 1)	Principal Amount (July 1)	Year	Principal Amount (January 1)	Principal Amount (July 1)
2041	$ 65,000	$1,240,000	2046	$1,495,000	$1,530,000
2042	1,265,000	1,295,000	2047	1,560,000	1,595,000
2043	1,320,000	1,350,000	2048	1,630,000	1,665,000
2044	1,375,000	1,405,000	2049	1,700,000	1,735,000
2045	1,435,000	1,465,000	2050	1,540,000	(maturity)

Special Redemption

The Offered Bonds are subject to redemption, at the option of the Department, in whole or in part, at any time, from proceeds attributable to the Offered Bonds not applied to the financing of Guaranteed Mortgage Securities, or (but *only* if and to the extent necessary to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes) from proceeds attributable to the Series G Bonds not applied to refund, within 90 days of the date of issuance of the Series G Bonds, certain prior Series of Bonds ("**Unexpended Proceeds**"), at a Redemption Price equal to (1) in the case of the Offered Bonds other than the PAC Bonds, the principal amount thereof, without premium, and (2) in the case of the PAC Bonds, the respective Redemption Prices set forth in

[*] Preliminary, subject to change.

APPENDIX G to this Official Statement, in each case plus accrued interest to the redemption date. The Code currently requires that approximately $51,000,000* of nonrefunding proceeds of the Tax-Exempt Bonds available for the financing of Guaranteed Mortgage Securities which are not applied thereto must be applied to redeem the Tax-Exempt Bonds within 42 months of the date of issuance thereof. The Department has not redeemed any Bonds of any Series from the unexpended proceeds thereof since 1996.

The Offered Bonds are also subject to redemption, at the option of the Department, in whole or in part, at any time, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, from Revenues from any Series of Bonds, *except* as set forth under "Special Redemption of the PAC Bonds" below, including amounts resulting from Prepayments and reductions in the Debt Reserve Requirement, but *excluding* (1) proceeds of the sale of Mortgage Loans, unless such Mortgage Loans are in default in accordance with their terms, are sold to preclude the interest on Bonds from being includable in gross income for federal income tax purposes, violate requirements of the Program, or are sold to protect the interest of Bondowners, as determined by the Department, and (2) proceeds of the sale of Guaranteed Mortgage Securities.

Applicable federal tax law currently requires redemption of the Tax-Exempt Bonds on or before certain dates and in certain amounts in order to maintain the exclusion from gross income for federal income tax purposes of interest thereon as discussed under "THE PROGRAM – Requirements of Section 143 of the Code Relating to Certain Mortgage Loans and Underlying Loans – Repayment of Issue." It is currently expected that the following approximate percentages of principal repayments and prepayments of Guaranteed Mortgage Securities financed with proceeds of the Tax-Exempt Bonds received on or after the dates set forth in the following table, will be required by the Code to be applied no later than the close of the first semiannual period beginning after the date of receipt to the retirement of the Tax-Exempt Bonds.

Date	Approximate Percentage
December 10, 2026	10%
October 12, 2027	12
June 5, 2028	16
September 25, 2028	19
December 19, 2028	24
September 19, 2029	27
November 20, 2034	29
June 24, 2035	31
December 10, 2036	100

Such percentages and dates derive from the Department's expected use of proceeds. No assurance can be given that the actual use of proceeds will be such as to produce such percentages, or that the Code will not be amended so as to no longer require such redemptions. The Department also may redeem the Tax-Exempt Bonds in amounts greater than such percentages from available Revenues. Revenues not required to be applied to the redemption of Bonds may be otherwise applied as permitted by the Indenture. See APPENDIX I – "Summary of Certain Provisions of the Indenture – Revenue Account" hereto.

Special Redemption of the PAC Bonds

An amount equal to 100% of available Prepayments and other available principal repayments of the 2026 Series GHI Guaranteed Mortgage Securities (as calculated by the Department) (the "**2026 Series GHI Available Prepayments and Repayments**") will be applied first to the redemption of the PAC Bonds prior to the redemption of other Bonds. Such redemption of the PAC Bonds shall occur on any date after January 1, 2027, but at least once during each semiannual period set forth in the table below, in whole or in part; *provided, however,* that no such redemption shall cause the aggregate principal amount of the Outstanding PAC Bonds to be less than the applicable PAC Outstanding Amount (subject to adjustment as described below), unless such redemption is necessary to preserve the tax-exempt status of interest on the Tax-Exempt Bonds. If the amount available for such redemption of the PAC Bonds is less than $100,000, the Department may delay redemption of the PAC Bonds until the amount of 2026 Series GHI Available Prepayments and Repayments totals $100,000 or more. Such PAC Outstanding Amounts are derived

* Preliminary, subject to change.

from certain assumptions related to the 2026 Series GHI Guaranteed Mortgage Securities, including the assumptions that the 2026 Series GHI Guaranteed Mortgage Securities are purchased as anticipated, that the 2026 Series GHI Available Prepayments and Repayments are received at a rate equal to 100% of the Securities Industry and Financial Markets Association ("**SIFMA**") Standard Prepayment Model, and that 100% of such amounts will be used to redeem the PAC Bonds. Revenues from Mortgage Loans and Guaranteed Mortgage Securities other than the 2026 Series GHI Guaranteed Mortgage Securities may be applied to the redemption of the PAC Bonds, but only to the extent that such redemptions do not cause the aggregate principal amount of the Outstanding PAC Bonds to be less than the then-applicable PAC Outstanding Amount. If Offered Bonds are redeemed from Unexpended Proceeds, the amount of the PAC Bonds redeemed will be proportional to the total amount of Offered Bonds being redeemed, and each PAC Outstanding Amount set forth in the table below will be recalculated to be equal to the product of (1) the original PAC Outstanding Amount and (2) the fraction whose numerator is equal to the principal amount of the PAC Bonds that remain Outstanding following such redemption and whose denominator is the original principal amount of the PAC Bonds.

Semi-Annual Period Ending	**PAC Outstanding Amount**	**Semi-Annual Period Ending**	**PAC Outstanding Amount**
July 1, 2027	$29,415,000	January 1, 2033	$10,980,000
January 1, 2028	28,970,000	July 1, 2033	9,275,000
July 1, 2028	28,050,000	January 1, 2034	7,635,000
January 1, 2029	26,680,000	July 1, 2034	6,060,000
July 1, 2029	24,880,000	January 1, 2035	4,625,000
January 1, 2030	22,730,000	July 1, 2035	3,440,000
July 1, 2030	20,580,000	January 1, 2036	2,455,000
January 1, 2031	18,510,000	July 1, 2036	1,640,000
July 1, 2031	16,515,000	January 1, 2037	965,000
January 1, 2032	14,600,000	July 1, 2037	410,000
July 1, 2032	12,755,000	January 1, 2038 and thereafter	0

The following table sets forth the projected last year outstanding and weighted average life (in years) for the PAC Bonds, based upon various rates of 2026 Series GHI Available Prepayments and Repayments (expressed as percentages of the SIFMA Standard Prepayment Model) and certain other assumptions. Such other assumptions include, but are not limited to, the following: (1) the 2026 Series GHI Guaranteed Mortgage Securities are purchased at the times anticipated; (2) $80,000,000 in aggregate principal amount of Guaranteed Mortgage Securities are purchased with proceeds of the Offered Bonds, with Underlying Loans having a weighted average term of 360 months and a weighted average mortgage loan rate of 6.566% per annum on the date of purchase; (3) 2026 Series GHI Available Prepayments and Repayments are applied as described in the immediately preceding paragraph; and (4) the Offered Bonds are redeemed as described under "*Sinking Fund Redemption*" above.

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	July 1, 2034 Optional Redemption Not Exercised		July 1, 2034 Optional Redemption Exercised	
Percent of SIFMA Model	Weighted Average Life	Last Date Outstanding	Weighted Average Life	Last Date Outstanding
0%	26.8	7/1/2056	7.6	7/1/2034
25	17.2	7/1/2056	6.9	7/1/2034
50	9.7	1/1/2048	6.3	7/1/2034
75	6.8	1/1/2040	5.7	7/1/2034
100	5.5	1/1/2038	5.2	7/1/2034
200	5.5	1/1/2038	5.2	7/1/2034
300	5.5	1/1/2038	5.2	7/1/2034
400	5.5	1/1/2038	5.2	7/1/2034
500	5.5	1/1/2038	5.2	7/1/2034
600	5.4	1/1/2038	5.1	7/1/2034
700	5.0	1/1/2038	4.9	7/1/2034
800	4.6	1/1/2038	4.5	7/1/2034

The weighted average life of a bond refers to the average of the length of time that will elapse from the date of issuance of such bond to the date each installment of principal is paid, weighted by the amount of such installment. The weighted average life of the PAC Bonds will be influenced by, among other factors, the rate at which repayments and prepayments of the 2026 Series GHI Guaranteed Mortgage Securities are received.

Actual events, including, among others, the rate of 2026 Series GHI Available Prepayments and Repayments received, will differ from the assumptions used to model the above table. Therefore, the actual last date Outstanding and weighted average life of the PAC Bonds will differ from those set forth above.

Optional Redemption

The Fixed Rate Bonds maturing on or after January 1, 2035 (other than the PAC Bonds) are subject to redemption on any date on or after July 1, 2034, at the option of the Department, in whole or in part, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the date of redemption.

The PAC Bonds are subject to redemption on any date on or after July 1, 2034, at the option of the Department, in whole or in part, at the respective Redemption Prices set forth in APPENDIX G hereto, plus accrued interest to the date of redemption.

The Variable Rate Bonds in the Daily Mode Period or the Weekly Mode Period are subject to redemption on any date, at the option of the Department, in whole or in part, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, plus accrued interest to the date of redemption.

General Provisions

The Department may select Bonds for redemption from among any Series of Bonds and maturities as it deems appropriate, subject to the provisions of the applicable Housing Finance Bond Declaration. In the absence of direction from the Department, the Trustee shall select Bonds for redemption from among maturities of each Series of Bonds, and credit redemptions against Sinking Fund Requirements, on a proportionate basis. 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 the Trustee by lot. Notwithstanding the foregoing, unless otherwise required to preserve the tax-exempt status of the Tax-Exempt Bonds, in any redemption of Variable Rate Bonds, the Trustee shall redeem Bank Bonds (as defined below) prior to any other Variable Rate Bonds to the extent provided in the Initial Liquidity Facility. As long as the Offered Bonds are registered with Cede & Co., notice of redemption will be sent to DTC during the period then required by DTC, which is currently not less than two business days plus 20 calendar days prior to the redemption date, subject to the requirements of the Indenture. See APPENDIX E – "DTC and Book-Entry System" and APPENDIX I – "Summary of Certain Provisions of the Indenture – Notice of Redemption" for such requirements. Notice of the redemption will be

sent by the Trustee to the registered owners of any Bonds which are to be redeemed, at their last addresses appearing upon the registry books. If less than all of the Term Bonds Outstanding of any one maturity shall be called for redemption, the principal amount of such Term Bonds to be redeemed shall be credited to the remaining Sinking Fund Requirements in the manner that the Department deems appropriate. 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.

Description of the Variable Rate Bonds*

THIS OFFICIAL STATEMENT ONLY DESCRIBES VARIABLE RATE BONDS THAT ARE IN THE DAILY MODE PERIOD AND THE WEEKLY MODE PERIOD AND WHILE THE INITIAL LIQUIDITY FACILITY IS IN EFFECT.

Interest Provisions

Interest on the Variable Rate Bonds in a Daily Mode Period or a Weekly Mode Period will accrue from the date of delivery and will be payable in arrears, on the basis of a 365-day year or a 366-day year, as applicable, for the number of days actually elapsed. Interest shall be payable on the dates set forth on the cover page, for the period from the date of delivery or the preceding interest payment date, as applicable, to, but not including, such interest payment date.

The Variable Rate Bonds will bear interest, at an initial rate determined on the day immediately prior to delivery, from the date of delivery to, but not including, December 17, 2026. Thereafter, (i) the Variable Rate Bonds in the Daily Mode Period (other than Variable Rate Bonds purchased with funds provided by the Bank pursuant to the Initial Liquidity Facility ("**Bank Bonds**")) will bear interest at a rate (the "**Daily Rate**") that will take effect on each Business Day (with respect to Variable Rate Bonds in a Daily Mode Period, the "**Daily Effective Rate Date**") following the date of delivery or on a Rate Determination Date (as defined below) and remain in effect until the day before the next Effective Rate Date (as defined below); and (ii) the Variable Rate Bonds in the Weekly Mode Period (other than Bank Bonds) will bear interest at a rate (the "**Weekly Rate**") that will take effect on the Thursday (with respect to Variable Rate Bonds in a Weekly Mode Period, the "**Weekly Effective Rate Date**"; the Weekly Effective Rate Date and the Daily Effective Rate Date each, an "**Effective Rate Date**") following a Rate Determination Date and remain in effect until the day before the next Effective Rate Date. The Daily Rate will be determined by the Remarketing Agent by 10:00 a.m. New York City time on each Business Day (the "**Daily Rate Determination Date**"), and the Weekly Rate will be determined by the Remarketing Agent by 4:00 p.m. New York City time on the first Business Day preceding the applicable Effective Rate Date (the "**Weekly Rate Determination Date**"; the Daily Rate Determination Date and the Weekly Rate Determination Date each, a "**Rate Determination Date**").

In no event will the Variable Rate Bonds (other than Bank Bonds) bear interest at a rate in excess of 12% per annum (the "**Maximum Rate**"). The Trustee will provide monthly statements to DTC setting forth the Daily Rates or the Weekly Rates, as applicable, for the prior month within seven Business Days of the end of each calendar month.

The Daily Rate and the Weekly Rate will be the lowest rate, not exceeding the Maximum Rate, which, in the determination of the Remarketing Agent, as of the applicable Rate Determination Date and under then-prevailing market conditions, would result as nearly as practicable in the market value of the Variable Rate Bonds on the Effective Rate Date being 100% of the principal amount thereof.

The determination by the Remarketing Agent of any Daily Rate or Weekly Rate will be conclusive and binding on the holders of the Variable Rate Bonds. Failure by the Remarketing Agent or the Trustee to give any notice required under the Variable Rate Bond Declaration, or any defect in such notice, will not affect the interest rate borne by the Variable Rate Bonds or the rights of the Bondowners thereof.

If for any reason the position of the Remarketing Agent is vacant or the Remarketing Agent fails to act, the Daily Rate or the Weekly Rate, as applicable, on the Variable Rate Bonds (other than Bank Bonds) shall be the interest rate as determined or caused to be determined, at the expense of the Department, by the Trustee, weekly to be the lesser of (i) the 30-Day Average SOFR published by the New York Federal Reserve Bank or (ii) the Maximum Rate.

* Preliminary, subject to change.

Mode Changes; Conversion

The Department may elect with respect to all or a portion of the Variable Rate Bonds, subject to the conditions set forth in the Variable Rate Bond Declaration, (1) to designate a date on which a Mode Change will take effect (a "**Mode Change Date**") or, (2) to designate a date on which a Conversion will take effect (a "**Conversion Date**"). The Trustee will give notice (1) to the Bondowners affected by a Mode Change not less than 15 days before the Mode Change Date and (2) to the Bondowners affected by a Conversion not less than 30 days before the Conversion Date. On each Mode Change Date or Conversion Date, the Variable Rate Bonds to which such Mode Change or Conversion applies will be subject to mandatory tender for purchase.

Optional Tender

Holders of the Variable Rate Bonds in the Daily Mode Period may elect to tender their Variable Rate Bonds for purchase by providing written notice to the Remarketing Agent and the Tender Agent not later than 11:00 a.m. New York City time on any Business Day, which day shall also be the purchase date. Holders of the Variable Rate Bonds in the Weekly Mode Period may elect to tender their Variable Rate Bonds for purchase by providing written notice to the Remarketing Agent and the Tender Agent not later than 5:00 p.m. New York City time on any Business Day that is at least seven calendar days before the purchase date, which purchase date must be a Business Day and must be set forth in such tender notice.

Such Variable Rate Bonds will be purchased on the applicable purchase date at a price equal to 100% of the principal amount thereof plus accrued interest, if any (the "**Purchase Price**"), subject to the conditions set forth below under "Department Not Responsible to Bondowners for Bank's Failure to Purchase Variable Rate Bonds." Such notice of optional tender for purchase of Variable Rate Bonds by the Bondowners thereof will be irrevocable once such notice is given to the Remarketing Agent and the Tender Agent.

Mandatory Tender

The Variable Rate Bonds, or any portion thereof, are subject to mandatory tender for purchase at the Purchase Price (with no right to retain) (1) on a Mode Change Date, (2) if either (i) the Department has determined to terminate the Initial Liquidity Facility in accordance with its terms or (ii) the Trustee has not received notice from the Bank on or prior to 45 days prior to the scheduled expiration of the Initial Liquidity Facility that such Initial Liquidity Facility will be extended or renewed (a "**Liquidity Expiration Event**"), on a date not less than 5 days prior to the scheduled expiration or earlier termination of the Initial Liquidity Facility, (3) on any Conversion Date and (4) upon receipt of a notice of termination (as described in the Initial Liquidity Facility) by the Trustee following the occurrence of certain events of default under the Initial Liquidity Facility, on a date not less than five days prior to the date on which the Initial Liquidity Facility will terminate (each a "**Mandatory Tender Date**"). In connection with any mandatory tender of the Variable Rate Bonds, the Trustee will deliver a notice of mandatory tender to owners of such Variable Rate Bonds, at least 15 days prior to the Mandatory Tender Date, stating the reason for the mandatory tender, the date of mandatory tender, and that all Bondowners of such Variable Rate Bonds subject to such mandatory tender will be deemed to have tendered their Variable Rate Bonds on such date.

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

Remarketing

The Department will enter into a remarketing agreement (the "**Remarketing Agreement**") with the Remarketing Agent pursuant to which the Remarketing Agent will undertake the duties of Remarketing Agent, including remarketing of tendered Variable Rate Bonds and determination of interest rates. The Remarketing Agreement provides that the Remarketing Agent may at any time resign and be discharged of its duties, by giving written notice to the Department, the Trustee, the Tender Agent and the Bank at least 30 days prior to such resignation (provided that the effective date of such resignation may be, in the Department's sole discretion, extended for one additional 30-day period if the Department is unable to find a replacement remarketing agent). The Department may remove the Remarketing Agent upon 30 days' written notice prior to the effective date of such removal, except that such removal of the Remarketing Agent shall not take effect until the appointment of a successor Remarketing Agent.

During the Daily Mode Period or the Weekly Mode Period, when Variable Rate Bonds are tendered or required to be tendered and purchased, the Remarketing Agent will use its best efforts as described herein to sell such Variable Rate Bonds at a Daily Rate or a Weekly Rate, as applicable, that results as nearly as practicable in the price being 100% of the principal amount thereof. If the Remarketing Agent is unable to remarket the Variable Rate Bonds so tendered while the Initial Liquidity Facility is in effect, the Bank will purchase such Variable Rate Bonds in accordance with the terms of the Initial Liquidity Facility. The Remarketing Agent will not be required to remarket Variable Rate Bonds under certain conditions, including after the occurrence and continuation of an Event of Default under the Indenture.

Department Not Responsible to Bondowners for Bank's Failure to Purchase Variable Rate Bonds

Under the terms and provisions of the Remarketing Agreement and the Initial Liquidity Facility, the Purchase Price of the Variable Rate Bonds will be payable from moneys furnished in connection with the remarketing of such Variable Rate Bonds or, for Variable Rate Bonds that are not remarketed, from amounts drawn under the Initial Liquidity Facility. The Department is *not* responsible for any failure by the Bank to purchase Variable Rate Bonds tendered at the option of the Bondowner or subject to mandatory tender for purchase pursuant to the Variable Rate Bond Declaration. Failure to purchase a Variable Rate Bond tendered at the option of the Bondowner or subject to mandatory tender for purchase as described above and in accordance with such Bond Declaration does *not* constitute an Event of Default under the Indenture.

Upon the occurrence of certain events set forth in the Initial Liquidity Facility, the Bank's obligation to purchase Variable Rate Bonds under the Initial Liquidity Facility will immediately terminate without notice or other action on the part of the Bank. See Appendix C hereto. The Department is not responsible to Bondowners for any failure by the Bank to purchase Variable Rate Bonds tendered at the option of the Bondowner or subject to mandatory tender for purchase pursuant to the Variable Rate Bond Declaration, upon the occurrence of an event of default under the Initial Liquidity Facility.

If the Bank fails to purchase any Variable Rate Bonds tendered or deemed tendered for purchase by the Bondowners thereof and not remarketed, such Variable Rate Bonds will automatically bear interest in the then-current Daily Mode Period or Weekly Mode Period, as applicable, with the interest rate reset on a weekly basis to be the lesser of (1) the 30-Day Average SOFR published by the New York Federal Reserve Bank or (2) the Maximum Rate. Such Bondowners will not have the right to tender their Variable Rate Bonds during such period and may be required to hold their Variable Rate Bonds to their maturity or prior redemption.

Liquidity Facility

The Department is required to provide a Liquidity Facility for Outstanding Variable Rate Bonds in the Daily Mode Period and the Weekly Mode Period, except as otherwise provided below, in an amount not less than the principal of and interest that may accrue, if any, on such Variable Rate Bonds. The Initial Liquidity Facility for the Variable Rate Bonds in the Daily Mode Period and the Weekly Mode Period is a Standby Bond Purchase Agreement, dated as of December 1, 2026, among the State, acting by and through the Department, the Tender Agent and the Bank. Information with respect to the Initial Liquidity Facility and the Bank is set forth below under "THE INITIAL LIQUIDITY FACILITY" and attached hereto as Appendix C and Appendix D hereto, respectively.

Alternate Liquidity Facility

The Department may elect to replace any Liquidity Facility (including but not limited to the Initial Liquidity Facility) with another Liquidity Facility meeting the requirements of the Variable Rate Bond Declaration (an "**Alternate Liquidity Facility**"). If the Department makes such election, the Variable Rate Bonds to be covered by the Alternate Liquidity Facility will be subject to mandatory tender before the expiration of the existing Initial Liquidity Facility. **This Official Statement is not intended to apply to the Variable Rate Bonds when an Alternate Liquidity Facility is in place.**

Self-Liquidity and Other Forms of Liquidity

The Department may also elect to provide liquidity support for the Variable Rate Bonds from its own funds ("**Self-Liquidity**") or by delivering a Liquidity Facility which does not meet the requirements of an Alternate Liquidity Facility ("**Non-Conforming Liquidity Facility**"), subject to the conditions set forth in the Variable Rate Bond Declaration. If the Department makes such election, such Variable Rate Bonds will be subject to mandatory tender before the expiration of the existing Initial Liquidity Facility. **This Official Statement is not intended to apply to the Variable Rate Bonds when Self-Liquidity or a Non-Conforming Liquidity Facility is in place.**

THE INITIAL LIQUIDITY FACILITY

The Initial Liquidity Facility requires the Bank to provide funds for the purchase of the Variable Rate Bonds that have been tendered and not remarketed subject to certain terms and conditions set forth in the Initial Liquidity Facility. This obligation under the Initial Liquidity Facility will expire on December 9, 2031*, unless earlier terminated or extended as provided therein.

A summary of certain provisions of the Initial Liquidity Facility is attached hereto as Appendix C. Certain information relating to the Bank is set forth in Appendix D hereto.

INFORMATION CONCERNING SALES OF THE VARIABLE RATE BONDS BY THE REMARKETING AGENT

The information contained under this heading "Information Concerning Sales of the Variable Rate Bonds by the Remarketing Agent" has been provided by the Remarketing Agent for use in this Official Statement but has not been required by the Department to be included herein. Except to the extent such information describes express provisions of the Indenture and the Variable Rate Bond Declaration, the Department does not accept any responsibility for its accuracy or completeness.

Remarketing Agent is Paid by the Department. The Remarketing Agent's responsibilities include determining the interest rate from time to time with respect to the Variable Rate Bonds and remarketing such bonds that are optionally or mandatorily tendered by the owners thereof, all as further described in this Official Statement. The Remarketing Agent is appointed and will be paid by the Department for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of the Variable Rate Bonds.

Remarketing Agent May Purchase Variable Rate Bonds for its Own Account. The Remarketing Agent is permitted, but not obligated, to purchase tendered Variable Rate Bonds for its own account. The Remarketing Agent, in its sole discretion, may acquire tendered Variable Rate Bonds for its own inventory in order to achieve a successful remarketing of such Variable Rate Bonds (i.e., because there otherwise are not enough buyers to purchase such Variable Rate Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase the Variable Rate Bonds and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Variable Rate Bonds by routinely purchasing and selling such Variable Rate Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the

* Preliminary, subject to change.

Remarketing Agent is not required to make a market in the Variable Rate Bonds. The Remarketing Agent may also sell any Variable Rate Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to such Variable Rate Bonds. The purchase of Variable Rate Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for such Bonds in the market than is actually the case. The practices described above also may reduce the supply of Variable Rate Bonds that may be tendered in a remarketing.

Variable Rate Bonds May Be Offered at Different Prices on Any Date. The Remarketing Agent is required to determine on each Rate Determination Date the rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Variable Rate Bonds at par plus accrued interest, if any, on the following Effective Rate Date. The interest rate will reflect, among other factors, the level of market demand for such Variable Rate Bonds (including whether the Remarketing Agent is willing to purchase such Bonds for its own account). There may or may not be Variable Rate Bonds tendered and remarketed on a Rate Determination Date or an Effective Rate Date; the Remarketing Agent may or may not be able to remarket any of such Variable Rate Bonds tendered for purchase on such date at par; and the Remarketing Agent may sell such Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if they do not have third party buyers for all of the Variable Rate Bonds at the remarketing price. In the event the Remarketing Agent owns any of the Variable Rate Bonds for its own account, the Remarketing Agent may, in its sole discretion in a secondary market transaction outside the tender process, offer Variable Rate Bonds on any date, including the Rate Determination Date, at a discount to par to some investors.

Ability to Sell Variable Rate Bonds Other Than Through Tender Process May Be Limited. While the Remarketing Agent may buy and sell Variable Rate Bonds, it is not obligated to do so and may cease doing so at any time without notice. Thus, investors who purchase any Variable Rate Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell such Variable Rate Bonds other than by tendering such Bonds in accordance with the tender process. The Initial Liquidity Facility is not available to purchase Variable Rate Bonds in accordance with a sale of such Variable Rate Bonds by the Bondowner to the Remarketing Agent. The Initial Liquidity Facility will only be drawn when the Variable Rate Bonds have been properly tendered in accordance with the terms of the Variable Rate Bond Declaration.

Remarketing Agent May Be Removed, Resign or Cease Remarketing the Bonds. The Remarketing Agent may resign by providing at least 30 days' written notice to the applicable parties prior to such resignation (*provided*, that the effective date of such resignation may be, in the Department's sole discretion, extended for one additional 30-day period if the Department is unable to find a replacement remarketing agent). The Department may remove the Remarketing Agent upon 30 days' written notice prior to the effective date of such removal, except that no such removal shall take effect until a successor is appointed and has accepted such appointment. The Remarketing Agent may suspend its remarketing efforts immediately upon the occurrence of certain events, as set forth in the Remarketing Agreement.

THE PROGRAM

General

Under the Program, initiated in 1988, the Department may purchase Mortgage Loans and Guaranteed Mortgage Securities, and provide down payment and/or closing costs assistance, with funds on deposit in the Acquisition Account of the Indenture, in accordance with current provisions of the Act, to provide financing for existing, newly-constructed, or substantially rehabilitated single-family residences in the State ("**Single-Family Residences**"). The Indenture provides for the financing of Mortgage Loans and Underlying Loans through direct lending, although the Act makes direct lending (except for loans made solely to provide assistance with down payments or closing costs) subject to a legislative finding that private lending institutions are unwilling or unable to participate in the Program.

The Program is a continuation of the mortgage purchase program initiated by the Housing Division in 1977 to provide below-market interest rate loans to lower-income home buyers under which the State issued bonds under a separate indenture to provide funds to purchase program loans from approved lenders in accordance with the

provisions of the Act. The Housing Division established rules relating to such program which state general requirements and policies with respect to qualifications of approved lenders, approved servicers, borrowers, program loans and the dwellings which are mortgaged to secure program loans. The Department maintains a procedural guide which incorporates the rules and sets forth more particular requirements for compliance with federal tax law and procedures for approved lenders and approved servicers (the "**Procedural Guide**").

Mortgage Loans

The information under this subheading applies *only* to Mortgage Loans and *not* to Underlying Loans. The Department does *not* expect to purchase Mortgage Loans with the proceeds of, or allocable to, the Offered Bonds.

Procedures for Mortgage Loan Origination and Purchase

Mortgage Lenders must be authorized to engage in the business of making loans of the general character of Mortgage Loans and must be qualified to sell Mortgage Loans to Fannie Mae or Freddie Mac or be approved by the Department. The Department purchases Mortgage Loans from Mortgage Lenders pursuant to Program Loan Purchase Agreements between individual Mortgage Lenders and the Department. The Mortgage Lenders accept applications, screen potential mortgagors, obtain the applicable loan insurance, close Mortgage Loans, and sell eligible Mortgage Loans to the Department.

Mortgage Lenders make certain representations and warranties regarding each Mortgage Loan purchased by the Department. In the event any representation or warranty proves to have been untrue as of the time when made, or the Mortgage Lender defaults in the observance of its obligations under the Program Loan Purchase Agreement, the Department may rescind its purchase of the affected Mortgage Loan and demand return of the outstanding principal balance of the Mortgage Loan plus accrued interest thereon. If after delivery of a Mortgage Loan the Department discovers any substantial error or defect which could invalidate or jeopardize the lien securing the Mortgage Loan, the Mortgage Lender must cure the same within 90 days of notice thereof or be subject to rescission as described above.

Mortgage Lenders are permitted to charge the borrowers normal closing costs plus a fee not exceeding 1.75% of the original principal balance of the mortgage loan, plus up to $1,000 in processing fees. At the time of purchase of each such Mortgage Loan, Mortgage Lenders are required to pay the Department a fee equal to 0.50% of the original principal balance of the Mortgage Loan. In general, all such Mortgage Loans which are the subject of a reservation from the Department are required to be delivered for purchase within 90 days from the date the reservation is made. If Mortgage Loans are not delivered within such period, the Department may extend the delivery period or reallocate available proceeds, to the extent that such extension or reallocation is consistent with the most recent Cash Flow Statement or redeem Bonds. The Department may also agree to purchase Mortgage Loans in amounts equal to available Revenues, including prepayments of Mortgage Loans, which are not required for the payment of principal of and interest on the Bonds in the then current fiscal year as determined by the Department. The Department expects that any Mortgage Loans purchased from Mortgage Lenders will be at a price equal to the outstanding principal balance of each Mortgage Loan plus accrued interest to the date of purchase.

The Department is permitted to offer closing costs assistance to borrowers in conjunction with Mortgage Loans. Such assistance may be applied to costs related to the closing of the Mortgage Loan, but it may not be applied as a down payment to the purchase of the Single-Family Residence. The amount of such assistance, if provided, is currently equal to 3% of the original principal amount of the related Mortgage Loan and is not included in the principal balance of the Mortgage Loan. Borrowers receiving assistance may pay a higher rate of interest on their Mortgage Loans than would be paid by borrowers not receiving assistance.

Mortgage Loan Servicing

Each Mortgage Loan is serviced by a servicer approved by the Department (each an "**Approved Servicer**"). An Approved Servicer must be an entity legally authorized to engage in the business of servicing mortgage loans of the general character of the Mortgage Loans and must meet the qualifications established in the Procedural Guide. The Approved Servicer must be an approved seller-servicer of mortgage loans to and for Fannie Mae or Freddie Mac or be approved by the Department and, if the Approved Servicer services FHA-insured Mortgage Loans, VA-guaranteed Mortgage Loans or RHS-guaranteed Mortgage Loans, must be an FHA-approved mortgagee, VA-approved mortgagee

or RHS-approved mortgagee, as applicable. An Approved Servicer may be a Mortgage Lender. There are currently six Approved Servicers servicing Mortgage Loans under the Program. A list of the Approved Servicers and information concerning the aggregate principal amount of Mortgage Loans serviced by each such Approved Servicer is set forth below under the heading "Certain Information Relating to Outstanding Mortgage Loans."

Each Approved Servicer enters into a Program Loan Servicing Agreement which establishes basic agreements between the Department and the Approved Servicer and incorporates by reference the detailed guidelines for servicing contained in the Procedural Guide, which may be revised from time to time at the discretion of the Department. The Program Loan Servicing Agreement may be terminated at any time without cause by the Department with respect to any Mortgage Loan; however, under the terms of some of these Agreements, termination without cause prior to five years from the date of commencement of servicing entitles the Approved Servicer to a fee of up to 1% of the unpaid principal amount of the Mortgage Loan. In lieu of entering into, or termination of, any Program Loan Servicing Agreement, the Department retains the right to select another Approved Servicer or service Mortgage Loans with its own staff.

The Approved Servicer is responsible for loan accounting, remitting to the Department the principal and interest payments on the Mortgage Loans and any other sums paid by borrowers which the Department requires to be remitted and for accounting for and management of escrows of sums paid by borrowers for payment of taxes, assessments, mortgage and hazard insurance premiums and other expenses. For servicing each Mortgage Loan, the Approved Servicer is entitled to a fee calculated according to the formula appearing in the Procedural Guide. Such fee is currently calculated to approximately 0.375% per annum of the outstanding principal amount of Mortgage Loans serviced relating to Bonds. The servicing fee is to be deducted from amounts remitted on a monthly basis to the Department.

The Approved Servicer must comply with all requirements of FHA, VA, RHS or private mortgage insurance companies, as applicable, with respect to Mortgage Loans and must maintain, in effect at all times and at the Approved Servicer's expense, a fidelity bond (or direct surety bond) and an errors and omissions policy issued by a company currently classified in Best's Insurance Reports as Class 6 or higher and written on a policy form covering all officers, employees and persons duly authorized by the Approved Servicer to act on behalf of the Approved Servicer for the Department.

The Approved Servicer is responsible for ensuring that hazard insurance meeting the requirements set forth in the Procedural Guide is at all times maintained with respect to a Mortgage Loan. The Approved Servicer must indemnify the Department for any loss suffered by the Department as a result of a failure to maintain such insurance. The Department is to be named as payee on insurance loss drafts.

Guaranteed Mortgage Securities and Underlying Loans

In 2023, the Department implemented a program ("**Flex Lending**") under which qualified FHA-insured, VA-guaranteed, USDA/RD-guaranteed and conventional closed mortgage loans (including Underlying Loans) relating to Single-Family Residences originated by Mortgage Lenders underlie mortgage-backed pass-through certificates issued and/or sold by Idaho Housing and Finance Association, Boise, Idaho ("**IHFA**" or the "**Master Servicer**") on behalf of the Department, which pass-through certificates are guaranteed as to timely payment of principal and interest by GNMA, Fannie Mae or Freddie Mac. Underlying Loans may be Qualifying Loans under the Department's FirstHome program or Non-Qualifying Loans under the Department's NextStep program for borrowers who meet certain Department income limits and other requirements but are not eligible for a Qualifying Loan. As more fully described below, Underlying Loans originated by Mortgage Lenders will be pooled by the Master Servicer into Guaranteed Mortgage Securities and then purchased with Bond proceeds by the Trustee under the Indenture.

The Department offers down payment and/or closing costs assistance to borrowers in conjunction with Underlying Loans financed through Flex Lending. Such assistance is a second mortgage in the form of either a silent forgivable second lien or an amortizing repayable second lien. The amount of such assistance, if provided, is currently equal to 4% or 5% of the principal amount of the first mortgage loan, depending on borrower eligibility, and may be applied to the down payment, closing costs, pre-paid items, upfront borrower-paid mortgage insurance, and other related loan fees and expenses. Borrowers receiving assistance may pay a higher rate of interest on their mortgage loans than would be paid by borrowers not receiving assistance.

Underlying Loan Origination and Purchase

Under Flex Lending, Underlying Loans are originated by Mortgage Lenders who have entered into a Mortgage Lending Program Origination Agreement & Mortgage Loan Purchase Contract (an "**Origination Agreement**") with the Department. Among other requirements, each Mortgage Lender must be an approved or delegated Fannie Mae or Freddie Mac seller/servicer or otherwise be an eligible lender in good standing or delegated for HUD- or VA-insured mortgage loans or RHS-guaranteed mortgage loans.

Each Origination Agreement establishes requirements regarding the type of loans that will qualify as Underlying Loans. Such requirements are based on policies adopted by the Department and are subject to change. Underlying Loans will be purchased by the Master Servicer and aggregated with other Underlying Loans into a loan pool supporting Guaranteed Mortgage Securities. Such Guaranteed Mortgage Securities are then purchased from the Master Servicer by the Trustee. Under the Master Servicing Agreement (defined below), the Master Servicer is responsible for remitting the principal and interest payments scheduled to be made on the Underlying Loans under the terms of the applicable GNMA, Fannie Mae and Freddie Mac documents. See "The Master Servicer and Servicing" below for more information regarding the Master Servicer. See APPENDIX A hereto for information about the GNMA, Fannie Mae and Freddie Mac programs.

The Master Servicer and Servicing

General. As more fully described above, the Master Servicer is required to purchase Underlying Loans from Mortgage Lenders, to issue Guaranteed Mortgage Securities backed by such Underlying Loans, and to sell such Guaranteed Mortgage Securities to the Trustee. Once Guaranteed Mortgage Securities have been issued or sold to the Trustee, as applicable, the Master Servicer's primary duties involve the collection and distribution to the Trustee, GNMA, Fannie Mae and Freddie Mac, as appropriate depending on program requirements, of payments received on account of the Underlying Loans. See APPENDIX A hereto for information about the Master Servicer's role under the GNMA, Fannie Mae and Freddie Mac programs.

Pursuant to the Master Servicing Agreement, the Master Servicer is expected to service all Underlying Loans pooled into Guaranteed Mortgage Securities which are acquired by the Trustee.

The Master Servicer. *The information under this subheading has been provided solely by IHFA and is believed to be reliable but has not been verified independently by the Department. No representation whatsoever as to the accuracy, adequacy, or completeness of such information is made by the Department.*

IHFA is (i) an FHA-, VA- and USDA/Rural Development-approved lender in good standing, (ii) a GNMA-approved seller and servicer of mortgage loans and an issuer of mortgage-backed securities guaranteed by GNMA, (iii) a Fannie Mae-approved seller and servicer of Fannie Mae securities and (iv) a Freddie Mac-approved seller and servicer of Freddie Mac securities. As of September 30, 2026, IHFA serviced 303,854 single-family mortgage loans with an aggregate principal balance of approximately $42.9 billion. IHFA currently services single-family mortgage loans for housing finance authorities, mutual savings banks, non-profit associations and commercial banks, as well as Fannie Mae, GNMA and Freddie Mac. As of September 30, 2026, according to its unaudited quarterly financial statements, IHFA had total assets, not including deferred outflows of resources, of $6.3 billion and a net position of approximately $696.7 million. For the twelve months ending September 30, 2026, IHFA originated and purchased single-family mortgage loans in a total principal amount of approximately $1.9 billion in Idaho and another $5.0 billion for its partnership states.

Agreement with IHFA. IHFA will acquire and service Underlying Loans under the terms of a Program Administration and Servicing Agreement among the Department and IHFA (as it may be amended from time to time, the "**Master Servicing Agreement**"). The principal responsibilities of IHFA under the Master Servicing Agreement include purchasing and pooling Underlying Loans, issuing and/or selling the Guaranteed Mortgage Securities at the Department's direction (*e.g.* to the Trustee) and servicing the Underlying Loans (subject to the standard GNMA, Fannie Mae and Freddie Mac procedures for servicing mortgage loans).

The Department is responsible under the Master Servicing Agreement for reviewing each Underlying Loan originated by the Mortgage Lenders to determine compliance with GNMA, Fannie Mae and Freddie Mac loan documentation. Upon completion of such review, IHFA is required to acquire approved Underlying Loans on behalf of

the Department and complete all required documents and forms incidental to the inclusion of such Underlying Loans in GNMA, Fannie Mae or Freddie Mac pools.

The Master Servicing Agreement obligates IHFA to service each Underlying Loan it acquires. Its rights as a servicer include, among others, the right to execute and deliver customary consents, waivers and releases, the right to collect insurance proceeds, and the right to effectuate foreclosure proceedings (so long as such rights are exercised in accordance with applicable GNMA, Fannie Mae and Freddie Mac documents). IHFA also is responsible under the Master Servicing Agreement for remitting the principal and interest payments made on the Underlying Loans under the terms of the applicable GNMA, Fannie Mae and Freddie Mac documents. If the Master Servicing Agreement is not extended, the obligations of the Master Servicer to service the Underlying Loans it has pooled under Guaranteed Mortgage Securities will continue.

Under the Master Servicing Agreement, the Department receives monthly servicing release fees. IHFA receives a portion of each installment of interest under the Underlying Loans acquired and certain late charges paid by the borrower as compensation for its services under the Master Servicing Agreement.

Subject to written approval by the Department and the Trustee, the obligations and duties of IHFA under the Master Servicing Agreement may be assigned to another firm then currently approved to act in such capacity by GNMA, Fannie Mae or Freddie Mac.

Mortgage Loan and Underlying Loan Eligibility

Generally, Mortgage Loans and Underlying Loans must be made to residents of the State whose income at the time of origination does not exceed the lower of the median family income applicable under the Code in the area where housing is to be provided or such income limits as may be established from time to time by the Department. Each borrower must possess legal capacity to enter into the Mortgage Loan or the Underlying Loan, have a satisfactory credit standing, intend to purchase the home as a permanent, primary residence and agree not to rent (except under special circumstances) the home during the term of the mortgage loan. Properties that are eligible for a Mortgage Loan or an Underlying Loan must be located in the State, be structurally sound and functionally adequate and meet all applicable zoning requirements, building codes and similar requirements.

Requirements of Section 143 of the Code Relating to Certain Mortgage Loans and Underlying Loans

The requirements under this subheading apply *only* to Mortgage Loans and Underlying Loans that are Qualifying Loans and to Bonds that are Qualified Mortgage Bonds.

General

Depending on the date of origination of a mortgage loan and the application of various effective date provisions and transition rules contained in the Code or in various federal tax acts or other interpretations of the applicability of certain Code provisions, all, a portion or none of the following requirements contained in Section 143 of the Code will be applicable to such mortgage loan. Such requirements are applicable to mortgage loans financed with proceeds of "qualified mortgage bonds" under the Code ("**Qualified Mortgage Bonds**"), such as the Tax-Exempt Bonds.

Section 143 of the Code provides that interest on obligations of a governmental unit issued to finance single-family residences, or to refund bonds which were used to finance single-family residences is excludable from gross income for federal income tax purposes only if certain requirements are met with respect to the terms, amount and purpose of the obligations, the use and investment of funds generated by the issuance of the obligations, the nature of the residence and the mortgage, the origination of mortgages, the repayment of the tax-exempt borrowing, the eligibility of the borrower executing the mortgage and periodic and annual information reports of the Department.

The State has covenanted in the Indenture to do and perform all acts and things necessary or desirable to comply with the Code and to adopt and maintain appropriate procedures for such purpose. In its Rules, Procedural Guide and Program Loan Purchase Agreement, the Department has established procedures and documentation requirements to enable the Department to comply with the requirements of Sections 143 and 148 of the Code.

Mortgage Eligibility Requirements

Section 143 of the Code provides that the Department must reasonably expect at the time a mortgage loan is executed that the borrower will make the residence financed by the mortgage loan such borrower's principal residence within a reasonable time after the financing is provided. Under the procedures established by the Department, the borrower will be required to certify at the closing of the mortgage loan that the borrower intends to make the financed residence their principal residence within 30 days. Section 143 of the Code provides that the acquisition cost of the residence being financed may not exceed certain limitations established for the State. The Department has established purchase price requirements which are within the "safe harbor" limitations for all areas of the State, as published by the United States Treasury Department (the "**U.S. Treasury**") under Section 143 of the Code or pursuant to a study approved by Bond Counsel. The Department requires a certification from the borrower and the seller detailing all amounts paid as the acquisition cost of the residence. At least 95% of the net proceeds of an issue must be used to finance residences of borrowers who have not had a present ownership interest in a principal residence during the three-year period prior to the date on which the mortgage is executed. Proceeds of Qualified Mortgage Bonds used to make mortgage loans in "targeted areas" and for qualified rehabilitation are treated as meeting this requirement. The Department requires the borrower to provide federal income tax returns for the preceding three years for review for evidence of prior ownership interests, except for certain permitted exceptions, and to certify that the borrower has not had a present ownership interest in the borrower's principal residence within the preceding three years.

Under Section 143 of the Code, an existing mortgage loan may not be acquired or replaced with proceeds of a mortgage loan, except for certain mortgage loans for qualified rehabilitation (as more particularly described in the Code). In addition, the replacement of construction period loans and bridge loans or similar temporary initial financings (generally loans with a term of 24 months or less) is not treated as the acquisition or replacement of an existing mortgage loan. With certain limited exceptions, the Department requires a borrower to certify at the time of application for a mortgage loan that any residential property owned will be legally transferred before closing the mortgage loan. In addition, the Mortgage Lender will be required to review the borrower's federal income tax returns for the preceding three years, or a letter from the Internal Revenue Service stating that the borrower has filed a federal income tax return on Form 1040 for such years, and a credit report prior to closing to determine whether the borrower has any outstanding loans that could be acquired or replaced with the proceeds of the mortgage loan. The Mortgage Lender also must review evidence documenting the sale of other residential property prior to closing the mortgage loan.

Section 143 of the Code requires that all mortgage loans must be made to borrowers whose family income is 115% or less of the applicable median family income (100% for families of fewer than three persons), except that one-third of the amount of mortgage loans for targeted area residences may be made to borrowers who do not satisfy this requirement if the remainder of mortgage loans in "targeted areas" are made to borrowers whose family income is 140% or less of the applicable median family income (120% for families of fewer than three persons).

Mortgage loans can be assumed as long as the borrower has no prior home ownership interest in the last three years unless property is in a targeted area, and purchase price and income requirements are met by the assuming party at the time of assumption. The Department requires that each mortgage loan have a provision allowing the Department to accelerate such mortgage loan if the mortgage is assumed and any such requirements are not met.

An issue of Qualified Mortgage Bonds is treated as meeting the mortgage eligibility requirements if (1) the issuer in good faith has attempted to meet all of the mortgage eligibility requirements before the mortgages were executed, (2) 95% or more of the net proceeds of the issue used to make mortgage loans was devoted to financing residences that met all such mortgage eligibility requirements at the time the loans were executed or assumed, and (3) any failure to comply with the mortgage eligibility requirements is corrected within a reasonable period after such failure is first discovered. In determining whether 95% of the net proceeds have been used, the Department may rely on an affidavit of the borrower and of the seller and on examination of copies of the borrower's federal income tax returns for the three years preceding the date the mortgage is executed, unless the Department or the Mortgage Lender knows or has reason to believe that such information is false. Should the relevant information in such affidavits and returns ultimately prove to be untrue, the correction requirements under (3) above must be met. The Department expects to satisfy such correction requirements by (a) rescinding the Department's purchase of any mortgage loan that is defective due to the fault of the Mortgage Lender, or (b) declaring a default and recovering the proceeds of

foreclosure or proceeds of mortgage insurance or a guaranty with respect to a mortgage loan that is defective for a reason other than the fault of the Mortgage Lender.

Loan Origination

Section 143 of the Code requires that, except for amounts of less than $250,000, all proceeds of Qualified Mortgage Bonds of a Series issued after December 31, 1988 that are required to be used to finance owner-occupied residences be so used within 42 months of the date of issuance of such Series of Qualified Mortgage Bonds or, with respect to Qualified Mortgage Bonds issued to refund prior bonds, within 42 months of the date of issuance of such prior issue of bonds in the case of refunding of unexpended proceeds. Proceeds of Qualified Mortgage Bonds that are not used to finance owner-occupied residences within such period are required to be used to redeem bonds of the issue within the applicable 42-month period. No portion of the proceeds of such Qualified Mortgage Bonds may be used to make or finance a mortgage loan after the close of such period.

Repayment of Issue

Section 143 of the Code requires that, except for amounts of less than $250,000, repayments of principal of a mortgage loan received after ten years from the date of issuance of the Series of Qualified Mortgage Bonds issued after December 31, 1988 financing such mortgage loan (or, in the case of Qualified Mortgage Bonds financing such mortgage loans which are treated as refunding bonds for purposes of this provision of the Code, the date of issuance of the original issue of bonds) be used to redeem Qualified Mortgage Bonds of such issue no later than the close of the first semiannual period beginning after the date the Prepayment or complete repayment of the mortgage loan is received (the "**10-Year Rule**").

Recapture Tax

Section 143 of the Code imposes, subject to certain exceptions, a recapture tax on borrowers who (1) receive mortgage loans that were originated after December 31, 1990 and were purchased by the Department with proceeds of Qualified Mortgage Bonds and (2) dispose of the residence financed with such mortgage loan within nine years. In general, Section 143 provides that, subject to a limit of 50% of the amount of gain realized on disposition, an amount equal to 1.25% of the mortgage amount per year is to be recaptured if the residence is disposed of within five years. This maximum recapture amount is phased out on an annual basis during years six through nine, with no recapture being imposed on dispositions occurring after nine years. An exception would exclude from recapture part or all of the subsidy in the case of borrowers whose income at the time of the disposition is less than a prescribed amount. The Department is unable to predict whether, or to what extent, this recapture tax exposure will affect the Department's ability to purchase mortgage loans or its effect on the prepayment of mortgage loans.

Requirements Related to Investments

Section 143 of the Code requires that the aggregate yield on mortgage loans financed with moneys relating to an issue of Qualified Mortgage Bonds not exceed the aggregate yield on such issue by more than 1-1/8%.

Section 148 of the Code also requires the Department to pay to the U.S. Treasury certain investment earnings on non-mortgage investments to the extent such investment earnings exceed the amount that would have been earned on such investments had such investments been invested at a yield equal to the yield on the issue of Bonds. The Department has established accounting procedures to determine the amount of such excess investment earnings and has retained a nationally recognized consultant to assist the Department with the required arbitrage rebate calculations.

Other Requirements

Section 146 of the Code restricts the amount of private activity bonds, including obligations issued to finance single family residences, that may be issued in the State during each calendar year. Several exceptions to this restriction exist, including one covering certain refunding issues. The Tax-Exempt Bonds will meet the requirements of the Code with respect to annual volume limitations.

Section 143 of the Code requires that 20% of the net proceeds of an issue of Qualified Mortgage Bonds be made available for owner financing of "targeted area" residences for at least one year after the date on which owner financing is first made available, and that the Department attempt with reasonable diligence to place such proceeds in qualified mortgage loans. "Targeted areas" are (1) those census tracts in the State in which 70% or more of the families have an income that is 80% or less of the statewide median family income or (2) areas of chronic economic distress designated by the State and approved by the Secretaries of Housing and Urban Development and the U.S. Treasury under the criteria specified in Section 143 of the Code. The State's designation of certain areas in the State as "targeted areas" has been approved by the Secretaries of Housing and Urban Development and the U.S. Treasury. A portion of the proceeds of the Tax-Exempt Bonds, including any premium, deposited in the 2026 Series GH Acquisition Subaccount will be made available for one year following the delivery of such Bonds to provide funds for owner financing of "targeted area" residences, if required.

Monitoring for Compliance

Mortgage Lenders are responsible for reviewing each mortgage loan application with the accompanying documentation, including the borrower affidavits and the seller affidavit, for compliance with the requirements of Section 143 of the Code. Normal and appropriate measures are required to be undertaken by the Mortgage Lenders to verify the information given either independently or concurrently with credit reviews, when applicable. All documentation is required to be cross-checked by the Mortgage Lenders to assure that the information presented is complete and consistent. The Department completes a post-closing compliance verification to confirm that each mortgage loan satisfies the requirements of the Code.

Certain Information Relating to Outstanding Mortgage Loans

The information under this subheading applies *only* to Mortgage Loans and *not* to Underlying Loans

Information relating to the outstanding Mortgage Loans financed or acquired with the proceeds of Bonds as of September 30, 2026, is set forth below:

Interest Rate	Original Number	Original Principal Amount	Outstanding Number	Outstanding Principal Amount
0.000%	31	$ 1,854,683	12	$ 148,732
2.125	149	38,583,400	136	29,799,628
2.250	148	41,367,962	140	34,735,662
2.375	24	5,618,926	17	3,429,923
2.500	105	26,975,286	85	18,954,632
2.625	332	83,021,294	261	54,509,211
2.750	126	30,355,381	92	17,939,166
2.875	335	80,373,457	240	50,093,944
3.000	121	36,111,074	112	29,719,454
3.125	315	38,687,167	127	12,141,920
3.250	713	141,929,983	388	60,376,122
3.375	344	65,556,879	139	20,128,885
3.500	249	22,769,178	99	7,843,661
3.625	451	93,674,999	230	39,405,423
3.750	678	142,501,369	255	41,436,430
3.875	322	36,044,939	100	11,159,801
4.000	219	14,933,893	45	5,370,791
4.125	790	176,911,512	253	44,475,766
4.250	184	21,094,704	48	8,199,961
4.375	111	18,003,905	52	12,964,173
4.400	5	911,621	3	320,326
4.500	986	153,023,104	213	31,744,285
4.625	30	1,870,266	10	817,808
4.700	172	23,864,964	18	938,668

Interest Rate	Original Number	Original Principal Amount	Outstanding Number	Outstanding Principal Amount
4.750%	66	$ 2,608,085	7	$ 1,262,147
4.875	110	28,611,563	55	13,940,239
4.950	1,949	249,061,586	207	9,729,349
5.000	308	34,176,413	55	13,573,653
5.125	227	38,717,980	20	1,540,293
5.200	143	20,391,737	13	793,944
5.250	379	57,589,222	32	2,135,618
5.375	446	62,223,044	101	19,803,244
5.400	265	39,236,028	38	2,253,622
5.450	987	147,064,182	63	3,401,713
5.500	425	80,992,509	122	27,261,466
5.625	526	95,161,979	32	4,569,145
5.650	135	20,299,742	8	406,755
5.750	743	143,458,676	220	56,552,974
5.875	87	22,251,943	58	16,259,194
5.900	235	37,008,600	11	690,726
5.950	3,231	302,009,724	91	2,150,874
5.990	107	16,385,592	11	798,941
6.000	494	89,813,494	64	13,699,104
6.050	187	30,480,280	9	594,540
6.125	1,358	165,502,214	163	40,411,691
6.250	562	74,740,535	73	18,089,786
6.300	94	14,037,128	6	350,573
6.375	102	28,424,652	71	20,620,436
6.490	131	21,580,173	7	546,181
6.500	773	75,099,601	72	19,770,437
6.625	355	32,199,868	23	3,488,022
6.750	183	22,856,933	35	9,269,469
6.875	27	8,808,873	22	6,422,722
6.950	773	60,821,635	5	32,342
7.000	485	46,677,728	10	2,331,452
7.125	18	5,779,853	15	4,609,249
7.250	2,859	193,401,754	21	1,618,519
7.375	112	8,395,089	1	27,817
7.500	516	44,010,826	3	57,665
7.625	812	47,717,358	1	17,189
Total[†]	27,150	$3,663,636,545	4,820	$855,735,463

[†] Amounts shown may not total due to rounding.

The Approved Servicers servicing Mortgage Loans pursuant to individual Program Loan Servicing Agreements and the principal balance of the Mortgage Loans being serviced by each such institution as of September 30, 2026, are set forth below:

Approved Servicers	Outstanding Principal Amount	Percent of Total
Banner Bank	$321,897,195	37.62%
U.S. Bank	236,174,583	27.59
Columbia Bank	159,830,722	18.68
Mechanics Bank	130,213,068	15.22
Wells Fargo Home Mortgage	7,524,148	0.88
PHH Mortgage Corp	95,747	0.01
Total	$855,735,463	100.00%

Information generally relating to certain characteristics of Mortgage Loans financed or acquired with the proceeds of Bonds as of September 30, 2026, is set forth below:

Average Income of Borrowers	$58,309
Average Household Size	2.58
Average Age of Borrowers	38.95
Average Original Principal Amount of Mortgage Loans	$218,756
Average Purchase Price of Properties	$255,388
Type of Properties	
Single Family	79.73%
Condominiums	9.27%
Other	11.00%

Information as of September 30, 2026, relating to the insurance of Mortgage Loans financed or acquired with the proceeds of Bonds is set forth below:

Insurer or Guarantor	Outstanding Principal Amount	Percent of Total
Uninsured	$364,974,576	42.65%
FHA	357,697,747	41.80
RHS	101,096,558	11.81
VA	30,647,667	3.59
Private Mortgage Insurance[(1)]	1,318,915	0.15
Total	$855,735,463	100.00%

[(1)] Rounded for sum of components to equal the total outstanding principal amount.

The Department makes no representation regarding the financial condition of any Private Mortgage Insurer or its ability to make full and timely payment of claims made by the Department on Mortgage Loans. If such claims are not paid in full on a timely basis, the Department may experience losses on Mortgage Loans in default or in foreclosure. The financial strength ratings of Private Mortgage Insurers, including the Private Mortgage Insurers currently providing Mortgage Pool Insurance to the Department, have been under review by Moody's (defined below) as a result of disruptions in the housing market. Many of these Private Mortgage Insurers have had ratings downgrades or other negative adjustments.

Certain Information Relating to Outstanding Guaranteed Mortgage Securities

See APPENDIX K hereto for certain information regarding the Guaranteed Mortgage Securities purchased with the proceeds of Bonds as of September 30, 2026.

Certain Information Relating to Mortgage Loan Delinquencies and Foreclosures

The information under this subheading applies *only* to Mortgage Loans and *not* to Underlying Loans.

Each Approved Servicer must take such appropriate action with respect to delinquencies as is required by FHA, VA or RHS, or such actions as it would take with respect to loans serviced for others or held for its own account. The Approved Servicer has discretion to grant appropriate relief in the form of liquidation plans, special forbearance relief and modifications. A liquidation agreement may be entered into which gives the borrower a definite period in which to bring the Mortgage Loan current by immediately commencing payment in excess of the regular monthly installments. A special forbearance agreement may be entered into which reduces or suspends the regular monthly installments for a specified period of time. A modification agreement may be formulated which effects modifications of the Mortgage Loan repayment provisions, including an extension of the original maturity date. Approval by the Department is required for any special forbearance agreement or modification agreement.

The Approved Servicer must promptly notify the Department upon becoming aware of any prior lien that has attached or will attach to the property securing a Mortgage Loan and upon becoming aware of any bankruptcy, probate proceeding or the like against the borrower or the borrower's estate. No sooner than the 90th day following the due date of the earliest unpaid installment on the Mortgage Loan, the Approved Servicer must recommend appropriate action to the Department. Should foreclosure be necessary and allowed under applicable law, the Approved Servicer is required to make a full report to the Department and undertake all necessary steps to accomplish such foreclosure pursuant to standards contained in the Procedural Guide.

Based on reports to the Department from Approved Servicers, the following tables set forth the foreclosures and delinquencies for Mortgage Loans financed or acquired by the Department under the Program:

Percent of Mortgage Loans with Installments Past Due

As of	Total†	30 Days	60 Days	90 Days or More	In Foreclosure
December 31, 2024	4.13%	1.43%	0.52%	2.18%	0.78%
March 31, 2025	4.55	1.30	0.74	2.51	0.97
June 30, 2025	4.63	1.29	0.58	2.76	1.10
September 30, 2025	5.31	1.66	0.70	2.95	1.19
December 31, 2025	5.74	1.35	0.77	3.62	1.17
March 31, 2026	5.96	1.29	0.89	3.78	1.17
June 30, 2026	5.97	1.35	0.76	3.86	1.15
September 30, 2026	5.87	1.41	0.87	3.59	1.33

† Includes delinquent loans and loans in foreclosure.

Percent of Mortgage Loans in the Process of Foreclosure

2026	2025	2024	2023	2022	2021
1.33%	1.17%	0.78%	1.00%	0.88%	0.13%

The statistics for delinquencies are based on reports prepared as of the last day of each month by the Department. The statistics for foreclosures are based on such reports prepared as of December 31st of each year, with the exception of the 2026 information, which is as of September 30, 2026.

Prior to or during the process of foreclosure, the Department attempts to work out a plan to enable the mortgagor to become current in payment on a mortgage loan within a reasonable period of time. As of September 30, 2026, title to 689 properties have been conveyed to, and payment in the full amount of the Mortgage Loans has been received by the Department from FHA. In addition to these 689 properties, the Department has completed foreclosure proceedings and sales of 559 properties that were not FHA insured. One property is currently being marketed for sale by the Department which is not insured by FHA.

Under current state law, (1) certain mortgagees (including the Department) seeking to foreclose, whether non-judicial or judicial, a residential deed of trust must enter into mediation with the mortgagor for the purpose of negotiating a foreclosure avoidance measure, and (2) no foreclosure sale may occur less than 30 days for judicial foreclosures and 120 days for nonjudicial foreclosures after the date on which the mortgagee notifies the mortgagor of mortgagee's determination that (a) the mortgagor is not eligible for any foreclosure avoidance measure or (b) the mortgagor has failed to comply with the terms of any foreclosure avoidance measure that has been agreed to. Foreclosure avoidance measures include deferring or forbearing one or more payments due on the mortgage loan, modifying the payment or other terms of the mortgage loan, accepting a deed-in-lieu of foreclosure from the mortgagor, conducting a short sale of the mortgaged property, or providing other assistance to the mortgagor to avoid foreclosure. Laws governing foreclosure and related matters are subject to change by the Legislative Assembly.

Prepayments

The information under this subheading applies *only* to Mortgage Loans and *not* to Underlying Loans.

Mortgage Loans made or purchased by the Department permit partial or complete prepayment without penalty. Such Mortgage Loans may also be terminated prior to their respective final maturities as a result of events such as default, sale, condemnation or casualty loss. A number of factors, including general economic conditions, homeowner mobility and mortgage market interest rates, will affect the rate of actual prepayments for a particular portfolio of mortgage loans. Therefore, it is difficult to predict prepayments for Mortgage Loans financed under the Indenture from available data about other pools of mortgage loans.

One source of information with respect to prepayments is published by FHA based on its nationwide experience relating to 30-year single-family mortgage loans insured under Section 203(b) of the National Housing Act of 1934 since 1970. Such mortgage loans were issued at various interest rates and were not made primarily to persons or families of limited income. The most recent national statistics published by FHA as of June 30, 1991 indicate that, while some mortgage loans remain outstanding until scheduled maturity, mortgage loans have had an average life of approximately 11.1 years. Many factors may cause the Department's experience relating to Mortgage Loans financed under the Indenture to be different from the statistics published by FHA, including the eligibility under the Indenture of Mortgage Loans which are not insured by FHA, the demographics of the State as compared to the nation as a whole, different conditions for the assumption of Mortgage Loans as compared to mortgage loans insured by FHA in general and lower interest rates for Mortgage Loans as compared to mortgage loans originated at the same time which bear conventional market interest rates.

Amounts Available to Purchase Guaranteed Mortgage Securities

As of September 30, 2026††, the following amounts relating to prior Series of Bonds were available in the related Series Acquisition Subaccounts to purchase Guaranteed Mortgage Securities:

Series of Bonds	Date of Issuance	Mortgage Loan and Underlying Loan Interest Rate Range†	Amount Available to Purchase Guaranteed Mortgage Securities	Amount Committed for Purchasing Guaranteed Mortgage Securities	Amount Available for Commitment
2024 C	November 20, 2024	4.875 – 7.125%	$ 3,428,932	$ 3,428,932	$ -
2025 AB	June 24, 2025	5.375 – 6.875%	784,794	784,794	-
2025 CD	November 19, 2025	5.250 – 6.500%	19,367,367	19,367,367	-
2026 A	February 25, 2026	4.875 – 6.875%	51,294	51,294	-
2026 B	June 24, 2026	N/A††	52,568,380	52,568,380	-
2026 CD	October 1, 2026	N/A††	63,397,433	38,982,622	24,414,811
2026 F	October 1, 2026	N/A††	10,000,000	-	10,000,000
			$149,598,200	$115,183,389	$34,414,811

† Ranges reflect actual interest rates on purchased Mortgage Loans or Underlying Loans.
†† As of September 30, 2026, no Mortgage Loans or Underlying Loans were purchased with proceeds of the 2026 Series B Bonds. The 2026 Series CD Bonds and the 2026 Series F Bonds were issued on October 1, 2026. As of October 1, 2026, no Mortgage Loans or Underlying Loans were purchased with proceeds of the 2026 Series CD Bonds and the 2026 Series F Bonds.

Following the issuance of the Offered Bonds and certain replacements described above, the Department expects to have approximately $83,500,000* from the proceeds of the Offered Bonds (including approximately $2,500,000* of Offered Bonds proceeds expected to be deposited to the credit of the Debt Reserve Account) available

* Preliminary, subject to change.

to finance newly-originated Underlying Loans with estimated interest rates ranging from 6.000%* to 7.125%* pooled into Guaranteed Mortgage Securities with pass-through rates ranging from 5.500%* to 6.500%*, and to provide down payment and/or closing costs assistance. The Department changes interest rates to reflect changing market conditions and changing program objectives. Newly-originated Underlying Loans backing Guaranteed Mortgage Securities are expected to have an original term of 30 years and equal monthly payments of principal and interest. All newly-originated Guaranteed Mortgage Securities to be purchased with funds made available upon the issuance of the Offered Bonds are expected to be originated by June 1, 2027*. The Department has not redeemed any Bonds of any Series from the unexpended proceeds of the related Series of Bonds resulting from the non-origination of Mortgage Loans or failure to purchase Guaranteed Mortgage Securities since 1996.

Outstanding Mortgage Revenue Bonds

The following table shows the principal amounts of Bonds which have been issued and were Outstanding as of October 1, 2026:

Series of Bonds	Dated	Amount Issued	Amount Outstanding	Final Maturity	Coupon Rates (%)
2013 Series A	June 12, 2013	$21,885,000	$1,370,000	2033	3.500-3.800
2013 Series D	November 20, 2013	33,225,000	580,000	2028	4.200
2013 Series F	November 20, 2013	8,335,000	4,445,000	2033	3.900
2014 Series A	May 29, 2014	57,710,000	10,075,000	2033	3.600-3.875
2014 Series C	December 18, 2014	30,900,000	6,225,000	2038	3.300-3.750
2016 Series B(1)	May 31, 2016	13,140,000	13,140,000	2033	Variable
2016 Series C(1)	May 31, 2016	15,000,000	14,570,000	2037	Variable
2017 Series A	May 25, 2017	81,510,000	5,665,000	2047	4.000
2017 Series C(2)	May 25, 2017	44,000,000	32,210,000	2039	Variable
2017 Series D	October 12, 2017	87,390,000	27,075,000	2048	2.450-3.500
2017 Series E	October 12, 2017	22,775,000	1,310,000	2040	3.500
2017 Series F	December 28, 2017	11,440,000	6,450,000	2048	3.650-3.750
2017 Series G	December 28, 2017	43,730,000	9,695,000	2040	3.450-4.000
2017 Series H	December 28, 2017	16,105,000	5,600,000	2028	2.650-2.800
2018 Series A	June 5, 2018	62,590,000	15,265,000	2049	2.900-4.500
2018 Series B	June 5, 2018	30,000,000	16,080,000	2043	2.900
2018 Series C	September 25, 2018	87,420,000	28,720,000	2049	2.950-4.500
2018 Series D	December 19, 2018	82,885,000	17,505,000	2050	3.050-4.750
2019 Series A	September 19, 2019	99,000,000	59,255,000	2050	1.650-4.000
2020 Series A	June 11, 2020	47,905,000	18,250,000	2051	1.500-3.500
2020 Series B(3)	June 11, 2020	24,500,000	24,500,000	2037	Variable
2020 Series C	December 15, 2020	60,000,000	44,405,000	2052	0.950-3.000
2021 Series A	August 31, 2021	99,000,000	79,950,000	2052	0.800-3.000
2022 Series A	April 27, 2022	77,900,000	66,850,000	2051	2.650-4.000
2022 Series C	October 27, 2022	24,810,000	19,010,000	2053	4.951-5.661
2022 Series D(4)	October 27, 2022	21,000,000	21,000,000	2047	Variable
2023 Series A	May 11, 2023	40,005,000	33,565,000	2053	4.200-5.500
2023 Series B	May 11, 2023	11,210,000	10,155,000	2036	4.819-5.482

* Preliminary, subject to change.

Series of Bonds	Dated	Amount Issued	Amount Outstanding	Final Maturity	Coupon Rates (%)
2023 Series C	September 28, 2023	$127,665,000	$115,500,000	2053	5.295-6.250
2024 Series A	May 22, 2024	38,690,000	35,735,000	2053	3.500-6.500
2024 Series B	May 22, 2024	42,205,000	41,930,000	2054	4.996-6.105
2024 Series C	November 20, 2024	89,325,000	80,695,000	2054	3.300-6.500
2024 Series D[3]	November 20, 2024	41,000,000	41,000,000	2043	Variable
2024 Series E[3]	November 20, 2024	33,600,000	33,600,000	2045	Variable
2025 Series A	June 24, 2025	72,120,000	70,275,000	2055	4.750-6.250
2025 Series B	June 24, 2025	20,000,000	20,000,000	2037	4.419-5.700
2025 Series C	November 19, 2025	39,185,000	38,770,000	2055	2.900-5.500
2025 Series D[5]	November 19, 2025	20,335,000	20,335,000	2051	Variable
2026 Series A	February 25, 2026	75,000,000	75,000,000	2056	3.713-6.000
2026 Series B	June 24, 2026	50,000,000	50,000,000	2056	2.750-6.250
2026 Series C	October 1, 2026	48,500,000	48,500,000	2056	4.350-6.250
2026 Series D[2]	October 1, 2026	24,640,000	24,640,000	2047	Variable
2026 Series E	October 1, 2026	11,000,000	11,000,000	2036	4.250-4.850
2026 Series F	October 1, 2026	10,000,000	10,000,000	2032	4.747-5.269
Total		$1,998,635,000	$1,309,900,000		

(1) Redeemed on October 28, 2026.

(2) Liquidity provided by State Street Bank and Trust Company expiring on October 1, 2029 (with respect to the 2017 Series C Bonds) and October 1, 2031 (with respect to the 2026 Series D Bonds), respectively. State Street Bank and Trust Company has received a long-term rating of Aa1 and a short-term rating of P-1, and a Counterparty Risk Assessment of Aa1(cr) / P-1(cr), from Moody's.

(3) Liquidity provided by Sumitomo Mitsui Banking Corporation, acting through its New York Branch ("**SMBC**"), expiring on January 27, 2027 (with respect to the 2020 Series B Bonds) and November 19, 2029 (with respect to the 2024 Series D Bonds and the 2024 Series E Bonds), respectively. Sumitomo Mitsui Banking Corporation, acting through its New York Branch, has received a long-term rating of A1 and a short-term rating of P-1, and a Counterparty Risk Assessment of A1(cr) / P-1(cr), from Moody's. The Department expects to replace SMBC as liquidity provider for the 2020 Series B Bonds, the 2024 Series D Bonds and the 2024 Series E Bonds on December 10, 2026.

(4) Liquidity provided by U.S. Bank National Association expiring on October 27, 2027. U.S. Bank National Association has received a long-term rating of A1 and a short-term rating of P-1, and a Counterparty Risk Assessment of A1 (cr) / P-1(cr), from Moody's.

(5) Liquidity provided by Bank of America, N.A. expiring on November 19, 2030. Bank of America, N.A. has received a long-term rating of Aa2 and a short-term rating of P-1, and a Counterparty Risk Assessment of Aa2 (cr) / P-1(cr), from Moody's.

Such ratings are as of the date of this Official Statement. The Department undertakes no responsibility for updating the aforementioned ratings subsequent to such date.

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Outstanding Qualified Hedges

The Department has entered into Qualified Hedges relating to certain prior Series of Bonds. See APPENDIX I – "Summary of Certain Provisions of the Indenture – Qualified Hedges" hereto. The following table sets forth information about the outstanding Qualified Hedges as of October 1, 2026. For further information, please see Note 11 to the Financial Statements of the Department in APPENDIX B hereto.

Series of Bonds	Notional Amount	Fixed Rate Payable	Variable Rate Receivable [1]	Hedge Provider	Expiration Date	Hedge Provider Rating [2]
2017 Series C	$34,070,000	2.407%	70.0% of SOFR + 0.05%	BofA [3]	July 1, 2039	Aa2
2020 Series B	24,500,000	0.899	70.0% of SOFR	RBC [4]	July 1, 2037	Aa1
2022 Series D	21,000,000	4.417	100% of SOFR + 0.15%	RBC [4]	July 1, 2047	Aa1
2024 Series D	41,000,000	1.120	100% of SIFMA [5]	BofA [3]	July 1, 2043	Aa2
2024 Series E	33,600,000	2.751	70.0% of SOFR + 0.05%	RBC [4]	July 1, 2045	Aa1
2025 Series D	20,335,000	2.987	63.0% of SOFR + 0.14%	BofA [3]	January 1, 2051	Aa2
2026 Series D	24,640,000	3.518	63.0% of SOFR + 0.14%	RBC [4]	January 1, 2047	Aa1

(1) The Department and related swap counterparties have adhered to the International Swaps and Derivatives Association's 2020 IBOR Fallbacks Protocol, pursuant to which each LIBOR-based variable rate receivable with respect to hedges related to, 2017 Series C and 2024 Series E was replaced with a SOFR-based variable rate following June 30, 2023.
(2) Ratings by Moody's. Such ratings are as of the date of this Official Statement. The Department undertakes no responsibility for updating the aforementioned ratings subsequent to such date.
(3) Bank of America, N.A., which is an affiliate of BofA Securities, Inc., one of the Underwriters of the Fixed Rate Bonds.
(4) Royal Bank of Canada.
(5) On January 1, 2028, this hedge converts to receiving 70% of SOFR.

The Department expects, but is not required, to enter into a new Qualified Hedge associated with the Series H Bonds.

The Department may enter into Qualified Hedges in the future with respect to other prior Series of Bonds, or in connection with the issuance of additional Series of Bonds, which bear interest at variable rates. Pursuant to each Qualified Hedge, the Department will pay interest to the related Hedge Provider at a fixed rate and will receive interest from such Hedge Provider at a variable rate that is typically based on an index such as the Secured Overnight Financing Rate published by the Federal Reserve Bank of New York ("**SOFR**") or SIFMA. The amount of interest due on a Series of Bonds during a time period will differ from the amount of interest paid by the related Qualified Hedge. The Owners of the Bonds do not have any rights under any Qualified Hedge or against any Hedge Provider.

OTHER HOUSING FINANCE PROGRAMS OF THE DEPARTMENT

The Department is the only statewide public body in Oregon serving as a central source of data and program information, training and education, planning and technical assistance, seed-money loans, mortgage financing and federal tax credits relating to housing within the State.

In order to increase the supply of funds available for mortgage loans in the State, the Department has implemented various programs which have been financed through the issuance of bonds and notes of the State.

Multifamily Housing Program

In 1996, the Department initiated a multifamily housing program to provide mortgage loans for construction and permanent financing for developments that primarily contain housing units within the State for persons or families of lower income. Mortgage loans financed for this purpose must be insured by FHA, secured by a credit facility or used to finance certain mortgage-backed securities. As of September 30, 2026, the State has issued $310,400,000 principal amount of bonds in 18 series under this program.

Elderly and Disabled Housing Program

A constitutional amendment approved by the voters in 1978 and further amended in 1982 authorized the financing of elderly housing and residential facilities for elderly households, disabled persons and their family members, through the issuance of general obligation bonds of the State. The Department is responsible for the administration of this program and, as of September 30, 2026, has issued 45 series of bonds in the original aggregate principal amount of $589,005,000 to provide permanent financing for rental housing developments under this program. As of September 30, 2026, 355 developments containing a total of 7,091 units in apartments, assisted living, congregate care and residential care facilities, group care and other specialized housing have received permanent financing.

Housing Development Program

In 2000, the Department initiated a multifamily housing program to provide financing for developments in which a portion of the housing units are for persons and families of lower income. Each bond issue finances a single multifamily development separately secured by revenues and assets specifically pledged thereto. As of September 30, 2026, the State has issued 363 series of bonds in the original aggregate principal amount of $4,010,669,124, pursuant to this program.

Other Programs

In addition to its bond and note programs, the Department also acts as the State's tax credit agency to distribute federal tax credits through two programs for homeownership and rental housing and to certify rental housing projects for a state tax credit program. *The Mortgage Credit Certificate Program* provides a federal tax credit for low and moderate income home buyers in connection with private financing to purchase, improve, or rehabilitate single-family residences, and the *Low-Income Housing Tax Credit Program* provides federal income tax credits to developers who construct, rehabilitate, or acquire qualified low-income rental housing. Under *the Oregon Affordable Housing Tax Credit Program* the Department has the authority to certify tax credits to compensate lending institutions for financing certain housing projects at up to 4% below the current market rate of interest for lower income tenants for a period of up to 20 years.

TBA Program

Under Flex Lending, in addition to the production of Guaranteed Mortgage Securities, mortgage loans may be packaged by the Master Servicer to underlie mortgage-backed securities to be sold by the Department in the "to-be-announced" ("**TBA**") market. As of September 30, 2026, the Department had completed the sale and settlement of $180,111,106 of mortgage-backed securities through the TBA market and had $0 in commitments to settle and deliver mortgage-backed securities. Sales of mortgage-backed securities by the Department in the TBA market may adversely affect the amount and timing of origination of Guaranteed Mortgage Securities. Depending upon then-current interest rates of mortgage loans and mortgage-backed securities and other factors, it may become more advantageous for the Department to sell mortgage-backed securities in the TBA market than to acquire Guaranteed Mortgage Securities with proceeds of Bonds.

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OTHER OUTSTANDING INDEBTEDNESS

The following table shows the principal amounts of bonds outstanding under the Department's Multifamily Housing Program and its Elderly and Disabled Housing Program as of October 1, 2026:

Title	Dated	Amount Issued	Amount Outstanding	Final Maturity
Multifamily Housing Revenue Bonds				
2004 Series A	September 9, 2004	$ 5,120,000	$ 3,370,000	2045
2005 Series A	August 30, 2005	9,855,000	270,000	2046
2006 Series A	December 19, 2006	5,680,000	865,000	2036
2010 Series A	August 25, 2010	77,705,000	2,560,000	2042
2010 Series B	November 9, 2010	16,425,000	7,705,000	2052
2012 Series A	October 31, 2012	1,425,000	515,000	2032
2012 Series B	October 31, 2012	35,335,000	1,375,000	2043
Total		$151,545,000	$16,660,000	
Elderly and Disabled Housing Bonds[(1)]				
1995 Series B	December 20, 1995	$ 24,240,000	$ 185,000	2027
1997 Series A	September 30, 1997	8,475,000	5,000	2028
1998 Series B	October 27, 1998	10,285,000	5,000	2030
1999 Series B	May 20, 1999	4,485,000	5,000	2030
1999 Series E	November 4, 1999	19,105,000	10,000	2031
2001 Series C	August 29, 2001	25,325,000	5,000	2029
2002 Series C	October 29, 2002	13,595,000	955,000	2043
2003 Series C	October 30, 2003	2,930,000	5,000	2034
2007 Series A	April 24, 2007	26,300,000	14,825,000	2048
Total		$134,740,000	$16,000,000	

[(1)] General obligation bonds of the State for multifamily housing for elderly and disabled persons.

In addition, the Department has issued bonds under its Housing Development Program as described under "OTHER HOUSING FINANCE PROGRAMS OF THE DEPARTMENT – Housing Development Program" above.

TAX MATTERS

Tax-Exempt Bonds

General. The requirements of applicable federal tax law must be satisfied with respect to the Tax-Exempt Bonds in order that interest on the Tax-Exempt Bonds not be included in gross income for federal income tax purposes retroactive to the date of issuance thereof.

Section 143 Requirements. Certain requirements contained in Section 143 of the Code, described above under "THE PROGRAM – Requirements of Section 143 of the Code Relating to Certain Mortgage Loans and Underlying Loans," will be generally applicable to the Underlying Loans financed with proceeds of, or allocable to, the Tax-Exempt Bonds.

The State has included provisions in the Indenture, the Procedural Guide, the Program Loan Purchase Agreement and other relevant documents, and has established procedures (including receipt of certain affidavits and warranties from Mortgage Lenders, borrowers and others respecting the mortgage eligibility requirements) in order to ensure compliance with the applicable requirements of Sections 143 and 148 of the Code, including the mortgage eligibility requirements, the requirements to correct any failure to comply with the mortgage eligibility requirements and the requirements relating to non-mortgage investments as described under "THE PROGRAM" herein. The State has covenanted in the Indenture to take all actions which are necessary to comply with the applicable mortgage

eligibility requirements of the Code and the applicable arbitrage limitations of Sections 143 and 148 of the Code and for such purpose, to adopt and maintain appropriate procedures. The State believes that the procedures and documentation requirements established for the purpose of fulfilling this covenant are sufficient to ensure that the proceeds of, or allocable to, the Tax-Exempt Bonds will be applied in accordance with the applicable requirements of Sections 143 and 148 of the Code so that interest on the Tax-Exempt Bonds will not be included in gross income for purposes of federal income taxation. In the opinion of Bond Counsel, the procedures that have been established in the Indenture, the Procedural Guide and other relevant Program documents are sufficient, if followed by the State, to comply with the applicable requirements of the Code, and Bond Counsel has assumed therefore that such procedures will continue to be carried out and that such Indenture covenant will be complied with by the State in rendering its opinions described below as to federal income tax exemption.

Opinion of Bond Counsel. In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Department, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and (ii) interest on the Tax-Exempt Bonds is not treated as a preference item for purposes of calculating the alternative minimum tax under the Code; *however*, interest on the Tax-Exempt Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinions, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Department in connection with the Tax-Exempt Bonds, and Bond Counsel has assumed compliance by the Department with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Tax-Exempt Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Tax-Exempt Bonds is exempt from personal income taxes imposed by the State.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Tax-Exempt Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Tax-Exempt Bonds in order that interest on the Tax-Exempt Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Tax-Exempt Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Tax-Exempt Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Department has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Tax-Exempt Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences. The following is a brief discussion of certain collateral federal income tax matters with respect to the Tax-Exempt Bonds under existing statutes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Tax-Exempt Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of a Tax-Exempt Bond.

Prospective owners of the Tax-Exempt Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S

corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and Railroad Retirement benefits, and individuals otherwise eligible for the earned income tax credit and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Tax-Exempt Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount. "Original issue discount" ("**OID**") is the excess of the sum of all amounts payable at the stated maturity of a Tax-Exempt Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Tax-Exempt Bonds. In general, the issue price for each maturity of the Tax-Exempt Bonds is expected to be the initial public offering price set forth on the inside cover page of this Official Statement. Bond Counsel further is of the opinion that, for any Tax-Exempt Bonds having OID (a "**Discount Bond**"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Tax-Exempt Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium. In general, if an owner acquires a Tax-Exempt Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Tax-Exempt Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Tax-Exempt Bond (a "**Premium Bond**"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest paid on tax-exempt obligations, including the Tax-Exempt Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment,

calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Tax-Exempt Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, could adversely affect the tax-exempt status of interest on the Tax-Exempt Bonds under federal or state law or otherwise prevent beneficial owners of the Tax-Exempt Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) or such decisions could affect the market price or marketability of the Tax-Exempt Bonds.

Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding the foregoing matters.

Taxable Bonds

General. The following discussion is a brief summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of the Series I Bonds by original purchasers of the Series I Bonds who are "U.S. Holders" (defined below). This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Series I Bonds will be held as "capital assets"; and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Series I Bonds as a position in a "hedge" or "straddle," U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire Series I Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Certain taxpayers who are required to prepare certified financial statements and file such financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Series I Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below. In addition, interest on the Series I Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

Holders of Series I Bonds should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Series I Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Opinion of Bond Counsel. In the opinion of Bond Counsel to the Department, interest on the Series I Bonds (i) is included in gross income for federal income tax purposes pursuant to the Code and (ii) is exempt, under existing statutes, from personal income taxes imposed by the State.

Original Issue Discount. In general, if OID is greater than a statutorily-defined *de minimis* amount, a U.S. Holder of a Series I Bond must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such U.S. Holder holds such Series I Bond) the daily portion of OID, as it accrues (generally on a constant-yield method) and regardless of the U.S. Holder's method of accounting. "**OID**" is the excess of (i) the "stated redemption price at maturity" over (ii) the "issue price." For purposes of the foregoing: "issue price" means the first price at which a substantial amount of the Series I Bond is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); "stated redemption price at maturity" means the sum of all payments, other than "qualified stated interest," provided by such

Series I Bond; "qualified stated interest" is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate; and "*de minimis* amount" is an amount equal to 0.25 percent of the Series I Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity. A U.S. Holder may irrevocably elect to include in gross income all interest that accrues on a Series I Bond using the constant yield method, subject to certain modifications.

Bond Premium. In general, if a Series I Bond is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the Series I Bond other than "qualified stated interest" (a "**Taxable Premium Bond**"), that Taxable Premium Bond will be subject to Section 171 of the Code, relating to bond premium. In general, if the U.S. Holder of a Taxable Premium Bond elects to amortize the premium as "amortizable bond premium" over the remaining term of the Taxable Premium Bond, determined based on constant-yield principles (in certain cases involving a Taxable Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to the U.S. Holder's basis in the Taxable Premium Bond. Any such election is generally irrevocable and applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the U.S. Holder of a Taxable Premium Bond may realize a taxable gain upon disposition of the Taxable Premium Bond even though it is sold or redeemed for an amount less than or equal to the U.S. Holder's original acquisition cost.

Disposition and Defeasance. Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Series I Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder's adjusted tax basis in the Series I Bond.

The Department may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Series I Bonds to be deemed to be no longer Outstanding under the Indenture (a "**defeasance**"). (See APPENDIX I – "Summary of Certain Provisions of the Indenture" herein). For federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Series I Bonds subsequent to any such defeasance could also be affected.

Information Reporting and Backup Withholding. In general, information reporting requirements will apply to non-corporate U.S. Holders of the Series I Bonds with respect to payments of principal, payments of interest, and the accrual of OID on a Series I Bond and the proceeds of the sale of a Series I Bond before maturity within the United States. Backup withholding may apply to U.S. Holders of Series I Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes overwithholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders. The term "**U.S. Holder**" means a beneficial owner of a Series I Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series I Bonds under state law and could affect the market price or marketability of the Series I Bonds.

Prospective purchasers of the Series I Bonds should consult their own tax advisors regarding the foregoing matters.

ABSENCE OF LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Offered Bonds or in any way contesting or affecting the validity of the Offered Bonds or any proceedings of the State taken with respect to the issuance and sale thereof, the pledge or application of any moneys or securities provided for the payment of the Offered Bonds or the existence or powers of the State insofar as they relate to the authorization and sale of the Offered Bonds or such pledge or application of moneys and securities.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, issuance, sale and delivery of the Offered Bonds are subject to the approval of Hawkins Delafield & Wood LLP, Portland, Oregon and New York, New York, Bond Counsel to the Department, whose approving opinion will be delivered with the Offered Bonds in substantially the form set forth in APPENDIX J hereto. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP, Omaha, Nebraska, for the Bank by its special counsel, Chapman and Cutler, LLP, and for the Department by the Oregon Department of Justice, Salem, Oregon.

FINANCIAL STATEMENTS

The audited financial statements of the Oregon Housing and Community Services Department as of and for the fiscal year ended June 30, 2026, together with the independent auditor's report dated October 30, 2026, of the Office of the Secretary of State, Audits Division, are included as APPENDIX B hereto.

MUNICIPAL ADVISOR

Caine Mitter & Associates Incorporated ("**Caine Mitter**") has been engaged as a municipal advisor to the Department 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 Department 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 Department. 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.

CERTAIN INFORMATION RELATING TO INVESTMENTS

The State Treasurer invests moneys held on behalf of State agencies, including the Department, and participating local governments through two pooled investment vehicles or through separate accounts with guidelines specific to each agency's investment needs. Such guidelines are subject to change from time to time. Some of the agency moneys invested by the State Treasurer are bond proceeds pending disbursement or moneys held for bond debt service. The State's investment policies are governed by Oregon Revised Statutes and the Oregon Investment Council (the "**OIC**"). The OIC, created by a 1965 legislative act, establishes investment policies for all State funds. The State Treasurer is responsible for implementing those policies. The Governor appoints four of the OIC's five voting members, who are subject to confirmation by the Oregon Senate. The State Treasurer serves by statute. The State Treasurer pooled investment vehicles for state moneys are the statutory Oregon Short Term Fund (the "**OSTF**") and the internally established Oregon Intermediate Term Pool (the "**OITP**").

Prior to transfer to the Trustee, Revenue Account funds received as payments on Mortgage Loans are held on deposit in accounts of the State Treasury that are invested in the OSTF. Revenue Account funds are not invested in the OITP. Funds in other Accounts established by or pursuant to the Indenture are not invested in the OSTF or OITP. No amounts in the OSTF, the OITP, or any other fund or account of the State Treasurer, provide any security for the Bonds.

The OSTF is a short-term cash investment vehicle created by statute to invest state agency and Oregon local government moneys. The OSTF is not registered with the U.S. Securities and Exchange Commission as an investment company. The State Treasurer manages the OSTF within guidelines established by the OIC, with advice from and in consultation with, the OSTF Board. Primary investment objectives established for the fund are, in order of priority: preservation of principal, liquidity and yield. As of September 30, 2026, the OSTF totaled approximately $31.2 billion.

The current OSTF guidelines require at least 50% of the portfolio to mature or re-price within 93 days. No more than 25% of the portfolio may have a maturity longer than one year; and no investments may have a maturity longer than three years as measured from the settlement date of the initial transaction. Maturity dates are calculated using proxies permitted by OIC-approved policy for securities that have been called, securities with a put option, variable-rate securities and Asset-Backed securities. The target weighted average credit quality of the portfolio must be a minimum of AA by nationally recognized statistical rating organizations ("**NRSRO**") or greater than 26.50 as computed using the ratings as determined by OSTF policies for each class of security and the applicable NRSRO rating. The current OSTF guidelines allow the following (subject to change at any time):

Issue Type	**Maximum Holdings % or $**	**Minimum Ratings S&P/Moody's/Fitch**
U.S. Treasury Obligations (1)	100%	None
U.S. Agency Securities (1) Per Issuer	100% 33%	None None
Foreign Government & Instrumentalities (1) Per Issuer	25% 10%	AA-/Aa3/AA-
Corporate Securities (Total) Corporate Bonds Commercial Paper (2) Per Issuer	50% 50% 50% 5%	A-/A3/A- A-1/P-1/F-1
Asset-Backed Securities Per Issuing Trust	25% 5%	AAA/Aaa/AAA A-1+/P-1/F-1+
Negotiable Certificates of Deposit Per Issuer	20% 5%	A-1/P-1/F-1
Bankers' Acceptances Per Issuer	20% 5%	A-1/P-1/F-1
Time Certificates of Deposit (3) Per Issuer	20% 5%	None
Municipal Debt (Total) Municipal Commercial Paper Short Term Municipal Obligations Per Issuer	25% 25% 25% 10%	AA-/Aa3/AA- A-1/P-1/F-1 SP-1/(V)MIG1/F-1
Repurchase Agreements (4) Per Counterparty	100% 5%	None
Oregon Local Government Intermediate Fund ("**OLGIF**")	$250 Million	A-/A3/A-

(1) Securities guaranteed by the U.S. Treasury, a U.S. Agency or a Foreign Government or its Instrumentality will be considered a U.S. Treasury, a U.S. Agency or a Foreign Government or its Instrumentality for the purposes of this policy.
(2) Commercial Paper (CP) must have top-tier short-term ratings by at least two of the nationally recognized statistical rating organizations at the time of purchase.
(3) Permitted Time Certificates of Deposit (TCDs) will be limited to qualified depositories meeting the requirements of ORS 295.008. Maximum TCD exposure per depository must be no more than 5% of the

issuing bank's total deposits, or $250,000, whichever is greater. Maximum credit union exposure per depository shall be $250,000.

(4) Repurchase Agreements (Repos) must have a maximum maturity of 93 days, be with counterparties with net capital greater than $100 million, Repos must equal no more than 2% of a counterparty's liabilities, counterparties must be a Primary Dealer as recognized by the Federal Reserve Bank or the State Treasurer's custodial agent and have a signed agreement, collateral for repurchase agreements may be U.S. Treasury or U.S. Agency Discount and Coupon securities with a final maturity of three years or less and the market value of the delivered collateral must be maintained at not less than 102% of the cash invested.

The State's custodian, State Street Bank and Trust Company, periodically lends securities in the OSTF to primary dealers, as recognized by the Federal Reserve Bank, on a fully collateralized basis.

SECONDARY MARKET DISCLOSURE

The State, acting by and through the State Treasurer and the Department, is entering into an undertaking (the "**Continuing Disclosure Certificate**") for the benefit of the holders of the Offered Bonds to send certain financial information and operating data annually and to provide notice of certain events to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system, pursuant to the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12). A copy of the proposed form of the Continuing Disclosure Certificate for the Offered Bonds is contained in APPENDIX F hereto.

RATINGS

The Fixed Rate Bonds are rated Aa2 by Moody's Ratings ("**Moody's**"). The Variable Rate Bonds are expected to be rated Aa2/VMIG 1 by Moody's. The assignment of such ratings with respect to the Variable Rate Bonds by Moody's (i) will be conditioned upon the effectiveness of the Initial Liquidity Facility at the time of their delivery and (ii) is a condition precedent to the obligation of J.P. Morgan Securities LLC to purchase the Variable Rate Bonds (see the second paragraph under "UNDERWRITING" below). Such ratings reflect only the views of Moody's and are not a recommendation to buy, sell or hold the Offered Bonds. An explanation of the significance of such ratings may be obtained from Moody's. There is no assurance that such ratings will be maintained for any given period of time or may not be raised, lowered, suspended or withdrawn entirely by Moody's, if in its judgment, circumstances warrant. Any such downward change in or suspension of or withdrawal of such ratings may have an adverse effect on the market price of the Offered Bonds.

The Department undertakes no responsibility for updating the ratings set forth in this Official Statement except the ratings of the Offered Bonds set forth in the immediately preceding paragraph (see "SECONDARY MARKET DISCLOSURE" above and APPENDIX F hereto). Unless otherwise specified herein, all ratings are as of the date of this Official Statement.

UNDERWRITING

The Fixed Rate Bonds are being purchased by J.P. Morgan Securities LLC; BofA Securities, Inc.; Jefferies LLC; Ramirez & Co., Inc.; Raymond James & Associates, Inc.; and Wells Fargo Bank, National Association (collectively, the "**Underwriters**"). The Underwriters have jointly and severally agreed to purchase the Fixed Rate Bonds at a price of $_____. The Underwriters will receive an underwriting fee of $_____ with respect to their purchase of the Fixed Rate Bonds. The Bond Purchase Agreement with respect to the Fixed Rate Bonds provides that the Underwriters will purchase all of the Fixed Rate Bonds, if any are purchased, subject to certain terms and conditions set forth in such Bond Purchase Agreement. The obligation of the Underwriters to purchase the Fixed Rate Bonds is conditioned on the issuance and delivery of the Variable Rate Bonds. The initial public offering prices of the Fixed Rate Bonds may be changed, from time to time, by the Underwriters. The Underwriters may offer and sell the Fixed Rate Bonds to certain dealers (including dealers depositing the Fixed Rate Bonds into investment trusts) and certain dealer banks and banks acting as agents, at prices lower than the public offering prices stated on the inside cover page hereof.

The Variable Rate Bonds are being purchased by J.P. Morgan Securities LLC ("**JPMS**"). JPMS has agreed to purchase the Variable Rate Bonds at a price equal to par. JPMS will receive an underwriting fee of $_____ with respect to its purchase of the Variable Rate Bonds. The Bond Purchase Agreement with respect to the Variable Rate Bonds provides that JPMS will purchase all of the Variable Rate Bonds, if any are purchased, subject to certain terms and conditions set forth in such Bond Purchase Agreement, including but not limited to the assignment of the ratings described above with respect to the Variable Rate Bonds (see the first paragraph under "RATINGS" above). The obligation of JPMS to purchase the Variable Rate Bonds is conditioned on the issuance and delivery of the Fixed Rate Bonds. The initial public offering price of the Variable Rate Bonds may be changed, from time to time, by JPMS. JPMS may offer and sell the Variable Rate Bonds to certain dealers (including dealers depositing the Variable Rate Bonds into investment trusts) and certain dealer banks and banks acting as agents, at prices lower than the public offering prices stated on the inside cover page hereof.

Information Provided by the Underwriters

This paragraph was provided by JPMS, one of the Underwriters of the Fixed Rate Bonds and the sole underwriter of the Variable Rate Bonds. JPMS has entered into negotiated dealer agreements (each, a "**Dealer Agreement**") with each of Charles Schwab & Co., Inc. ("**CS&Co.**") and LPL Financial LLC ("**LPL**") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Offered Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Offered Bonds that such firm sells.

This paragraph was provided by BofA Securities, Inc. ("**BofA**"), one of the Underwriters of the Fixed Rate Bonds. BofA has entered into a distribution agreement with its affiliate, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("**MLPF&S**"). As part of this arrangement, BofA 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 may compensate MLPF&S as a dealer for their selling efforts with respect to the Fixed Rate Bonds.

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

WFBNA, acting through its Municipal Finance Group, has entered into an agreement (the "**WFA Distribution Agreement**") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("**WFA**"), for the distribution of certain municipal securities offerings, including the Fixed Rate 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 Fixed Rate 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 Fixed Rate 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.

This paragraph was provided by the Underwriters. The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their respective affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the Department, for which they may have received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their respective 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 Department.

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

THE TRUSTEE AND THE TENDER AGENT

This section was provided by U.S. Bank Trust Company, National Association. The Department has appointed U.S. Bank Trust Company, National Association to serve as Trustee pursuant to the Indenture and as Tender Agent pursuant to the Initial Liquidity Facility. U.S. Bank Trust Company, National Association is to carry out those duties assignable to it under the Indenture and the Initial Liquidity Facility. Except for the contents of this section, U.S. Bank Trust Company, National Association has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Official Statement.

The Trustee has no oversight responsibility, and is not accountable, for the use or application by the Department of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the Department. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

ADDITIONAL INFORMATION

Certain provisions of the Act and the Indenture are summarized in this Official Statement. Such summaries do not purport to be comprehensive or definitive and reference is made to such documents for a full and complete statement of their respective provisions. The references to or summaries herein of the Act, the Indenture, the Bond Declarations, the Initial Liquidity Facility and other documents relating to the Offered Bonds contained or referred to herein do not purport to be complete and reference is made to such documents for full and complete statements of their provisions. Copies, in reasonable quantity, of the Act, the Indenture, the Bond Declarations and the Initial Liquidity Facility may be obtained upon request directed to the Oregon Housing and Community Services Department, Capital Markets and Debt Management, 725 Summer Street NE, Suite B, Salem, Oregon 97301-1266 or, during the offering period, to the Underwriters c/o J.P. Morgan Securities LLC, 270 Park Avenue, 3rd Floor, New York, NY 10017.

The information contained above is subject to change without notice, and no implication is to be derived therefrom or from the sale of the Offered Bonds that there has been no change in the affairs of the Department from the date hereof. Pursuant to the Indenture, the Department has covenanted to keep proper books of record and account in which full, true and correct entries will be made of all its dealings and transactions under the Indenture and to cause such books to be audited for each fiscal year. The Indenture requires that such books be open to inspection at all reasonable times by any Bondowners during regular business hours.

This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used in whole or in part, for any other purpose. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Department and the purchasers or owners of any of the Offered Bonds.

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

STATE OF OREGON
Elizabeth Steiner, MD
State Treasurer

By: _____
Jaime Alvarez
Director, Debt Management Division

STATE OF OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT

By: _____
Caleb Yant
Deputy Director

November ___, 2026

APPENDIX A

SUMMARY OF CERTAIN MORTGAGE INSURANCE AND SECURITY GUARANTY PROGRAMS

Introduction

The United States Department of Housing and Urban Development ("HUD"), created by the Housing and Urban Development Act of 1965, is responsible for the administration of various federal programs authorized under the National Housing Act of 1934, as amended (the "National Housing Act"), and the United States Housing Act of 1937, as amended. The Department of Veterans Affairs ("VA") administers the mortgage guarantee program authorized under the Servicemen's Readjustment Act of 1944, as amended (the "Servicemen's Readjustment Act"). Title V of the Housing Act of 1949, as amended, along with similar subsequent legislation, permits the United States Department of Agriculture Rural Development ("RD") to assist low- to moderate-income homebuyers in designated rural areas with obtaining mortgage loans by guarantying a portion of each mortgage loan (the "Single Family Housing Guaranteed Loan Program"). These programs may be financed by annual appropriations from Congress, as well as by mortgage insurance premiums and fees; subsidies and insurance payments are in some cases made from trust funds established under the various programs.

Following is a summary of such programs, and others, relating to mortgages which the Department intends to finance under the Single-Family Mortgage Program and is only a brief outline and does not purport to summarize or describe all of the provisions of such programs. For a more complete description of the terms of such programs, reference is made to the provisions of the contracts embodied in the regulations of the FHA, VA and RD, respectively, and of the regulations, master insurance contracts and other such information of the various private mortgage insurers and federal government guarantors.

Federal Housing Administration Mortgage Insurance Programs

The National Housing Act authorizes various Federal Housing Administration ("FHA") mortgage insurance programs, which differ in some respects depending primarily upon whether the premises contain five or more dwelling units or less than five such units. Insurance benefits are payable upon foreclosure (or other acquisition of possession) and conveyance of the premises to HUD. Assignment of a defaulted loan to FHA is not permitted.

Under some of the FHA insurance programs, insurance claims are paid by FHA in cash unless the insured specifically requests payment in debentures issued by FHA. Under others, FHA has the option at its discretion to pay insurance claims in cash or in such debentures. The current FHA policy, subject to change at any time, is to make insurance payments on single family mortgage loans in cash with respect to all programs covering such units as to which it has discretion to determine the form of insurance payment. FHA debentures issued in satisfaction of FHA insurance claims bear interest payable semi-annually on January 1 and July 1 of each year at the FHA debenture interest rate in effect under FHA regulations on the date the FHA mortgage insurance commitment was issued or as of the date of the initial insurance endorsement of the mortgage loan, whichever rate is higher.

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

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

The continuation of the availability of FHA mortgage insurance depends on periodic action by the United States Congress to increase the limitation on the aggregate amount of loan guarantees. Through legislative action by the United States Congress or changes in regulations by HUD, the fees and standards for participation in FHA insurance programs may change. The United States Congress has approved and may continue to approve modifications to the FHA insurance program, including increases in insurance premiums and limitations on the financing of fees and down payments. It is not possible to predict the effect of legislative or regulatory action, if any, on the ability of the Department to purchase Mortgage Loans or Guaranteed Mortgage Securities.

Department of Veterans Affairs Guarantee Program

The Servicemen's Readjustment Act permits a veteran (or in certain instances, the veteran's spouse and certain qualifying reservists) to obtain a loan guarantee by the VA covering mortgage financing of the purchase of a one-to-four family dwelling unit at interest rates permitted by the VA. The program has no mortgage loan limits, requires no down payment from the purchaser and permits the guarantee of mortgage loans with terms limited by the estimated economic life of the property, up to approximately 30 years.

The maximum VA mortgage loan guaranty under this program is the lesser of the veteran's "maximum amount of guaranty entitlement" and (a) for home and condominium loans up to $45,000, 50% of the original principal amount of the loan; (b) for home and condominium loans over $45,000 but not more than $56,250, $22,500; (c) for home and condominium loans over $56,250 but not more than $144,000, the lesser of $36,000 or 40% of the original principal amount of the loan; (d) for home and condominium loans over $144,000, 25% of the original principal amount of the loan; or (e) for manufactured home loans, the lesser of 40% of the original principal amount of the loan or $20,000. The "maximum amount of guaranty entitlement" applies only to veterans who had previous VA-guaranteed loans with unreimbursed losses to VA and is (i) for loans described in clauses (a), (b) or (c) of the previous sentence, $36,000 reduced by the amount of such losses, (ii) for loans described in clause (d) of the previous sentence, 25% of the Freddie Mac conforming loan limit, as adjusted, reduced by the amount of such losses and (iii) for loans described in clause (e) of the previous sentence, $20,000 reduced by the amount of such losses.

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

RD Single Family Housing Guaranteed Loan Program

Under its Single Family Housing Guaranteed Loan Program, RD provides mortgage guarantees for eligible households or families for single family rural housing loans. An RD guarantee constitutes an obligation supported by the full faith and credit of the United States. Under the Single Family Housing Guaranteed Loan Program, RD guarantees mortgage loans with terms of 30 years for the acquisition of single family dwellings and related facilities. Such mortgage loans are limited to properties in designated rural areas which are generally defined as being open country or any town, village, city or place, which, in each case, is not a part of or associated with an urban area and which (1) has a population not in excess of 10,000 and is rural in character, or (2) has a population in excess of 10,000 but not in excess of 20,000, is not contained in a Metropolitan Statistical Area and has a serious lack of mortgage credit for low-income and moderate-income households, as determined by the Secretary of Agriculture and the Secretary of HUD. Guaranteed mortgage loans for single family dwellings may be made for up to 100% of the

property's present market value, selling price, or cost of acquisition and development. RD imposes certain loan limitations and other requirements under the program.

Under the RD guarantee, the maximum loss payment will be the lesser of: (1) any loss of an amount equal to 90% of the principal amount actually advanced to the mortgagor, or (2) any loss sustained by the lender of an amount up to 35% of the principal amount actually advanced to the mortgagor, plus any additional loss sustained by the lender of an amount up to 85% of the remaining 65% of the principal amount actually advanced to the mortgagor.

The amount of loss includes only (1) principal and interest evidenced by the note; (2) any loan subsidy due and owing (if applicable); (3) any principal and interest indebtedness on the RD approved protective advances for protection and preservation of collateral; and (4) certain foreclosure costs. Interest is covered by the guarantee to the date of the final loss settlement when the lender conducts liquidation of the collateral in an expeditious manner. Liquidation of the collateral is considered to be upon receipt of the sheriff's deed after expiration of the statutory redemption period. Net proceeds received from liquidation of the collateral will be used in calculating the amount of loss sustained. If the lender acquires the collateral, RD will determine the net proceeds from collateral for calculating loss as follows: (1) the collateral will be appraised at its current market value as of the date of acquisition by the lender, and (2) then is deducted from such appraised value an estimate of liquidation costs, including an allowance for the estimated time the property will be held by the lender. RD will pay its claim based on an appraisal after foreclosure has occurred rather than upon the sale of the property. If the lender sells the collateral to a third party, RD will pay its claim based on the sales price. Final loss payments will be made within 60 days of liquidation of the mortgage loan.

Private Mortgage Insurance Programs

Under policies issued by private mortgage insurers, the maximum amounts insurable range from 90% to 97% of the appraised value or selling price for owner-occupied dwellings, whichever is lower. Requirements of borrower equity vary according to the percentage of the mortgage to be insured. Certain insurers will credit toward the value of the land to be improved, trade-in property or work equity a specified percentage of this amount, if at least a minimum cash equity is met and the home is to be owner-occupied. Although there may be variations among insurers, available coverage by private mortgage insurers is generally limited to first mortgage loans or contracts on improved real estate, with amortization over the term of the loan or contract in substantially equal monthly payments, including accruals for taxes and insurance.

Under the various policies, delinquencies must be reported to the insurer within four months of default, and proceedings to recover title are required to be commenced within nine months of default. It is standard practice for private mortgage insurers to require that lending institutions, prior to presenting a claim under the mortgage insurance, acquire and tender to the private mortgage insurer title to the property, free and clear of all liens and encumbrances, including any right of redemption by the mortgagor. When such claim is presented, the private mortgage insurer will normally retain the option to pay the claim in full and take title to the property and arrange for its sale, or to pay the insured percentage of the claim and allow the insured mortgage lender to retain title to the property.

The amount of loss payable generally includes the principal balance due under the mortgage agreement, plus accumulated interest, real estate taxes and hazard insurance premiums which have been advanced, expenses incurred in the preservation of the insured property, and other expenses necessarily incurred in the recovery proceedings, although in no event will the insurer be required to pay an amount which exceeds the coverage under a policy.

Prior to insuring loans for any mortgage lender, the insurer investigates and evaluates such mortgage lender in the areas of (1) quality of appraisal ability, (2) quality of underwriting ability, (3) net worth and quality of assets and (4) ability and past performance of servicing staff and adequacy of servicing procedures.

Mortgage Pool Insurance and Insurance Reserve Account

The Department is required under the Indenture to obtain Mortgage Pool Insurance providing full coverage for losses of principal and interest on any Mortgage Loan (after payment by any other insurer or guarantor thereof), with an aggregate limitation of coverage equal to 10% of the original principal balance of Mortgage Loans which are required to have the benefits of such Mortgage Pool Insurance.

Under Mortgage Pool Insurance policies, it is generally a condition to payment of a claim on any Mortgage Loan that the insured on the policies advance hazard insurance premiums and, as necessary, real estate taxes, property sales expenses and foreclosure costs (including court costs and reasonable attorneys' fees). In the event of default by a mortgagor, if there is any physical loss or damage to the property from any cause, whether by accidental means or otherwise, it is generally a condition to payment of a claim on a Mortgage Loan that the insured on the policies restore the property to its condition at the time of the issuance of the policies (reasonable wear and tear excepted). Therefore, the policies do not provide coverage against hazard loss.

Policies generally provide that no claim may validly be presented thereunder unless (1) premiums on hazard insurance on the property securing a defaulted Mortgage Loan have been paid and other foreclosure, protection and preservation expenses have been paid and (2) if there has been physical loss or damage to a mortgaged property, it has been restored to its condition at the time the Mortgage Loan was made, subject to reasonable wear and tear. Assuming the satisfaction of these conditions, the insurer has the option, after expiration of any applicable redemption period, to either (i) purchase the property securing the defaulted Mortgage Loan at a price equal to the principal balance thereof plus accrued and unpaid interest at the mortgage rate to the date of purchase and certain expenses on condition that the insurer must be provided with good and merchantable title to the mortgaged property (unless the property has been conveyed pursuant to the terms of the applicable mortgage insurance policy) or (ii) pay the amount by which the sum of the principal balance of the defaulted Mortgage Loan plus accrued and unpaid interest at the mortgage rate to the date of the payment of the claim plus certain expenses exceeds the proceeds received from a sale of the property which the insurer has approved. The policies define an "approved sale" as (1) a sale of a property acquired by the Department to a third party because of a default by the mortgagor and to which the insurer has given prior approval, or (2) a foreclosure or trustee's sale of a property to a third party at a price exceeding the maximum amount specified by the insurer to be bid by the Department. In circumstances referred to in both (1) and (2) the amount of payment may be reduced by the amount of loss paid under the applicable mortgage insurance policy.

Claims for losses must generally be filed with the insurer within 60 days after the insured has conveyed title to the property pursuant to an approved sale, and the insurer then has 30 days from the date of filing to pay the claim.

The following table summarizes certain information relating to each Mortgage Pool Insurance policy and the outstanding Mortgage Loans covered as of September 30, 2026.

Series of Bonds	Insurer (1)	Date of Policy	Aggregate Net Loss Limitation	Balance of Insured Mortgage Loans
2017 Series A/B/C (Previously 2007 Series C/D/E)	MGIC	7/31/2007	$2,932,570	$580,498
2017 Series A/B/C (Previously 2007 Series F/G/H)	MGIC	11/20/2007	3,309,965	210,969
2017 Series D/E (Previously 2008 Series D/E)	MGIC	5/13/2008	2,010,743	142,722

(1) MGIC refers to Mortgage Guaranty Insurance Corporation, Milwaukee, Wisconsin.

When such coverage is required, the Department will fund an Insurance Reserve Account in the Housing Finance Fund in the amounts described under "SECURITY FOR THE BONDS – Mortgage Loans – Insurance Reserve Account." The amount on deposit in the Insurance Reserve Account will be used only to pay the amount of any net loss realized by the Department as a result of default in payments by a mortgagor on any Mortgage Loan entitled to the benefits of such Insurance Reserve Account, after consideration of any payment under any mortgage insurance or guarantee.

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Guaranteed Mortgage Securities

GNMA Mortgage-Backed Securities

The Government National Mortgage Association ("GNMA") is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development ("HUD") with its principal office in Washington, D.C. The Guaranteed Mortgage Securities financed under the Indenture may include Mortgage-Backed Securities issued by GNMA (the "GNMA Securities").

GNMA offers two programs, GNMA I and GNMA II, under which GNMA Securities may be issued. With the proceeds of Bonds, the Department may purchase, as Guaranteed Mortgage Securities, GNMA Securities issued under GNMA I or GNMA II, GNMA Securities issued under any program GNMA institutes in the future and any securities issued by any other Department or instrumentality of or chartered by the United States which has similar powers. GNMA guarantees the timely payment of the principal of and interest on the GNMA Security.

In order to issue the GNMA Securities, the servicer must first apply to and receive from GNMA a commitment to guarantee securities. A GNMA commitment authorizes the servicer to issue GNMA Securities up to a stated amount during a one-year period following the date of the commitment. The servicer is required to pay the application fee to GNMA for such commitments. The amount of commitments to guarantee GNMA Securities that GNMA can approve in any federal fiscal year is limited by statute and administrative procedures. The total annual amount of available commitments is established in appropriation acts and related administrative procedures.

The issuance of each GNMA Security is subject to the following conditions, among others: (1) the origination by the lenders of mortgage loans in a minimum aggregate principal amount at least equal to the minimum size permitted by GNMA for each GNMA Security (such origination being subject, among other conditions, to the availability of FHA mortgage insurance), (2) the submission by the servicer to GNMA of certain documents required by GNMA in form and substance satisfactory to GNMA, (3) the servicer's continued compliance, on the date of issuance of the GNMA Security, with all of GNMA's eligibility requirements, specifically including, but not limited to, certain net worth requirements, (4) the servicer's continued approval by GNMA to issue GNMA Securities, and (5) the servicer's continued ability to issue, execute and deliver the GNMA Security, as such ability may be affected by the servicer's bankruptcy, insolvency or reorganization. In addition, the issuance of a GNMA Security by the servicer is subject to the condition that GNMA must have entered into a guaranty agreement with the servicer.

GNMA Security. GNMA is authorized by Section 306(g) of Title III of the National Housing Act to guarantee the timely payment of the principal of and interest on securities which are based on and backed by, among other things, a mortgage insured by FHA under the National Housing Act. Said Section 306(g) further provides that "[t]he full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection." An opinion dated December 9, 1969, of an Assistant Attorney General of the United States states that such guarantees under said Section 306(g) of mortgage-backed securities of the type to be delivered to the Trustee by the servicer are authorized to be made by GNMA and "would constitute general obligations of the United States backed by its full faith and credit."

GNMA Borrowing Authority. In order to meet its obligations under such guaranty, GNMA, in its corporate capacity under Section 306(d) of Title III of the National Housing Act, may issue its general obligations to the United States Department of the Treasury (the "Treasury") in an amount outstanding at any one time sufficient to enable GNMA, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the GNMA Securities. The 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 Treasury to the Secretary of HUD that the Treasury will make loans to GNMA, if needed, to implement the aforementioned guaranty.

GNMA will warrant to the Trustee, as the holder of the GNMA Securities, that, in the event it is called upon at any time to make good its guaranty of the payment of principal and interest on any GNMA Security, it will, if necessary, in accordance with the aforesaid Section 306(d), apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make such payment.

Servicing of the Mortgage Loans. Under contractual arrangements entered into by and between the servicer and GNMA, the servicer is responsible for servicing and otherwise administering the mortgage loans in accordance with generally accepted practices of the mortgage lending industry and the GNMA Servicer's Guide (copies of which may be obtained from GNMA at the Office of Mortgage-Backed Securities, 451 Seventh Street, S.W., Washington, D.C. 20410 or accessed at http://www.ginniemae.gov).

The monthly remuneration of the servicer, for its servicing and administrative functions, and the guaranty fee charged by GNMA, are based on the unpaid principal amount of the GNMA Securities outstanding. Each GNMA Security carries an interest rate that is below the interest rate on the underlying mortgage loans because the servicing and guaranty fees are deducted from payments on the mortgage loans before such payments are forwarded to the trustee.

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

The servicer is required to advise GNMA in advance of any impending default on scheduled payments so that GNMA, as guarantor, will be able to continue such payments as scheduled on the applicable payment date. However, if such payments are not received as scheduled, the Trustee has recourse directly to GNMA.

Guaranty Agreement. A GNMA guaranty agreement which is entered into by GNMA and the servicer upon issuance of the GNMA Security (the "GNMA Guaranty Agreement") provides that, in the event of a default by the servicer, including (1) a request to GNMA to make a payment of principal or interest on a GNMA Security when a mortgagor is in default under his mortgage, (2) insolvency of the servicer or (3) default by the servicer under any other guaranty agreement with GNMA, GNMA shall have the right, by letter to the servicer, to effect and complete the extinguishment of the servicer's interest in the mortgage loans, and the mortgage loans shall thereupon become the absolute property of GNMA, subject only to the unsatisfied rights of the holder to the GNMA Security. In such event, the GNMA Guaranty Agreement will provide that on and after the time GNMA directs such a letter of extinguishment to the servicer, GNMA shall be the successor in all respects to the servicer 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 servicer's indemnification of GNMA), theretofore placed on the servicer 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 of GNMA in its capacity as guarantor of the GNMA Security, or otherwise adversely affect the rights of the holders thereof.

Fannie Mae Mortgage-Backed Securities

Information regarding the conservatorship of Fannie Mae is provided below under the heading "Federal Housing Finance Agency Actions."

Fannie Mae is a government sponsored enterprise organized and existing under the Federal National Mortgage Association Charter Act. Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market.

Fannie Mae provides funds to the mortgage market primarily by purchasing mortgage loans from lenders, thereby replenishing their funds for additional lending. Fannie Mae acquires funds to purchase mortgage loans from many capital market investors that may not ordinarily invest in mortgage loans, thereby expanding the total amount of funds available for housing.

Fannie Mae Security. Fannie Mae also issues mortgage-backed securities ("Fannie Mae Securities") primarily in exchange for pools of mortgage loans from lenders. Fannie Mae receives guaranty fees for its guaranty of

timely payment of principal of and interest on Fannie Mae Securities. The issuance of Fannie Mae Securities enables Fannie Mae to further its statutory purpose of increasing the liquidity of residential mortgage loans.

Each Fannie Mae Security which qualifies as a Guaranteed Mortgage Security under the Indenture will be backed by a pool of mortgage loans which may consist of fixed-rate FHA Loans, VA Loans or conventional loans with original terms to maturity of eight to thirty years. Fannie Mae guarantees to each registered holder of a Fannie Mae Security that it will distribute amounts representing such Securityholder's proportionate interest in scheduled principal and interest payments, and any principal prepayments, on the mortgage loans in the pool represented by such Fannie Mae Security (less servicing and guarantee fees aggregating the excess of the interest on such mortgage loans over the Fannie Mae Security's pass-through rate), and such Securityholder's proportionate interest in the full principal amount of any foreclosed or other liquidated mortgage loan, in each case whether or not such amounts are actually received.

The obligations of Fannie Mae under its guarantees are obligations solely of Fannie Mae and are not backed by, nor entitled to, the full faith and credit of the United States. If Fannie Mae were unable to satisfy such obligations, distributions to holders of Fannie Mae Securities would consist solely of payments and other recoveries on the underlying mortgage loans and, accordingly, monthly distributions to holders of Fannie Mae Securities would be affected by delinquent payments and defaults on such mortgage loans.

Fannie Mae Uniform Mortgage-Backed Securities. Since June 3, 2019, Fannie Mae has also issued new, common, single mortgage-backed securities, known as Uniform Mortgage-Backed Securities ("Fannie Mae UMBSs"). Similar to traditional Fannie Mae Securities, Fannie Mae UMBSs finance fixed-rate mortgage loans and are guaranteed by Fannie Mae. Fannie Mae UMBSs are sold into the TBA market along with Freddie Mac UMBSs (defined below). As first-level securities, Fannie Mae UMBSs and Freddie Mac UMBSs (together, "UMBSs") are backed by fixed-rate mortgage loans purchased entirely by either Fannie Mae or Freddie Mac (defined below), thereby preventing any commingling of collateral. UMBSs have the same structure regardless of the issuer, including the same interest accrual period and 55-day payment delay for investors. UMBSs resemble Fannie Mae Securities and Freddie Mac has altered its security structure to further align its UMBSs with Fannie Mae Securities. Both Fannie Mae and Freddie Mac may be required to consult with each other to ensure that their UMBS programs or policies do not cause or have the potential to cause cash flows to investors of mortgage-backed securities to misalign. For additional information regarding UMBSs, see "Freddie Mac Mortgage-Backed Securities" below.

Freddie Mac Mortgage-Backed Securities

Information regarding the conservatorship of the Federal Home Loan Mortgage Corporation ("Freddie Mac") is provided below under the heading "Federal Housing Finance Agency Actions."

Freddie Mac is a shareholder-owned, government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. Sections 1451-1459. Freddie Mac's statutory mission is to provide stability in the secondary market for home mortgages, to respond appropriately to the private capital market and to provide ongoing assistance to the home mortgage secondary market by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for home mortgage financing.

Freddie Mac Security. The principal activity of Freddie Mac consists of the purchase of first-lien, conventional, residential mortgages and participation interests in such mortgages from mortgage lending institutions and the resale of the whole loans and participations so purchased in the form of guaranteed mortgage securities (the "Freddie Mac Securities"). Freddie Mac generally matches its purchases of mortgages with sales of Freddie Mac Securities. Mortgages retained by Freddie Mac are financed with short- and long-term debt and equity capital.

Each Freddie Mac Security which qualifies as a Guaranteed Mortgage Security under the Indenture will represent an undivided interest in a pool of fixed-rate, first-lien conventional mortgage loans or FHA and VA Loans, or participation interests therein. Freddie Mac guarantees to each registered holder of a Freddie Mac Security that it will distribute amounts representing such Securityholder's proportionate interest in interest payments on the mortgage loans in the pool represented by such Freddie Mac Securities (less servicing and guarantee fees aggregating the excess of the interest on such mortgage loans over the Freddie Mac Security's pass-through rate), whether or not such amount

is actually received. With respect to certain Freddie Mac Securities, Freddie Mac guarantees the Securityholder's proportionate interest in scheduled principal payments on such mortgage loans, if timely received and also guarantees ultimate collection of scheduled principal payments, prepayments of principal and the remaining principal balance in the event of a foreclosure or other disposition of a mortgage loan. With respect to such Freddie Mac Securities, Freddie Mac may remit the amount due on account of its guarantee of collection of principal at any time after default on an underlying mortgage, but not later than (i) thirty days following foreclosure sale, (ii) thirty days following payment of the claim by any mortgage insurer, or (iii) thirty days following the expiration of any right of redemption, whichever occurs later, but in any event no later than one year after demand has been made upon the mortgagor for accelerated payment of principal.

The obligations of Freddie Mac under its guarantees are obligations solely of Freddie Mac and are not backed by, nor entitled to, the full faith and credit of the United States. If Freddie Mac were unable to satisfy such obligations, distributions to holders of Freddie Mac Securities would consist solely of payments and other recoveries on the underlying mortgage loans and, accordingly, monthly distributions to holders of Freddie Mac Securities would be affected by delinquent payments and defaults on such mortgage loans.

Freddie Mac Uniform Mortgage-Backed Securities. Since June 3, 2019, Freddie Mac has also issued new, common, single mortgage-backed securities, known as Uniform Mortgage-Backed Securities ("Freddie Mac UMBSs"), which are sold in the TBA market along with Fannie Mae UMBSs. The UMBS program is designed to create a single, liquid market for both Fannie Mae and Freddie Mac mortgage-backed securities, thus increasing the liquidity for Freddie Mac Securities which have historically traded at lower prices than Fannie Mae Securities. Much like traditional Freddie Mac Securities, Freddie Mac UMBSs finance fixed-rate mortgage loans and are guaranteed by Freddie Mac. As fungible securities, Freddie Mac permits investors to exchange Freddie Mac Securities for "mirror" UMBSs backed by the same loans as the existing securities and with the same characteristics as the corresponding securities. For additional information regarding UMBSs, see "Fannie Mae Mortgage-Backed Securities" above.

Federal Housing Finance Agency Actions

In accordance with the Federal Housing Finance Regulatory Reform Act of 2008 (the "Regulatory Reform Act"), the Federal Housing Finance Agency (the "FHFA") was named as the conservator of both Fannie Mae and Freddie Mac (each, a "GSE") on September 6, 2008. The FHFA immediately succeeded to (1) all rights, titles, powers and privileges of each GSE, and of any stockholder, officer or director of such GSE with respect to the GSE and its assets, and (2) title to all books, records and assets of the GSE held by any other legal custodian or third party. Under the Regulatory Reform Act, the FHFA is authorized to repudiate contracts entered into by a GSE prior to the FHFA's appointment as conservator if the FHFA determines, in its sole discretion, that performance of the contract is burdensome and that repudiation of the contract promotes the orderly administration of the GSEs. This right must be exercised within a reasonable period of time after FHFA's appointment as conservator.

On September 7, 2008, the Treasury entered into a "Senior Preferred Stock Purchase Agreement" with each GSE. Those agreements were amended and restated on September 26, 2008, and subsequently amended on May 6, 2009, December 24, 2009 and August 17, 2012. Each such agreement is indefinite in duration and has a maximum capacity of $200 billion, which amount will increase as necessary to accommodate any cumulative reduction in net worth calculated on a quarterly basis through December 31, 2012. If the FHFA determines that a GSE's liabilities have exceeded its assets under generally accepted accounting principles, the Treasury is required by the agreement to contribute cash capital to the GSE in an amount equal to the difference between liabilities and assets.

So long as the GSEs remain in their current conservatorship and are not placed into receivership, (i) FHFA has no authority to repudiate any contracts entered into after the GSEs were placed into conservatorship, including the GSEs' guaranties related to Securities they issued during their respective conservatorships, and (ii) the rights of holders of securities issued during such conservatorship are not restricted.

Under the Regulatory Reform Act, FHFA must place a GSE into receivership if the FHFA's Director makes a determination that the GSE's assets are, and for a period of 60 days have been, less than the GSE's obligations, or the GSE is unable to pay its debts and have been unable to do so for a like period. The FHFA Director may also place a GSE into receivership in his or her discretion for certain other reasons. A receivership would terminate the FHFA's

current conservatorship. If FHFA were to become the receiver of a GSE, it could exercise certain powers that could adversely affect the Department (as holder of the GSE's Securities), as explained below.

As receiver, FHFA could repudiate any contract entered into by a GSE prior to its appointment as receiver if FHFA determines, in its sole discretion, that performance of the contract is burdensome and that repudiation of the contract promotes the orderly administration of the GSE's affairs. The Regulatory Reform Act requires that any exercise by FHFA of its right to repudiate any contract occur within a reasonable period following its appointment as receiver. If FHFA, as receiver, were to repudiate the guaranty obligations of Fannie Mae or Freddie Mac, the receivership estate would be liable for actual direct compensatory damages as of the date of receivership under the Regulatory Reform Act. Any such liability could be satisfied only to the extent the GSE's assets were available for that purpose. Moreover, if a GSE's guaranty obligations were repudiated, payments of principal and/or interest to holders of the GSE's Securityholders would be reduced as a result of borrowers' late payments or failure to pay or a servicer's failure to remit borrower payments to the trust. In that case, trust administration fees would be paid from mortgage loan payments prior to distributions to Securityholders. Any actual direct compensatory damages owed due to the repudiation of the GSE guaranty obligations may not be sufficient to offset any shortfalls experienced by Securityholders.

In its capacity as receiver, FHFA would have the right to transfer or sell any asset or liability of a GSE without any approval, assignment or consent. If FHFA, as receiver, were to transfer a GSE's guaranty obligation to another party, the Department (as a Securityholder) would have to rely on that party for satisfaction of the guaranty obligation and would be exposed to the credit risk of that party.

During a receivership, certain rights of Securityholders may not be enforceable against FHFA, or enforcement of such rights may be delayed. The Regulatory Reform Act also provides that no person may exercise any right or power to terminate, accelerate or declare an event of default under certain contracts to which a GSE is a party, or obtain possession of or exercise control over any property of a GSE, or affect any contractual rights of the GSE, without the approval of FHFA as receiver, for a period of 90 days following the appointment of FHFA as receiver. If a GSE is placed into receivership and does not or cannot fulfill its guaranty to Securityholders, Securityholders could become unsecured creditors of the GSE with respect to claims made under the GSE's guaranty.

If a GSE emerges from conservatorship and, at a later date, FHFA again were to place the GSE into conservatorship, (i) FHFA would have all of the authority of a new conservator, including the authority to repudiate the guaranty associated with securities issued by the GSE during the current conservatorship, and (ii) certain rights of holders of securities issued during the current conservatorship would again be restricted or eliminated. FHFA currently has all of the authority of a conservator as to securities issued before September 6, 2008, the date the GSEs were placed into conservatorship.

Although the Treasury owns the GSEs' senior preferred stock and has made a commitment under the respective Senior Preferred Stock Purchase Agreements to provide the GSEs with funds under specified conditions to maintain a positive net worth, the U.S. government does not guarantee the GSEs' securities or other obligations.

Fannie Mae currently is required to file periodic financial disclosures with the U.S. Securities and Exchange Commission (the "SEC"), including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, together with any required exhibits. These reports and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. The SEC currently maintains a web site (http://www.sec.gov) that contains reports, proxy statements and other information that Fannie Mae has filed with the SEC. The Senior Preferred Stock Purchase Agreement between the Treasury and Freddie Mac requires Freddie Mac to provide the Treasury with annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K. The Department makes no representation regarding the content, accuracy or availability of any such reports or information filed by Fannie Mae or Freddie Mac with the SEC, or any information provided at such web site. The SEC's web site is not part of this Official Statement.

Homeowners Protection Act of 1998

In July 1998, the U.S. Congress enacted, and the President signed, the Homeowners Protection Act of 1998 (the "**HPA**"). The HPA permits a mortgagor responsible for paying the mortgagor's private mortgage insurance premium to cancel private mortgage insurance on the date on which the principal balance of the mortgage loan is

scheduled to reach 80% of the original value of the residence or on the date on which the principal balance actually reached 80% of the original value of the residence. The original value is the lesser of the sales price or the appraised value at the time the mortgage loan transaction was consummated. In order to effect such cancellation, the mortgagor must request in writing that the cancellation be initiated, must have a good payment history with respect to the mortgage loan (i.e., no mortgage payment was, during the year beginning two years prior to cancellation, 60 or more days delinquent, and no mortgage payment was, during the year beginning one year prior to cancellation, 30 or more days delinquent), and must satisfy any requirements of the lender for evidence that the value of the residence has not declined below its original value and for certification that the mortgagor's equity in the residence is not encumbered by a subordinate loan. The HPA further provides for automatic termination of private mortgage insurance on the date on which the principal balance of the mortgage loan is scheduled to reach 78% of the original value of the residence, or if the mortgagor is not then current on the mortgagor's mortgage loan payments, on the date on which the mortgagor subsequently becomes current on such payments. Even if the private mortgage insurance is not canceled or terminated as described above, the HPA requires that private mortgage insurance must be terminated on the first day of the month immediately following the date that is the midpoint of the amortization period of the mortgage loan if the mortgagor is then current on the mortgagor's mortgage loan payments. The HPA also requires that mortgagors be provided with certain disclosures and notices regarding termination and cancellation of private mortgage insurance. The HPA applies to mortgage loans which are closed on or after July 29, 1999.

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State of Oregon
Housing and Community Services Department

Proprietary Funds - Enterprise Funds
Financial Statements

For the Year Ended June 30, 2026

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Financial Section

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Oregon Secretary of State

Steve Bergmann
Division Director

Independent Auditor's Report

The Honorable Tina Kotek
Governor of Oregon

Andrea Bell, Executive Director
Oregon Housing and Community Services Department

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Elderly and Disabled Housing Fund and the Housing Finance Fund, which collectively comprise the Housing and Community Services Fund, an enterprise fund of the State of Oregon, Housing and Community Services Department (department) as of and for the year ended June 30, 2026, and the related notes to the 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 Housing and Community Services Fund, as of June 30, 2026, and the changes in its financial position and 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the department, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Housing and Community Services Fund, and do not purport to, and do not, present fairly the financial position of the State of Oregon or Oregon Housing and Community Services Department, as of June 30, 2026, the changes in its financial position or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

255 Capitol St NE, Ste 180
Salem, Oregon 97310

Tobias Read
Oregon Secretary of State

Michael Kaplan
Deputy Secretary of State

Information (503) 986-2255
sos.oregon.gov/audits

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing and Community Services Fund's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and

relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2026, on our consideration of the department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the department's internal control over financial reporting and compliance.

Office of the Secretary of State, Audits Division

State of Oregon
October 30, 2026

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Oregon Housing & Community Services Department
Statement of Net Position
Proprietary Funds
June 30, 2026

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Assets and Deferred Outflows of Resources			
Assets			
Current Assets			
Cash and Cash Equivalents	$ 1,417,747	$ 43,451,611	$ 44,869,358
Cash and Cash Equivalents - Restricted	1,929,156	70,669,312	72,598,468
Investments - Restricted	-	36,441,554	36,441,554
Securities Lending Cash Collateral	88,897	66,171	155,068
Accounts Receivable	1,425	431,520	432,945
Accrued Interest Receivable	263,759	6,764,656	7,028,415
Interfund Receivable	111,858	12,859	124,717
Due from Governmental Funds	51,464	257,706	309,170
Loans Receivable	2,849,834	27,683,800	30,533,634
Acquired Property	-	959,402	959,402
Total Current Assets	6,714,140	186,738,591	193,452,731
Noncurrent Assets			
Cash and Cash Equivalents - Restricted	71,821,893	43,332,895	115,154,788
Investments - Restricted	1,202,237	460,086,375	461,288,612
Accounts Receivable	-	40,825	40,825
Loans Receivable	29,884,055	878,429,721	908,313,776
Swap Fair Value Asset	-	16,847,641	16,847,641
Other Derivative Instruments	-	94,853	94,853
Net Other Postemployment Benefits Asset	15,612	218,441	234,053
Capital Assets (Net)	37,129	643,863	680,992
Total Noncurrent Assets	102,960,926	1,399,694,614	1,502,655,540
Total Assets	109,675,066	1,586,433,205	1,696,108,271
Deferred Outflows of Resources			
Loss on Debt Refundings	-	201,052	201,052
Related to Pensions	305,171	5,544,422	5,849,593
Related to Other Postemployment Benefits	2,830	32,968	35,798
Total Deferred Outflows of Resources	308,001	5,778,442	6,086,443
Total Assets and Deferred Outflows of Resources	$ 109,983,067	$ 1,592,211,647	$ 1,702,194,714

The accompanying notes are an integral part of the financial statements.

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	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable	$ 6,998	$ 1,494,083	$ 1,501,081
Accrued Interest Payable	328,706	24,387,542	24,716,248
Obligations Under Securities Lending	88,897	66,171	155,068
Interfund Payable	12,859	111,858	124,717
Due to Governmental Funds	5,816	840,635	846,451
Unearned Revenue	25,876	225,801	251,677
Compensated Absences Payable	24,338	591,922	616,260
Subscription-Based IT Arrangement Obligations	12,558	309,797	322,355
Bonds Payable	1,160,000	58,120,000	59,280,000
Pension-related Debt Payable	5,185	18,576	23,761
Total Current Liabilities	1,671,233	86,166,385	87,837,618
Noncurrent Liabilities			
Compensated Absences Payable	50,548	1,229,377	1,279,925
Subscription-Based IT Arrangement Obligations	12,091	114,806	126,897
Bonds Payable	15,609,783	1,237,085,433	1,252,695,216
Arbitrage Rebate Liability	-	6,937,291	6,937,291
Pension-related Debt Payable	11,486	41,155	52,641
Net Pension Liability	800,980	11,207,732	12,008,712
Total Other Postemployment Benefits Liability (PEBB)	19,640	215,800	235,440
Total Noncurrent Liabilities	16,504,528	1,256,831,594	1,273,336,122
Total Liabilities	18,175,761	1,342,997,979	1,361,173,740
Deferred Inflows of Resources			
Accumulated Increase in Fair Value of Hedging Derivatives	-	16,847,641	16,847,641
Deferred Loan Origination Fees	176,436	3,526,471	3,702,907
Related to Pensions	45,633	638,508	684,141
Related to Other Postemployment Benefits	6,269	73,393	79,662
Total Deferred Inflows of Resources	228,338	21,086,013	21,314,351
Net Position			
Net Investment in Capital Assets	12,481	219,260	231,741
Restricted for Residential Assistance	-	1,214,098	1,214,098
Restricted for Other Postemployment Benefits	15,611	218,441	234,052
Restricted by Trust Indentures	90,402,973	179,543,205	269,946,178
Unrestricted	1,147,903	46,932,651	48,080,554
Total Net Position	91,578,968	228,127,655	319,706,623
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 109,983,067	$ 1,592,211,647	$ 1,702,194,714

The accompanying notes are an integral part of the financial statements.

Oregon Housing & Community Services Department
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2026

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Operating Revenues			
Interest on Loans	$ 1,447,472	$ 40,187,162	$ 41,634,634
Administrative Charges and Fees	99,128	9,024,009	9,123,137
Low Income Housing Tax Credit Fees	-	6,093,596	6,093,596
Gain on Sale of Foreclosed Property	-	213,771	213,771
Miscellaneous Revenue	1,734	741,004	742,738
Total Operating Revenues	1,548,334	56,259,542	57,807,876
Operating Expenses			
Personal Services	868,030	18,415,999	19,284,029
Services and Supplies	259,112	4,604,101	4,863,213
Mortgage Service Fees	9,699	3,323,434	3,333,133
Foreclosure Costs	-	80,593	80,593
Other Related Program Expenses	-	3,350,116	3,350,116
Depreciation/Amortization	8,867	169,994	178,861
Bad Debt Expense	-	26,442	26,442
Total Operating Expenses	1,145,708	29,970,679	31,116,387
Operating Income	402,626	26,288,863	26,691,489
NonCapital Subsidies			
Transfers from Other Funds	-	3,900,000	3,900,000
Transfers to Other State Agencies	(23,716)	(494,114)	(517,830)
Total NonCapital Subsidies	(23,716)	3,405,886	3,382,170
Operating Income and NonCapital Subsidies	378,910	29,694,749	30,073,659
Other Nonoperating Revenues (Expenses)			
Investment Income	3,175,305	25,414,606	28,589,911
Other Derivative Income	-	45,428	45,428
Bond Issuance Costs	-	(1,811,660)	(1,811,660)
Interest Expense - Bonds	(802,503)	(45,147,460)	(45,949,963)
Interest Expense - Securities Lending	(19,994)	(22,906)	(42,900)
Interest Expense - Pension-related Debt	(2,171)	(7,778)	(9,949)
Interest Expense - Subscription-Based IT Assets	(509)	(12,755)	(13,264)
Gain (Loss) on Debt Extinguishment	-	3,015,808	3,015,808
Gain (Loss) on Disposition of Capital Assets	(11)	(308)	(319)
Total Other Nonoperating Revenues (Expenses)	2,350,117	(18,527,025)	(16,176,908)
Increase (Decrease) in Fund Net Position	2,729,027	11,167,724	13,896,751
Fund Net Position - Beginning	88,849,941	216,959,931	305,809,872
Fund Net Position - Ending	$ 91,578,968	$ 228,127,655	$ 319,706,623

The accompanying notes are an integral part of the financial statements.

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Oregon Housing & Community Services Department
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2026

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Cash Flows from Operating Activities			
Received from Customers	$ 97,702	$ 14,829,264	$ 14,926,966
Program Loan Principal Repayments	2,141,095	73,068,744	75,209,839
Program Loan Interest Received	1,458,633	39,764,679	41,223,312
Program Loans Made	-	(6,836,583)	(6,836,583)
Payments to Employees for Services	(833,804)	(17,063,704)	(17,897,508)
Payments to Suppliers for Goods and Services	(267,697)	(7,859,582)	(8,127,279)
Other Receipts (Payments)	(7,114)	(2,482,855)	(2,489,969)
Net Cash Provided (Used) in Operating Activities	2,588,815	93,419,963	96,008,778
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	-	189,601,472	189,601,472
Principal Payments - Bonds	(1,155,000)	(82,585,000)	(83,740,000)
Interest Payments - Bonds	(826,035)	(43,211,147)	(44,037,182)
Bond Issuance Costs	-	(1,959,253)	(1,959,253)
Other Derivative Receipts	-	16,042	16,042
Principal Payments - Pension-related Debt	(5,748)	(20,596)	(26,344)
Interest Payments - Pension-related Debt	(2,171)	(7,778)	(9,949)
Transfers from Other Funds	-	3,900,000	3,900,000
Transfers to Other State Agencies	(22,570)	(473,857)	(496,427)
Net Cash Provided (Used) in Noncapital Financing Activities	(2,011,524)	65,259,883	63,248,359
Cash Flows from Capital and Related Financing Activities			
Subscription-Based IT Arrangement Principal Payments	(18,430)	(256,072)	(274,502)
Subscription-Based IT Arrangement Interest Payments	(975)	(21,176)	(22,151)
Net Cash Provided (Used) in Capital and Related Financing Activities	(19,405)	(277,248)	(296,653)
Cash Flows from Investing Activities			
Purchase of Investments	-	(629,368,155)	(629,368,155)
Proceeds from Sales and Maturities of Investments	-	335,485,806	335,485,806
Interest on Cash and Investments	3,170,037	19,706,315	22,876,352
Investment Income on Securities Lending	19,994	22,906	42,900
Interest Paid on Securities Lending	(19,994)	(22,906)	(42,900)
Net Cash Provided (Used) in Investing Activities	3,170,037	(274,176,034)	(271,005,997)
Net Increase (Decrease) in Cash and Cash Equivalents	3,727,923	(115,773,436)	(112,045,513)
Cash and Cash Equivalents Balance - Beginning	71,440,873	273,227,254	344,668,127
Cash and Cash Equivalents Balance - Ending	$ 75,168,796	$ 157,453,818	$232,622,614
Cash and Cash Equivalents	$ 1,417,747	$ 43,451,611	$ 44,869,358
Cash and Cash Equivalents - Restricted (Current)	1,929,156	70,669,312	72,598,468
Cash and Cash Equivalents - Restricted (Noncurrent)	71,821,893	43,332,895	115,154,788
Total Cash and Cash Equivalents	$ 75,168,796	$ 157,453,818	$232,622,614

The accompanying notes are an integral part of the financial statements.

Continued on the next page

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	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	$ 402,626	$ 26,288,863	$ 26,691,489
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Capital Asset Depreciation/Amortization	8,867	169,994	178,861
Pension-related Debt Actuarial Valuation Adjustment	(1,734)	(6,215)	(7,949)
(Increase)/Decrease in Assets:			
Loan Interest Receivable	10,230	169,457	179,687
Accounts Receivable	(1,425)	(337,808)	(339,233)
Interfund Receivable	(109,772)	(8,364)	(118,136)
Due from Governmental Funds	49,012	(13,395)	35,617
Prepaid Expenses	-	12,452	12,452
Loans Receivable	2,141,095	67,082,386	69,223,481
Acquired Property	-	(715,400)	(715,400)
Net Other Postemployment Benefits Asset	(274)	(22,012)	(22,286)
(Increase)/Decrease in Deferred Outflows of Resources:			
Related to Pensions	26,700	(1,162,891)	(1,136,191)
Related to Other Postemployment Benefits	(170)	(96)	(266)
Increase/(Decrease) in Liabilities:			
Accounts Payable	(8,005)	91,615	83,610
Interfund Payable	8,364	109,772	118,136
Due to Governmental Funds	(6,199)	707,479	701,280
Due to Other Governments	-	(207,320)	(207,320)
Unearned Revenue	25,870	(49,992)	(24,122)
Compensated Absences Payable	27,642	248,365	276,007
Net Pension Liability	54,011	1,641,552	1,695,563
Total Other Postemployment Benefits Liability	4,941	38,636	43,577
Increase/(Decrease) in Deferred Inflows of Resources:			
Deferred Loan Origination Fees	(24,939)	(436,983)	(461,922)
Related to Pensions	(17,349)	(168,075)	(185,424)
Related to Other Postemployment Benefits	(676)	(12,057)	(12,733)
Net Cash Provided (Used) in Operating Activities	$ 2,588,815	$ 93,419,963	$ 96,008,778
Noncash Investing, Capital, and Financing Activities			
Net Change in Fair Value of Investments	$ (14,885)	$ 9,046,643	$ 9,031,758
Foreclosed Property	-	1,791,624	1,791,624
Loan Modifications	-	163,991	163,991
Subscription-Based IT Arrangement Obligationss Initiated	30,487	507,610	538,097
Total Noncash Investing, Capital, and Financing Activities	$ 15,602	$ 11,509,868	$ 11,525,470

The accompanying notes are an integral part of the financial statements.

NOTE 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Oregon Housing and Community Services Department (OHCSD) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

OHCSD is a part of the State of Oregon reporting entity. OHCSD currently operates under the provisions of Sections 456.515 to 456.725 of the Oregon Revised Statutes.

Through sales of bonds, OHCSD finances home ownership and multi-family housing units for elderly, disabled, and lower to moderate income persons. OHCSD has issued revenue bonds for the Single-Family Mortgage Program (Mortgage Revenue Bonds) and Multifamily Housing Revenue Bonds. OHCSD has issued State of Oregon general obligation bonds for the Elderly and Disabled Housing Program. State of Oregon general obligation bonds are authorized by Oregon Constitution Article XI-I(2).

The financial statements and notes include only the bonded debt financial activity of OHCSD's housing bond programs. OHCSD operates governmental fund programs which are not included in this report.

B. Basis of Presentation - Fund Accounting

OHCSD programs and accounts are organized by "funds," each of which is a separate accounting entity. Each major program utilizes a separate set of self-balancing accounts to record the assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses of their activities. OHCSD's housing bond programs are classified in proprietary funds. Proprietary funds contain two types of funds: Enterprise Funds and Internal Service Funds. All housing bond programs of OHCSD are accounted for in the Enterprise Funds.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. OHCSD utilizes two enterprise funds which are differentiated primarily by the type of bond financing employed to support their respective programs:

(1) The Elderly and Disabled Housing Fund accounts for programs that are supported by State of Oregon General Obligation Bonds. Bond proceeds are used to finance elderly housing and residential facilities for elderly households, disabled persons, and their family members. OHCSD is responsible for the administration of this program.

(2) The Housing Finance Fund accounts for programs that are supported by revenue bond financing, including the Multifamily Housing and Single-Family Mortgage Programs. Revenue bond proceeds are used to finance home ownership and multi-family units for lower and moderate income persons. Also part of the Housing Finance Fund are the Combined Program Account and the Housing Finance Account. The Combined Program Account is maintained to act as a reserve against possible deficiencies that may arise in the payment of debt service or related expenses of the Single-Family Mortgage Program. General and administrative costs of these programs are accounted for in the Housing Finance Account. In addition, fees or other monies received by OHCSD in carrying out the responsibilities outlined under Oregon Revised Statutes 456.548 to 456.725 are also included in the Housing Finance Account.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for using the flow of economic resources measurement focus and are maintained on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned

and expenses are recorded at the time related liabilities are incurred. All assets and liabilities associated with the operations of these funds are included on the Statement of Net Position. Assets and liabilities are segregated between current and non-current. Net Position is segregated into Net Investment in Capital Assets, Restricted, and Unrestricted. The Proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. This statement segregates operating revenues, operating expenses, noncapital subsidies, and nonoperating revenues and expenses.

D. Budgets

The Oregon Legislature approves budgets for a biennial period. Operating expenses are subject to limitation and bond related expenses are subject to administrative limitation. Both types of limitation lapse at the end of the biennium. Budgets are adopted on a basis which differs from generally accepted accounting principles and financial reporting standards in the treatment of bond proceeds and loan purchases. For budgetary purposes, these transactions are treated on a cash basis and other operating revenues and expenses are on an accrual basis.

E. Cash Equivalents

For purposes of the Statement of Cash Flows, all OHCSD moneys held in the State Treasury Oregon Short-Term Fund and moneys held in money market mutual funds are considered to be cash equivalents. The money market mutual funds do not have a floating net asset value (NAV). OHCSD records investments with original maturities of three months or less as investments, not cash equivalents.

F. Investments

OHCSD’s investments are stated at fair value. Investment fair value is determined using quoted market prices or quoted market prices for similar investments.

G. Receivables

Receivables included are amounts due that represent revenues earned or accrued in the current period. Types included in this classification relate to interest, mortgage loans receivable, and other miscellaneous receivables. If the last day or days of the fiscal year are on a weekend and an investment matures that weekend, an accounts receivable in the amount of the matured investment is included in the Statement of Net Position.

H. Short-term Interfund Receivable/Payable and Due from/to Governmental Funds

During the course of operations, transactions occur between individual funds for various reasons. Receivable and payable transactions between OHCSD’s enterprise funds are classified as "Interfund Receivable" and "Interfund Payable" on the Statement of Net Position. Receivables and payables between OHCSD’s enterprise funds and OHCSD’s governmental funds are classified as “Due from Governmental Funds” and “Due to Governmental Funds” on the Statement of Net Position.

I. Acquired Property

Acquired properties resulting from mortgage foreclosures are stated at the cost. Cost is defined as the outstanding balance of the mortgage loan, plus major repairs, less any mortgage insurance payments received. Costs relating to the acquisition of such properties are charged to expense as they are incurred.

J. Capital Assets

Capital assets are reported at historical cost or estimated historical cost if the original cost is not determinable. Donated capital assets are reported at their estimated fair market value at the time received. Capital assets costing less than $10,000 or having a useful life of less than one year are not capitalized.

Amortization of leases or subscription-based information technology arrangements (SBITA) is charged as an expense over the length of the lease or SBITA agreement using the straight-line method. Depreciation or amortization of other capital assets is charged as an expense over the estimated useful life using the straight-line method. The estimated useful life of OHCSD's other capital assets is from three to ten years.

K. Rebatable Arbitrage

Internal Revenue Code (IRC) Section 148(f) requires issuers of tax-exempt bonds to rebate investment income earned from bond proceeds that exceeds limits established for each bond issue. These limits are based on the bond yield as calculated for federal tax purposes for each bond issue and are subject to certain exceptions. Arbitrage rebate payments are due not later than 60 days after the end of the fifth anniversary of each bond issue (or other date in compliance with IRC Section 148(f)) and every five years thereafter in an amount at least equal to 90% of the calculated arbitrage liability. Final arbitrage rebate payments are due not later than 60 days after the final retirement of all bonds in an issue in an amount equal to 100% of the calculated arbitrage liability. OHCSD records rebatable arbitrage as a reduction of investment revenue.

L. Compensated Absences

A compensated absence liability is recognized for leave that has not been used if the leave is leave for which an employee has performed the services required to earn the leave, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

M. Bond Discounts and Premiums

Bond discount or premium arising from the sale of serial or term bonds is charged or credited to interest expense over the life of the related bond issue using the bonds-outstanding method of amortization. The removal of unamortized bond discount or bond premium for bonds that are called is recorded in Gain (Loss) on Debt Extinguishment on the Statement of Revenues, Expenses, and Changes in Fund Net Position. Bond discounts and premiums are included in Bonds Payable on the Statement of Net Position.

N. Deferred Debt Refundings

Deferred debt refunding gains or losses are amortized over the shorter of the life of the new debt or the remaining life of the old debt using the bonds-outstanding method of amortization. The bonds-outstanding method of amortization most closely approximates the effective-interest method. The removal of unamortized deferred debt refunding gains or losses for bonds that are called is recorded in Gain (Loss) on Debt Extinguishment on the Statement of Revenues, Expenses, and Changes in Fund Net Position. Loss on Debt Refundings is shown as a Deferred Outflow of Resources and Gain on Debt Refundings is shown as a Deferred Inflow of Resources on the Statement of Net Position.

O. Deferred Loan Origination Fees

Loan origination fees related to points are deferred and recognized as an adjustment to interest revenue over the life of the loan. Deferred loan origination fees are amortized using the interest method and are shown as a Deferred Inflow of Resources and on the Statement of Net Position.

P. Restricted Assets

The use of all cash, cash equivalents, and investments of the Enterprise Fund are generally restricted as to purpose and use by the Bond Declarations and Indentures of Trust. The bond program funds are restricted for acquisition of loans, payment of debt service, and payment of operating costs. Individual reserve accounts have been established to meet certain requirements and the balances of these accounts as of June 30, 2026 were sufficient to meet all legal requirements. When both restricted and unrestricted resources are available to use, it is OHCSD's policy to use restricted resources before using unrestricted resources.

Q. Operating Revenues and Expenses

Statement No. 103 of the Governmental Accounting Standards Board defines operating revenues and expenses as all revenues and expenses other than nonoperating revenue and expenses. Nonoperating revenues and expenses include investment income, revenues and expenses related to financing, interest expenses, and the gain or loss on the disposition of capital assets.

R. Changes in Accounting Principle

For the fiscal year ended June 30, 2026, OHCSD implemented the parts of the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) that apply to proprietary funds.

GASB Statement No. 103, Financial Reporting Model Improvements - This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

GASB Statement No. 104, Disclosure of Certain Capital Assets - This Statement requires certain types of capital assets (leases, intangible right-to-use assets, and subscription-based information technology arrangements) be disclosed separately in the capital assets note disclosures.

GASB Statement No. 105, Subsequent Events - This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed.

NOTE 2. Cash and Cash Equivalents, Investments, and Securities Lending

Deposits

On June 30, 2026, the book balance of cash and cash equivalents was $232,622,614 and the bank balance was $232,857,198. Monies held in demand accounts with the State Treasurer and amounts in the Oregon Short-Term Fund totaled $131,128,287. Additional information about the Oregon Short-Term Fund can be found at www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/pages/default.aspx.

The June 30, 2026 bank balance includes $101,725,411 in money market mutual funds held at OHCSD's trustee. OHCSD considers money market mutual funds to be cash equivalents, not investments, and includes them in Cash and Cash Equivalents – Restricted on the Statement of Net Position. Information about OHCSD's money market mutual funds is included in the Investments section of this note.

A total of $3,500 is held in money market deposit accounts by OHCSD's Bond Trustee as agent. These deposits are insured by FDIC up to $250,000. Anything above $250,000 is uninsured and uncollateralized. The uninsured and uncollateralized deposits are subject to custodial credit risk. Custodial credit risk is the risk that, in the event of a bank failure, deposits may not be returned.

OHCSD does not have a deposit policy.

Investments

OHCSD's Bond Indentures of Trust and investment policy authorize OHCSD to invest in the following types of investments: insured or registered securities explicitly or implicitly guaranteed by the U.S. Government; variable rate demand obligations of state agencies and Housing Finance Authorities outside of Oregon; and investment agreements, collateralized or uncollateralized, with institutions that are rated by nationally recognized rating agencies and rated at least equal to the initial rating on the bonds.

Investments with OHCSD's Trustee consisted of $170,661,000 in U.S. Treasury securities, $147,265,073 in Government National Mortgage Association (GNMA) mortgage-backed securities, $178,601,856 in U.S. Agency securities, and $101,725,411 in money market mutual funds. The investments are held by OHCSD's Bond Trustee in OHCSD's name.

Investments with the State Treasurer consisted of $770,947 in U.S. Treasury Securities and $431,290 in U.S. Agency securities. OHCSD's investments with the State Treasurer are held with the State Treasurer's agent in the name of the State of Oregon and segregated in the Treasurer's records in OHCSD's name.

Fair value is categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of an investment. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. OHCSD's money market mutual funds are Level 1 and all other investments are Level 2.

Interest Rate Risk Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. OHCSD's investment policy specifies that, in order to mitigate interest rate risk, the investment portfolio shall be structured so that securities mature to meet cash requirements, limiting the need to sell securities on the open market before maturity. As of June 30, 2026, OHCSD had the following investments and maturities:

	Credit Rating			Investment Maturities (in Years)			
Investment Type	Moody's	Standard & Poor's	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. Treasury securities	Exempt from Disclosure		$ 171,431,947	$ 169,596,116	$ -	$ -	$ 1,835,831
GNMA securities	Exempt from Disclosure		147,265,073	-	-	-	147,265,073
U.S. Agency securities	Aa1	AA+	47,397,826	470,125	11,771,127	2,440,602	32,715,972
U.S. Agency securities	Not Rated	Not Rated	974,919	974,919	-	-	-
U.S. Agency MBS *	Not Rated	Not Rated	130,660,401	-	-	-	130,660,401
Subtotal			497,730,166	$ 171,041,160	$11,771,127	$ 2,440,602	$312,477,277
Money Market Mutual Funds **	Aaa-mf	AAAm	101,725,411				
Total			$ 599,455,577				

* Federal National Mortgage Association and Federal Home Loan Mortgage Corporation mortgage-backed securities

** Included in Cash and Cash Equivalents - Restricted on the Statement of Net Position

Credit Risk Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. According to OHCSD's investment policy, to mitigate credit risk, funds shall be invested in U.S. Treasury securities, securities backed by the U.S. Government, or variable rate demand obligations of state agencies and Housing Finance Authorities outside of Oregon. Investments in U.S. Treasury securities and GNMA securities are explicitly guaranteed by the U.S. government and are exempt from credit risk disclosure requirements.

Concentration of Credit Risk Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. On June 30, 2026, 34.44% of OHCSD's total investments are U.S. Treasury Securities, 29.59% are GNMA securities, 20.65% are Federal National Mortgage Association securities, and 7.92% are Federal Home Loan Mortgage Corporation securities.

Securities Lending

In accordance with State of Oregon investment policies, state agencies may participate in securities lending. OHCSD is involved in securities lending only with cash balances invested in the Oregon Short-Term Fund (OSTF). As of June 30, 2026, amounts allocated to OHCSD's Enterprise Funds are as follows:

	Fair Value
Securities on loan	$ 3,040,205
Securities lending cash and noncash collateral	$ 3,102,360
Investments purchased with cash collateral	$ 155,060

Securities on loan from the OSTF included U.S. Agency securities (88.90%), domestic fixed income securities (6.10%), and U.S. Treasury securities (5.00%). Additional information about the Oregon Short-Term Fund and securities lending can be found in the Oregon Short-Term Fund financial statements at www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/Pages/default.aspx.

NOTE 3. Loans Receivable

Loans receivable on June 30, 2026 consisted of:

	Loans Receivable
Elderly and Disabled Housing Fund	$ 32,733,889
Housing Finance Fund:	
Mortgage Revenue Bonds	871,208,200
Multifamily Housing Revenue Bonds	21,346,591
Housing Finance Account	13,558,730
Total Housing Finance Fund	906,113,521
Total	$ 938,847,410

The Elderly and Disabled Housing Program provides interim and permanent mortgage financing for the construction, acquisition, or rehabilitation of structures or facilities with housing units for elderly or disabled persons and their families.

Mortgage Revenue Bonds provide financing for single-family homes for at or below median income home buyers. Loans are collateralized by first lien mortgages on the applicable real estate. Of the total mortgage principal balance outstanding on June 30, 2026, 57.35% is federally insured or guaranteed, 0.15% is covered by pool insurance and/or private mortgage insurance, and 42.50% is uninsured. Based on prior experience, OHCSD does not anticipate any material loss in the collection of mortgage loans receivable or in the disposition of acquired properties.

Multifamily Housing Revenue Bonds provide interim and permanent mortgage financing for the construction, acquisition, or rehabilitation of multi-family housing developments within the State that primarily contain housing units for persons or families of lower and moderate income.

Loans in the Housing Finance Account provide financing for the construction, acquisition and/or rehabilitation of affordable housing and down payment assistance loans for lower and moderate income home buyers in Oregon.

NOTE 4. Interfund Balances

Interfund receivables and payables for the year ended June 30, 2026 are summarized below:

	Interfund Receivable	Interfund Payable
Elderly and Disabled Housing Fund	$ 111,858	$ 12,859
Housing Finance Fund	12,859	111,858
Total	$ 124,717	$ 124,717

Balances between funds are the result of timing differences related to the reallocation of expenses.

NOTE 5. Transfers

In fiscal year 2026, $3,900,000 was transferred to the Housing Finance Account from OHCSD's general fund. The funds are to be used to make down payment assistance loans to lower and moderate income home buyers in Oregon.

NOTE 6. Capital Assets

A summary of OHCSD's capital assets on June 30, 2026 is presented in the table below. OHCSD has subscription-based information technology arrangements (SBITA) but has no other outstanding debt related to capital assets:

	Elderly and Disabled Housing Fund				Housing Finance Fund			
	Beginning Balance	Increases	Decreases	Ending Balance	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets:								
Equipment	$ 1,494	$ -	$ -	$ 1,494	$ 3,905	$ -	$ -	$ 3,905
Software	26,370	-	-	26,370	142,191	-	-	142,191
Subtotal	27,864	-	-	27,864	146,096	-	-	146,096
Right To Use Assets:								
Subscription-Based IT Assets	33,180	30,487	21	63,646	643,702	507,610	619	1,150,693
Subtotal	33,180	30,487	21	63,646	643,702	507,610	619	1,150,693
Less Accumulated Depreciation/Amortization:								
Equipment	(1,195)	(149)	-	(1,344)	(3,125)	(390)	-	(3,515)
Software	(26,370)	-	-	(26,370)	(142,191)	-	-	(142,191)
Subscription-Based IT Assets	(17,959)	(8,718)	(10)	(26,667)	(337,927)	(169,604)	(311)	(507,220)
Total Accumulated Depr/Amort	(45,524)	(8,867)	(10)	(54,381)	(483,243)	(169,994)	(311)	(652,926)
Capital Assets, Net	$ 15,520	$ 21,620	$ 11	$ 37,129	$ 306,555	$ 337,616	$ 308	$ 643,863

NOTE 7. Subscription-based Information Technology Arrangements (SBITA) Obligations

OHCSD has entered into SBITAs to obtain the right to use various information technology assets instead of purchasing them. Annual payments to the lessors are to be made each lease year for the life of the agreements.

The SBITAs may include variable payments which are not included in the calculation of the SBITA obligation. The variable payments are determined by evaluating the deliverables outlined in the SBITA agreement. Variable payments excluded from the obligation include fees based on the number of users. Additionally, the variable portion of a fee structure that bills beyond a certain amount based on volume is also excluded, while the fixed component of the fee is included in the obligation.

The following table summarizes, as of June 30, 2026, the amounts needed to pay future SBITA principal and interest payments for each fiscal year:

Fiscal Year Ending June 30	Principal	Interest	Total
2027	$ 322,355	$ 9,812	$ 332,167
2028	114,491	2,764	117,255
2029	6,444	406	6,850
2030	5,962	198	6,160
Total	$ 449,252	$ 13,180	$ 462,432

NOTE 8. Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year is as follows:

	Beginning	Increases	Decreases	Ending Balance	Due Within One Year
Bond Principal	$1,183,270,000	$ 184,520,000	$ 83,520,000	$1,284,270,000	$ 58,990,000
Bond Principal (Direct Placements)	4,600,000	-	220,000	4,380,000	290,000
Bond Premium	22,155,234	5,081,473	3,898,613	23,338,094	
Bond Discount	(13,873)	-	(995)	(12,878)	
Bonds Payable	1,210,011,361	189,601,473	87,637,618	1,311,975,216	59,280,000
Compensated Absences Payable	1,620,178	276,007 *		1,896,185	616,260
SBITA Obligations	353,940	538,098	442,786	449,252	322,355
Arbitrage Rebate Liability	2,458,971	4,478,320	-	6,937,291	-
Pension-related Debt Payable	110,695	-	34,293	76,402	23,761
Net Pension Liability	10,313,149	3,754,239	2,058,676	12,008,712	-
Total OPEB Liability	191,863	55,868	12,291	235,440	-
Total Long Term Liabilities	$1,225,060,157	$ 198,704,005	$ 90,185,664	$1,333,578,498	$ 60,242,376

* Net Increase

NOTE 9. Pension-Related Debt

Prior to the formation of the PERS State and Local Government Rate Pool (SLGRP), the State and community colleges were pooled together in the State and Community College Pool (SCCP), while local government employers participated in the Local Government Rate Pool (LGRP). SCCP and LGRP were combined to form the SLGRP effective January 1, 2002. The unfunded actuarial liability attributable to the SCCP at the time the SLGRP was formed is maintained separately from the SLGRP and is reduced by contributions and increased for interest charges at the assumed interest rate. The pre-SLGRP liability is essentially a debt owed to the SLGRP by the SCCP employers. The balance of the pre-SLGRP pooled liability attributable to the State is being amortized over the period ending June 30, 2029, reflecting updated actuarial projections from the previously stated end date of December 31, 2027.

The following table summarizes the amounts necessary to pay OHCSD's share of future pension-related debt principal and interest requirements as of June 30, 2026 for each fiscal year until the final principal and interest payments are made in fiscal year 2029:

Fiscal Year Ending June 30	Principal	Interest	Total
2027	$ 23,761	$ 4,869	$ 28,630
2028	25,428	3,201	28,629
2029	27,213	1,416	28,629
Total	$ 76,402	$ 9,486	$ 85,888

NOTE 10. Long-Term Debt

The following table summarizes outstanding bonds by program and series as of June 30, 2026:

General Obligation Bonds

Elderly and Disabled Housing Fund

	Original Issue				Bonds Outstanding				
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
1993 C	1994-2026	2.850	5.650%	$ 13,915,000	$ 405,000	$ -	$ 235,000	$ 170,000	$ 170,000
1994 B	1996-2026	4.200	6.300%	24,400,000	5,000	-	-	5,000	5,000
1995 A	1996-2026	4.000	6.000%	14,100,000	10,000	-	-	10,000	10,000
1995 B	1997-2027	4.000	5.700%	24,240,000	575,000	-	190,000	385,000	200,000
1997 A	1999-2028	4.050	5.375%	8,475,000	5,000	-	-	5,000	-
1998 B	2001-2030	3.550	4.875%	10,285,000	5,000	-	-	5,000	-
1999 B	2000-2031	3.350	5.250%	4,485,000	5,000	-	-	5,000	-
1999 E	2001-2031	5.000	6.250%	19,105,000	10,000	-	-	10,000	-
2001 C	2002-2032	2.700	5.300%	25,325,000	5,000	-	-	5,000	-
2002 C	2003-2043	1.600	5.050%	13,595,000	985,000	-	20,000	965,000	20,000
2007 A	2008-2048	3.650	4.750%	26,300,000	15,910,000	-	710,000	15,200,000	755,000
Subtotal					17,920,000	-	1,155,000	16,765,000	1,160,000
Direct Placements									
2003 C	2013-2034	4.350	5.100%	2,930,000	5,000	-	-	5,000	-
Subtotal					5,000	-	-	5,000	-
Total General Obligation Bonds					$ 17,925,000	$ -	$ 1,155,000	$ 16,770,000	$ 1,160,000

Revenue Bonds

Mortgage Revenue Bonds

	Original Issue				Bonds Outstanding				
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2013 A	2020-2043	2.200	4.050%	$ 21,885,000	$ 3,820,000	$ -	$ 2,005,000	$ 1,815,000	$ 565,000
2013 D	2018-2043	1.650	4.200%	33,225,000	2,535,000	-	1,160,000	1,375,000	955,000
2013 F	2033	3.900	3.900%	8,335,000	4,445,000	-	-	4,445,000	-
2014 A	2019-2044	1.550	4.000%	57,710,000	13,780,000	-	2,975,000	10,805,000	1,465,000
2014 C	2015-2044	0.200	3.750%	30,900,000	8,170,000	-	1,250,000	6,920,000	965,000
2016 A	2017-2047	0.550	4.000%	56,275,000	1,110,000	-	1,110,000	-	-
2016 B	2033	***		13,140,000	13,140,000	-	-	13,140,000	-
2016 C	2037	***		15,000,000	15,000,000	-	430,000	14,570,000	-
2017 A	2018-2047	0.940	4.000%	81,510,000	7,795,000	-	1,670,000	6,125,000	460,000
2017 C	2039	***		44,000,000	38,265,000	-	4,010,000	34,255,000	4,120,000
2017 D	2022-2048	1.400	3.500%	87,390,000	31,565,000	-	3,165,000	28,400,000	2,220,000
2017 E	2018-2040	0.950	3.500%	22,775,000	2,175,000	-	690,000	1,485,000	175,000
2017 F	2042-2048	3.650	3.750%	11,440,000	6,450,000	-	-	6,450,000	-
2017 G	2018-2040	1.400	4.000%	43,730,000	11,945,000	-	1,595,000	10,350,000	655,000
2017 H	2023-2028	2.100	2.800%	16,105,000	9,635,000	-	2,675,000	6,960,000	2,735,000
2018 A	2019-2049	1.750	4.500%	62,590,000	20,455,000	-	3,295,000	17,160,000	2,530,000
2018 B	2035-2043	2.900	2.900%	30,000,000	16,080,000	-	-	16,080,000	-
2018 C	2020-2049	1.600	4.500%	87,420,000	33,505,000	-	3,540,000	29,965,000	1,815,000
2018 D	2020-2050	1.900	4.750%	82,885,000	27,480,000	-	6,840,000	20,640,000	3,965,000
2019 A	2020-2050	1.050	4.000%	99,000,000	67,610,000	-	6,245,000	61,365,000	3,275,000
2020 A	2021-2051	0.300	3.500%	47,905,000	24,765,000	-	4,675,000	20,090,000	2,880,000
2020 B	2037	***		24,500,000	24,500,000	-	-	24,500,000	-

Continued on the next page

Revenue Bonds

Mortgage Revenue Bonds

Continued from the previous page

Original Issue					Bonds Outstanding				
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2020 C	2021-2052	0.200	3.000%	60,000,000	48,590,000	-	2,920,000	45,670,000	2,095,000
2021 A	2022-2052	0.070	3.000%	99,000,000	89,900,000	-	6,385,000	83,515,000	4,860,000
2022 A	2025-2051	2.250	4.000%	77,900,000	72,435,000	-	4,450,000	67,985,000	2,275,000
2022 B	2023-2026	2.650	3.400%	7,000,000	3,000,000	-	2,000,000	1,000,000	1,000,000
2022 C	2024-2053	4.592	5.661%	24,810,000	21,960,000	-	1,885,000	20,075,000	1,465,000
2022 D	2047	***		21,000,000	21,000,000	-	-	21,000,000	-
2023 A	2024-2053	2.800	5.500%	40,005,000	37,565,000	-	2,575,000	34,990,000	1,425,000
2023 B	2025-2036	4.724	5.482%	11,210,000	11,210,000	-	500,000	10,710,000	970,000
2023 C	2025-2053	5.295	6.250%	127,665,000	125,445,000	-	5,950,000	119,495,000	4,975,000
2024 A	2025-2053	3.350	6.500%	38,690,000	38,640,000	-	1,605,000	37,035,000	1,300,000
2024 B	2025-2054	4.996	6.105%	42,205,000	42,205,000	-	275,000	41,930,000	575,000
2024 C	2025-2054	3.200	6.500%	89,325,000	89,325,000	-	5,180,000	84,145,000	4,660,000
2024 D	2043	***		41,000,000	41,000,000	-	-	41,000,000	-
2024 E	2045	***		33,600,000	33,600,000	-	-	33,600,000	-
2025 A	2026-2055	3.250	6.250%	72,120,000	72,120,000	-	800,000	71,320,000	1,045,000
2025 B	2027-2037	4.419	5.700%	20,000,000	20,000,000	-	-	20,000,000	680,000
2025 C	2026-2055	2.850	5.500%	39,185,000	-	39,185,000	45,000	39,140,000	770,000
2025 D	2051	****		20,335,000	-	20,335,000	-	20,335,000	-
2026 A	2027-2056	3.713	6.000%	75,000,000	-	75,000,000	-	75,000,000	475,000
2026 B	2027-2056	2.750	6.250%	50,000,000	-	50,000,000	-	50,000,000	-
Total Mortgage Revenue Bonds					$1,152,220,000	$ 184,520,000	$ 81,900,000	$ 1,254,840,000	$ 57,350,000

*** Interest rates are adjusted weekly based on the weekly rate determined by the Remarketing Agent, not to exceed 12.00%. The interest rate at the end of the fiscal year was 2.68% for 2016 B and 2020 B; 2.77% for 2016 C; 2.63% for 2017 C; 3.72% for 2022 D, 2.67% for 2024 D; and 2.72% for 2024 E.

**** Interest rates are adjusted daily based on the daily rate determined by the Remarketing Agent, not to exceed 12.00%. The interest rate at the end of the fiscal year was 3.05% for 2025 D.

Multifamily Housing Revenue Bonds

Original Issue					Bonds Outstanding				
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2005 A	2007-2047	3.050	5.000%	9,855,000	$ 285,000	$ -	$ 10,000	$ 275,000	$ 10,000
2010 A	2011-2042	0.900	5.150%	77,705,000	2,795,000	-	155,000	2,640,000	160,000
2010 B	2013-2052	0.950	4.875%	16,425,000	7,930,000	-	150,000	7,780,000	150,000
2012 A	2013-2032	0.300	3.250%	1,425,000	635,000	-	80,000	555,000	80,000
2012 B	2013-2043	0.550	4.125%	35,335,000	1,485,000	-	70,000	1,415,000	80,000
Subtotal					13,130,000	-	465,000	12,665,000	480,000
Direct Placements									
2004 A	2014-2045	4.300	5.100%	5,120,000	3,520,000	-	100,000	3,420,000	105,000
2006 A	2036	4.620	4.620%	5,680,000	1,075,000	-	120,000	955,000	185,000
Subtotal					4,595,000	-	220,000	4,375,000	290,000
Total Multifamily Housing Revenue Bonds					$ 17,725,000	$ -	$ 685,000	$ 17,040,000	$ 770,000
Total Revenue Bonds					$1,169,945,000	$ 184,520,000	$ 82,585,000	$ 1,271,880,000	$ 58,120,000
Total General Obligation and Revenue Bonds					$1,187,870,000	$ 184,520,000	$ 83,740,000	$ 1,288,650,000	$ 59,280,000

Bonds Payable

Bonds payable are presented on the Statement of Net Position at their carrying value. The carrying value is the outstanding bond principal plus unamortized bond premium less unamortized bond discount. Bonds payable balances on June 30, 2026 are summarized below:

	Principal	Principal (Direct Placements)	Premium	Discount	Bonds Payable
General Obligation Bonds:					
Elderly and Disabled Housing Fund	$ 16,765,000	$ 5,000	$ -	$ (217)	$ 16,769,783
Revenue Bonds (Housing Finance Fund):					
Mortgage Revenue Bonds	1,254,840,000	-	23,338,094	-	1,278,178,094
Multifamily Housing Revenue Bonds	12,665,000	4,375,000	-	(12,661)	17,027,339
Total Revenue Bonds	1,267,505,000	4,375,000	23,338,094	(12,661)	1,295,205,433
Total General Obligation and Revenue Bonds	$ 1,284,270,000	$ 4,380,000	$ 23,338,094	$ (12,878)	$ 1,311,975,216

Debt Service Requirements to Maturity

The following table summarizes the amounts necessary to pay all future bonded debt principal and interest requirements as of June 30, 2026 for each of the next five fiscal years and in five year increments thereafter:

Fiscal Year Ending June 30	Bonds				
			Direct Placements		
	Principal	Interest	Principal	Interest	Total
General Obligation Bonds					
2027	$ 1,160,000	$ 768,901	$ -	$ 255	$ 1,929,156
2028	995,000	716,985	-	255	1,712,240
2029	845,000	673,886	-	255	1,519,141
2030	885,000	634,564	-	255	1,519,819
2031	935,000	593,012	-	255	1,528,267
2032-2036	5,490,000	2,257,301	5,000	893	7,753,194
2037-2041	5,000,000	868,211	-	-	5,868,211
2042-2046	1,045,000	226,933	-	-	1,271,933
2047-2048	410,000	24,581	-	-	434,581
Subtotal	$ 16,765,000	$ 6,764,374	$ 5,000	$ 2,168	$ 23,536,542
Revenue Bonds					
2027	$ 57,830,000	$ 49,731,625	$ 290,000	$ 214,122	$ 108,065,747
2028	39,085,000	50,342,269	305,000	200,084	89,932,353
2029	40,405,000	49,169,077	315,000	185,460	90,074,537
2030	42,155,000	47,893,600	160,000	172,193	90,380,793
2031	43,760,000	46,489,820	170,000	164,220	90,584,040
2032-2036	228,985,000	209,015,814	1,025,000	682,906	439,708,720
2037-2041	232,745,000	167,150,712	1,015,000	423,611	401,334,323
2042-2046	220,555,000	123,064,559	1,095,000	144,585	344,859,144
2047-2051	218,330,000	74,315,596	-	-	292,645,596
2052-2056	139,680,000	20,086,933	-	-	159,766,933
2057	3,975,000	121,369	-	-	4,096,369
Subtotal	$ 1,267,505,000	$ 837,381,374	$ 4,375,000	$ 2,187,181	$ 2,111,448,555
Total	$ 1,284,270,000	$ 844,145,748	$ 4,380,000	$ 2,189,349	$ 2,134,985,097

The interest stated in the previous table includes coupon interest OHCSD expects to pay over the life of the bonds. Coupon interest for general obligation bonds is paid February 1 and August 1. Coupon interest for revenue bonds is paid semiannually on January 1 and July 1.

The Mortgage Revenue Bond indenture identifies the following events that would lead to a default; payment of principal is not made when due, payment of interest is not made when due, or OHCSD defaults in the performance of any other covenants or agreements included in the bond or indenture and such default continues for 90 days after written notice for remedy has been provided to OHCSD by the Trustee. The Trustee may give such notice at their discretion or at the written request of the owners of not less than 25% in aggregate of the principal amount of the outstanding bonds.

If a default does occur for Mortgage Revenue Bonds the Trustee may, or upon the written direction of the owners of not less than 51% of the bonds outstanding the Trustee shall, declare via written notice to OHCSD that any principal and interest related to that bond is due and payable immediately.

The Multifamily Housing Revenue Bond indenture identifies the following events that would lead to a default; payment of principal is not made when due, payment of interest is not made when due, or OHCSD defaults in the performance of any other covenants or agreements included in the bond or indenture and such default continues for 60 days after written notice for remedy has been provided to OHCSD by the Trustee, or written notice provided to OHCSD and the Trustee by the owners of not less than 25% in aggregate of the principal amount of the outstanding bonds.

If a default does occur for Multifamily Housing Revenue Bond the Trustee may, or upon the written direction of the owners of not less than 25% of the bonds outstanding the Trustee shall, proceed, in its own name, to protect and enforce the rights of the bond owners. Protecting and enforcing the rights of the bond owners could include declaring all outstanding bonds due and payable.

As of June 30, 2026, various statutory or constitutional provisions limited the amount of bonds outstanding to $2,500,000,000 in revenue bonds and $5,359,144,449 in general obligation bonds.

Demand Bonds

Included in OHCSD's long-term debt is $202,400,000 in variable rate demand bonds. OHCSD's variable rate demand bonds are remarketed by remarketing agents. Bondholders may elect to tender their bonds by providing written notice to the remarketing agent as specified in the Official Statement for the bond series. On the date that bonds are tendered, the remarketing agent will use its best effort to sell the bonds or may purchase the bonds for its own account.

OHCSD has entered into standby bond purchase agreements with State Street Bank and Trust Company, U.S. Bank National Association, and Bank of America, N.A. and standby letter of credit and reimbursement agreements with Sumitomo Mitsui Banking Corporation (the "liquidity facilities") to provide liquidity in the event that the remarketing agent is unable to sell the tendered bonds and does not choose to buy the bonds for its own account. The liquidity facilities require the liquidity provider to provide funds for the purchase of the tendered bonds. On the purchase date the bonds become known as liquidity provider bonds or bank bonds and bear interest at the bank rate in accordance with the relevant liquidity facility. The maximum rate for the liquidity facilities is 12%. The bonds remain bank bonds until they are sold by the remarketing agent or the remarketing agent purchases them for its own account. If the bonds are not remarketed or purchased by the remarketing agent for its own account, mandatory redemption installments are to be paid commencing on the first business day of the eighteenth full month following the date the bonds became liquidity provider bonds in an amount equal to three-tenths of the initial amount of the liquidity provider bonds outstanding, with seven semiannual installments due thereafter in an amount equal to one-tenth of the initial amount of liquidity provider bonds outstanding. There were no bank bonds on June 30, 2026.

Certain terms of the liquidity facilities and remarketing agreements are listed in the following table:

Series	Outstanding Amount	Liquidity Provider	Expiration Date	Commitment Fee	Remarketing Agent	Remarketing Fee	Remarketed
MRB* 2016 B	$ 13,140,000	State Street Bank and Trust Company	01/26/2027	0.3000%	Bank of America Securities, Inc.	0.07%	Weekly
MRB 2016 C	14,570,000	State Street Bank and Trust Company	01/26/2027	0.3000%	Bank of America Securities, Inc.	0.07%	Weekly
MRB 2017 C	34,255,000	State Street Bank and Trust Company	01/26/2027	0.3300%	J.P. Morgan Securities LLC	0.07%	Weekly
MRB 2020 B	24,500,000	Sumitomo Mitsui Banking Corporation	01/27/2027	0.3100%	Bank of America Securites, Inc.	0.07%	Weekly
MRB 2022 D	21,000,000	U.S. Bank National Association	10/27/2027	0.2200%	**	0.07%	Weekly
MRB 2024 D	41,000,000	Sumitomo Mitsui Banking Corporation	11/19/2029	0.3100%	Jefferies LLC	0.07%	Weekly
MRB 2024 E	33,600,000	Sumitomo Mitsui Banking Corporation	11/19/2029	0.3100%	Jefferies LLC	0.07%	Weekly
MRB 2025 D	20,335,000	Bank of America, N.A.	11/19/2030	0.3600%	Bank of America Securities, Inc.	0.07%	Daily

* Mortgage Revenue Bonds

** U.S. Bancorp Investments, Inc., together with U.S. Bank Municipal Products Group, a division of U.S. Bank National Association

NOTE 11. Interest Rate Swaps

OHCSD has entered into pay-fixed, receive-variable interest rate swaps to hedge against changes in variable rate interest and to lower borrowing costs compared to fixed-rate bonds. OHCSD had eight swaps at the end of the fiscal year.

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. This methodology is believed to be consistent with accepted practice in the market for interest rate swaps. The fair value is categorized as Level 2 within the fair value hierarchy described in Note 2.

The fair value of the swaps on June 30, 2026 totaled $16,942,494 and the notional amount totaled $204,810,000. The fair value of hedging derivatives totaled $16,847,641. Hedging derivative instrument swaps with positive fair values are shown on the Statement of Net Position as Swap Fair Value Asset and Accumulated Increase in Fair Value of Hedging Derivatives. During the fiscal year the fair value of hedging derivatives increased by $1,105,206.

Portions of the MRB 2016 series C swap and the MRB 2017 series C swap were reclassified from hedging derivative instruments to other derivative instruments when the associated bonds were called. The fair value of the other derivative instruments on June 30, 2026 was $94,853. During the fiscal year the fair value of other derivative instruments increased by $35,031.

The following table lists the terms, fair values, counterparty, and credit ratings of the outstanding swaps as of June 30, 2026:

Series	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Fair Values	Counterparty	Counterparty Rating **
Hedging Derivative Instruments								
MRB* 2016 B	$ 13,140,000	1/1/2019	1.710%	66.5% of SOFR@ +.0.08%	1/1/2033	$ 540,407	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2016 C	14,570,000	1/1/2019	2.000%	66.5% of SOFR + 0.15%	7/1/2037	1,027,505	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2017 C	34,255,000	7/1/2019	2.407%	70.0% of SOFR +.0.05%	7/1/2039	1,116,411	Bank of America, N.A.	Aa2 / A+ / AA
MRB 2020 B	24,500,000	7/13/2020	0.899%	@@	7/1/2037	2,944,362	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2022 D	21,000,000	10/27/2022	4.417%	100% of SOFR + 0.15%	7/1/2047	1,076,719	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2024 D	41,000,000	5/4/2020	1.120%	@@@	7/1/2043	7,462,295	Bank of America, N.A.	Aa2 / A+ / AA
MRB 2024 E	33,600,000	9/6/2018	2.751%	70.0% of SOFR +.0.05%	7/1/2045	2,129,027	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2025 D	20,335,000	11/19/2025	2.987%	63.0% of SOFR +0.14%	1/1/2051	551,015	Bank of America, N.A.	Aa2 / A+ / AA
	202,400,000					16,847,741		
Other Derivative Instruments								
MRB 2016 C	430,000	1/1/2019	2.000%	66.5% of SOFR + 0.15%	7/1/2037	30,222	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2017 C	1,980,000	7/1/2019	2.407%	70.0% of SOFR +.0.05%	7/1/2039	64,531	Bank of America, N.A.	Aa2 / A+ / AA
	2,410,000					94,753		
	$ 204,810,000					$ 16,942,494		

* Mortgage Revenue Bonds

** Moody's / S&P / Fitch

@ Secured Overnight Financing Rate - 2016 B, 2016 C, 2017 C, and 2024 E use the SOFR Fallback rate and 2022 D and 2025 D use the SOFR Compound rate.

@@ USD SIFMA (Securities Industry and Financial Markets Association) Municipal Swap Index from the Effective Date weekly to, but excluding, July 1, 2026 and 70% of SOFR thereafter.

@@@ USD SIFMA (Securities Industry and Financial Markets Association) Municipal Swap Index from the Effective Date weekly to, but excluding, January 1, 2028 and 70% of SOFR thereafter.

The swaps include options giving OHCSD the right to call (cancel) the swaps in whole or in part, depending on the exercise date, semiannually on or after July 1, 2023 (2016 B and 2016 C), January 1, 2025 (2024 E), July 1, 2026 (2017 C and 2020 B), January 1, 2028 (2024 D), January 1, 2031 (2022 D), and January 1, 2034 (2025 D). These options provide flexibility to manage the prepayments of loans and the related bonds.

Basis Risk Basis risk is the risk that arises when variable interest rates on a derivative instrument and the associated bond are based on different indexes. All variable interest rates on OHCSD's tax exempt bonds are determined by a Remarketing Agent. OHCSD is exposed to basis risk when the variable rates received, which are based on the SOFR rate or the SIFMA rate, do not offset the variable rates paid on the bonds. As of June 30, 2026, the SOFR Fallback rate was 3.74682%, the SOFR Compound rate was 3.67274, and the SIFMA rate was 2.67%. OHCSD's variable interest rates as of June 30, 2026 can be found in Note 10.

Termination Risk Termination risk is the risk of an unscheduled termination of a swap prior to its planned maturity. OHCSD or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the swap agreement. If any of the swaps are terminated, the associated variable-rate bonds would no longer carry synthetic fixed interest rates and OHCSD would then be exposed to interest rate risk. Also, if any of the swaps had a negative value at termination, OHCSD would be liable to the counterparty for a payment equal to the fair value of the swap.

Rollover Risk Rollover risk is the risk that occurs when the swap termination date does not extend to the maturity date of the associated debt. OHCSD is not exposed to rollover risk because the swap termination dates match the associated bond maturity dates.

Hedging Derivative Instrument Payments and Hedged Debt Using rates as of June 30, 2026, the following table summarizes the debt service requirements of variable-rate debt with interest rate swaps and the net swap payments (receipts) for each of the next five fiscal years and in five year increments thereafter:

Fiscal Year Ending June 30	Variable-Rate Bonds		Net Swap Payments (Receipts)	Total
	Principal	Interest		
2027	$ 4,120,000	$ 5,333,316	$ (1,041,780)	$ 8,411,536
2028	4,240,000	5,587,021	(1,118,279)	8,708,742
2029	4,680,000	5,476,217	(1,107,255)	9,048,962
2030	7,260,000	5,336,591	(1,057,830)	11,538,761
2031	8,300,000	5,130,112	(980,781)	12,449,331
2032-2036	52,060,000	22,099,400	(3,597,673)	70,561,727
2037-2041	60,800,000	13,427,649	(959,620)	73,268,029
2042-2046	44,760,000	5,947,938	449,717	51,157,655
2047-2051	16,180,000	1,247,410	202,693	17,630,103
Total	$ 202,400,000	$ 69,585,654	$ (9,210,808)	$ 262,774,846

Contingencies OHCSD's swaps include provisions that require collateral to be posted if the rating on the senior bonds issued under the 1988 indenture (Mortgage Revenue Bonds) is not above either Baa1 as determined by Moody's or BBB+ as determined by Standard and Poor's. If the bonds are at or below these levels, collateral in the amount of the current swap fair value (rounded to the nearest $10,000) is required to be posted. The minimum transfer amount is $100,000 or $0 if neither rating agency rates the bonds. As of June 30, 2026, the bonds subject to these provisions are rated Aa2 by Moody's and are not rated by Standard & Poor's.

NOTE 12. Conduit Debt Obligations

OHCSD issues conduit debt to facilitate the building of multifamily affordable housing. Bonds issued under the Housing Development Revenue Bond program are limited obligations of OHCSD payable only out of the trust estate specifically pledged to each bond issue. No recourse may be taken against any properties, funds, or assets of OHCSD for the payment of any amounts owing with respect to these bonds. Bond owners will have no right to compel the payment of any amount owing with respect to these bonds out of any tax revenues, funds, or other assets of OHCSD or the State of Oregon, other than the security pledged to each bond issue. As of June 30, 2026, the total aggregate amount of Housing Development Revenue Bonds outstanding is $1,660,934,038.

NOTE 13. Segment Information

OHCSD issues revenue bonds to finance mortgage loans. Summary financial information for OHCSD's revenue bonds is presented below:

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds
Condensed Statement of Net Position		
Assets:		
Current Assets	$ 138,553,611	$ 3,465,626
Noncurrent Assets	1,306,456,432	56,284,009
Total Assets	1,445,010,043	59,749,635
Deferred Outflows of Resources	175,063	25,989
Liabilities:		
Current Liabilities	81,982,204	1,180,432
Noncurrent Liabilities	1,227,765,385	16,257,339
Total Liabilities	1,309,747,589	17,437,771
Deferred Inflows of Resources	20,217,691	156,421
Net Position		
Restricted by Trust Indentures	115,219,826	42,181,432
Total Net Position	$ 115,219,826	$ 42,181,432
Condensed Statement of Revenues, Expenses, and Changes in Net Position		
Interest on Loans	$ 38,336,689	$ 1,339,045
Other Operating Revenues	904,996	-
Operating Expenses	(6,898,252)	(57,887)
Operating Income	32,343,433	1,281,158
NonCapital Subsidies - Transfers Out	(3,800,000)	-
NonOperating Revenue & Expenses	(21,956,445)	625,282
Increase (Decrease) in Net Position	6,586,988	1,906,440
Beginning Net Postion	108,632,838	40,274,992
Ending Net Position	$ 115,219,826	$ 42,181,432
Condensed Statement of Cash Flows		
Net Cash Provided (Used) by:		
Operating Activities	$ 102,361,651	$ 3,115,111
Noncapital Financing Activities	59,571,628	(1,509,514)
Investing Activities	(248,316,493)	(27,422,009)
Net Increase (Decrease)	(86,383,214)	(25,816,412)
Beginning Cash and Cash Equivalents	192,957,704	32,230,741
Ending Cash and Cash Equivalents	$ 106,574,490	$ 6,414,329

NOTE 14. Restricted Assets

Restricted asset account balances are as follows:

Purpose:	Elderly and Disabled Housing Fund	Housing Finance Fund
Loan Financing	$ -	$ 139,592,600
Current Debt Service	1,929,156	107,022,461
Future Debt Service	67,904,495	277,120,680
Debt Reserves	5,119,635	38,864,451
Insurance Reserves	-	25,064,787
Combined Program Account	-	21,855,269
Residential Assistance	-	1,009,888
Total	$ 74,953,286	$ 610,530,136
Statement of Net Position Amounts:		
Restricted Cash and Cash Equivalents – Current	$ 1,929,156	$ 70,669,312
Restricted Cash and Cash Equivalents – Noncurrent	71,821,893	43,332,895
Restricted Investments – Current	-	36,441,554
Restricted Investments - Noncurrent	1,202,237	460,086,375
Total	$ 74,953,286	$ 610,530,136

NOTE 15. Employee Retirement Plans

The Oregon Public Employees Retirement System (PERS) provides defined benefit and defined contribution retirement plans for OHCSD employees. PERS is administered by the Public Employees Retirement Board as required by Chapters 238 and 238A of the Oregon Revised Statutes (ORS). PERS is a cost-sharing multiple-employer defined benefit pension plan. The Tier One/Tier Two Retirement Benefit Plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Oregon Public Service Retirement Plan (OPSRP), established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. The Individual Account Program (IAP) is a defined contribution plan. Member contributions are deposited into the member's IAP account. The pension plans provide pension benefits, death benefits, and disability benefits.

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The rates in effect for the fiscal year were 24.82% for Tier One and Tier Two General Service Members and 21.94% for OPSRP Pension Program General Service Members.

The Oregon Public Employees Retirement System annual financial report and Actuarial Valuation is located at www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

A net pension liability for all employers participating in PERS, including the State of Oregon, totaling $22.3 billion was measured as of June 30, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. At the measurement date, the proportion of the total net pension liability for State agencies was 28.07846903% (the State agency proportion at the prior measurement date was 28.11295778%). OHCSD's enterprise funds were allocated 0.19151409% of the State agency proportionate share. OHCSD's allocated amount of the proportionate share of the net pension liability at the measurement date for its enterprise funds was $12,008,712. For the year ended June 30, 2026, OHCSD recognized pension expense of $3,057,232.

At June 30, 2026, OHCSD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between fund contributions and proportionate share of contributions	$ 690,709	$ 667,025
Difference between expected and actual experience	766,008	17,116
Net difference between projected and actual earnings on investments	1,011,706	-
Changes in Assumptions	697,886	-
Subtotal	3,166,309	684,141
Net Deferred Outflows (Inflows) of Resources before contributions subsequent to measurement date	2,482,168	
Contributions subsequent to measurement date	2,683,284	
Net Deferred Outflows (Inflows) of Resources	5,165,452	

NOTE 16. Other Postemployment Benefit Plans

OHCSD's employees may be eligible to participate in health insurance plans and other benefit plans after retirement, collectively known as Other Postemployment Benefits (OPEB). OPEB plans are offered through the Public Employees Retirement System (PERS) as established by Oregon Revised Statutes (ORS) 238.410 and the Public Employees Benefit Board (PEBB) as established by ORS 243.302. The Oregon Public Employees Retirement System annual financial report is located at www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

At June 30, 2026, OHCSD reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between fund contributions and proportionate share of contributions	$ 701	$ 492
Difference between expected and actual experience	15,958	41,411
Net difference between projected and actual earnings on investments	8,389	-
Change in Assumptions	10,750	37,759
Subtotal	35,798	79,662
Net Deferred Outflows (Inflows) of Resources	(43,864)	

Retirement Health Insurance Account plan

The Retirement Health Insurance Account (RHIA) is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Public Employees Retirement Board. The plan provides a payment of up to $60 toward the monthly cost of health insurance for eligible PERS members. OHCSD is required by statute to contribute actuarially computed amounts as determined by PERS. The rate in effect for Tier One and Tier Two General Service Members and for OPSRP Pension Program General Service Members for the fiscal year ended June 30, 2026 was zero.

A net OPEB asset for all participating employers, including the State of Oregon, totaling $447.1 million was measured as of June 30, 2025. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2023. At the measurement date, the State agency proportion of net OPEB asset was 30.88106394% (the State agency proportion at the prior measurement date was 30.64904544%). OHCSD's enterprise funds were allocated 0.11133879% of the State agency proportionate share. OHCSD's allocated amount of the proportionate share of the net

OPEB asset at the measurement date for its enterprise funds was $153,726. It is shown on the Statement of Net Position as Net Other Postemployment Benefits Asset. For the year ended June 30, 2026, OHCSD recognized OPEB negative expense of $12,600 for RHIA.

Retiree Health Insurance Premium Account plan

The Retiree Health Insurance Premium Account (RHIPA) is a single-employer OPEB plan administered by the Oregon Public Employees Retirement Board (Board). The plan provides for payment of the average difference between the health insurance premiums paid by retired state employees, under contracts entered into by the Board, and health insurance premiums paid by active state employees. OHCSD is required by statute to contribute actuarially computed amounts as determined by PERS. The rate in effect for Tier One and Tier Two General Service Members and for OPSRP Pension Program General Service Members for the fiscal year ended June 30, 2026 was zero.

At June 30, 2026, the State of Oregon reported a net OPEB asset of $55.9 million. The net OPEB asset was measured as of June 30, 2025 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2023. As part of the State of Oregon, OHCSD's enterprise funds were allocated 0.14375386 % of the State's internal allocation, which was based on fiscal year 2025 actual contributions. OHCSD's share of the net OPEB asset for the RHIPA plan on June 30, 2026 for its enterprise funds was $80,327. It is shown on the Statement of Net Position as Net Other Postemployment Benefits Asset. For the year ended June 30, 2026, OHCSD recognized OPEB negative expense of $13,561 for RHIPA.

Public Employees' Benefit Board Plan

The Public Employees' Benefit Board (PEBB) plan is a single-employer plan administered by the Oregon Public Employees' Benefit Board. The PEBB plan allows qualifying retired employees to continue their "active" health insurance coverage on a self-pay basis until they are eligible for Medicare. Participating retirees pay their own monthly premiums. The premium amount is based on a blended rate that is determined by pooling the qualifying retirees with active employees, thus, creating an "implicit" rate subsidy. PEBB does not issue a separate, publicly available financial report.

At June 30, 2026, the State of Oregon total OPEB liability was $138.2 million. As part of the State of Oregon, OHCSD's enterprise funds were allocated 0.17035787% of the State's total. The State's internal allocation of the total OPEB liability is based on fiscal year 2026 health insurance premium costs. The total OPEB liability is based upon an actuarial valuation as of July 1, 2024. OHCSD's share of the total OPEB liability for its enterprise funds on June 30, 2026 was $235,440. It is shown on the Statement of Net Position as Total Other Postemployment Benefits Liability (PEBB). For the year ended June 30, 2026, OHCSD recognized OPEB expense of $43,464 for the PEBB plan.

NOTE 17. Other Commitments

As of June 30, 2026, OHCSD had commitments totaling $178,625 for personal services contracts and $87,426,104 for financing loans in the Single-Family Mortgage Program.

NOTE 18. Risk Financing

The State of Oregon Department of Administrative Services directs and manages all risk management and insurance programs of state government except for employee benefit insurance programs. The state uses both self-insurance and commercial insurance policies to insure its risk of loss.

For more information about risk financing, see the Risk Financing note in the State of Oregon Annual Comprehensive Financial Report found at www.oregon.gov/DAS/Financial/Acctng/pages/index.aspx.

NOTE 19. Subsequent Events

Subsequent events have been evaluated through October 30, 2026.

On July 1, 2026, OHCSD called the following Mortgage Revenue Bonds prior to maturity:

	Amount Called		Amount Called
2013 Series A	$ 330,000	2020 Series A	$ 800,000
2013 Series D	500,000	2020 Series C	435,000
2014 Series C	430,000	2021 Series A	2,285,000
2017 Series A	460,000	2022 Series C	675,000
2017 Series D	445,000	2023 Series A	1,425,000
2017 Series E	175,000	2023 Series B	170,000
2017 Series G	655,000	2023 Series C	3,040,000
2018 Series A	1,275,000	2024 Series A	710,000
2018 Series C	690,000	2024 Series C	2,270,000
2018 Series D	2,325,000	2025 Series A	435,000
2019 Series A	960,000	2025 Series C	335,000

On September 15, 2026, subject to the terms and provisions of the respective swap agreements, the following Mortgage Revenue Bonds interest rate swaps were terminated:

	Notional Amount
2016 Series B	$ 13,140,000
2016 Series C	15,000,000

On September 15, 2026, OHCSD entered into a swap transaction with Royal Bank of Canada (the counterparty) for Mortgage Revenue Bonds 2026 Series D. The notional amount of the swap is $24,640,000, the effective date is October 1, 2026, and the termination date is July 1, 2047. OHCSD will pay the counterparty a fixed rate of 3.518% and receive a variable payment of 63 percent of USD-SOFR plus 0.14 percent.

On October 1, 2026, OHCSD issued the following Mortgage Revenue Bonds:

	Amount Issued
2026 Series C	$ 48,500,000
2026 Series D	24,640,000
2026 Series E	11,000,000
2026 Series F	10,000,000

On October 28, 2026, OHCSD called the following Mortgage Revenue Bonds prior to maturity:

	Amount Called
2016 Series B	$ 13,140,000
2016 Series C	14,570,000

Supplementary Information

Oregon Housing & Community Services Department
Combining Statement of Net Position - Housing Finance Fund
June 30, 2026

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Assets and Deferred Outflows of Resources			
Assets			
Current Assets			
Cash and Cash Equivalents	$ -	$ -	$ -
Cash and Cash Equivalents - Restricted	69,104,709	1,564,603	-
Investments - Restricted	36,441,554	-	-
Securities Lending Cash Collateral	8,204	5,611	-
Accounts Receivable	222,463	-	-
Accrued Interest Receivable	6,293,922	107,812	286,678
Interfund Receivable	-	-	-
Due from Governmental Funds	-	-	-
Loans Receivable	25,523,357	1,787,600	-
Acquired Property	959,402	-	-
Total Current Assets	138,553,611	3,465,626	286,678
Noncurrent Assets			
Cash and Cash Equivalents - Restricted	37,469,781	4,849,726	3,500
Investments - Restricted	406,359,314	31,875,292	21,851,769
Accounts Receivable	-	-	-
Loans Receivable	845,684,843	19,558,991	-
Swap Fair Value Asset	16,847,641	-	-
Other Derivative Instruments	94,853	-	-
Net Other Postemployment Benefits Asset	-	-	-
Capital Assets (Net)	-	-	-
Total Noncurrent Assets	1,306,456,432	56,284,009	21,855,269
Total Assets	1,445,010,043	59,749,635	22,141,947
Deferred Outflows of Resources			
Loss on Debt Refundings	175,063	25,989	-
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Total Deferred Outflows of Resources	175,063	25,989	-
Total Assets and Deferred Outflows of Resources	$1,445,185,106	$ 59,775,624	$ 22,141,947

Housing Finance Account	Total
$ 43,451,611	$ 43,451,611
-	70,669,312
-	36,441,554
52,356	66,171
209,057	431,520
76,244	6,764,656
12,859	12,859
257,706	257,706
372,843	27,683,800
-	959,402
44,432,676	186,738,591
1,009,888	43,332,895
-	460,086,375
40,825	40,825
13,185,887	878,429,721
-	16,847,641
-	94,853
218,441	218,441
643,863	643,863
15,098,904	1,399,694,614
59,531,580	1,586,433,205
-	201,052
5,544,422	5,544,422
32,968	32,968
5,577,390	5,778,442
$ 65,108,970	$1,592,211,647

Continued on the next page

Oregon Housing & Community Services Department
Combining Statement of Net Position - Housing Finance Fund
June 30, 2026

Continued from the previous page

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable	$ 611,609	$ 141	$ -
Accrued Interest Payable	23,986,184	401,358	-
Obligations Under Securities Lending	8,204	5,611	-
Interfund Payable	-	-	-
Due to Governmental Funds	-	-	-
Unearned Revenue	26,207	3,322	-
Compensated Absences Payable	-	-	-
Subscription-Based IT Arrangement Obligations	-	-	-
Bonds Payable	57,350,000	770,000	-
Pension-related Debt Payable	-	-	-
Total Current Liabilities	81,982,204	1,180,432	-
Noncurrent Liabilities			
Compensated Absences Payable	-	-	-
Subscription-Based IT Asset Obligations	-	-	-
Bonds Payable	1,220,828,094	16,257,339	-
Arbitrage Rebate Liability	6,937,291	-	-
Pension-related Debt Payable	-	-	-
Net Pension Liability	-	-	-
Total Other Postemployment Benefits Liability	-	-	-
Total Noncurrent Liabilities	1,227,765,385	16,257,339	-
Total Liabilities	1,309,747,589	17,437,771	-
Deferred Inflows of Resources			
Accumulated Increase in Fair Value of Hedging Derivatives	16,847,641	-	-
Deferred Loan Origination Fees	3,370,050	156,421	-
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Total Deferred Inflows of Resources	20,217,691	156,421	-
Net Position			
Net Investment in Capital Assets	-	-	-
Restricted for Residential Assistance	-	-	-
Restricted for Other Postemployment Benefits	-	-	-
Restricted by Trust Indentures	115,219,826	42,181,432	22,141,947
Unrestricted	-	-	-
Total Net Position	115,219,826	42,181,432	22,141,947
Total Liabilities, Deferred Inflows of Resources, and Net Position	$1,445,185,106	$ 59,775,624	$ 22,141,947

Housing Finance Account	Total
$ 882,333	$ 1,494,083
-	24,387,542
52,356	66,171
111,858	111,858
840,635	840,635
196,272	225,801
591,922	591,922
309,797	309,797
-	58,120,000
18,576	18,576
3,003,749	86,166,385
1,229,377	1,229,377
114,806	114,806
-	1,237,085,433
-	6,937,291
41,155	41,155
11,207,732	11,207,732
215,800	215,800
12,808,870	1,256,831,594
15,812,619	1,342,997,979
-	16,847,641
-	3,526,471
638,508	638,508
73,393	73,393
711,901	21,086,013
219,260	219,260
1,214,098	1,214,098
218,441	218,441
-	179,543,205
46,932,651	46,932,651
48,584,450	228,127,655
$ 65,108,970	$1,592,211,647

Oregon Housing & Community Services Department
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Housing Finance Fund
For the Year Ended June 30, 2026

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Operating Revenues			
Interest on Loans	$ 38,336,689	$ 1,339,045	$ -
Administrative Charges and Fees	-	-	-
Low Income Housing Tax Credit Fees	-	-	-
Gain on Sale of Foreclosed Property	213,771	-	-
Miscellaneous Revenue	691,225	-	-
Total Operating Revenues	39,241,685	1,339,045	-
Operating Expenses			
Personal Services	-	-	-
Services and Supplies	185,846	53,886	-
Mortgage Service Fees	3,319,433	4,001	-
Foreclosure Costs	80,593	-	-
Other Related Program Expenses	3,312,380	-	-
Depreciation/Amortization	-	-	-
Bad Debt Expense	-	-	-
Total Operating Expenses	6,898,252	57,887	-
Operating Income (Loss)	32,343,433	1,281,158	-
NonCapital Subsidies			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(3,800,000)	-	-
Transfers to Other State Agencies	-	-	-
Total NonCapital Subsidies	(3,800,000)	-	-
Operating Income (Loss) and NonCapital Subsidies	28,543,433	1,281,158	-
Other Nonoperating Revenues (Expenses)			
Investment Income	21,133,361	1,443,725	872,781
Other Derivative Income	45,428	-	-
Bond Issuance Costs	(1,811,660)	-	-
Interest Expense - Bonds	(44,330,518)	(816,942)	-
Interest Expense - Securities Lending	(8,864)	(1,501)	-
Interest Expense - Pension-related Debt	-	-	-
Interest Expense - Subscription-Based IT Assets	-	-	-
Gain (Loss) on Debt Extinguishment	3,015,808	-	-
Gain (Loss) on Disposition of Capital Assets	-	-	-
Total Other Nonoperating Revenues (Expenses)	(21,956,445)	625,282	872,781
Increase (Decrease) in Fund Net Position	6,586,988	1,906,440	872,781
Fund Net Position - Beginning	108,632,838	40,274,992	21,269,166
Fund Net Position - Ending	$ 115,219,826	$ 42,181,432	$ 22,141,947

Housing Finance Account	Total	
$ 511,428	$ 40,187,162	
9,024,009	9,024,009	
6,093,596	6,093,596	
-	213,771	
49,779	741,004	
15,678,812	56,259,542	
18,415,999	18,415,999	
4,364,369	4,604,101	
-	3,323,434	
-	80,593	
37,736	3,350,116	
169,994	169,994	
26,442	26,442	
23,014,540	29,970,679	
(7,335,728)	26,288,863	
7,700,000	7,700,000	**
-	(3,800,000)	**
(494,114)	(494,114)	
7,205,886	3,405,886	
(129,842)	29,694,749	
1,964,739	25,414,606	
-	45,428	
-	(1,811,660)	
-	(45,147,460)	
(12,541)	(22,906)	
(7,778)	(7,778)	
(12,755)	(12,755)	
-	3,015,808	
(308)	(308)	
1,931,357	(18,527,025)	
1,801,515	11,167,724	
46,782,935	216,959,931	
$ 48,584,450	$ 228,127,655	

** Transfers within the Housing Finance Fund totaling $3,800,000 are not included in the Statement of Revenues, Expenses, and Changes in Fund Net Position on page 8.

Oregon Housing & Community Services Department
Combining Statement of Cash Flows - Housing Finance Fund
For the Year Ended June 30, 2026

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Cash Flows from Operating Activities			
Received from Customers	$ -	$ -	$ -
Program Loan Principal Repayments	70,524,120	1,840,508	-
Program Loan Interest Received	37,952,554	1,332,537	-
Program Loans Made	-	-	-
Payments to Employees for Services	-	-	-
Payments to Suppliers for Goods and Services	(3,641,554)	(57,934)	-
Other Receipts (Payments)	(2,473,469)	-	-
Net Cash Provided (Used) in Operating Activities	102,361,651	3,115,111	-
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	189,601,472	-	-
Principal Payments - Bonds	(81,900,000)	(685,000)	-
Interest Payments - Bonds	(42,386,633)	(824,514)	-
Bond Issuance Costs	(1,959,253)	-	-
Other Derivative Receipts	16,042	-	-
Principal Payments - Pension-related Debt	-	-	-
Interest Payments - Pension-related Debt	-	-	-
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(3,800,000)	-	-
Transfers to Other State Agencies	-	-	-
Net Cash Provided (Used) in Noncapital Financing Activities	59,571,628	(1,509,514)	-
Cash Flows from Capital and Related Financing Activities			
Subscription-Based IT Arrangement Principal Payments	-	-	-
Subscription-Based IT Arrangement Interest Payments	-	-	-
Net Cash Provided (Used) in Capital and Related Financing Activities	-	-	-
Cash Flows from Investing Activities			
Purchase of Investments	(541,145,187)	(84,594,389)	(3,628,579)
Proceeds from Sales and Maturities of Investments	277,158,666	56,112,140	2,215,000
Interest on Cash and Investments	15,670,028	1,060,240	1,023,849
Investment Income on Securities Lending	8,864	1,501	-
Interest Paid on Securities Lending	(8,864)	(1,501)	-
Net Cash Provided (Used) in Investing Activities	(248,316,493)	(27,422,009)	(389,730)
Net Increase (Decrease) in Cash and Cash Equivalents	(86,383,214)	(25,816,412)	(389,730)
Cash and Cash Equivalents Balance - Beginning	192,957,704	32,230,741	393,230
Cash and Cash Equivalents Balance - Ending	$ 106,574,490	$ 6,414,329	$ 3,500
Cash and Cash Equivalents	$ -	$ -	$ -
Cash and Cash Equivalents - Restricted (Current)	69,104,709	1,564,603	-
Cash and Cash Equivalents - Restricted (Noncurrent)	37,469,781	4,849,726	3,500
Total Cash and Cash Equivalents	$ 106,574,490	$ 6,414,329	$ 3,500

Housing Finance Account	Total	
$ 14,829,264	$ 14,829,264	
704,116	73,068,744	
479,588	39,764,679	
(6,836,583)	(6,836,583)	
(17,063,704)	(17,063,704)	
(4,160,094)	(7,859,582)	
(9,386)	(2,482,855)	
(12,056,799)	93,419,963	
-	189,601,472	
-	(82,585,000)	
-	(43,211,147)	
-	(1,959,253)	
-	16,042	
(20,596)	(20,596)	
(7,778)	(7,778)	
7,700,000	7,700,000	**
-	(3,800,000)	**
(473,857)	(473,857)	
7,197,769	65,259,883	
(256,072)	(256,072)	
(21,176)	(21,176)	
(277,248)	(277,248)	
-	(629,368,155)	
-	335,485,806	
1,952,198	19,706,315	
12,541	22,906	
(12,541)	(22,906)	
1,952,198	(274,176,034)	
(3,184,080)	(115,773,436)	
47,645,579	273,227,254	
$ 44,461,499	$ 157,453,818	
$ 43,451,611	$ 43,451,611	
-	70,669,312	
1,009,888	43,332,895	
$ 44,461,499	$ 157,453,818	

Continued on the next page

** Transfers within the Housing Finance Fund totaling $3,800,000 are not included in the Statement of Cash Flows on page 10.

Oregon Housing & Community Services Department
Combining Statement of Cash Flows - Housing Finance Fund
For the Year Ended June 30, 2026

Continued from the previous page

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income (Loss)	$ 32,343,433	$ 1,281,158	$ -
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Capital Asset Depreciation/Amortization	-	-	-
Pension-related Debt Actuarial Valuation Adjustment	-	-	-
(Increase)/Decrease in Assets:			
Loan Interest Receivable	192,537	8,619	-
Accounts Receivable	(193,320)	-	-
Interfund Receivable	-	-	-
Due from Governmental Funds	-	-	-
Prepaid Expenses	-	-	-
Loans Receivable	71,348,665	1,840,508	-
Acquired Property	(715,400)	-	-
Net Other Postemployment Benefits Asset	-	-	-
(Increase)/Decrease in Deferred Outflows of Resources:			
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Increase/(Decrease) in Liabilities:			
Accounts Payable	(197,046)	(46)	-
Interfund Payable	(4,538)	-	-
Due to Governmental Funds	-	-	-
Due to Other Governments	-	-	-
Unearned Revenue	5,853	3,322	-
Compensated Absences Payable	-	-	-
Net Pension Liability	-	-	-
Total Other Postemployment Benefits Liability	-	-	-
Increase/(Decrease) in Deferred Inflows of Resources:			
Deferred Loan Origination Fees	(418,533)	(18,450)	-
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Net Cash Provided (Used) in Operating Activities	$ 102,361,651	$ 3,115,111	$ -
Noncash Investing, Capital, and Financing Activities			
Net Change in Fair Value of Investments	$ 8,770,444	$ 431,222	$ (155,023)
Foreclosed Property	1,791,624	-	-
Loan Modifications	163,991	-	-
Subscription-Based IT Arrangement Obligationss Initiated	-	-	-
Total Noncash Investing, Capital, and Financing Activities	$ 10,726,059	$ 431,222	$ (155,023)

Housing Finance Account	Total	
$ (7,335,728)	$ 26,288,863	
169,994	169,994	
(6,215)	(6,215)	
(31,699)	169,457	
(144,488)	(337,808)	
(3,826)	(3,826)	**
(13,395)	(13,395)	
12,452	12,452	
(6,106,787)	67,082,386	
-	(715,400)	
(22,012)	(22,012)	
(1,162,891)	(1,162,891)	
(96)	(96)	
288,707	91,615	
109,772	105,234	**
707,479	707,479	
(207,320)	(207,320)	
(59,167)	(49,992)	
248,365	248,365	
1,641,552	1,641,552	
38,636	38,636	
-	(436,983)	
(168,075)	(168,075)	
(12,057)	(12,057)	
$ (12,056,799)	$ 93,419,963	
$ -	$ 9,046,643	
-	1,791,624	
-	163,991	
507,610	507,610	
$ 507,610	$ 11,509,868	

** Interfund Receivables and Payables within the Housing Finance Fund totaling an increase of $4,538 are not included in the Statement of Cash Flows on page 11.

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Statistical Section

The Statistical Section presents information as a context for understanding what the information in the financial statements and note disclosures says about OHCSD's overall financial health.

Financial Trends

Pages B-50 to B-57 contain trend information to help the reader understand how OHCSD's financial performance has changed over time.

Debt Capacity

Pages B-58 and B-59 contain information to help the reader assess OHCSD's current levels of outstanding debt and the capacity to issue debt in the future.

Demographic and Economic Information

Pages B-60 and B-61 contain demographic, economic, and employment data to help the reader understand the environment OHCSD operates in.

Revenue Capacity

Page B-62 contains information to help the reader understand OHCSD's most significant revenue source, Interest on Loans.

Operating Information

Pages B-63 to B-70 contain information to help the reader understand how the information in the financial report relates to activities of OHCSD.

Oregon Housing & Community Services Department
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflow of Resources, and Net Position
Enterprise Funds
Last Ten Fiscal Years

	2026	2025	2024	2023
Assets				
Cash and Cash Equivalents	$ 44,869,358	$ 47,310,174	$ 48,486,681	$ 43,368,149
Cash and Cash Equivalents - Restricted	187,753,256	297,357,953	261,529,360	249,395,714
Investments - Resticted	497,730,166	194,816,059	124,679,514	68,572,636
Securities Lending Cash Collateral	155,068	283,268	197,368	47,499
Accounts Receivable	473,770	134,537	377,592	299,530
Accrued Interest Receivable	7,028,415	6,503,039	6,566,275	5,294,590
Interfund Receivable	124,717	61	-	47,806
Due from Governmental Funds	309,170	155,121	225,938	302,655
Due from Other State Agencies	-	-	-	-
Prepaid Expenses	-	12,452	-	21,147
Acquired Property	959,402	244,002	188,995	780,339
Loans Receivable (Net)	938,847,410	1,008,070,891	995,427,093	906,559,557
Swap Fair Value Asset	16,847,641	15,742,435	19,603,929	16,842,159
Other Derivative Instruments	94,853	59,822	104,910	-
Net Other Postemployment Benefits Asset	234,053	211,767	203,524	207,446
Capital Assets (Net)	680,992	322,075	444,303	4,760
Total Assets	1,696,108,271	1,571,223,656	1,458,035,482	1,291,743,987
Deferred Outflows of Resources				
Accumulated Decrease in Fair Value of Hedging Derivatives	-	-	-	-
Loss on Debt Refunding	201,052	250,113	309,452	387,788
Related to Pensions	5,849,593	4,713,402	3,796,334	3,689,476
Related to Other Postemployment Benefits	35,798	35,532	7,889	28,509
Total Deferred Outflows of Resources	6,086,443	4,999,047	4,113,675	4,105,773
Total Assets and Deferred Outflows of Resources	$ 1,702,194,714	$ 1,576,222,703	$ 1,462,149,157	$ 1,295,849,760

Unaudited

2022	2021	2020	2019	2018	2017
$ 27,541,346	$ 19,753,000	$ 13,886,704	$ 12,630,562	$ 9,388,621	$ 9,915,911
123,017,393	120,381,648	154,695,669	65,370,939	68,372,203	59,447,712
182,989,422	254,568,169	223,223,166	277,597,803	244,508,334	232,640,617
580,028	301,531	1,248,701	2,101,856	1,191,697	357,168
321,701	361,983	266,455	139,932	29,182,712	409,631
3,343,179	3,880,856	4,518,523	4,133,592	3,924,987	3,729,012
127,293	22,099	12,862	81,079	80,220	16,939
573,246	131,442	391,789	114,050	24,797	82,468
-	-	88,521	-	-	-
-	115	-	4,563	1,140	514
-	122,985	817,484	1,016,875	1,841,751	2,995,957
839,633,718	855,740,724	982,544,056	954,607,414	834,207,159	804,071,640
12,368,910	2,687,321	-	-	1,514,014	899,578
-	-	-	-	-	-
159,246	20,903	72,037	31,100	11,451	-
13,634	7,024	10,214	43,223	51,674	59,925
1,190,669,116	1,257,979,800	1,381,776,181	1,317,872,988	1,194,300,760	1,114,627,072
-	6,386,956	10,726,213	5,221,906	137,728	1,864,021
464,599	674,944	1,107,604	1,435,973	1,942,159	1,761,830
2,937,464	2,430,234	1,951,568	1,386,060	1,183,656	2,170,765
27,513	32,363	18,462	40,861	26,968	-
3,429,576	9,524,497	13,803,847	8,084,800	3,290,511	5,796,616
$ 1,194,098,692	$ 1,267,504,297	$ 1,395,580,028	$ 1,325,957,788	$ 1,197,591,271	$ 1,120,423,688

Continued on the next page

Oregon Housing & Community Services Department
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflow of Resources, and Net Position
Enterprise Funds
Last Ten Fiscal Years

Continued from the previous page

	2026	2025	2024	2023
Liabilities				
Accounts Payable	$ 1,501,081	$ 1,172,034	$ 1,030,773	$ 1,430,947
Accrued Interest Payable	24,716,248	22,377,232	19,633,409	15,143,968
Obligations Under Securities Lending	155,068	283,268	197,368	47,499
Interfund Payable	124,717	61	-	47,806
Due to Governmental Funds	846,451	167,736	343,866	599,404
Due to Other Governments	-	207,320	-	-
Unearned Revenue	251,677	275,799	344,128	432,247
Compensated Absences Payable	1,896,185	1,620,178	527,538	584,963
Lease Obligations	-	-	-	2,022
Subscription-Based IT Arrangement Obligations	449,252	353,940	471,820	-
Bonds Payable	1,311,975,216	1,210,011,361	1,112,756,948	976,925,409
Swap Fair Value Liabilty	-	-	-	-
Arbitrage Rebate Liability	6,937,291	2,458,971	424,144	117,931
Pension-related Debt Payable	76,402	110,695	190,578	247,200
Net Pension Liability	12,008,712	10,313,149	9,506,028	8,343,213
Net Other Postemployment Benefits Liability	-	-	-	-
Total Other Postemployment Benefits Liability	235,440	191,863	144,866	108,736
Net Other Postemployment Benefits Obligation	-	-	-	-
Total Liabilities	1,361,173,740	1,249,543,607	1,145,571,466	1,004,031,345
Deferred Inflows of Resources				
Accumulated Increase in Fair Value of Hedging Derivatives	16,847,641	15,742,435	19,603,929	16,842,159
Gain on Debt Refunding	-	-	3,623	41,467
Deferred Loan Origination Fees	3,702,907	4,164,829	4,228,967	3,894,643
Related to Pensions	684,141	869,565	751,636	2,499,649
Related to Other Postemployment Benefits	79,662	92,395	102,490	135,945
Total Deferred Inflows of Resources	21,314,351	20,869,224	24,690,645	23,413,863
Net Position				
Net Investment in Capital Assets	231,741	(31,865)	(27,517)	2,738
Restricted for Residential Assistance	1,214,098	1,172,170	1,158,463	1,141,817
Restricted for Other Postemployment Benefits	234,052	211,767	203,524	207,446
Restricted by Trust Indentures	269,946,178	258,379,281	247,151,859	231,592,674
Unrestricted	48,080,554	46,078,519	43,400,717	35,459,877
Total Net Position	319,706,623	305,809,872	291,887,046	268,404,552
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 1,702,194,714	$ 1,576,222,703	$ 1,462,149,157	$ 1,295,849,760

Unaudited

2022	2021	2020	2019	2018	2017
$ 1,374,030	$ 1,139,884	$ 1,347,392	$ 1,292,103	$ 609,703	$ 808,431
12,064,921	14,575,857	16,540,642	16,741,051	13,660,865	13,031,173
580,028	301,531	1,248,701	2,101,856	1,191,697	357,168
127,293	22,099	12,862	81,079	80,220	16,939
174,415	24,370	54,126	64,554	53,689	6,959
41,180	5,776	-	-	-	-
527,315	643,867	754,469	878,196	998,823	1,130,510
135,646	286,347	284,985	289,020	344,492	271,186
8,926	-	-	-	-	-
-	-	-	-	-	-
904,114,640	979,686,245	1,107,569,224	1,053,780,476	943,483,358	869,050,314
-	6,386,956	10,726,213	5,221,906	137,728	1,864,021
-	-	-	-	-	-
315,405	371,238	421,318	463,993	501,032	531,182
4,102,944	7,030,726	5,804,785	3,180,583	3,275,674	4,116,951
-	11,590	32,005	33,673	41,439	-
120,295	161,281	153,434	182,434	124,593	-
-	-	-	-	-	87,445
923,687,038	1,010,647,767	1,144,950,156	1,084,310,924	964,503,313	891,272,279
12,368,910	2,687,321	-	-	1,514,014	899,578
79,652	40,482	-	-	-	-
3,657,125	3,801,580	4,445,934	4,597,314	4,261,350	4,354,736
3,203,301	159,733	276,737	178,767	27,367	39,119
136,153	35,963	40,745	14,773	8,471	-
19,445,141	6,725,079	4,763,416	4,790,854	5,811,202	5,293,433
4,708	7,024	10,214	43,223	51,674	59,925
1,130,120	1,256,957	1,257,239	2,058,567	2,089,298	2,074,043
159,246	20,903	72,037	31,100	11,451	-
224,461,170	229,688,722	228,197,707	220,241,383	212,669,994	207,706,209
25,211,269	19,157,845	16,329,259	14,481,737	12,454,339	14,017,799
250,966,513	250,131,451	245,866,456	236,856,010	227,276,756	223,857,976
$ 1,194,098,692	$ 1,267,504,297	$ 1,395,580,028	$ 1,325,957,788	$ 1,197,591,271	$ 1,120,423,688

Oregon Housing & Community Services Department
Revenue, Expenses, and Changes in Fund Net Position
Enterprise Funds
Last Ten Fiscal Years

	2026	2025	2024	2023
Operating Revenues				
Interest on Loans	$ 41,634,634	$ 43,414,279	$ 40,201,760	$ 32,687,523
Administrative Charges and Fees	9,123,137	8,649,275	5,445,806	8,040,684
Low Income Housing Tax Credit Fees	6,093,596	7,877,275	4,506,936	8,028,128
Gain (Loss) on Sale of Foreclosed Property	213,771	163,675	204,615	-
Miscellaneous Revenue	742,738	4,759	4,381	1,722
Total Operating Revenues	57,807,876	60,109,263	50,363,498	48,758,057
Operating Expenses				
Personal Services	19,284,029	14,351,442	10,162,299	14,067,608
Services and Supplies	4,863,213	3,710,961	3,864,987	3,904,573
Mortgage Service Fees	3,333,133	3,512,584	3,344,434	3,011,236
Foreclosure Costs	80,593	19,575	80,342	24,621
Other Related Program Expenses	3,350,116	2,062,743	1,636,298	1,984,846
Depreciation/Amortization	178,861	122,868	236,119	8,874
Bad Debt Expense	26,442	-	-	-
Total Operating Expenses	31,116,387	23,780,173	19,324,479	23,001,758
Operating Income	26,691,489	36,329,090	31,039,019	25,756,299
NonCapital Subsidies				
Federal Grant Susbidy	-	-	-	-
Transfers from Other Funds	3,900,000	-	7,500,000	10,000,000
Transfers to Other Funds	-	-	-	-
Transfers from Other State Agencies	-	-	-	-
Transfers to Other State Agencies	(517,830)	(438,033)	(357,563)	(367,561)
Total NonCapital Subsidies	3,382,170	(438,033)	7,142,437	9,632,439
Operating Income and NonCapital Subsidies	30,073,659	35,891,057	38,181,456	35,388,738
Other Nonoperating Revenue/(Expenses)				
Investment Income (Loss)	28,589,911	18,237,660	17,676,476	8,246,716
Other Derivative Income (Loss)	45,428	(21,536)	62,726	-
Bond Issuance Costs	(1,811,660)	(1,885,086)	(1,956,111)	(1,041,404)
Interest Expense - Bonds	(45,949,963)	(39,398,206)	(33,452,940)	(26,448,189)
Interest Expense - Securities Lending	(42,900)	(23,279)	(24,171)	(18,115)
Interest Expense - Pension-related Debt	(9,949)	(531)	(13,473)	(17,304)
Interest Expense - Leased Assets	-	-	(7)	(64)
Interest Expense - Subscription-Based IT Assets	(13,264)	(12,680)	(15,668)	-
Gain on Debt Extinguishment	3,015,808	1,982,310	3,024,206	1,327,661
Loss on Disposition of Capital Assets	(319)	-	-	-
Total Other Nonoperating Revenue/(Expenses)	(16,176,908)	(21,121,348)	(14,698,962)	(17,950,699)
Increase (Decrease) in Fund Net Position	$ 13,896,751	$ 14,769,709	$ 23,482,494	$ 17,438,039
Fund Net Position - Beginning	305,809,872	291,887,046	268,404,552	250,966,513
Change in Accounting Principle	-	(846,883)	-	-
Fund Net Position - Beginning (Restated)	305,809,872	291,040,163	268,404,552	250,966,513
Fund Net Position - Ending	$ 319,706,623	$ 305,809,872	$ 291,887,046	$ 268,404,552

Unaudited

2022	2021	2020	2019	2018	2017
$ 32,323,454	$ 35,074,849	$ 40,963,239	$ 40,504,975	$ 36,644,795	$ 39,626,363
9,644,406	7,650,839	5,162,478	4,358,237	3,295,836	2,537,227
9,508,721	5,256,621	3,080,015	3,364,208	2,924,199	1,604,511
(12,461)	-	78,721	45,379	146,174	373,502
4,911	26,459	9,004	6,938	93,062	358,328
51,469,031	48,008,768	49,293,457	48,279,737	43,104,066	44,499,931
8,845,625	7,863,929	8,697,614	5,712,702	5,206,618	5,126,065
4,313,509	2,901,533	3,727,327	2,886,332	3,084,561	2,508,940
2,844,886	2,958,124	3,200,538	2,931,395	2,394,668	2,264,580
45,154	143,493	13,605	215,168	438,500	616,407
2,979,660	2,128,117	3,305,457	6,170,312	4,000,830	3,651,406
10,776	3,190	5,821	8,451	8,452	7,910
-	-	-	-	-	33,583
19,039,610	15,998,386	18,950,362	17,924,360	15,133,629	14,208,891
32,429,421	32,010,382	30,343,095	30,355,377	27,970,437	30,291,040
-	74,857	-	-	-	-
-	-	-	-	-	-
(2,899,555)	-	-	-	-	-
-	-	88,521	-	-	-
(374,035)	(264,957)	(252,022)	(261,273)	(184,404)	(187,777)
(3,273,590)	(190,100)	(163,501)	(261,273)	(184,404)	(187,777)
29,155,831	31,820,282	30,179,594	30,094,104	27,786,033	30,103,263
(4,637,184)	339,398	11,696,263	11,846,649	3,650,448	332,374
-	-	-	-	-	-
(1,703,852)	(742,568)	(1,544,687)	(1,662,274)	(1,777,843)	(695,529)
(26,373,449)	(29,815,332)	(33,161,052)	(31,556,074)	(27,235,723)	(28,487,108)
(5,344)	(2,266)	(39,099)	(95,991)	(21,699)	(1,974)
(18,378)	(29,168)	(32,788)	(31,857)	(32,996)	(38,010)
(149)	-	-	-	-	-
-	-	-	-	-	-
4,417,587	2,694,649	1,939,403	984,697	1,129,267	1,039,870
-	-	(27,188)	-	-	-
(28,320,769)	(27,555,287)	(21,169,148)	(20,514,850)	(24,288,546)	(27,850,377)
$ 835,062	$ 4,264,995	$ 9,010,446	$ 9,579,254	$ 3,497,487	$ 2,252,886
250,131,451	245,866,456	236,856,010	227,276,756	223,857,976	221,605,090
-	-	-	-	(78,707)	-
250,131,451	245,866,456	236,856,010	227,276,756	223,779,269	221,605,090
$ 250,966,513	$ 250,131,451	$ 245,866,456	$ 236,856,010	$ 227,276,756	$ 223,857,976

Oregon Housing & Community Services Department
Cash Flows
Enterprise Funds
Last Ten Fiscal Years

	2026	2025	2024
Cash Flows from Operating Activities			
Received from Customers	$ 14,926,966	$ 17,141,406	$ 10,571,490
Program Loan Principal Repayments	75,209,839	69,210,753	60,497,739
Program Loan Interest Received	41,223,312	42,138,225	37,846,596
Program Loans Made	(6,836,583)	(81,625,668)	(147,619,925)
Payments to Employees for Services	(17,897,508)	(14,015,710)	(11,457,308)
Payments to Suppliers for Goods and Services	(8,127,279)	(7,415,197)	(7,043,155)
Other Receipts (Payments)	(2,489,969)	(1,585,588)	(1,535,726)
Net Cash Provided (Used) in Operating Activities	96,008,778	23,848,221	(58,740,289)
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	189,601,472	264,434,870	230,718,707
Principal Payments - Bonds	(83,740,000)	(164,390,000)	(91,130,000)
Interest Payments - Bonds	(44,037,182)	(36,687,159)	(30,108,576)
Bond Issuance Costs	(1,959,253)	(1,699,139)	(2,064,247)
Bond Call Costs	-	-	-
Other Derivative Receipts	16,042	32,947	30,061
Principal Payments - Pension-related Debt	(26,344)	(79,883)	(56,622)
Interest Payments - Pension-related Debt	(9,949)	(531)	(13,473)
Federal Grant Subsidy	-	-	-
Transfers from Other Funds	3,900,000	-	7,500,000
Transfers to Other Funds	-	-	-
Transfers from Other State Agencies	-	-	-
Transfers to Other State Agencies	(496,427)	(435,862)	(376,649)
Net Cash Provided (Used) in Noncapital Financing Activities	63,248,359	61,175,243	114,499,201
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	-	-	-
Leased Assets Principal Payments	-	-	(1,442)
Leased Assets Interest Payments	-	-	(7)
Subscription-Based IT Arrangement Principal Payments	(274,502)	(112,890)	(91,856)
Subscription-Based IT Arrangement Interest Payments	(22,151)	(15,668)	-
Net Cash Provided (Used) in Capital and Related Financing Activities	(296,653)	(128,558)	(93,305)
Cash Flows from Investing Activities			
Purchase of Investments	(629,368,155)	(396,504,860)	(363,247,896)
Proceeds from Sales and Maturities of Investments	335,485,806	331,616,806	311,296,579
Interest on Cash and Investments	22,876,352	14,645,234	13,537,888
Investment Income on Securities Lending	42,900	23,279	24,171
Interest Paid on Securities Lending	(42,900)	(23,279)	(24,171)
Net Cash Provided (Used) in Investing Activities	(271,005,997)	(50,242,820)	(38,413,429)
Net Increase (Decrease) in Cash and Cash Equivalents	(112,045,513)	34,652,086	17,252,178
Cash and Cash Equivalents Balance - Beginning	344,668,127	310,016,041	292,763,863
Cash and Cash Equivalents Balance - Ending	$ 232,622,614	$ 344,668,127	$ 310,016,041

Unaudited

2023	2022	2021	2020	2019	2018	2017
$ 16,666,871	$ 19,837,627	$ 13,175,428	$ 8,763,454	$ 8,876,105	$ 7,079,496	$ 4,163,809
69,330,450	167,842,514	222,941,663	139,616,140	113,960,119	126,654,062	138,955,178
31,480,471	31,016,791	34,258,797	39,340,959	38,764,669	35,717,096	38,803,932
(136,638,159)	(150,727,831)	(95,332,814)	(167,580,729)	(233,252,858)	(156,182,704)	(97,014,283)
(10,508,230)	(9,350,644)	(7,366,769)	(6,488,553)	(5,930,708)	(5,025,280)	(4,707,259)
(6,709,107)	(7,487,876)	(5,684,303)	(6,787,757)	(5,841,075)	(5,422,079)	(4,650,950)
(1,937,619)	(3,008,841)	(2,057,220)	(3,391,482)	(5,473,021)	(3,658,826)	(791,680)
(38,315,323)	48,121,740	159,934,782	3,472,032	(88,896,769)	(838,235)	74,758,747
114,018,169	188,634,844	61,927,675	177,018,587	216,176,306	280,205,736	134,026,831
(39,075,000)	(258,705,000)	(185,740,000)	(120,100,000)	(103,615,000)	(203,460,000)	(242,255,000)
(25,352,727)	(29,742,816)	(32,682,384)	(34,221,158)	(29,029,187)	(27,367,083)	(31,402,394)
(989,191)	(1,572,368)	(803,477)	(1,424,262)	(1,677,569)	(1,763,294)	(774,512)
-	(277)	(596)	-	-	-	-
-	-	-	-	-	-	-
(68,205)	(55,833)	(50,080)	(42,675)	(37,039)	(30,150)	(24,964)
(17,304)	(18,378)	(29,168)	(32,788)	(31,857)	(32,996)	(38,010)
-	-	74,857	-	-	-	-
10,000,000	-	-	-	-	-	-
-	(2,899,555)	-	-	-	-	-
-	-	88,521	-	-	-	-
(386,836)	(337,482)	(270,459)	(249,712)	(243,488)	(203,500)	(188,958)
58,128,906	(104,696,865)	(157,485,111)	20,947,992	81,542,166	47,348,713	(140,657,007)
-	-	-	-	-	5,445	(10,844)
(7,611)	(7,753)	-	-	-	-	-
(74)	(139)	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(7,685)	(7,892)	-	-	-	5,445	(10,844)
(130,692,371)	(305,323,565)	(380,551,164)	(413,127,785)	(510,891,434)	(498,137,269)	(368,836,911)
246,326,867	369,503,258	346,112,454	473,542,274	512,301,216	456,787,746	411,676,140
6,764,730	2,827,415	3,541,314	5,746,359	6,185,498	3,230,801	3,236,713
18,115	5,344	2,266	39,099	95,991	21,699	1,974
(18,115)	(5,344)	(2,266)	(39,099)	(95,991)	(21,699)	(1,974)
122,399,226	67,007,108	(30,897,396)	66,160,848	7,595,280	(38,118,722)	46,075,942
142,205,124	10,424,091	(28,447,725)	90,580,872	240,677	8,397,201	(19,833,162)
150,558,739	140,134,648	168,582,373	78,001,501	77,760,824	69,363,623	89,196,785
$ 292,763,863	$ 150,558,739	$ 140,134,648	$ 168,582,373	$ 78,001,501	$ 77,760,824	$ 69,363,623

Oregon Housing & Community Services Department
Legal Debt Margin Information
Enterprise Fund
Unaudited
Last Ten Fiscal Years

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Percentage of Debt Limit
General Obligation Bonds				
2026	$ 5,359,144,449	$ 16,770,000	$ 5,342,374,449	0.31%
2025	5,196,889,295	17,925,000	5,178,964,295	0.34%
2024	5,116,158,652	19,030,000	5,097,128,652	0.37%
2023	4,823,464,807	20,075,000	4,803,389,807	0.42%
2022	4,118,468,847	21,650,000	4,096,818,847	0.53%
2021	3,783,733,523	22,985,000	3,760,748,523	0.61%
2020	3,578,984,548	28,865,000	3,550,119,548	0.81%
2019	3,384,375,594	30,400,000	3,353,975,594	0.90%
2018	3,104,548,584	36,915,000	3,067,633,584	1.19%
2017	2,795,635,633	44,710,000	2,750,925,633	1.60%
Revenue Bonds				
2026	$ 2,500,000,000	$ 1,271,880,000	$ 1,228,120,000	50.88%
2025	2,500,000,000	1,169,945,000	1,330,055,000	46.80%
2024	2,500,000,000	1,077,185,000	1,422,815,000	43.09%
2023	2,500,000,000	938,710,000	1,561,290,000	37.55%
2022	2,500,000,000	864,185,000	1,635,815,000	34.57%
2021	2,500,000,000	937,655,000	1,562,345,000	37.51%
2020	2,500,000,000	1,057,515,000	1,442,485,000	42.30%
2019	2,500,000,000	1,004,675,000	1,495,325,000	40.19%
2018	2,500,000,000	890,470,000	1,609,530,000	35.62%
2017	2,500,000,000	812,105,000	1,687,895,000	32.48%

Legal Debt Margin - June 30, 2026

General Obligation Bonds

True cash value of all taxable property in the state as of January 1, 2025	$ 1,071,828,889,792
Debt Limit (0.5% of true cash value)	5,359,144,449
Less: Debt applicable to the limit (Elderly and Disabled Housing Bonds)	(16,770,000)
Legal Debt Margin	$ 5,342,374,449

Revenue Bonds

The legal debt margin for OHCSD's revenue bonds is set by statute (Oregon Revised Statute 456.661).

For additional bond information see Note 10.

Oregon Housing & Community Services Department
Ratio of Outstanding Debt
Enterprise Fund
Unaudited
Last Ten Fiscal Years

Fiscal Year	Business-Type Activities - Enterprise Funds: General Obligation Bonds [1]	Revenue Bonds [2]	Total	Percentage of Personal Income [3]	Per Capita [3]
2026	$ 16,770,000	$ 1,271,880,000	$ 1,288,650,000	0.41%	$ 302
2025	17,925,000	1,169,945,000	1,187,870,000	0.40%	278
2024	19,030,000	1,077,185,000	1,096,215,000	0.39%	258
2023	20,075,000	938,710,000	958,785,000	0.35%	226
2022	21,650,000	864,185,000	885,835,000	0.33%	208
2021	22,985,000	937,655,000	960,640,000	0.40%	226
2020	28,865,000	1,057,515,000	1,086,380,000	0.49%	258
2019	30,400,000	1,004,675,000	1,035,075,000	0.49%	247
2018	36,915,000	890,470,000	927,385,000	0.47%	224
2017	44,710,000	812,105,000	856,815,000	0.46%	209

[1] Elderly and Disabled Housing Bonds

[2] Mortgage Revenue Bonds, Housing Revenue Bonds (FY 2017 - FY 2021), and Multifamily Housing Revenue Bonds

[3] Personal Income and Population Source: Bureau of Economic Analysis, U.S. Department of Commerce (SAINC1) https://apps.bea.gov/itable/?ReqID=70&step=1

Population and Personal Income information can be found on the next page.

Oregon Housing & Community Services Department

Demographic and Economic Data - State of Oregon

Last Ten Years

Unaudited

Calendar Year	Population [1]	Personal Income [1] (in millions)	Per Capita Personal Income [1]	Annual Unemployment Rate [2]
2025	4,273,586	$ 313,182.3	$ 73,283	5.2%
2024	4,265,324	299,531.7	70,225	4.3%
2023	4,250,392	284,396.0	66,911	3.8%
2022	4,245,964	270,478.2	63,702	4.0%
2021	4,254,691	266,631.4	62,668	5.2%
2020	4,243,544	240,417.4	56,655	7.6%
2019	4,215,959	219,995.1	52,182	3.7%
2018	4,183,398	209,997.8	50,198	4.0%
2017	4,147,171	197,222.5	47,556	4.1%
2016	4,093,165	186,068.9	45,458	4.8%

[1] Source: Bureau of Economic Analysis, U.S. Department of Commerce (SAINC1) - https://apps.bea.gov/itable/?ReqID=70&step=1

[2] Source: Oregon Employment Department - www.qualityinfo.org

Oregon Housing & Community Services Department
Employment Data - State of Oregon
Current Year and Nine Years Ago

Unaudited

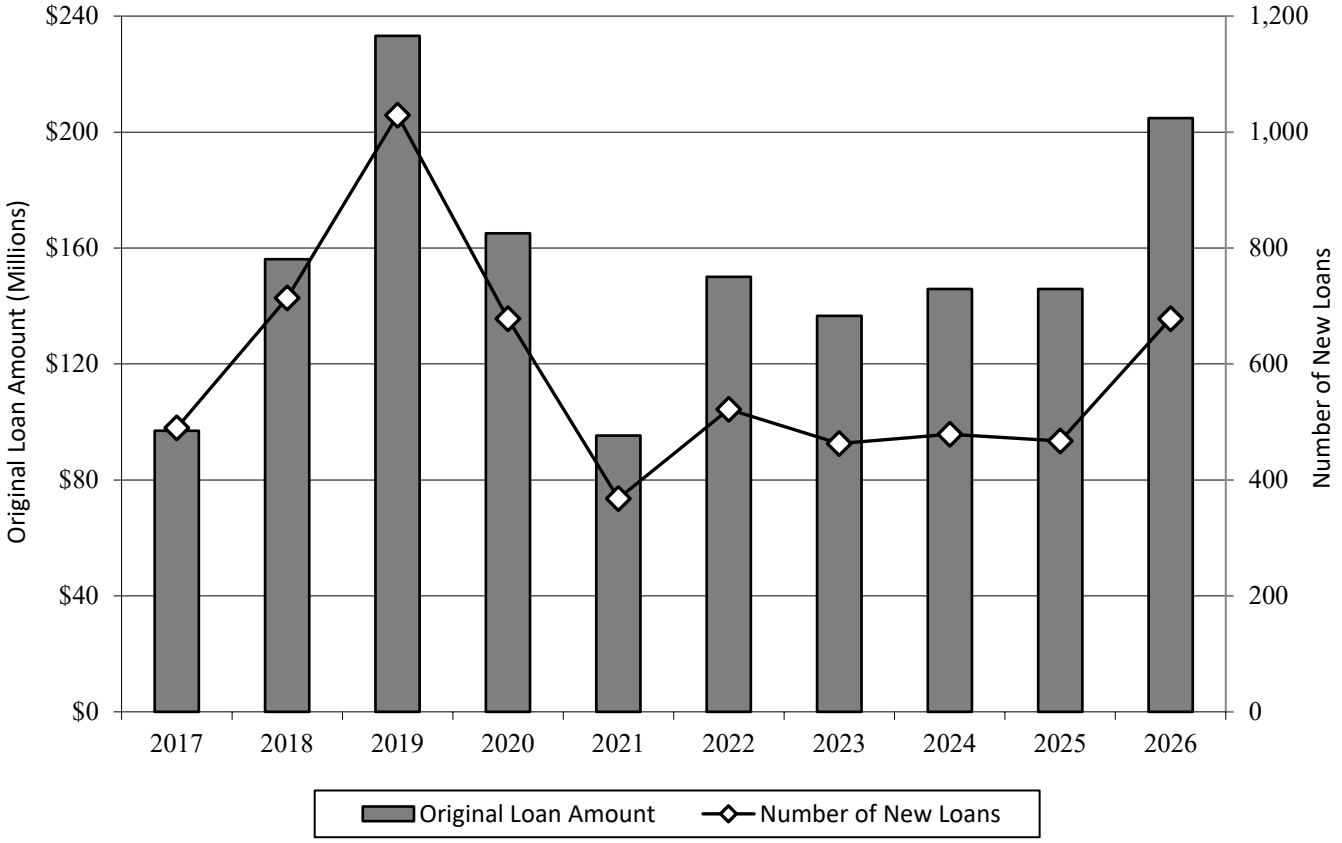
	2026 (Second Quarter)		2017 (Second Quarter)		
	Number of Employees	Percent of Total	Number of Employees	Percent of Total	Change
Private:					
Education and Health Services	355,894	17.94%	266,961	14.09%	33.31%
Trade, Transportation, and Utilities	345,725	17.42%	344,529	18.18%	0.35%
Professional and Business Services	249,682	12.58%	243,311	12.84%	2.62%
Leisure and Hospitality	209,153	10.54%	208,051	10.98%	0.53%
Manufacturing	174,016	8.77%	188,970	9.97%	-7.91%
Construction	109,200	5.50%	96,348	5.08%	13.34%
Financial Activities	79,885	4.03%	83,500	4.41%	-4.33%
Natural Resources and Mining	52,684	2.65%	51,611	2.72%	2.08%
Information	34,200	1.72%	34,572	1.83%	-1.08%
Other Services	68,993	3.48%	77,540	4.09%	-11.02%
Unclassified	713	0.04%	550	0.03%	29.64%
Government:					
Federal Government	27,179	1.37%	28,309	1.49%	-3.99%
State Government	49,218	2.48%	56,672	2.99%	-13.15%
Local Government	227,803	11.48%	214,082	11.30%	6.41%
Total Employment	1,984,345	100.00%	1,895,006	100.00%	4.71%

Source: Oregon Employment Department - www.qualityinfo.org

Oregon Housing & Community Services Department
Principal Program Loan Interest Payers
Enterprise Funds
Unaudited
Current Year and Nine Years Ago

	Fiscal Year 2026			Fiscal Year 2017		
	Rank	Program Loan Interest Received	Percent of Total Program Loan Interest Received	Rank	Program Loan Interest Received	Percent of Total Program Loan Interest Received
Emerald Pointe	1	$ 964,739	2.34%	1	$ 1,115,303	2.87%
Beaver State Apartments	2	505,737	1.23%	6	558,415	1.44%
Autumn Park	3	236,148	0.57%	9	281,013	0.72%
Gateway Park Apartments	4	167,047	0.41%	8	290,021	0.75%
Fifth Avenue Court	5	119,297	0.29%	10	279,485	0.72%
The Oaks Apartments	6	54,638	0.13%			
Rosemont Town Homes	7	53,747	0.13%			
Quail Run Apartments	8	37,671	0.09%			
Tyron Mews Apartments	9	37,493	0.09%			
Forest Park Apartments	10	36,038	0.09%			
Willamette Garden Apartments				2	858,972	2.21%
Westridge Meadows Apartments				3	798,296	2.06%
Woodridge Apartments				4	750,738	1.93%
Troutdale Terrace Apartments				5	670,127	1.73%
The Hazelwood Apartments				7	384,172	0.99%
Total		$ 2,212,555	5.37%		$ 5,986,542	15.42%

Oregon Housing & Community Services Department
Single-Family Mortgage Program New Mortgage Loans Financed
Enterprise Funds
Unaudited
Last Ten Fiscal Years



Fiscal Year	Number of New Loans	Loan Amount
2026	678	$ 204,788,797
2025	467	145,882,864
2024	479	145,901,323
2023	463	136,638,159
2022	522	150,027,831
2021	368	95,332,814
2020	678	165,032,101
2019	1,029	233,203,348
2018	714	156,131,888
2017	490	96,914,554

During fiscal year 2025, OHCS began financial new mortgages loans through the purchase of mortgage-backed securities and stopped financing new mortgage loans through the purchase of mortgage loans. In fiscal year 2025, there were 219 loans ($69,639,238) financed by purchasing mortgage-backed securities and 248 loans ($76,243,626) financed by purchasing mortgage loans.

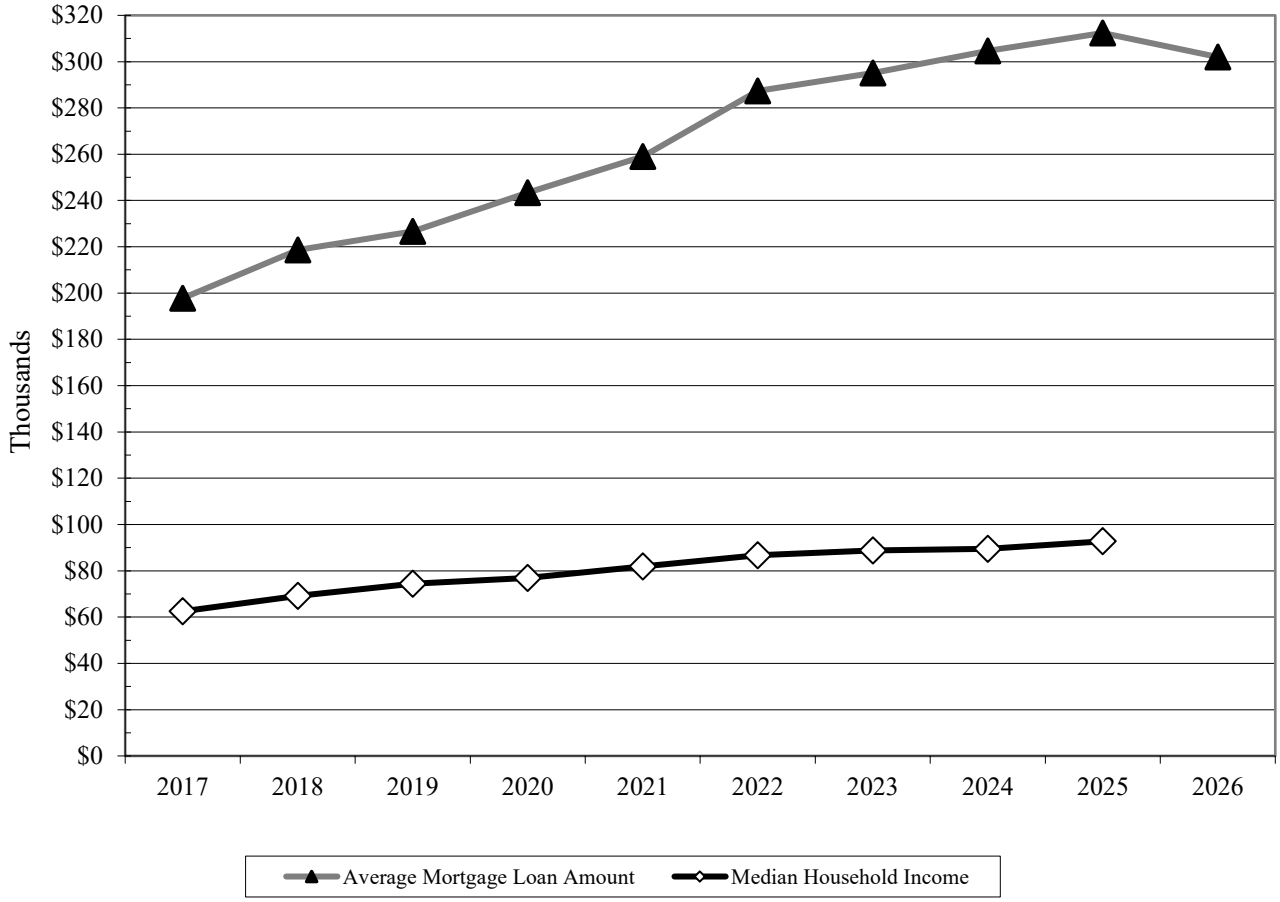
Oregon Housing & Community Services Department

Single-Family Mortgage Program New Mortgage Loans Financed Average Loan Amount versus Oregon Median Household Income

Unaudited

Enterprise Funds

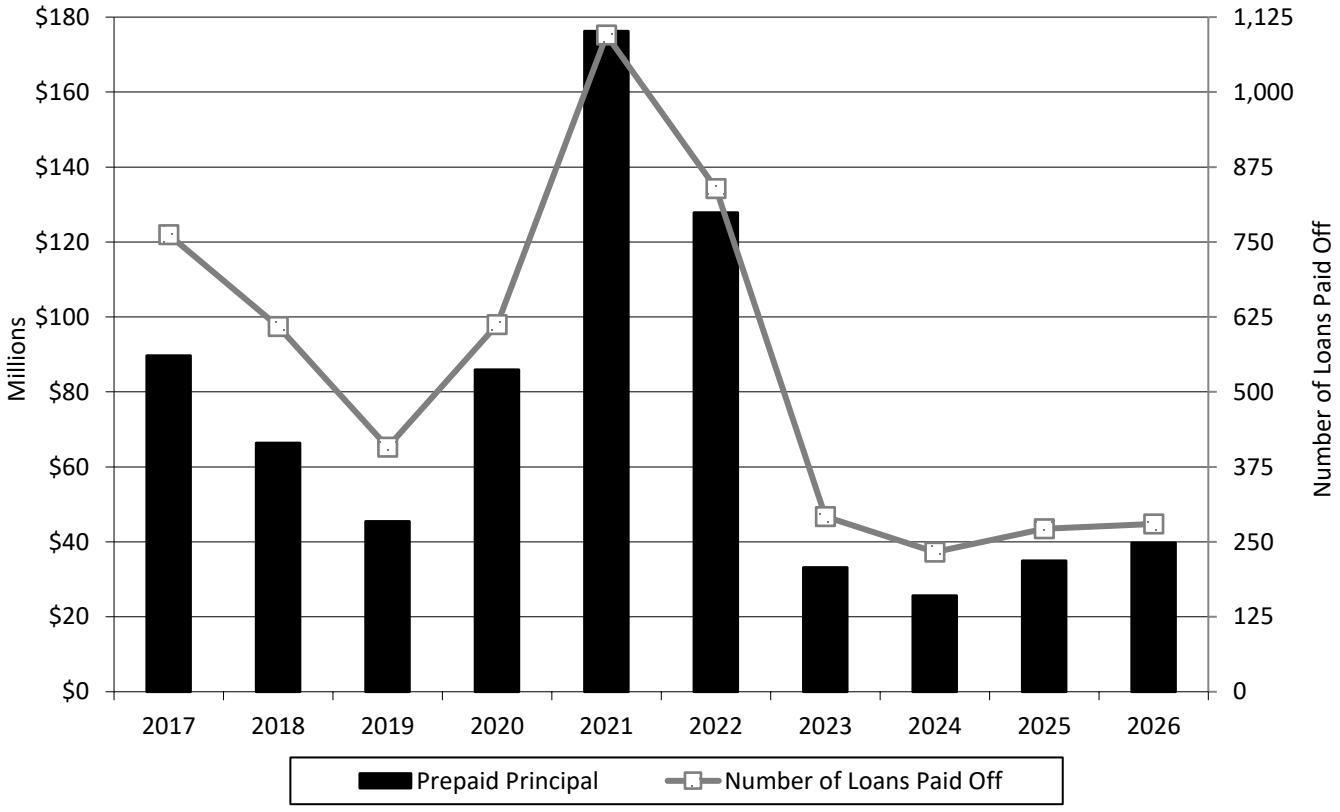
Last Ten Years



Fiscal Year	Average Loan Amount	Calendar Year	Median Household Income in the State of Oregon [1]
2026	$ 302,048		
2025	312,383	2025	$ 92,740
2024	304,596	2024	89,510
2023	295,115	2023	88,740
2022	287,410	2022	86,780
2021	259,057	2021	81,850
2020	243,410	2020	76,850
2019	226,631	2019	74,410
2018	218,672	2018	69,170
2017	197,785	2017	62,500

[1] Source: US Census Bureau (Table H-8) - www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-households.html

Oregon Housing & Community Services Department
Single-Family Mortgage Program Mortgage Loans Paid Off
Enterprise Funds
Unaudited
Last Ten Fiscal Years



Fiscal Year	Number of Loans Paid Off	Prepaid Principal
2026	280	$ 39,711,423
2025	272	34,941,550
2024	233	25,674,721
2023	292	33,150,016
2022	839	127,881,513
2021	1,095	176,269,997
2020	612	85,890,206
2019	408	45,414,416
2018	609	66,400,638
2017	762	89,704,744

Oregon Housing & Community Services Department
Loans Outstanding - By Interest Rate
Enterprise Funds
Unaudited
Current Year and Nine Years Ago

	June 30, 2026				June 30, 2017			
Interest Rate	Number of Loans	Percent	Principal Amount	Percent	Number of Loans	Percent	Principal Amount	Percent
Single Family Loans [1]								
0.00 - 2.99%	1,397	23.76%	$ 217,945,682	24.65%	142	2.80%	$ 27,560,397	4.63%
3.00 - 3.99%	1,460	24.84%	225,788,018	25.53%	1,769	34.90%	270,664,733	45.48%
4.00 - 4.99%	930	15.82%	132,950,081	15.04%	1,251	24.68%	126,359,620	21.23%
5.00 - 5.99%	895	15.22%	155,370,039	17.57%	1,378	27.18%	133,988,871	22.52%
6.00 - 6.99%	588	10.00%	135,688,917	15.35%	377	7.44%	31,457,019	5.29%
7.00 - 7.99%	499	8.49%	15,139,312	1.71%	140	2.76%	4,952,645	0.83%
8.00 - 8.99%	107	1.82%	1,360,797	0.15%	12	0.24%	129,869	0.02%
9.00 - 9.99%	3	0.05%	35,274	0.00%	-	-	-	-
Total	5,879	100.00%	$ 884,278,120	100.00%	5,069	100.00%	$ 595,113,154	100.00%
Multi-Family Loans [2]								
0.00 - 2.99%	22	16.06%	$ 1,940,981	3.56%	70	21.02%	$ 14,227,267	6.81%
3.00 - 3.99%	5	3.65%	781,793	1.43%	10	3.00%	3,157,951	1.51%
4.00 - 4.99%	16	11.68%	2,997,265	5.49%	31	9.31%	21,000,105	10.05%
5.00 - 5.99%	17	12.41%	34,131,760	62.55%	28	8.41%	101,156,356	48.41%
6.00 - 6.99%	39	28.46%	14,327,162	26.25%	57	17.12%	57,607,545	27.57%
7.00 - 7.99%	32	23.36%	326,671	0.60%	55	16.52%	9,618,529	4.60%
8.00 - 8.99%	6	4.38%	63,658	0.12%	81	24.32%	2,093,735	1.00%
9.00 - 9.99%	-	-	-	-	1	0.30%	96,998	0.05%
Total	137	100.00%	$ 54,569,290	100.00%	333	100.00%	$ 208,958,486	100.00%
Grand Total	6,016		$ 938,847,410		5,402		$ 804,071,640	

[1] Mortgage Revenue Bonds, Housing Revenue Bonds (June 30, 2017), and down payment assistance loans in Housing Finance Account (June 30, 2026)

[2] Elderly and Disabled Housing Fund, Multifamily Housing Revenue Bond, and multi-family loans in Housing Finance Account

Oregon Housing & Community Services Department
Loans Outstanding - By Monthly Payment Amount
Enterprise Funds
Unaudited
Current Year and Nine Years Ago

	June 30, 2026				June 30, 2017			
Monthly Payment [1]	Number of Loans	Percent	Principal Amount	Percent	Number of Loans	Percent	Principal Amount	Percent
Single Family Loans [2]								
$ 0 - $ 200	1,001	17.03%	$ 13,230,453	1.50%	39	0.77%	$ 846,663	0.14%
$ 201 - $ 400	176	2.99%	6,613,031	0.75%	435	8.58%	18,473,427	3.10%
$ 401 - $ 600	660	11.23%	40,782,699	4.61%	1,393	27.48%	108,272,197	18.20%
$ 601 - $ 800	909	15.46%	90,107,123	10.19%	1,621	31.98%	191,371,511	32.16%
$ 801 - $1,000	883	15.02%	135,716,595	15.35%	1,000	19.73%	157,461,141	26.46%
$1,001 - $1,200	727	12.37%	147,844,347	16.72%	412	8.13%	80,744,481	13.57%
$1,201 - $1,400	479	8.15%	116,068,096	13.13%	141	2.78%	31,195,535	5.24%
$1,401 - $1,600	283	4.81%	76,508,411	8.65%	24	0.47%	5,776,497	0.97%
$1,601 - $1,800	217	3.69%	64,543,306	7.30%	4	0.08%	971,702	0.16%
$1,801 - $2,000	195	3.32%	61,849,256	6.99%	-	-	-	-
$2,001 - $2,200	133	2.26%	44,636,866	5.05%	-	-	-	-
$2,201 - $2,400	100	1.70%	37,441,551	4.23%	-	-	-	-
$2,401 - $2,600	53	0.90%	21,091,349	2.39%	-	-	-	-
$2,601 - $2,800	36	0.61%	15,211,845	1.72%	-	-	-	-
$2,801 - $3,000	15	0.26%	6,842,472	0.77%	-	-	-	-
$3,001 - $3,200	9	0.15%	4,340,084	0.49%	-	-	-	-
$3,201 - $3,400	3	0.05%	1,450,636	0.16%	-	-	-	-
Total	5,879	100.00%	884,278,120	100.00%	5,069	100.00%	595,113,154	100.00%
Multi-Family Loans [3]								
$ 0 - $ 1,000	80	58.39%	1,280,183	2.35%	205	61.56%	5,456,975	2.61%
$ 1,001 - $ 5,000	30	21.90%	6,025,777	11.04%	49	14.72%	13,510,417	6.47%
$ 5,001 - $10,000	13	9.49%	4,289,938	7.86%	31	9.31%	23,866,042	11.42%
$10,001 - $15,000	4	2.92%	1,910,651	3.50%	16	4.81%	17,512,570	8.38%
$15,001 - $20,000	3	2.19%	1,648,728	3.02%	9	2.70%	16,043,071	7.68%
$20,001 - $25,000	-	-	-	0.00%	8	2.40%	19,866,232	9.51%
$25,001 - $30,000	2	1.46%	4,932,092	9.04%	4	1.20%	12,642,025	6.05%
$30,001 or more	4	2.92%	34,197,209	62.67%	11	3.30%	100,061,154	47.88%
Due at Maturity	1	0.73%	284,712	0.52%	-	-	-	-
Total	137	100.00%	54,569,290	100.00%	333	100.00%	208,958,486	100.00%
Grand Total	6,016		$ 938,847,410		5,402		$ 804,071,640	

[1] Principal and Interest only. Does not include taxes or insurance.

[2] Mortgage Revenue Bonds, Housing Revenue Bonds (June 30, 2017), and down payment assistance loans in Housing Finance Account (June 30, 2026)

[3] Elderly and Disabled Housing Fund, Multifamily Housing Revenue Bond, and multi-family loans in Housing Finance Account

Oregon Housing & Community Services Department
Loans Outstanding - By County
Enterprise Funds
June 30, 2026

County	Elderly and Disabled Housing Program		Mortgage Revenue Bonds		Multifamily Housing Revenue Bonds	
	Number of Loans	Principal Amount	Number of Loans	Principal Amount	Number of Loans	Principal Amount
Baker	1	$ 24,866	24	$ 2,623,493	-	$ -
Benton	4	796,402	40	5,075,408	-	-
Clackamas	8	59,165	273	57,230,440	1	3,691,574
Clatsop	1	10,569	14	2,554,453	-	-
Columbia	3	17,615	116	30,557,193	1	535,678
Coos	-	-	134	25,732,319	-	-
Crook	-	-	92	22,497,210	-	-
Curry	-	-	6	940,440	-	-
Deschutes	2	29,208	386	78,777,960	-	-
Douglas	1	14,416	121	17,846,298	1	526,687
Gilliam	-	-	-	-	-	-
Grant	-	-	5	973,009	-	-
Harney	2	218,438	14	1,501,288	-	-
Hood River	-	-	11	1,401,426	-	-
Jackson	-	-	287	50,251,972	1	674,154
Jefferson	-	-	98	21,463,880	-	-
Josephine	3	103,141	323	57,073,768	-	-
Klamath	-	-	125	13,110,179	-	-
Lake	1	38,800	16	1,855,340	-	-
Lane	8	229,712	208	24,490,757	1	556,069
Lincoln	4	961,480	28	3,223,180	-	-
Linn	7	656,588	117	18,705,085	-	-
Malheur	1	442,997	27	2,598,056	-	-
Marion	30	17,232,142	314	39,022,733	1	96,660
Morrow	-	-	12	1,046,154	-	-
Multnomah	34	10,632,268	1,350	252,806,167	7	7,241,072
Polk	2	17,082	63	10,647,295	-	-
Sherman	1	102,943	1	144,182	-	-
Tillamook	-	-	20	3,900,589	-	-
Umatilla	-	-	107	12,103,288	-	-
Union	2	19,767	38	4,893,389	-	-
Wallowa	1	349,431	6	790,879	1	8,024,697
Wasco	-	-	5	868,878	-	-
Washington	4	68,291	387	79,920,882	-	-
Wheeler	-	-	1	172,211	-	-
Yamhill	4	708,568	121	24,408,399	-	-
Total	124	$ 32,733,889	4,890	$ 871,208,200	14	$ 21,346,591

Housing Finance Account		Total	
Number of Loans	Principal Amount	Number of Loans	Principal Amount
5	$ 47,832	30	$ 2,696,191
10	131,251	54	6,003,061
40	654,044	322	61,635,223
3	39,859	18	2,604,881
25	374,148	145	31,484,634
27	312,198	161	26,044,517
21	291,334	113	22,788,544
-	-	6	940,440
34	505,123	422	79,312,291
42	467,866	165	18,855,267
2	18,383	2	18,383
3	21,371	8	994,380
3	17,684	19	1,737,410
1	13,444	12	1,414,870
62	801,821	350	51,727,947
22	419,362	120	21,883,242
26	321,511	352	57,498,420
38	363,722	163	13,473,901
3	23,219	20	1,917,359
77	1,023,087	294	26,299,625
21	257,736	53	4,442,396
52	683,518	176	20,045,191
16	164,054	44	3,205,107
100	1,376,884	445	57,728,419
13	146,813	25	1,192,967
170	2,409,832	1,561	273,089,339
23	320,323	88	10,984,700
2	17,214	4	264,339
6	77,416	26	3,978,005
64	636,617	171	12,739,905
5	47,901	45	4,961,057
1	8,662	9	9,173,669
6	340,469	11	1,209,347
49	831,510	440	80,820,683
-	-	1	172,211
24	392,522	149	25,509,489
996	$ 13,558,730	6,024	$ 938,847,410

Oregon Housing & Community Services Department
Number of Employees
Last Ten Fiscal Years

Unaudited

	Full-Time-Equivalent Employees as of June 30									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Director's Office	35.0	34.0	13.0	12.0	10.0	4.0	3.0	3.0	3.0	13.0
Deputy Director's Office	2.0	3.0	10.0	11.0	12.0	63.0	52.0			
Public Affairs Office	23.0	23.0	17.0	20.0	17.0	10.0	11.0	9.0	9.0	7.0
Chief Financial Office	38.0	33.0						19.0	19.0	22.0
Operations Division	56.0	49.0	84.0	72.0	66.0			21.0	18.0	
Housing Stabilization Division	63.0	63.0	58.0	52.0	32.0	30.0	25.8	32.8	32.8	29.5
Homeownership Division	26.0	29.0	35.0	36.0	34.0	21.0	24.0			
Affordable Rental Housing Division	168.0	160.0	130.0	96.0	81.0	71.0	60.0			
Disaster Recovery & Resiliency	36.0	34.0	28.0	22.0	6.0					
Housing Finance Division								79.0	71.0	65.5
Total	447.0	428.0	375.0	321.0	258.0	199.0	175.8	163.8	152.8	137.0

OHCSD's divsions were reorganized in 2020.

Other Reports

Oregon Secretary of State

Steve Bergmann
Division Director

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Honorable Tina Kotek
Governor of Oregon

Andrea Bell, Executive Director
Oregon Housing and Community Services Department

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Elderly and Disabled Housing Fund and the Housing Finance Fund, which collectively comprise the Housing and Community Services Fund, an enterprise fund of the State of Oregon, Housing and Community Services Department (department), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Housing and Community Service Fund's basic financial statements, and have issued our report thereon dated October 30, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control. Accordingly, we do not express an opinion on the effectiveness of the department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

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Salem, Oregon 97310

Tobias Read
Oregon Secretary of State

Michael Kaplan
Deputy Secretary of State

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weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Office of the Secretary of State, Audits Division

State of Oregon
October 30, 2026

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INITIAL LIQUIDITY FACILITY*

The following is a summary of certain provisions of the Initial Liquidity Facility. This summary is not to be considered a full statement of the terms of the Initial Liquidity Facility and accordingly is qualified by reference thereto and is subject to the full text thereof. Investors should obtain and review a copy of the Initial Liquidity Facility in order to understand all of the terms of such document. Capitalized terms not otherwise defined in this summary or in this Official Statement have the respective meanings set forth in the Initial Liquidity Facility. In the event of any conflict between a definition set forth in this Official Statement and the corresponding definition set forth in the Initial Liquidity Facility, the definition set forth in the Initial Liquidity Facility shall control for purposes of this Appendix.

The Issuer expects to execute the Standby Bond Purchase Agreement, dated as of December 1, 2026 (the *"Initial Liquidity Facility"*), among the State of Oregon, acting by and through the Housing and Community Services Department (the *"Issuer"*), U.S. Bank Trust Company, National Association, as Tender Agent (the *"Tender Agent"*), and TD Bank, N.A. (the *"Initial Liquidity Provider"*), to provide liquidity support for Variable Rate Bonds that (a) bear interest at a Covered Rate, (b) are not Liquidity Provider Bonds or Variable Rate Bonds owned by or held on behalf of, for the benefit of or for the account of, the Issuer or any Affiliate of the Issuer, and (c) have not been removed from coverage under the Initial Liquidity Facility by redemption, defeasance or substitution of an Alternate Liquidity Facility, Non-Conforming Liquidity Facility or Self-Liquidity (herein referred to as *"Eligible Bonds*") subject to the terms and conditions of the Initial Liquidity Facility.

Upon the effectiveness of the Initial Liquidity Facility, the amount available under the Initial Liquidity Facility for the purchase of Eligible Bonds will equal the aggregate principal amount of the Variable Rate Bonds, plus 189 days interest thereon calculated at 12% per 365-day year.

General. The Initial Liquidity Facility requires the Initial Liquidity Provider to provide funds for the purchase of Eligible Bonds that have been tendered or deemed tendered and not remarketed subject to certain terms and conditions in the Initial Liquidity Facility as described below. The Initial Liquidity Facility does not otherwise provide security or support for the payment of the principal of, premium, if any, or interest on the Variable Rate Bonds or provide for any payment whatsoever with respect to the Fixed Rate Bonds.

Expiration of the Initial Liquidity Facility. The Initial Liquidity Provider is obligated to purchase the Eligible Bonds pursuant to the Initial Liquidity Facility from the Effective Date until the earliest to occur of the following dates and events (the "*Commitment Period"*): (1) the later of 5:00 p.m. Eastern United States time on December 9, 2031*, and 5:00 p.m. Eastern United States time on the last day of any extension of such date pursuant to the Initial Liquidity Facility (or if such last day is not a Business Day, the Business Day next preceding such day); (2) the first date on which no Variable Rate Bonds are Outstanding (as defined in the Indenture); (3) 5:00 p.m. Eastern United States time on the Conversion Date on which the interest rate borne by all of the Variable Rate Bonds has been converted to an interest rate other than a Covered Rate; (4) 5:00 p.m. Eastern United States time on the forty-fifth (45th) day following the date on which a Notice of Termination Date (as defined in paragraph (2) under the caption "*Remedies Upon Occurrence of an Event of Default*" below) is received by the Issuer, the Trustee and the Tender Agent, or if such forty-fifth (45th) day is not a Business Day, the next succeeding Business Day; and (5) the date on which the Available Commitment has been reduced to zero or terminated in its entirety pursuant to the Initial Liquidity Facility (more specifically, (i) 5:00 p.m. Eastern United States time on the date on which an Alternate Liquidity Facility, a Non-Conforming Liquidity Facility or Self-Liquidity has become effective with respect to all Outstanding Eligible Bonds, (ii) the date on which the Issuer with notice to the Trustee terminates the Available Commitment and the Initial Liquidity Facility as set forth in the Initial Liquidity Facility and (iii) each date described under the caption "*Remedies Upon Occurrence of an Event of Default*" below).

If there is a Termination Event applicable to the Variable Rate Bonds, the Available Commitment and the obligation of the Liquidity Provider to purchase Eligible Bonds shall immediately terminate without notice or demand to any Person, and thereafter the Initial Liquidity Provider shall be under no obligation to purchase Variable Rate Bonds. In that event, sufficient funds may not be available to purchase the Eligible Bonds tendered or deemed

* Preliminary, subject to change.

tendered by the owners thereof pursuant to an optional or mandatory tender, and the holders of such Eligible Bonds will have no right to optionally tender their Eligible Bonds and may be required to hold such Eligible Bonds until the earlier of the redemption or maturity thereof.

Purchase of Eligible Bonds. Except with respect to the Eligible Bonds bearing interest at the Daily Rate for which no such prior notice shall be necessary, the Tender Agent will notify the Initial Liquidity Provider in writing by not later than 11:00 a.m. Eastern United States time on the Business Day immediately following the seventh (7th) day prior to a Purchase Date of the maximum amount which could be payable on such Purchase Date to pay the Purchase Price of tendered Eligible Bonds. On each Purchase Date on which the Eligible Bonds are to be tendered to the Tender Agent, by no later than 11:30 a.m. Eastern United States time, the Tender Agent shall give the Initial Liquidity Provider the Electronic Notice in the form required by the Initial Liquidity Facility in writing of the aggregate Purchase Price of the tendered Eligible Bonds required to be purchased by the Initial Liquidity Provider pursuant to the Initial Liquidity Facility, and the amount of principal and interest constituting such Purchase Price. Upon receipt of the properly presented and conforming notice set forth above and subject, in each case, to the satisfaction of the conditions set forth in the Initial Liquidity Facility (including that no Termination Event has occurred), the Initial Liquidity Provider shall, by no later than 2:00 p.m. Eastern United States time on the same day (or not later than 2:00 p.m. Eastern United States time on the next Business Day if the Initial Liquidity Provider receives such notice after 11:30 a.m. Eastern United States time) make available to the Tender Agent, in immediately available funds, such Purchase Price, to be deposited in accordance with the Indenture and the Bond Declaration. If any funds paid by the Initial Liquidity Provider to the Tender Agent pursuant to the Initial Liquidity Facility shall not be required to be applied to purchase Variable Rate Bonds as provided in the Initial Liquidity Facility, such funds shall be held and be returned to the Initial Liquidity Provider as soon as practicable by the Tender Agent and until so returned shall be held in trust by the Tender Agent for the account of the Initial Liquidity Provider. Variable Rate Bonds purchased by the Initial Liquidity Provider pursuant to Initial Liquidity Facility shall thereupon constitute Liquidity Provider Bonds and have all of the characteristics of Liquidity Provider Bonds as set forth in the Initial Liquidity Facility and in the Bond Declaration. Liquidity Provider Bonds will bear interest at the Bank Rate, in accordance with the Initial Liquidity Facility, payable monthly.

The Initial Liquidity Provider is not obligated under the Initial Liquidity Facility to purchase Eligible Bonds after the Commitment Period expires or otherwise terminates.

Events of Default Under the Initial Liquidity Facility. The occurrence of any of the following events constitutes an "Event of Default" under the Initial Liquidity Facility.

(1) (a) Any principal of, or interest on, any Variable Rate Bond (including any Liquidity Provider Bond) shall not be paid when due or (b) any other amount owed to the Initial Liquidity Provider pursuant to Section 2.2 or Section 3.1 of the Initial Liquidity Facility, shall not be paid when due; or

(2) The Issuer shall fail to pay any amount owing to the Initial Liquidity Provider due under the Fee Letter Agreement within fifteen (15) days after the same shall become due; or

(3) Any representation or warranty made or deemed to be made to the Initial Liquidity Provider by or on behalf of the Issuer in the Initial Liquidity Facility, the Fee Letter Agreement, or in any Related Document, or in any certificate or statement delivered thereunder shall be incorrect or untrue in any material respect when made or deemed to have been made; or

(4) The Issuer shall fail to observe or perform any covenant or agreement of the Issuer contained (or incorporated by reference) in the Initial Liquidity Facility and such failure shall continue for 60 days (or such longer period as provided in any such covenant or agreement) or more after written notice thereof requesting that such default be remedied has been given to it by the Initial Liquidity Provider; provided that the Issuer's failure to observe or perform certain enumerated covenants shall constitute an Event of Default immediately and without regard to any grace period; or

(5) The Issuer shall default in the due performance or observance of any other term, covenant or agreement contained in the Initial Liquidity Facility (other than those referred to in paragraphs (1) through (4) above under this caption "*Events of Default Under the Initial Liquidity Facility*") and such default shall remain unremedied for a period of thirty (30) days after the Initial Liquidity Provider shall have given written notice thereof to the Issuer; or

(6) Any Event of Default under the Indenture or any "event of default" which is not cured within any applicable cure period under any of the Related Documents shall occur which, if not cured, would give rise to remedies available thereunder; or

(7) Any material provision of the Initial Liquidity Facility or any Related Document shall at any time for any reason cease to be valid and binding on the Issuer or any other party thereto or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Issuer or such other party thereto or by any Governmental Authority having jurisdiction, or the Issuer or such other party shall deny that it has any or further liability or obligation under any such document; or

(8) Each rating assigned to the Variable Rate Bonds shall be withdrawn or suspended for credit related reasons or fall below Investment Grade; or

(9) The Department shall default in any payment of principal of or premium, if any, or interest on any general obligation of the Department for borrowed money in excess of $10,000,000 and such default shall continue beyond the expiration of the applicable grace period, if any, or the Department shall fail to perform any other agreement, term or condition contained in any agreement under which any such obligation is created or secured, which shall permit or result in the declaring due and payable of such obligation prior to the date on which it would otherwise have become due and payable; or

(10) A final judgment or order for the payment of money from the Housing Finance Fund in excess of $15,000,000 shall have been rendered against the Issuer and, to the extent of any amount due under such judgment or order, such judgment or order shall not have been satisfied, stayed or bonded pending appeal within a period of sixty (60) days from the date on which such amount became due.

Remedies Upon Occurrence of an Event of Default. Following the occurrence of any of the above referenced Events of Default, the Initial Liquidity Provider may take any one or more of the following actions.

(1) In the case of any Termination Event, the Available Commitment and the obligation of the Initial Liquidity Provider under the Initial Liquidity Facility to purchase the Eligible Bonds shall immediately terminate without notice or demand to any Person, and thereafter the Initial Liquidity Provider shall be under no obligation to purchase the Eligible Bonds. Promptly upon such Event of Default, the Initial Liquidity Provider shall give written notice of the same to the Issuer, the Trustee and the Remarketing Agent; provided, that the Initial Liquidity Provider shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the termination of the Initial Liquidity Provider's Available Commitment with respect to such Eligible Bonds and of its obligation to purchase such Eligible Bonds pursuant to the Initial Liquidity Facility. The Issuer shall cause the Trustee to notify all holders of the Variable Rate Bonds of the termination of the Available Commitment and the termination of the obligation of the Initial Liquidity Provider to purchase such Variable Rate Bonds.

(2) In the case of the occurrence of any Event of Default specified in paragraphs (1)(b), (2), (3), (4), (5) or (9) above under the caption "*Events of Default Under the Initial Liquidity Facility*," or the occurrence of an Event of Default specified in either paragraph (6) or (7) above under the caption *"Events of Default Under the Initial Liquidity Facility"* which is not a Termination Event, the Initial Liquidity Provider may give written notice of such Event of Default and termination of the Initial Liquidity Facility (a *"Notice of Termination Date")* to the Trustee, the Tender Agent, the Issuer, and the Remarketing Agent, requesting a Default Tender. The obligation of the Initial Liquidity Provider to purchase the Eligible Bonds shall terminate on the forty-fifth (45th) day (or if such day is not a Business Day, the next following Business Day) after such Notice of Termination Date is received by the Tender Agent and on such date the Available Commitment shall terminate and the Initial Liquidity Provider shall be under no obligation under the Initial Liquidity Facility to purchase Eligible Bonds.

(3) Upon the occurrence of any Event of Default, the Initial Liquidity Provider may declare all accrued and unpaid amounts payable to it under the Initial Liquidity Facility immediately due and payable (other than payments of principal of and interest on Liquidity Provider Bonds, acceleration rights with respect to which are governed by the Indenture), and the Initial Liquidity Provider shall have all remedies provided at law or equity, including, without limitation, specific performance; provided, however, the Initial Liquidity Provider agrees to purchase the Eligible Bonds on the terms and conditions of the Initial Liquidity Facility notwithstanding the occurrence of an Event of

Default which does not terminate its obligation to purchase Eligible Bonds under paragraph (1) or (2) under this caption "*Remedies Upon Occurrence of an Event of Default"*.

(4) The remedies provided under paragraphs (1) and (2) under this caption *"Remedies Upon Occurrence of an Event of Default*" shall only be exclusive with respect to such Events of Default to the extent they are obtained by the Initial Liquidity Provider. If, for any reason whatsoever, the Initial Liquidity Provider is not able to obtain all such remedies, then the Initial Liquidity Provider reserves the right and shall have the right to pursue any other available remedies, whether provided by law, equity or the Initial Liquidity Facility.

Defined Terms. As used in the Initial Liquidity Facility and in this Appendix C entitled "SUMMARY OF CERTAIN PROVISIONS OF THE INITIAL LIQUIDITY FACILITY," the following terms have the meanings indicated below, unless the context clearly indicates otherwise:

"Available Commitment" means, on any day, the sum of the Available Interest Commitment and the Available Principal Commitment on such day, initially $28,321,883*.

"Available Interest Commitment" initially means $1,656,883*, with respect to the Variable Rate Bonds, which initial amount equals 189 days' interest on the initial amount of the Available Principal Commitment based upon an assumed rate of interest of 12% per annum and a year of 365 days, and thereafter means such initial amount adjusted from time to time as follows: (a) downward by an amount that bears the same proportion to such initial amount as the amount of any reduction in the Available Principal Commitment, in accordance with clause (a), (b) or (c) of the definition herein of Available Principal Commitment, bears to the initial Available Principal Commitment and (b) upward by an amount that bears the same proportion to such initial amount as the amount of any increase in the Available Principal Commitment, in accordance with clause (d) of the definition herein of Available Principal Commitment, bears to the initial Available Principal Commitment.

"Available Principal Commitment" means initially $26,665,000* (which initial amount equals the aggregate principal amount of the Variable Rate Bonds Outstanding on the Effective Date of the Initial Liquidity Facility), and thereafter means such initial amount adjusted from time to time as follows: (a) downward by the amount of any mandatory reduction of the Available Principal Commitment pursuant to the Initial Liquidity Facility; (b) downward by the principal amount of any Variable Rate Bonds for the purchase of which funds are made available by the Initial Liquidity Provider to purchase such Variable Rate Bonds pursuant to the Initial Liquidity Facility; (c) downward by the principal amount of any Variable Rate Bonds of which the interest rate borne by such Variable Rate Bonds has been converted to a rate other than a Covered Rate; and (d) upward by the principal amount of any Variable Rate Bonds theretofore purchased by the Initial Liquidity Provider pursuant to the Initial Liquidity Facility which are remarketed (or deemed to be remarketed pursuant to the Initial Liquidity Facility) by the Remarketing Agent and for which the Initial Liquidity Provider has received immediately available funds equal to the principal amount thereof and accrued interest thereon. Any adjustments to the Available Principal Commitment pursuant to clauses (a), (b), (c), and (d) hereof shall occur simultaneously with the occurrence of the events described in such clauses.

"Bank Rate" means, for each day of determination with respect to any Liquidity Provider Bond, except as otherwise provided in the Initial Liquidity Facility, (i) for the period from and including the Purchase Date of such Liquidity Provider Bond to but not including the earliest to occur of (x) the last day of the Commitment Period and (y) the 366th calendar day following the related Purchase Date, the rate per annum equal to the Base Rate from time to time in effect, and (ii) thereafter, the rate per annum equal to the Base Rate from time to time in effect plus 1.00%; provided that from and after the occurrence of an Event of Default under the Initial Liquidity Facility, the Bank Rate shall equal the Default Rate; and provided further, that at no time shall the Bank Rate with respect to any Liquidity Provider Bonds be less than the interest rate on Variable Rate Bonds that are not Liquidity Provider Bonds.

"Base Rate" means, for any day, the greatest of (i) the Prime Rate plus one percent (1.00%) per annum, (ii) the Fed Funds Rate plus two percent (2.00%) per annum, and (iii) seven percent (7.00%) per annum.

"Bond Declaration" means the housing finance bond declaration related to the Variable Rate Bonds.

"Conversion Date" means the date on which all or a portion of the Variable Rate Bonds has been converted to bear interest at a rate other than the Daily Rate (as defined in the Bond Declaration) or the Weekly Rate (as defined in the Bond Declaration).

"Covered Rate" means the Daily Rate and the Weekly Rate.

"Debt" of any Person means and includes (a) all indebtedness of such Person for borrowed money; (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (c) all obligations of such Person to reimburse or repay any bank or other Person in respect of amounts paid or advances under a letter of credit, credit agreement, standby bond purchase agreement or any other similar instrument; (d) obligations with respect to any conditional sale agreement or title retention agreement; (e) Guarantees by such Person of Debt of other Persons; (f) obligations under leases which are required to be capitalized by generally accepted accounting principles; (g) indebtedness of others secured by a Lien on any asset of such Person, whether or not such indebtedness is assumed by such Person; (h) obligations of such Person under any Swap Contract; and (i) all other items or obligations which would be included in determining total liabilities on the balance sheet of such Person; provided, however, that "Debt" shall not include trade payables and similar obligations incurred in the ordinary course of business.

"Default" means any occurrence, circumstance or event, or any combination thereof, which, with the lapse of time and/or giving of notice, would constitute an Event of Default under the Initial Liquidity Facility.

"Default Rate" means the Base Rate from time to time then in effect plus 3.00%.

"Default Tender" means a mandatory tender of the Variable Rate Bonds as a result of the Initial Liquidity Provider's delivery of a Notice of Termination Date to the Tender Agent.

"Department" means the State of Oregon Housing and Community Services Department, including any successors and assigns.

"Effective Date" means December 10, 2026[*].

"Fed Funds Rate" means, for any day, the greater of (a) zero and (b) the rate per annum calculated by the Federal Reserve Bank of New York based on such day's federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:00 a.m. (Eastern time) on such day on such transactions received by the Initial Liquidity Provider from three federal funds brokers of recognized standing selected by the Initial Liquidity Provider in its sole discretion. Each determination of the Fed Funds Rate by the Initial Liquidity Provider shall be deemed conclusive and binding on the Issuer absent manifest error.

"Fee Letter Agreement" means the fee agreement dated December 10, 2026[*], between the Initial Liquidity Provider and the Issuer, relating to the Initial Liquidity Facility, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Guarantee" means the legal obligation to pay the Debts or satisfy the liabilities of another Person, whether such guarantee is of payment or of performance.

"Governmental Authority" means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasigovernmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity (including any zoning authority, the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority), any arbitrator with authority to bind a party at law, or other entity exercising executive, legislative, judicial, taxing, regulatory, or administrative powers or functions of or pertaining to government.

"Investment Grade" means a rating of "Baa3" (or its equivalent) or better by Moody's (if the Variable Rate Bonds are rated by Moody's), a rating of "BBB-" (or its equivalent) or better by S&P (if the Variable Rate Bonds are rated by S&P), or a rating of "Baa3" (or its equivalent) or better by Moody's and a rating of "BBB-" (or its equivalent) or better by S&P (if the Variable Rate Bonds are rated by both Moody's and S&P).

[*] Preliminary, subject to change.

"Issuer" means the State of Oregon acting by and through the Housing and Community Services Department. In addition, the term "Issuer," or references to assets or property of the Issuer, shall not be construed to include the general fund or any other funds or accounts held in the Oregon State Treasury, apart from the Housing Finance Fund. References to obligations or debts of the Issuer shall not be construed as a full faith and credit obligation of the State of Oregon or any of its agencies, other than the Department.

"Liquidity Provider Bond" means the Eligible Bonds purchased with funds provided under the Initial Liquidity Facility by the Initial Liquidity Provider, until remarketed or deemed to be remarketed in accordance with the Initial Liquidity Facility.

"Maximum Rate" means, with respect to Liquidity Provider Bonds, the lesser of (A) the maximum non-usurious lawful rate of interest permitted by applicable law and (B) twelve percent (12%) per annum.

"Parity Debt" means Debt of the Issuer described in clauses (b), (c), (e), (f) and (h) of the definition thereof (and in the case of (f), excluding any lease, the obligation of which is subject to appropriation at the discretion of the State, and in the case of (h), only with respect to (1) Swap Contracts that provide interest rate support and (2) obligations that constitute regularly scheduled payments that relate to any such Debt) that is secured on a basis that is senior to or on parity with the Variable Rate Bonds and the Liquidity Provider Bonds; provided, that such Debt is secured by a security interest in the Revenues that is on a parity with, or senior to, the Bonds pursuant to the Original Indenture and the Bond Declaration.

"Prime Rate" means, on any day, the fluctuating rate of interest per annum equal to the "U.S. Prime Rate" listed in the "Money Rates" section of The Wall Street Journal as of such day or, if The Wall Street Journal is not published on a particular day, then the "U.S. Prime Rate" listed in the "Money Rates" section of The Wall Street Journal for the immediately preceding Business Day. If The Wall Street Journal ceases to exist or to publish a prime rate from which the Prime Rate is then determined, then the Prime Rate shall be the rate determined by the Initial Liquidity Provider as its prime commercial lending rate for such day for loans denominated in U.S. Dollars made in the United States. The Initial Liquidity Provider may make loans to its customers at, below or above such prime commercial lending rate, and the prime commercial lending rate referred to in the Initial Liquidity Facility is not intended to be the best rate offered to customers of the Initial Liquidity Provider. Any change in the Prime Rate shall take effect on the date specified in the publication or announcement of such change. Each determination of the Prime Rate by the Initial Liquidity Provider will be conclusive and binding on the Issuer absent manifest error. Notwithstanding anything in the Initial Liquidity Facility to the contrary, if the Prime Rate determined as provided above would be less than zero percent (0.0%), then the Prime Rate shall be deemed to be zero percent (0.0%).

"Related Documents" means the Initial Liquidity Facility, the Variable Rate Bonds, the Liquidity Provider Bond Custody Agreement, the Indenture, the Bond Declaration, the Fee Letter Agreement, and the Remarketing Agreement.

"Remarketing Agreement" means the remarketing agreement related to the Variable Rate Bonds.

"Termination Event" means the occurrence of an Event of Default specified in paragraphs (1)(a), (6), (7), (8) or (10) above under the caption "*Events of Default Under the Initial Liquidity Facility*," each of which shall result in the termination of the Available Commitment and the Initial Liquidity Provider's obligation to purchase Eligible Bonds under the Initial Liquidity Facility; provided that, the occurrence of an Event of Default specified in paragraph (6) under the caption "*Events of Default Under the Initial Liquidity Facility*" above shall constitute a Termination Event only to the extent that such Event of Default relates to the Issuer's obligation to make timely payments of principal of, or interest on, any Parity Debt under the Indenture, and the occurrence of an Event of Default specified in paragraph (7) under the caption "*Events of Default Under the Initial Liquidity Facility*" above shall constitute a Termination Event only to the extent that such Event of Default relates to the invalidity of the Initial Liquidity Facility, the Original Indenture, the Bond Declaration or the Variable Rate Bonds.

APPENDIX D

CERTAIN INFORMATION CONCERNING THE BANK*

TD Bank, N.A. (the "Bank") is a national banking association organized under the laws of the United States, with its main office located in Wilmington, Delaware. The Bank is an indirect, wholly owned subsidiary of The Toronto-Dominion Bank ("TD") and offers a full range of banking services and products to individuals, businesses and governments throughout its market areas, including commercial, consumer and trust services and indirect automobile dealer financing. The Bank operates banking offices in Connecticut, Delaware, the District of Columbia, Florida, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, North Carolina, New York, Pennsylvania, Rhode Island, South Carolina, Vermont and Virginia. As of June 30, 2026, the Bank had consolidated assets of $342.8 billion, consolidated deposits of $277.6 billion and stockholder's equity of $45.7 billion, based on regulatory accounting principles.

Additional information regarding the foregoing, and the Bank and TD, is available from the filings made by TD with the U.S. Securities and Exchange Commission (the "SEC"), which filings can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. In addition, the SEC maintains a website at http://www.sec.gov, which contains reports, proxy statements and other information regarding registrants that file such information electronically with the SEC.

The information concerning TD and the Bank contained herein is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced herein.

The Initial Liquidity Facility has been executed and delivered by the Bank and is the obligation of the Bank and not TD.

The Bank will provide copies of the publicly available portions of the most recent quarterly Call Report of the Bank delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

TD Bank, N.A.
4140 Church Road
Mount Laurel, New Jersey 08054
Attn: Corporate and Public Affairs

Information regarding the financial condition and results of operations of the Bank is contained in the quarterly Call Reports of the Bank delivered to the Comptroller of the Currency and available online at https://cdr.ffiec.gov/public. General information regarding the Bank may be found in periodic filings made by TD with the SEC. TD is a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare certain filings with the SEC in accordance with the disclosure requirements of Canada, its home country.

Canadian disclosure requirements are different from those of the United States. TD's financial statements are prepared in accordance with International Financial Reporting Standards, and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies prepared in accordance with United States generally accepted accounting principles.

The delivery hereof shall not create any implication that there has been no change in the affairs of TD or the Bank since the date hereof, or that the information contained or referred to in this Appendix D is correct as of any time subsequent to its date.

* Preliminary, subject to change.

NEITHER TD NOR ANY OTHER SUBSIDIARY OF TD OTHER THAN THE BANK IS OBLIGATED TO MAKE PAYMENTS UNDER THE INITIAL LIQUIDITY FACILITY.

The Bank is responsible only for the information contained in this Appendix D and did not participate in the preparation of, or in any way verify the information contained in, any other part of the Official Statement. Accordingly, the Bank assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Official Statement.

APPENDIX E

DTC AND BOOK-ENTRY SYSTEM

The Depository Trust Company ("DTC") 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 each Series of the Offered Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with Direct Participants, the "Participants"). DTC has Standard & Poor's rating: 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 (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 effect 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 a maturity of a Series of the Offered Bonds is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 Department 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, purchase 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 Department 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 Department, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price, purchase 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 Department 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 Department 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 Department 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 Department believes to be reliable, but the Department 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 MATTERS" in the Official Statement) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Offered Bonds.

DTC may discontinue providing its services as securities depository with respect to the Offered Bonds at any time by giving reasonable notice to the Department or the Trustee. The Department, in its sole discretion and without the consent of any other person but pursuant to DTC's procedures, may terminate the services of DTC with respect to the Offered Bonds. In the event that no substitute securities depository is found by the Department or restricted registration is no longer in effect, the Offered Bond certificates will be printed and delivered as provided in the Indenture and registered in accordance with the instructions of the purchasers, and 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 at the address appearing on the registration books as of the Regular Record Date (the 15th day of the month prior to the interest payment date) or a Special Record Date, as applicable. The principal of and redemption premium, if any, and interest due at maturity or redemption on the Offered Bonds will be payable at the corporate trust office of the Trustee or the Paying Agent upon presentation of the Offered Bonds on or after the date of maturity or redemption. Upon each exchange or transfer of the Offered Bonds, the subsequent owner will be required to pay any tax, fee or other governmental charge, except (1) with respect to the delivery of definitive Bonds in exchange for temporary Bonds or (2) as otherwise provided in the Indenture. Neither the Trustee nor the Department will be

required to make any exchange or registration of transfer during the 15-day period preceding the date of the first publication of a notice of redemption, or after such Offered Bonds or any portion thereof have been selected for redemption. Registration of ownership of Bonds may be made only on the books held at the corporate trust office of the Trustee for that purpose.

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APPENDIX F

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate"), dated December __, 2026, is executed and delivered by the State of Oregon, acting by and through its State Treasurer (the "State Treasurer") and its Housing and Community Services Department (the "Department"; together with the State Treasurer, the "Issuer"), in connection with the issuance of the State of Oregon Housing and Community Services Department Mortgage Revenue Bonds (Single-Family Mortgage Program), 2026 Series G, 2026 Series H and 2026 Series I (collectively, the "Offered Bonds"). The Offered Bonds are being issued and delivered pursuant to a Trust Indenture dated as of May 1, 1988, as amended and restated (the "Indenture"), and two Housing Finance Bond Declarations, approved and filed in the Office of the State Treasurer (collectively, the "Bond Declarations"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Indenture and the Bond Declarations, as applicable.

Section 1. *Purpose of Certificate*. This Certificate is being executed and delivered by the Issuer for the benefit of holders of the Offered Bonds and to assist the underwriters of the Offered Bonds in complying with paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) (the "Rule").

Section 2. *Annual Financial Information*. The Issuer, as the "obligated person" for purposes of the Rule, hereby agrees to provide or cause to be provided at least annually to the Municipal Securities Rulemaking Board established pursuant to the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto or to the functions thereof contemplated by this Certificate (the "MSRB"), financial information regarding the Department and the Single-Family Mortgage Program (the "Program") of the type set forth in the Official Statement for the Offered Bonds under the following captions:

The Department
- Funds and Accounts of the Department
  - *Combined Program Account in the Housing Finance Fund*

The Program
- Certain Information Relating to Outstanding Mortgage Loans
- Certain Information Relating to Outstanding Guaranteed Mortgage Securities
- Certain Information Relating to Mortgage Loan Delinquencies and Foreclosures
- Amounts Available to Purchase Guaranteed Mortgage Securities
- Outstanding Mortgage Revenue Bonds

Appendix B - Oregon Housing and Community Services Department Financial Statements

Such financial information shall also include information with respect to the amounts on deposit in the Insurance Reserve Account and the Debt Reserve Account.

The financial information described above will be filed no later than 9 months after the fiscal year end of the Department. Such information will include audited financial statements prepared in accordance with generally accepted accounting principles as established by the Governmental Accounting Standards Board as in effect from time to time; provided, however, that if audited financial statements are not available within 9 months after the end of the preceding fiscal year, unaudited financial statements will be provided with audited financial statements to follow when available.

Certain items of annual financial information may be provided by way of cross-reference to other documents (i) available to the public on the MSRB's Electronic Municipal Market Access ("EMMA") system, the current Internet Web address of which is www.emma.msrb.org or (ii) filed with the U.S. Securities and Exchange Commission. If the document included by cross-reference is a final official statement, it must be available from the MSRB.

Section 3. *Notice Events*. The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of such event, to the MSRB, notice of the occurrence of any of the following events with respect to the Offered Bonds:

a. principal and interest payment delinquencies;

b. nonpayment related defaults, if material;

c. unscheduled draws on debt service reserves reflecting financial difficulties;

d. unscheduled draws on credit enhancements reflecting financial difficulties;

e. substitution of credit or liquidity providers, or their failure to perform;

f. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Offered Bonds, or other material events affecting the tax status of the Offered Bonds;

g. modifications to rights of the holders of the Offered Bonds, if material;

h. Offered Bond calls, if material, and tender offers;

i. defeasances;

j. release, substitution, or sale of property securing repayment of the Offered Bonds, if material;

k. rating changes;

l. bankruptcy, insolvency, receivership or similar event of the Issuer[†];

m. the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

n. appointment of a successor or additional trustee or the change of name of a trustee, if material;

o. incurrence of a financial obligation[††] of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect holders of the Offered Bonds, if material; and

p. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation[††] of the Issuer, any of which reflect financial difficulties.

[†] For the purposes of the event identified in clause l. 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 Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, 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 Issuer.

[††] For the purposes of the events identified in clauses o. and p., "financial obligation" means "financial obligation" as such term is defined in the Rule.

The Issuer may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the Issuer, such other event is material with respect to the Offered Bonds, but the Issuer does not undertake any commitment to provide such notice of any event except those events listed above.

Section 4. *Failure to File Annual Financial Information*. The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of a failure by the Issuer to provide the annual financial information described in Section 2 above on or prior to the time set forth in Section 2.

Section 5. *Dissemination Agent*. The Issuer may, from time to time, engage or appoint an agent to assist the Issuer in disseminating information hereunder (the "Dissemination Agent"). The Issuer may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 6. *Transmission of Notices, Documents and Information*. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's EMMA system.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB (currently, portable document format (pdf), which must be word-searchable except for non-textual elements) and shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. *Termination of Obligations*. Pursuant to paragraph (b)(5)(iii) of the Rule, the Issuer's obligation to provide annual financial information and notice of material events, as set forth herein, shall terminate if and when the Issuer no longer remains an obligated person with respect to the Offered Bonds, which shall occur upon payment or redemption of the Offered Bonds in full or upon the legal defeasance of the Offered Bonds in accordance with Article XI of the Indenture. In addition, and notwithstanding the provisions of Section 9 below, the Issuer may rescind its obligations under this Certificate, in whole or in part, if (i) the Issuer obtains an opinion of nationally recognized bond counsel that those portions of the Rule that required the execution and delivery of this Certificate are invalid, have been repealed, or otherwise do not apply to the Offered Bonds, and (ii) the Issuer notifies and provides to the MSRB a copy of such legal opinion.

Section 8. *Enforceability and Remedies*. The Issuer agrees that this Certificate is intended to be for the benefit of the beneficial owners and holders of the Offered Bonds and shall be enforceable by or on behalf of any such holders; provided that the right of any beneficial owner to challenge the adequacy of the information furnished pursuant to this Certificate shall be limited to an action by or on behalf of the holders of the Offered Bonds representing at least twenty-five percent (25%) of the aggregate outstanding principal amount of the Offered Bonds. Any failure by the Issuer to comply with the provisions of this Certificate shall not be an Event of Default under the Indenture or the Bond Declarations. This Certificate confers no rights on any person or entity other than the Issuer, the beneficial owners and holders of the Offered Bonds and any Dissemination Agent.

Section 9. *Amendment*. Notwithstanding any other provision of this Certificate (but without limiting the provisions of Section 7 above), the Issuer may amend this Certificate, without the consent of the holders of the Offered Bonds, under the following conditions:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Issuer, or type of business conducted;

(b) This Certificate, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interest of the holders of the Offered Bonds, as determined either by parties unaffiliated with the Issuer (such as the trustee for the Offered Bonds or

nationally recognized bond counsel), or by approving vote of holders of the Offered Bonds pursuant to the terms of the Indenture at the time of the amendment.

The Issuer shall provide notice of any amendment which changes the accounting principles followed by the Department in preparation of its annual financial information to the MSRB.

The initial annual financial information after the amendment shall explain, in narrative form, the reasons for the amendment and the effect of the change in the type of operating data or financial information being provided.

Section 10. *Choice of Law*. This Certificate shall be governed by and construed and enforced in accordance with the laws of the State, notwithstanding its conflict-of-law principles, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 11. *Counterparts*. This Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

STATE OF OREGON
Elizabeth Steiner, MD
State Treasurer

By _____
Director, Debt Management Division

Dated as of the date first set forth above.

STATE OF OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT

By _____
Deputy Director

Dated as of the date first set forth above.

APPENDIX G

REDEMPTION PRICE TABLE FOR CERTAIN REDEMPTIONS*

The PAC Bonds that are redeemed pursuant to the first paragraph under "THE OFFERED BONDS – Redemption Provisions – Special Redemption" or the second paragraph under "– Optional Redemption" will be redeemed at the respective Redemption Prices on the redemption dates set forth below.

Redemption Dates	Redemption Prices
December 10, 2026	%
January 1, 2027	
July 1, 2027	
January 1, 2028	
July 1, 2028	
January 1, 2029	
July 1, 2029	
January 1, 2030	
July 1, 2030	
January 1, 2031	
July 1, 2031	
January 1, 2032	
July 1, 2032	
January 1, 2033	
July 1, 2033	
January 1, 2034	
July 1, 2034	
January 1, 2035	
July 1, 2035	
January 1, 2036	
July 1, 2036	
January 1, 2037	
July 1, 2037	
January 1, 2038 and thereafter	100.000

The applicable Redemption Price for any date other than those above will be determined by the Department using straight-line interpolation between the respective Redemption Prices for the immediately preceding and succeeding dates, based on the number of days between such dates.

* Preliminary, subject to change.

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PROJECTED PERCENTAGES OF INITIAL PRINCIPAL BALANCE OUTSTANDING AND PROJECTED WEIGHTED AVERAGE LIVES FOR THE PAC BONDS*

Set forth in the table below are projected percentages of initial principal balance outstanding and projected weighted average lives for the PAC Bonds under various prepayment speeds. "Projected percentages of initial principal balance outstanding" refers to the principal balance of a security that will be outstanding on a specified date expressed as a percentage of the initial principal amount of such security. The "projected weighted average life" of a security refers to the average amount of time, measured here in years, that is projected to elapse from the date of delivery of such security to the date of projected payment to the investor of each dollar paid to reduce the principal of such security (assuming no losses). The projected weighted average life of a security is determined by (a) multiplying each projected reduction, if any, of the outstanding amount of such security by the number of years from the date of delivery of such security to the related redemption date or maturity date, (b) adding the results and (c) dividing the sum by the initial outstanding amount of such security. The calculation of the projected weighted average lives of the PAC Bonds set forth below is hypothetical, based on the making of certain assumptions, which are the same as those made under the caption "THE OFFERED BONDS – Redemption Provisions – *Special Redemption of the PAC Bonds*" in the Official Statement, except, in the case of the last row of the following table, clause (4) thereunder.

Projected Percentages of Initial Principal Balance Outstanding and Projected Weighted Average Lives
$29,465,000 2026 Series G PAC Bonds due July 1, 2056

Prepayment Assumption (expressed as a percentage of SIFMA Standard Prepayment Model)

	0	25	50	75	100	200	300	400	500	600	700	800
Initial Percentage	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
July 1, 2027	100.0	100.0	99.9	99.9	99.8	99.8	99.8	99.8	99.8	99.8	99.8	99.8
July 1, 2028	100.0	98.8	97.6	96.4	95.2	95.2	95.2	95.2	95.2	95.2	95.2	95.2
July 1, 2029	100.0	96.1	92.2	88.3	84.4	84.4	84.4	84.4	84.4	84.4	84.4	84.4
July 1, 2030	100.0	92.3	84.7	77.2	69.8	69.8	69.8	69.8	69.8	69.8	69.8	69.8
July 1, 2031	100.0	88.5	77.3	66.5	56.0	56.0	56.0	56.0	56.0	56.0	54.5	40.5
July 1, 2032	100.0	84.8	70.3	56.5	43.3	43.3	43.3	43.3	43.3	43.3	31.1	20.8
July 1, 2033	100.0	81.3	63.6	47.1	31.5	31.5	31.5	31.5	31.5	28.4	17.8	10.6
July 1, 2034	100.0	77.8	57.3	38.2	20.6	20.6	20.6	20.6	20.6	17.9	10.1	5.4
July 1, 2035	100.0	74.5	51.2	29.9	11.7	11.7	11.7	11.7	11.7	11.2	5.8	2.8
July 1, 2036	100.0	71.3	45.4	22.2	5.6	5.6	5.6	5.6	5.6	5.6	3.3	1.4
July 1, 2037	100.0	68.2	40.0	14.9	1.4	1.4	1.4	1.4	1.4	1.4	1.4	0.7
July 1, 2038	100.0	65.3	34.8	8.2	-	-	-	-	-	-	-	-
July 1, 2039	100.0	62.4	29.9	1.9	-	-	-	-	-	-	-	-
July 1, 2040	100.0	59.7	25.3	-	-	-	-	-	-	-	-	-
July 1, 2041	100.0	57.1	21.0	-	-	-	-	-	-	-	-	-
July 1, 2042	100.0	54.6	17.0	-	-	-	-	-	-	-	-	-
July 1, 2043	100.0	52.3	13.2	-	-	-	-	-	-	-	-	-
July 1, 2044	100.0	50.1	9.7	-	-	-	-	-	-	-	-	-
July 1, 2045	100.0	48.1	6.5	-	-	-	-	-	-	-	-	-
July 1, 2046	100.0	46.1	3.5	-	-	-	-	-	-	-	-	-
July 1, 2047	100.0	44.4	0.9	-	-	-	-	-	-	-	-	-
July 1, 2048	100.0	42.8	-	-	-	-	-	-	-	-	-	-
July 1, 2049	100.0	41.3	-	-	-	-	-	-	-	-	-	-
July 1, 2050	93.1	37.1	-	-	-	-	-	-	-	-	-	-
July 1, 2051	80.1	30.9	-	-	-	-	-	-	-	-	-	-
July 1, 2052	66.2	24.6	-	-	-	-	-	-	-	-	-	-
July 1, 2053	51.3	18.3	-	-	-	-	-	-	-	-	-	-
July 1, 2054	35.4	12.1	-	-	-	-	-	-	-	-	-	-
July 1, 2055	18.3	5.9	-	-	-	-	-	-	-	-	-	-
July 1, 2056	-	-	-	-	-	-	-	-	-	-	-	-
First Payment or Redemption Date	1/1/2050	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027
Last Payment or Redemption Date	7/1/2056	7/1/2056	1/1/2048	1/1/2040	1/1/2038	1/1/2038	1/1/2038	1/1/2038	1/1/2038	1/1/2038	1/1/2038	1/1/2038
Weighted Average Life (in years)												
Optional Call Not Exercised	26.8	17.2	9.7	6.8	5.5	5.5	5.5	5.5	5.5	5.4	5.0	4.6
Optional Call on 7/1/2034 Exercised	7.6	6.9	6.3	5.7	5.2	5.2	5.2	5.2	5.2	5.1	4.9	4.5

* Preliminary, subject to change.

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APPENDIX I

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture. Reference should be made to the Indenture itself for its complete text, copies of which are available from the Department upon request.

Certain Definitions

"Accreted Value" with respect to any Discount Bond means the present value as of any date of calculation of future scheduled payments of principal of and interest on such Discount Bond, such payments to be discounted semiannually on each January 1 and July 1 at a discount rate that is equal to the original issue yield to maturity.

"Amortized Value" means for securities purchased at a premium above or a discount below par, the value as of any given date obtained by amortizing the premium or discount over the period from the date of such purchase to the date of calculation at the original yield to maturity; and (a) in the case of securities purchased at a premium, by deducting the amount thus obtained from the purchase price, and (b) in the case of securities purchased at a discount, by adding the amount thus obtained to the purchase price.

"Authorized Newspapers" means not less than two newspapers or financial journals, 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, one of which is of general circulation in the City of Portland, Oregon and the other of which is of general circulation in the Borough of Manhattan, City and State of New York.

"Authorized Officer" means the Director or the Treasurer and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of the State then authorized to perform such act or discharge such duty.

"Bond Counsel" means such attorney or firm of attorneys which is nationally recognized to deliver opinions on the validity of issuance of obligations by state and local governmental entities and, if applicable, on the exclusion of interest on such obligations from gross income for federal income tax purposes.

"Bond Year" means a twelve-month period commencing on July 1 in each year that Bonds are Outstanding.

"Costs of Issuance" means all items of expense, payable or reimbursable directly or indirectly by the Department and related to the authorization, sale and issuance of the Bonds and entering into of other Parity Obligation Instruments, as certified by an Authorized Officer, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary and other private parties performing services for the Department or under the Indenture in connection with the issuance or payment of Bonds, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds and any other cost, charge or fee in connection with the original issuance of Bonds.

"Director's Determination" means the formal written action of the Director, delivered to the Treasurer, the Trustee and each of the Rating Agencies, reflecting modifications to the Indenture with respect to one or more Series of Bonds, as permitted or required by the express terms of the Indenture or the Housing Finance Bond Declaration related to such Series.

"Discount Bonds" means (i) any Bond or Bonds offered for sale to the public or sold to the initial purchaser thereof at the time of sale thereof by the Department at an initial reoffering price or initial principal amount of less than 98% of the principal amount at maturity thereof without reduction to reflect underwriter's discount or placement agent's fees, and (ii) any other Bond or Bonds designated as Discount Bonds by the Housing Finance Bond Declaration related to the issuance of such Series of Bonds.

"Expenses" means amounts owing by or on behalf of the Department related to operation and maintenance of the Program.

"Fiduciary" means the Trustee and any Paying Agent, or any or all of them as appropriate.

"Government Obligations" means obligations of the United States of America or as to which the principal thereof and interest thereon are guaranteed by the United States of America.

"Guaranteed Mortgage Securities" means obligations representing undivided beneficial ownership interests (unless any other interest therein is allowed by the Act) in mortgage loans, which obligations are issued by or guaranteed by the Government National Mortgage Association, Fannie Mae, Federal Home Loan Mortgage Corporation or, to the extent set forth in a Director's Determination, any other agency or instrumentality of or chartered by the United States to which the powers of any of them have been transferred or which have similar powers to purchase mortgage loans.

"Hedge Receipt" means, if and to the extent designated as such pursuant to the Housing Finance Bond Declaration authorizing the related Qualified Hedge or a Director's Determination, the net amount, if any, required to be paid to the Department under a Qualified Hedge.

"Insurance Proceeds" means payments received with respect to the Mortgage Loans under any insurance policy or guarantee or under any fidelity bond or pursuant to a transfer of amounts held in the Insurance Reserve Account.

"Investment Obligations" means to the extent authorized by the Act for investment of moneys of the Department: (i) Government Obligations or obligations, rated in the highest letter rating category by each of 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; (ii) bonds, debentures or other obligations issued by Federal Land Banks, Fannie Mae, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Federal Home Loan Banks, Federal Farm Credit Banks, the Tennessee Valley Authority, Farm Credit System Financial Assistance Corporation and the Resolution Funding Corporation; (iii) obligations issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America; (iv) 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 (as used in the Indenture, "deposits" means obligations evidencing deposit liability which rank at least on a parity with the claims of general creditors in liquidation), which are (a) fully secured, to the extent not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, by direct obligations of the United States having a market value (exclusive of accrued interest) not less than the uninsured amount of such deposit or (b) secured to the extent, if any, required by the Department and made with an institution whose debt securities are rated at least equal to the then existing 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; (v) repurchase agreements backed by or related to obligations described in (i), (ii) or (iii) above with any institution [x] whose debt securities are rated at least equal to the then existing 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 or [y] which will not impair, or cause the Bonds to fail to retain, the then-existing rating assigned to them by the Rating Agencies; (vi) investment agreements, secured or unsecured as required by the Department, with any institution whose debt securities are rated at least equal to the then existing 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; (vii) if rated at least as high as the letter rating category assigned to 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 the District of Columbia is pledged; (viii) obligations representing an ownership interest in the Oregon Short Term Fund

or the obligations underlying the Oregon Short Term Fund; (ix) obligations of any agency controlled or supervised by and acting as an instrumentality of the United States government pursuant to authority granted by the Congress of the United States whose timely payment is unconditionally guaranteed by the United States of America; or (x) short-term money market or investment funds or trusts (a) that are comprised exclusively of Government Obligations, (b) rated the highest short-term rating or at least the then-existing rating on the Bonds assigned to them by the Rating Agencies that are comprised exclusively of obligations described in clauses (i) through (ix) above, or (c) which will not impair, or cause the Bonds to fail to retain, the then–existing rating assigned to them by the Rating Agencies; *provided*, that it is expressly understood that the definition of Investment Obligations will be, and be deemed to be, expanded, or new definitions and related provisions will be added to the Indenture, thus permitting investments with different characteristics from those permitted which the Director deems from time to time to be in the interest of the Department to include as Investment Obligations, as reflected in a Director's Determination, if at the time of inclusion such inclusion will not, in and of itself, impair, or cause the Bonds to fail to retain, the then existing rating assigned to them by the Rating Agencies.

"Mortgage Pool Insurance" means a policy of insurance issued by a Private Mortgage Insurer providing for coverage on the full amount of any loss realized as a result of default in payment of principal of and interest on a Mortgage Loan (after taking into account amounts payable with respect thereto under any other insurance or guarantee), subject to a limitation on aggregate claims of 10% of the original principal amount of all Mortgage Loans financed by the related Series of Bonds.

"102% Parity Test" has the meaning set forth below under "Release of Amounts Free of Lien of the Indenture."

"Outstanding Bonds" means, as of any date, all Bonds theretofore authenticated and delivered by the Trustee under the Indenture, except:

(a) any Bond cancelled by, or delivered for cancellation to, the Trustee because of payment at maturity or redemption or purchase prior to maturity;

(b) any Bond deemed paid in accordance with the defeasance provisions of the Indenture; and

(c) any mutilated, destroyed or lost Bond in lieu of or in substitution for which another Bond has been authenticated and delivered pursuant to the Indenture, unless proof satisfactory to the Trustee is presented that any mutilated, destroyed or lost Bond for which a Bond in lieu thereof or in substitution therefor has been authenticated and delivered is held by a bona fide purchaser, as that term is defined in Article Eight of the Uniform Commercial Code of the State, as amended, in which case both the Bond so substituted and replaced and the Bond or Bonds authenticated and delivered in lieu thereof or in substitution therefor will be deemed Outstanding.

"Parity Hedge Obligation" has the meaning set forth below under "Qualified Hedges."

"Parity Interest" means interest on Bonds and Parity Hedge Obligations.

"Parity Obligation" means Parity Interest and Parity Principal.

"Parity Obligation Instrument" means an instrument or other contractual arrangement, including Bonds, evidencing the Department's obligation to pay the Parity Obligation.

"Parity Principal" means principal of Bonds.

"Party" or "Parties" means any person(s), other than the Department, that is (are) a party (parties) to a Parity Obligation Instrument other than Bonds.

"Permitted Encumbrances" means (i) intervening liens of contractors, subcontractors, suppliers of materials and equipment and laborers as to which, by a bond or letter of credit or other lawful means acceptable to the

Department, indemnity has been provided or similar steps to secure the interest of the Department have been taken, (ii) ad valorem property taxes ratably accrued but not yet due and payable, (iii) severed mineral estates or interests, owned by others, and (iv) such other liens, encumbrances, reservations and other clouds on title as the Department determines do not materially impair the use or value of the premises.

"Pledged Property" means (a) all right, title and interest of the Department in and to the Guaranteed Mortgage Securities and in and to all other Mortgage Loans and related mortgage notes and mortgages (subject to the prior right of mortgagors to receive mortgage payment credits, or the U.S. Treasury Department to receive rebates, as required by the Code), financed with the proceeds of the Bonds and delivered to the Trustee to be held in trust under the Indenture, including (i) the present and continuing right to make claim for, collect, receive and receipt for all amounts receivable by the Department thereunder, (ii) to bring actions and proceedings under the mortgage notes and related mortgages or for the enforcement thereof, and (iii) to do any and all things that the Department is or may become entitled to do under the mortgage notes and related mortgages; (b) the proceeds of the sale of Bonds, Revenues and all other moneys in all Accounts established under the Indenture, including the investments, if any, thereof, and earnings, if any, thereon (other than (x) earnings on amounts held in special trust to pay debt service on the Parity Obligation Instruments, including Bonds, and any amounts held in the Special Account or (y) as may be set forth in a Housing Finance Bond Declaration or Supplemental Indenture with respect to any Account therein created) until applied in accordance with the terms of the Indenture; and (c) the money, securities and funds and all other right of every name and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security under the Indenture.

"Prepayment" means (i) any payment by a mortgagor or other recovery of principal on a Mortgage Loan which is not applied to a scheduled installment of principal and interest on a Mortgage Loan (including any deficiency in the payment of any scheduled installments of principal and interest then due and payable or interest paid in connection with a voluntary prepayment of a Mortgage Loan) and the portion of any Insurance Proceeds (to the extent not applied to the repair or restoration of any mortgaged premises), Liquidation Proceeds or other payments representing such principal amounts and (ii) any amounts received in connection with Guaranteed Mortgage Securities representing the foregoing with respect to an Underlying Loan, including from the sale of an Underlying Loan.

"Principal" means (a) as such term references the principal amount of a Discount Bond or Discount Bonds, and with respect to (i) actions, requests, notifications, consents or direction of Bondowners related generally to events of default, matters affecting actions by Fiduciaries and supplemental indentures, (ii) required payment of principal on Bonds upon default or anticipated default pursuant to acceleration of maturity or otherwise, and (iii) the calculation of the percentage of Outstanding principal amount of Bonds for purposes of the 102% Parity Test, the Accreted Value thereof, calculated as of the interest payment date immediately preceding such date of calculation (unless such date of calculation is an interest payment date, in which case calculated as of the date of calculation) and (b) unless otherwise stated with respect to a Series of Bonds in the related Housing Finance Bond Declaration, as such term references the principal amount of any other Bond or Bonds, and with respect to any other matters affecting a Discount Bond or Discount Bonds, the principal amount at maturity of such Bond or Bonds.

"Private Mortgage Insurance" means a policy of insurance issued by a Private Mortgage Insurer providing for coverage on losses realized as a result of default in payment of principal of and interest on a Mortgage Loan.

"Private Mortgage Insurer" means a company qualified to provide insurance on mortgage loans purchased by the Federal Home Loan Mortgage Corporation or Fannie Mae, or any other agency or instrumentality of or chartered by the United States to which the powers of either of them have been transferred or which has similar powers to purchase mortgage loans, which company's claims paying ability is rated by each of the Rating Agencies (i) if the company is the obligor on Private Mortgage Insurance, in one of its three highest letter rating categories at the time the Mortgage Loan subject to such Private Mortgage Insurance is financed by the Department and (ii) if the company is the obligor on Mortgage Pool Insurance, in at least as high a respective letter rating category as that assigned to the Bonds by such Rating Agencies at the time the policy is delivered to or on behalf of the Department.

"Qualified Hedge" means, to the extent from time to time permitted by law, any financial arrangement (i) which is entered into by the Department with an entity that is a Qualified Hedge Provider at the time the

arrangement is entered into; (ii) which is a cap, floor or collar; forward rate; future rate; swap; asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto or any similar arrangement; (iii) which is executed by the Department for the purpose of debt management, including managing interest rate fluctuations on Bonds and/or Mortgage Loans, but not for purposes of speculation; (iv) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Hedge; and (v) which is entered into in compliance with the provisions of the Indenture described below under "Qualified Hedges."

"Qualified Hedge Provider" means an entity (a) whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, at the time of entering into the related Qualified Hedge, are rated at least in the AA category (or an equivalent rating) by the Rating Agencies, or whose payment obligations under a Qualified Hedge are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability are rated at least AA (or an equivalent rating) by the Rating Agencies, or (b) whose payment obligations under the related Qualified Hedge are secured by a collateral agreement that, at the time of entering into the collateral agreement, is rated, or the entity's (or a guarantor of the entity's) obligations under the collateral agreement are rated, at least AA (or an equivalent rating) by the Rating Agencies; *provided,* that it is expressly understood that the definition of Qualified Hedge Provider will be, and be deemed to be, expanded, or new definitions and related provisions will be added to the Indenture by a Supplemental Indenture, thus permitting hedge providers with different characteristics from those permitted pursuant to (a) or (b) which the Department deems from time to time to be in the interests of the Department to include as Qualified Hedge Providers if at the time of inclusion such inclusion will not, in and of itself, impair, or cause the Bonds to fail to retain, the then-existing rating assigned to them by the Rating Agencies.

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

"Regular Record Date" means the 15th day of the month (whether or not a Business Day) preceding any interest payment date on the Bonds.

"Revenues" means all moneys received by or on behalf of the Department or Trustee representing (i) principal and interest payments on the Mortgage Loans (including payments with respect thereto from the Insurance Reserve Account) and Guaranteed Mortgage Securities including all Prepayments representing the same and all prepayment premiums or penalties received in respect to the Mortgage Loans and Guaranteed Mortgage Securities, (ii) proceeds of the sale of Mortgage Loans and Guaranteed Mortgage Securities by or on behalf of the Department, (iii) interest earnings received on the investment of amounts in any Account (other than (x) earnings on amounts held in special trust to pay debt service on the Bonds and earnings on amounts held in the Special Account or (y) as may be set forth in a Housing Finance Bond Declaration or Supplemental Indenture with respect to any Account therein created), (iv) amounts deposited with the Trustee and reflected in the current Cash Flow Statement as necessary for the purposes of such Cash Flow Statement, (v) excess amounts transferred from the Debt Reserve Account to the Revenue Account and (vi) Hedge Receipts and Termination Receipts received pursuant to a Qualified Hedge.

"Series" means one of the series of Bonds issued under the Indenture.

"Special Record Date" means the date established by the Trustee for recognition on the registration books of the Department of ownership of Bonds which have been in default and as to which the Department has determined to make payment, notice of which will be mailed to Bondowners not less than ten days prior to such Special Record Date.

"Subordinated Contract Obligation" means any payment obligation of the Department (other than a payment obligation constituting a Parity Obligation) arising under (a) any Qualified Hedge, or portion of a Qualified Hedge, which has been designated as constituting a "Subordinated Contract Obligation" pursuant to the Housing Finance Bond Declaration or Director's Determination authorizing such Qualified Hedge, and (b) any other contract, agreement or other obligation authorized by a Housing Finance Bond Declaration or Director's Determination and designated as constituting a "Subordinated Contract Obligation" pursuant to such authorizing Housing Finance Bond

Declaration or Director's Determination. Each Subordinated Contract Obligation will be payable from the Pledged Property subject and subordinate to the payments to be made with respect to the Parity Obligation, and will be secured by a lien on and pledge of the Pledged Property all as set forth in the Indenture or in the related Housing Finance Bond Declaration or a Director's Determination.

"Termination Payment" means, with respect to a Qualified Hedge, an amount required to be paid by the Department to a Qualified Hedge Provider as a result of the termination of the related Qualified Hedge or required to be paid by the Department into a collateral account as a source of payment of any termination payments, provided that Termination Payments will always be Subordinated Contract Obligations.

"Termination Receipt" means an amount required to be paid to the Department under a Qualified Hedge by the Qualified Hedge Provider as a result of the termination of such a Qualified Hedge.

"Underlying Loan" means a mortgage loan underlying Guaranteed Mortgage Securities.

"Value of the Property" means the lower of (i) the appraised value of the residential property securing a Mortgage Loan at the time the Mortgage Loan is closed, such appraised value being the fair market value as determined by an appraiser acceptable to the Department or (ii) the purchase price paid for the residential property securing a Mortgage Loan.

Notice of Redemption

The Indenture requires that notice of redemption be mailed not less than 15 days but not more than 90 days prior to the redemption date.

Regulations with Respect to Exchanges and Transfers

For every exchange or registration of transfer of Bonds the Department or, at the direction of the Department, the Trustee, may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or registration of transfer. Neither the Department nor the Trustee is required to make any such exchange or registration of transfer of Bonds during the 15 days preceding the date of first publication of notice of redemption, or after such Bonds or any portion thereof have been selected for redemption.

Provisions for the Issuance of Bonds

The Indenture authorizes Bonds to be issued from time to time in one or more Series without limitations as to amount except as may be provided by law. The Bonds of a Series, including Bonds issued to refund all or a portion of any other series of Bonds, may be authenticated and delivered only upon receipt by the Trustee of, among other things:

(a) A certified copy of the Indenture and the Housing Finance Bond Declaration authorizing such Series of Bonds;

(b) A counsel's opinion stating that (i) the Housing Finance Bond Declaration has been duly and lawfully executed and approved and is in full force and effect, (ii) the Indenture has been duly and lawfully authorized, executed and delivered by the State and is valid and binding upon, and enforceable against the State (except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject to general principles of equity (whether considered in a proceeding at law or equity)), (iii) all conditions precedent to the delivery of said Bonds contained in the Indenture have been fulfilled, and (iv) said Bonds are valid and binding obligations of the State;

(c) A Cash Flow Statement pursuant to the requirements of the Indenture;

(d) A request and authorization to the Trustee signed by an Authorized Officer to authenticate and deliver such Bonds to the purchaser or purchasers identified therein upon payment to the Trustee for the account of the Department for the purchase price therefor; and

(e) With respect to refunding Bonds, a certificate of an Authorized Officer stating that the proceeds (excluding accrued interest but including any premium) of such refunding Bonds, together with any moneys to be withdrawn from the Revenue Account and the Debt Reserve Account by the Trustee and any other moneys which have been made available to the Trustee for such purposes, or the principal of and the interest on the investment of such proceeds or any such moneys, will be not less than an amount sufficient to pay the principal of and the redemption premium, if any, on the Bonds to be refunded and the interest which will become due and payable on or prior to the date of their payment or redemption, the financing costs in connection with such refunding and to make any deposit to the Debt Reserve Account required by the Indenture.

Upon authentication and execution of such Bonds as required in the Indenture and receipt by the Trustee of the documents set forth above, the Trustee must deliver such Bonds to the purchasers thereof, but only upon payment to the Trustee of the purchase price thereof.

In addition, simultaneously with the delivery of such Bonds the Trustee must apply the proceeds of such Bonds to the accounts as specified in the Indenture.

Application of Bond Proceeds and Other Amounts

Upon delivery of any Series of Bonds, an amount at least equal to the Debt Reserve Requirement is required to be deposited into the Debt Reserve Account and to the extent required by the applicable Housing Finance Bond Declaration, an amount will be deposited into the Insurance Reserve Account. Proceeds of the Bonds and other amounts delivered upon issuance of Bonds, less an amount equal to the Costs of Issuance for such Bonds, which is required to be paid to the Department free and clear of the lien of the Indenture, and all or a portion of the Expenses as set forth in the applicable Housing Finance Bond Declaration, not required to be deposited into the Debt Reserve Account and which do not represent a premium, accrued interest or capitalized interest, are required to be deposited (except in the case of refunding Bonds) in the Series Subaccount within the Acquisition Account.

Qualified Hedges

The Department may, to the extent from time to time permitted pursuant to law, enter into Qualified Hedges. The Department's obligation to pay any amount under any Qualified Hedge may be secured by a pledge of, and a lien on, the Pledged Property, subject to the last sentence of this paragraph and subject to the last sentence under "Events of Default" below, on a parity with the lien securing Parity Obligations (a "Parity Hedge Obligation"), or may constitute a Subordinated Contract Obligation, as determined by the Department. No Qualified Hedge constituting a Parity Hedge Obligation may be entered into by the Department *unless* it has received (i) a signed writing from a financial advisor (nationally recognized on matters related to state and local government obligations) to the effect that the execution and implementation of such Parity Hedge Obligation is not expected to adversely affect the interest of the Bondowners, and (ii) evidence that the execution and delivery of such Parity Hedge Obligation at the time of such execution and delivery will not, in and of itself, impair, or cause the Bonds to fail to retain, the then-existing rating assigned to them by the Rating Agencies. Parity Hedge Obligations do not include any payments of any termination (including Termination Payments) or other fees, expenses, indemnification or other obligations (other than Parity Interest) to a Party to a Qualified Hedge, which payments will be Subordinated Contract Obligations.

Establishment of Accounts

The Indenture establishes an Acquisition Account, Revenue Account, Debt Reserve Account and Insurance Reserve Account within the Housing Finance Fund. Amounts in these Accounts are to be held in trust by the Trustee separate and apart from all other funds of the Department.

Acquisition Account

Upon the issuance of a Series of Bonds, the Trustee is required to establish a Series Acquisition Subaccount within the Acquisition Account applicable to such Series of Bonds and must deposit the proceeds thereof into such Subaccount in the amount designated in the applicable Housing Finance Bond Declaration; provided, that the applicable Housing Finance Bond Declaration may provide that proceeds of a Series of Bonds must be deposited to the credit of any Series Acquisition Subaccount established with respect to any other Series of Bonds.

Under the conditions set forth in the applicable Housing Finance Bond Declaration, the Trustee must transfer from any Series Acquisition Subaccount to the Revenue Account any amount specified in a written request by the Department from time to time for the purpose of redeeming or purchasing Bonds.

Costs of Issuance

Upon the issuance of a Series of Bonds, the Department must apply amounts designated in the related Housing Finance Bond Declaration to pay the Costs of Issuance related to the applicable Series of Bonds.

Revenue Account

(a) The Department will transfer to the Trustee all Revenues as received by the Department no less frequently than once every six-month period ending on the business day preceding each interest payment date. Except as described below under "Investment of Moneys," all Revenues are to be deposited in the Revenue Account as received by the Trustee.

(b) At any time from any amounts on deposit in the Revenue Account, the Trustee, upon direction of an Authorized Officer accompanied by a Cash Flow Statement, will endeavor to purchase Bonds or portions of Bonds then Outstanding, whether or not such Bonds or portions of Bonds are then subject to redemption, at the most advantageous price obtainable with reasonable diligence, such price not to exceed the principal amount of such Bonds or portion of Bonds, plus accrued interest. The expenses in connection with the purchase of any such Bonds will be paid by the Trustee from the Revenue Account or from any other moneys available therefor.

(c) Upon request by the Department, the Trustee will apply amounts deposited in the Revenue Account, representing Bond proceeds designated for accrued interest and capitalized interest on the Bonds, to pay for accrued interest in connection with the Trustee's purchase of Investment Obligations for deposit in any Account.

(d) The Trustee will transfer to the credit of the applicable Series Acquisition Subaccount amounts expended to pay accrued interest on the purchase of Mortgage Loans funded from amounts on deposit in such Account.

(e) At any time, upon written direction from an Authorized Officer accompanied by a Cash Flow Statement, the Trustee will transfer amounts in the Revenue Account to the credit of any Series Acquisition Subaccount or must apply amounts in the Revenue Account to the redemption of Bonds.

(f) As of each interest payment date, the Trustee must transfer, set aside or apply, as applicable, amounts in the Revenue Account in the following order: (i) 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), plus any Parity Interest which is not already included under this clause (i), will be set aside in special trust and applied as required under the Indenture; (ii) an amount equal to (a) an amount sufficient to cause the amounts on deposit in the Revenue Account, other than with respect to Sinking Fund Requirements, to equal any principal of the Bonds previously due and unpaid plus principal of the Bonds which is payable on such interest payment date, plus, if maturing principal of any Bonds is payable only once during each Bond Year, then one-half of the principal of such Bonds which is payable on the next succeeding interest payment date, plus (b) an amount sufficient to cause the amounts deposited in the Revenue Account with respect to Sinking Fund Requirements in the immediately preceding Bond Year or semiannual period, as applicable, to equal the redemption prices applicable to the Sinking Fund Requirements, if

any, for such Bond Year or period, respectively, or, if other than on the first day of the Bond Year (with respect to Sinking Fund Requirements based upon a Bond Year), one-half of the redemption prices applicable to such Sinking Fund Requirement, will be set aside in special trust and applied as required under the Indenture; and (iii) an amount must be transferred to the credit of the Debt Reserve Account sufficient to cause the amount on deposit in said Account to equal the Debt Reserve Requirement.

Payment of Principal and Interest

On each interest payment date (provided that if such date is a bank holiday then on the first business day thereafter), the Trustee will remit by mail or other method of transfer acceptable to the Department the amounts required for paying the Parity Interest as such becomes due and payable (i) to each owner of Bonds on such Bonds and (ii) to each Qualified Hedge Provider.

On each principal payment date (provided that if such date is a bank holiday then on the first business day thereafter), the Trustee will set aside in the Revenue Account the amounts required for paying the principal of Serial Bonds as such principal becomes due and payable.

The Trustee will call for redemption on the first day immediately following such Bond Year (with respect to annual Sinking Fund Requirements), or on the next succeeding interest payment date (with respect to semi-annual Sinking Fund Requirements), respectively, from moneys in the Revenue Account set aside for such purpose a principal amount of such Term Bonds or portions of Term Bonds of such Series then subject to redemption equal to the Sinking Fund Requirements for the Term Bonds of such Series and of each maturity for such respective period less the principal amount of any such Term Bonds previously retired by purchase. If the amount available in the Revenue Account in such Bond Year or such semi-annual period, as applicable, is not equal to the redemption prices applicable to the Sinking Fund Requirements for the Term Bonds of each such Series for such respective period less the Redemption Prices applicable to the principal amount of any such Term Bonds so retired by purchase, then the Trustee will apply the amount available in the Revenue Account to such redemption as required by direction of an Authorized Officer or, if no such direction has been timely delivered to the Trustee, such amount will be applied in proportion to the redemption prices applicable to the Sinking Fund Requirements for such respective period for the Term Bonds of each Series then Outstanding.

Debt Reserve Account

Moneys held for the credit of the Debt Reserve Account will be transferred or drawn upon for transfer, as applicable, by the Trustee to the Revenue Account to the extent that amounts on deposit therein are insufficient to pay Parity Interest or Parity Principal or redemption price payable on the Parity Obligation Instruments.

Moneys held for the credit of the Debt Reserve Account as of any interest payment date in excess of the Debt Reserve Requirement, upon request by the Department, will be transferred to the Revenue Account and thereafter treated as Revenues.

Release of Amounts Free of Lien of the Indenture

On any interest payment date, moneys held in the Revenue Account after application pursuant to the Indenture to pay debt service on the Bonds and any remaining Parity Interest and replenish the Debt Reserve Account, if necessary, will be transferred as follows:

(i) *first,* to the payment of Expenses, not to exceed in any Bond Year the aggregate of such amounts as are set forth with respect to all Series of Bonds in the respective Housing Finance Bond Declarations; and

(ii) *second,* to retirement of any Bonds required to be retired pursuant to the provisions of agreements with liquidity providers; *provided, however,* that such amounts will be payable only if and to the extent that a Cash Flow Statement has been filed with the Trustee, the requirements of all Accounts (other than the Insurance Reserve Account) established by the Indenture and the Act have been met and

such Cash Flow Statement shows that, following each transfer for such Bond retirement, the aggregate of the amounts on deposit in the Acquisition Account, Revenue Account and Debt Reserve Account (determined, with respect to Investment Obligations, by reference to Amortized Value plus accrued interest thereon), plus the aggregate principal balances of all Mortgage Loans and Guaranteed Mortgage Securities, plus accrued interest thereon (provided, that the Mortgage Loans related to properties acquired by the Department will be valued for these purposes at one-half of the outstanding principal balance thereof at the time of the Department's acquisition thereof), at least equal one hundred two percent (102%) of the aggregate outstanding principal amount of the Bonds plus accrued interest thereon (collectively, the "*102% Parity Test*"); and

(iii) *third,* unless otherwise provided in the Housing Finance Bond Declaration or the Director's Determination authorizing a Qualified Hedge, pursuant to the terms of any Qualified Hedge, to pay to Qualified Hedge Providers the amount of Subordinated Contract Obligations then due, *but* if available amounts are insufficient for such purposes, the amounts payable pursuant to each Qualified Hedge will be pro rata based upon the respective amounts due thereunder; *provided, however,* that no such payment will be made unless a Cash Flow Statement satisfying the 102% Parity Test has been filed with the Trustee; and

(iv) *fourth,* to the Department free and clear of the pledge and lien of the Indenture; *provided, however,* that no such payment to the Department will be made unless a Cash Flow Statement satisfying the 102% Parity Test has been filed with the Trustee.

Deficiencies in Revenue Account

In the event that amounts in the Revenue Account are insufficient on any Parity Obligation payment date to pay the principal of and interest on the Bonds due and unpaid on such date, or to pay amounts due under Qualified Hedges that are Parity Interest, amounts will be withdrawn, first from the Debt Reserve Account, second from the Acquisition Account and third from the Insurance Reserve Account, to the extent necessary to eliminate any such deficiency.

Moneys Sufficient to Pay Bonds and Other Parity Obligation Instruments

Whenever moneys and securities in the Debt Reserve Account and the Revenue Account are sufficient to pay, purchase or redeem the Bonds in whole and to pay all Parity Interest under Qualified Hedges in whole on the next interest payment date, and upon request by the Department, the Trustee will apply such moneys to the payment, purchase or redemption of the Bonds and payment of such Parity Interest under the Qualified Hedges, subject to the related Housing Finance Bond Declaration or Director's Determination.

Moneys Held in Trust

Amounts set aside to pay Parity Obligation Instruments until paid out to Bondowners or Parties must be held in special trust for such Bondowners or Parties and may be invested by the Trustee until dispensed and the earnings thereon will be paid to the Department as and when received by the Trustee free and clear of the lien of the Indenture.

Security for Deposits

Any and all money held by the Trustee in any Account, except as otherwise expressly provided in the Indenture, will be held in trust, and will not be subject to any lien, charge or attachment by any creditor of the Department or State.

All money deposited with the Trustee in any Account will, until invested, to the extent such deposits are in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency, be continuously secured for the benefit of the Department, the Bondowners and the Parties either (a) by lodging with the bank or trust company approved by the Department (the Trustee being approved by the Indenture as such bank

or trust company) and by the Trustee, as custodian, or, if then permitted by law, by setting aside under control of the trust department of the bank holding such deposit as collateral security, Government Obligations or, with the approval of the Trustee, other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States of America, having a market value at all times (exclusive of accrued interest) not less than the amount of such deposit, or (b) if the furnishing of security as provided in clause (a) above is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it will not be necessary, except as otherwise expressly provided, for the Trustee to give security for any money represented by obligations purchased as an investment of such money.

Investment of Moneys

Moneys deposited will, as nearly as is practicable, be fully and continuously invested or reinvested by the Trustee upon the direction of the Department in Investment Obligations which will be in such amounts and bear interest at such rates with the objective that sufficient money will be available to pay the Parity Interest when due and will mature, or will be subject to redemption at the option of the holder, with the objective that sufficient money will be available for the purposes intended. Except as provided in the immediately previous sentence, money held in any Account will, as nearly as may be practicable, be continuously invested and reinvested by the Trustee in accordance with a Department Request in Investment Obligations which mature, or which are subject to redemption at the option of the holder, not later than the respective dates when the money held for the credit of each such Account will be required for the purposes intended.

Except as described above under "Moneys Held in Trust" and under this heading "Investment of Moneys," any interest paid on the investments in any Account will be credited to the Revenue Account and thereafter treated as Revenues, provided interest paid on the investments in the Insurance Reserve Account will be retained therein unless otherwise directed by the Department to be transferred to the Revenue Account. Any profit or loss resulting from such investment will be credited to or charged against the Account. The Trustee will sell at the best price obtainable or present for redemption any obligations whenever it is necessary to do so in order to provide money to meet any payment or transfer from any such Account. Neither the Trustee nor the Department will be liable or responsible for any loss resulting from any such investment.

In computing the amount on deposit to the credit of any Account, obligations in which money in such Account have been invested must be valued at Amortized Value plus the amount of interest on such obligations purchased with moneys in such Account.

Payment of Bonds

The Department covenants that it will promptly pay, but solely from the Accounts established under the Indenture, the principal or redemption price of every Bond and the interest thereon, on the dates and at the places and in the manner specified in the Indenture and 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 Department will at all times perform all acts and things permitted by law and necessary and desirable in order to assure that interest paid on the Bonds will be excluded from gross income for federal income tax purposes under any valid provision of law.

The Department covenants and agrees that it will not make or permit any use of the proceeds of the Bonds that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and further covenants that it will observe and not violate the requirements of the Code and regulations promulgated thereunder.

The Department further covenants and agrees with regard to compliance with the Code, as follows:

(a) The Department will take all reasonable steps to meet all the requirements of the Code, and, in the case of requirements that relate to the eligibility of the Mortgage Loans, or mortgage loans underlying Guaranteed Mortgage Securities, for tax-exempt financing specified in the Code, will take all reasonable steps to meet, and require the Mortgage Lenders to take all reasonable steps to meet, such requirements before the Mortgage Loans, or mortgage loans underlying Guaranteed Mortgage Securities, are executed, and will establish reasonable procedures to ensure compliance with such requirements.

(b) The Department or its agent will conduct, or require the Mortgage Lenders to conduct, a reasonable investigation to determine whether the requirements that relate to the eligibility of the Mortgage Loans, or mortgage loans underlying Guaranteed Mortgage Securities, for tax-exempt financing have been satisfied and will correct, or require the Mortgage Lenders to correct, any failure to meet such requirements within a reasonable time after the failure is discovered by the Department or its agent or the applicable Mortgage Lender.

(c) The Department will assure that mortgagors are provided the credit on Mortgage Loan or underlying mortgage loan payments, or the U.S. Treasury is provided with the rebate, required by the Code.

The provisions set forth above will apply only to the Parity Obligation Instruments as to which the interest on the related Bonds will be excludable from gross income for federal income tax purposes, as determined in the related Housing Finance Bond Declaration.

Books and Records

The Trustee will keep proper books of record and account in which complete and accurate entries will be made of all its transactions relating to the receipts, disbursements, allocations and applications of all Mortgage Loan and Guaranteed Mortgage Securities repayments received by the Trustee under the Indenture, and such books will be available for inspection by the Department and any Bondowner during business hours, upon reasonable notice and under reasonable conditions.

On or before the tenth business day of each month the Trustee will furnish to the Department in accordance with the Indenture a statement of the Department's revenues and expenditures and of the changes in its fund balances during the previous month.

The Department will keep proper books of records and account for all its transactions, other than those recorded in the books maintained by the Trustee, and such books will be available for inspection by the Trustee and any Bondowner during business hours and upon reasonable notice.

Annual Audit and Report

Within 180 days of the end of each Bond Year, the Department will furnish to the Trustee (i) a statement of its revenues and expenses and of the changes in its fund balances during the previous Bond Year, certified to by an accountant and (ii) a report of its activities during the previous Bond Year.

Sale of Mortgage Loans

The Department may sell any Mortgage Loan held under the Indenture to realize the benefits of mortgage insurance or guaranty, or to replace or dispose of defective Mortgage Loans or for any other reason deemed appropriate by the Department.

Issuance of Additional Obligations

The Department, so long as any Parity Obligation is Outstanding, will not issue any bonds, notes or other evidences of indebtedness, other than the Parity Obligation Instruments, secured by any pledge of, or other lien or charge on, the Pledged Property nor will the Department create or cause to be created any lien or charge on the Pledged Property, other than the lien and pledge created under the Indenture. The Department may issue any bonds, notes or other evidences of indebtedness, which are payable from or secured by a lien and pledge on the Pledged

Property provided that payment of such evidences of indebtedness and such lien and pledge are in all respects subordinate to the provisions of the Indenture and the lien and pledge created by the Indenture and any such evidences of indebtedness contain an appropriate recital with respect to such subordination.

Events of Default

Each of the following events is an "Event of Default":

(a) payment of the principal or Redemption Price of any Bond is not made when due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) payment of any installment of interest on any of the Bonds is not made when due and payable; or

(c) the State defaults in the due and punctual performance of any of the covenants or agreements contained in the Bonds or in the Indenture, and such default continues for a period of 90 days after written notice thereof to the Department by the Trustee, at its discretion or at the written request of the owners of not less than 25% in aggregate principal amount of the Outstanding Bonds.

Under no circumstances will the Department's failure to pay (i) Parity Obligations with respect to any Parity Obligation Instruments other than Bonds, (ii) Termination Payments or (iii) Subordinated Contract Obligations, constitute an Event of Default.

Remedies

Upon the happening and continuance of any Event of Default specified above, the Trustee may, and upon the written direction of the owners of not less than 51% in aggregate principal amount of the Bonds then Outstanding, must, by notice in writing to the Department, declare the principal of all the Bonds then Outstanding to be due and payable immediately; provided, that if at any time after the principal of the Bonds has been so declared to be due and payable, before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy, under the Indenture, money has accumulated in the Revenue Account sufficient to pay arrears of Parity Principal and Parity Interest, if any, upon all the Parity Obligation Instruments then Outstanding, and the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and the Department and all other amounts then payable by the Department under the Indenture have been paid or a sum sufficient to pay the same has been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition or agreement or provision contained in the Bonds or in the Indenture (other than a default in the payment of the Parity Principal then due and payable only because of such a declaration) has been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the owners of not less than 51% in the aggregate principal amount of the Bonds not then due and payable by their terms and then Outstanding will, by written notice to the Department, rescind and annul such declaration and its consequences, but no such rescission or annulment will extend to or affect any subsequent default or impair any right consequent thereon.

Upon the happening and continuance of any Event of Default specified above, then in every such case the Trustee may proceed, and upon the written direction of the owners of not less than 25% in aggregate principal amount of the Outstanding Bonds will proceed, to protect and enforce its rights and the rights of the Bondowners under applicable laws or under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Indenture or in aid or execution of any power granted in the Indenture or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Indenture the Trustee will be entitled to sue for, enforce payment of and recover judgment for, in its own name and as Trustee of an express trust, any and all amounts then or after any default becoming, and at any time remaining, due from the Department for principal, premium, if any, interest or otherwise under any of the provisions of the Indenture or the Bonds and unpaid, with, to the extent

permitted by the applicable law, interest on overdue payments of principal and of interest at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under the Indenture and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondowners, and to recover and enforce any judgment or decree against the Department, but solely as provided in the Indenture and in the Bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect, in any manner provided by law, the money adjudged or decreed to be payable.

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, will institute and maintain such suits and proceedings as it may be advised are necessary or expedient (i) to prevent any impairment of the Pledged Property by any acts which may be unlawful or in violation of the Indenture or of any resolution authorizing the issuance of the Bonds, or (ii) to preserve or protect the interests of the Bondowners, provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the owners of Bonds not making such request.

Priority of Payments After Default

Anything in the Indenture to the contrary notwithstanding, if at any time the money in the Accounts is insufficient for the payment of principal of or interest then due on the Bonds, such money 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 interests of the owners of the Bonds and of charges, expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under the Indenture:

(a) If the principal of all Bonds has not become or been declared due and payable, all such money will be applied:

first: to the payment to the persons entitled thereto of all installments of Parity Interest (other than interest on overdue principal) then due and payable in the order in which such installments became due and payable, and, if the amount available shall not be sufficient to pay in full any installment then to the payment thereof ratably according to the amounts due on such installment to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Parity Obligation Instruments;

second: to the payment to the persons entitled thereto of the unpaid principal of any Bonds which have become due and payable (other than Bonds called for redemption for the payment of which money is held) in the order of their stated payment dates, with interest on the principal amount of such Bonds at the respective rates specified therein from the respective dates upon which such Bonds became due and payable, and, if the amount available is not sufficient to pay in full the principal of the Bonds by their stated terms due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, 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;

third: to the payment of the interest on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, in accordance with the provisions of the Indenture; and

fourth: to the payment of any Subordinated Contract Obligation payable pursuant to the Indenture.

(b) If the principal of all Bonds has become or been declared due and payable, all such money will be applied:

first: to the payment of all remaining Parity Interest and Parity Principal, without preference or priority of such Parity Principal over such Parity Interest or of such Parity Interest over such Parity Principal, or of any installment of such Parity Interest over any other installment of such Parity Interest, or of any Parity Obligation Instruments over any other Parity Obligation Instrument, ratably, according to the amounts due respectively for Parity Principal and Parity Interest, to the persons entitled thereto without any discrimination of preference except as to the respective rates of interest specified in the Parity Obligation Instrument; and

second: to the payment of any Subordinated Contract Obligations payable pursuant to the Indenture.

(c) If the principal of all the Bonds has been declared due and payable and if such declaration has thereafter been rescinded and annulled under the Indenture, then, subject to the provisions of the Indenture described above in subsection (b), in the event that the principal of all the Bonds later becomes or is declared due and payable, the money remaining in and thereafter accruing to the Revenue Account and the Debt Reserve Account, together with any other money held by the Trustee under the Indenture, will be applied in accordance with the provisions of the Indenture as described above in subsection (a).

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 determines, 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 money in trust for the proper purpose, constitutes proper application by the Trustee, and the Trustee will incur no liability to the Department, to any Bondowner, to any Party, or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with the provisions of the Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee exercises such discretion in applying such money, it will fix the date (which must be an interest payment date unless the Trustee deems another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date will cease to accrue. The Trustee will give such notice as it may deem appropriate of the fixing of any such date, and will not be required to make payment to the owner of any Bond or any Party until such Parity Obligation Instrument is surrendered to the Trustee for appropriate endorsement, or for cancellation if fully paid.

Limitation on Rights of Bondowners

The owners of a majority in principal amount of the Bonds Outstanding will have the right, anything in the Indenture to the contrary notwithstanding, to direct the method and place of conducting all remedial proceedings or exercising any trust power conferred on the Trustee, provided that such direction is not inconsistent with the provisions of the Indenture and the Act and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Bondowners not joining in any such direction and provided such right will not impair the right of the Trustee in its discretion to take any other action under the Indenture which it may deem proper and which is not inconsistent with such direction by Bondowners.

No individual 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 on account of which such proceeding is to be taken, and unless the owners of not less than 15% in aggregate 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 or their 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; provided however, that the owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding may institute any such suit, action or proceeding in their own names for the benefit of all owners of Bonds.

Notice of Event of Default

The Trustee will mail to the Department and all Bondowners written notice of each Event of Default within 30 days after the Trustee has notice that any such Event of Default has occurred. The Trustee will not, however, be subject to any liability to any Bondowner by reason of a failure to mail any such notice.

Compensation and Indemnification of Trustee

Subject to the provisions of any contract between the Department and the Trustee relating to the compensation of such Trustee, the Department will pay, from the Pledged Property, to such Trustee reasonable compensation for all services rendered under the Indenture and also all reasonable expenses, charges and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Indenture, and, from such source only, will indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties under the Indenture and which are not due to its negligence or default.

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 Department and published once in Authorized Newspapers, 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 limited 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 secured by the Indenture and then Outstanding and filed with the Department. A facsimile copy of each such instrument will be delivered promptly by the Department to the Trustee. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of the Indenture with respect to the duties and obligations of the Trustee, by the Department acting alone or by any court of competent jurisdiction upon the application of the Department pursuant to resolution or of the owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding under the Indenture.

Appointment of Successor Trustee

If at any time the Trustee resigns, is removed, is dissolved or otherwise becomes incapable of acting, or the bank or trust company acting as Trustee is taken over by any governmental official, agency, department or board, the position of Trustee will thereupon become vacant. If the position of Trustee becomes vacant for any of the foregoing reasons or for any other reason, the Department will appoint a Trustee to fill such vacancy. The Department will publish notice of any such appointment once each week for two successive weeks in Authorized Newspapers.

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

If no appointment of a successor Trustee is made pursuant to the foregoing provisions within 10 days after a vacancy in the office of the Trustee has occurred, the retiring Trustee or the owner of any Bond Outstanding may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any successor Trustee must be a trust company or bank having its principal office in the State, 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 at least $25,000,000 at the time of its appointment.

Powers of Amendment

The Department may enter into any indentures supplemental to the Indenture:

(a) to cure any ambiguity, defect or omission in the Indenture or in any Supplemental Indenture, or

(b) to grant to or confer upon the Trustee for the benefit of the Bondowners any additional rights, remedies, powers, authority or security that may be lawfully granted to or conferred upon the Bondowners or the Trustee, or

(c) to include as pledged revenues or money under the Indenture any additional revenues or money legally available therefor, or

(d) to cure any ambiguity, correct or supplement any inconsistent provision, or make any additional provision not inconsistent with any provision in the Indenture, provided such action will not adversely affect the interest of the Bondowners, or

(e) to add to the covenants and agreements of the Department in the Indenture or surrender any right or power reserved to or conferred upon the Department, or

(f) to add provisions relating to Bonds with coupons or Bonds issued with book-entry delivery, if issued in such form by the Department, or

(g) to modify any provisions of the Indenture in any respect whatever; provided that such modification is effective only after all Bonds of any Series Outstanding at the date of execution by the State of such Supplemental Indenture cease to be Outstanding and any such Supplemental Indenture is referred to in the text of all Bonds authenticated and delivered after the date of execution by the State of any such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof, or

(h) to modify, amend or supplement the Indenture or any Housing Finance Bond Declaration in such manner as to permit, if presented, the qualification thereof under the Trust Indenture Act of 1939 or any similar Federal statute hereafter in effect or under any state Blue Sky Law, or

(i) to surrender any right, power or privilege reserved to or conferred upon the Department by the terms of the Indenture, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Department contained in the Indenture, or

(j) to add to the definition of Investment Obligations pursuant to the last proviso of the definition thereof, or

(k) to make any other change that does not materially adversely affect the interest of the Bondowners (as to any change relating to security for the Bonds, evidence that such change, at the time of such change, will not, in and of itself, impair, or cause the Bonds to fail to retain, the then-existing rating assigned to them by the Rating Agencies, shall constitute sufficient evidence that such change does not materially adversely affect the interest of the Bondowners).

The holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding will have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the State and the Trustee of any Supplemental Indenture deemed necessary or desirable by the Department for the purpose of modifying, altering, amending, adding to, repealing or rescinding any of the terms

or provisions contained in the Indenture or in any Supplemental Indenture; provided, however, that no such amendment will take place without the consent of all Bondowners affected thereby, if there is (a) a change in the terms of redemption or of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of the Revenues, or any part thereof, other than the lien and pledge created by the Indenture, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture. If any such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the owners of such Bonds will not be required.

Defeasance

If, when the Parity Obligation Instruments have become due and payable in accordance with their terms or otherwise as provided in the Indenture, or Bonds have been duly called for redemption or irrevocable instructions to call the Bonds for redemption have been given by the Department to the Trustee and (a) the whole amount of the principal of, redemption price, and the interest on all of such Parity Obligation Instruments has been paid, or (b) the Trustee holds either money, or Investment Obligations described in clause (i) of the definition thereof which are not callable or redeemable other than at the option of the holder thereof or holds both money and Investment Obligations described in clause (i) of the definition thereof which are not callable or redeemable other than at the option of the holder thereof sufficient to pay the principal of, redemption price, and interest on all Parity Obligation Instruments on their respective interest payment, stated maturity or prescribed redemption dates, provided that such Investment Obligations are in such amount that the principal of and the interest on Investment Obligations as held by the Trustee will, when due and payable, provide money which, with any and all other money held by the Trustee for such purpose under the provisions of the Indenture, will be sufficient to pay such principal of, redemption price, and the interest on such Parity Obligation Instruments and, if sufficient funds also have been provided for paying all other obligations (including amounts due under Qualified Hedges) payable under the Indenture by the Department, then and in that case the right, title and interest of the Trustee under the Indenture will thereupon cease, determine and become void, and the Trustee in such case, on demand of the Department, will release the Indenture and will release the security, and will execute such documents to evidence such release as may be reasonably required by the Department, and will turn over to the Department 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 Investment Obligations are deposited with and held by the Trustee as described above in this paragraph: (i) the Trustee will, within 30 days after such Investment Obligations have been deposited with it, cause a notice signed by the Trustee to be published once in Authorized Newspapers, setting forth (a) the date designated for the redemption of the Bonds, (b) that such Investment Obligations are held by it in accordance with the provisions described under this heading "Defeasance" and (c) that the Indenture has been released in accordance with the provisions described under this heading "Defeasance"; and (ii) applicable provisions of the Indenture pertaining to the payment of the principal of, redemption price, or interest on the Bonds, other Parity Obligation Instruments and other obligations (including amounts due under Qualified Hedges) payable under the Indenture by the Department, will be continued in force until such Bonds, other Parity Obligation Instruments and other obligations have been fully paid.

All money and Investment Obligations held by the Trustee pursuant to the provisions described under this heading "Defeasance" must be held in trust exclusively for and applied to the payment, when due, of the obligations payable therewith.

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APPENDIX J

FORM OF PROPOSED APPROVING OPINION OF BOND COUNSEL

(Letterhead of Hawkins Delafield & Wood LLP)

State of Oregon Housing
and Community Services Department
725 Summer Street NE, Suite B
Salem, Oregon

We have examined a record of proceedings relating to the issuance by the State of Oregon (the "State") of its Mortgage Revenue Bonds (Single-Family Mortgage Program), 2026 Series G, in the aggregate principal amount of $_____ (the "Series G Bonds"), its Mortgage Revenue Bonds (Single-Family Mortgage Program), 2026 Series H, in the aggregate principal amount of $_____ (the "Series H Bonds") and its Mortgage Revenue Bonds (Single-Family Mortgage Program), 2026 Series I, in the aggregate principal amount of $_____ (the "Series I Bonds"; together with the Series G Bonds and the Series H Bonds, the "Bonds"), as Bond Counsel to the Housing and Community Services Department of the State (the "Department").

The Bonds are issued under and pursuant to the applicable provisions of the Oregon Constitution and Sections 286A.001 to 286A.195, inclusive, and Sections 456.515 to 456.725, inclusive, of the Oregon Revised Statutes, as amended (the "Act"), a Trust Indenture by and between the State, acting by and through the Department, and U.S. Bank Trust Company, National Association, Portland, Oregon, as trustee (the "Trustee"), dated as of May 1, 1988, as amended and restated (the "Indenture"), and two Housing Finance Bond Declarations (each, a "Bond Declaration" and collectively, the "Bond Declarations") of the Department. The Bonds are dated, mature on the dates, in the principal amounts, bear interest, if any, and are payable, as provided in the Indenture and the Bond Declarations. The Bonds are subject to redemption prior to maturity, in whole or in part, as set forth in the Indenture and the Bond Declarations.

Applicable federal tax law establishes certain requirements that must be met subsequent to the issuance of the Series G Bonds and the Series H Bonds (collectively, the "Tax-Exempt Bonds") in order that the interest on the Tax-Exempt Bonds not be included in gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). The Department has adopted documents with respect to its program (the "Program Documents") that establish procedures under which, if followed, such requirements can be met. The State has covenanted in the Indenture to at all times perform all acts and things permitted by law and necessary and desirable in order to assure that interest paid on the Tax-Exempt Bonds shall be excluded from gross income for federal income tax purposes under any valid provision of law. In rendering this opinion, we have relied on certain representations, certifications of fact, and statements of the reasonable expectations made by the Department and others in connection with the Tax-Exempt Bonds. We have relied upon such covenant and have assumed compliance with and enforcement by the State and the Department of the provisions of the Indenture, the Bond Declarations and the Program Documents.

The State is not obligated to pay the Bonds or the interest thereon except from the revenues and assets pledged therefor under the Indenture. The Bonds do not constitute a debt, liability or general obligation of the State or any political subdivision thereof, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds.

We are of the opinion that:

1. The State has the right and power pursuant to the Act to enter into the Indenture, and the Indenture has been duly authorized, executed and delivered and, assuming due authorization, execution and delivery by the Trustee, constitutes a legally valid and binding obligation of the State enforceable in accordance with its terms.

2. The Bond Declarations have been duly adopted by the State, acting by and through the Department, and are valid and binding upon the State.

3. The Bonds are valid and legally binding special revenue obligations of the State secured in the manner and to the extent set forth in the Indenture and the Bond Declarations and are entitled to the benefit, protection and security of the provisions, covenants and agreements contained therein.

4. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and (ii) interest on the Tax-Exempt Bonds is not treated as a preference item for purposes of calculating the alternative minimum tax under the Code; *however*, interest on the Tax-Exempt Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. No opinion as to the exclusion from gross income of interest on any of the Tax-Exempt Bonds is expressed subsequent to any date on which action is taken pursuant to the Indenture or the related Bond Declaration for which action the Indenture or the related Bond Declaration requires a legal opinion to the effect that taking such action will not adversely affect such exclusion, should the undersigned not deliver an opinion as of such date to such effect.

5. Interest on the Series I Bonds is included in gross income for federal income tax purposes pursuant to the Code.

6. Under existing statutes, interest on the Bonds is exempt from personal income taxes imposed by the State.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 4, 5 and 6 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds. We undertake no responsibility for the accuracy, completeness or fairness of any official statement or other offering materials relating to the Bonds and express herein no opinion relating thereto.

In rendering this opinion, we are advising you that the enforceability of the Bonds, the Indenture and the Bond Declarations may be limited by bankruptcy, moratorium, insolvency, or other laws affecting creditors' rights or remedies and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, waiver, or severability provision contained in the documents described herein.

We have examined an executed Bond of each Series and, in our opinion, the forms of said Bonds and their execution are regular and proper.

Very truly yours,

APPENDIX K

CERTAIN INFORMATION RELATING TO OUTSTANDING GUARANTEED MORTGAGE SECURITIES

As of September 30, 2026

Type of Guaranteed Mortgage Security	Pool Number	Pass-Through Interest Rate	Original Par Amount[†]	Par Amount Outstanding[†]	Maturity Date
FHLMC	QX6465	4.905%	$ 569,179	$ 555,396	January 1, 2055
FHLMC	QX6466	5.155	350,841	343,696	January 1, 2055
FHLMC	QX6467	5.280	239,761	192,673	January 1, 2055
FHLMC	QX7691	5.280	250,399	245,575	January 1, 2055
FHLMC	QX7697	5.405	277,729	272,623	February 1, 2055
FHLMC	QX7700	5.530	399,623	392,237	January 1, 2055
FHLMC	QX9062	5.280	349,851	343,009	February 1, 2055
FHLMC	QX9063	5.405	367,142	360,190	February 1, 2055
FHLMC	QX9064	5.530	977,413	958,646	February 1, 2055
FHLMC	QY0943	5.530	595,015	584,740	February 1, 2055
FHLMC	QY0944	5.655	1,556,747	1,531,072	April 1, 2055
FHLMC	QY0945	5.780	742,730	730,774	April 1, 2055
FHLMC	QY1760	5.780	1,516,628	1,478,801	April 1, 2055
FHLMC	QY2876	5.530	334,682	329,362	April 1, 2055
FHLMC	QY2877	5.655	324,396	318,189	March 1, 2055
FHLMC	QY2879	5.905	244,309	235,812	April 1, 2055
FHLMC	QY2881	5.780	278,248	274,029	April 1, 2055
FHLMC	QY4273	5.405	1,446,403	1,421,576	May 1, 2055
FHLMC	QY4274	5.530	240,000	236,179	May 1, 2055
FHLMC	QY4275	5.655	368,524	361,050	May 1, 2055
FHLMC	QY4276	5.780	184,133	181,218	April 1, 2055
FHLMC	QY5174	5.270	322,678	317,655	May 1, 2055
FHLMC	QY5175	5.395	760,592	749,026	May 1, 2055
FHLMC	QY5176	5.770	344,588	339,703	May 1, 2055
FHLMC	QY6594	5.270	85,000	83,685	June 1, 2055
FHLMC	QY6595	5.395	232,500	228,924	June 1, 2055
FHLMC	QY6596	5.645	300,421	296,062	May 1, 2055
FHLMC	QY7645	5.270	718,768	704,513	June 1, 2055
FHLMC	QY7646	5.395	259,847	255,599	June 1, 2055
FHLMC	QY7649	5.770	319,326	315,086	May 1, 2055
FHLMC	QY8937	5.145	233,671	230,106	June 1, 2055
FHLMC	QY8938	5.395	151,703	149,544	May 1, 2055
FHLMC	QY8939	5.520	274,739	270,940	June 1, 2055
FHLMC	QY8940	5.645	199,784	197,086	June 1, 2055
FHLMC	QY8941	5.895	257,894	254,571	June 1, 2055
FHLMC	QY9509	5.270	224,776	220,018	June 1, 2055
FHLMC	QY9510	5.395	260,401	256,693	May 1, 2055
FHLMC	QY9511	5.520	572,400	564,533	July 1, 2055
FHLMC	QY9514	5.645	162,554	160,358	June 1, 2055
FHLMC	QY9515	5.770	288,313	284,485	May 1, 2055
FHLMC	QY9517	5.895	337,701	327,176	June 1, 2055
FHLMC	QZ0106	5.135	328,664	324,152	July 1, 2055
FHLMC	QZ0107	5.510	1,164,513	1,148,623	July 1, 2055
FHLMC	QZ0108	5.635	496,640	490,466	August 1, 2055
FHLMC	QZ0846	5.635	227,950	225,116	August 1, 2055
FHLMC	QZ0847	5.885	237,290	234,389	July 1, 2055

Type of Guaranteed Mortgage Security	Pool Number	Pass-Through Interest Rate	Original Par Amount†	Par Amount Outstanding†	Maturity Date
FHLMC	QZ1542	5.510%	$530,795	$523,111	July 1, 2055
FHLMC	QZ1543	5.885	329,215	325,262	June 1, 2055
FHLMC	QZ2007	5.760	295,920	292,327	August 1, 2055
FHLMC	QZ3349	5.385	762,998	753,743	September 1, 2055
FHLMC	QZ3350	5.760	518,331	512,501	August 1, 2055
FHLMC	QZ3351	6.135	201,590	199,479	August 1, 2055
FHLMC	QZ3730	5.510	279,360	276,086	September 1, 2055
FHLMC	QZ3731	5.635	308,460	304,930	September 1, 2055
FHLMC	QZ4337	5.385	217,562	214,952	September 1, 2055
FHLMC	QZ5407	5.500	482,363	476,968	September 1, 2055
FHLMC	QZ5410	5.875	552,010	545,139	September 1, 2055
FHLMC	QZ5415	6.000	270,282	267,615	August 1, 2055
FHLMC	QZ6211	5.625	344,031	340,409	September 1, 2055
FHLMC	QZ6213	6.000	594,987	586,871	September 1, 2055
FHLMC	QZ6693	5.500	653,529	640,393	September 1, 2055
FHLMC	QZ6694	5.750	304,996	301,840	August 1, 2055
FHLMC	QZ7192	5.250	356,250	351,141	October 1, 2055
FHLMC	QZ9296	5.375	357,582	351,751	October 1, 2055
FHLMC	QZ9297	5.625	284,000	281,306	November 1, 2055
FHLMC	QZ9298	5.875	333,394	329,061	October 1, 2055
FHLMC	TA1330	4.875	733,215	723,505	November 1, 2055
FHLMC	TA1332	5.125	427,500	423,500	December 1, 2055
FHLMC	TA1334	5.625	245,772	241,590	November 1, 2055
FHLMC	TA1725	5.625	266,005	263,701	October 1, 2055
FHLMC	TA3296	4.875	368,565	365,343	December 1, 2055
FHLMC	TA3301	5.000	334,298	331,426	November 1, 2055
FHLMC	TA3305	5.125	775,241	767,254	January 1, 2056
FHLMC	TA4543	5.250	459,800	456,073	January 1, 2056
FHLMC	TA4544	5.500	145,055	143,927	December 1, 2055
FHLMC	TA5053	5.875	305,559	303,204	October 1, 2055
FHLMC	TA6294	5.125	259,468	257,521	December 1, 2055
FHLMC	TA6811	5.250	341,659	339,228	January 1, 2056
FHLMC	TA7261	5.000	220,430	218,796	February 1, 2056
FHLMC	TA7611	5.000	218,991	217,584	February 1, 2056
FHLMC	TA7612	5.500	213,197	211,190	February 1, 2056
FHLMC	TA8285	5.000	334,150	332,020	February 1, 2056
FHLMC	TA9470	5.625	470,450	467,193	March 1, 2056
FHLMC	TB0311	5.000	284,403	282,887	February 1, 2056
FHLMC	TB0312	5.500	351,166	349,473	March 1, 2056
FHLMC	TB1503	5.125	320,100	318,452	April 1, 2056
FHLMC	TB1504	5.250	186,000	185,065	April 1, 2056
FHLMC	TB2517	5.250	283,717	282,572	April 1, 2056
FHLMC	TB5028	5.000	508,134	506,112	April 1, 2056
FHLMC	TB5029	5.500	377,844	376,756	May 1, 2056
FHLMC	TB6403	5.000	351,857	350,542	May 1, 2056
FHLMC	TB6404	5.375	485,000	483,578	June 1, 2056
FHLMC	TB6405	6.000	353,260	352,337	May 1, 2056
FHLMC	TB6966	4.625	244,000	243,176	June 1, 2056
FHLMC	TB9569	4.625	259,000	258,418	July 1, 2056
FHLMC	TB9570	4.750	264,790	264,109	July 1, 2056
FHLMC	TB9571	5.875	294,240	293,716	June 1, 2056
FHLMC	TB9949	5.500	315,250	313,477	July 1, 2056
FHLMC	TB9950	5.625	596,262	595,151	July 1, 2056

Type of Guaranteed Mortgage Security	Pool Number	Pass-Through Interest Rate	Original Par Amount[†]	Par Amount Outstanding[†]	Maturity Date
FHLMC	TB9951	5.750%	$ 412,240	$ 411,493	July 1, 2056
FHLMC	TC1902	5.250	212,500	212,288	August 1, 2056
FHLMC	TC1903	5.500	420,580	420,179	July 1, 2056
FHLMC	TC3417	4.625	193,283	193,065	July 1, 2056
FHLMC	TC3418	5.000	324,660	324,320	July 1, 2056
FHLMC	TC3419	5.250	304,500	304,197	August 1, 2056
FHLMC	TC3420	5.500	412,250	411,859	August 1, 2056
FHLMC	TC4982	4.990	699,879	699,879	August 1, 2056
FHLMC	TC4984	5.115	352,278	352,278	July 1, 2056
FHLMC	TC4986	5.615	285,788	285,788	August 1, 2056
FHLMC	TC5476	5.240	249,751	249,751	August 1, 2056
FHLMC	TC6258	5.115	369,243	369,243	July 1, 2056
FHLMC	TC6260	5.365	347,700	347,700	September 1, 2056
FHLMC	TC6262	5.490	259,350	259,350	September 1, 2056
FNMA	DD0377	5.500	373,095	366,001	January 1, 2055
FNMA	DD0378	5.000	431,798	419,717	January 1, 2055
FNMA	DD0379	4.875	745,271	717,623	February 1, 2055
FNMA	DD0380	5.250	267,733	261,398	January 1, 2055
FNMA	DD3198	4.875	218,750	214,318	January 1, 2055
FNMA	DD3199	5.250	364,518	357,647	February 1, 2055
FNMA	DD3200	5.375	910,567	893,763	February 1, 2055
FNMA	DD3201	5.500	193,630	190,126	January 1, 2055
FNMA	DD3237	4.875	324,902	318,319	January 1, 2055
FNMA	DD3238	5.375	812,769	789,645	February 1, 2055
FNMA	DD3239	5.500	708,531	694,743	February 1, 2055
FNMA	DD6877	5.375	320,673	315,085	February 1, 2055
FNMA	DD6878	5.500	602,566	592,165	March 1, 2055
FNMA	DD6879	5.625	795,133	781,985	March 1, 2055
FNMA	DD6880	5.750	210,517	206,495	February 1, 2055
FNMA	DD6891	5.625	240,000	236,054	April 1, 2055
FNMA	DD6892	5.750	387,154	380,804	March 1, 2055
FNMA	DD6928	5.500	806,892	793,681	May 1, 2055
FNMA	DD6929	5.625	520,067	511,573	April 1, 2055
FNMA	DD6930	5.750	244,878	238,948	April 1, 2055
FNMA	DD6931	5.875	314,002	308,927	April 1, 2055
FNMA	DE0339	5.375	293,250	288,511	May 1, 2055
FNMA	DE0340	5.625	640,552	630,025	April 1, 2055
FNMA	DE0341	5.750	1,442,560	1,414,944	May 1, 2055
FNMA	DE0342	5.875	435,433	427,168	May 1, 2055
FNMA	DE0830	5.250	316,400	310,666	June 1, 2055
FNMA	DE0831	5.375	409,501	403,275	May 1, 2055
FNMA	DE0832	5.500	835,506	822,776	May 1, 2055
FNMA	DE0833	5.625	410,419	404,380	May 1, 2055
FNMA	DE0834	5.750	1,075,726	1,060,477	May 1, 2055
FNMA	DE0835	5.875	346,885	341,952	April 1, 2055
FNMA	DE0865	5.125	609,000	599,322	June 1, 2055
FNMA	DE0866	5.375	1,017,345	952,049	June 1, 2055
FNMA	DE0867	5.750	306,622	302,275	May 1, 2055
FNMA	DE0868	5.875	251,750	248,286	June 1, 2055
FNMA	DE3713	5.250	655,945	646,443	June 1, 2055
FNMA	DE3714	5.375	882,255	869,141	June 1, 2055
FNMA	DE3715	5.625	640,656	631,698	June 1, 2055
FNMA	DE3750	5.125	240,554	235,978	June 1, 2055

Type of Guaranteed Mortgage Security	Pool Number	Pass-Through Interest Rate	Original Par Amount†	Par Amount Outstanding†	Maturity Date
FNMA	DE3751	5.250%	$ 433,567	$ 427,286	June 1, 2055
FNMA	DE3752	5.500	327,250	322,753	July 1, 2055
FNMA	DE3753	5.875	421,577	416,144	June 1, 2055
FNMA	DE3777	5.125	526,462	517,664	June 1, 2055
FNMA	DE3778	5.250	248,752	245,149	June 1, 2055
FNMA	DE3779	5.375	645,977	636,398	July 1, 2055
FNMA	DE3780	5.500	792,005	770,306	July 1, 2055
FNMA	DE3781	5.625	519,527	512,039	July 1, 2055
FNMA	DE3782	5.875	425,628	420,129	July 1, 2055
FNMA	DE3783	6.000	208,370	205,731	June 1, 2055
FNMA	DE7313	5.125	251,994	248,410	June 1, 2055
FNMA	DE7314	5.750	375,968	371,345	June 1, 2055
FNMA	DE7315	6.125	275,268	271,669	July 1, 2055
FNMA	DE7316	6.250	327,481	323,842	July 1, 2055
FNMA	DE7324	5.500	652,280	643,927	July 1, 2055
FNMA	DE7325	5.625	265,000	260,447	August 1, 2055
FNMA	DE7326	5.750	176,930	174,782	August 1, 2055
FNMA	DE7327	5.875	242,070	238,007	June 1, 2055
FNMA	DE7328	6.000	414,802	409,937	July 1, 2055
FNMA	DE7352	5.375	831,241	819,687	July 1, 2055
FNMA	DE7354	5.625	191,000	188,626	August 1, 2055
FNMA	DE7355	5.750	842,920	830,956	August 1, 2055
FNMA	DE7356	5.875	539,123	530,234	July 1, 2055
FNMA	DE7357	6.000	118,800	117,424	August 1, 2055
FNMA	DE7358	6.125	441,350	434,837	August 1, 2055
FNMA	DE7359	6.250	276,450	273,399	August 1, 2055
FNMA	DE7373	5.250	184,815	182,335	July 1, 2055
FNMA	DE7374	5.375	263,000	259,570	August 1, 2055
FNMA	DE7375	5.500	1,073,054	1,058,573	August 1, 2055
FNMA	DE7376	5.625	474,302	463,754	August 1, 2055
FNMA	DE7377	5.875	643,880	636,175	July 1, 2055
FNMA	DF0036	5.375	750,195	741,135	September 1, 2055
FNMA	DF0037	5.500	2,579,388	2,548,057	September 1, 2055
FNMA	DF0038	5.750	248,719	245,428	June 1, 2055
FNMA	DF0039	5.875	307,978	304,551	June 1, 2055
FNMA	DF0048	5.375	1,232,651	1,215,838	September 1, 2055
FNMA	DF0049	5.500	251,760	248,782	August 1, 2055
FNMA	DF0058	5.375	478,681	472,918	September 1, 2055
FNMA	DF0059	5.500	490,000	484,258	September 1, 2055
FNMA	DF0060	5.625	577,500	566,704	September 1, 2055
FNMA	DF0061	5.875	221,000	217,836	September 1, 2055
FNMA	DF0091	5.375	1,633,466	1,606,670	September 1, 2055
FNMA	DF0092	5.500	827,302	571,314	September 1, 2055
FNMA	DF0093	5.625	247,770	245,161	September 1, 2055
FNMA	DF0094	5.875	251,028	248,469	September 1, 2055
FNMA	DF0095	6.000	165,460	163,827	August 1, 2055
FNMA	DF0096	6.125	348,314	343,498	July 1, 2055
FNMA	DF0111	5.500	641,000	633,932	October 1, 2055
FNMA	DF0112	5.625	267,720	262,126	October 1, 2055
FNMA	DF0113	5.750	243,579	239,616	September 1, 2055
FNMA	DF0114	5.875	338,231	333,909	September 1, 2055
FNMA	DF0115	6.000	192,334	190,448	September 1, 2055
FNMA	DF0125	5.250	565,700	559,348	October 1, 2055

Type of Guaranteed Mortgage Security	Pool Number	Pass-Through Interest Rate	Original Par Amount†	Par Amount Outstanding†	Maturity Date
FNMA	DF0126	5.500%	$1,348,652	$1,332,776	October 1, 2055
FNMA	DF3397	5.750	300,762	296,645	August 1, 2055
FNMA	DF3416	5.250	370,800	366,637	October 1, 2055
FNMA	DF3417	5.500	853,810	844,553	October 1, 2055
FNMA	DF3418	5.875	488,723	483,662	September 1, 2055
FNMA	DF3419	6.000	364,485	360,911	September 1, 2055
FNMA	DF3447	4.875	265,500	262,601	November 1, 2055
FNMA	DF3448	5.000	285,180	280,350	November 1, 2055
FNMA	DF3449	5.250	419,581	415,283	October 1, 2055
FNMA	DF3450	5.500	380,735	375,112	September 1, 2055
FNMA	DF3451	5.625	275,480	272,867	November 1, 2055
FNMA	DF3452	5.750	217,854	215,599	September 1, 2055
FNMA	DF3453	5.875	254,548	252,216	September 1, 2055
FNMA	DF3470	5.250	235,000	231,533	November 1, 2055
FNMA	DF3471	5.375	260,491	257,869	September 1, 2055
FNMA	DF3472	5.500	445,886	441,538	November 1, 2055
FNMA	DF3473	5.625	462,690	458,301	November 1, 2055
FNMA	DF3474	5.750	466,315	461,968	October 1, 2055
FNMA	DF6646	4.875	1,511,763	1,493,660	November 1, 2055
FNMA	DF6647	5.000	1,201,361	1,189,288	November 1, 2055
FNMA	DF6648	5.125	209,686	207,507	November 1, 2055
FNMA	DF6649	5.250	293,104	290,085	November 1, 2055
FNMA	DF6650	5.375	303,699	300,971	November 1, 2055
FNMA	DF6651	5.750	433,505	429,462	December 1, 2055
FNMA	DF6660	5.500	251,278	247,361	September 1, 2055
FNMA	DF6661	5.625	269,401	266,749	October 1, 2055
FNMA	DF6662	5.750	324,950	320,747	December 1, 2055
FNMA	DF6684	4.875	452,120	447,650	December 1, 2055
FNMA	DF6685	5.000	928,832	920,767	December 1, 2055
FNMA	DF6686	5.750	505,622	501,663	December 1, 2055
FNMA	DF6687	5.875	263,767	261,857	December 1, 2055
FNMA	DG0596	4.875	479,486	475,293	December 1, 2055
FNMA	DG0597	5.000	536,339	531,731	December 1, 2055
FNMA	DG0598	5.125	1,210,300	1,200,222	January 1, 2056
FNMA	DG0599	5.250	1,346,823	1,335,516	January 1, 2056
FNMA	DG0600	5.875	119,787	118,914	November 1, 2055
FNMA	DG0612	5.000	174,234	172,700	November 1, 2055
FNMA	DG0613	5.125	463,820	459,971	January 1, 2056
FNMA	DG0614	5.250	808,670	802,116	January 1, 2056
FNMA	DG0615	5.625	450,632	447,209	December 1, 2055
FNMA	DG0619	5.250	213,886	212,364	January 1, 2056
FNMA	DG0633	5.000	192,262	190,811	November 1, 2055
FNMA	DG0634	5.125	622,110	617,588	February 1, 2056
FNMA	DG0635	5.250	239,761	238,055	January 1, 2056
FNMA	DG0636	5.500	299,742	295,759	November 1, 2055
FNMA	DG0637	5.750	325,805	323,696	January 1, 2056
FNMA	DG0659	5.000	300,000	297,776	February 1, 2056
FNMA	DG0660	5.125	851,943	845,480	February 1, 2056
FNMA	DG0661	5.500	353,080	350,698	February 1, 2056
FNMA	DG0662	5.750	248,320	246,723	February 1, 2056
FNMA	DG0675	5.000	331,900	329,437	February 1, 2056
FNMA	DG0676	5.500	363,750	361,296	February 1, 2056
FNMA	DG4020	5.500	200,259	199,072	February 1, 2056

Type of Guaranteed Mortgage Security	Pool Number	Pass-Through Interest Rate	Original Par Amount†	Par Amount Outstanding†	Maturity Date
FNMA	DG4021	5.625%	$ 276,193	$ 274,628	February 1, 2056
FNMA	DG4037	5.000	850,540	843,770	March 1, 2056
FNMA	DG4038	5.250	371,831	369,555	January 1, 2056
FNMA	DG4039	5.750	417,796	415,470	January 1, 2056
FNMA	DG4062	5.000	547,000	543,057	March 1, 2056
FNMA	DG4063	5.125	290,300	288,502	March 1, 2056
FNMA	DG4072	4.875	194,700	193,436	March 1, 2056
FNMA	DG4073	5.250	299,701	297,876	February 1, 2056
FNMA	DG4093	5.000	935,484	929,879	April 1, 2056
FNMA	DG4094	5.125	851,358	846,965	April 1, 2056
FNMA	DG8008	5.000	1,055,945	1,050,354	April 1, 2056
FNMA	DG8009	5.125	160,000	148,319	April 1, 2056
FNMA	DG8010	5.250	411,760	409,652	January 1, 2056
FNMA	DG8011	5.500	363,750	362,006	April 1, 2056
FNMA	DG8017	5.000	1,288,578	1,281,798	April 1, 2056
FNMA	DG8018	5.125	492,497	490,029	April 1, 2056
FNMA	DG8019	5.750	360,000	358,688	May 1, 2056
FNMA	DG8032	5.000	1,729,705	1,720,319	May 1, 2056
FNMA	DG8033	5.125	537,700	531,195	May 1, 2056
FNMA	DG8034	5.500	222,988	221,312	April 1, 2056
FNMA	DG8035	5.750	678,903	673,921	May 1, 2056
FNMA	DG8036	6.000	372,480	371,186	May 1, 2056
FNMA	DG8086	5.000	356,302	355,167	April 1, 2056
FNMA	DG8087	5.375	212,792	211,275	May 1, 2056
FNMA	DG8088	5.500	351,166	350,155	May 1, 2056
FNMA	DG8089	5.500	1,687,175	1,681,714	May 1, 2056
FNMA	DG8090	5.625	312,728	311,843	April 1, 2056
FNMA	DG8091	5.750	467,950	466,658	April 1, 2056
FNMA	DG8092	6.000	348,802	347,890	May 1, 2056
FNMA	DG8093	6.125	299,747	297,571	May 1, 2056
FNMA	DH3038	5.250	260,000	259,220	June 1, 2056
FNMA	DH3039	5.375	581,905	579,894	June 1, 2056
FNMA	DH3040	5.500	344,672	343,680	May 1, 2056
FNMA	DH3041	5.625	320,100	319,206	June 1, 2056
FNMA	DH3054	4.750	252,200	251,368	June 1, 2056
FNMA	DH3055	5.250	382,500	381,352	June 1, 2056
FNMA	DH3056	5.375	300,700	299,608	June 1, 2056
FNMA	DH3057	5.750	133,500	133,136	June 1, 2056
FNMA	DH3058	5.875	303,731	302,917	May 1, 2056
FNMA	DH3059	6.000	239,793	239,016	May 1, 2056
FNMA	DH3092	4.740	280,000	275,341	July 1, 2056
FNMA	DH3093	4.865	263,717	263,149	June 1, 2056
FNMA	DH3094	5.115	199,491	199,077	May 1, 2056
FNMA	DH3095	5.240	968,366	966,123	July 1, 2056
FNMA	DH3096	5.365	998,526	995,975	July 1, 2056
FNMA	DH6418	5.490	262,990	260,074	March 1, 2056
FNMA	DH6419	5.865	347,922	347,302	June 1, 2056
FNMA	DH6443	4.615	210,000	209,528	July 1, 2056
FNMA	DH6444	4.740	33,717	33,643	July 1, 2056
FNMA	DH6445	5.115	436,500	435,608	July 1, 2056
FNMA	DH6446	5.240	358,950	357,031	July 1, 2056
FNMA	DH6447	5.365	240,000	239,532	July 1, 2056
FNMA	DH6448	5.615	372,965	372,272	July 1, 2056

Type of Guaranteed Mortgage Security	Pool Number	Pass-Through Interest Rate	Original Par Amount[†]	Par Amount Outstanding[†]	Maturity Date
FNMA	DH6449	5.740%	$ 660,629	$ 659,428	July 1, 2056
FNMA	DH6466	4.865	110,000	109,130	July 1, 2056
FNMA	DH6467	4.990	382,500	380,889	July 1, 2056
FNMA	DH6468	5.115	379,050	378,275	July 1, 2056
FNMA	DH6469	5.615	339,500	338,769	July 1, 2056
FNMA	DH6490	4.615	247,200	246,645	July 1, 2056
FNMA	DH6491	4.740	275,000	273,147	July 1, 2056
FNMA	DH6492	4.990	346,000	345,276	July 1, 2056
FNMA	DH6493	5.240	420,427	418,579	July 1, 2056
FNMA	DH6494	5.615	229,900	229,473	July 1, 2056
FNMA	DH6495	5.740	134,708	134,261	June 1, 2056
FNMA	DH6513	4.740	149,835	149,670	July 1, 2056
FNMA	DH6514	4.990	436,050	435,595	August 1, 2056
FNMA	DH6515	5.115	567,147	566,335	July 1, 2056
FNMA	DH6516	5.240	496,255	495,758	July 1, 2056
FNMA	DI2968	5.490	351,330	350,993	June 1, 2056
FNMA	DI2969	5.740	199,833	199,651	July 1, 2056
FNMA	DI3013	4.740	274,500	274,200	August 1, 2056
FNMA	DI3014	4.990	1,322,770	1,321,389	August 1, 2056
FNMA	DI3015	5.115	738,800	738,047	August 1, 2056
FNMA	DI3016	5.615	261,900	261,657	August 1, 2056
FNMA	DI3017	5.865	115,794	115,678	June 1, 2056
FNMA	DI3030	4.990	990,953	990,953	August 1, 2056
FNMA	DI3031	5.115	1,976,346	1,976,346	August 1, 2056
FNMA	DI3032	5.240	959,737	959,737	September 1, 2056
FNMA	DI3033	5.615	2,024,464	2,024,464	August 1, 2056
FNMA	DI3058	4.615	209,528	209,528	July 1, 2056
FNMA	DI3059	4.990	612,505	612,505	August 1, 2056
FNMA	DI3060	5.115	1,631,559	1,631,559	September 1, 2056
FNMA	DI3061	5.240	1,012,945	1,012,945	September 1, 2056
FNMA	DI3062	5.365	252,000	252,000	September 1, 2056
FNMA	DI3063	5.740	658,034	658,034	August 1, 2056
FNMA	DI6095	4.990	242,500	242,500	September 1, 2056
FNMA	DI6096	5.115	968,622	968,622	September 1, 2056
FNMA	DI6097	5.240	185,000	185,000	September 1, 2056
FNMA	DI6098	5.740	842,176	842,176	September 1, 2056
GNMA	CY6011	7.000	2,016,481	1,608,577	November 20, 2053
GNMA	DI1065	5.500	2,327,737	2,281,030	February 20, 2055
GNMA	DI1066	5.000	2,673,570	2,613,967	January 20, 2055
GNMA	DI5470	5.500	3,618,414	3,113,322	February 20, 2055
GNMA	DJ0127	5.500	2,940,927	2,742,193	March 20, 2055
GNMA	DJ0231	5.500	3,401,946	3,341,057	April 20, 2055
GNMA	DJ0232	6.000	5,061,716	4,973,933	April 20, 2055
GNMA	DJ6644	5.500	255,290	249,960	April 20, 2055
GNMA	DJ6645	6.000	2,334,433	2,291,077	April 20, 2055
GNMA	DJ6693	5.500	1,445,096	1,418,689	April 20, 2055
GNMA	DJ6694	6.000	2,178,084	2,142,312	April 20, 2055
GNMA	DJ6759	5.500	584,928	575,019	May 20, 2055
GNMA	DJ6760	6.000	2,305,852	2,263,315	May 20, 2055
GNMA	DK4357	5.500	1,596,857	1,567,354	May 20, 2055
GNMA	DK4358	6.000	2,134,031	1,371,683	May 20, 2055
GNMA	DK4426	5.000	450,686	443,217	June 20, 2055
GNMA	DK4427	5.500	3,054,552	3,004,268	June 20, 2055

Type of Guaranteed Mortgage Security	Pool Number	Pass-Through Interest Rate	Original Par Amount†	Par Amount Outstanding†	Maturity Date
GNMA	DK4428	6.000%	$1,431,462	$1,409,623	June 20, 2055
GNMA	DL2287	5.500	2,848,183	2,502,218	June 20, 2055
GNMA	DL2288	6.000	1,261,751	1,240,201	May 20, 2055
GNMA	DL2342	5.500	2,936,879	2,893,264	July 20, 2055
GNMA	DL2343	6.000	840,499	829,109	July 20, 2055
GNMA	DL2405	5.500	1,510,234	1,488,455	July 20, 2055
GNMA	DL2406	6.000	1,518,320	1,496,135	July 20, 2055
GNMA	DL2407	6.500	397,664	392,691	July 20, 2055
GNMA	DL8870	5.500	720,945	711,158	June 20, 2055
GNMA	DL8871	6.000	2,155,526	2,127,120	August 20, 2055
GNMA	DL8886	5.500	359,649	354,906	June 20, 2055
GNMA	DL8887	6.000	1,581,852	1,557,911	July 20, 2055
GNMA	DL8888	6.500	323,743	319,970	July 20, 2055
GNMA	DL8939	5.500	1,305,964	1,285,105	August 20, 2055
GNMA	DM4189	6.000	1,317,763	1,300,017	August 20, 2055
GNMA	DM4124	5.500	1,098,227	1,083,580	August 20, 2055
GNMA	DM4125	6.000	2,905,358	2,869,506	August 20, 2055
GNMA	DM4176	5.500	541,455	533,280	August 20, 2055
GNMA	DM4177	6.000	4,415,246	4,359,931	September 20, 2055
GNMA	DM9481	5.500	1,161,829	909,404	September 20, 2055
GNMA	DM9482	6.000	802,432	793,108	September 20, 2055
GNMA	DM9537	5.500	239,898	236,676	September 20, 2055
GNMA	DM9538	6.000	1,626,193	1,267,833	September 20, 2055
GNMA	DN2361	5.500	2,138,391	2,112,975	October 20, 2055
GNMA	DN2362	6.000	2,939,858	2,906,263	October 20, 2055
GNMA	DN2398	5.500	469,431	464,036	October 20, 2055
GNMA	DN2399	6.000	1,054,653	1,042,739	October 20, 2055
GNMA	DO1610	5.500	234,343	231,650	October 20, 2055
GNMA	DO1611	6.000	2,272,370	2,247,102	October 20, 2055
GNMA	DO3033	5.500	250,000	247,127	October 20, 2055
GNMA	DO3034	6.000	603,168	596,814	October 20, 2055
GNMA	DO3035	5.000	429,000	424,316	November 20, 2055
GNMA	DO3036	5.500	1,734,649	1,716,792	November 20, 2055
GNMA	DO3037	6.000	2,214,808	2,191,041	October 20, 2055
GNMA	DO3039	5.000	600,590	593,806	November 20, 2055
GNMA	DO3040	5.500	1,079,158	1,068,336	November 20, 2055
GNMA	DO3041	6.000	515,993	506,359	October 20, 2055
GNMA	DO3049	5.000	486,972	482,059	November 20, 2055
GNMA	DO3050	5.500	2,362,820	2,340,687	November 20, 2055
GNMA	DO3051	6.000	652,038	646,179	November 20, 2055
GNMA	DO3052	5.000	367,337	363,631	November 20, 2055
GNMA	DO3053	5.500	1,326,381	1,312,770	December 20, 2055
GNMA	DO3054	5.000	1,138,531	1,127,218	December 20, 2055
GNMA	DO3055	5.500	3,925,324	3,890,410	December 20, 2055
GNMA	DO3056	5.000	630,696	625,084	January 20, 2056
GNMA	DO3057	5.500	3,400,372	3,364,293	January 20, 2056
GNMA	DO3058	5.000	303,403	300,765	January 20, 2056
GNMA	DO3059	5.500	2,367,729	2,346,676	January 20, 2056
GNMA	DO3060	6.000	215,810	214,131	December 20, 2055
GNMA	DO3061	5.500	1,518,190	1,507,446	February 20, 2056
GNMA	DO3062	5.000	594,201	589,665	January 20, 2056
GNMA	DO3063	5.500	1,214,217	1,199,917	February 20, 2056
GNMA	DO3045	5.000	428,236	424,967	February 20, 2056

Type of Guaranteed Mortgage Security	Pool Number	Pass-Through Interest Rate	Original Par Amount[†]	Par Amount Outstanding[†]	Maturity Date
GNMA	DO3064	5.500%	$2,144,605	$2,128,525	February 20, 2056
GNMA	DO3046	5.000	432,030	428,751	February 20, 2056
GNMA	DO3047	5.500	1,282,765	1,273,865	February 20, 2056
GNMA	DO3048	5.500	555,922	552,286	February 20, 2056
GNMA	DR0719	5.000	1,260,812	1,252,304	March 20, 2056
GNMA	DR0720	5.500	1,664,002	1,652,999	March 20, 2056
GNMA	DR0738	5.000	490,943	487,536	March 20, 2056
GNMA	DR0751	5.500	1,094,626	1,087,928	March 20, 2056
GNMA	DR0793	5.500	897,012	891,380	March 20, 2056
GNMA	DR5168	5.000	920,797	915,267	April 20, 2056
GNMA	DR5169	5.500	3,235,083	3,214,311	April 20, 2056
GNMA	DR5245	5.500	2,443,329	2,430,693	April 20, 2056
GNMA	DS3716	5.000	1,178,271	1,171,242	May 20, 2056
GNMA	DS3717	5.500	3,214,526	3,201,344	May 20, 2056
GNMA	DS3732	5.000	361,212	359,620	May 20, 2056
GNMA	DS3733	5.500	2,419,235	2,409,488	May 20, 2056
GNMA	DS8010	5.000	347,216	346,091	May 20, 2056
GNMA	DS8031	5.500	3,030,197	3,019,944	June 20, 2056
GNMA	DS8032	6.000	852,938	850,483	May 20, 2056
GNMA	DS8075	5.500	4,305,911	4,291,932	June 20, 2056
GNMA	DS8076	6.000	2,001,898	1,993,863	June 20, 2056
GNMA	DT3707	5.000	242,414	241,633	June 20, 2056
GNMA	DT3708	5.500	1,383,325	1,378,340	June 20, 2056
GNMA	DT3709	6.000	818,311	815,451	June 20, 2056
GNMA	DT3755	4.500	314,105	313,366	July 20, 2056
GNMA	DT3756	5.000	1,523,872	1,520,147	July 20, 2056
GNMA	DT3757	5.500	3,003,643	2,997,135	July 20, 2056
GNMA	DT3758	6.000	313,905	313,305	June 20, 2056
GNMA	DT3772	4.500	476,215	475,094	July 20, 2056
GNMA	DT3773	5.000	1,248,866	1,245,720	July 20, 2056
GNMA	DT3774	5.500	1,595,069	1,591,879	July 20, 2056
GNMA	DT3806	4.500	378,026	377,136	July 20, 2056
GNMA	DT3807	5.000	1,036,727	1,034,255	July 20, 2056
GNMA	DT3808	5.500	752,669	751,130	July 20, 2056
GNMA	DT3841	4.500	402,322	390,885	July 20, 2056
GNMA	DT3842	5.000	1,035,585	1,031,226	July 20, 2056
GNMA	DT3866	4.500	285,668	285,315	July 20, 2056
GNMA	DT3867	5.000	2,150,687	2,145,137	August 20, 2056
GNMA	DT3868	5.500	284,456	284,165	July 20, 2056
GNMA	DU8953	5.000	978,967	977,863	August 20, 2056
GNMA	DU8954	5.500	2,398,847	2,396,382	August 20, 2056
GNMA	DU9001	5.000	2,141,386	2,141,386	August 20, 2056
GNMA	DU9002	5.500	2,704,457	2,704,457	August 20, 2056
GNMA	DU9022	5.000	668,341	668,341	August 20, 2056
GNMA	DU9023	5.500	3,455,438	3,455,438	September 20, 2056
GNMA	DU9056	5.000	1,247,449	1,247,449	August 20, 2056
GNMA	DU9057	5.500	2,131,035	2,131,035	September 20, 2056
Total			$338,544,483	$332,203,271	

[†] Amounts shown represent the par amount of Guaranteed Mortgage Securities, not the fair market value.


OREGON HOUSING and
COMMUNITY SERVICES