

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 2, 2026

NEW ISSUE

BOOK-ENTRY ONLY

In the opinion of Bond Counsel to RIHousing, (a) under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2026 Series 1 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except that no opinion is expressed as to such exclusion of interest on any 2026 Series 1 Bond for any period during which such 2026 Series 1 Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of facilities financed with the proceeds of the 2026 Series 1 Bonds or a “related person” and (b) interest on the 2026 Series 1 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the 2026 Series 1 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 addition, in the opinion of Bond Counsel to RIHousing, pursuant to the provisions of the Rhode Island Housing and Mortgage Finance Corporation Act, income on the 2026 Series 1 Bonds (including any profit on the sale thereof), is free from Rhode Island personal income taxes. (See “**TAX MATTERS**” herein.)

\$62,705,000*

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION

Multi-Family Development Bonds

\$37,825,000* 2026 Series 1-A (Non-AMT) (Sustainability Bonds)

\$24,880,000* 2026 Series 1-B (Non-AMT) (Sustainability Bonds)

Dated Date/Delivery Date:	November 5, 2026*.
Due:	April 1 and October 1, as shown on the inside cover page hereof.
Series Bonds:	Multi-Family Development Bonds, 2026 Series 1-A (the “2026 Series 1-A Bonds”), and Multi-Family Development Bonds, 2026 Series 1-B (the “2026 Series 1-B Bonds” and, together with the 2026 Series 1-A Bonds, the “2026 Series 1 Bonds” or the “Series Bonds”) of Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”).
Series Bonds as Sustainability Bonds:	The Series Bonds are designated as “Sustainability Bonds.” See “ DESIGNATION OF THE SERIES BONDS AS SUSTAINABILITY BONDS. ”
Book-Entry Only System:	The Depository Trust Company (“DTC”). See “ BOOK-ENTRY ONLY SYSTEM. ”
Denomination:	\$5,000, or any integral multiple thereof.
Interest Payment Dates:	Each April 1 and October 1, commencing April 1, 2027*.
Mandatory Tender of 2026 Series 1-A Bonds:	The 2026 Series 1-A Bonds are subject to mandatory tender as described herein under the caption “ DESCRIPTION OF THE SERIES BONDS—Mandatory Tender of 2026 Series 1-A Bonds. ”
Redemption:	The Series Bonds are subject to optional, mandatory and special redemption as described herein under the caption “ DESCRIPTION OF THE SERIES BONDS—Redemption Provisions. ”
Use of Proceeds:	To fund Mortgage Loans for the acquisition, rehabilitation, or development of rental housing developments for low and moderate income persons and families.
Security:	The Series Bonds will not constitute general obligations of RIHousing, but will constitute special revenue obligations of RIHousing and will be secured by and payable solely from a pledge of the Mortgage Loans and certain Revenues and Accounts established under the Resolution, all as more fully set forth herein. RIHousing has no taxing power. The Series Bonds are not a debt or liability or obligation of the State of Rhode Island or of any political subdivision thereof.
Trustee/Tender Agent:	The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida.
Bond Counsel:	Hawkins Delafield & Wood LLP, New York, New York.
Underwriters’ Counsel:	Kutak Rock LLP, Atlanta, Georgia.
Special Counsel:	Troutman Pepper Locke LLP, Providence, Rhode Island.

Morgan Stanley

**BofA Securities
Mischler AmeriVet**

**Fidelity Capital Markets
RBC Capital Markets**

J.P. Morgan

**Loop Capital Markets
Ramirez & Co., Inc.**

Dated: _____, 2026

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or 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.

MATURITY SCHEDULE*
Rhode Island Housing and Mortgage Finance Corporation
Multi-Family Development Bonds

\$37,825,000 2026 Series 1-A (Non-AMT) (Sustainability Bonds)

<u>Maturity</u>	<u>Amount</u>	<u>Mandatory Tender Date[†]</u>	<u>Optional Redemption Date</u>	<u>Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>CUSIP^{††}</u>
April 1, 2056	\$17,825,000	October 1, 2028	October 1, 2027	%	8.00%	
October 1, 2056	20,000,000	October 1, 2029	October 1, 2028		8.00%	

\$24,880,000 2026 Series 1-B (Non-AMT) (Sustainability Bonds)

\$1,920,000 2026 Series 1-B Serial Bonds

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP^{††}</u>	<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP^{††}</u>
October 1, 2028	\$60,000	%		April 1, 2034	\$ 90,000	%	
April 1, 2029	65,000			October 1, 2034	100,000		
October 1, 2029	70,000			April 1, 2035	95,000		
April 1, 2030	70,000			October 1, 2035	105,000		
October 1, 2030	75,000			April 1, 2036	105,000		
April 1, 2031	75,000			October 1, 2036	110,000		
October 1, 2031	80,000			April 1, 2037	115,000		
April 1, 2032	80,000			October 1, 2037	115,000		
October 1, 2032	85,000			April 1, 2038	125,000		
April 1, 2033	85,000			October 1, 2038	125,000		
October 1, 2033	90,000						

\$845,000 ____% 2026 Series 1-B Term Bonds due October 1, 2041 CUSIP^{††}:
\$18,565,000 ____% 2026 Series 1-B Term Bonds due October 1, 2046 CUSIP^{††}:
\$1,485,000 ____% 2026 Series 1-B Term Bonds due October 1, 2051 CUSIP^{††}:
\$2,065,000 ____% 2026 Series 1-B Term Bonds due October 1, 2056 CUSIP^{††}:

Price of all Series Bonds: ____ %

* Preliminary; subject to change.

[†] Subject to mandatory tender as described herein under the caption “**DESCRIPTION OF THE SERIES BONDS—Mandatory Tender of 2026 Series 1-A Bonds.**”

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No dealer, broker, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Series Bonds, and, if given or made, such information or representations must not be relied upon as having been authorized by RIHousing. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy, nor shall there be any sale of the Series Bonds, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information set forth herein has been furnished by RIHousing and obtained from other sources that are believed to be reliable. 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 RIHousing since the date hereof.

This Official Statement contains forecasts, projections and estimates that are based on expectations and assumptions which existed at the time such forecasts, projections and estimates were prepared. In light of the important factors that may materially affect economic conditions of RIHousing, its Program and the Series Bonds, the inclusion in this Official Statement of such forecasts, projections and estimates should not be regarded as a representation of RIHousing that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results. The forecasts, projections and estimates have not been examined or compiled by RIHousing's auditors; nor have its auditors expressed an opinion or any other form of assurance on the information or its achievability. The audited financial statements referred to in this Official Statement relate to RIHousing's historical financial information and do not extend to any forecasts, projections and estimates.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

The Series Bonds may be offered and sold by the Underwriters to certain dealers at prices lower than the initial public offering prices set forth on the inside cover page, and such public offering prices may be changed from time to time by the Underwriters. The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING OF THE SERIES BONDS, THE UNDERWRITERS MAY OVER-ALLOT AND EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF RIHOUSING AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

\$62,705,000*

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION

Multi-Family Development Bonds

2026 Series 1-A (Non-AMT) (Sustainability Bonds)

2026 Series 1-B (Non-AMT) (Sustainability Bonds)

This Official Statement sets forth certain information concerning the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) in connection with the issuance of its \$37,825,000* Multi-Family Development Bonds, 2026 Series 1-A (Non-AMT) (Sustainability Bonds) (the “2026 Series 1-A Bonds”), and its \$24,880,000* Multi-Family Development Bonds, 2026 Series 1-B (Non-AMT) (Sustainability Bonds) (the “2026 Series 1-B Bonds” and, together with the 2026 Series 1-A Bonds, the “2026 Series 1 Bonds” or the “Series Bonds”). RIHousing is a public corporation and an instrumentality and agency of the State of Rhode Island (the “State”), created by the Rhode Island Housing and Mortgage Finance Corporation Act, constituting Chapter 55 of Title 42 of the General Laws of Rhode Island, 1956 (2006 Reenactment), as amended and supplemented (the “Act”). The Series Bonds are being issued pursuant to the Act, the General Multi-Family Development Program Resolution, adopted on November 19, 2009 (the “General Resolution”), and the 2026 Multi-Family Development Program Supplemental Resolution, adopted on May 28, 2026, as supplemented by a Certificate of Determination delivered pursuant thereto (as so supplemented, the “Supplemental Resolution”). The General Resolution and the Supplemental Resolution are together referred to herein as the “Resolution.” Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed thereto in the Resolution. See “**APPENDIX D—CERTAIN DEFINITIONS.**”

The General Resolution authorizes RIHousing to issue and secure Bonds for the purposes of financing its operations relating to housing pursuant to the Act. The Series Bonds, the presently Outstanding (as of August 1, 2026) Multi-Family Development Bonds in an aggregate amount of \$362,565,000 previously issued under the General Resolution and any Multi-Family Development Bonds hereafter issued (collectively, the “Bonds”) are equally and ratably secured by a pledge of the Mortgage Loans, the Revenues derived from the Mortgage Loans financed by the Bonds and other moneys or property pledged therefor under the General Resolution.

RIHousing has financed 121 rental housing developments under the General Resolution, as of June 30, 2026, all but 36 of which continue to be financed under the General Resolution (the “Prior Developments”), and is continually reviewing additional rental housing developments for future financing under the General Resolution. For a description of the Prior Developments, see “**APPENDIX A—DESCRIPTION OF THE DEVELOPMENTS.**”

Proceeds of the Series Bonds are expected to be used to fund (or reimburse the funding of) Mortgage Loans for the acquisition, rehabilitation, or development of four* rental housing developments for low and moderate income persons and families to three non-profit developers (together, the “Series Developers”); the four* developments financed with proceeds of the Series Bonds are collectively referred to herein as the “2026 Series 1 Developments.” The proceeds of the 2026 Series 1-A Bonds are expected to be used to fund rehabilitation and/or construction loans for each* of the 2026 Series 1 Developments, and the proceeds of the 2026 Series 1-B Bonds are expected to be used to provide long-term financing to each* of the 2026 Series 1 Developments; a portion of the proceeds will pay part of the costs of issuance. The Mortgage Loans financed with the proceeds of the 2026 Series 1-A Bonds are referred to herein as the “2026 Series 1-A Mortgage Loans,” and the Mortgage Loans financed with the proceeds of the 2026 Series 1-B Bonds are referred to herein as the “2026 Series 1-B Mortgage Loans”; collectively, the 2026 Series 1-A Mortgage Loans and the 2026 Series 1-B Mortgage Loans are the “Series Mortgage Loans.”

* Preliminary; subject to change.

For a description of the 2026 Series 1 Developments, see “**PLAN OF FINANCING**” and “**APPENDIX A—DESCRIPTION OF THE DEVELOPMENTS.**”

Upon completion and permanent conversion, the first Mortgage Loans relating to the 2026 Series 1 Developments will be insured by the Federal Housing Administration (“FHA”) under its risk sharing program (“FHA Risk Share”). The risk sharing program, established under Section 542(c) of the Housing and Community Development Act of 1992, as amended (the “Risk Sharing Act”), allows state and local housing finance agencies that have entered into risk sharing agreements with the United States Department of Housing and Urban Development (“HUD”) to carry out certain HUD functions in connection with the origination of FHA-insured mortgage loans, including, without limitation, assumption of loan underwriting, loan management and property disposition. Under the risk sharing agreement, the state or local housing finance agency must agree to reimburse HUD for a portion of the losses from any defaults that occur while the contract of mortgage insurance is in effect. See “**APPENDIX E—FEDERAL AND STATE HOUSING ASSISTANCE PROGRAMS.**” Each of the 2026 Series 1-A Mortgage Loans are expected to be paid in full upon completion of construction. See “**PLAN OF FINANCING,**” “**SECURITY FOR THE BONDS**” and “**APPENDIX A—DESCRIPTION OF THE DEVELOPMENTS.**”

Under various construction and regulatory agreements, RIHousing will oversee, or has overseen, the construction, rehabilitation and management of the 2026 Series 1 Developments. See “**THE PROGRAM.**” In accordance with the Internal Revenue Code of 1986, as amended (the “Code”), certain low and moderate income rental requirements will be imposed on the 2026 Series 1 Developments that must be met in order for interest on the 2026 Series 1 Bonds to be excluded from gross income for federal income tax purposes. See “**TAX MATTERS.**” Failure to meet such requirements could result in all interest accruing on the 2026 Series 1 Bonds since their date of issue becoming subject to federal income tax.

THE SERIES BONDS ARE SPECIAL REVENUE OBLIGATIONS OF RIHOUSING, PAYABLE SOLELY FROM THE MORTGAGE LOANS, THE REVENUES, MONEYS, FUNDS OR PROPERTY OF RIHOUSING PLEDGED THEREFOR UNDER THE RESOLUTION. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR THE INTEREST ON, THE SERIES BONDS. THE STATE IS NOT LIABLE FOR THE SERIES BONDS, AND THE SERIES BONDS ARE NOT A DEBT OF THE STATE. RIHOUSING HAS NO TAXING POWER.

Following is a brief description of RIHousing and the financing provided by the Series Bonds, together with summaries of the terms of the Series Bonds, the Resolution and certain provisions of the Act. Such summaries do not purport to be comprehensive, and all such summaries and references to the Act and the Resolution are qualified in their entirety by reference to each such document, copies of which are available from RIHousing.

RIHOUSING

General

RIHousing was created in 1973 as a public corporation and instrumentality and agency of the State, but does not constitute a department of State government. Under the Act, the purpose of RIHousing is to encourage the investment of private capital and stimulate the construction and rehabilitation of housing for persons and families of low and moderate income, to provide construction and mortgage loans, and to make provision for the purchase of mortgage loans and otherwise as is necessary to accomplish its purposes.

RIHousing has the authority to create subsidiaries and currently has several such subsidiaries (collectively, the “Subsidiaries”). Generally, the Subsidiaries were formed to invest in or hold title to various residential real estate developments, currently or previously financed by RIHousing.

Commissioners of RIHousing

The powers of RIHousing are vested in seven commissioners, consisting of the Director of the Department of Administration, the General Treasurer, the Secretary of Housing, or the designees thereof, and four members appointed by the Governor with the advice and consent of the State Senate, who among them are to be experienced in all aspects of housing design, development, finance, management and state and municipal finance. The appointed commissioners serve for terms of four years and until they are reappointed or their respective successors are appointed and qualified. The Secretary of Housing serves as the Chairperson; the Vice Chairperson and Treasurer are elected by the members from among their number. The commissioners do not receive compensation. Meetings are held at the call of the Chairman or whenever two commissioners so request. Four commissioners constitute a quorum, and any action taken by RIHousing may be authorized by a resolution approved by a majority but not less than three of the commissioners. A vacancy on the Board of Commissioners does not impair the right of a quorum to exercise all the rights and perform all the duties of RIHousing. The Act provides that if any commissioner of RIHousing is a director, officer or employee of, or has an ownership interest in any firm or corporation interested directly or indirectly in a contract with RIHousing, such commissioner must disclose such interest to RIHousing and shall not participate in the authorization of any such contract.

There is currently one vacancy on the Board of Commissioners. The present commissioners of RIHousing are:

Deborah J. Goddard, Chairperson. Ms. Goddard joined the Board of Commissioners in March 2025, following appointment by Governor Daniel McKee and confirmation by the Rhode Island Senate. Ms. Goddard serves as the Rhode Island Secretary of Housing, following her appointment by Governor Daniel McKee in November 2024 and confirmation by the Rhode Island Senate in March 2025. Ms. Goddard has 40 years of experience in housing and community development, spanning across a broad spectrum of disciplines including law, policy, planning and real estate development. Ms. Goddard consulted to the Rhode Island Department of Housing from August 2022 to December 2024. Previously, she served as Executive Vice President at the New York City Housing Authority from 2016-2019, where she oversaw a capital improvements portfolio valued at over \$3 billion and managed a staff of 350 persons. Prior to that, Ms. Goddard served as Managing Director for Policy and Program Development at Massachusetts Housing Finance Agency (“MassHousing”) from 2014-2016. In this role, Ms. Goddard crafted initiatives to incorporate best practices into MassHousing’s lending programs across a range of subjects including sustainability, resident services and local planning capacity. From 2007-2014, Ms. Goddard served as General Counsel for the Massachusetts Department of Housing & Community Development (“DHCD”), which administers a breadth of housing programs including, but not limited to, +HOME, LIHTC, CDBG, Ch. 40B, weatherization, and fair housing. Prior experience includes positions with a Boston-based community development corporation, the Boston Housing Authority, Boston’s Department of Neighborhood Development, and the Planning Office for Urban Affairs, which is the affordable housing developer affiliated with the Archdiocese of Boston. Ms. Goddard received her law degree from Boston College Law School and her undergraduate degree from Wheaton College in Norton, Massachusetts. As the Secretary of the Department of Housing, she serves *ex officio*.

Maria Barry. Ms. Barry is the Community Development Banking National Executive of Bank of America[†]. Ms. Barry began her career at Ernst & Young and joined Bank of America in 1987 in the Commercial Credit department. She went on to hold several risk management roles related to training, technology, and asset quality reporting for the Board of Directors. She was promoted to Director of Community Reinvestment Act in 1999, also serving as chair to the Fair Lending Policy Committee. In 2003, she joined BAML’s commercial Real Estate Team as Director of Regional Relationship Management where she was responsible for launching a new business to meet the needs of small-to-mid-sized developers. She became the Community Development Banking Market Executive for the Northeast in 2004 and National Executive in February, 2009. Ms. Barry majored in accounting and has a Bachelor of Science

[†] BofA Securities, Inc., an affiliate of Bank of America, is acting as one of the Underwriters of the Series Bonds (see “UNDERWRITING” herein).

degree from the University of Connecticut. Her term expired on July 1, 2025. Under the Act, members continue to serve until a successor is appointed and qualified.

David Caldwell. Mr. Caldwell is the President of Caldwell & Johnson Custom Builders and the Managing Director of Caldwell Multifamily. Caldwell & Johnson is a nationally recognized leader in energy efficient and zero carbon emission construction. Caldwell Multifamily is a privately owned portfolio of primarily residential apartments that includes deed restricted affordable housing. Mr. Caldwell was commissioned as an officer in the United States Marine Corps in 1998, and is a veteran of Operation Iraqi Freedom. Upon his honorable discharge in 2006, he served as project manager for two years for the Pacific Beacon project a public-private venture between the United States Navy and Clark Capital, in San Diego, which built 941 units of rental housing for active duty personnel. He returned home to Rhode Island in 2008 to assume his present duties. Mr. Caldwell serves on numerous boards and commissions, including the Special Legislative Commission to Study Housing Affordability and the Executive Climate Change Coordinating Council Advisory Board, and the Board of Directors of the National Association of Home Builders. He holds an undergraduate degree from the University of Rhode Island, a graduate degree from Columbia University, and an MBA from the University of California, Irvine. His term expires on July 1, 2030.

James Diosa. Mr. Diosa was sworn in as General Treasurer of the State of Rhode Island on January 3, 2023. Prior to his election, Mr. Diosa served as a member of the City Council and Mayor of Central Falls, becoming the youngest mayor to date in the State's history. During his tenure as mayor, he helped Central Falls recover from the effects of bankruptcy and prior years of mismanagement. Throughout his years in public service, Mr. Diosa demonstrated his commitment to giving residents the tools and opportunities for creating sustainable wealth. This commitment continues by making information readily available — and easy to access — to current and future pensioners as well as the general public and providing assistance to municipal governments requiring pension-related guidance. In addition, he is a key champion for expanded financial literacy in the State's schools to further help individuals and families achieve self-sufficiency. After completing two terms as mayor, he went on to serve as a Senior Advisor at Brown University's Policy Lab. Treasurer Diosa is a graduate of Becker College. As the General Treasurer of the State, he serves *ex officio*.

Stephen P. McAllister. Mr. McAllister is Senior Manager of the Eastern Region for the U.S. Chamber of Commerce. The eastern region covers the six New England states, New York, New Jersey, Delaware, West Virginia and Maryland. Mr. McAllister works with chambers of commerce, members of Congress in each state, their staffs, trade associations and the media across the region to support the US Chamber's agenda. The US Chamber's goal is "to generate stronger, more robust economic growth, create jobs, and expand opportunity for all Americas." Mr. McAllister has experience working in both federal and state government. Mr. McAllister was Director of Advance for Rhode Island Governor Lincoln Chafee (D-RI), and also a Constituent and Community Liaison for United States Senator John E. Sununu (R-NH). Mr. McAllister was elected to the Warwick City Council in November, 2016. His term expired on July 1, 2025. Under the Act, members continue to serve until a successor is appointed and qualified.

Thomas Verdi. Mr. Verdi is Interim Director of the Department of Administration, where he oversees certain administrative matters of State government, including overseeing the Office of Management and Budget; Accounts and Control; Division of Human Resources; Division of Enterprise Technology Strategy and Services; Division of Purchases; Office of Statewide Planning; Division of Equity, Diversity and Inclusion; Healthsource RI; and the Department of Capital Asset Management and Maintenance. Mr. Verdi joined the State of Rhode Island in 2023, when he was appointed Director of the Department of Revenue by Governor Daniel McKee. Prior to his appointment, he served with the Providence Police Department for 35 years, retiring as Deputy Chief of Police. Mr. Verdi holds a bachelor's degree in finance from the University of Rhode Island and a master's degree in criminal justice from Boston University. In 2016, he graduated from the FBI Academy, where he served as class president. He serves on numerous commissions and non-profit boards, including the Rhode Island Police Chiefs Association, Providence Sports & Leadership, and the Reentry Campus Program. As the Interim Director of the Department of Administration, he serves *ex officio*.

Staff

The corporate staff, under the direction of the Executive Director, includes professionals and staff members working in RIHousing's six divisions: executive, finance, homeownership and customer service, development, loan servicing, and leased housing and rental services. Senior professional staff members of RIHousing include the following:

Carol A. Ventura – Executive Director. Ms. Ventura was appointed Executive Director of RIHousing effective on September 11, 2019. Ms. Ventura previously held the positions of Deputy Director (2014-2019), Director of Development (2005-2014), overseeing all aspects of development financing activities, and Assistant Director of the Policy Division (2001-2005). Prior to joining the staff of RIHousing, Ms. Ventura worked as the Executive Director of a community development organization in northern Rhode Island. Ms. Ventura received a Master of Business Administration from Bryant University and a Bachelor of Science degree from Bryant College.

James Comer – Deputy Executive Director. Mr. Comer joined RIHousing in February 2020. Prior to returning to RIHousing, Mr. Comer served as Executive Director of Women's Development Corporation, a nonprofit developer of affordable housing throughout New England. Prior to that, Mr. Comer served as Director of Operations for both the Cambridge (MA) and Fall River (MA) Housing Authorities. He also served as a development officer at RIHousing from 2004-2006. Mr. Comer received a Bachelor of Arts degree in History and Sociology from Boston College and a Master of Science degree in Public Affairs from the University of Massachusetts, Boston.

Kara L. Lachapelle – Chief Financial Officer. Ms. Lachapelle joined RIHousing in October, 2001 and served as Assistant Controller from 2001 to 2007. She was appointed Controller in January, 2007, appointed Director of Finance in September 2010 and appointed Chief Financial Officer in December 2013. From 1997 to 2001, Ms. Lachapelle held various positions in public accounting at Rooney, Plotkin & Willey, specializing in governmental and non-profit audit clients. Ms. Lachapelle also worked in the Trust Department at Durfee Attleboro Bank. She is a member of the American Institute of Certified Public Accountants and received a Bachelor of Science degree from Bryant College.

Corinne G. Myers – General Counsel. Ms. Myers joined the Legal Department of RIHousing in 2010, and was promoted to Deputy General Counsel in 2015. In 2021, she was appointed General Counsel. Ms. Myers holds a Juris Doctor degree from New York University School of Law and a Bachelor of Arts degree from Wellesley College. She is a member of the Rhode Island Bar Association, the Association of Corporate Counsel, and the American Bar Association's Forum on Affordable Housing & Community Development Law and Public Sector Lawyers Division. Ms. Myers is admitted to the bar in the states of Rhode Island and Massachusetts (inactive).

Christine Hunsinger – Chief Strategy & Innovation Officer. Ms. Hunsinger joined RIHousing in October 2017, as Assistant Deputy Director of Policy and Research, responsible for providing strategic guidance and leadership to RIHousing in the development of its goals and initiatives. Prior to joining RIHousing, Ms. Hunsinger was CEO of the strategic communications/public affairs firm BGP Strategies. She has served in several academic and public positions within the State of Rhode Island, including faculty roles at Rhode Island College and Brown University, and as Director of Legislative Affairs in the Lincoln Chaffee administration. Ms. Hunsinger holds a Bachelor's degree from St. Anselm, and a Master's degree of Public Affairs from Brown University.

Bernadette MacArthur – Director of Finance. Ms. MacArthur was appointed Director of Finance in April 2019. She joined RIHousing in 2015 as a Finance Analyst, and led the implementation of the in-house Secondary Marketing Department beginning in May 2017. Prior to joining RIHousing, Ms. MacArthur worked for Citizens Bank, N.A. in the treasury group, where she was responsible for commercial loan forecasting and liquidity analysis. Ms. MacArthur received a Bachelor of Science in Business Administration with a concentration in Finance from the University of Rhode Island.

Thomas McNulty – Manager of Treasury and Capital Planning. Mr. McNulty joined RIHousing as Manager of Treasury and Capital Planning in April of 2017. Prior to joining RIHousing, Mr. McNulty worked for Bank of America, N.A. and its predecessor FleetBoston Financial, in the treasury group, where he was responsible for the management of the fixed income portfolio with an emphasis on mortgage backed securities (MBS). Mr. McNulty received a Bachelor of Arts in Economics from the University of Massachusetts at Amherst.

Leslie McKnight – Assistant Deputy Director of Loan Servicing. Ms. McKnight was appointed Director of Loan Servicing in September 2003 and was appointed Assistant Deputy Director of Loan Servicing in January 2017. She joined RIHousing in June 1995, as the Default Manager. She was appointed Assistant Director of Loan Servicing in July 2000. Prior to her employment at RIHousing, Ms. McKnight worked as a Loan Workout Specialist for Plymouth Mortgage Company from 1991 to 1995. Between 1982 and 1991, she held various positions in Retail Banking and Mortgage Lending including Assistant Branch Manager at Citizens Bank. Ms. McKnight received her Bachelor of Science degree in Business Administration from Bryant College.

Peter C. Pagonis – Director of Homeownership. Mr. Pagonis joined RIHousing in October 2013, as Lender Services Manager, and was appointed Director of Homeownership in August 2015. Prior to joining RIHousing, Mr. Pagonis worked as a Business Development Advisor with the Peace Corps in León, Nicaragua. From 2000 to 2010, Mr. Pagonis was a Corporate Banking Associate at FleetBoston Financial, a Loan Officer at Bank of America, and an Assistant Vice President at Bank Rhode Island. Mr. Pagonis received a Master of Business Administration degree from Boston University Questrom School of Business and a Bachelor of Arts degree from St. Lawrence University.

Melanie Brewer – Director of Real Estate Development. Ms. Brewer joined RIHousing in August 2025. Prior to joining RIHousing, Ms. Brewer was the Senior Programs Administrator at the Arizona Department of Housing (ADOH) from 2023-2025. Prior to being appointed the Senior Programs Administrator at the ADOH, Ms. Brewer was a Project Developer II with Mercy Housing and the Senior Risk Assessment Officer at ADOH. Ms. Brewer was a Project Manager and Asset Manager at Travois from 2016-2020. Ms. Brewer received a Juris Doctor from the University of Kansas, along with a Tribal Lawyer Certificate, and holds a Bachelor of Science in Legal Studies with a minor in Political Science from Park University.

The address and telephone number of RIHousing are, respectively, 44 Washington Street, Providence, RI 02903-1721 and (401) 457-1234.

Cybersecurity

RIHousing relies on a complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, RIHousing faces multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware, phishing, business email compromise, and other attacks on computers and other sensitive digital networks, systems, and assets. Housing finance agencies 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 services to RIHousing, could also be a source of security risk in the event of a failure of their own security systems and infrastructure.

RIHousing 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. RIHousing conducts regular information security and privacy awareness training that is mandatory for all RIHousing staff and regularly conducts risk assessments and tests of its cybersecurity systems and infrastructure. The Director of Information Technology manages all information technology and leads the efforts of RIHousing to keep its cyber assets secure.

Despite its efforts, no assurances can be given that RIHousing'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 RIHousing's financial condition, results or business; however, RIHousing is not able to predict future attacks or their severity. The results of any attack on RIHousing's computer and information technology systems could impact its operations for an unknown period of time, damage RIHousing's digital networks and systems, and damage RIHousing's reputation, financial performance, and customer or vendor relationships. Such an attack also could result in litigation or regulatory investigations or actions, including regulatory actions by state and federal governmental authorities. The costs of remedying any such damage could be substantial and such damage to RIHousing's reputation and relationships could adversely affect RIHousing's ability to make loans and issue Bonds in the future.

DESIGNATION OF THE SERIES BONDS AS SUSTAINABILITY BONDS

General

RIHousing works to ensure that all Rhode Island residents have access to homeownership, keeps people in safe and healthy homes, and builds livable and sustainable communities. RIHousing finances affordable housing through a variety of channels, one of which is its longstanding Multi-Family Development Program, whereby RIHousing provides financing for the development of rental housing units for low-income renters; such financing supports the addition of new affordable apartments and the preservation of existing affordable apartments throughout the State. RIHousing also provides technical assistance to developments, operates its LeadSafe Program forgivable loans for lead mitigation, and maintains a special loan fund from which below market rate loans can be made for developments to either fund capital costs or fund operating and debt service costs of a development. In its selection of developments for which to provide financing, RIHousing prioritizes projects that include energy efficiency features and the Green Standards of RIHousing. See **"THE PROGRAM"** hereinafter for a more detailed description of the types of developments financed by RIHousing, a description of the residents served therein, and a summary of the Special Loan Fund.

RIHousing's Multi-Family Development Program, its green standards and its emphasis on energy efficiencies are discussed in detail in the RIHousing Impact Framework, which is attached hereto as **"APPENDIX G-1—RIHOUSING IMPACT FRAMEWORK"** (the "RIHousing Impact Framework") and speaks as of the date of the S&P Second-Party Opinion (as defined below).

The Series Bonds have been designated as Sustainability Bonds pursuant to a Second-Party Opinion provided by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), included as **"APPENDIX G-2—S&P SECOND-PARTY OPINION"** (the "S&P Second-Party Opinion"), in which S&P assesses the RIHousing Impact Framework and its alignment with the Sustainability Bond Principles and mapping to the United Nations Sustainable Development Goals ("UNSDGs") adopted by the United Nations General Assembly in 2015 as part of its 2030 Agenda for Sustainable Development, each as described in the S&P Second-Party Opinion.

The term "Sustainability Bonds" is neither defined in nor related to provisions of the Resolution. Holders of the 2026 Series 1 Bonds do not have any security other than as provided in the Resolution and described under **"SECURITY FOR THE SERIES BONDS."**

RIHousing does not assume any obligation to ensure that the 2026 Series 1 Bonds or the mortgage loans financed with proceeds thereof align with the ICMA Sustainability Bond Principles, map or contribute to UNSDGs or comply or meet with any other standards or principles that may be related to "Sustainability Bonds." In addition, RIHousing does not in any way guarantee that the use of proceeds will be consistent with historical Mortgage Loans funded from Bond proceeds as described herein.

In a press release entitled "New EMMA Feature Helps Investors Identify Green, Social, Climate and Sustainable Bond Investments," dated October 25, 2021, MSRB CEO Mark Kim stated "... there is no

universally accepted [environmental, social and governance (ESG)] standard or definition on labeling an ESG security in the municipal market....” No assurance can be given that a clear definition will develop over time, or, if developed, will include the program to be financed with the proceeds of the 2026 Series 1 Bonds. Accordingly, no assurance is or can be given to investors that any uses of the 2026 Series 1 Bonds will meet investor expectations regarding “sustainability” or other equivalently labelled performance objectives.

Sustainability Bonds Designation

The International Capital Market Association, in its publication, *Sustainability Bond Guidelines* (June, 2021) defines Sustainability Bonds as “any type of bond instrument where the proceeds or an equivalent amount will be exclusively applied to finance or re-finance a combination of both Green and Social Projects.” Sustainability Bonds are aligned with the four core components of both the Green Bond Principles and the Social Bond Principles with the former being especially relevant to underlying Green Projects and the latter to underlying Social Projects.

The S&P Second-Party Opinion finds that “for each social financing under the framework, RIHousing expects to allocate 100% of net proceeds to eligible affordable housing projects” and “for each sustainability financing it expects to allocate 100% of the net proceeds to projects eligible in both the affordable housing and energy efficiency categories.” The S&P Second-Party Opinion finds that the RIHousing Impact Framework aligns with the Social Bond Principles, Green Bond Principles and Sustainability Bond Guidelines (as such terms are defined in the S&P Second-Party Opinion). See the S&P Second-Party Opinion included as “**APPENDIX G-2 – S&P SECOND-PARTY OPINION.**”

Post-Issuance Reporting

RIHousing expects to prepare annual updates, dated as of the last day of each fiscal year commencing with fiscal year 2027, regarding the 2026 Series 1 Developments. RIHousing expects that such annual update will consist of the information outlined in the Form of Sustainability Bonds Annual Reporting in “**APPENDIX H—FORM OF SUSTAINABILITY BONDS ANNUAL REPORTING**” to this Official Statement (i.e., Development names and Mortgage Loan amounts advanced for all projects funded with proceeds of the 2026 Series 1 Bonds); the specific form and content of such updates are in the absolute discretion of RIHousing. Once all the financed projects have been completed and all related bond proceeds disbursed, no further updates will be provided.

RIHousing expects to post such annual updates as a voluntary filing on the Electronic Municipal Market Access System (“EMMA”) of the MSRB. Although RIHousing intends to provide such annual update, RIHousing is not required to provide such annual update pursuant to the Continuing Disclosure Certificate (as hereinafter defined) or any other agreement to provide continuing disclosure and the failure to do so will not constitute an event default thereunder or under the Resolution.

Independent Second-Party Opinion on Social Bond Designation and Disclaimer

The S&P Second-Party Opinion assesses the RIHousing Impact Framework and its alignment with Social Bond Principles, Green Bond Principles and Sustainability Bond Guidelines (as such terms are defined in the S&P Second-Party Opinion) and mapping to the UNSDGs.

The S&P Second-Party Opinion does not and is not intended to make any representation or give any assurance with respect to any other matter relating to the Series Bonds. The S&P Second-Party Opinion is not a recommendation to any person to purchase, hold or sell the Series Bonds, does not address the market price or suitability of the Series Bonds for a particular investor and does not and is not in any way intended to address the likelihood of timely payment of interest or principal when due.

In issuing the Second-Party Opinion, S&P has assumed and relied upon the accuracy and completeness of the information made publicly available by RIHousing or that was otherwise made available to S&P.

PLAN OF FINANCING

Proceeds of the Series Bonds are expected to be used to finance Mortgage Loans made for the purpose of funding (or reimbursing RIHousing for the funding of) acquisition and rehabilitation or construction, as applicable, of the related 2026 Series 1 Developments (see the description of the 2026 Series 1 Developments below). The 2026 Series 1-A Mortgage Loans are each expected to be repaid with tax credit equity proceeds upon completion of rehabilitation of the related 2026 Series 1 Development. In the event a 2026 Series 1-A Mortgage Loan repayment occurs later than expected, RIHousing may not be able to purchase the 2026 Series 1-A Bonds on the Mandatory Tender Date (as hereinafter defined). See **“DESCRIPTION OF THE SERIES BONDS—Mandatory Tender of 2026 Series 1-A Bonds”** herein.

Proceeds of the Series Bonds not used for the 2026 Series 1 Developments described below may be used to fund other similar projects at the direction of RIHousing; provided, however, that there can be no assurances that the mortgage collateral on such future projects funded by the Series Bonds or additional future Bonds will not be materially different from that of the Developments described below and in **APPENDIX A** hereto. See **“THE PROGRAM”** herein for a description of the guidelines used by RIHousing for its multi-family lending program.

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2026 Series 1 Developments (Preliminary, subject to change.)

2026 Series 1 Development Descriptions									
Development Name (New Construction/ Rehabilitation)	Bond Series	Address and County	Estimated Total Development Cost (TDC)	Expected completion time of construction or rehabilitation ⁽¹⁾	Anticipated Supplemental Security after construction or rehabilitation ⁽²⁾	Mortgage Loan Amount during construction or rehabilitation	Anticipated Construction Mortgage Loan Repayment	Permanent Mortgage Loan Amount	Amortization Period ⁽³⁾
Hillcrest Village Apartments (Rehabilitation)	2026 Series 1-A 2026 Series 1-B	40 Leander Street, Providence, Providence County	\$76,800,000 (\$590,770 per unit)	36 Months	FHA Risk Share	\$35,000,000	\$20,000,000	\$15,000,000	40 years with balloon payment at year 17
Hillside Village Apartments (Rehabilitation)	2026 Series 1-A 2026 Series 1-B	825 Plainfield Street, Providence, Providence County	\$27,570,000 (\$656,430 per unit)	30 Months	FHA Risk Share	\$13,200,000	\$7,900,000	\$5,300,000	40 years with balloon payment at year 17
Park Holm V (New Construction)	2026 Series 1-A 2026 Series 1-B	2-33 Eisenhower Street, Newport, Newport County	\$22,740,000 (\$505,300 per unit)	30 Months	FHA Risk Share	\$7,500,000	\$5,350,000	\$2,150,000	35 years
Sweetbriar (Rehabilitation)	2026 Series 1-A 2026 Series 1-B	1-40 Sweetbriar Road, and 1-3 and 709 Bella Road, Barrington, Bristol County	\$14,900,000 (\$317,000 per unit)	30 Months	FHA Risk Share	\$7,000,000	\$4,573,500	\$2,426,500	40 years

⁽¹⁾ Completion time reflects the expected timeframe of construction. Construction on the 2026 Series 1 Developments may have begun prior to the issuance of the 2026 Series 1 Bonds.

⁽²⁾ For a description of FHA Risk Share, see “**APPENDIX E—FEDERAL AND STATE HOUSING ASSISTANCE PROGRAMS—The FHA Insurance Program—The FHA Risk-Sharing Program.**”

⁽³⁾ The principal amount of each Series Mortgage Loan is calculated to amortize over the period set forth in this column, commencing at the completion of construction. If the amortization period is longer than the maturity of the loan, then any amount amortizing after the maturity date is payable on the maturity date.

[Continued on next page]

Summaries of the 2026 Series 1 Developments														
Development Name	Bond Series	Physical Structure	Revenue Generating Units	Expected Unit Set-Aside Breakdown at or Below ⁽¹⁾								Allocation of LIHTC	Subsidy Programs	Expected Green Standard(s) ⁽⁴⁾
				30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	90% AMI	100% AMI	110% AMI			
Hillcrest Village Apartments (Rehabilitation)	2026 Series 1-A 2026 Series 1-B	1 6-story building	130	-	-	-	130	-	-	-	-	Yes	All units PBV Contract ⁽³⁾ , 20 years	RIE boiler rebates, Energy Star Appliances and Light Fixtures and Bath Fans, EPA Water Sense Plumbing Fixtures.
Hillside Apartments (Rehabilitation)	2026 Series 1-A 2026 Series 1-B	3 3-story buildings	42	-	-	-	42	-	-	-	-	Yes	All units PBV Contract ⁽³⁾ , 20 years	Targeting RNC Tier II and Energy Star Multifamily 1.1, VRVs, ERVs, air sealing, new triple pane windows, added foundation insulation, and Solar covering common area, site, and some units
Park Holm V (New Construction)	2026 Series 1-A 2026 Series 1-B	3 3-story buildings	45 ⁽²⁾	14	-	13	17	1	-	-	-	Yes	40 units PBV Contract ⁽³⁾ , 20 years; 5 ACC ⁽³⁾ units	Targeting RNC Tier III and Energy Star Multifamily 1.1, all electric mini splits, Energy Star Smart Thermostats, Heat Pump Water Heaters, EPA Water Sense Plumbing Fixtures, Energy Star Light Fixtures and Appliances
Sweetbriar (Rehabilitation)	2026 Series 1-A 2026 Series 1-B	22 2-story buildings	47	-	-	14	33	-	-	-	-	Yes	10 units PBV Contract ⁽³⁾ , 23 years	Targeting RNC Tier II and Energy Star Multifamily 1.1, VRFs, ERVs, air sealing, new triple pane windows, added foundation insulation and Solar covering common area, site.

⁽¹⁾ Each 2026 Series 1 Mortgagor will enter into a Regulatory Agreement with RIHousing that requires a certain number of units in the applicable 2026 Series 1 Development to be occupied by households with incomes at or below a specified percentage of AMI.

⁽²⁾ Assumes full occupancy upon completion of construction.

⁽³⁾ Project Based Vouchers (“PBV”) and Annual Contributions Contracts (“ACC”) provide ongoing subsidy payments. For a description of such programs, see **APPENDIX E —FEDERAL AND STATE HOUSING ASSISTANCE PROGRAMS.**

⁽⁴⁾ For a description of the green standards, see “**APPENDIX G-1—RIHOUSING IMPACT FRAMEWORK— II. RIHOUSING’s MULTIFAMILY PROGRAM – B. RIHousing Green Standards.**” The failure to meet (or exceed) a particular standard is not a default under the applicable 2026 Series 1 Mortgage Loan.

Additional Information

The 2026 Series 1 Developments are being financed pursuant to RIHousing's Multi-Family Development Program. Each owner of a 2026 Series 1 Development has entered, or will enter prior to the receipt of funds from RIHousing, into a Regulatory Agreement (as hereinafter defined) with respect to the related 2026 Series 1 Development under which the owner covenants that all of the units (with the exception of one unit at Park Holm V) in the 2026 Series 1 Development will be restricted to individuals earning not more than 60% of area median income (as adjusted for household size) (the "Median Family Income"). Tenant contribution of rental charges for each unit, including utility payments, may not exceed the maximum tenant contribution in effect for the tax credit program below.

In addition, all of the 2026 Series 1 Developments have been awarded low income housing tax credits ("Tax Credits"). It is anticipated that such Tax Credits will be syndicated by the developers resulting in equity contributions with respect to such 2026 Series 1 Developments. In connection with the use of Tax Credits, restrictive covenant agreements will be executed with respect to each 2026 Series 1 Development receiving such Tax Credits, which will require that either (i) 20% of the units must be rented to persons earning 50% or less of area median income at an annual rent equal to or less than 30% of the income of a person earning 50% of area median income (after adjusting for utility provisions and family size), (ii) 40% of the units must be rented to persons earning 60% or less of area median income at an annual rent equal to or less than 30% of the income of a person earning 60% of area median income (after adjusting for utility provisions and family size), or (iii) income averaging, whereby at least 40% of the residential units (or floor space fraction, as applicable) in the 2026 Series 1 Development are both rent-restricted and occupied by individuals whose income is 80% or less of area median gross income, so long as the average income and rent restriction of the Low-Income Units is 58% or less of area median gross income, which is more restrictive than the Code requirement of 60%. In the event option (iii) above is chosen, the 2026 Series 1 Development owner (the "Owner") irrevocably agrees to rent the certain numbers of residential units in the 2026 Series 1 Development to households at or below certain levels of area median gross income as set forth in the 2026 Series 1 Development Owner's management plan provided by Owner and approved by RIHousing. The rent and income restrictions of the Multi-Family Development Program and the Tax Credit program are co-extensive; satisfaction of the Multi-Family Development Program requirements for developments will result in compliance with the Tax Credit requirements and the income and rental restrictions that must be met with respect to the 2026 Series 1 Developments in connection with the 2026 Series 1 Bonds. See "TAX MATTERS" herein.

Risks Attending any Investment in Real Estate

Risks attending any investment in real estate include, without limitation, possible adverse use of adjoining land, fire or other casualty, condemnation, increased taxes, changes in demand for such facilities, increases in utility rates, adverse general and local economic conditions, energy shortages, a decline in property value in the 2026 Series 1 Developments, increases in operating costs due to inflation, non-compliance of tenants with the terms of their leases, unfavorable governmental regulation (such as enactment of rent controls), force majeure and uninsurable risks (including pandemics), construction strikes and decrease in the relative popularity of real estate investments as contrasted with other investments. These risks and many others cannot be controlled by RIHousing and may have a substantial bearing on the profitability and financial feasibility of the 2026 Series 1 Developments, and which may affect the realizable value of the real estate and other collateral securing payment of the Series Bonds.

Additionally, legislation or regulations affecting the Series Bonds and the Series Mortgage Loans may be considered and enacted by the United States Congress, the Rhode Island State legislature or federal or state regulatory bodies. No assurance can be given that the consideration or enactment of any such legislation will not have an adverse effect on the value of, the timing or amount of revenues available to pay, or the security for, the Series Bonds or other risks to the Bondholders.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds from the sale of the Series Bonds and a contribution from RIHousing are as follows:

Sources of Funds:

Principal Amount of 2026 Series 1-A Bonds	\$
Principal Amount of 2026 Series 1-B Bonds	
Other Available Funds	
Total Sources	\$

Uses of Funds:

Deposit to Series Bond Proceeds Account	\$
Deposit to Debt Service Reserve Account	
Underwriters' Fee	
Other Costs of Issuance	
Total Uses	\$

SECURITY FOR THE BONDS

Pledge of the Resolution

The Mortgage Loans (including the Series Mortgage Loans) and the Revenues and all amounts held in any Account established under the Resolution (except the Rebate Account) including investments thereof, have been pledged and assigned to secure the payment of the Bonds (including the Sinking Fund Payments for the retirement thereof) in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application, disposition or exercise thereof for or to the purposes and on the terms and conditions therein set forth. To the fullest extent provided by the Act and other applicable laws, the money and property pledged and assigned pursuant to the Resolution are subject to the lien of such pledge and assignment without any physical delivery thereof or further act, and such lien is valid and binding against all parties having claims of any kind in tort, contract or otherwise, irrespective of whether such parties have notice thereof.

The pledges made in the Resolution for the security of the Bonds may be released upon provision for payment of the Bonds, as further described in “**SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION—Defeasance.**”

Mortgage Loans permitted to be financed pursuant to the Resolution include first lien, coordinate first lien and second lien mortgage loans as well as participations therein with other investors or with other funds of RIHousing. Mortgage Loans may only be financed in connection with RIHousing’s activities permitted under the Act.

Debt Service Reserve Account

Upon the issuance and delivery of a Series of Bonds, there is required to be on deposit in the Debt Service Reserve Account an amount at least equal to the aggregate amounts for all Series established under the Supplemental Resolution authorizing such Series (the “Debt Service Reserve Account Requirement”). The Supplemental Resolution for the Series Bonds establishes the amount for each such Series of the Series Bonds as one-half of the greatest amount required in the then current or any future calendar year to pay Debt Service with respect to such Series in such Fiscal Year; provided, however, that the Debt Service Reserve Requirement with respect to the 2026 Series 1-A Bonds is calculated with respect to interest only (not principal). Such amounts established for other Series of Bonds shall be set forth in the Supplemental Resolution authorizing such Bonds. Upon the issuance and delivery of the Series Bonds, the amount on deposit in the Debt Service Reserve Account will be at least equal to the Debt Service Reserve Account Requirement.

Deposits to the Debt Service Reserve Account may be made either in the form of (a) a cash deposit of proceeds of a Series of Bonds or amounts available under the Resolution or (b) Cash Equivalents. Prior to the issuance of the Series Bonds, the aggregate Debt Service Reserve Account Requirement was \$10,606,487.87. See “**SOURCES AND USES OF FUNDS.**”

If on any Interest Payment Date or Redemption Date, the amount in the Redemption Account, if applicable, and the Revenue Account shall be less than the amount required for the payment of the principal or Redemption Price and interest due on the Bonds to be paid or redeemed on such date, the Trustee shall apply amounts from the Debt Service Reserve Account to the extent necessary to make good the deficiency. If, after payment of amounts due under the Resolution for interest, principal, redemptions and Program Expenses, the amount in the Debt Service Reserve Account is in excess of the Debt Service Reserve Requirement, the Trustee shall transfer moneys from the Debt Service Reserve Account to the Revenue Account, but only to the extent necessary to meet the payments required to be made from the Revenue Account. Additionally, amounts in the Debt Service Reserve Account in excess of the Debt Service Reserve Account Requirement shall, upon receipt by the Trustee of the written instructions of an Authorized Officer determining to withdraw such amount, be paid to and deposited in the Revenue Account.

Additional Bonds

Additional Series of Bonds may be issued as provided in the General Resolution on a parity with the Bonds and secured by an equal charge and lien on the revenues and assets pledged under the General Resolution and payable equally therefrom so long as (i) no Event of Default shall be existing and continuing and (ii) written notice from each rating agency then rating the Outstanding Bonds is received, confirming that the issuance of such additional Bonds will not result in a reduction of the rating then applicable to such Bonds, or cause such rating agency to suspend or withdraw its rating then applicable to the Outstanding Bonds, but no Series of Bonds may be issued if the principal amount of all Bonds issued or to be issued will exceed any limitation imposed by law nor if, upon the issuance and delivery of such Bonds, the amount credited to the Debt Service Reserve Account will be less than the Debt Service Reserve Account Requirement. See “**SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION—Provisions for Issuance of Bonds, Provisions for Refunding Issues.**”

DESCRIPTION OF THE SERIES BONDS

The Series Bonds are being issued as fixed rate bonds in denominations of \$5,000 principal amount or any integral multiple thereof. The Series Bonds will be dated and will bear interest from their date of delivery, at the rates set forth on the inside cover page hereof, payable on each April 1 and October 1 thereafter, commencing April 1, 2027. Calculations of interest on the Series Bonds will be based on a 360-day year consisting of twelve 30-day months.

Mandatory Tender of 2026 Series 1-A Bonds

The 2026 Series 1-A Bonds maturing on April 1, 2056 and the 2026 Series 1-A Bonds maturing on October 1, 2056 are subject to mandatory tender for purchase (with no right to retain) on October 1, 2028* and October 1, 2029*, respectively (each a “Mandatory Tender Date”), at a price equal to 100% of the principal amount thereof plus accrued interest (the “Purchase Price”). The Trustee will deliver a notice of mandatory tender to Bondholders, at least 15 days prior to the related Mandatory Tender Date, stating the Mandatory Tender Date, the Purchase Price, and that all Bondholders of the related 2026 Series 1-A Bonds will be deemed to have tendered their 2026 Series 1-A Bonds on the related Mandatory Tender Date. 2026 Series 1-A Bonds purchased on a Mandatory Tender Date will be cancelled.

It is anticipated that the Purchase Price for the 2026 Series 1-A Bonds will be derived from the payment of the 2026 Series 1-A Mortgage Loans upon the completion of construction or rehabilitation, as applicable, of the related 2026 Series 1 Developments (see “**PLAN OF FINANCING**” herein). The 2026 Series 1-A Bonds do not, nor is there currently any requirement or assurance that the 2026 Series 1-A Bonds

* Preliminary; subject to change.

will, have the benefit of a liquidity or other credit facility to pay the Purchase Price of the 2026 Series 1-A Bonds on their respective Mandatory Tender Date.

In the event that prior to the applicable Mandatory Tender Dates of October 1, 2028* or October 1, 2029*, any of the related 2026 Series 1-A Mortgage Loans have not been paid in full and there are no other funds available to purchase all of the 2026 Series 1-A Bonds on the related Mandatory Tender Date, (i) the Trustee will deliver a notice to the related Bondholders that such 2026 Series 1-A Bonds shall not be subject to mandatory tender on such Mandatory Tender Date, (ii) such Outstanding 2026 Series 1-A Bonds will be retained by the related Bondholders, (iii) any 2026 Series 1-A Bonds that remain Outstanding after such Mandatory Tender Date shall bear interest at a rate of 8.00% per annum, from the date of such Mandatory Tender Date to but not including the date of redemption of such 2026 Series 1-A Bonds, and (iv) such related 2026 Series 1-A Bonds will remain subject to optional and special redemption as described below under the headings “—**Redemption Provisions**—*Optional Redemption*,” “—*Mandatory Sinking Fund Redemption*” and “—*Special Redemption*.” Failure to purchase 2026 Series 1-A Bonds on a Mandatory Tender Date as described above is not an Event of Default under the Resolution.

Redemption Provisions*

The Series Bonds are subject to redemption as described below.

Optional Redemption

The 2026 Series 1-A Bonds maturing on April 1, 2056 are redeemable, at the option of RIHousing, on or after October 1, 2027 in whole or in part on any date upon not less than twenty (20) days notice, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date fixed for redemption.

The 2026 Series 1-A Bonds maturing on October 1, 2056 are redeemable, at the option of RIHousing, on or after October 1, 2028 in whole or in part on any date upon not less than twenty (20) days notice, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date fixed for redemption.

The 2026 Series 1-B Bonds are redeemable, at the option of RIHousing, on or after October 1, 2034, in whole or in part on any date upon not less than twenty (20) days notice, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The 2026 Series 1-A Bonds maturing on April 1, 2056 and October 1, 2056 and the 2026 Series 1-B Bonds maturing on October 1, 2041, October 1, 2046, October 1, 2051 and October 1, 2056 are subject to mandatory redemption, in part, on a *pro rata pass-through distribution of principal* basis in accordance with DTC’s rules and procedures, at a Redemption Price equal to the principal amount thereof plus accrued interest to the date fixed for redemption, by application of Sinking Fund Payments which are required to be made to redeem such Bonds in the respective amounts on each of the dates shown below:

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* Preliminary, subject to change.

2026 Series 1-A Term Bonds Due April 1, 2056

Date	Principal Amount	Date	Principal Amount
October 1, 2028	\$180,000	October 1, 2042	\$305,000
April 1, 2029	185,000	April 1, 2043	310,000
October 1, 2029	190,000	October 1, 2043	320,000
April 1, 2030	195,000	April 1, 2044	330,000
October 1, 2030	200,000	October 1, 2044	330,000
April 1, 2031	205,000	April 1, 2045	335,000
October 1, 2031	210,000	October 1, 2045	340,000
April 1, 2032	205,000	April 1, 2046	350,000
October 1, 2032	215,000	October 1, 2046	360,000
April 1, 2033	220,000	April 1, 2047	360,000
October 1, 2033	220,000	October 1, 2047	370,000
April 1, 2034	230,000	April 1, 2048	380,000
October 1, 2034	230,000	October 1, 2048	380,000
April 1, 2035	230,000	April 1, 2049	390,000
October 1, 2035	245,000	October 1, 2049	390,000
April 1, 2036	240,000	April 1, 2050	405,000
October 1, 2036	245,000	October 1, 2050	415,000
April 1, 2037	260,000	April 1, 2051	415,000
October 1, 2037	255,000	October 1, 2051	425,000
April 1, 2038	265,000	April 1, 2052	435,000
October 1, 2038	265,000	October 1, 2052	445,000
April 1, 2039	275,000	April 1, 2053	450,000
October 1, 2039	280,000	October 1, 2053	455,000
April 1, 2040	285,000	April 1, 2054	470,000
October 1, 2040	285,000	October 1, 2054	475,000
April 1, 2041	290,000	April 1, 2055	480,000
October 1, 2041	300,000	October 1, 2055	495,000
April 1, 2042	305,000	April 1, 2056 [†]	500,000

[†] Maturity

[Remainder of page intentionally left blank]

2026 Series 1-A Term Bonds Due October 1, 2056

Date	Principal Amount	Date	Principal Amount
October 1, 2029	\$220,000	October 1, 2043	\$360,000
April 1, 2030	220,000	April 1, 2044	360,000
October 1, 2030	225,000	October 1, 2044	370,000
April 1, 2031	225,000	April 1, 2045	375,000
October 1, 2031	230,000	October 1, 2045	380,000
April 1, 2032	240,000	April 1, 2046	390,000
October 1, 2032	240,000	October 1, 2046	395,000
April 1, 2033	245,000	April 1, 2047	405,000
October 1, 2033	240,000	October 1, 2047	410,000
April 1, 2034	260,000	April 1, 2048	420,000
October 1, 2034	265,000	October 1, 2048	420,000
April 1, 2035	260,000	April 1, 2049	435,000
October 1, 2035	265,000	October 1, 2049	440,000
April 1, 2036	275,000	April 1, 2050	455,000
October 1, 2036	270,000	October 1, 2050	455,000
April 1, 2037	285,000	April 1, 2051	465,000
October 1, 2037	285,000	October 1, 2051	475,000
April 1, 2038	290,000	April 1, 2052	480,000
October 1, 2038	295,000	October 1, 2052	490,000
April 1, 2039	300,000	April 1, 2053	500,000
October 1, 2039	305,000	October 1, 2053	510,000
April 1, 2040	320,000	April 1, 2054	515,000
October 1, 2040	315,000	October 1, 2054	530,000
April 1, 2041	320,000	April 1, 2055	535,000
October 1, 2041	335,000	October 1, 2055	550,000
April 1, 2042	335,000	April 1, 2056	550,000
October 1, 2042	345,000	October 1, 2056 [†]	570,000
April 1, 2043	350,000		

[†] Maturity

2026 Series 1-B Term Bonds Due October 1, 2041

Date	Principal Amount	Date	Principal Amount
April 1, 2039	\$130,000	October 1, 2040	\$145,000
October 1, 2039	135,000	April 1, 2041	150,000
April 1, 2040	135,000	October 1, 2041 [†]	150,000

[†] Maturity

2026 Series 1-B Term Bonds Due October 1, 2046

Date	Principal Amount	Date	Principal Amount
April 1, 2042	\$160,000	October 1, 2044	\$ 185,000
October 1, 2042	165,000	April 1, 2045	195,000
April 1, 2043	170,000	October 1, 2045	200,000
October 1, 2043	175,000	April 1, 2046	4,570,000
April 1, 2044	185,000	October 1, 2046 [†]	12,560,000

[†] Maturity

2026 Series 1-B Term Bonds Due October 1, 2051

Date	Principal Amount	Date	Principal Amount
April 1, 2047	\$130,000	October 1, 2049	\$140,000
October 1, 2047	130,000	April 1, 2050	155,000
April 1, 2048	140,000	October 1, 2050	170,000
October 1, 2048	130,000	April 1, 2051	155,000
April 1, 2049	155,000	October 1, 2051 [†]	180,000

[†] Maturity

2026 Series 1-B Term Bonds Due October 1, 2056

Date	Principal Amount	Date	Principal Amount
April 1, 2052	\$165,000	October 1, 2054	\$210,000
October 1, 2052	195,000	April 1, 2055	220,000
April 1, 2053	180,000	October 1, 2055	230,000
October 1, 2053	210,000	April 1, 2056	235,000
April 1, 2054	190,000	October 1, 2056 [†]	230,000

[†] Maturity

Special Redemption

Except as otherwise provided below, all Series Bonds are subject to redemption, in whole or in part on any date, at the option of RIHousing, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium, from moneys deposited in the Redemption Account, on account of (a) the optional prepayment of a Mortgage Loan, if any (see “**THE PROGRAM—Prepayment of Mortgage Loans**”); (b) the sale or other disposition of property financed by a Mortgage Loan that RIHousing has taken title to or possession of as a result of an event of default under the Mortgage Loan with respect thereto; (c) condemnation of property financed by a Mortgage Loan or part thereof; (d) other proceedings taken in the event of default under a Mortgage Loan; (e) moneys deposited in the Redemption Account on account of Series Bond proceeds remaining on deposit in the Bond Proceeds Account that have not been used to make or fund the Series Mortgage Loans; (f) Revenues (including Mortgage Loan prepayments) under the General Resolution in excess of the amount required to meet Debt Service requirements, the Debt Service Reserve Account Requirement and Program Expenses with respect to all Bonds outstanding under the General Resolution; or (g) mortgage insurance or guaranty or hazard insurance proceeds.

General Provisions

In the case of any redemption of Bonds at the election or direction of RIHousing, RIHousing shall give written notice to the Trustee of its election or direction so to redeem, of the Redemption Date, of the principal amounts of the Bonds of such Series (and subseries, if applicable) and maturities to be redeemed (which Redemption Date, Series (and subseries, if applicable), maturities and principal amounts thereof to be redeemed shall be determined by RIHousing in its sole discretion, subject to any limitations with respect thereto contained in or permitted by the Resolution) and of any moneys to be applied to the payment of the Redemption Price.

If less than all of the Outstanding Bonds of a like Series and maturity are to be redeemed, the amount of such Series and maturity to be redeemed shall be determined on a *pro rata pass-through distribution of principal* basis in accordance with DTC's rules and procedures.

Notice of Redemption

Notice of redemption of Bonds shall be given by the Trustee in the name of RIHousing. Such notice shall specify the complete official name, the Series (and subseries, if applicable), the maturities, the interest rate, and the CUSIP number of the Bonds to be redeemed, the Redemption Date and the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at such place(s)) and, if less than all the Bonds of any like maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the Redemption Date, and that from and after such date interest thereon shall cease to accrue and be payable. Any notice of redemption may be conditioned upon the occurrence of certain events on or prior to the redemption date, and, in each such case, such redemption notice shall clearly state that such call for redemption is conditional.

Such notice shall be given by mailing a copy thereof, first class postage prepaid, not less than 20 days nor more than 30 days prior to the Redemption Date, to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books. Notices to Bondholders of at least \$1,000,000 principal amount of Bonds, national information services, and any Depositaries, upon written request, shall also be sent by certified mail, return receipt requested. Bondholders of at least \$1,000,000 principal amount of Bonds may request that notices also be sent to an additional address. If the Bonds to be redeemed are fully registered, then mailing of notice of redemption to the holders thereof shall be sufficient, and RIHousing may elect to dispense with the publication of such notice. A Bondholder may waive its right to receive notice pursuant to this section.

A copy of any notice sent pursuant to the preceding paragraph shall be sent by the Trustee to at least two of the national information services that disseminate redemption notices or redemption notice information (so long as two such services exist).

A second notice must be sent by the Trustee to any Bondholder whose Bonds have been redeemed but who has not delivered its Bonds for redemption by the sixtieth day following the applicable Redemption Date. Such notice shall be sent in the manner and shall include the same information described in the first paragraph of this section.

BOOK-ENTRY ONLY SYSTEM

When the Series Bonds are issued, ownership interests will be available to purchasers only through a book-entry system (the "Book-Entry System") maintained by The Depository Trust Company ("DTC"), or such other depository institution designated by RIHousing pursuant to the Resolution. Purchasers of

beneficial interests in the Series Bonds will not receive certificates reflecting their interests in the Series Bonds.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES BONDS AS NOMINEE FOR DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE BONDHOLDERS OR REGISTERED OWNERS OR OWNERS OF THE SERIES BONDS (EXCEPT UNDER “TAX MATTERS”) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES BONDS.

The following information included under this caption (except for the last two paragraphs) concerning DTC and DTC’s book-entry system has been obtained from DTC, but no representation is made by RIHousing, the Underwriters or the Trustee as to the accuracy or adequacy thereof.

DTC will act as securities depository for the Series Bonds. The Series 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 Series Bond certificate will be issued for each maturity of each series of the Series Bonds in the aggregate principal amount thereof, 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 3.6 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 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 (the “Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Series 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 Series Bonds with DTC and their registration in the name of Cede & Co do not effect any change in beneficial ownership. DTC has no knowledge of the

actual Beneficial Owners of the Series Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping account of their holdings on behalf of their customers.

Conveyances 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to RIHousing as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption, principal, interest and purchase price payments on the Series 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 RIHousing or the Trustee, Bond Registrar or Tender Agent, on payable date in accordance with their respective holdings shown on DTC's record. 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, the Bond Registrar, the Tender Agent or RIHousing, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption, principal, interest and purchase price payments to Cede & Co. (or such other nominees as may be requested by an authorized representative of DTC) is the responsibility of RIHousing or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

The requirement for physical delivery of Series Bonds in connection with a mandatory purchase will be deemed satisfied when the ownership rights in such Series Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Series Bonds at any time by giving reasonable notice to RIHousing or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series Bond certificates are required to be printed and delivered. RIHousing may decide to discontinue the use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series Bond certificates will be printed and delivered to DTC.

In the event such Series Bond certificates are issued, the Beneficial Owner, upon registration of the Series Bonds held in such Beneficial Owner's name, shall become the Owner for purposes of the Resolution and the provisions of the Resolution shall apply to, among other things, the transfer and exchange of certificates and the method of payment of principal of and interest on the Series Bonds.

NEITHER RIHOUSING, NOR THE TRUSTEE, NOR THE BOND REGISTRAR, NOR THE TENDER AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS, TO THE INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) THE TIMELY PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PRICE OR PURCHASE PRICE OF OR INTEREST ON THE SERIES BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE

GIVEN TO BONDHOLDERS BY DTC UNDER THE RESOLUTION; (IV) THE SELECTION BY DTC OF ANY DIRECT OR INDIRECT PARTICIPANT AND THE SELECTION BY SUCH DIRECT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

THE PROGRAM

Under RIHousing's Multi-Family Development Program (the "Multi-Family Development Program" or the "Program"), RIHousing may finance only developments in which (i) at least 20% of the rental units are occupied or are to be occupied by persons and families whose income is 50% or less of the Area Median Gross Income or (ii) at least 40% of the rental units are occupied or are to be occupied by persons and families whose income is 60% or less of the Area Median Gross Income as that term is defined in Section 142(d) of the Code, or (iii) income averaging in applied, whereby at least 40% of the residential units (or floor space fraction, as applicable) in the development are both rent-restricted and occupied by individuals whose income is 80% or less of area median gross income, so long as the average income and rent restriction of the Low-Income Units is 60% or less of area median gross income. In the event option (iii) above is chosen, the development owner irrevocably agrees to rent the certain numbers of residential units in the development to households at or below certain levels of area median gross income as set forth in the development owner's management plan provided by owner and approved by RIHousing.

To encourage the development of such low-income rental units, the Board of Commissioners has established a "Special Loan Fund" from reserve funds of RIHousing from which below market rate loans can be made for developments to either fund capital costs or fund operating and debt service costs of a development.

Under the Program, RIHousing gives priority to proposals which: (a) utilize other available funding sources such as federal, state, local and private grants; (b) request less than the maximum amount from the Special Loan Fund; (c) utilize federal tax credits in a cost-effective manner; (d) creatively respond to the needs of persons and families with physical disabilities; (e) provide rental housing to families rather than individuals; and (f) preserve the affordability of the existing housing stock throughout the State.

Mortgage Loan Processing For Developments

RIHousing is authorized under the Act to provide financing for developments for low and moderate income persons and families, and, in providing financing, RIHousing is required to follow provisions of the Act and State and federal laws and regulations.

RIHousing's review of proposals from housing developers typically occurs through a two-stage process, preliminary and loan commitment review as described below.

Preliminary Review Process

When a housing developer contacts RIHousing in contemplation of seeking financing for a development from RIHousing, RIHousing's Housing Development Division evaluates the suitability of the site and adequacy of the market for rental housing in the area. This review may include a preliminary financial analysis and analysis of the site characteristics, surrounding land uses, available utilities, transportation, employment and recreation opportunities, and shopping facilities.

If the preliminary review is satisfactory the developer is requested to submit a formal proposal that is evaluated by staff of RIHousing. This evaluation includes a preliminary analysis of the development costs and operating expenses, marketing and management information, schematic and preliminary drawings and site plans, information about the developer and development team and the economic feasibility of the development, including an examination of external or environmental factors of the industry that may affect the long-term viability of the development. An evaluation is also completed by RIHousing's Asset Management Department to determine if the proposed managing agent is qualified to manage the

development in conformity with the management standards and procedures established by RIHousing. A review of the financial statements of the developer and other development team members is made to determine their financial capability. With respect to a prospective acquisition of an existing development, RIHousing also reviews prior years' financial statements and operating history of such developments. The conclusions of the preliminary evaluation are presented to the Board of Commissioners, and upon the Board's approval of the proposed development, the developer is issued a reservation letter that details the additional requirements that must be met in order for a loan commitment to be issued.

Loan Commitment Review Process

Upon the completion of the preliminary review process, a more detailed review of all aspects of a development proposal is completed. A developer must submit working drawings and specifications, detailed operating and expense budgets, financial statements for the developer and general contractor, prior years' financial statements and operating history for the development, if applicable, and any additional documentation requested for commitment processing. RIHousing will commission an appraisal, and, if required, a market study to ensure appropriate loan to value ratio. A review of the management and marketing plan is made with attention to marketing strategies, operating budgets and affirmative marketing. Concurrently, the Housing Development Division makes a cost estimate for the development and evaluates cost projections. Once RIHousing is satisfied that all reviews are in order, a loan commitment presentation is made to the Board of Commissioners, and, if accepted, a commitment letter is issued to the mortgagor.

Initial Closing

At the initial closing of a mortgage loan, a regulatory agreement (the "Regulatory Agreement") is executed by RIHousing and the mortgagor. The Regulatory Agreement regulates tenant eligibility and rent levels in accordance with pertinent regulations of the Program and the Code. The Regulatory Agreement also regulates management and operation of the development, and disbursement of development income.

In addition to the Regulatory Agreement, major documents executed at or before the initial loan closing include a loan agreement, mortgage note, mortgage, and security agreement. Some developments also require the execution of rental assistance contracts with either the federal or State government. A "cost plus not-to exceed" construction contract is typically executed by the mortgagor and the contractor in connection with the construction that is to be completed in a development. The loan agreement provides that upon occupancy of the development, a reserve fund for repairs and replacements will be established with RIHousing and funded monthly from rental income. In addition, the mortgagor will, at the end of the construction period, fund an operating reserve fund, or equivalent reserve acceptable to RIHousing for operating expenses.

As assurance for completion of construction, the mortgagor typically must deliver payment and performance bonds issued by a surety company acceptable to RIHousing in the amount of 100% of the construction cost under the construction contract between the mortgagor and the contractor. An acceptable alternative is a letter of credit in the amount of 25% of the construction contract amount. If the construction contract amount is greater than amounts provided therefor in RIHousing's mortgage loan commitment, the mortgagor may be required to deposit with RIHousing additional cash or an irrevocable letter of credit in the amount of such difference. RIHousing may draw upon such amounts to fully fund construction. In addition, an agreement guaranteeing completion of the construction by a principal, or other related person or entity may be required by RIHousing. Where the acquisition of an existing development is financed under the Program and a determination is made by RIHousing that the nature of the rehabilitation work to be financed does not warrant payment and performance bonds or a letter of credit as described above, such requirements may be waived.

Construction

During construction or renovation of a development, the Development Division field inspectors make frequent on-site inspections of the progress of construction to determine compliance with the approved drawings, plans and specifications.

Upon completion of construction, RIHousing makes a final inspection to determine that (a) construction of the development has been completed in accordance with the approved plans and specifications and other terms of the mortgage loan, (b) the development has been constructed in accordance with any applicable building, housing and other codes and ordinances, and (c) the development is in good and tenantable condition. If the inspection is satisfactory, the general contractor and the mortgagor submit cost certifications of all actual costs of the construction and the development, respectively.

The construction of the developments is subject to certain RIHousing procedures and requirements. Among these are the following:

- Builder's risk property insurance in excess of the construction cost under the construction contract is obtained for each of the developments.
- RIHousing conducts field inspections of construction progress for each development on a weekly or monthly basis, as necessary.

Prior to the execution of the construction contract, either (i) the general contractor for each development posts a payment and performance bond, in the amount of 100% of the construction contract, in dual obligee form (RIHousing and mortgagor) or (ii) the general contractor for each development posts a letter of credit for 25% of the construction price. Additionally, the developer, or a principal of the developer, must also provide a completion guaranty in the amount of the construction contract. RIHousing must approve the surety company selected for each development.

With respect to each development, a Construction Loan Agreement is entered into between the mortgagor and RIHousing and a construction contract approved by RIHousing is entered into between the mortgagor and the general contractor. Each such contract generally provides:

- A total amount payable equal to the general contractor's estimated cost of construction;
- Monthly payments to be made to the contractor by the mortgagor based upon the percentage of the work completed as work is approved by RIHousing;
- A retainage of 5% of each approved construction advance which is typically held until substantial completion of construction. In certain instances, RIHousing may exercise its discretion and reduce the retainage after the development is 50% completed;
- Payments due the contractor to be made only after a title insurance company, licensed to do business in the State, certifies to RIHousing in writing that the mortgage will continue to constitute a first or second lien on the development;
- All change orders must receive the written approval of RIHousing; and
- Certification of the contractor's expenses to be provided to RIHousing.

Permanent Financing

Upon satisfactory completion of a final cost certification audit, the loan shifts from a construction loan to the permanent financing. Level monthly mortgage loan payments of principal and interest commence on the earlier of the first day of the month following the month in which construction is completed or the first day of the 24th month after closing in amounts sufficient to amortize the principal amount of the mortgage loan over its term, and, if applicable, FHA Mortgage Loan Insurance or any other applicable mortgage insurance policy takes effect. Certain loans relating to developments with minimal rehabilitation may begin payment of level monthly principal and interest payments upon closing of the loan.

Resident Selection, Marketing and Management

In addition to the Regulatory Agreement, the management of the development is governed by a Housing Management Agreement between the mortgagor, the management agent and RIHousing. RIHousing has the right to terminate the Housing Management Agreement for just cause as determined by RIHousing's Development Division, which is responsible for establishing the standards and procedures for management of the development. Contact with the management agent is initiated by the Development Division at the commitment stage. Prior to a loan commitment, the management agent submits a comprehensive Management Plan for the development for RIHousing's review and approval. The Plan details the form of resident lease, principles of landlord-resident relations, standards for eligibility for initial occupancy, marketing plans, affirmative marketing plans, budgets, operations reporting systems and accounting systems.

After completion of construction and occupancy, the Development Division inspects developments and conducts audits of the management agent's verification of resident eligibility, development accounts, resident waiting lists, accounts payable and receivable, and development bank accounts, including all escrow and reserve accounts and generally observes all management operations. The management agent is required to submit quarterly reports to the Development Division which include information on the aging of all accounts payable and receivable for the development, a listing of all occupancies by unit size and rental rate, a summary of marketing activity for the preceding month, a cash reconciliation and budget review. RIHousing utilizes warning and exception reporting systems designed to identify potential problems at an early stage. Maintenance problems found during inspections are noted and the owners and managing agents have thirty days in which to respond to such findings and make corrections.

Prepayment of Mortgage Loans

The Mortgage Loans financed under the Program provide that the developer may voluntarily prepay such Mortgage Loan only with the consent of RIHousing. RIHousing has consented to the voluntary prepayment of mortgage loans financed under its other multi-family programs in conjunction with its Multi-Family Development Program, and RIHousing may consent to the voluntary prepayment of additional Mortgage Loans under the Program and mortgage loans under its other multi-family programs in conjunction with the Multi-Family Development Program where prepayment will not result in a material escalation of rents charged to residents of the developments financed with such mortgage loans, as required by applicable statutes and regulations governing prepayment of mortgage loans. See **"PLAN OF FINANCING"** herein for a description of the Multi-Family Development Program. Any exercised prepayment option or voluntary prepayment of a Mortgage Loan could result in the redemption of Series Bonds at par as described herein under the heading **"DESCRIPTION OF THE SERIES BONDS—Redemption Provisions—Special Redemption."**

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The Resolution contains various covenants and security provisions certain of which are summarized below.

Contract with Bondholders

The Resolution is a contract among RIHousing, the Trustee and the holders of the Bonds and its provisions are for the equal benefit, protection and security of the holders of any and all of such Bonds each of which shall be of equal rank.

Provisions for Issuance of Bonds

The Resolution authorizes Bonds to be issued from time to time in accordance with its terms without limitation as to amount except as provided by law. The Bonds of a Series may be authenticated and delivered only upon receipt by the Trustee of, among other things:

- A Bond Counsel's Opinion to the effect that the Bonds of such Series upon delivery will have been duly and validly authorized and issued in accordance with the constitution and statutes of the State, including the Act as amended to the date of such opinion, and in accordance with the Resolution;
- The amount of the proceeds of such Series to be deposited in any Account held by the Trustee pursuant to the Resolution;
- Except in the case of any refunding issue, a Certificate of an Authorized Officer stating that RIHousing is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Resolution; and
- A Certificate of an Authorized Officer stating that the Revenues expected to be received by RIHousing from Mortgage Loans expected to be financed from amounts in the Bond Proceeds Account are estimated to be received at times and in amounts sufficient, when added to amounts otherwise available therefor, to provide for the payment of all Outstanding Bonds and the interest thereon in full.

Provisions for Refunding Issues

One or more Series of Refunding Bonds may be issued to refund any Outstanding Bonds. Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee of, among other things, irrevocable instructions to give notice of the pendency of such redemption and to give notice of the call for redemption of such Bonds and either (a) moneys sufficient to effect payment or redemption at the applicable Redemption Price of the Bonds to be refunded, together with interest accrued to the Redemption Date, or (b) direct obligations of, or obligations guaranteed by, the United States of America, or any bond, debenture, note, participation certificate or other similar obligation issued by Fannie Mae (but only to the extent such obligations are guaranteed by the Government National Mortgage Association) or issued by another federal agency and backed by the full faith and credit of the United States of America, or obligations secured by such obligations through an irrevocable trust, which by their terms will provide moneys sufficient to provide for the payment when due of the applicable principal or Redemption Price of the Bonds to be refunded, together with accrued interest. Any such moneys, obligations or certificates are required to be held irrevocably in trust under the Resolution.

Application of Bond Proceeds

As soon as practicable upon the delivery of each Series of Bonds, other than Refunding Bonds, the amount necessary to cause the amount on deposit in the Debt Service Reserve Account to equal the Debt Service Reserve Account Requirement so specified in the Supplemental Resolution authorizing such Bonds are required to be deposited in the Debt Service Reserve Account. The balance remaining after such deposits have been made is required to be deposited in the Bond Proceeds Account.

Deposits and Investments

Except as otherwise provided in the Resolution, moneys in any account shall be continuously invested and reinvested or deposited and redeposited by the Trustee, at the direction of an Authorized Officer, promptly confirmed in writing, in the highest yield Investment Securities that may be reasonably known, with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds. RIHousing may direct the Trustee to invest and reinvest the moneys in any account in Investment Securities so that the maturity date or date of redemption at the option of the holder thereof shall coincide as nearly as practicable with the times at which moneys are needed to be expended. The Investment Securities purchased shall be held by the Trustee, or for its account as Trustee, and shall be deemed at all times to be part of such Account, and the Trustee shall keep RIHousing advised as to the details of all such investments. Except as otherwise expressly provided, in computing the amount in any Account, obligations purchased as an investment of moneys therein shall be valued at par if purchased at par value or at amortized value if purchased at other than par value. Valuation shall be made on each

January 1 and July 1 and as otherwise required under the Resolution and on any particular date shall not include the amount of interest then earned or accrued to such date on any such moneys or investment.

Establishment of Accounts

The Resolution established the following Accounts which are to be held by the Trustee:

- (a) Bond Proceeds Account.
- (b) Revenue Account.
- (c) Redemption Account.
- (d) Debt Service Reserve Account.
- (e) Rebate Account.

In addition to the foregoing accounts, Supplemental Indentures authorizing a Series of Bonds may establish additional accounts as deemed necessary or desirable by RIHousing as additional security for such Series of Bonds, and any funds on deposit in such other accounts may be pledged and held in trust, invested and disbursed by the Trustee solely for the uses and purposes therein provided.

Bond Proceeds Account

In addition to the proceeds of a Series of Bonds, Recoveries of Principal are required to be deposited in the Bond Proceeds Account established for such Series. Amounts in the Bond Proceeds Account may be expended only to finance Mortgage Loans, to pay Costs of Issuance, to make deposits in the Revenue Account representing capitalized interest, to redeem Bonds, to pay notes of RIHousing, including interest thereon, and to provide amounts for deposit in the Revenue Account upon delivery to the Trustee of a Certificate of an Authorized Officer satisfying the conditions for the issuance of Bonds.

Amounts in the Bond Proceeds Account may not be disbursed for the financing of a Mortgage Loan (except to the extent that a variance is permitted by the insurer or guarantor of any Mortgage Loan) unless, among other things:

- (a) the mortgagor has warranted generally the title to the premises, subject to Permitted Encumbrances, and has agreed to execute such further assurances as may be requisite;
- (b) the mortgagor has entered into a binding agreement with or for the benefit of RIHousing that it will pay or escrow all taxes, assessments, water rates, sewer rents and municipal and other charges and fees and that it will discharge any prior liens levied against the Premises or any part thereof, and that the mortgagor will at the request of RIHousing deliver appropriate proof of the payment of such items;
- (c) the mortgagor covenants that it will keep buildings on the premises insured against loss by fire and other hazards as required by RIHousing and that it will maintain the premises in good repair and comply with all requirements of governmental authority relating thereto; and
- (d) the mortgagor has obtained the approval of all governmental entities having jurisdiction over the proposed residential housing.

Revenue Account

All Pledged Receipts are to be deposited in the Revenue Account. On or before each Interest Payment Date the Trustee is required to pay to the Paying Agent the amounts required for the payment of the Principal Installments, if any, and interest due on the Outstanding Bonds on such date. On or before each Redemption Date or date of purchase the Trustee is required to pay the Paying Agent the amounts required for the redemption or purchase price of Bonds redeemed or purchased for retirement and accrued interest thereon, unless the accrued interest has been otherwise provided for.

The amount accumulated in the Revenue Account for each Sinking Fund Payment may be applied either (a) to the purchase of Bonds for which such Sinking Fund Payment was established, at prices (including any brokerage and other charges) not exceeding the applicable Redemption Price, plus accrued interest, or (b) to the redemption of such Bonds, if then redeemable by their terms, at the Redemption Prices referred to above.

Upon the purchase or redemption of Bonds from amounts in the Revenue Account an amount equal to the principal amount of the Bonds so purchased or redeemed is required to be credited toward the next Sinking Fund Payment thereafter to become due and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Payment is to be credited against future Sinking Fund Payments in direct chronological order unless otherwise instructed in writing by an Authorized Officer.

RIHousing is permitted to direct the transfer of amounts from the Revenue Account at any time to the Bond Proceeds Account, Debt Service Reserve Account or Redemption Account, or to the general operating accounts of RIHousing for the purpose of paying Program Expenses for the then current Fiscal Year. Except for the payment of reasonable and necessary Program Expenses, no such transfer is permitted, however, unless the Debt Service Reserve Account Requirement is met and a Certificate of an Authorized Officer is delivered to the Trustee.

Redemption Account

There are to be deposited in the Redemption Account any amounts required by the General Resolution or a Supplemental Resolution to be so deposited and any other amounts available therefor and determined by RIHousing to be deposited therein. Subject to the provisions of the respective Series of Bonds and those of any Supplemental Resolutions authorizing the issuance thereof and authorizing the issuance of Refunding Bonds, the Trustee is required to apply the amounts deposited in the Redemption Account to the payment, purchase or redemption of Bonds at the earliest practicable Redemption Date. At any time prior to the forty-fifth day upon which Bonds are to be paid or redeemed from such amounts, the Trustee may apply amounts in any Account within the Redemption Account to the purchase of any of such Bonds, except that RIHousing may require or prohibit such purchases. The purchase price paid may not exceed the principal amount of such Bonds unless such Bonds may be redeemed within thirteen months after such purchase in which event such price shall not exceed the applicable Redemption Price. If the Trustee is able to purchase Bonds at a price less than the applicable Redemption Price, the Trustee is required to deposit in the Revenue Account the difference between such purchase price and such Redemption Price.

Upon the purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Payments have been established from amounts in the Redemption Account, each future Sinking Fund Payment for such Bonds will be credited by an amount bearing the same ratio to such Sinking Fund.

Payment as the total principal amount of such Bonds so purchased or redeemed bears to the total amount of all such Sinking Fund Payments, unless a different method for crediting Sinking Fund Payments is otherwise directed by RIHousing.

Debt Service Reserve Account

There are to be deposited in the Debt Service Reserve Account all amounts required to be deposited therein pursuant to the Resolution and any other amounts received and determined by RIHousing to be deposited therein.

Amounts on deposit in the Debt Service Reserve Account are to be applied, to the extent other funds are not available therefor, to pay the Bonds when due, whether by call for redemption or otherwise. Whenever the amount in the Debt Service Reserve Account exceeds the Debt Service Reserve Account Requirement, the Trustee, if directed by RIHousing, is required to withdraw from the Debt Service Reserve Account the amount of such excess and deposit such amount into the Revenue Account, but only to the extent necessary to meet payments required from the Revenue Account.

Whenever the amount in the Debt Service Reserve Account, together with the amount in the Revenue Account, is sufficient to fully pay all Outstanding Bonds in accordance with their terms (including the Sinking Fund Payments for the retirement thereof), amounts on deposit in the Revenue Account shall be transferred to the Debt Service Reserve Account. Prior to said transfer, any Bonds constituting a part of the Revenue Account shall be deemed paid and cancelled.

Subject to any limitation in the Act, a Supplemental Resolution may provide that the Debt Service Reserve Account Requirement with respect to the applicable Series of Bonds may be funded through Cash Equivalents. For purposes of determining whether the Debt Service Reserve Account Requirement has been met, the amount in the Debt Service Reserve Account shall be deemed to include any amount payable thereunder on the demand of the Trustee without material conditions.

Rebate Account

There are to be deposited in the Rebate Account all amounts required to be deposited therein pursuant to the Supplemental Resolution authorizing each Series of Bonds and any other amounts received and determined to be deposited therein by RIHousing. Amounts on deposit in the Rebate Account are to be applied in accordance with such Supplemental Resolution.

Payment of Bonds

RIHousing covenants that it will duly and punctually pay or cause to be paid the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds, according to the true intent and meaning thereof, and shall duly and punctually pay or cause to be paid all Sinking Fund Payments, if any, becoming payable with respect to any Series of Bonds.

Tax Covenants

RIHousing covenants that (a) it will at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds (excluding certain Bonds RIHousing elects to issue as federal taxable bonds) shall, for the purposes of federal income taxation, be excludable from the gross income of the owners thereof and exempt from such taxation, except in the event that such recipient is a "substantial user" or "related person" within the meaning of Section 147(a) of the Code, (b) it will not permit at any time any of the proceeds of the Bonds or other funds of RIHousing to be used directly or indirectly to acquire any investment property, the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Code, and (c) it will not permit such proceeds or other funds to be used in such manner as would result in the exclusion of any Bond from the treatment afforded by Section 103(a) of such Code by reason of the classification of such Bond as a "private activity bond which is not a qualified bond" within the meaning of the Code. The residential housing being financed by any Mortgage Loan will be either a "qualified residential rental project" within the meaning of the Code or a residence eligible to be financed with the proceeds of "qualified mortgage bonds" within the meaning of the Code. Notwithstanding the foregoing, RIHousing may elect to issue obligations the interest on which is not exempt from federal income taxation so long as such election is made prior to the issuance of such obligations. The covenants contained in this Section shall not apply to Bonds issued pursuant to such an election.

The Program

RIHousing covenants from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the provisions of the Resolution and sound banking practices and principles, to use and apply the proceeds of the Bonds, to the extent not reasonably or otherwise required for other purposes of the Program, to finance the Mortgage Loans pursuant to the Act and the Resolution, to do all such acts and things as shall be necessary to receive and collect Revenues (including diligent enforcement of the prompt collection of all arrears on Mortgage Loans) sufficient to pay the expenses of the Program, and to diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of RIHousing to protect, its rights with respect to or to maintain any insurance on Mortgage Loans and to enforce all terms, covenants and conditions of the Mortgage Loans including the collection, custody and prompt application of all Escrow Payments required by the terms of the Mortgage Loans for the purposes for which they were made.

Subject to the first paragraph of this section, whenever necessary in order to protect and enforce the interests and security of the holders of the Bonds, RIHousing shall commence foreclosure or pursue other appropriate remedies with respect to any Mortgage Loan which is in default. In the event that RIHousing shall, in its discretion, determine such action to be in the best interests of the holders of the Bonds, RIHousing may bid for and purchase the residential housing securing any such Mortgage Loan at any foreclosure sale thereof or may otherwise take possession of or acquire such residential housing (herein in this Section called an “Acquired Development”) prior to the foreclosure of any such residential housing.

Subject to the first paragraph of this Section, RIHousing may at any time sell, assign or otherwise dispose of a Mortgage Loan (or the Acquired Development to which such Mortgage Loan relates):

- (a) in order to realize the benefits of insurance, if any, with respect to such Mortgage Loan or Acquired Development;
- (b) in order to provide funds to finance another Mortgage Loan having substantially equivalent terms as the remainder of such Mortgage Loan; or
- (c) in order to provide funds for the redemption or purchase of a principal amount of Bonds corresponding to the unpaid principal amount of such Mortgage Loan plus the unamortized portion of the Costs of Issuance and original issue discount allocable to such Mortgage Loan.

In addition, RIHousing may sell any Acquired Development if there shall be filed with the Trustee a Certificate of an Authorized Officer to the effect that, in the judgment of RIHousing, (a) the proposed sale and the terms thereof are in the best interests of the Bondholders and (b) either (i) the loss of revenues available for the payment or retirement of Bonds as a result of such sale is less than that estimated to result if the Acquired Development were not so sold or (ii) the risk of such a loss in the event that the Acquired Development is not so sold is substantial.

Accounts and Reports

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

Within 120 days after the close of each Fiscal Year, RIHousing is required to file with the Trustee a copy of an annual report as to the operations and accomplishments of RIHousing during such Fiscal Year, and financial statements for such Fiscal Year, setting forth in reasonable detail, among other things, the balance sheet for RIHousing and its programs, showing the assets and liabilities of the Program at the end of such Fiscal Year.

If at any time during any Fiscal Year there shall have occurred an Event of Default or an Event of Default shall have continued, then RIHousing shall file with the Trustee, within 45 days after the close of such Fiscal Year, a special report accompanied by an Accountant's Certificate as to the fair presentation of the financial statements contained therein, setting forth in reasonable detail the individual balances and receipts and disbursements for each Account under the Resolution.

Budgets

RIHousing shall adopt an annual budget covering its fiscal operations for the succeeding Fiscal Year not later than the first day of each such Fiscal Year, and file the same with the Trustee. The annual budget shall set forth for such Fiscal Year the estimated Revenues, the Principal Installments and the amount of interest due and payable or estimated to become due and payable during such Fiscal Year and estimated Program Expenses. RIHousing at any time may adopt and file with the Trustee an amended annual budget for the remainder of the then current Fiscal Year in the manner provided in the Resolution for the adoption of the annual budget. Copies of the annual budget and any amended annual budget must be made available by the Trustee for inspection by any Bondholder.

Powers of Amendment

Any modification or amendment of any provision of the Resolution and of the rights and obligations of RIHousing and of the holders of the Bonds may be made by a Supplemental Resolution, with the written consent given as provided in the Resolution (a) of the holders of at least two-thirds in principal amount of the Outstanding Bonds, (b) in case less than all of the several Series of Bonds would be affected by such modification or amendment, of the holders of at least two-thirds in principal amount of the Outstanding Bonds of each Series so affected, or (c) in case the modification or amendment changes the terms of any Sinking Fund Payment, of the holders of at least two-thirds in principal amount of the Outstanding Bonds of the particular Series and maturity entitled to such Sinking Fund Payment, except that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the holders of such Bonds shall not be required. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the holder of such Bond or shall reduce the percentage of Bonds, the consent of the holders of which is required to effect any such modification or amendment.

Events of Default

It is an "Event of Default" if: (a) RIHousing defaults in the payment of the principal or Redemption Price of any Bonds when due, whether at maturity or upon call for redemption or otherwise; (b) payment of any installment of interest on any of the Bonds is not made within 30 days after becoming due; or (c) RIHousing fails or refuses to comply with the provisions of the Resolution, or defaults in the performance or observance of any of the covenants, agreements or conditions contained therein, in any Supplemental Resolution, or in the Bonds, and such failure, refusal or default continues for a period of 90 days after written notice thereof by the Trustee or by the holders of not less than 5% in principal amount of the Outstanding Bonds.

Remedies

Upon the happening and continuance of any Event of Default specified in clauses (a) and (b) above, the Trustee will proceed, or upon the happening and continuance of any Event of Default specified in clause (c) above, the Trustee may proceed, and upon the written request of the holders of not less than 25% in principal amount of the Outstanding Bonds must proceed, in its own name, subject to the Resolution, to protect and enforce the rights of the Bondholders by such of the following remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights: (a) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bondholders, including the right to require RIHousing to receive and collect Revenues and to carry out the covenants and agreements as to the

Mortgage Loans and to require RIHousing to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act; (b) by bringing suit upon the Bonds; (c) by action or suit in equity, to require RIHousing to account as if it were the trustee of an express trust for the holders of the Bonds; (d) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds; (e) by declaring all Bonds due and payable, and if all defaults shall be made good, then, with the written consent of the holders of not less than 25% in principal amount of the Outstanding Bonds, by annulling such declaration and its consequences; or (f) in the event that all Bonds are declared due and payable, by selling such Mortgage Loans and Investment Securities securing the Bonds.

Priority of Payment After Default

In the event that during the continuance of an Event of Default, the funds held by the Trustee and Paying Agent are insufficient for the payment of principal or Redemption Price, if any, and interest then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and any other moneys received or collected by the Trustee acting pursuant to the Act and the Resolution, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the holders of the Bonds and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or the Paying Agent in the performance of their respective duties under the Resolution, are to be applied as follows:

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

FIRST: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amounts available 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; and

SECOND: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price, if any, due on such date, to the persons entitled thereto, without any discrimination or preference; and

- (b) If the principal of all the Bonds has become or been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, 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.

Compensation of Trustee

RIHousing is required to pay to the Trustee, to any Depositary and to the Paying Agent from time to time reasonable compensation for all services rendered under the Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Resolution, and the Trustee, any Depositary and the Paying Agent shall have a lien therefor on any and all funds at any time held by them under the Resolution.

Defeasance

If RIHousing pays or causes to be paid to the holders of the Bonds, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then the pledge of any revenues and assets thereby pledged and all other rights granted thereby will be discharged and satisfied.

Any outstanding Bonds will, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect so expressed in the above paragraph if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, RIHousing has given to the Trustee in form satisfactory to it irrevocable instructions to give, as provided in the Resolution, notice of redemption on said date of such Bonds, and (b) there has been deposited with the Trustee either moneys in an amount which are sufficient, or direct obligations of, or obligations guaranteed by, the United States of America, or any bond, debenture, note, participation certificate or other similar obligation issued by Fannie Mae (but only to the extent such obligations are guaranteed by the Government National Mortgage Association) or issued by another federal agency and backed by the full faith and credit of the United States of America, or obligations secured by such obligations, the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, will be sufficient to pay when due the principal or Redemption Price, if applicable, of and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be.

OTHER PROGRAMS OF RIHOUSING

The following information with respect to other programs of RIHousing authorized by the Act is supplied for background information purposes, and obligations issued with respect thereto are not secured by the Resolution, nor are they payable from the assets or revenue sources pledged to the payment of the Bonds.

Bond Programs

RIHousing has issued bonds under its single family program to finance the purchase of single family mortgage loans or securities comprised of pools of such single family mortgage loans. As of August 1, 2026, RIHousing had approximately \$2,561,470,110 of such single family housing bonds outstanding.

In addition to the Resolution, RIHousing has one additional program to assist in making multifamily housing available for occupancy by persons and families of low and moderate income. As of August 1, 2026, RIHousing had approximately \$18,000,000 of such additional multifamily housing bonds outstanding.

Servicing

In addition to servicing its own residential loan portfolio, RIHousing has expanded its loan servicing operations to provide mortgage loan sub-servicing and document custodian services to other residential mortgage lenders and one other state housing finance agency.

TRUSTEE

The Trustee for the Series Bonds will be The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida. The Trustee also serves as bond trustee for other outstanding bonds of RIHousing. The Trustee also acts as Paying Agent for the Bonds. Principal, premium, if any, and interest on the Bonds will be payable at the Paying Agent's corporate trust office in Jacksonville, Florida.

Pursuant to the Resolution, RIHousing agrees to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or default. Any Fiduciary may become the owner of any Bonds and

coupons, with the same rights it would have if it were not a Fiduciary. Any Fiduciary may act as Depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Resolution, whether or not any such committee shall represent the holders of a majority in principal amount of the Bonds then Outstanding. Any Fiduciary may be an underwriter in connection with the sale of the Bonds or of any other securities offered or issued by RIHousing.

No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified.

AGREEMENT OF THE STATE

Pursuant to the Act, the State has pledged to and agreed with the owners of any Bonds that the State will not limit or alter the rights vested in RIHousing to fulfill the terms of any agreements made with them, or in any way impair the right and remedies of such owners until the Bonds, together with the interest thereon and on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such owners, are fully met and discharged.

STATE NOT LIABLE ON BONDS

The Bonds of RIHousing shall not be in any way a debt or liability of the State or of any political subdivision thereof and shall not create or constitute an indebtedness, liability or obligation of the State or of any such political subdivision or be or constitute a pledge of the faith and credit of the State or of any such political subdivision, but such Bonds shall be payable solely from revenues or funds of RIHousing pledged for their payment.

LEGALITY FOR INVESTMENT

The Act provides that the Bonds shall be legal investments in which all public officers and public bodies of the State, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, banking institutions including savings and loan associations, building and loan associations, trust companies, savings banks and savings associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or in other obligations of the State, may properly and legally invest funds, including capital, in their control or belonging to them. The Bonds are securities which may properly and legally be deposited with and received by all public officers and bodies of the State or any agency or political subdivision of the State and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized by law.

LITIGATION

RIHousing is party to certain claims and lawsuits that are being contested. In the opinion of management, the ultimate liability with respect to these actions and claims will not have a material adverse effect on either RIHousing's financial position or the result of its operations.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, issuance, sale and delivery of the Series Bonds are subject to the approval of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to RIHousing, whose approving opinion in substantially the form of **APPENDIX I** hereto will be delivered with such Series Bonds.

Certain legal matters in connection with Series Bonds are subject to the approval of Troutman Pepper Locke LLP, Providence, Rhode Island, Special Counsel to RIHousing, and to the approval of Kutak Rock LLP, Atlanta, Georgia, Counsel to the Underwriters.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to RIHousing, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2026 Series 1 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except that no opinion is expressed as to such exclusion of interest on any 2026 Series 1 Bond for any period during which such 2026 Series 1 Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of facilities financed with the proceeds of the 2026 Series 1 Bonds or a “related person” and (ii) interest on the 2026 Series 1 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the 2026 Series 1 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 opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by RIHousing, the Series Developers of the projects financed with the proceeds of the 2026 Series 1 Bonds and others in connection with the 2026 Series 1 Bonds, and Bond Counsel has assumed compliance by RIHousing and the Series Developers with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2026 Series 1 Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to RIHousing, pursuant to the provisions of the Act, income on the Series Bonds (including any profit on the sale thereof), is free from Rhode Island personal income taxes.

Bond Counsel expresses no opinion regarding any other federal, state or local tax consequences arising with respect to the 2026 Series 1 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 of the 2026 Series 1 Bonds, 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 2026 Series 1 Bonds.

Certain Ongoing Federal Tax Requirements Applicable to the 2026 Series 1 Bonds

The Code requires that at all times during the “qualified project period” (as defined below), each 2026 Series 1 Development financed with the proceeds of the 2026 Series 1 Bonds satisfy one of two set-aside requirements and constitutes rental property. Under these set-aside requirements, the Series Developers of such 2026 Series 1 Developments must elect that either (a) 40% or more of the residential units in such 2026 Series 1 Developments are occupied by individuals whose income is 60% or less of area median gross income or (b) 20% or more of residential units in such 2026 Series 1 Developments are occupied by individuals whose income is 50% or less of area median gross income. Under the Code, the income of tenants of a development and area median gross income must be determined pursuant to Section 8 of the United States Housing Act of 1937, as amended. Income determinations under the Code, therefore, are subject to adjustments for family size. The “qualified project period” is defined by the Code as the period beginning on the first day upon which 10% of the units in the related development are occupied and ending on the latest of (a) the date which is 15 years after the date upon which 50% of the units in such

development are first occupied, (b) the first day upon which no tax-exempt private activity bonds issued with respect to that development remain outstanding or (c) the date upon which any assistance provided under Section 8 of the United States Housing Act of 1937, as amended, terminates. The Code also requires that the low income occupancy requirement and the continuous rental requirement be continuously satisfied during the qualified project period. Determination of income qualification must be made on a continuing basis, except for a residential rental project in which all residential units in the residential rental project that become available are occupied by new residents that meet the applicable income limit. Otherwise, a tenant that is determined to be a person of low income for purposes of satisfying the low income requirement may continue to be treated as a person of low income for purposes of satisfying the income requirement so long as that tenant's income does not increase more than 140% of the applicable income limit (as adjusted for family size). In the event that a tenant's income increases to a level which is greater than 140% of the applicable limit (or if the tenant's family size decreases so that a lower maximum income applies), that tenant may no longer be treated as a person of low income for purposes of satisfying the low income requirement. Thereafter, if a 2026 Series 1 Development does not otherwise satisfy the applicable occupancy requirement based on other tenants, any unit of comparable or smaller size in such 2026 Series 1 Development which subsequently becomes vacant must be rented to an income qualifying tenant until such 2026 Series 1 Development again is in compliance. The Series Developers will have a minimum of 60 days to cure any noncompliance with the income requirement.

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the 2026 Series 1 Bonds in order that interest on the 2026 Series 1 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 2026 Series 1 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 2026 Series 1 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. RIHousing and the Series Developers have or will have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the 2026 Series 1 Bonds from gross income under Section 103 of the Code.

RIHousing's Tax Certification, which will be delivered concurrently with the delivery of the 2026 Series 1 Bonds, will contain provisions and procedures relating to compliance with the requirements of the Code. RIHousing, in executing its Tax Certification, will certify to the effect that it expects to be able to and will comply with the provisions and procedures set forth therein. RIHousing has also covenanted in the Resolution that it shall at all times do and perform all acts and things permitted by law necessary or desirable in order to assure that interest paid on the 2026 Series 1 Bonds is not included in gross income for federal income tax purposes. In furtherance thereof, RIHousing has required the Series Developer with respect to the Series Mortgage Loans to be financed by the 2026 Series 1 Bonds to make certain covenants in the Series Mortgage Loan documents in order to satisfy the above-described requirements of applicable federal tax law. However, no assurance can be given that in the event of a breach of any such covenants, the remedies available to RIHousing and/or owners of the 2026 Series 1 Bonds can be judicially enforced in such manner as to assure compliance with the requirements of applicable federal tax law and therefore to prevent the loss of the exclusion of interest on the 2026 Series 1 Bonds under applicable federal tax law. Any loss of the exclusion of interest on the 2026 Series 1 Bonds may be retroactive to the delivery date of the 2026 Series 1 Bonds irrespective of when an event of noncompliance may occur or be ascertained.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the 2026 Series 1 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a 2026 Series 1 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 the 2026 Series 1 Bonds.

Prospective owners of 2026 Series 1 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 certain foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit and 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 2026 Series 1 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.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the 2026 Series 1 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 2026 Series 1 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 2026 Series 1 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.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a 2026 Series 1 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 2026 Series 1 Bonds. In general, the issue price for each maturity of the 2026 Series 1 Bonds is expected to be the initial public offering price set forth on the inside cover page of the Official Statement. Bond Counsel to RIHousing further is of the opinion that, for any 2026 Series 1 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 2026 Series 1 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 2026 Series 1 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 2026 Series 1 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 2026 Series 1 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.

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 2026 Series 1 Bonds under federal or state law or otherwise prevent beneficial owners of the 2026 Series 1 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) and such decisions could affect the market price or marketability of the Series Bonds.

Prospective purchasers of the 2026 Series 1 Bonds should consult their own tax advisors regarding the foregoing matters.

FINANCIAL STATEMENTS OF RIHOUSING

The financial statements of RIHousing as of and for the years ended June 30, 2026 and 2025 are included in **APPENDIX C** hereto. The financial statements of RIHousing as of and for the years ended June 30, 2026 and 2025 have been audited by CliftonLarsonAllen LLP, Providence, Rhode Island, independent certified public accountants, to the extent indicated in their report thereon. CliftonLarsonAllen LLP has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report, nor has CliftonLarsonAllen LLP audited any of RIHousing’s financial statements subsequent to the completion of the audit of the financial statements as of and for the year ended June 30, 2026.

UNDERWRITING

Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC, BofA Securities, Inc., Fidelity Capital Markets, a division of National Financial Services LLC, Loop Capital Markets LLC, Mischler Financial Group, Inc. (doing business as Mischler AmeriVet), RBC Capital Markets, LLC, and Ramirez & Co., Inc. (collectively, the “Underwriters”) have jointly and severally agreed, subject to certain conditions, to purchase the Series Bonds at a purchase price of \$_____. The Underwriters will be paid a fee in connection with their purchase of the Series Bonds, in an amount of \$_____. The obligation of the Underwriters to purchase the Series Bonds is subject to certain terms and conditions set forth in the Purchase Contract with respect to the Series Bonds. The Series Bonds may be offered and sold to certain

dealers, banks and others at prices lower than the initial public offering prices, and such initial offering prices may be changed from time to time, by the applicable underwriters.

The following paragraphs have been provided by the respective Underwriters named therein; RIHousing takes no responsibility as to the accuracy or completeness thereof:

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

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

BofA Securities, Inc. (“BofA”), one of the Underwriters of the Series Bonds, 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 Series Bonds. The compensation to MLPF&S is variable, based on an on-going fee-sharing agreement, and dependent on actual distribution of municipal securities to retail investors through the retail brokerage network of MLPF&S.

Fidelity Capital Markets, a division of National Financial Services LLC (“FCM”), an underwriter of the Series Bonds, has entered into an agreement with its affiliate broker dealer, Fidelity Brokerage Services LLC (“FBS”), for the distribution of certain municipal securities offerings, including the Series Bonds. Pursuant to this agreement, FCM may compensate FBS for any Series Bonds sold via the FBS distribution channels to its customers.

RBC Capital Markets, LLC (“RBCCM”), one of the Underwriters of the Series Bonds, has entered into a distribution arrangement with its affiliate RBC Securities, Inc. (“RBC Securities”) (formerly known as City National Securities, Inc.). As part of this arrangement, RBCCM may distribute municipal securities to investors through the financial advisor network of RBC Securities. As part of this arrangement, RBCCM may compensate RBC Securities for its selling efforts with respect to the Series Bonds. RBCCM serves as remarketing agent on certain single family bonds of RIHousing issued pursuant to a separate bond resolution. Additionally, the Royal Bank of Canada (“RBC”), an affiliate of RBCCM, provides a standby bond purchase agreement and serves as swap counterparty within that separate bond resolution of RIHousing. RBC has certain rights against RIHousing as more fully provided in the related documents and disclosures governing those roles. RBCCM serves as a member of the investment banking team involved in the issuance of single family and multifamily tax exempt bonds for RIHousing. From time to time, RBCCM may be simultaneously engaged in this role under an active bond offering. The agreement and services provided therein are not related to the subject transaction identified herein.

The following paragraph has been provided by the Underwriters; RIHousing takes no responsibility as to the accuracy or completeness thereof:

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. Each of the Underwriters and their respective affiliates may have, from time to time, performed and may in the

future perform, various investment banking services for RIHousing, for which they may have received or will receive customary fees and expenses. In the ordinary course of their various business activities, each of the Underwriters and 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 RIHousing. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. Without limiting the generality of the foregoing, each of the Underwriters and their affiliates may hold bonds that RIHousing is refunding through the issuance of the Series Bonds and, as a result, may receive proceeds from such refunding.

RATING

Moody's Ratings ("Moody's") has assigned a rating of "Aa2" to the Series Bonds. Any explanation of the significance of such ratings should be obtained directly from Moody's. There is no assurance that a particular rating will pertain for any given period of time or that it will not be lowered or withdrawn entirely, if, in the judgment of the rating service, circumstances so warrant. Any downward revision or withdrawal of any such ratings will have an adverse effect on the market price of the Series Bonds.

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

RIHousing will execute a continuing disclosure certificate (the "Continuing Disclosure Certificate"), a form of which is attached hereto as **APPENDIX F**, for the benefit of the holders and beneficial owners of the Series Bonds. Under this Continuing Disclosure Certificate, RIHousing will be obligated while any Series Bonds remain Outstanding to provide certain updated financial information and operating data annually, and timely notice of specified listed events, to the MSRB.

Filings made in accordance with the Continuing Disclosure Certificate will be made by filing with EMMA.

The Annual Financial Information (as defined in the Continuing Disclosure Certificate) may be provided in one document or multiple documents, and at one time or in part from time to time. In addition, such Annual Financial Information may be provided by specific reference to documents available to the public on EMMA or filed with the Securities Exchange Commission.

Any failure by RIHousing to perform in accordance with the Continuing Disclosure Certificate does not constitute a default or an Event of Default under the Resolution, and the rights and remedies provided by the Resolution upon the occurrence of a default or an Event of Default do not apply to any such failure.

On December 14, 2023, RIHousing timely filed annual financial and operating data with respect to its outstanding bonds issued under its single family program for the fiscal year ended June 30, 2023; however, such financial and operating data filing was inadvertently not linked to three CUSIPs associated with certain bonds then outstanding. Such financial and operating data was properly linked to all CUSIPs as of January 16, 2024.

MUNICIPAL ADVISOR

cfX serves as RIHousing's municipal advisor pursuant to an engagement agreement. Subject to the terms of such engagement agreement, cfX will provide certain work products to RIHousing and the Trustee to be utilized in connection with their respective operating obligations under the Resolution. Each such work product will be based on certain information provided to cfX by RIHousing and the Trustee and

other third party sources as believed by cfX to be reliable, certain assumptions provided to cfX by RIHousing and certain instructions from Bond Counsel. cfX will make no representation with respect to the accuracy of certain of such information or as to the reasonableness of such assumptions and instructions. cfX is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with continuing disclosure undertakings. cfX has registered with the SEC and the MSRB as a Municipal Advisor.

MISCELLANEOUS

The references herein to the Act, the General Resolution and the Supplemental Resolution are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made to the Act and the Resolution for full and complete statements of such provisions. The agreements of RIHousing with the holders of the Series Bonds are fully set forth in the Resolution, and this Official Statement is not to be construed as a contract with the purchasers of the Series Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

Copies of the Act, the General Resolution and the Supplemental Resolution are on file at the office of RIHousing.

The execution and delivery of this Official Statement by the Manager of Treasury and Capital Planning have been duly authorized by RIHousing.

**RHODE ISLAND HOUSING AND MORTGAGE
FINANCE CORPORATION**

Thomas McNulty
Manager of Treasury and Capital Planning

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DESCRIPTION OF THE DEVELOPMENTS

This Appendix A sets forth descriptions of (i) the 2026 Series 1 Developments expected to be financed with the proceeds of the 2026 Series 1 Bonds and (ii) the Prior Developments financed with Mortgage Loans funded with proceeds of other series of Bonds issued under the General Resolution. The Series Bonds are secured on a parity with the other Bonds issued under the General Resolution by a pledge of the Mortgage Loans and the Revenues derived from the Mortgage Loans on the developments described in this Appendix A and all amounts held in any account under the Resolution (except the Rebate Account) including investment income thereof.

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**DESCRIPTION OF THE DEVELOPMENTS EXPECTED TO BE
FINANCED BY THE 2026 SERIES 1 BONDS**

Development Name	Sweetbriar	Hillside Village Apartments	Hillcrest Village Apartments	Park Holm V
Mortgagor	Sweetbriar Road Apartments, LP	POAH, Inc.	POAH, Inc.	HACN Park Holm Redevelopment V, LP
Date of Completion	8/1/2027	12/1/2027	8/1/2028	2/1/2028
Management Agent	East Bay Community Development Corp.	POAH Communities, LLC	POAH Communities, LLC	The Housing Authority of the City of Newport
Location	Barrington	Providence	Providence	Newport
Development Cost*	\$14,900,000	\$27,570,000	\$76,800,000	\$22,740,000
Mortgage Loan Amount	\$7,000,000	\$13,200,000	\$35,000,000	\$7,500,000
	Perm Loan is \$2,426,500	Perm Loan is \$5,300,000	Perm Loan is \$15,000,000	Perm Loan is \$2,150,000
Dwelling Units	47	42	130	45
Type of Units	Family	Family	Elderly/Disabled	Family
Subsidized Units %	45%	100%	100%	100%
Type of Subsidy Program	Project Based Vouchers	Project Based Vouchers	Project Based Vouchers	Project Based Vouchers & Annual Contributions Contracts
HAP Expiration**	1/31/2042	12/30/2045	6/30/2046	20 year term from completion. Estimated 1/31/2048
Mortgage Loan Maturity Date	9/1/2067	1/1/2045	8/1/2045	3/1/2063
Insurance	FHA HUD Risk Share Upon Construction Completion	FHA HUD Risk Share Upon Construction Completion	FHA HUD Risk Share Upon Construction Completion	FHA HUD Risk Share Upon Construction Completion
Occupancy Status	98%	100%	100%	100%

* Includes construction costs, rehabilitation costs, payment in full of outstanding debt

** Scheduled Expiration of Section 8 HAP Contract, if applicable

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS**

Development Name	Carleton Court/Westside Apartments	Coddington Point Condominiums	Colonial Village Apartments
Bond Issue	2010 Series 1	2010 Series 1	2010 Series 1
Mortgagor	Carleton Westside Apartments, LP	EAF Newport, LLC	Colonial Village Associates, LP
Date of Completion	2010	2010	2010
Management Agent	Pinnacle Property Management	Peabody Property Management	Property Advisory Group
Location	Providence	Newport	North Smithfield
Development Cost*	\$8,543,945	\$7,700,015	\$5,971,277
Mortgage Loan Amount	\$3,480,000	\$3,080,000 (1 st Mortgage) \$920,000 (2 nd Mortgage)	\$3,455,000
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$1,781,396	\$1,932,247 (1st Mortgage) \$800,744 (2nd Mortgage)	\$2,533,006
Dwelling Units	86	32	75
Type of Units	Elderly/Family	Family	Elderly
Subsidized Units %	100%	100%	100%
Type of Subsidy Program	Low Income Housing Tax Credits	Section 8	USDA Rural Rental Assistance
HAP Expiration**	Not Applicable	April, 2045	Not Applicable
Mortgage Loan Maturity Date	December, 2049	September, 2049 (1st Mortgage) September, 2029 (2nd Mortgage)	October, 2039
Insurance***	FHA Risk Share	FHA Risk Share	FHA Risk Share
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract.

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Cornplanter Row	Deerfield Apartments	Essex Village
Bond Issue	2010 Series 1	2013 Series 1	2013 Series 1
Mortgagor	Cornplanter Row, LP	Deerfield Acquisition, LP	Essex Village RHF Partners, LP
Date of Completion	2011	2014	2014
Management Agent	Winn Management	Property Advisory Group	Federal Management Company, Inc.
Location	Providence	North Smithfield	North Kingstown
Development Cost*	\$6,211,413	\$8,696,319	\$14,800,000
Mortgage Loan Amount	\$300,000	\$4,200,000 (\$1,170,000 was repaid at construction completion)	\$9,870,000
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$224,826	\$2,454,614	\$8,479,607
Dwelling Units	36	80	109
Type of Units	Family	Elderly/Disabled	Elderly
Subsidized Units %	100%	100%	100%
Type of Subsidy Program	Low Income Housing Tax Credits	USDA Rural Rental Assistance	Section 8
HAP Expiration**	Not Applicable	Not Applicable	November, 2032
Mortgage Loan Maturity Date	June, 2041	February, 2044	April, 2049
Insurance***	Not Applicable	FHA Risk Share	FHA Risk Share
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Glenark Landing/ Ashley Court	Kings Grant	Riverstone Apartments
Bond Issue	2013 Series 1	2013 Series 1	2013 Series 1
Mortgagor	Trinity Woonsocket Limited Partnership	Kings Grant RHF Partners, LP	Riverstone Apartments, LP
Date of Completion	2014	2014	2014
Management Agent	Trinity Management, LLC	Federal Management Company, Inc.	Phoenix Property Management
Location	Woonsocket	North Kingstown	Pawtucket
Development Cost*	\$12,900,000	\$21,600,000	\$13,520,000
Mortgage Loan Amount	\$6,400,000 (\$4,900,000 was repaid at construction completion)	\$14,000,000	\$7,800,000 (\$2,300,000 was repaid at construction completion)
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$1,219,375	\$12,027,713	\$4,417,656
Dwelling Units	89	156	103
Type of Units	Family	Family	Elderly
Subsidized Units %	100%	66%	100%
Type of Subsidy Program	Low Income Housing Tax Credits	Section 8	Section 8
HAP Expiration**	Not Applicable	March, 2032	December, 2032
Mortgage Loan Maturity Date	April, 2044	April, 2049	April, 2044
Insurance***	FHA Risk Share	FHA Risk Share	FHA Risk Share
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Berkeley Village	Centennial Towers	DeAngelis Manor I
Bond Issue	2013 Series 2	2013 Series 2	2013 Series 2
Mortgagor	Woodward Street Limited Partnership	Subsidized Properties III, LP	825 Housing, LP
Date of Completion	2003	1977	1978
Management Agent	Pinnacle Property Management	National Investments, Ltd.	Goluses & Co.
Location	Cumberland	Pawtucket	West Warwick
Development Cost*	\$4,273,292	\$3,694,276	\$3,739,223
Mortgage Loan Amount	\$2,511,876	\$1,927,000	\$2,440,000
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$728,006	\$682,062	\$954,654
Dwelling Units	30	101	96
Type of Units	Family	Elderly	Elderly
Subsidized Units %	100%	100%	100%
Type of Subsidy Program	Section 8	Section 8	Section 8
HAP Expiration**	April, 2044	March, 2037	November, 2033
Mortgage Loan Maturity Date	August, 2035	October, 2031	April, 2032
Insurance***	FHA Risk Share	FHA Risk Share	FHA Risk Share
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Evergreen Drive	The Elms	Mt. Hope Court
Bond Issue	2013 Series 2	2013 Series 2	2013 Series 3-A (construction); 2013 Series 3-B
Mortgagor	Subsidized Properties II, LP	Subsidized Properties I, LP	Mt. Hope Court Associates, LP
Date of Completion	1978	1979	2014
Management Agent	National Investments, Ltd	National Investments, Ltd	Cornell Management, Inc.
Location	East Providence	West Warwick	Providence
Development Cost*	\$4,609,329	\$5,395,882	\$5,374,065
Mortgage Loan Amount	\$2,340,000	\$3,100,000	\$2,750,0000 (\$250,000 was repaid at construction completion)
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$825,748	\$1,135,167	\$2,155,969
Dwelling Units	84	120	36
Type of Units	Family	Family	Family
Subsidized Units %	100%	100%	100%
Type of Subsidy Program	Section 8	Section 8	Section 8
HAP Expiration**	September, 2038	Feb, 2044	July, 2033
Mortgage Loan Maturity Date	October, 2031	October, 2030	December, 2049
Insurance***	FHA Risk Share	FHA Risk Share	FHA Risk Share
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Newport Heights 2B	Cranston Commons	Northern Plaza
Bond Issue	2013 Series 3-D	2013 Series 4-T	2013 Series 4-T
Mortgagor	Trinity Newport Four Phase Two Limited Partnership	1303 Elmwood Associates Limited Partnership	Northern Plaza Associates
Date of Completion	2006	2012	2010
Management Agent	Trinity Management, LLC	Phoenix Property Management	United Management Trust, LLC
Location	Newport	Cranston	Pawtucket
Development Cost*	\$12,300,000	\$1,890,873	\$5,721,000
Mortgage Loan Amount	\$6,100,000 (\$5,300,000 was repaid at construction completion)	\$975,000	\$2,500,000
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$664,698	\$892,327	\$2,227,789
Dwelling Units	47	19	100
Type of Units	Family	Family	Elderly/Disabled
Subsidized Units %	100%	100%	100%
Type of Subsidy Program	Section 8 and Public Housing Authority Annual Contribution Contract	Section 8	Section 8
HAP Expiration**	December, 2030	August, 2043	January, 2035
Mortgage Loan Maturity Date	February, 2047	September, 2052	August, 2050
Insurance***	FHA Risk Share	FHA Risk Share	FHA Risk Share
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Phoenix Apartments	Newport Heights 2A	Newport Heights 3B
Bond Issue	2013 Series 4-T	N/A	2014 Series 2-T
Mortgagor	Phoenix Apartments, L.P.	Trinity Newport Phase Two Limited Partnership	Trinity Newport Four Phase Three L.P.
Date of Completion	2014	2006	December, 2006
Management Agent	Winn Residential	Trinity Management, LLC	Trinity Management, LLC
Location	Providence	Newport	Newport
Development Cost*	\$20,925,000	\$19,927,000	\$9,211,487
Mortgage Loan Amount	\$1,700,000	\$1,210,000	\$5,000,000 (\$4,747,000 was repaid at construction completion)
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$1,443,051	\$1,042,333	\$204,192
Dwelling Units	83	100	27
Type of Units	Family	Family	Family
Subsidized Units %	100%	78%	85%
Type of Subsidy Program	Section 8	Section 8 and Public Housing Authority Annual Contribution Contract	ACC/Section 8
HAP Expiration**	November, 2032	Not Applicable	HAP covers 3 units; Jan 2032
Mortgage Loan Maturity Date	February, 2043	June, 2047	June, 2047
Insurance***	FHA Risk Share	FHA Risk Share	None
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Water's Edge (f/k/a Driftwood Apartments)	Charlesgate Park	Charlesgate East
Bond Issue	2014 Series 2-T	2014 Series 3	2014 Series 3
Mortgagor	POAH Driftwood Apartments, LLC	Charlesgate Park Apartments Limited Partnership	Charlesgate East Apartments Limited Partnership
Date of Completion	1971	April, 2016	April, 2016
Management Agent	POAH Communities	Davenport Associates	Davenport Associates
Location	Narragansett	Providence	Providence
Development Cost*	\$5,704,835	\$11,836,054	\$11,235,409
Mortgage Loan Amount	\$2,900,000 (1st Mortgage) (\$1,015,154 was repaid at construction completion) \$210,154 (2nd Mortgage)	\$6,000,000 (\$1,900,000 was repaid at construction completion)	\$6,000,000
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$1,512,207 (1st Mortgage) \$168,925 (2nd Mortgage)	\$3,511,065	\$5,042,716
Dwelling Units	32	100	100
Type of Units	Family	Elderly	Elderly
Subsidized Units %	100%	100%	100%
Type of Subsidy Program	Section 8	Section 8	Section 8
HAP Expiration**	September, 2026	June, 2038	June, 2040
Mortgage Loan Maturity Date	May, 2047	March, 2046	March, 2046
Insurance***	FHA Risk Share	FHA Risk Share	FHA Risk Share
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Charlesgate South	Cherry Briggs	Pierce Manor
Bond Issue	2014 Series 3	2016 Series 1-A; 2016 Series 2-B	2016 Series 1-A; 2016 Series 2-B
Mortgagor	Charlesgate South Apartments Limited Partnership	Cherry Briggs Preservation Limited Partnership	Pierce Manor Associates Limited Partnership
Date of Completion	April, 2016	June, 2017	June, 2017
Management Agent	Davenport Associates	POAH Communities	Cornell Management, Inc.
Location	Providence	Providence and Johnston	Providence
Development Cost*	\$10,221,572	\$25,735,000	\$14,793,400
Mortgage Loan Amount	\$5,200,000 (\$200,000 was repaid at construction completion)	\$14,200,000 (\$3,500,000 was repaid at construction completion)	\$9,000,000 (\$2,800,000 was repaid at construction completion)
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$4,449,895	\$9,778,790	\$5,676,162
Dwelling Units	100	160	84
Type of Units	Elderly	Elderly/Disabled	Elderly/Disabled
Subsidized Units %	100%	100%	100%
Type of Subsidy Program	Section 8	Section 8	Section 8
HAP Expiration**	December, 2031	May, 2035 and September, 2035	July, 2032
Mortgage Loan Maturity Date	March, 2051	June, 2057	June, 2057
Insurance***	FHA Risk Share	FHA Risk Share	FHA Risk Share
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Omni Friendship	Hillcrest Village	Mumford Manor Apartments
Bond Issue	2016 Series 1-C	2017 Series 2/3T	2017 Series 2/3T
Mortgagor	Omni Friendship L.P.	Hillcrest Preservation Associates L.P.	39 Farewell, L.P.
Date of Completion	1989	1979	2008
Management Agent	Winn Management	Preservation Housing Management	Phoenix Property Management
Location	Providence	Providence	Newport
Development Cost*	\$4,978,374	\$18,996,662	\$7,611,086
Mortgage Loan Amount	\$2,500,000 (\$2,050,000 was repaid at construction completion)	\$10,500,000 (1 st Mortgage) \$659,000 (2nd Mortgage)	\$3,816,000 (\$2,316,000 was repaid at construction completion)
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$373,600	\$8,681,993 (1st Mortgage) \$50,802 (2nd Mortgage)	\$1,125,125
Dwelling Units	51	130	34
Type of Units	Family	Elderly/Disabled	Elderly
Subsidized Units %	100%	100%	100%
Type of Subsidy Program	LIHTC	Section 8	Section 8
HAP Expiration**	Not Applicable	January, 2027	April, 2026
Mortgage Loan Maturity Date	November, 2047	December, 2046	April, 2043; Prepayment option at April, 2038
Insurance***	FHA Risk Share	FHA Risk Share	FHA Risk Share
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Riverside Village	Prospect Heights	Charlesgate North
Bond Issue	2017 Series 2/3T	2017 Series 1-A	2017 MFDB Series 4A; 2017 MFDB Series 4B
Mortgagor	Riverside Village Limited Partnership	Prospect Redevelopment I Limited Partnership	Charlesgate North Apartments Limited Partnership
Date of Completion	1980	1/1/2019	9/30/2019
Management Agent	Valley Affordable Housing Corp.	WinnResidential	Davenport Associates, Ltd.
Location	Cumberland	Pawtucket	Providence
Development Cost*	\$9,093,607	\$12,298,000	\$27,634,400
Mortgage Loan Amount	\$4,700,000 (\$445,000 was repaid at construction completion)	\$6,400,000 (\$4,725,000 was repaid at construction completion)	\$13,750,000 (\$5,798,500 was repaid at construction completion)
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$3,520,108	\$1,614,753	\$7,474,867
Dwelling Units	88	101	200
Type of Units	Elderly/Disabled	Family	Elderly/Disabled
Subsidized Units %	100%	100%	82%
Type of Subsidy Program	Section 8	RAD/PBRA	Section 8
HAP Expiration**	May, 2031	March, 2037	February, 2039
Mortgage Loan Maturity Date	January, 2046	January, 2059	April, 2037
Insurance***	FHA Risk Share	FHA Risk Share	FHA Risk Share
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Barbara Jordan I	Mineral Spring Garden	Prospect Heights III
Bond Issue	2017 MFDB Series 4B	2019 Series 1-A&B	2019 Series 1-A&B
Mortgagor	Barbara Jordan I, L.P.	1905 MS Limited Partnership	Prospect Redevelopment III Limited Partnership
Date of Completion	12/31/2019	9/30/2021	12/31/2020
Management Agent	Reliant Realty Services, LLC	North Dartmouth Properties	Wingate Property Management
Location	Providence	North Providence	Pawtucket
Development Cost*	\$50,300,000	\$22,446,000	\$15,370,750
Mortgage Loan Amount	\$26,390,000	\$16,800,000 (\$3,500,000 was repaid at construction completion)	\$7,800,000 (\$6,300,000 was repaid at construction completion)
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$24,834,485	\$12,921,402	\$1,447,568
Dwelling Units	193	139	96
Type of Units	Family	Elderly/Disabled	Family
Subsidized Units %	100%	100%	100%
Type of Subsidy Program	Section 8	HAP Contract	PBRA Contract
HAP Expiration**	January, 2038	June, 2039	December, 2038
Mortgage Loan Maturity Date	November, 2036	2 years of interest; 40 years of amortization	40 year amortization with 17.9 year balloon
Insurance***	FHA Risk Share	FHA Risk Share	FHA Risk Share
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented (onsite relocation during construction)

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Trio Partners	Centerdale Manor	Newport Heights 1B
Bond Issue	2019 Series 1-A&B	2019 Series 2T	2020 Series 1-T
Mortgagor	Trio Partners Owner, LLC	Centerdale Manor Associates	Trinity Newport Four Limited Partnership
Date of Completion	12/30/2021	3/1/2020	2003
Management Agent	Wingate Management	Cornerstone Corporation	Maloney Properties, Inc.
Location	Providence, North Providence, Woonsocket	North Providence	Newport
Development Cost*	\$60,689,000	\$13,186,000	\$6,551,395
Mortgage Loan Amount	\$33,000,000 (\$12,000,000 was repaid at construction completion)	\$12,200,000	\$3,804,000 (\$3,000,000 was repaid at construction completion)
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$20,202,821	\$11,456,778	\$623,752
Dwelling Units	354	122	36
Type of Units	Elderly/Disabled	Elderly/Disabled	Family
Subsidized Units %	98%	100%	100%
Type of Subsidy Program	HAP Contract	HAP Contract	Section 8
HAP Expiration**	June, 2038	April, 2033	Not Applicable
Mortgage Loan Maturity Date	2 years of interest; 40 years of amortization	March, 2050	June, 2034
Insurance***	FHA Risk Share	FHA Risk Share	FHA Risk Share
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Bridgham Apartments	Fieldstone Apartments	Parkis Place Apartments
Bond Issue	2020 Series 1-T	2020 Series 1-T	2020 Series 1-T
Mortgagor	Bridgman Associates, L.P.	Fieldstone Preservation	Parkis Place Affordable Housing Partners, L.P.
Date of Completion	1983	1970	1973
Management Agent	SHP Management Co.	Preservation Housing Management	Davenport Associates
Location	Providence	Narragansett	Providence
Development Cost*	\$9,420,000	\$11,093,335	\$10,055,384
Mortgage Loan Amount	\$4,750,000 (\$273,000 was repaid at construction completion)	\$4,400,000 (\$2,299,560 was repaid at completion of construction)	\$4,713,500 (\$500,000 was repaid at construction completion) \$3,800,000 (1st Mortgage) \$413,500 (2nd Mortgage)
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$3,735,934	\$1,754,275	\$3,224,557
Dwelling Units	88	24	108
Type of Units	Elderly	Family	Elderly
Subsidized Units %	100%	100%	100%
Type of Subsidy Program	Section 8	Section 8	Section 8
HAP Expiration**	January, 2030	September, 2027	June, 2036
Mortgage Loan Maturity Date	March, 2049; prepayment option at October, 2022	November, 2048	June, 2036
Insurance***	FHA Risk Share	FHA Risk Share	FHA Risk Share
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Harris House	Babcock Village	Beachwinds
Bond Issue	2020 Series 1-T	2020 Series 1-T	2021 Series 1-A&B
Mortgagor	Harris House Partners, LP	New Babson Associates, LP	Beachwinds II Preservation Associates Limited Partnership
Date of Completion	8/1/2021	8/1/2021	1/30/2023
Management Agent	Property Advisory Group, Inc.	Property Advisory Group, Inc.	POAH Communities, LLC
Location	Cranston	Westerly	Narragansett
Development Cost*	\$17,727,903	\$18,837,171	\$36,550,155
Mortgage Loan Amount	\$16,560,000	\$17,779,000	\$17,500,000 (\$6,750,000 was repaid at construction completion)
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$15,603,461	\$16,752,049	\$10,352,462
Dwelling Units	133	151	104
Type of Units	Elderly/Disabled	Elderly/Disabled	Elderly/Disabled
Subsidized Units %	100%	100%	100%
Type of Subsidy Program	HAP Contract	HAP Contract	Section 8
HAP Expiration**	May, 2031	May, 2031	November, 2040
Mortgage Loan Maturity Date	September, 2037	September, 2037	February, 2040
Insurance***	FHA Risk Share	FHA Risk Share	FHA Risk Share
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Park Holm III	Geneva Plaza	Maple Gardens II
Bond Issue	2021 Series 1-A	2021 Series 2-T	2021 Series 2-T
Mortgagor	HACN Park Holm Redevelopment III LP	Geneva Apartments, L.P.	Maple Housing Group
Date of Completion	6/16/2022	1/30/2022	1/30/2022
Management Agent	The Housing Authority of the City of Newport, RI	Ferland Propoerty Management	Ferland Propoerty Management
Location	Newport	Pawtucket	North Providence
Development Cost*	\$17,899,220	\$16,045,000	\$10,951,180
Mortgage Loan Amount	\$8,900,000	\$14,970,000	\$10,360,000
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$2,187,595	\$14,164,312	\$9,802,423
Dwelling Units	56	150	90
Type of Units	Family	Elderly/Disabled	Elderly/Disabled
Subsidized Units %	100%	100%	100%
Type of Subsidy Program	PHA/ ACC	Section 8	Section 8
HAP Expiration**	April, 2041	April, 2033	May, 2040
Mortgage Loan Maturity Date	February, 2058	February, 2038 17 yrs after amortization	February, 2038 17 yrs after amortization
Insurance***	FHA Risk Share	FHA Risk Share	FHA Risk Share
Occupancy Status****	None	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Riverside House	Maple Root Village	Heritage Village
Bond Issue	2021 Series 2-T	2021 Series 2-T	2021 Series 2-T
Mortgagor	Willett/Riverside, LLC	Maple Root Corporation	Heritage Village
Date of Completion	1/30/2022	Pre-1960	1979 Heritage Village I 1980 Heritage Village II
Management Agent	Craig Management	Clarkin Management	Preservation Housing Management
Location	East Providence	Coventry	North Kingston
Development Cost*	\$6,521,761	\$4,337,003	\$31,098,366
Mortgage Loan Amount	\$6,286,500	\$2,403,000	\$14,800,000 (1st Mortgage) \$300,000 (2nd Mortgage)
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$5,948,159	\$1,587,959	\$12,536,974 (1st Mortgage) \$41,538 (2nd Mortgage)
Dwelling Units	55	187	204
Type of Units	Elderly/Disabled	Mobile Home Elderly/Family	Elderly/Family
Subsidized Units %	100%	0%	100%
Type of Subsidy Program	Section 8	N/A	Section 8
HAP Expiration**	October, 2033	N/A	January, 2028
Mortgage Loan Maturity Date	February, 2038 17 yrs after amortization	June, 2037	February, 2049
Insurance***	FHA Risk Share	None	FHA Risk Share
Occupancy Status****	Fully Rented	Fully Rented	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Riveredge Village	Pineview Apartment	Fifty Washington Square
Bond Issue	2022 Series 1-A	2022 Series 1-A&B	2023 Series 1A&B
Mortgagor	Riveredge Apartments, LP	PV Exeter Apartment, L.P.	Church Community Housing Corporation
Date of Completion	6/30/2023	8/25/2023	12/29/2024
Management Agent	Cornell Management	Housing Opportunities Corporation	Phoenix Propoerty Management
Location	Providence	Exeter	Newport
Development Cost*	\$25,350,490	\$14,376,322	\$26,532,375
Mortgage Loan Amount	\$16,263,000 (\$6,000,000 was repaid at construction completion)	\$7,250,000 (\$5,250,000 was repaid at construction completion)	\$13,500,000
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$10,039,922	\$1,942,692	\$4,168,306
Dwelling Units	99	40	93
Type of Units	elderly/diabled	family	individuals
Subsidized Units %	100%	20%	100%
Type of Subsidy Program	Section 8 HAP Contract	Project Based Vouchers	PBV and MVHAP Contract
HAP Expiration**	April, 2041	September, 2042	August, 2043 and October, 2026
Mortgage Loan Maturity Date	June, 2040 17 yrs after amortization	September, 2063	December, 2064
Insurance***	FHA HUD Risk Share	FHA HUD Risk Share	FHA HUD Risk Share
Occupancy Status****	Fully Rented	New Construction	Fully Rented

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Park Holm IV	Potters Tigrai	Reynolds Farm Senior II
Bond Issue	2024 Series 1A&C	2024 Series 1B	2024 Series 1A
Mortgagor	HACN Park Holm Redevelopment IV, LP	Potters-Tigrai LP	RFSH II, L.P.
Date of Completion	12/31/2025	6/30/2026	8/31/2026
Management Agent	Housing Authority of the City of Newport	SWAP Community Land Trust, Inc.	Pinnacle Property Management
Location	Newport	Providence	North Kingstown
Development Cost*	\$23,741,345	\$16,792,239	\$17,110,718
Mortgage Loan Amount	\$11,400,000 (Perm loan is \$3,956,000)	\$8,700,000	\$8,750,000
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$11,400,000	\$8,700,000	\$8,750,000
Dwelling Units	51	57	40
Type of Units	Family	Family	Senior
Subsidized Units %	100%	12%	N/A
Type of Subsidy Program	PBV & ACC	PBC	N/A
HAP Expiration**	August, 2043	February, 2042	N/A
Mortgage Loan Maturity Date	December, 2065	July, 2056	TBD
Insurance***	FHA Risk Share upon construction completion	N/A	N/A
Occupancy Status****	New Construction	Fully Rented / New Construction	New Construction

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Summer Street Apartments	The Avenue	Broad Street Homes
Bond Issue	2024 Series 1A&C	2024 Series 1A&C	2025 Series 1B&C
Mortgagor	Summer Street Housing Partners I, LP	The Avenue of Providence Residential L.P.	Broad Street Homes, L.P.
Date of Completion	1/31/2026	5/31/2026	10/30/2026
Management Agent	Crossroads Rhode Island	ONE Neighborhood Builders	Peabody Properties, Inc.
Location	Providence	Providence	Central Falls
Development Cost*	\$83,513,392	\$32,536,761	\$26,309,388
Mortgage Loan Amount	\$42,000,000 (Perm loan is \$10,875,000)	\$16,000,000 (Perm loan is \$3,400,000)	\$13,500,000 (Perm loan is \$2,663,000)
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$21,194,402	\$16,000,000	\$10,837,000 (1st Mortgage) \$2,663,000 (2nd Mortgage)
Dwelling Units	176	85	46
Type of Units	Family	Family	Family
Subsidized Units %	100%	19%	11%
Type of Subsidy Program	PBV & Section 811 Vouchers & Housing Choice Vouchers & CoC	PBV & CoC	HPF-ELI
HAP Expiration**	April, 2044	October, 2039	N/A
Mortgage Loan Maturity Date	January, 2066	May, 2066	March, 2067
Insurance***	FHA Risk Share upon construction completion	FHA Risk Share upon construction completion	FHA Risk Share upon construction completion
Occupancy Status****	New Construction	Fully Rented / New Construction	New Construction

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

**CURRENT STATUS OF THE DEVELOPMENTS FINANCED
BY OUTSTANDING BONDS (continued)**

Development Name	Lockwood Plaza	Ade Bethune House	Pocasset Manor
Bond Issue	2025 Series 1A&C	2025 Series 2A&B	2025 Series 2A&B
Mortgagor	Lockwood Plaza Phase One LP	Ade Bethune House LP	POAH, INC.
Date of Completion	12/31/2025	10/1/2026	12/1/2026
Management Agent	WinnResidential	Phoenix Property Management	POAH Communities
Location	Providence	Portsmouth	Providence
Development Cost*	\$29,348,951	\$25,960,192	\$33,727,566
Mortgage Loan Amount	\$13,000,000 (Perm loan is \$2,800,000)	\$13,600,000 (perm loan is \$2,930,000)	\$16,000,000 (perm loan is \$8,550,000)
Outstanding Loan Balance as of 06/30/2026 (\$409,282,013)	\$13,000,000	\$13,600,000	\$16,000,000
Dwelling Units	108	54	82
Type of Units	Family	Elderly	Family
Subsidized Units %	0%	11%	100%
Type of Subsidy Program	N/A	HPF-ELI	PBV
HAP Expiration**	N/A	N/A	1/1/2045
Mortgage Loan Maturity Date	September, 2066	September, 2066	November, 2066
Insurance***	FHA Risk Share upon construction completion	FHA Risk Share upon construction completion	FHA Risk Share upon construction completion
Occupancy Status****	100%	New Construction	100%

* Includes const costs, rehab costs, pmt in full of outstanding debt.

** Scheduled Expiration of Sec 8 HAP Contract

*** FHA Risk Share covers only 1st Mortgages, as applicable.

**** Fully Rented means fully occupied except for normal turnover.

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SUMMARY OF OUTSTANDING BOND INDEBTEDNESS OF RIHOUSING

The following table sets forth the original and outstanding amounts of RIHousing's bonds as of August 1, 2026:

	Dated	Original Amount	Outstanding Amount
Homeownership Opportunity Bonds			
Series 10-A	09/01/1992	\$ 153,270,000	\$ 505,000
Series 67-A-C	05/16/2016	52,665,000	13,055,000
Series 68-A-C	10/14/2016	189,730,000	47,645,000
Series 69-A-B	9/19/2018	96,930,000	13,105,000
Series 70	6/7/2019	122,750,000	43,850,000
Series 71	11/14/2019	97,340,000	50,965,000
Series 72	6/3/2020	58,380,000	40,775,000
Series 73-A	10/21/2020	126,540,000	103,540,000
Series 74	4/22/2021	135,060,000	95,060,000
Series 75-A	9/15/2021	144,590,000	117,000,000
Series 75-T	9/15/2021	27,865,000	10,190,000
Series 76-A	2/10/2022	124,925,000	103,990,000
Series 77-A	5/12/2022	98,220,000	83,650,000
Series 77-T	5/12/2022	20,000,000	10,145,000
Series 78-A	11/10/2022	113,410,000	79,995,000
Series 78-T	11/10/2022	15,000,000	9,545,000
Series 79-A	3/8/2023	75,330,000	75,330,000
Series 79-T	3/8/2023	60,000,000	53,800,000
Series 80-A	8/24/2023	75,000,000	74,800,000
Series 80-T	8/24/2023	150,000,000	143,675,000
Series 81-A	11/28/2023	83,105,000	62,870,000
Series 81-T1	11/28/2023	36,535,000	30,450,000
Series 81-T2	11/28/2023	30,030,000	30,030,000
Series 82-A	3/21/2024	124,455,000	124,370,000
Series 82-T1	3/21/2024	9,000,000	5,320,000
Series 82-T2	3/21/2024	26,000,000	26,000,000
Series 83 A-B	7/23/2024	88,925,000	85,635,000
Series 83-T	7/23/2024	103,655,000	100,460,000
Series 84-A	10/23/2024	79,515,000	79,515,000
Series 84-T	10/23/2024	107,960,000	103,975,000
Series 85-A-B	3/26/2025	92,500,000	90,605,000
Series 85-T	3/26/2025	67,925,000	66,735,000
Series 86-A-B	8/14/2025	105,000,000	99,045,000
Series 86-T	8/14/2025	28,715,000	28,715,000
Series 87-A	12/16/2025	95,780,000	95,780,000
Series 87-T	12/16/2025	20,705,000	20,705,000
Series 88-A-B	3/25/2026	124,645,000	124,645,000
Series 89-A-B	7/29/2026	95,000,000	95,000,000
Series 89-T	7/29/2026	53,375,000	53,375,000
Unamortized bond premium			33,810,055
		\$ 3,309,830,000	\$2,527,660,055

[Continued on next page]

**SUMMARY OF OUTSTANDING BOND INDEBTEDNESS
OF RIHOUSING**

	Dated	Original Amount	Outstanding Amount
Multi-Family Funding Bonds			
Series 2009A, Subseries 2009A-1	12/21/2009	\$ 72,310,000	\$ 6,455,000
Series 2009A, Subseries 2009A-2	12/21/2009	70,140,000	11,545,000
		<u>\$ 142,450,000</u>	<u>\$ 18,000,000</u>
Multi-Family Development Bonds			
2013 Series 1-AB	02/20/2013	\$ 43,520,000	\$ 24,260,000
2014 Series 3-B	01/29/2015	15,700,000	12,310,000
2016 Series 1-A/C	03/31/2016	36,525,000	14,205,000
2017 Series 1-B	04/27/2017	1,725,000	1,425,000
2017 Series 4-B	12/21/2017	34,345,000	32,540,000
2019 Series 1-B	10/3/2019	36,000,000	34,740,000
2019 Series 2-T	10/3/2019	11,700,000	10,855,000
2020 Series 1-T	8/26/2020	44,075,000	41,210,000
2021 Series 1-AB	1/27/2021	34,400,000	10,480,000
2021 Series 2-T	1/27/2021	47,455,000	39,985,000
2022 Series 1-A-B	7/21/2022	28,265,000	11,120,000
2023 Series 1-A-B	6/22/2023	32,700,000	4,175,000
2024 Series 1-A/C	9/19/2024	79,155,000	60,455,000
2024 Series 1-B	9/19/2024	8,700,000	8,700,000
2025 Series 1-A/C	4/16/2025	15,665,000	15,665,000
2025 Series 1-B	4/16/2025	10,840,000	10,840,000
2025 Series 2-AB	12/6/2025	29,600,000	29,600,000
Unamortized bond discount			(19,812)
		<u>\$ 510,370,000</u>	<u>\$ 362,545,188</u>
General Obligation Bonds Series 2023[†]	11/01/2018	\$ 5,000,000	\$ 5,000,000
Total		<u>\$ 3,967,650,000</u>	<u>\$2,913,205,244</u>

[†] General Obligation Bonds Series 2018 were reissued on October 27, 2023 for federal tax law purposes.

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APPENDIX C

**AUDITED FINANCIAL STATEMENTS OF RIHOUSING
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025**

COLLABORATORS | COACHES | ADVOCATES | MENTORS
FRIENDS | VOLUNTEERS | REGULARS | DINERS | VISITORS
CPAs | CONSULTANTS | WEALTH ADVISORS | NEIGHBORS
COLLABORATORS | COACHES | ADVOCATES | MENTORS |
CONNOISSEURS | CUSTOMERS | TEACHERS |
| VOLUNTEERS | REGULARS | DINERS | VISITORS

**RHODE ISLAND HOUSING AND
MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2026 AND 2025

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**RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
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YEARS ENDED JUNE 30, 2026 AND 2025**

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Rhode Island Housing and Mortgage Finance Corporation
Providence, Rhode Island

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Rhode Island Housing and Mortgage Finance Corporation (the Corporation), a component unit of the state of Rhode Island, as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Corporation, as of June 30, 2026 and 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Corporation adopted Governmental Accounting Standards Board (the GASB) Statement No. 103, *Financial Reporting Model Improvements*, during the year ended June 30, 2026, which modifies certain requirements related to management's discussion and analysis and proprietary fund financial statement presentation. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

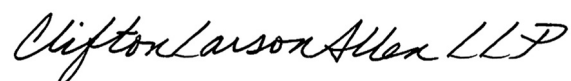
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedule of the Corporation's changes in total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rhode Island Housing and Mortgage Finance Corporation's basic financial statements. The combining statements of net position – multi-family fund and combining statements of revenues, expenses, and changes in net position – multi-family fund (the Supplementary Information) 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 audits 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 GAAS. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 2026, on our consideration of the Corporation'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 Corporation'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 Corporation's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Cranston, Rhode Island
September 25, 2026

**RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2026 AND 2025**

The accompanying basic financial statements include Rhode Island Housing and Mortgage Finance Corporation (the Corporation) and Affordable Housing Trust Fund (the Trust, a component unit of the Corporation), collectively referred to as Rhode Island Housing.

This section of Rhode Island Housing's financial statements presents Rhode Island Housing's management's discussion and analysis of the Corporation's financial position and performance for the years ended June 30, 2026 and 2025. This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. The Corporation's basic financial statements, accompanying notes, and supplementary information should be read in conjunction with the following discussion.

Overview of the Financial Statements

The Corporation engages only in business-type activities; that is, activities that are financed in whole or in part by charges to external parties for services, with funding sources that are primarily external to the Corporation. As a result, the Corporation's basic financial statements include the statements of net position, the statements of revenues, expenses, and changes in net position, the statements of cash flows, and the notes to the financial statements. These basic financial statements are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private-sector business.

The statements of net position presents information on the Corporation's assets, liabilities, deferred inflows and outflows of resources, and net position. Over time, increases or decreases in the Corporation's net position may serve as an indicator of whether the financial position of the Corporation is improving or deteriorating. Other factors, both internal and external to the Corporation, should be considered when evaluating the Corporation's financial position. The statements of revenues, expenses, and changes in net position presents information on how the Corporation's net position changed during the year.

All assets, liabilities, deferred inflows and outflows of resources, and changes in net position are reported using the accrual basis of accounting for governmental entities and are reported as soon as the underlying event giving rise to the asset or liability and resulting change in net position occurs, regardless of the timing of when a corresponding amount of cash is received or paid. Consequently, certain revenues and expenses reported in the statements of revenues, expenses, and changes in net position will result in cash flows in future periods.

The Affordable Housing Trust Fund (the Trust) is a separate legal entity created pursuant to a trust agreement initiated by the Corporation. The Trust is a private-purpose trust established to assist in activities that involve the creation and preservation of affordable housing in the State of Rhode Island (the State). All resources of the Trust, including income from investments and other revenues, are held in trust for the benefit of private and nonprofit organizations. There is no requirement that any portion of the Trust's resources be preserved as capital. The Trust administers its affairs through its trustees, records its assets in segregated accounts and maintains financial records separate from the Corporation.

This management's discussion and analysis is designed to provide a general overview of the Corporation's finances. Questions concerning this report may be addressed to the Director of Accounting, Rhode Island Housing and Mortgage Finance Corporation, 44 Washington Street, Providence, Rhode Island, 02903. The Corporation maintains a website at: www.rihousing.com.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2026 AND 2025

Financial Summary

Net Position

The following tables summarize certain financial information regarding the Corporation's financial position, in thousands, for the years ended June 30,:

	2026	2025	% Change
Loans Receivable, Net	\$ 1,526,636	\$ 1,540,503	(0.9)
Investments	2,241,547	1,946,585	15.2
Cash and Cash Equivalents	444,198	465,530	(4.6)
Other Assets	67,944	64,706	5.0
Total Assets	<u>4,280,325</u>	<u>4,017,324</u>	<u>6.5</u>
Deferred Outflows of Resources	3,141	1,882	66.9
Bonds and Notes Payable	3,178,614	2,938,904	8.2
Other Liabilities	658,352	690,895	(4.7)
Total Liabilities	<u>3,836,966</u>	<u>3,629,799</u>	<u>5.7</u>
Deferred Inflows of Resources	<u>4,863</u>	<u>4,092</u>	<u>18.8</u>
Net Position:			
Net Investment in Capital Assets	8,718	8,414	3.5
Restricted	285,323	242,117	17.8
Unrestricted	<u>147,596</u>	<u>134,784</u>	<u>9.5</u>
Total Net Position	<u>\$ 441,637</u>	<u>\$ 385,315</u>	<u>14.6</u>

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2026 AND 2025

Net Position (Continued)

	2025	2024	% Change
Loans Receivable, Net	\$ 1,540,503	\$ 1,383,862	11.3
Investments	1,946,585	1,495,183	30.2
Cash and Cash Equivalents	465,530	330,084	41.0
Other Assets	64,706	123,257	(47.5)
Total Assets	<u>4,017,324</u>	<u>3,332,386</u>	<u>20.6</u>
Deferred Outflows of Resources	1,882	4,896	(61.6)
Bonds and Notes Payable	2,938,904	2,385,898	23.2
Other Liabilities	690,895	620,520	11.3
Total Liabilities	<u>3,629,799</u>	<u>3,006,418</u>	<u>20.7</u>
Deferred Inflows of Resources	<u>4,092</u>	<u>4,571</u>	<u>(10.5)</u>
Net Position:			
Net Investment in Capital Assets	8,414	8,573	(1.9)
Restricted	242,117	194,415	24.5
Unrestricted	<u>134,784</u>	<u>123,305</u>	<u>9.3</u>
Total Net Position	<u>\$ 385,315</u>	<u>\$ 326,293</u>	<u>18.1</u>

As of June 30, 2026, the Corporation's total net position, assets and deferred outflows minus liabilities and deferred inflows, was \$441.6 million, an increase of \$56.3 million or 14.6% compared with June 30, 2025, which was an increase of \$59.0 million or 18.1% from \$326.3 million on June 30, 2024. This increase is primarily due to a \$43.2 million or 17.8% increase and \$47.7 million or 24.5% increase in restricted net position during the years ended June 30, 2026 and 2025, respectively. Additionally, the Corporation experienced a \$12.8 million or 9.5% increase and \$11.5 million or 9.3% increase in unrestricted net position during the years ended June 30, 2026 and 2025, respectively. Restricted net position increased during the year primarily due to net interest income from single-family and multi-family mortgage finance activities and favorable changes in the fair value of investments. Unrestricted net position increased mainly as a result of interfund transfers and positive nonoperating investment results from the fair value adjustment.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2026 AND 2025

Operating Activity of the Corporation

The following tables summarize the components of the changes in net position, including the adjustment required to record investments at fair value as required by the Governmental Accounting Standards Board (GASB) Statement No. 72, in thousands, for the years ended June 30,:

	2026	2025	% Change
Revenues:			
Interest Income on Loans	\$ 67,995	\$ 69,045	(1.5)
Interest on Mortgage-Backed Securities Investments	98,151	79,602	23.3
Gain on Sale of Loans	7,213	7,283	(1.0)
Other	23,225	23,483	(1.1)
Total Revenues	<u>196,584</u>	<u>179,413</u>	<u>9.6</u>
Expenses:			
Operating Expenses	48,485	47,549	2.0
Provision for Loan Losses	(5,000)	(782)	539.4
REO Expenditures	(30)	(115)	(73.9)
Other Expenses	12,242	10,992	11.4
Total Expenses	<u>55,697</u>	<u>57,644</u>	<u>(3.4)</u>
Operating Income (Loss)	<u>140,887</u>	<u>121,769</u>	<u>15.7</u>
Noncapital Subsidies:			
Grant Revenue	117,694	100,763	16.8
Grant Expenses	<u>(117,432)</u>	<u>(100,410)</u>	<u>17.0</u>
Operating Income (Loss) and Noncapital Subsidies	<u>141,149</u>	<u>122,122</u>	<u>15.6</u>
Nonoperating Income (Expenses):			
Earnings on Other Investments	14,544	18,399	(21.0)
Interest and Bond Issuance Costs	(125,948)	(111,566)	12.9
Change in Fair Value of Investments	26,577	30,067	(11.6)
Change in Net Position	<u>56,322</u>	<u>59,022</u>	<u>(4.6)</u>
Net Position - Beginning of Period	<u>385,315</u>	<u>326,293</u>	<u>18.1</u>
Net Position - Ending of Period	<u><u>\$ 441,637</u></u>	<u><u>\$ 385,315</u></u>	<u><u>14.6</u></u>

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2026 AND 2025

Operating Activity of the Corporation (Continued)

	2025	2024	% Change
Revenues:			
Interest Income on Loans	\$ 69,045	\$ 64,376	7.3
Interest on Mortgage-Backed Securities Investments	79,602	52,998	50.2
Gain on Sale of Loans	7,283	8,182	(11.0)
Other	23,483	22,516	4.3
Total Revenues	<u>179,413</u>	<u>148,072</u>	<u>21.2</u>
Expenses:			
Operating Expenses	47,549	45,569	4.3
Provision for Loan Losses	(782)	1,932	(140.5)
REO Expenditures	(115)	(920)	(87.5)
Other Expenses	10,992	15,123	(27.3)
Total Expenses	<u>57,644</u>	<u>61,704</u>	<u>(6.6)</u>
Operating Income (Loss)	<u>121,769</u>	<u>86,368</u>	<u>41.0</u>
Noncapital Subsidies:			
Grant Revenue	100,763	98,596	2.2
Grant Expenses	(100,410)	(98,413)	2.0
Operating Income (Loss) and Capital Subsidies	<u>122,122</u>	<u>86,551</u>	<u>92.9</u>
Nonoperating Income (Expenses):			
Earnings on Other Investments	18,399	15,761	16.7
Interest and Bond Issuance Costs	(111,566)	(83,720)	33.3
Change in Fair Value of Investments	30,067	(3,125)	(1,062.1)
Change in Net Position	<u>59,022</u>	<u>15,467</u>	<u>281.6</u>
Net Position - Beginning of Period	<u>326,293</u>	<u>310,826</u>	<u>5.0</u>
Net Position - Ending of Period	<u><u>\$ 385,315</u></u>	<u><u>\$ 326,293</u></u>	<u><u>18.1</u></u>

Under the revised presentation, the Statement of Revenues, Expenses, and Changes in Net Position shows, in addition to operating revenues and expenses, a separate category for noncapital subsidies presented after operating income (loss). This presentation provides a clearer view of earnable revenue from core lending and investment activities. Noncapital subsidies reflect programmatic support that helps maintain affordability, distinguishing those flows from trade-like income.

The total change in net position is \$56.3 million for the year ended June 30, 2026, a decrease of 4.6% from \$59.0 million for the year ended June 30, 2025, which was a 281.6% increase from \$15.5 million for the year ended June 30, 2024. The slight decrease was due to a reduction in operating net interest income.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2026 AND 2025

Detailed Analyses of Results of Operations and Financial Position

Net Position

The financial highlights (in millions) of the Corporation as of and for the years ended June 30, increased or decreased from the previous year as follows:

	2026		2025	
	Amount	Percent	Amount	Percent
Investments	\$ 295.0	15.2	\$ 451.4	30.2
Mortgage Loans, Gross	113.6	6.8	152.5	10.0
Cash and Cash Equivalents	(21.3)	(4.6)	135.4	41.0
Total Assets	263.0	6.5	684.9	20.6
Bonds and Notes Payable	239.7	8.2	553.0	23.2
Total Net Position	56.3	14.6	59.0	18.1
Total Operating Revenues	17.2	9.6	31.3	21.2
Total Operating Expenses	(1.9)	(3.4)	(4.1)	(6.6)
Operating Income	19.1	15.7	35.4	41.0
Total Nonoperating Expense	21.7	34.4	(7.7)	(10.9)
Change in Net Position	(2.7)	(4.6)	43.6	281.6

Investments represent the largest category of the Corporation's total assets at 52.4%, 48.5% and 44.9% at June 30, 2026, 2025 and 2024. Total assets of the Corporation increased 28.4 % from June 30, 2024 to June 30, 2026. The increases over the three years are due almost entirely to an increase in the value of new single-family mortgage production that is securitized and categorized as an investment.

Bonds and notes payable represent the largest component of total liabilities at 82.8%, 81.0% and 79.4% at June 30, 2026, 2025 and 2024. Bonds and notes payable totaled \$3.2 billion as of June 30, 2026, an increase of \$239.7 million, or 8.2%, from June 30, 2025, which was an increase of \$553.0 million, or 23.2% from June 30, 2024. Increases for all three years relate to the issuance of single-family and multi-family bonds.

As of June 30, 2026, 2025 and 2024, the net position-to-asset ratio was 10.3%, 9.6% and 9.8%, respectively, while the loan-to-asset ratio was 35.7%, 38.3% and 41.5%, respectively. The increase in the net position-to-asset ratio is driven by increases in net income and a positive fair value adjustment to investments. The loan to asset ratio continues to trend down as investments continue to trend upward, driven by the investing strategy. These ratios reflect the application of GASB Statement No. 72 and 91.

Net Interest Income

Net interest income (interest on loans and investments less interest expense) is the largest component of the Corporation's income. Net interest income totaled \$59.6 million as of June 30, 2026, a decrease of \$1.3 million, or 2.1%, from June 30, 2025, which was an increase of \$6.4 million, or 11.7% from June 30, 2024. Interest income on loans and investments increased by \$13.6 million from 2025 to 2026 and increased by \$33.9 million from 2024 to 2025. Net interest income as a percentage of average bonds and notes payable was 2.0% in 2026, 2.3% in 2025 and 2.5% in 2024. Interest income on loans as a percentage of total loans was 4.7% in 2026, 5.0% in 2025 and 5.92% in 2024, while interest expense on bonds and notes was 4.0% in 2026 and 2025, and 3.6% in 2024. This resulted in a spread margin (i.e., differential between loans and bonds) of 1.0% in 2026, 1.3% in 2025, and 2.5% in 2024.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2026 AND 2025

Net Interest Income (Continued)

The Corporation's revenue recognition policy for delinquent loans requires that interest will stop accruing and any accrued interest will be reversed if any loan becomes 90 days past due on the contractual obligation. The Corporation will commence accruing interest income on such loans once the loans are made current.

Gain on Sale of Loans

Gain on sale of loans was \$7.2 million, \$7.3 million and \$8.2 million for years ended June 30, 2026, 2025 and 2024, respectively. Fluctuations are a result of different financing strategies to take advantage of changing market conditions. Loans can be sold to Fannie Mae, Freddie Mac or securitized and sold in the To-Be-Announced market which generates immediate revenue and increases the gain on sale of loans. In the past year, loans were primarily financed through tax-exempt bonds, securitized, and held as investments providing stable revenue over the life of the loans. This strategy results in an increase in investments, yielding increased earnings on investments.

Provision for Loan Loss

The provision for loan loss was (\$5.0) million, (\$0.8) million and \$1.9 million for years ended June 30, 2026, 2025 and 2024, respectively. The adequacy of the allowance is based on a review of the Corporation's loan portfolio and an analysis of its current characteristics. The primary economic factors incorporated into the allowance estimates are: (1) recent performance characteristics of the single-family portfolio, and (2) net operating cash flows of the developments associated with multi-family loans.

For single-family loans, an estimate of loss reserve is based on current delinquency, historical loss experience, and the last instance of economic softness and real estate depreciation.

For the multi-family portfolios, a specific loan loss reserve analysis is performed for every loan demonstrating signs of financial strain. Cash flow projections are developed from the most recent audited financials for each of the sites which may be experiencing difficulty, and which have a mortgage loan. For each of these sites, an analysis of value is calculated and compared to the loan balance. This methodology is equivalent to the formulation of the income approach found in standard real estate appraisals. Beyond the specific reserves derived above, a general reserve is also established. The general reserve is based on a range of reserve percentages applicable to each loan portfolio.

Operating Expenses

Operating expenses of the Corporation (personnel services, other administrative expenses, and depreciation and amortization of other assets) totaled \$48.5 million as of June 30, 2026, an increase of \$0.9 million, or 2.0%, from June 30, 2025, which was an increase of \$2.0 million, or 4.3% from June 30, 2024. The increases in 2026 and 2025 are primarily a result of expenses relating to personnel services.

Significant Capital Asset and Long-Term Debt Activity

The Corporation's capital asset base and long-term obligations remain largely unchanged in structure. Capital acquisitions, disposals, and depreciation follow existing accounting policies.

During the year ended June 30, 2026, the Corporation issued \$374.8 million of single-family bonds and \$29.6 million of multi-family bonds to finance new loan production. In addition, \$101.1 million of single-family bonds and \$15.1 million of multi-family bonds were redeemed prior to maturity under provisions in the bond resolutions that allow mortgage prepayments, excess revenues and refunded amounts to be used for such purposes.

**RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2026 AND 2025**

Currently Known Facts, Decisions, or Conditions

The Rhode Island unemployment rate decreased in 2026 to 4.1% from 4.8% in 2025. The Corporation has experienced an increase in its 90+ delinquency rate to 8.12% in 2026 from 3.75% in 2025. The significant increase in delinquency rate is a result of changes to the Federal Housing Administration's loss mitigation procedures which result in borrowers remaining in default status for more extended periods of time.

Management continues to monitor evolving economic conditions, including interest rate trends, secondary-market demand for mortgage-backed securities, and loan prepayment risk — all of which may affect investment income and gains on loan sales. Programmatically, future state/federal grant allocations remain uncertain; changes may materially affect the noncapital subsidy component of future financial statements. The Corporation plans to continue its strategy of securitizing loans for portfolio diversification and liquidity.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2026 AND 2025

	Operating Fund		Single-Family Fund	
	2026	2025	2026	2025
ASSETS				
Loans Receivable	\$ 993,803,655	\$ 877,217,569	\$ 311,146,978	\$ 324,606,743
Less: Allowance for Loan Losses	(242,576,574)	(115,150,826)	(17,000,000)	(17,000,000)
Loans Receivable, Net	751,227,081	762,066,743	294,146,978	307,606,743
Loans Held for Sale	50,840,399	44,609,596	-	-
Investments	158,421,858	157,626,252	2,072,288,328	1,768,984,407
Accrued Interest - Loans	2,109,061	2,307,248	810,128	940,451
Accrued Interest - Investments	13,709	15,506	9,068,528	7,541,350
Cash and Cash Equivalents	161,631,814	178,257,806	190,039,195	225,095,702
Accounts Receivable, Net	19,497,651	17,970,794	66,610	100,898
Other Assets, Net	25,343,986	26,089,893	8,664,495	7,177,488
Total Assets	1,169,085,559	1,188,943,838	2,575,084,262	2,317,447,039
DEFERRED OUTFLOWS OF RESOURCES				
Loan Origination Costs	-	-	1,310	1,486
Hedging Instruments	1,454,589	-	-	-
Deferred OPEB Outflows	1,685,541	1,880,829	-	-
Total Deferred Outflows of Resources	3,140,130	1,880,829	1,310	1,486
Total Assets and Deferred Outflows of Resources	<u>\$ 1,172,225,689</u>	<u>\$ 1,190,824,667</u>	<u>\$ 2,575,085,572</u>	<u>\$ 2,317,448,525</u>
LIABILITIES				
Bonds and Notes Payable	\$ 401,461,674	\$ 387,502,642	\$ 2,377,907,514	\$ 2,160,962,538
Accrued Interest Payable on Bonds and Notes	2,474,563	2,148,623	24,914,362	22,237,167
Accounts Payable and Accrued Liabilities	25,297,687	21,873,450	440,615	651,017
Fees, Net	1,144,301	1,277,855	22,652	28,495
Escrow Deposits	578,584,277	628,145,676	-	-
Total Liabilities	1,008,962,502	1,040,948,246	2,403,285,143	2,183,879,217
DEFERRED INFLOWS OF RESOURCES				
Hedging Instruments	196,490	89,445	-	-
Deferred OPEB Inflow	4,666,782	4,003,003	-	-
Total Deferred Inflows of Resources	4,863,272	4,092,448	-	-
NET POSITION				
Net Investment in Capital Assets	8,718,372	8,414,585	-	-
Restricted by Bond Resolutions	2,085,884	2,585,656	171,800,429	133,569,308
Unrestricted	147,595,659	134,783,732	-	-
Total Net Position	158,399,915	145,783,973	171,800,429	133,569,308
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 1,172,225,689</u>	<u>\$ 1,190,824,667</u>	<u>\$ 2,575,085,572</u>	<u>\$ 2,317,448,525</u>

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF NET POSITION (CONTINUED)
YEARS ENDED JUNE 30, 2026 AND 2025

	Multi-Family Fund		Total	
	2026	2025	2026	2025
ASSETS				
Loans Receivable	\$ 430,421,927	\$ 426,219,984	\$ 1,735,372,560	\$ 1,628,044,296
Less: Allowance for Loan Losses	-	-	(259,576,574)	(132,150,826)
Loans Receivable, Net	430,421,927	426,219,984	1,475,795,986	1,495,893,470
Loans Held for Sale	-	-	50,840,399	44,609,596
Investments	10,837,000	19,974,175	2,241,547,186	1,946,584,834
Accrued Interest - Loans	2,369,299	2,400,314	5,288,488	5,648,013
Accrued Interest - Investments	-	161,628	9,082,237	7,718,484
Cash and Cash Equivalents	92,526,665	62,176,551	444,197,674	465,530,059
Accounts Receivable, Net	-	-	19,564,261	18,071,692
Other Assets, Net	-	-	34,008,481	33,267,381
Total Assets	536,154,891	510,932,652	4,280,324,712	4,017,323,529
DEFERRED OUTFLOWS OF RESOURCES				
Loan Origination Costs	-	-	1,310	1,486
Hedging Instruments	-	-	1,454,589	-
Deferred OPEB Outflows	-	-	1,685,541	1,880,829
Total Deferred Outflows of Resources	-	-	3,141,440	1,882,315
Total Assets and Deferred Outflows of Resources	\$ 536,154,891	\$ 510,932,652	\$ 4,283,466,152	\$ 4,019,205,844
LIABILITIES				
Bonds and Notes Payable	\$ 399,245,047	\$ 390,438,333	\$ 3,178,614,235	\$ 2,938,903,513
Accrued Interest Payable on Bonds and Notes	3,480,409	3,348,136	30,869,334	27,733,926
Accounts Payable and Accrued Liabilities	63,640	74,777	25,801,942	22,599,244
Fees, Net	1,954,946	1,972,152	3,121,899	3,278,502
Escrow Deposits	19,974,175	9,137,176	598,558,452	637,282,852
Total Liabilities	424,718,217	404,970,574	3,836,965,862	3,629,798,037
DEFERRED INFLOWS OF RESOURCES				
Hedging Instruments	-	-	196,490	89,445
Deferred OPEB Inflow	-	-	4,666,782	4,003,003
Total Deferred Inflows of Resources	-	-	4,863,272	4,092,448
NET POSITION				
Net Investment in Capital Assets	-	-	8,718,372	8,414,585
Restricted by Bond Resolutions	111,436,674	105,962,078	285,322,987	242,117,042
Unrestricted	-	-	147,595,659	134,783,732
Total Net Position	111,436,674	105,962,078	441,637,018	385,315,359
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 536,154,891	\$ 510,932,652	\$ 4,283,466,152	\$ 4,019,205,844

See accompanying Notes to Financial Statements.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2026 AND 2025

	Operating Fund		Single-Family Fund	
	2026	2025	2026	2025
OPERATING REVENUES				
Interest Income on Loans	\$ 21,473,245	\$ 23,788,086	\$ 10,798,578	\$ 12,023,721
Servicing Fees Reported as Interest	12,627,507	12,210,334	-	-
Interest on Mortgage-Backed Securities				
Investments	1,215,347	1,521,036	96,935,565	78,081,366
Fees	19,521,297	20,104,545	-	-
Servicing Fee Income	3,609,540	3,347,910	-	-
Miscellaneous Income	93,775	30,976	-	-
Gain on Sale of Loans	7,213,130	7,282,812	-	-
Total Operating Revenues	65,753,841	68,285,699	107,734,143	90,105,087
OPERATING EXPENSES				
Personnel Services	30,994,289	30,318,852	-	-
Other Administrative Expenses	12,278,159	12,211,707	-	-
Housing Initiatives	2,376,663	2,321,930	-	-
Provision for Loan Losses	(5,121,890)	(833,270)	121,996	51,521
REO Expenditures (Recoveries)	(8,686)	(114,641)	(21,735)	(444)
Accounts Receivable Expenses	168,172	575	-	-
Depreciation and Amortization of Other Assets	4,073,045	4,141,734	1,139,488	876,838
Loan Costs	1,176,936	(224,787)	7,948,275	8,269,483
Total Operating Expenses	45,936,688	47,822,100	9,188,024	9,197,398
Operating Income (Loss)	19,817,153	20,463,599	98,546,119	80,907,689
NON CAPITAL SUBSIDIES				
Grant Revenue	117,694,227	100,763,657	-	-
Grant Expense	(117,432,488)	(100,410,093)	-	-
Transfers In (Out)	4,677,776	5,375,083	-	-
Total Noncapital Subsidies	4,939,515	5,728,647	-	-
Operating Income (Loss) and Noncapital Subsidies	24,756,668	26,192,246	98,546,119	80,907,689
OTHER NONOPERATING REVENUES (EXPENSES)				
Earnings on Other Investments	1,754,301	2,834,633	10,637,546	11,484,087
Interest Expense	(14,669,804)	(14,959,660)	(92,770,395)	(78,376,779)
Bond Issuance Costs	(1,065,086)	(788,410)	(2,919,798)	(3,920,643)
Net Increase (Decrease) in Fair Value of Investments	1,839,863	(3,029,680)	24,737,649	33,096,454
Total Other Nonoperating Revenues (Expenses)	(12,140,726)	(15,943,117)	(60,314,998)	(37,716,881)
CHANGE IN NET POSITION	12,615,942	10,249,129	38,231,121	43,190,808
Net Position - Beginning of Year	145,783,973	135,534,844	133,569,308	90,378,500
NET POSITION - END OF YEAR	<u>\$ 158,399,915</u>	<u>\$ 145,783,973</u>	<u>\$ 171,800,429</u>	<u>\$ 133,569,308</u>

See accompanying Notes to Financial Statements.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION (CONTINUED)
YEARS ENDED JUNE 30, 2026 AND 2025

	Multi-Family Fund		Total	
	2026	2025	2026	2025
OPERATING REVENUES				
Interest Income on Loans	\$ 23,095,923	\$ 21,022,547	\$ 55,367,746	\$ 56,834,354
Servicing Fees Reported as Interest	-	-	12,627,507	12,210,334
Interest on Mortgage-Backed Securities				
Investments	-	-	98,150,912	79,602,402
Fees	-	-	19,521,297	20,104,545
Servicing Fee Income	-	-	3,609,540	3,347,910
Miscellaneous Income	-	-	93,775	30,976
Gain on Sale of Loans	-	-	7,213,130	7,282,812
Total Operating Revenues	23,095,923	21,022,547	196,583,907	179,413,333
OPERATING EXPENSES				
Personnel Services	-	-	30,994,289	30,318,852
Other Administrative Expenses	-	-	12,278,159	12,211,707
Housing Initiatives	-	-	2,376,663	2,321,930
Provision for Loan Losses	-	-	(4,999,894)	(781,749)
REO Expenditures (Recoveries)	-	-	(30,421)	(115,085)
Accounts Receivable Expenses	-	-	168,172	575
Depreciation and Amortization of Other Assets	-	-	5,212,533	5,018,572
Loan Costs	572,224	624,917	9,697,435	8,669,613
Total Operating Expenses	572,224	624,917	55,696,936	57,644,415
Operating Income (Loss)	22,523,699	20,397,630	140,886,971	121,768,918
NON CAPITAL SUBSIDIES				
Grant Revenue	-	-	117,694,227	100,763,657
Grant Expense	-	-	(117,432,488)	(100,410,093)
Transfers In (Out)	(4,677,776)	(5,375,083)	-	-
Total Noncapital Subsidies	(4,677,776)	(5,375,083)	261,739	353,564
Operating Income (Loss) and Noncapital Subsidies	17,845,923	15,022,547	141,148,710	122,122,482
OTHER NONOPERATING REVENUES (EXPENSES)				
Earnings on Other Investments	2,151,673	4,080,394	14,543,520	18,399,114
Interest Expense	(13,647,802)	(12,816,756)	(121,088,001)	(106,153,195)
Bond Issuance Costs	(875,198)	(703,642)	(4,860,082)	(5,412,695)
Net Increase (Decrease) in Fair Value of Investments	-	-	26,577,512	30,066,774
Total Other Nonoperating Revenues (Expenses)	(12,371,327)	(9,440,004)	(84,827,051)	(63,100,002)
CHANGE IN NET POSITION	5,474,596	5,582,543	56,321,659	59,022,480
Net Position - Beginning of Year	105,962,078	100,379,535	385,315,359	326,292,879
NET POSITION - END OF YEAR	<u>\$ 111,436,674</u>	<u>\$ 105,962,078</u>	<u>\$ 441,637,018</u>	<u>\$ 385,315,359</u>

See accompanying Notes to Financial Statements.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2026 AND 2025

	Operating Fund		Single-Family Fund	
	2026	2025	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest on Loans Receivable	\$ 34,298,938	\$ 35,738,851	\$ 10,928,901	\$ 12,161,590
Repayment of Loans Receivable	647,870,238	688,988,595	34,857,476	28,930,722
Fees Collected (Paid)	22,997,284	23,294,764	(5,844)	(6,715)
Deferred OPEB Inflows/Outflows	859,067	(180,830)	-	-
Other Receipts (Disbursements), Net	(49,467,625)	53,717,996	-	-
Loans Disbursed	(770,687,127)	(789,881,289)	(21,397,711)	(15,611,166)
Accounts Receivable, Net	(1,526,857)	4,530,913	-	-
Accounts Receivable Expenses	(168,172)	(575)	-	-
Allowance on Loans Receivable	132,547,638	55,527,655	(121,996)	(51,521)
Income (Loss) on REO Properties	8,686	114,641	21,735	444
Bond Issuance Costs	(1,065,086)	(788,410)	(2,919,798)	(3,920,643)
Personnel Services	(30,994,289)	(30,318,853)	-	-
Other Administrative Expenses	(12,278,159)	(12,185,124)	-	-
Housing Initiative Expenses	(2,376,663)	(2,348,513)	-	-
Other Assets	(3,327,138)	(3,843,310)	(2,626,320)	(3,524,236)
Arbitrage Rebate	-	(17,102)	(415,695)	(421,986)
Accounts Payable and Accrued Liabilities	3,424,236	815,723	(210,401)	421,986
Gain (Loss) on Sale of Loans	6,294,764	7,174,874	(7,948,273)	(8,269,483)
Net Cash Provided (Used) by Operating Activities	(23,590,265)	30,340,006	10,162,074	9,708,992
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Proceeds from Sale of Bonds and Notes	393,655,000	392,025,000	380,166,309	547,482,421
Payment of Bond and Note Principal	(379,695,968)	(372,459,256)	(159,475,000)	(86,385,000)
Interest Paid on Bonds and Notes	(14,142,864)	(14,914,002)	(93,423,838)	(75,502,773)
Grant Activities	261,739	353,564	-	-
Transfers from (to) Other Programs	4,677,776	5,375,083	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	4,755,683	10,380,389	127,267,471	385,594,648
CASH FLOWS FROM INVESTING ACTIVITIES				
Redemption of Investments	470,693,221	505,751,445	332,729,298	162,198,372
Earnings on Investments	2,971,446	4,356,588	106,045,932	87,660,783
Purchase of Investments	(471,456,077)	(536,071,203)	(611,261,282)	(530,170,331)
Net Cash Provided (Used) by Investing Activities	2,208,590	(25,963,170)	(172,486,052)	(280,311,176)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,625,992)	14,757,225	(35,056,507)	114,992,464
Cash and Cash Equivalents - Beginning of Year	178,257,806	163,500,581	225,095,702	110,103,238
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 161,631,814</u>	<u>\$ 178,257,806</u>	<u>\$ 190,039,195</u>	<u>\$ 225,095,702</u>

See accompanying Notes to Financial Statements.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2026 AND 2025

	Multi-Family Fund		Total	
	2026	2025	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest on Loans Receivable	\$ 23,126,937	\$ 20,688,975	\$ 68,354,776	\$ 68,589,416
Repayment of Loans Receivable	36,235,057	37,620,695	718,962,771	755,540,012
Fees Collected (Paid)	(17,207)	(22,049)	22,974,233	23,266,000
Deferred OPEB Inflows/Outflows	-	-	859,067	(180,830)
Other Receipts (Disbursements), Net	10,836,999	9,137,176	(38,630,626)	62,855,172
Loans Disbursed	(40,437,000)	(102,513,000)	(832,521,838)	(908,005,455)
Accounts Receivable, Net	-	-	(1,526,857)	4,530,913
Accounts Receivable Expenses	-	-	(168,172)	(575)
Allowance on Loans Receivable	-	-	132,425,642	55,476,134
Income (Loss) on REO Properties	-	-	30,421	115,085
Bond Issuance Costs	(875,198)	(703,642)	(4,860,082)	(5,412,695)
Personnel Services	-	-	(30,994,289)	(30,318,853)
Other Administrative Expenses	-	-	(12,278,159)	(12,185,124)
Housing Initiative Expenses	-	-	(2,376,663)	(2,348,513)
Other Assets	-	-	(5,953,458)	(7,367,546)
Arbitrage Rebate	(15,826)	(18,590)	(431,521)	(457,678)
Accounts Payable and Accrued Liabilities	(11,137)	18,590	3,202,698	1,256,299
Gain (Loss) on Sale of Loans	(572,224)	(624,917)	(2,225,733)	(1,719,526)
Net Cash Provided (Used) by Operating Activities	28,270,401	(36,416,762)	14,842,210	3,632,236
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Proceeds from Sale of Bonds and Notes	29,600,000	114,360,000	803,421,309	1,053,867,421
Payment of Bond and Note Principal	(20,795,000)	(38,710,000)	(559,965,968)	(497,554,256)
Interest Paid on Bonds and Notes	(13,497,987)	(12,106,273)	(121,064,689)	(102,523,048)
Grant Activities	-	-	261,739	353,564
Transfers from (to) Other Programs	(4,677,776)	(5,375,083)	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(9,370,763)	58,168,644	122,652,391	454,143,681
CASH FLOWS FROM INVESTING ACTIVITIES				
Redemption of Investments	15,484,747	5,455,758	818,907,266	673,405,575
Earnings on Investments	2,313,301	3,918,767	111,330,679	95,936,138
Purchase of Investments	(6,347,572)	(25,429,933)	(1,089,064,931)	(1,091,671,467)
Net Cash Provided (Used) by Investing Activities	11,450,476	(16,055,408)	(158,826,986)	(322,329,754)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,350,114	5,696,474	(21,332,385)	135,446,163
Cash and Cash Equivalents - Beginning of Year	62,176,551	56,480,077	465,530,059	330,083,896
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 92,526,665</u>	<u>\$ 62,176,551</u>	<u>\$ 444,197,674</u>	<u>\$ 465,530,059</u>

See accompanying Notes to Financial Statements.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2026 AND 2025

	Operating Fund		Single-Family Fund	
	2026	2025	2026	2025
Reconciliation of Operating Income (Loss) to Net				
Cash Provided (Used) by Operating Activities:				
Operating Income	\$ 19,817,153	\$ 20,463,599	\$ 98,546,119	\$ 80,907,689
Adjustments:				
Earnings on Investments	(1,217,145)	(1,521,955)	(95,408,386)	(76,176,696)
Interest Paid on Bonds and Notes	(526,940)	(28,556)	1,069,138	(2,452,020)
Bond Issuance Costs	(1,065,086)	(788,410)	(2,919,798)	(3,920,643)
Amortization of Bond Premium/Discount	-	-	(3,746,332)	(3,309,544)
(Increase) Decrease in Assets:				
Loans Receivable/Loss Allowance	4,608,859	(46,198,309)	13,459,766	13,319,555
Accrued Interest - Loans	198,186	(259,569)	130,323	137,870
Accrued Interest - Investments	1,797	919	(1,527,179)	(1,904,671)
Accounts Receivable, Net	(1,526,857)	4,530,912	-	-
Other Assets	745,907	298,424	(1,487,008)	(2,647,593)
(Increase) Decrease in Deferred Outflows	458,367	54,403	176	197
Increase (Decrease) in Liabilities:				
Accrued Interest - Bonds and Notes	325,940	28,556	2,677,195	5,761,564
Accounts Payable/Accrued Liabilities	3,424,236	798,621	(626,096)	-
Fees, Net	(133,551)	(157,691)	(5,844)	(6,716)
(Increase) Decrease in Deferred Inflows	860,269	(567,958)	-	-
Escrow Deposits	(49,561,400)	53,687,020	-	-
Total Adjustments	(43,407,418)	9,876,407	(88,384,045)	(71,198,697)
Net Cash Provided (Used) by Operating Activities	\$ (23,590,265)	\$ 30,340,006	\$ 10,162,074	\$ 9,708,992

See accompanying Notes to Financial Statements.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2026 AND 2025

	Multi-Family Fund		Total	
	2026	2025	2026	2025
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income	\$ 22,523,699	\$ 20,397,630	\$ 140,886,971	121,768,918
Adjustments:				
Earnings on Investments	(161,628)	161,627	(96,787,159)	(77,537,024)
Interest Paid on Bonds and Notes	(133,988)	(691,893)	408,210	(3,172,469)
Bond Issuance Costs	(875,199)	(703,642)	(4,860,083)	(5,412,695)
Amortization of Bond Premium/Discount	1,715	1,752	(3,744,617)	(3,307,792)
(Increase) Decrease in Assets:				
Loans Receivable/Loss Allowance	(4,201,943)	(64,892,304)	13,866,682	(97,771,058)
Accrued Interest - Loans	31,015	(333,572)	359,524	(455,271)
Accrued Interest - Investments	161,628	(161,628)	(1,363,754)	(2,065,380)
Accounts Receivable, Net	-	-	(1,526,857)	4,530,912
Other Assets	-	-	(741,101)	(2,349,169)
(Increase) Decrease in Deferred Outflows	-	-	458,543	54,600
Increase (Decrease) in Liabilities:				
Accrued Interest - Bonds and Notes	132,273	690,141	3,135,408	6,480,261
Accounts Payable/Accrued Liabilities	(26,963)	-	2,771,177	798,620
Fees, Net	(17,207)	(22,049)	(156,602)	(186,455)
(Increase) Decrease in Deferred Inflows	-	-	860,269	(567,958)
Escrow Deposits	10,836,999	9,137,176	(38,724,401)	62,824,196
Total Adjustments	5,746,702	(56,814,392)	(126,044,761)	(118,136,682)
Net Cash Provided (Used) by Operating Activities	\$ 28,270,401	\$ (36,416,762)	\$ 14,842,210	\$ 3,632,236

See accompanying Notes to Financial Statements.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATEMENTS OF FIDUCIARY NET POSITION – PRIVATE PURPOSE TRUST
COMPONENT UNIT AFFORDABLE HOUSING TRUST
JUNE 30, 2026 AND 2025

	<u>2026</u>	<u>2025</u>
ASSETS		
Loans Receivable	\$ 73,273,867	\$ 74,967,581
Less: Allowance for Loan Losses	<u>(8,600,000)</u>	<u>(10,000,000)</u>
Loans Receivable, Net	64,673,867	64,967,581
Investments	9,351,496	10,559,473
Accrued Interest - Loans	177,673	178,065
Accrued Interest - Investments	9,037	12,365
Cash and Cash Equivalents	47,071,460	45,063,469
Accounts Receivable, Net	5,017,781	17,781
Other Assets, Net	<u>403,137</u>	<u>403,137</u>
Total Assets	<u><u>\$ 126,704,451</u></u>	<u><u>\$ 121,201,871</u></u>
NET POSITION		
Restricted for Organizations	<u>\$ 126,704,451</u>	<u>\$ 121,201,871</u>
Total Net Position	<u><u>\$ 126,704,451</u></u>	<u><u>\$ 121,201,871</u></u>

See accompanying Notes to Financial Statements.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION – PRIVATE PURPOSE TRUST
COMPONENT UNIT AFFORDABLE HOUSING TRUST
JUNE 30, 2026 AND 2025

	2026	2025
ADDITIONS:		
Operating Income	\$ 2,085,184	\$ 2,266,192
Interest on Investments	1,400,475	1,353,165
Trust Receipts	2,804,302	1,931,644
Total Revenues	<u>6,289,961</u>	<u>5,551,001</u>
REDUCTIONS:		
Housing Initiatives	1,321,429	1,000,000
Provision for Loan Losses (Recoveries)	(516,270)	(3,169,728)
Cost to Sell Loans	14,843	15,134
Total Expenses	<u>820,002</u>	<u>(2,154,594)</u>
Increase in Fair Value of Investments	<u>32,621</u>	<u>165,340</u>
CHANGE IN NET POSITION	5,502,580	7,870,935
Net Position - Beginning of Year	<u>121,201,871</u>	<u>113,330,936</u>
NET POSITION - END OF YEAR	<u><u>\$ 126,704,451</u></u>	<u><u>\$ 121,201,871</u></u>

See accompanying Notes to Financial Statements.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Description of Financial Reporting Entity

Rhode Island Housing and Mortgage Finance Corporation (the Corporation) is a public instrumentality established in 1973 by an Act of the Rhode Island General Assembly. The Corporation was created to originate loans and administer other activities to expand the supply of housing available to persons of low and moderate income and to stimulate the construction and rehabilitation of housing and health care facilities in the State of Rhode Island (the State). It has the power to issue negotiable notes and bonds to achieve its corporate purpose. The notes and bonds do not constitute a debt of the State, and the State is not liable for the repayment of such obligations.

The Corporation is considered a component unit of the State and is included in the State's annual comprehensive financial report.

The Corporation is exempt from federal and state income taxes.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, the Corporation applies the criteria prescribed by Governmental Accounting Standards Board (GASB). Through the application of GASB criteria, the Corporation determined that the Affordable Housing Trust Fund (the Trust) is a component unit of the Corporation, and the Trust has been presented in the accompanying fiduciary fund financial statements. Control over and financial accountability for the Trust is determined based on appointments by a voting majority of the Trust's trustees.

B. Affordable Housing Trust Fund

The Affordable Housing Trust Fund (the Trust) is a separate legal entity created pursuant to a trust agreement initiated by the Corporation. The Trust is a private-purpose trust established to assist in activities that involve the creation and preservation of affordable housing in the State. All resources of the Trust, including income on investments and other revenues, are held in trust for the benefit of private and nonprofit organizations. Trust receipts are derived from payments related to affordable housing preservation transactions and funds received to administer housing programs. There is no requirement that any portion of the Trust's resources be preserved as capital. The Trust administers its affairs through its trustees, records its assets in segregated accounts, and maintains financial records separate from the Corporation.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Financial Statement Presentation, Measurement Focus and Basis of Accounting

The Corporation engages only in business-type activities. Business-type activities are activities that are financed in whole or in part by fees charged to external parties. The accompanying combining statements of net position, statements of revenues, expenses, and changes in net position, and statements of cash flows (enterprise fund financial statements) present the financial information of the Corporation.

The Corporation classifies its business-type activities into funds, reported as separate columns within the enterprise fund financial statements, each representing a fiscal and accounting entity with a self-balancing set of accounts segregated to carry on specific activities in accordance with bond resolutions established under various trust indentures, special regulations restrictions, or limitations. All interfund activity has been eliminated from the combining totals in the accompanying financial statements. Transfers between funds are made to cover the operating costs associated with management of bond resolutions. Transfers also consist of reimbursement of collateral for bond resolutions previously funded by the operating fund.

The Operating Fund accounts for the receipt of income not directly pledged to the repayment of specific bonds and notes, expenses related to the Corporation's administrative functions, and for various housing program activities that are not covered by bond resolutions. The Operating Fund also accounts for the activities of the Corporation's two separate subsidiaries: Rhode Island Housing Equity Corporation and Rhode Island Housing Development Corporation. The Single-Family Housing Fund includes transactions and programs designed to provide affordable housing to eligible persons and families within the State for properties with one to four dwelling units. All loans whether originated by the Corporation or purchased from participating lenders, are in compliance with bond resolutions. The Multi-Family Fund includes financing activities with the intent to originate multi-family loans secured by a lien.

The Trust engages only in fiduciary activities. Separate financial statements are presented for the Trust as fiduciary activities, which are excluded from the Operating, Single-Family and Multi-Family Funds.

The Corporation and the Trust use the economic resources measurement focus and accrual basis of accounting. The accompanying financial statements have been prepared in conformance with generally accepted accounting principles (GAAP) for governments as prescribed by GASB, which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Financial Statement Presentation, Measurement Focus, and Basis of Accounting (Continued)

The Corporation has presented an unclassified combining statements of net position in accordance with financial institution industry trade practice. Although contractual terms define the principal amounts of loans receivable and the amount of principal required to be paid on bonds and notes payable within one year from the date of the combining statements of net position, the actual principal amounts received on loans and repaid on bonds and notes are significantly affected by changes in interest rates, economic conditions, and other factors. Consequently, the principal amount of loans receivable and the principal amount payable for bonds and notes based on contractual terms would not be representative of actual amounts received or paid, and such amounts are not reliably estimable.

The Corporation classifies certain inflows as noncapital subsidies in accordance with GASB Statement No. 103. Noncapital subsidies are inflows received without a direct exchange for goods or services and without a requirement that the resources be used to acquire or construct capital assets. Management applies judgment in determining whether an inflow represents a noncapital subsidy by evaluating the substance of the underlying transaction, the presence or absence of participant-specific benefits, and whether the resources are intended to support program operations rather than capital investment.

Investment earnings that are not directly related to the Corporation's mortgage lending activities and changes in the fair value of investments, are reported as nonoperating revenues. Nonoperating expenses consist primarily of interest expense on bonds and notes payable, costs associated with the issuance of debt, and other financing-related costs. Investment earnings related to loans securitized into mortgage-backed securities guaranteed by the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Government National Mortgage Association (GNMA) are reported as operating revenues, as they are generated from the Corporation's principal operations. All other revenues and expenses are reported as operating.

D. Loans Receivable and Allowance for Loan Losses

Loans receivables are reported at their outstanding principal balance adjusted for any charge-offs and the allowance for loan losses.

In general, interest income on loans receivable is recognized on the accrual basis. A loan is considered delinquent when payments are not made in accordance with contractual terms. Loans go into "nonaccrual status" when loan payments are delinquent for ninety days or more. Interest income is no longer accrued, and any accrued interest is reversed. Loans are returned to accrual status when all amounts contractually due are brought current or the loans have been restructured and future payments are reasonably assured. For certain deferred loans which specify that interest is payable based on available cash flow or the availability of other specified sources, related interest is recorded as income when received.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Loans Receivable and Allowance for Loan Losses (Continued)

Losses on loans are provided for under the allowance method of accounting. The allowance is increased by provisions charged to operating expenses and by recoveries of previously charged-off loans. The allowance is decreased as loans are charged off.

The allowance represents an amount that management believes will be adequate to provide for potential loan losses based on an evaluation of collectability and prior loss experience, known and inherent risk in the portfolio, changes in the nature, and volume of the loan portfolio, overall portfolio quality, specifically identified high risk loans, the estimated value of the underlying collateral, current and anticipated economic conditions that may affect the borrower's ability to pay, historical loss experience, and the types of mortgage insurance or guarantee programs provided by outside parties. Substantially all loans are secured by real estate in Rhode Island; accordingly, the ultimate collectability of the loans is susceptible to changes in market conditions in the area. Management believes the allowance for loan losses is adequate. While management uses available information to recognize losses on loans, evaluation assessments made by management are inherently subjective and future adjustments to the allowance may be necessary if economic conditions differ substantially from the assumptions used at the time of the evaluation.

Loans originated and intended for sale in the secondary market are carried at the lower of cost or estimated fair value in the aggregate. Such loans are presented as loans held for sale on the accompanying statements of net position. Gains and losses from sales of loans are recognized based upon the difference between the fair value of mortgage-backed securities forward contracts at date of commitment and the carrying value of the underlying loans.

E. Cash and Cash Equivalents

Cash and cash equivalents represent funds on deposit with various financial institutions and funds held by the trustees of the various bond programs. Deposits held in financial institutions and all highly liquid investments, such as U.S. Treasury Bills and Notes, with original maturities of 90 days or less are considered cash and cash equivalents.

F. Investments

Investments held by the Corporation consist of those permitted by the various bond resolutions and the Corporation's investment policy. Investments include securities of the U.S. Government and of U.S. Government agencies, securities guaranteed by the U.S. Government and U.S. Government agencies, savings accounts, and guaranteed investment contracts.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investments (Continued)

In accordance with GASB Statement No. 72 (GASB 72), money market investments having a remaining maturity of one year or less at time of purchase are reported at amortized cost if the fair value of such investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Investments in nonparticipating interest earning investment contracts, such as nonnegotiable and nontransferable guaranteed investment contracts, which are redeemable at contract or stated value rather than fair value based on current market rates and certificates of deposit with redemption terms that do not consider market rates, are reported at cost or amortized cost provided that the fair value of such contracts is not significantly affected by the impairment of the credit standing of the issuer or other factors. Investments not reported at cost or amortized cost are reported at fair value in accordance with GASB No. 72. The fair value of securities is provided by an investment trustee as reported by recognized pricing firms. The reported amounts of investments not otherwise reported at fair value approximate their fair value.

All investment income, including changes in the fair value of investments, is reported as revenue in the Corporation's statements of revenues, expenses, and changes in net position and in the Trust's statements of changes in fiduciary net position. The Corporation records a liability for the portion of investment income that is rebateable to the United States government under Section 103A of the Internal Revenue Code, as amended, (the Code) for tax-exempt bonds sold after 1981. The Code requires that such excess investment income be remitted to the Internal Revenue Service. Such rebateable investment income is included in accounts payable and accrued liabilities in the accompanying statements of net position and recorded within operating expenses in the statements of revenues, expenses and changes in net position.

G. Bond Issuance Costs, Premiums, Discounts and Early Retirements

In accordance with GASB Statement No. 65, costs associated with issuing bonds are reported in the combining statements of revenues, expenses, and changes in net position in the year the bond is issued. In addition, when refinancing debt, the costs associated with the refinanced bond are also reported in the combining statements of revenues, expenses, and changes in net position in the year in which the bond is refinanced.

Premiums and discounts are capitalized and amortized using a method that approximates the interest method over the life of the related issue or to the date the Corporation has the option to redeem the bonds.

The Corporation periodically retires bonds prior to their redemption date. Any premium paid on the call related to the early retirement of bonds that are not refunded is reported in the combining statements of revenues, expenses, and changes in net position.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Assets

Other assets of the Corporation are principally comprised of property and equipment, certain other real estate owned, and deferred servicing costs related to service release premiums paid to participating originating lenders for the origination of single-family loans. The Corporation depreciates property and equipment on a straight-line basis over the assets' estimated lives, which range from 3 to 40 years.

The Corporation states its other real estate owned acquired through or in lieu of foreclosure at the lower of cost or fair value less the cost to sell. The fair value of such assets is determined based on independent appraisals and other relevant factors. Other real estate owned in the Single-Family Fund is partially insured or guaranteed by outside parties and it is anticipated that the Corporation will recover substantially all the balance of these assets through such insurance and from proceeds from the sale of the underlying properties. The Corporation holds such properties for subsequent sale in a manner that will allow maximization of value. Carrying costs relating to other real estate owned are recorded in the Operating Fund.

I. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period. The measurement date for the reported liability was June 30, 2025.

The Corporation reports total OPEB liability as a component of accounts payable and accrued liabilities on the combining statements of net position.

J. Deferred Inflows and Outflows of Resources

Deferred outflows of resources represent the consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time.

The Corporation reports deferred outflows of resources related to loan origination costs in the combining statements of net position. Expenses will be recognized once the related loans are sold.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Inflows and Outflows of Resources (Continued)

Fair values of both hedging derivatives and investment derivatives (if any) are presented on the combining statements of net position either as a derivative liability (negative fair value) or as a derivative asset (positive fair value). The difference between the notional amount and fair value of the derivatives that are determined to be effective hedges is recorded as a deferred inflow or outflow of resources on the Corporation's combining statements of net position. The Corporation uses derivative financial instruments to manage and reduce the exposure to adverse fluctuations in interest rates and to lower the overall cost of financing. The Corporation's derivatives consist of forward sales contracts to sell mortgage-backed securities in the To-Be-Announced market and interest rate swap agreements entered into with rated swap counterparties in connection with its issuance of variable rate mortgage revenue bonds.

The Corporation reports deferred outflows and inflows related to Other Postemployment Benefits (OPEB) in the statements of net position which result from differences between expected and actual experience, changes in assumptions or other inputs and contributions after the measurement date. These amounts are deferred and included in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits, the one exception being contributions made after the measurement date which are recognized as OPEB expense in the following year.

The Corporation reports a deferred outflow of resources related to OPEB from contributions made subsequent to the measurement date.

K. Net Position

Net position is classified into three components: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets represents the net book value of all capital assets reduced by the outstanding balances of bonds and other debt and deferred inflows of resources, if any, used to acquire, construct, or improve these assets, and increased by deferred outflows of resources related to those assets, if any. Restricted net position consists of restricted assets that have been limited in use as specified either externally by creditors, contributors, laws, or government regulations, or internally by enabling legislation or law. Restricted assets are reduced by liabilities and deferred inflows of resources related to the restricted assets. Unrestricted net position consists of amounts not included in net investment in capital assets or restricted net position. When both restricted and unrestricted resources are available for use, it is the Corporation's policy to use restricted resources first, then unrestricted resources as needed.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Net Position (Continued)

The Corporation classifies all net position amounts associated with its bond resolutions as restricted net position. Under bond indentures, all assets assigned to these programs are pledged for the benefit of the bondholders of each program; consequently, the Corporation classifies all such amounts, while retained in the bond programs, as restricted. Transfers from the bond programs to the Operating Fund are made when transfers are approved and authorized by the Corporation's management and such amounts are not specifically required to be retained within the bond program. Transfers during the years ended June 30, 2026, and 2025, include cash transfers for reimbursement of activities in support of the bond programs.

Restricted net position in the Operating Fund is comprised of the amount of assets required to be pledged as collateral to a lender in excess of outstanding amounts borrowed, as well as assets restricted for federal programs. At June 30, 2026, and 2025, restricted amounts totaled \$2,085,884 and \$2,585,656 respectively.

L. Interest Income on Loans

The Corporation presents two categories of interest income. The first category, "interest income on loans," represents the interest component of the mortgagors' payments due to all mortgage servicing entities (including the Corporation's Operating Fund). The second category, "interest income attributable to internal servicing activities," represents compensation earned for mortgage servicing for those loans serviced by the Corporation. Together, these two components comprise interest income on loans owned by the Corporation.

M. Use of Estimates

Management has made several estimates and assumptions relating to the reporting of assets and liabilities, deferred inflows and outflows of resources, revenues and expenses, and disclosure of contingent assets and liabilities when preparing the financial statements in conformity with accounting principles generally accepted in the United States. Actual results could differ from those estimates.

N. Fee and Grant Revenue

Recognition of grant revenue is recognized and accrued based on legal and contractual requirements established by each grantor. For grants not restrictive as to specific purposes and revocable only for failure to comply with general prescribed requirements, revenues are recognized when actually received. Where expenditure is the prime factor in determining eligibility, grant revenue is recognized as allowable expenditures are made. Fee income is accrued as earned and includes fees received from loan originations, securitization premiums, loan servicing fees and Section 8 administrative fees received from the U.S. Department of Housing and Urban Development (HUD), including administrative fees that are paid by HUD to the Corporation under the Performance-Based Contract Administration (PBCA) contract for certain Section 8 projects throughout Rhode Island.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Reclassifications

During the year ended June 30, 2026, the Corporation adopted Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*. GASB 103 modifies certain financial reporting requirements related to management's discussion and analysis and presentation of operating and nonoperating revenues and expenses.

The implementation of GASB 103 resulted in changes to the presentation and classification of certain revenues and expenses within the financial statements. Comparative financial information has been reclassified, where applicable, to conform to the current year presentation. The adoption of GASB 103 did not affect previously reported total net position, change in net position, or cash flows.

NOTE 2 RESTRICTED ASSETS

Certain assets are restricted by covenants and agreements as a result of transactions, including bond sales, mortgages generated with lending institutions, and funding provided by HUD programs. All Assets in the Single-Family and Multi-Family Funds are restricted. Restricted assets in the Operating Fund include Cash and Cash Equivalents, Investments, Loans, and Other Assets. At June 30, 2026 and 2025, restricted assets in the Operating Fund totaled \$903,845,335 and \$952,757,464 respectively.

NOTE 3 LOANS RECEIVABLE

The Corporation provides single-family mortgage loans to qualified borrowers in the State. Mortgage loans are generally required to be insured through the Federal Housing Administration (FHA), guaranteed by the Department of Veterans Administration (VA) or USDA Rural Development, or conventionally financed with traditional primary mortgage insurance. Under the single-family program guidelines, conventionally financed single-family mortgage loans with an initial loan-to-value ratio of greater than 80% are insured by private mortgage insurance carriers. As these loans amortize and the loan to-value ratio falls below 80%, the private mortgage insurance coverage may be terminated.

At June 30, the single-family mortgage loan balances in the Single-Family Fund are insured, subject to maximum insurable limits described below:

	2026	2025
Private Mortgage Insurance	\$ 25,789,127	\$ 32,602,821
FHA Insurance	126,835,853	139,250,109
VA Guaranteed	2,169,948	2,386,369
USDARD Guaranteed	2,582,011	2,919,146
Uninsured	153,770,039	147,448,298
Total	<u>\$ 311,146,978</u>	<u>\$ 324,606,743</u>

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NOTE 3 LOANS RECEIVABLE (CONTINUED)

The FHA program insures the repayment of the unpaid principal amount of the mortgage upon foreclosure and conveyance of title to the Secretary of HUD. The insurance proceeds are usually paid in cash, but at the discretion of the Secretary, may be settled through issuance of 20-year debentures. The VA mortgage loan guarantee covers from 25% up to 50% of the original principal amount of a loan up to a maximum of \$60,000 depending on the loan amount. Private mortgage insurers must be qualified to insure mortgages purchased by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association (FNMA) and must be authorized to do business in the State. Private mortgage insurance typically covers between 6% and 35% of claims depending upon the premium plan and coverage selected when the loan is originated. The risk exists that if these private mortgage insurance companies are not able to honor claims, these loans would be considered uninsured.

The Corporation has entered into a risk-sharing agreement with HUD whereby HUD will provide partial mortgage insurance on affordable multi-family housing developments financed by the Corporation. The risk of loss to the Corporation varies from 10% to 50% depending on the level of participation by HUD. In the Multi-Family Fund and Operating Fund, loan balances at June 30, 2026 of \$301,030,233 and \$304,327,939, respectively, and at June 30, 2025 of \$308,756,106 and \$301,388,440, respectively, are insured under such agreements subject to maximum participation limits. At June 30, 2026 and 2025, loan balances of \$5,941,548 and \$6,058,235, respectively, in the Trust are also insured under such agreements.

In May 2012, the Corporation entered into an agreement with FNMA whereby single-family mortgage loans originated under the Corporation's program guidelines may be sold directly to FNMA or pooled into a mortgage-backed security that will be guaranteed by FNMA. In October 2020, the Corporation entered into an agreement with Freddie Mac whereby single-family mortgage loans originated under the Corporation's program guidelines may be sold directly to Freddie Mac or pooled into a mortgage-backed security that would be guaranteed by Freddie Mac. As of June 30, 2026, 3,115 loans had been sold directly to FNMA, 1,378 loans had been sold directly to Freddie Mac, and eight mortgage-backed securities had been issued. As of June 30, 2025, 2,965 loans had been sold directly to FNMA, 1,119 loans had been sold directly to Freddie Mac, and eight mortgage-backed securities had been issued.

At June 30, the percentage of loan dollars that are in a first lien position by fund is as follows:

	<u>2026</u>	<u>2025</u>
Operating Fund	47 %	51 %
Single-Family	78 %	82 %
Multi-Family	92 %	93 %
Affordable Housing Trust	30 %	33 %

The payment of interest by borrowers on certain loans recorded in the Corporation's Operating Fund, Single-Family Fund, and Multi-Family Fund is deferred and payable by borrowers only from available cash flow, as defined in the loan agreements or other specified sources. Interest income on such loans is recorded only when received from the borrower.

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NOTE 3 LOANS RECEIVABLE (CONTINUED)

For the years ended June 30, 2026, and 2025, interest received under such deferred loan arrangements was \$170,468 and \$301,852, respectively, in the Operating Fund, and \$222,828 and \$227,520, respectively, in the Single-Family Fund. In addition, the Corporation administers certain federal and state loan programs, which are either deferred forgivable loans or noninterest bearing to the Corporation. Loans under these programs totaled \$489,657,792 and \$392,176,621 at June 30, 2026 and 2025, respectively.

At June 30, principal balances outstanding under deferred and noninterest bearing loan arrangements are as follows:

	2026	2025
Operating Fund:		
Single-Family Loans	\$ 45,937,141	\$ 42,160,990
Multi-Family Loans	514,790,666	415,985,144
Subtotal	560,727,807	458,146,134
Single-Family Fund:		
Single-Family Loans	49,486,312	23,532,794
Total	<u>\$ 610,214,119</u>	<u>\$ 481,678,928</u>

Certain loans recorded in the Corporation's Operating Fund and Single-Family Fund are on nonaccrual status due to delinquency over 90 days. At June 30, principal outstanding under such nonaccrual status loans is as follows:

	2026	2025
Operating Fund:		
Single-Family Loans	\$ 31,137,370	\$ 12,254,471
Single-Family Fund:		
Single-Family Loans	26,175,074	16,089,631
Total	<u>\$ 57,312,444</u>	<u>\$ 28,344,102</u>

A summary of the changes in the allowance for loan receivable losses at June 30, 2026 for the Corporation is as follows:

	<u>Corporate Loans</u>	<u>Federal/State Program Loans</u>	<u>Total</u>
Balance - Beginning of Year	\$ 56,000,000	\$ 76,150,826	\$ 132,150,826
Loans Charged Off, Net of Recoveries	(21,540)	(1,053,699)	(1,075,239)
Write-Down of REO Properties	(128,566)	-	(128,566)
Provision for Federal/State Program Loans	1,150,000	132,479,447	133,629,447
Provision for Loan Losses	(4,999,894)	-	(4,999,894)
Balance - End of Period	<u>\$ 52,000,000</u>	<u>\$ 207,576,574</u>	<u>\$ 259,576,574</u>

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NOTE 3 LOANS RECEIVABLE (CONTINUED)

A summary of the changes in the allowance for loan receivable losses at June 30, 2025 for the Corporation is as follows:

	<u>Corporate Loans</u>	<u>Federal/State Program Loans</u>	<u>Total</u>
Balance - Beginning of Year	\$ 56,000,000	\$ 21,456,441	\$ 77,454,441
Loans Charged Off, Net of Recoveries	(131,630)	(37,369)	(168,999)
Write-Down of REO Properties	(61,621)	-	(61,621)
Provision for Federal/State Program Loans	975,000	54,731,754	55,706,754
Provision for Loan Losses	(781,749)	-	(781,749)
Balance - End of Period	<u>\$ 56,000,000</u>	<u>\$ 76,150,826</u>	<u>\$ 132,150,826</u>

A summary of the changes in the allowance for loan losses for the Trust at June 30, is as follows:

	<u>2026</u>	<u>2025</u>
Balance, Beginning of Year	\$ 10,000,000	\$ 13,169,728
Loans Charged Off, Net of Recoveries	(883,730)	-
Provision for Loan Losses	<u>(516,270)</u>	<u>(3,169,728)</u>
Balance, End of Year	<u>\$ 8,600,000</u>	<u>\$ 10,000,000</u>

In addition to the allowance for loan losses, the Corporation maintains an escrow account funded by certain mortgage lenders (the Mortgage Lender's Reserve Account). This Mortgage Lenders Reserve Account equals a percentage of the outstanding principal balance of certain mortgage loans purchased from an applicable mortgage lender and is available to the Corporation in the event the proceeds realized upon the default and foreclosure of any covered mortgage loan is less than the amount due to the Corporation. At June 30, 2026 and 2025, the Mortgage Lender's Reserve Account totaled \$204,076.

NOTE 4 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

The Corporation assumes levels of custodial credit risk for its cash and cash equivalents. Custodial credit risk is the risk that in the event of a financial institution failure, the Corporation's deposits may not be returned to it. Cash and cash equivalents are exposed to custodial credit risk as follows: a) uninsured and uncollateralized; b) uninsured and collateralized with securities held by the financial institution trust departments in the Corporation's or Trust's name; and c) uninsured and collateralized with securities held by financial institution trust departments or agents which are not held in the Corporation's or Trust's name.

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NOTE 4 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Cash and Cash Equivalents (Continued)

The State requires that certain uninsured deposits of the State and State Agencies be collateralized. Section 35-10.1-7 of the General Laws of the State, dealing with the collateralization of public deposits, requires all time deposits with maturities of greater than 60 days and all deposits in institutions that do not meet its minimum capital standards as required by its Federal regulator be collateralized. The Corporation does not have any additional policy regarding custodial credit risk for its deposits.

Cash and cash equivalents of the Corporation were exposed to custodial credit risk at June 30, 2026 and 2025, as follows:

Rhode Island Housing and Mortgage Finance Corporation

	June 30, 2026				Total Bank Balance
	Book Balance	Insured	A	C	
Cash Deposits - Operating	\$ 95,429,646	\$ 2,796,791	\$ 6,442,653	\$ 97,237,384	\$ 106,476,828
Cash Deposits - Single-Family	276,793	-	-	-	-
Cash Deposits - Multi-Family Funds	-	-	-	-	-
Cash Deposits - Escrows	62,373,047	-	-	62,373,047	62,373,047
Total Deposits	158,079,486	2,796,791	6,442,653	159,610,431	168,849,875
Money Market Mutual Funds	286,118,188	-	-	-	286,118,188
Total Cash and Cash Equivalents	<u>\$ 444,197,674</u>	<u>\$ 2,796,791</u>	<u>\$ 6,442,653</u>	<u>\$ 159,610,431</u>	<u>\$ 454,968,063</u>

Rhode Island Housing and Mortgage Finance Corporation – Private Purpose Trust

	June 30, 2026				Total Bank Balance
	Book Balance	Insured	A	C	
Cash Deposits	\$ 32,071,460	\$ 250,000	\$ -	\$ 31,821,460	\$ 32,071,460
Money Market Mutual Funds	15,000,000	-	-	-	15,000,000
Total Cash and Cash Equivalents	<u>\$ 47,071,460</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 31,821,460</u>	<u>\$ 47,071,460</u>

Rhode Island Housing and Mortgage Finance Corporation

	June 30, 2025				Total Bank Balance
	Book Balance	Insured	A	C	
Cash Deposits - Operating	\$ 94,630,675	\$ 2,906,599	\$ 7,622,198	\$ 95,503,852	\$ 106,032,649
Cash Deposits - Single-Family	1,733,634	-	-	-	-
Cash Deposits - Multi-Family Funds	368,806	-	-	-	-
Cash Deposits - Escrows	80,006,224	-	-	80,006,224	80,006,224
Total Deposits	176,739,339	2,906,599	7,622,198	175,510,076	186,038,873
Money Market Mutual Funds	288,790,720	-	-	-	288,790,720
Total Cash and Cash Equivalents	<u>\$ 465,530,059</u>	<u>\$ 2,906,599</u>	<u>\$ 7,622,198</u>	<u>\$ 175,510,076</u>	<u>\$ 474,829,593</u>

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NOTE 4 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Cash and Cash Equivalents (Continued)

Rhode Island Housing and Mortgage Finance Corporation – Private Purpose Trust

	June 30, 2025				Total Bank Balance
	Book Balance	Insured	A	C	
Cash Deposits	\$ 30,063,469	\$ 250,000	\$ -	\$ 29,808,326	\$ 30,058,326
Money Market Mutual Funds	15,000,000	-	-	-	15,000,000
Total Cash and Cash Equivalents	<u>\$ 45,063,469</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 29,808,326</u>	<u>\$ 45,058,326</u>

Cash and cash equivalents in the Single-Family Fund and Multi-Family Fund are principally invested in short-term United States Government money market funds. At June 30, investments in United States Government money market funds are as follows:

	2026	2025
Operating Fund	\$ 3,829,121	\$ 3,620,907
Single-Family Fund	189,762,402	223,362,068
Multi-Family Fund	92,526,665	61,807,745
Total	<u>\$ 286,118,188</u>	<u>\$ 288,790,720</u>
Affordable Housing Trust	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>

The funds are rated AAA and invested only in U.S. Treasuries, U.S. Agencies, and repurchase agreements collateralized by U.S. Treasury and Agency securities. Since the funds offer a floating rate that tends to move with other U.S. market risk-free rates, there is substantially no interest rate risk associated with these short-term investments. Because of the quality of the underlying securities in the asset pool and the institutions involved in the management and custody, there is no material credit or custodial risk in this portfolio. These investments are used as temporary cash management instruments. The fair value of these money market funds reflects the net asset value reported by the fund administrator which is a stable \$1 per unit. The underlying investments which are short-term cash equivalent type investments are generally carried at amortized cost which approximates fair value. There are no withdrawal limitations for the money market mutual funds.

Investments

The first objective of the Corporation investment strategy is to minimize risk and maximize the preservation of capital. All investments are to be made in a manner to minimize any risk which would jeopardize the safety of the principal invested. The second objective is to maintain sufficient liquidity to match cash flow requirements. The third objective is to maximize yield after satisfying the first two objectives. Other major considerations include diversification of risk and maintenance of credit ratings.

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NOTE 4 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in a debt instrument. As a means of limiting exposure to fair value losses arising from rising interest rates, the Board of Commissioners (the Board) established an investment policy for the Corporation's Operating Fund. The maximum investments in certain maturities or repricing maturities are as follows:

Maturity	Maximum Investment
Less Than One Year	100%
One to Five Years	25%
Greater Than Five Years	0%

At June 30, 2026 and 2025, the Operating Fund holds investments with market values totaling \$983,180 and \$1,344,898, respectively, with maturity dates of greater than five years. These investments are marketable securities that are pledged as collateral to a lender for borrowings.

While each of the bond resolutions contains investment policies which describe acceptable investments, there are no specific policies for percentage maximum investments with respect to the Single-Family Fund, Multi-Family Fund, and the Trust (collectively referred to as the Other Funds). The Corporation strives to match asset and liability maturities. The Corporation manages interest rate risk by considering variables such as mortgage prepayment frequency, expected asset lives, utilization of interest sensitivity gap (segmented time distribution), and simulation analysis.

At June 30, the distribution of investments by remaining or repricing maturity is as follows:

	June 30, 2026			
	Investment Maturities (Years)			Total
	1 Year or Less	<1-5 Years	5 Years or More	
Operating Fund:				
US Government Obligations	\$ 955,538	\$ -	\$ 983,180	\$ 1,938,718
Escrows*	-	156,483,140	-	156,483,140
Total Operating Fund	955,538	156,483,140	983,180	158,421,858
Single-Family Fund:				
US Government Obligations	-	-	2,068,188,158	2,068,188,158
US Agency Obligations	-	-	4,100,170	4,100,170
Total Single-Family Fund	-	-	2,072,288,328	2,072,288,328
Multi-Family Fund:				
SLGs	10,837,000	-	-	10,837,000
Total Multi-Family Fund	10,837,000	-	-	10,837,000
Subtotal	11,792,538	156,483,140	2,073,271,508	2,241,547,186
AHT:				
US Government Obligations	-	-	9,325,390	9,325,390
US Agency Obligations	26,106	-	-	26,106
Total AHT	26,106	-	9,325,390	9,351,496
Total	<u>\$ 11,818,644</u>	<u>\$ 156,483,140</u>	<u>\$ 2,082,596,898</u>	<u>\$ 2,250,898,682</u>

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NOTE 4 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

	June 30, 2025			
	Investment Maturities (Years)			Total
	1 Year or Less	<1-5 Years	5 Years or More	
Operating Fund:				
US Government Obligations	\$ 1,170,289	\$ -	\$ 1,344,898	\$ 2,515,187
Escrows*	15,296,787	139,814,278	-	155,111,065
Total Operating Fund	16,467,076	139,814,278	1,344,898	157,626,252
Single-Family Fund:				
US Government Obligations	-	-	1,764,224,817	1,764,224,817
US Agency Obligations	-	-	4,759,590	4,759,590
Total Single-Family Fund	-	-	1,768,984,407	1,768,984,407
Multi-Family Fund:				
SLGs	19,974,175	-	-	19,974,175
Total Multi-Family Fund	19,974,175	-	-	19,974,175
 Subtotal	 36,441,251	 139,814,278	 1,770,329,305	 1,946,584,834
AHT:				
US Government Obligations	-	-	10,530,082	10,530,082
US Agency Obligations	29,391	-	-	29,391
Total AHT	29,391	-	10,530,082	10,559,473
 Total	 \$ 36,470,642	 \$ 139,814,278	 \$ 1,780,859,387	 \$ 1,957,144,307

*Included in the tables above are escrow funds relating to homeowners and to multi-family developments. The Corporation is not exposed to interest rate risk relating to escrows since the income and market gains or losses on these investments flow directly into the respective escrow deposit liability accounts.

Investments include mortgage-backed securities backed by government-insured single-family mortgage loans originated under the Corporation's program guidelines. These securities are pass-through securities which require monthly payments by an FHA-approved or FNMA-approved lender and are guaranteed by either the Government National Mortgage Association (GNMA) or FNMA. The securities are subject to interest rate risk due to prepayments and the fair value of the securities which vary with the change in market interest rates. The securities are intended to be held to maturity and the Corporation does not expect to realize any gains or losses. The securities are held by the Single-Family and Operating Funds and are carried at fair value totaling \$ 2,074,227,047 and \$1,771,499,593 at June 30, 2026 and 2025, respectively.

The Corporation categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are observable market-based inputs or unobservable inputs that are corroborated by market data. Level 3 inputs are unobservable inputs that are not corroborated by market data.

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NOTE 4 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of June 30, 2026, the Corporation has recurring fair value measurements in the form of Fixed Income Securities (U.S. Treasuries, mortgage-backed securities and obligations of government-sponsored enterprises) of \$158,421,858 in the Operating Fund, \$2,072,288,328 in the Single-Family Fund, \$10,837,000 in the Multi-Family Fund and \$9,351,496 in the Trust that are valued using quoted market prices (Level 1 inputs). Included in Operating Fund investments are fair value measurements for escrow funds relating to homeowners and to multi-family developments.

As of June 30, 2025, the Corporation had recurring fair value measurements in the same form of \$157,626,252 in the Operating Fund, \$1,768,984,407 in the Single-Family fund, \$19,974,175 in the Multi-Family Fund and \$10,559,473 in the Trust that are valued using quoted market prices (Level 1 inputs). Included in Operating Fund investments were fair value measurements for escrow funds relating to homeowners and to Multi-Family developments.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The current Board-approved policy requires all investments in the Operating Fund to be rated at least Single A by a nationally recognized rating agency. Generally, each of the bonded resolutions in the Single-Family Fund and the Multi-Family Fund contain policies that require investments that do not impair the existing ratings on the related bonds. The Trust has no minimum rating requirements.

At June 30, 2026 and 2025, investments, excluding investments relating to escrow accounts for which the credit risk is that of the party for whom the escrow is held rather than that of the Corporation, are rated by Standard & Poor's or Moody's Investors Service as follows:

Rating Investment	June 30, 2026	
	AA+/Aaa	Unrated
	U.S. Agencies	GICS
Operating Fund	\$ -	\$ -
Single-Family Fund	4,100,170	-
Multi-Family Fund	-	-
Trust	26,106	-

Rating Investment	June 30, 2025	
	AA+/Aaa	Unrated
	U.S. Agencies	GICS
Operating Fund	\$ -	\$ -
Single-Family Fund	4,759,590	-
Multi-Family Fund	-	-
Trust	29,391	-

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NOTE 4 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer regardless of its credit history. The Board-approved policy for the Operating Fund limits the amount that may be invested with any one issuer as follows:

United States Government Obligations	100% of Portfolio
United States Agency Obligations	100% of Portfolio
Repurchase Agreements	50% of Portfolio
Collective Short-Term Funds	25% of Portfolio
All Other Investments	10% of Portfolio

Although there are no specific concentration policies for maximum percentage of investments, the Corporation attempts to diversify as much as possible given the limited number of issuers of AAA-rated investments.

At June 30, 2026 and 2025, all Operating Fund investments were invested in securities of the U.S. Government and Agency securities, with no concentration of more than 5% of total Operating Fund investments in any particular agency for which the investments were not secured by the U.S. Government.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The policy in the Operating Fund is that all purchases are held in a safekeeping or custodial account at an approved safekeeping agent of the Corporation in the Corporation's name. At June 30, 2026 and 2025, there were no investments in the Operating Fund subject to custodial credit risk.

There are no other specific custodial credit risk policies for the other funds. Most of the Corporation's investments in other funds are held in accounts managed by a financial advisory firm with underlying investments restricted to U.S. Government and Agency securities. At June 30, 2026 and 2025, there were no investments in any of the other funds subject to custodial credit risk.

As established in the Board-approved investment policy, the Corporation can enter into interest rate swap agreements and other similar interest rate related derivative instruments to reduce interest rate mismatches between its loan and investment assets and its bond and note liabilities. These types of derivative instruments expose the Corporation to certain risks including credit risk, interest rate risk, and counterparty risk. At June 30, 2026, the Corporation was party to three interest rate swap agreements and eight forward settling interest rate swap agreements. The Corporation was party to three interest rate swap agreements and five forward settling interest rate swap agreements at June 30, 2025. At June 30, 2026, the Corporation had entered into certain commitments to sell loans, which expose the Corporation to interest rate risk as discussed further in Note 10.

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NOTE 5 ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, consisted of the following at:

	<u>2026</u>	<u>2025</u>
Accounts Receivable:		
Due from Federal Government	\$ 2,511,386	\$ 5,801,810
Tax Sale Receivables	1,113,771	1,035,137
Accounts	<u>16,047,102</u>	<u>11,287,334</u>
Total Receivables	19,672,259	18,124,281
Allowance	<u>(107,998)</u>	<u>(52,589)</u>
Receivables, Net	<u><u>\$ 19,564,261</u></u>	<u><u>\$ 18,071,692</u></u>

NOTE 6 OTHER ASSETS, NET

Other assets, net, consisted of the following at June 30,:

	<u>2026</u>	<u>2025</u>
Real Estate Owned	\$ 101,148	\$ 323,742
Capital Assets, Net	8,718,372	8,414,585
Purchased Mortgage Servicing Rights and Servicing, Net	25,281,650	24,621,743
Other Assets and Control Accounts	<u>(92,689)</u>	<u>(92,689)</u>
Total	<u><u>\$ 34,008,481</u></u>	<u><u>\$ 33,267,381</u></u>

Depreciation expense related to capital assets for the years ended June 30, 2026, and 2025, was \$589,465 and \$776,986, respectively.

Amortization expense related to purchased mortgage servicing rights for the years ended June 30, 2026, and 2025, was \$4,623,066 and \$4,241,586, respectively.

Other assets of the Trust consisted of federal program properties totaling \$403,137 at June 30, 2026, and 2025.

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NOTE 6 OTHER ASSETS (CONTINUED)

Capital asset activity for the years ended June 30 is as follows:

	Balance July 1, 2025	Additions/ (Deletions)	Balance June 30, 2026
Capital Assets Not Being Depreciated:			
Construction in Progress	\$ 964,722	\$ (964,722)	\$ -
Capital Assets Being Depreciated:			
Furniture	1,437,728	-	1,437,728
Office Equipment	954,213	-	954,213
Computers	8,777,974	-	8,777,974
Buildings and Improvements	17,205,131	1,857,974	19,063,105
Total Capital Assets Being Depreciated	28,375,046	1,857,974	30,233,020
Less: Accumulated Depreciation	(20,925,183)	(589,465)	(21,514,648)
Total Capital Assets Being Depreciated, Net	7,449,863	1,268,509	8,718,372
Capital Assets, Net	\$ 8,414,585	\$ 303,787	\$ 8,718,372
	Balance July 1, 2024	Additions/ (Deletions)	Balance June 30, 2025
Capital Assets Not Being Depreciated:			
Construction in Progress	\$ 346,221	\$ 618,501	\$ 964,722
Capital Assets Being Depreciated:			
Furniture	1,437,728	-	1,437,728
Office Equipment	954,213	-	954,213
Computers	8,777,974	-	8,777,974
Buildings and Improvements	17,205,131	-	17,205,131
Total Capital Assets Being Depreciated	28,375,046	-	28,375,046
Less: Accumulated Depreciation	(20,148,197)	(776,986)	(20,925,183)
Total Capital Assets Being Depreciated, Net	8,226,849	(776,986)	7,449,863
Capital Assets, Net	\$ 8,573,070	\$ (158,485)	\$ 8,414,585

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 7 BONDS AND NOTES PAYABLE

The Corporation issues serial bonds and term bonds under various bond resolutions to provide permanent financing for the origination or purchase from participating originating lenders of single-family loans, to provide permanent financing for qualified housing developments, and to provide financing for other purposes.

The Corporation obtains principally first and second mortgage liens on real property financed. The Corporation assigns such liens to the respective bonds when the mortgage loans are permanently financed using bond proceeds. Bonds and notes are secured by related revenues and assets of the respective programs in which the related bonds and notes payable are reported.

The provisions of the applicable trust indentures require or allow for the redemption of bonds by the Corporation through the use of unexpended bond proceeds and excess funds accumulated primarily through the prepayment of mortgage loans. All outstanding bonds are subject to redemption at the option of the Corporation, in whole or in part at any time after certain dates, as specified in the respective bond series indentures.

Principal and interest on substantially all bonds is payable semi-annually. The Corporation is required by the Internal Revenue Service, as well as its various bond resolutions, to comply with certain tax code provisions and bond covenants. The most significant of these include the following: all debt payments must be current, annual reports and budgets must be filed with the trustee, and the Corporation must comply with various restrictions on investment earnings from bond proceeds. The Corporation's management believes it was in compliance with these covenants as of June 30, 2026.

Bonds and notes payable at June 30, are as follows:

	<u>Maturity Date (Due)</u>	<u>Interest Rate Range</u>	<u>2026 Balance</u>	<u>2025 Balance</u>
Federal Home Loan Bank	2026 - 2027	0.000% to 3.890%	\$ 8,675,000	\$ 10,675,000
Federal Financing Bank	2042 - 2066	2.239% - 4.914%	299,735,016	296,269,214
General Obligation Bonds Series 2018: Mandatory Tender Bonds	2032	4.640%	5,000,000	5,000,000
Notes Payable	2027 - 2049	2.750% - 6.250%	13,051,658	13,558,428
Lines of Credit	On Demand	4.156% - 4.230%	<u>75,000,000</u>	<u>62,000,000</u>
Total Operating Fund Bonds and Notes			<u>\$ 401,461,674</u>	<u>\$ 387,502,642</u>

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 7 BONDS AND NOTES PAYABLE (CONTINUED)

Description (Continued)

Single-Family Fund:

Home Ownership Opportunity Bonds:

Series	Type	Maturity Date (Due)	Interest Rate Range	2026 Balance	2025 Balance
10-A	Term	2027	6.500%	\$ 505,000	\$ 745,000
65-T	Serial	2025	3.886%	-	1,845,000
67-A	Term	2041	3.550%	2,530,000	2,530,000
67-B	Term	2026	2.400%	-	975,000
67-C	Serial	2025 - 2027	2.700% - 3.000%	4,405,000	6,720,000
67-C	Term	2030	3.250%	6,120,000	6,120,000
68-B	Term	2046	3.400%	1,135,000	1,135,000
68-C	Serial	2025 - 2026	2.500% - 2.650%	2,680,000	7,860,000
68-C	Term	2031 - 2035	3.150% - 3.400%	43,830,000	43,830,000
69-A	Serial	2025 - 2029	3.000% - 3.500%	7,540,000	9,845,000
69-B	Term	2048	4.000%	5,565,000	8,370,000
70	Serial	2025 - 2031	1.900% - 2.550%	16,385,000	18,930,000
70	Term	2034 - 2049	2.800% - 4.000%	27,465,000	30,540,000
71	Serial	2025 - 2032	1.800% - 2.550%	16,090,000	18,205,000
71	Term	2034 - 2049	2.750% - 3.750%	34,875,000	38,415,000
72-A	Serial	2025 - 2032	1.200% - 2.200%	10,275,000	11,510,000
72-A	Term	2035 - 2050	2.300% - 3.500%	30,500,000	32,815,000
73-A	Serial	2025 - 2032	0.800% - 1.950%	26,910,000	28,815,000
73-A	Term	2035 - 2050	2.100% - 3.000%	76,630,000	81,030,000
73-T	Serial	2025	1.250%	-	1,705,000
74	Serial	2025 - 2033	1.300% - 5.000%	39,720,000	44,810,000
74	Term	2036 - 2049	2.125% - 3.000%	55,340,000	61,230,000
75-A	Serial	2025 - 2033	0.500% - 1.950%	28,810,000	29,035,000
75-A	Term	2036 - 2051	2.050% - 3.000%	88,190,000	95,960,000
75-T	Serial	2025 - 2028	0.900% - 1.550%	10,190,000	14,520,000
76-A	Serial	2026 - 2033	1.800% - 5.000%	32,335,000	32,335,000
76-A	Term	2036 - 2051	2.350% - 3.000%	71,655,000	78,410,000
76-T	Serial	2025 - 2026	1.620% - 1.720%	-	3,690,000
77-A	Serial	2025 - 2034	3.350% - 5.000%	34,215,000	36,795,000
77-A	Term	2037 - 2051	4.000% - 4.250%	49,435,000	52,450,000
77-T	Serial	2025 - 2029	3.450% - 4.000%	10,145,000	13,015,000
78-A	Serial	2030 - 2034	4.000% - 4.550%	11,360,000	11,360,000
78-A	Term	2037 - 2052	4.750% - 5.500%	68,635,000	97,375,000
78-T	Serial	2025 - 2030	5.130% - 5.590%	9,545,000	11,400,000
79-A	Serial	2031 - 2035	3.600% - 4.050%	12,400,000	12,400,000
79-A	Term	2038 - 2053	4.400% - 4.950%	62,930,000	62,930,000
79-T-1	Serial	2025 - 2031	4.984% - 5.373%	12,680,000	14,610,000
79-T-2	Term	2053	Variable	41,120,000	41,120,000
80-A	Serial	2031 - 2035	3.800% - 4.000%	5,570,000	5,570,000
80-A	Term	2038 - 2053	4.150% - 4.650%	69,230,000	69,380,000
80-T-1	Serial	2025 - 2033	5.030% - 5.350%	25,400,000	28,175,000
80-T-1	Term	2038 - 2043	5.400% - 5.549%	53,565,000	53,565,000

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NOTE 7 BONDS AND NOTES PAYABLE (CONTINUED)

Description (Continued)

Single-Family Fund (Continued):

Home Ownership Opportunity Bonds (Continued):

Series	Type	Maturity Date (Due)	Interest Rate Range	2026 Balance	2025 Balance
80-T-2	Term	2053	Variable	\$ 64,710,000	\$ 64,710,000
81-A	Serial	2031 - 2035	4.500% - 4.850%	170,000	4,455,000
81-A	Term	2038 - 2053	5.000% - 6.250%	62,700,000	78,020,000
81-T-1	Serial	2025 - 2026	5.599% - 5.686%	915,000	2,670,000
81-T-1	Term	2043 - 2052	6.481% - 6.500%	29,535,000	31,315,000
81-T-2	Serial	2027 - 2033	5.794% - 6.345%	14,705,000	14,705,000
81-T-2	Term	2038	6.385%	15,325,000	15,325,000
82-A	Serial	2028 - 2036	3.350% - 3.900%	26,335,000	26,335,000
82-A	Term	2039 - 2054	4.050% - 5.000%	98,035,000	98,120,000
82-T-1	Serial	2025 - 2028	4.989% - 5.187%	5,320,000	7,440,000
82-T-2	Term	2054	Variable	26,000,000	26,000,000
83-A	Serial	2031 - 2036	3.800% - 4.100%	5,635,000	5,635,000
83-A	Term	2039 - 2054	4.200% - 5.250%	77,715,000	77,715,000
83-B	Serial	2025 - 2027	3.950% - 4.050%	2,285,000	4,575,000
83-T	Serial	2027 - 2036	4.840% - 5.580%	27,085,000	27,085,000
83-T	Term	2039 - 2054	5.710% - 6.250%	73,375,000	76,445,000
84-A	Serial	2035 - 2036	3.800% - 3.900%	3,415,000	3,415,000
84-A	Term	2039 - 2054	3.950% - 5.000%	76,100,000	76,100,000
84-T	Serial	2025 - 2036	3.972% - 4.923%	29,300,000	31,415,000
84-T	Term	2039 - 2054	4.933% - 6.000%	74,675,000	76,125,000
85-A	Serial	2028 - 2038	3.100% - 4.000%	12,930,000	12,930,000
85-A	Term	2040 - 2055	4.125% - 4.700%	73,010,000	73,010,000
85-B	Serial	2026 - 2027	3.400% - 3.600%	2,710,000	4,605,000
85-B	Term	2028	3.650%	1,955,000	1,955,000
85-T	Serial	2028 - 2035	4.282% - 5.136%	10,840,000	10,840,000
85-T	Term	2032 - 2053	4.770% - 6.250%	55,895,000	57,085,000
86-A	Serial	2028 - 2037	3.100% - 4.550%	16,685,000	-
86-A	Term	2040 - 2055	4.850% - 5.250%	78,885,000	-
86-B	Serial	2026 - 2028	3.450% - 3.650%	3,475,000	-
86-T	Term	2055	6.250%	28,715,000	-
87-A	Serial	2037	3.850% - 3.875%	1,845,000	-
87-A	Term	2040 - 2055	4.150% - 6.250%	93,935,000	-
87-T	Serial	2026 - 2037	3.756% - 5.213%	20,705,000	-
88-A	Serial	2029 - 2038	2.600% - 3.750%	27,790,000	-
88-A	Term	2041 - 2056	4.100% - 5.500%	92,020,000	-
88-B	Serial	2027 - 2029	2.850% - 3.050%	4,835,000	-
Unamortized Bond Premium				32,432,514	30,857,538
Total Single-Family Fund				<u>\$ 2,377,907,514</u>	<u>\$ 2,160,962,538</u>

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NOTE 7 BONDS AND NOTES PAYABLE (CONTINUED)

Description (Continued)

Multi-Family Fund:

Multi-Family Funding Bonds:

Series	Type	Maturity Date (Due)	Interest Rate Range	2026 Balance	2025 Balance
2009 Series A					
Subseries 2009 A-1	Term	2051	3.010%	\$ 5,580,000	\$ 5,580,000
2009 Series A					
Subseries 2009 A-2	Term	2051	2.320%	10,000,000	10,000,000
2010 Series A	Term	2025 - 2035	4.625% - 5.250%	875,000	980,000
2011 Series A	Term	2026 - 2032	4.125% - 4.625%	1,545,000	1,770,000
Subtotal				<u>18,000,000</u>	<u>18,330,000</u>

Multi-Family Development Bonds:

2013 Series 2	Term	2027 - 2048	3.250% - 4.125%	24,260,000	24,920,000
2014 Series 3-B	Serial	2025	2.950%	-	135,000
2014 Series 3-B	Term	2029 - 2049	3.400% - 4.125%	12,310,000	12,455,000
2016 Series 1-B	Serial	2025 - 2026	2.500% - 2.650%	105,000	305,000
2016 Series 1-B	Term	2031 - 2056	3.150% - 4.100%	10,560,000	15,350,000
2016 Series 1-C	Serial	2025 - 2026	2.850% - 3.000%	115,000	345,000
2016 Series 1-C	Term	2031 - 2041	3.500% - 4.100%	3,425,000	6,195,000
2017 Series 1-B	Term	2052	4.200%	1,425,000	1,455,000
2017 Series 4-B	Serial	2025 - 2028	2.600% - 3.050%	920,000	1,255,000
2017 Series 4-B	Term	2032 - 2037	3.350% - 3.800%	31,620,000	31,620,000
2019 Series 1-B	Serial	2025 - 2031	1.800% - 2.400%	2,185,000	2,520,000
2019 Series 1-B	Term	2034 - 2059	2.750% - 3.400%	32,555,000	32,555,000
2019 Series 2-T	Serial	2025 - 2031	2.400% - 2.950%	1,285,000	1,415,000
2019 Series 2-T	Term	2039 - 2051	3.300% - 3.500%	9,570,000	9,570,000
2020 Series 1-T	Term	2025 - 2038	1.496% - 2.993%	41,210,000	41,800,000
2021 Series 1-B	Serial	2025 - 2032	0.600% - 1.850%	960,000	1,080,000
2021 Series 1-B	Term	2035 - 2040	2.000% - 2.150%	9,520,000	9,520,000
2021 Series 2-T	Serial	2025 - 2032	1.179% - 2.390%	11,240,000	13,240,000
2021 Series 2-T	Term	2035 - 2040	2.540% - 3.032%	28,745,000	28,745,000
2022 Series 1-B	Serial	2025 - 2034	2.750% - 4.250%	4,740,000	5,210,000
2022 Series 1-B	Term	2037 - 2042	4.350% - 4.500%	6,380,000	6,380,000
2023 Series 1-AB	Term	2053	4.000%	-	7,500,000
2023 Series 1-B	Serial	2028 - 2063	3.500% - 5.050%	4,175,000	4,200,000
2024 Series 1-A	Term	2054	3.600%	60,720,000	60,720,000
2024 Series 1-B	Term	2027	3.350%	8,700,000	8,700,000
2024 Series 1-C	Serial	2026 - 2036	3.150% - 3.950%	1,610,000	1,610,000
2024 Series 1-C	Term	2044 - 2066	4.550% - 4.800%	16,825,000	16,825,000
2025 Series 1-A	Term	2055	3.350%	10,200,000	10,200,000
2025 Series 1-B	Term	2028	3.300%	10,840,000	10,840,000
2025 Series 1-C	Serial	2026 - 2037	3.000% - 4.100%	2,665,000	2,665,000
2025 Series 1-C	Term	2040 - 2045	4.250% - 4.700%	2,800,000	2,800,000
2025 Series 2-A	Term	2055	3.200%	18,120,000	-
2025 Series 2-B	Serial	2027 - 2037	2.800% - 3.850%	1,560,000	-
2025 Series 2-B	Term	2040 - 2065	4.150% - 5.000%	9,920,000	-

Unamortized Bond Discount

Subtotal

Total Multi-Family Fund

Total Bonds & Notes Payable

	(19,953)	(21,667)
	<u>381,245,047</u>	<u>372,108,333</u>
	<u>399,245,047</u>	<u>390,438,333</u>
	<u>\$ 3,178,614,235</u>	<u>\$ 2,938,903,513</u>

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
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NOTE 7 BONDS AND NOTES PAYABLE (CONTINUED)

The Operating Fund's lines of credit were established with financial institutions primarily to make funds available for the origination, or purchase from participating originating lenders, of single-family loans prior to the receipt of the respective bond proceeds. At June 30, 2026, the Corporation may borrow up to a maximum of \$135,000,000 under various revolving loan agreements expiring between August 2026 and January 2027. Borrowings under the lines of credit are payable on demand and are unsecured. One line of credit has a variable interest rate. As of June 30, 2026, the borrowings were \$30,000,000, and the rate was 4.230%. The remaining line of credit agreements have fixed rates which range from 4.156% to 4.177%. Outstanding borrowings under these agreements totaled \$45,000,000 at June 30, 2026.

Homeownership Opportunity Bonds Series 79-T2, 80-T2, and 82-T2 bear interest at taxable rates established weekly. As of June 30, 2026, the rate was from 3.720% to 3.730%.

The schedule below includes amounts required for debt service sinking funds for each fiscal year relating to the respective bonds and notes as of June 30, 2026, (dollars in thousands):

Fiscal Year	Operating Fund Bonds/Notes		Single-Family Fund Bonds		Multi-Family Fund Bonds/Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2027	\$ 87,589	\$ 13,175	\$ 62,450	\$ 100,574	\$ 6,340	\$ -
2028	4,113	11,342	64,810	98,343	28,185	13,588
2029	4,321	11,192	67,390	95,958	8,930	12,692
2030	4,541	11,034	66,320	93,662	8,970	12,426
2031	9,772	10,867	68,400	91,474	8,925	12,150
2032-2036	27,705	50,360	342,715	89,238	47,385	11,866
2037-2041	34,511	44,762	403,640	77,072	141,155	10,276
2042-2046	45,062	37,271	422,020	61,079	45,310	5,598
2047-2051	50,843	29,161	485,020	42,368	43,590	3,932
2052-2056	65,017	19,207	357,385	18,816	35,550	2,365
2057-2061	51,394	8,128	5,325	253	17,050	1,064
2062-2066	16,594	790	-	-	7,875	386
Total	<u>\$ 401,462</u>	<u>\$ 247,289</u>	<u>\$ 2,345,475</u>	<u>\$ 768,837</u>	<u>\$ 399,265</u>	<u>\$ 86,343</u>

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JUNE 30, 2026 AND 2025

NOTE 7 BONDS AND NOTES PAYABLE (CONTINUED)

Debt service requirements on direct borrowings and placements on June 30, 2026, are as follows (dollars in thousands):

Fiscal Year	Business Type Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2027	\$ -	\$ 232	\$ 84,223	\$ 2,325
2028	-	232	576	607
2029	-	232	604	579
2030	-	232	633	550
2031	5,000	97	664	655
2032-2036	-	-	3,770	2,077
2037-2041	-	-	3,737	1,115
2042-2046	-	-	2,230	258
2047-2051	-	-	290	20
Total	<u>\$ 5,000</u>	<u>\$ 1,025</u>	<u>\$ 96,727</u>	<u>\$ 8,186</u>

Bonds and notes payable activity for the year ended June 30, 2026, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Bonds and Notes Payable:				
General Obligation Bonds	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
Unsecured Notes	62,000,000	383,000,000	(370,000,000)	75,000,000
Secured Notes	320,502,642	10,655,000	(9,695,968)	321,461,674
Revenue Bonds	2,551,400,871	409,766,309	(184,014,619)	2,777,152,561
Total	<u>\$ 2,938,903,513</u>	<u>\$ 803,421,309</u>	<u>\$ (563,710,587)</u>	<u>\$ 3,178,614,235</u>

Bonds and notes payable activity for the year ended June 30, 2025, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Bonds and Notes Payable:				
General Obligations Bonds	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
Unsecured Notes	62,000,000	383,000,000	(370,000,000)	75,000,000
Secured Notes	320,502,642	10,655,000	(9,695,968)	321,461,674
Revenue Bonds *	2,551,400,871	409,766,309	(184,014,619)	2,777,152,561
Totals	<u>\$ 2,938,903,513</u>	<u>\$ 803,421,309</u>	<u>\$ (563,710,587)</u>	<u>\$ 3,178,614,235</u>

*Additions include Premium or discount associated with Revenue Bonds Issued and the ending balance is inclusive of the unamortized premium/discount

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
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NOTE 7 BONDS AND NOTES PAYABLE (CONTINUED)

Changes in direct borrowings and placements for the year ended June 30, 2026, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business Type Activities:					
General Obligation Bonds	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000	\$ -
Notes from Direct Borrowings and Direct Placements	86,233,428	387,000,000	(376,506,770)	96,726,658	\$ 84,224,256
Total	<u>\$ 91,233,428</u>	<u>\$ 387,000,000</u>	<u>\$ (376,506,770)</u>	<u>\$ 101,726,658</u>	<u>\$ 84,224,256</u>

Changes in direct borrowings and placements for the year ended June 30, 2025, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business Type Activities:					
General Obligation Bonds	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000	\$ -
Notes from Direct Borrowings and Direct Placements	84,709,568	329,000,000	(327,476,140)	86,233,428	\$ 66,024,471
Total	<u>\$ 89,709,568</u>	<u>\$ 329,000,000</u>	<u>\$ (327,476,140)</u>	<u>\$ 91,233,428</u>	<u>\$ 66,024,471</u>

The agreements related to the notes from direct borrowings and direct placements of \$96,726,658 include certain provisions and results in the event of default. For the various lines of credit, which total \$75,000,000, the interest rate could increase up to a maximum of 5% over the current rate and the outstanding lines may become due immediately at the discretion of the respective lenders. For the notes payable, which total \$13,051,658, the principal and related interest would become due immediately.

NOTE 8 CONDUIT DEBT

To further economic development in the State, the Corporation issues bonds that provide financing for the acquisition, construction, and rehabilitation of multifamily housing for low-income renters. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the developers on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the developers, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the Corporation for any of those bonds. At June 30, 2026, and June 30, 2025, the bonds have an aggregate outstanding principal amount payable of \$196,304,309 and \$188,800,526, respectively.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 9 COMMITMENTS AND CONTINGENCIES

The Corporation is party to financial instruments with off-balance-sheet risk in connection with its commitments to provide financing. Such commitments expose the Corporation to credit risk in excess of the amounts recognized in the accompanying combining statements of net position. The Corporation's exposure to credit loss in the event of nonperformance by the borrowers is represented by the contractual amount of such instruments. The Corporation uses the same credit policies in making commitments as it does for on-balance-sheet instruments.

Total credit exposure as a result of loan commitments at June 30, 2026, is as follows:

Single-Family Fund	\$ -
Operating Fund	176,998,025
Multi-Family	-
Trust	2,899,282
Total	<u>\$ 179,897,307</u>

Commitments to extend credit are agreements to lend to a borrower as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses. The Corporation evaluates each borrower's creditworthiness on a case-by-case basis. Interest rates on approved loan commitments are principally fixed rates.

The Corporation has entered into contracts with multiple developments under the Neighborhood Opportunities Program to fund projects over the next several years for a total of \$6,934,974, subject to the availability of funds. As of June 30, 2026, \$6,593,126 has been paid under these contracts.

The Corporation is party to certain claims and lawsuits which are being contested, certain of which the Corporation and respective legal counsel are unable to determine the likelihood of an unfavorable outcome or the amount or range of potential loss. In the opinion of management, the ultimate liability with respect to these actions and claims will not have a material adverse effect on either the financial position or the results of operations of the Corporation.

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God for which the Corporation carries commercial insurance. Neither the Corporation nor its insurers have settled any claims which exceeded the Corporation's insurance coverage in any of the last three fiscal years. There have been no significant reductions in any insurance coverage from amounts in the prior year. The Corporation also is self-insured for unemployment compensation, and no accrual has been recorded in the accompanying financial statements for claims expected to arise from services rendered on or before June 30, 2026, because the Corporation officials are of the opinion that, based on prior experience, such claims will not be material.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 10 DERIVATIVE INSTRUMENTS

In July 2013, the Corporation converted its loan funding platform from a mortgage revenue bond program to a program primarily financed through the sale of whole loans and mortgage-backed securities guaranteed by FNMA, Freddie Mac and GNMA as to timely payment of principal and interest. The securities represent pools of qualified first mortgage loans originated by the Corporation approved lenders. Under this program, the Corporation periodically enters into forward contracts to sell the securities to investors before the securities are ready for delivery (referred to as a To-Be-Announced or TBA Mortgage-Backed Security Contract). The Corporation enters into TBA Mortgage-Backed Security Contracts to hedge the interest rate risk for loan commitments made to originating mortgage lenders. TBA Mortgage-Backed Security Contracts are derivative instruments due to one or more of the following factors that are not designated at the time the Corporation and the investor enter into the transaction: settlement factors; the reference rates or interest rates the security will bear; and notional amounts in the form of the principal amount of the future Mortgage-Backed Securities. In addition, payment to the Corporation by the investor is not required until the investor receives the security, enabling the investor to take a position on interest rates without making a payment. Finally, the TBA Mortgage-Backed Security Contracts may be "net settled" because neither party is required to deliver or purchase an asset to settle the TBA Mortgage-Backed Securities Contract.

At June 30, 2026, TBA Mortgage-Backed Securities Contracts with a total notional amount of \$40,470,570 and fair market values totaling \$41,069,149 were outstanding, resulting in a hedging instrument of \$598,579. These contracts are valued using quoted market prices (Level 1 inputs) and the fair values of such contracts are included in the combining statements of net position as deferred outflows of resources.

At June 30, 2025, the Corporation entered into commitments to sell loans to FNMA with a total notional amount of \$31,885,000 and fair market values totaling \$32,746,658 resulting in a hedging instrument of \$861,658. These contracts are valued using quoted market prices (Level 1 inputs) and the fair values of such contracts are also included in the combining statements of net position as deferred outflows of resources.

The Corporation may utilize swaps to establish synthetic fixed rates for a portion of its variable rate bond obligations in order to reduce overall costs of borrowing and to protect against the potential of rising interest rates. The Corporations existing interest rate swap transaction is structured for the Corporation to pay a fixed interest rate while receiving a variable interest rate from the swap counterparty which is comparable to the rate required by the associated variable rate debt. This synthetic fixed rate was lower than that available to the Corporation from fixed rate obligations of comparable maturities. The proceeds of these transactions are generally utilized to make fixed rate mortgage loans. As the objective of the swap entered into was to hedge changes in cash flows for each bond series, they are classified as cash flow hedges.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 10 DERIVATIVE INSTRUMENTS (CONTINUED)

At June 30, 2026, the Corporation was party to three interest rate swap agreements and eight forward-settling interest rate swap agreements with three counterparties. The swap details at June 30, 2026 are as follows:

Associated Bond Issue	Counter-Party	Variable Rate Bonds Outstanding	Swap Notional Amount	Swap Effective Date	Swap Termination Date	Fixed Rate Paid	Variable Rate Received	Hedging Derivative Value
Cash Flow Hedges:								
HOB Series 79 T-2	BNY	\$ 30,485,000	\$ 30,485,000	3/8/2023	10/1/2032	4.0245%	SOFR +10bp	\$ (33,277)
HOB Series 80 T-2	BANA	54,620,000	54,620,000	8/24/2023	10/1/2036	3.7780%	SOFR +10bp	450,479
HOB Series 82 T-2	RBC	23,435,000	23,435,000	3/21/2024	4/1/2033	4.1510%	SOFR +10bp	(119,154)
FFB - Central Street	BNY	-	1,930,000	5/3/2027	4/1/2046	4.0910%	SOFR	44,470
FFB - Rosebrook Commons	BNY	-	2,310,000	10/1/2027	3/1/2046	3.7420%	SOFR	149,959
FFB - Parcel 9 II	BNY	-	2,330,000	6/1/2027	9/1/2053	3.7950%	SOFR	160,716
FFB - The Village at Marville	BNY	-	2,630,000	12/1/2027	5/1/2054	3.8460%	SOFR	157,394
FFB - 321 Knight Street	BANA	-	720,000	2/1/2028	10/1/2054	4.1880%	SOFR	6,064
FFB - Omni Newark	BNY	-	1,150,000	11/1/2028	7/1/2047	4.1955%	SOFR	14,775
FFB - Center City	BNY	-	3,070,000	6/30/2028	9/1/2054	4.1755%	SOFR	35,162
FFB - Penny Lane	BNY	-	1,170,000	6/30/2028	12/1/2054	4.3140%	SOFR	(10,578)
		<u>\$ 108,540,000</u>	<u>\$ 123,850,000</u>					<u>\$ 856,010</u>

The counterparty ratings are as follows:

Agency	Counterparty Rating		
	BNY	BANA	RBC
Moody's	Aa2 Stable	Aa2 Stable	Aa1 Stable
S&P	AA- Stable	A+ Stable	AA- Stable
Fitch	AA+ Stable	AA Stable	AA- Stable

During fiscal year 2026, the Corporation terminated one of its interest rate swap agreements associated with its FFB West House bond in accordance with the contract's termination provisions. Upon termination, the Corporation received a cash payment of \$201,000, which represented the fair value of the swap on the termination date.

The termination resulted in the cessation of hedge accounting for the swap. The cash received was reported as a deferred inflow of resources related to hedging instruments and will be amortized on a straight-line basis over the average life of the related debt as a reduction of interest expense.

NOTE 11 EMPLOYEE BENEFITS

Employee Benefit Plan

The Corporation has adopted an employee retirement plan created in accordance with Internal Revenue Code Section 401(a). The Corporation's 401(a) Money-Purchase Pension Plan (the Plan) is a defined contribution plan, administered by Voya Financial. Regular full-time employees who meet certain requirements as to length of service are eligible. The Corporation contributes a set percentage of an employee's annual eligible compensation to the Plan. The contribution requirements and benefit provisions are established and may be amended by management of the Corporation along with the Board of Commissioners. Contributions to the Plan for the years ended June 30, 2026 and 2025, totaled \$1,831,892 and \$2,040,506, respectively. The assets of the Plan were placed under a separate trust agreement for the benefit of the applicable employees, and therefore are neither an asset nor a liability of the Corporation.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 11 EMPLOYEE BENEFITS (CONTINUED)

Postemployment Healthcare Plan (Continued)

The Rhode Island Housing Retiree Healthcare Plan (RIHRHP) is a single-employer, defined benefit healthcare plan administered by the Corporation. RIHRHP provides medical insurance benefits to eligible employees who retire from active full-time employment based on years of service and age.

RIHRHP currently pays for postemployment health care benefits on a pay-as-you-go basis. As of June 30, 2026 and 2025, RIHRHP has not established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. Administration costs are financed from current operations. RIHRHP does not issue a stand-alone financial report.

Employees become eligible at 28 years of service or at age 59½ with 10 years of service. RIHRHP pays a percentage of the cost of insurance, ranging from 50% to 100%, based on a combination of years of service and age. The benefit provisions are established and may be amended by management of the Corporation along with the Board of Commissioners.

Membership in the Plan consisted of the following at June 30, 2025, the date of the last actuarial valuation, which was used to calculate the total OPEB liability at the measurement date as of June 30, 2026 and 2025:

Inactive Plan Members or Beneficiaries Currently	
Receiving Benefits	36
Inactive Plan Members Entitled to But Not Yet	
Receiving Benefits	-
Active Plan Members	241
Total Plan Members	<u>277</u>

Total OPEB Liability

RI Housing's total OPEB liability as of June 30, 2026 of \$8,305,132 is based on an actuarial valuation performed as of June 30, 2025.

RI Housing's total OPEB liability as of June 30, 2025 of \$8,784,843 is based on an actuarial valuation performed as of June 30, 2023.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 11 EMPLOYEE BENEFITS (CONTINUED)

Actuarial Assumptions and Methods

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2025
Measurement Date	June 30, 2025
Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	5.20% as of June 30, 2025
Inflation	2.25%
Salary Increases	3.50% to 7.50%
Demographic Assumptions	Due to the size of the plan, the demographic assumptions are not based on formal experience studies. However, gains and losses are monitored during each valuation and adjustments are made to the demographics assumptions as needed.
Mortality	For healthy retirees, the gender-distinct PubG-2010 Healthy Retiree mortality tables were used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the Scale MP-2014 tables to account for future mortality improvements.
Health Care Trend Rates	Pre-65: Initial rate of 7.75% declining to an ultimate rate of 4.25% after 14 years; Post-65: Initial rate of 5.65% declining to an ultimate rate of 4.25% after 12 years.
Participation Rates	70% for retirees with 10 to 15 years of service at retirement. 85% for retirees with 16 to 27 years of service at retirement. 100% for retirees with 28 years of more of service at retirement.
Other Information: Notes	The discount rate changed from 3.93% as of June 30, 2024 to 5.20% as of June 30, 2025. Additionally, the healthcare trend rates were updated to reflect the plan's anticipated experience.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 11 EMPLOYEE BENEFITS (CONTINUED)

Schedule of Changes in Total OPEB Liability and Related Ratios Fiscal Years Ended June 30, 2026 and 2025

	2026	2025
Total OPEB Liability:		
Service Cost	\$ 621,612	\$ 544,466
Interest on the Total OPEB Liability	355,493	322,148
Difference between Expected and Actual Experience	137,218	42,273
Changes of Assumptions	(1,493,994)	(107,631)
Benefit Payments	(100,040)	(179,982)
Net Change in Total OPEB Liability	(479,711)	621,274
Total OPEB Liability - Beginning	8,784,843	8,163,569
Total OPEB Liability - Ending	<u>\$ 8,305,132</u>	<u>\$ 8,784,843</u>
Covered-Employee Payroll	\$19,018,980	\$18,331,750
Total OPEB Liability as a Percentage of Covered Payroll	43.67%	47.92%

Sensitivity of Total OPEB Liability to the Discount Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the Plan's total OPEB liability, calculated using a discount rate of 5.20% and 3.93% as of June 30, 2026 and 2025 respectively, as well as the Plan's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	June 30, 2026		
	1% Decrease 4.20%	Current Discount Rate Assumption 5.20%	1% Increase 6.20%
Total OPEB Liability	\$ 9,849,133	\$ 8,305,132	\$ 7,075,852
	June 30, 2025		
	1% Decrease 2.93%	Current Discount Rate Assumption 3.93%	1% Increase 4.93%
Total OPEB Liability	\$ 10,506,810	\$ 8,784,843	\$ 7,424,853

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 11 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the Plan's total OPEB liability, calculated using the assumed trend rates as well as what the Plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher.

June 30, 2026			
Current Healthcare Cost Trend Rate Assumption			
	1% Decrease		1% Increase
Total OPEB Liability	\$ 6,928,283	\$ 8,305,132	\$ 10,107,134

June 30, 2025			
Current Healthcare Cost Trend Rate Assumption			
	1% Decrease		1% Increase
Total OPEB Liability	\$ 7,177,134	\$ 8,784,843	\$ 10,931,596

Deferred Outflows and Deferred Inflows Related to OPEB

For the fiscal years ended June 30, 2026 and 2025, RIHRHP recognized OPEB expense of \$510,551 and \$540,484, respectively. RIHRHP reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

			June 30, 2026
			Deferred Outflows of Resources
			Deferred Inflows of Resources
Differences between Expected and Actual Experience		\$ 161,266	\$ 1,291,199
Changes in Assumptions		1,393,080	3,375,583
Contributions Subsequent to the Measurement Date		131,195	-
Total		<u>\$ 1,685,541</u>	<u>\$ 4,666,782</u>

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 11 EMPLOYEE BENEFITS (CONTINUED)

Deferred Outflows and Deferred Inflows Related to OPEB (Continued)

	June 30, 2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 44,097	\$ 1,555,003
Changes in Assumptions	1,736,692	2,448,000
Contributions Subsequent to the Measurement Date	100,040	-
Total	<u>\$ 1,880,829</u>	<u>\$ 4,003,003</u>

Amounts reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent year.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Deferred Outflows and Deferred Inflows to be Recognized in Future OPEB Expense

<u>Year Ending June 30</u>	Net Deferred Outflows/ (Inflows)
2027	\$ (466,554)
2028	(466,554)
2029	(414,497)
2030	(470,488)
2031	(527,667)
Thereafter	(766,676)
Total	<u>\$ (3,112,436)</u>

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 12 SUBSEQUENT EVENTS

The Corporation has instructed its trustee to redeem the following bonds outstanding:

<u>Date of Call</u>	<u>Principal Program</u>	<u>Outstanding</u>
July 6, 2026	Multi-Family Development Bonds	\$ 18,700,000
August 25, 2026	Multi-Family Development Bonds	8,700,000
September 1, 2026	Homeownership Opportunity Bonds	29,410,000

The Corporation issued debt as outlined below:

<u>Date of Issuance</u>	<u>Principal Program</u>	<u>Outstanding</u>
July 29, 2026	Homeownership Opportunity Bonds	\$ 148,375,000

Various economic and political factors have created significant pockets of volatility in investment markets. As a result, the current fair value of the Corporation's investments may be materially different from amounts recorded in recent quarters' financial statements. Any changes, however, do not impact the Corporation's liquidity as it typically holds mortgage-backed securities until maturity.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2026 AND 2025

Fiscal Year Ending June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability									
Service Cost	\$ 621,612	\$ 544,466	\$ 555,238	\$ 766,045	\$ 677,977	\$ 522,439	\$ 544,653	\$ 537,100	\$ 619,903
Interest on the Total OPEB Liability	355,493	322,148	302,669	203,380	239,317	248,792	258,543	233,195	193,253
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	137,218	42,273	(674,102)	(875)	(966,770)	9,438	(1,010,025)	4,859	-
Changes of Assumptions	(1,493,994)	(107,631)	139,914	(3,088,485)	989,257	1,115,337	1,167,026	(72,478)	(754,007)
Benefit Payments	(100,040)	(179,982)	(169,910)	(159,937)	(158,423)	(150,259)	(134,837)	(94,763)	(76,424)
Net Change in Total OPEB Liability	(479,711)	621,274	153,809	(2,279,872)	781,358	1,745,747	825,360	607,913	(17,275)
Total OPEB Liability - Beginning	8,784,843	8,163,569	8,009,760	10,289,632	9,508,274	7,762,527	6,937,167	6,329,254	6,346,529
Total OPEB Liability - Ending	<u>\$ 8,305,132</u>	<u>\$ 8,784,843</u>	<u>\$ 8,163,569</u>	<u>\$ 8,009,760</u>	<u>\$10,289,632</u>	<u>\$ 9,508,274</u>	<u>\$ 7,762,527</u>	<u>\$ 6,937,167</u>	<u>\$ 6,329,254</u>
Covered-Employee Payroll	\$19,018,980	\$ 18,331,750	\$17,984,979	\$18,034,032	\$15,985,909	\$16,179,697	\$16,567,803	\$16,562,167	\$13,634,804
Total OPEB Liability as a Percentage of Covered-Employee Payroll	43.67%	47.92%	45.39%	44.41%	64.37%	58.77%	46.85%	41.89%	46.42%

* This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF NET POSITION – MULTI-FAMILY FUND
JUNE 30, 2026 AND 2025

	Multi-Family Funding Bonds		Multi-Family Development Bonds		Multi-Family Fund Total	
	2026	2025	2026	2025	2026	2025
ASSETS						
Loans Receivable	\$ 21,139,913	\$ 21,537,511	\$ 409,282,014	\$ 404,682,473	\$ 430,421,927	\$ 426,219,984
Investments	-	-	10,837,000	19,974,175	10,837,000	19,974,175
Accrued Interest-Loans	172,056	149,437	2,197,243	2,250,877	2,369,299	2,400,314
Accrued Interest-Investments	-	-	-	161,628	-	161,628
Cash and Cash Equivalents	6,099,853	5,999,501	86,426,812	56,177,050	92,526,665	62,176,551
Total Assets	<u>\$ 27,411,822</u>	<u>\$ 27,686,449</u>	<u>\$ 508,743,069</u>	<u>\$ 483,246,203</u>	<u>\$ 536,154,891</u>	<u>\$ 510,932,652</u>
LIABILITIES						
Bonds and Notes Payable	\$ 18,000,000	\$ 18,330,000	\$ 381,245,047	\$ 372,108,333	399,245,047	390,438,333
Accrued Interest Payable on Bonds and Notes	128,836	132,417	3,351,573	3,215,719	3,480,409	3,348,136
Accounts Payable and Accrued Liabilities	-	-	63,640	74,777	63,640	74,777
Fees, Net	-	-	1,954,946	1,972,152	1,954,946	1,972,152
Escrow Deposits	-	-	19,974,175	9,137,176	19,974,175	9,137,176
Total Liabilities	<u>18,128,836</u>	<u>18,462,417</u>	<u>406,589,381</u>	<u>386,508,157</u>	<u>424,718,217</u>	<u>404,970,574</u>
NET POSITION						
Net Position, Restricted	<u>9,282,986</u>	<u>9,224,032</u>	<u>102,153,688</u>	<u>96,738,046</u>	<u>111,436,674</u>	<u>105,962,078</u>
Total Liabilities and Net Position	<u>\$ 27,411,822</u>	<u>\$ 27,686,449</u>	<u>\$ 508,743,069</u>	<u>\$ 483,246,203</u>	<u>\$ 536,154,891</u>	<u>\$ 510,932,652</u>

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
MULTI-FAMILY FUND
YEARS ENDED JUNE 30, 2026 AND 2025

	Multi-Family Funding Bonds		Multi-Family Development Bonds		Multi-Family Total	
	2026	2025	2026	2025	2026	2025
OPERATING REVENUES						
Interest Income on Loans	\$ 1,454,411	\$ 1,455,362	\$ 21,641,512	\$ 19,567,185	\$ 23,095,923	\$ 21,022,547
OPERATING EXPENSES						
Loan Costs	69,226	95,289	502,998	529,628	572,224	624,917
Operating Income (Loss)	1,385,185	1,360,073	21,138,514	19,037,557	22,523,699	20,397,630
NON CAPITAL SUBSIDIES						
Transfers In (Out)	(1,030,774)	(1,104,711)	(3,647,002)	(4,270,372)	(4,677,776)	(5,375,083)
Operating Income (Loss) and Noncapital Subsidies	354,411	255,362	17,491,512	14,767,185	17,845,923	15,022,547
OTHER NONOPERATING REVENUES (EXPENSES)						
Earnings on Other Investments	227,086	273,156	1,924,587	3,807,238	2,151,673	4,080,394
Interest Expense	(522,542)	(536,308)	(13,125,260)	(12,280,448)	(13,647,802)	(12,816,756)
Bond Issuance Costs	-	-	(875,198)	(703,642)	(875,198)	(703,642)
Total Other Nonoperating Revenues (Expenses)	(295,456)	(263,152)	(12,075,871)	(9,176,852)	(12,371,327)	(9,440,004)
CHANGE IN NET POSITION	58,955	(7,790)	5,415,641	5,590,333	5,474,596	5,582,543
Net Position - Beginning of Year	9,224,031	9,231,822	96,738,047	91,147,713	105,962,078	100,379,535
NET POSITION - END OF YEAR	\$ 9,282,986	\$ 9,224,032	\$ 102,153,688	\$ 96,738,046	\$ 111,436,674	\$ 105,962,078



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CERTAIN DEFINITIONS

“*Account*” means one of the special accounts created and established pursuant to the Resolution.

“*Accountant*” means such reputable and experienced independent certified public accountant or firm of independent certified public accountants as may be selected by RIHousing and may be the accountant or firm of accountants who regularly audits the books and accounts of RIHousing.

“*Act*” means Chapter 55 of Title 42 of the General Laws of Rhode Island 1956 (2006 Reenactment), as amended.

“*Aggregate Debt Service*” means, with respect to any particular Fiscal Year and as of any particular date of computation, the sum of the individual amounts of Debt Service for such Fiscal Year with respect to all Series.

“*Appreciation Bond*” means any Bond whose Issuance Amount is less than 97.5% of the Maturity Amount.

“*Authorized Officer*” means the Chairman, Executive Director, Deputy Director—Finance, Controller, Treasurer and Portfolio Manager of RIHousing and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of RIHousing then authorized to perform such act or discharge such duty.

“*Bond*” means one of the Bonds to be authenticated and delivered pursuant to the Resolution, including any additional or Refunding Bonds to be issued pursuant to the Resolution.

“*Bond Counsel’s Opinion*” means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by RIHousing and satisfactory to the Trustee.

“*Bond Proceeds Account*” means the Bond Proceeds Account established pursuant to the Resolution.

“*Bondholder*” or “*holder*” or words of similar import, when used with reference to a Bond, means any person who shall be the registered owner of any Outstanding Bond.

“*Cash Equivalent*” means a Letter of Credit, Insurance Policy, Surety, Guarantee or other Security Arrangement (as defined and provided for in a Supplemental Resolution authorizing the issuance of Bonds), or which is provided by an institution whose unsecured debt securities are assigned to a rating category which does not have an adverse impact on the rating category to which the Bonds are assigned by a nationally recognized rating agency at the time of the issuance of such Letter of Credit, Insurance Policy, Surety, Guarantee or other Security Arrangement (or the highest rating of short-term obligations if the Cash Equivalent is a short-term instrument).

“*Certificate*” means (a) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to the Resolution or (b) the report of an Accountant as to audit or other procedures called for by the Resolution.

“Compounded Amount” means as of any particular date of calculation with reference to any Appreciation Bond, either (a) the applicable Compounded Amount for such date established by RIHousing in a written schedule of specific Compounded Amounts delivered to the Trustee upon delivery of such Bond pursuant to the Resolution or (b) in the event such schedule is not delivered, the Issuance Amount, plus the amount which would have been produced as of such calculation date if the Issuance Amount had been invested at the Internal Rate of Return for such Bond on the date of delivery of such Bond pursuant to the Resolution. Any determination of Compounded Amount shall assume straight line amortization during interim periods and be otherwise made in accordance with standard securities calculation methods.

“Costs of Issuance” means all items of expense, directly or indirectly payable or reimbursable by or to RIHousing and related to the authorization, sale or issuance of Bonds, 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, 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, costs and expenses of refunding, premiums for the insurance of the payment of Bonds, initial fees for letters of credit and any other costs, charges or fees in connection with the original issuance of Bonds.

“Debt Service” means, with respect to payments to be made during any particular Fiscal Year and, where appropriate, to the Bonds of any particular Series, an amount equal to the sum of (a) all interest payable on such Bonds during such Fiscal Year, plus (b) any Principal Installments of such Bonds during such Fiscal Year.

“Debt Service Reserve Account” means the Debt Service Reserve Account established pursuant to the Resolution.

“Debt Service Reserve Account Requirement” means an amount equal to the aggregate amounts for each Series established in the Supplemental Resolution authorizing such Series of Bonds. In evaluating compliance with the Debt Service Reserve Fund Requirement, there shall be taken into account any amount provided in a Supplemental Resolution to be deposited in the Debt Service Reserve Account from amounts on deposit in the Bond Proceeds Account.

“Depository” means any bank or trust company or national banking association selected by RIHousing or the Trustee (with the consent of RIHousing) as a depository of moneys or securities held under the provisions of this Resolution and may include the Trustee or any Paying Agent.

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

“Event of Default” means any of the events specified in the Resolution.

“FHA” means the Federal Housing Administration within the United States Department of Housing and Urban Development.

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

“*Final Compounding Date*” means either the maturity date of an Appreciation Bond or such earlier Interest Payment Date, if any, as may be specified in an Appreciation Bond upon which the Compounded Amount shall be equal to the amount payable on such Bond at maturity, exclusive of interest on such Bond which is payable on a periodic basis.

“*Fiscal Year*” means a twelve-month period commencing on the first day of July of any year.

“*HUD*” means the United States Department of Housing and Urban Development.

“*Interest Payment Date*” means, with respect to a Series of Bonds, each date on which interest, if any, is payable pursuant to the Supplemental Resolution authorizing such Bonds.

“*Internal Rate of Return*,” when used with respect to an Appreciation Bond, means the yield which, when applied to Issuance Amount as of the date of delivery of a Bond pursuant to the Resolution and compounded on each Interest Payment Date therefor, results in an amount, as of the Final Compounding Date, equal to the amount payable on such Bond at maturity exclusive of interest, if any, on each Interest Payment Date therefor on such Bond which is payable on the Interest Payment Dates therefor.

“*Investment Securities*” means and includes any of the following obligations, to the extent the same are at the time legal for investment of funds of RIHousing under the Act, including the amendments thereto hereafter made, or under other applicable law:

- (a) direct obligations of or obligations guaranteed by the United States of America;
- (b) [intentionally omitted];
- (c) any bond, debenture, note, participation certificate or other similar obligation issued by a federal agency and backed by the full faith and credit of the United States of America;
- (d) Public Housing Bonds 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 issued by public agencies or municipalities, in each case, fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;
- (e) direct and general obligations of or obligations guaranteed by the State, to the payment of the principal of and interest on which the full faith and credit of the State is pledged provided that such obligations are rated at least A1/P1;
- (f) deposits in interest-bearing time or demand deposits, certificates of deposit, repurchase agreements or similar banking arrangements made, acquired or entered into in accordance with the section of the Resolution regarding deposits, and, if longer than 90 days, rated at least A1/P1;
- (g) money market funds which invest in Government Obligations or federal agency securities and which funds have been rated in either of the two highest rating categories by the Rating Agency; and
- (h) any investments authorized in a Supplemental Resolution.

Provided that, it is expressly understood that the definition of Investment Securities shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to this Resolution by a Supplemental Resolution, thus permitting investments with different characteristics from those permitted which RIHousing deems from time to time to be in the interests of RIHousing to include as Investment Securities 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 or ratings assigned to them by any nationally recognized rating agency which maintains a rating on the Bonds.

“Issuance Amount” means the price, exclusive of accrued interest (if any) which is payable within the next twelve months, at which a Bond was offered for sale to the public (or the price of such Bond to the initial Purchaser if not publicly sold) at the time of issuance thereof by RIHousing pursuant to the Resolution, which shall be set forth or provided for in a Supplemental Resolution, irrespective of underwriter’s compensation, commissions, placement agent’s fees, concessions, costs of issuance, or similar costs.

“Maturity Amount” means the amount payable on an Appreciation Bond at maturity of such Bond, exclusive of interest, if any, on such Bond which is payable on the Interest Payment Dates therefor.

“Mortgage” means a mortgage deed, deed of trust or other instrument securing a Mortgage Loan.

“Mortgage Loan” means loans for multi-family housing financed from amounts in the Bond Proceeds Account, and includes the Mortgage and the promissory note or notes securing such Mortgage, evidencing any such Mortgage Loan.

“Outstanding,” when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Resolution except:

- (a) any Bond cancelled by a Fiduciary or delivered to a Fiduciary for cancellation at or prior to such date;

- (b) any Bond (or portion of a Bond) for the payment or redemption of which there have been separately set aside and held in the Redemption Account either:

- (i) moneys in an amount sufficient to effect payment of the principal or applicable Redemption Price thereof, when due, together with accrued interest on such Bond to the payment date or Redemption Date, which payment date or Redemption Date shall be specified in irrevocable instructions to the Trustee to apply such moneys to such payment or redemption on the date so specified; or

- (ii) Investment Securities, as described in the Resolution, in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, when due, together with accrued interest on such Bond to the payment date or Redemption Date, which payment or Redemption Date shall be specified in irrevocable instructions to the Trustee to apply such moneys to such payment or redemption on the date so specified; or

- (iii) any combination of (i) and (ii) above;

- (c) any bond in lieu of or in substitution or exchange for which other Bonds shall have been authenticated and delivered pursuant to the Resolution; and

(d) any bond deemed to have been paid as provided in the Resolution.

“Paying Agent” means any bank or trust company designated as paying agent for the Bonds, and its successor or successors hereafter appointed in the manner herein provided.

“Permitted Encumbrances” means (a) 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 RIHousing, indemnity has been provided or similar steps to secure the interest of RIHousing have been taken, (b) ad valorem property taxes ratably accrued but not yet due and payable, (c) severed mineral estates or interests owned by others, and (d) such other liens, encumbrances, reservations, easements, rights of way and other clouds on title as RIHousing determines will not impair the habitability or value of the premises or the ability to realize the benefits of any insurance.

“Pledged Receipts” means (a) the scheduled or other payments required by any Mortgage Loan and paid to RIHousing from any source, including both timely and delinquent payments with late charges, (b) any extension privilege payment required in connection with delays in construction, cost certification or initial occupancy of the residential housing being financed by any Mortgage Loan, (c) all income earned or gain realized in excess of losses suffered on any investment or deposit of monies in the Accounts established and maintained pursuant to the Resolution (except the Rebate Account), (d) net income received with respect to any Acquired Development as provided in the section of the Resolution regarding RIHousing’s covenant with respect to the Program and (e) any other amounts set forth in the Supplemental Resolution authorizing a Series of Bonds, but shall not mean or include Recoveries of Principal, any payments with respect to any Mortgage Loan received or accrued prior to the date that Revenues therefrom are pledged under the Resolution, Escrow Payments or any amount retained by the servicer of any Mortgage Loan, if there be one other than RIHousing, as financing or settlement fees payable at the time of initial disbursement of a Mortgage Loan.

“Principal Installment” means, as of any date of calculation, (a) the aggregate principal amount of Outstanding Bonds due on a certain future date, reduced by the aggregate principal amount of such Bonds which would be retired by reason of the payment when due and application in accordance with the Resolution of Sinking Fund Payments payable before such future date plus (b) the unsatisfied balance, determined as provided in the Resolution, of any Sinking Fund Payments due on such certain future date, together with the aggregate amount of the premiums, if any, applicable on such future date upon the redemption of such Bonds by application of such Sinking Fund Payments in a principal amount equal to said unsatisfied balance.

“Program” means the program for the financing of loans for multi-family housing and related purposes permitted pursuant to the Act, as the same may be amended from time to time consistent with the Resolution, but only to the extent that such program is financed through the issuance of Bonds or from amounts otherwise available out of the moneys and assets held or pledged pursuant to the Resolution.

“Program Expenses” means all RIHousing’s expenses in carrying out and administering its Program under the Resolution and shall include, without limiting the generality of the foregoing, salaries, supplies, utilities, mailing, labor, materials, office rent, maintenance, furnishing, equipment, machinery and apparatus, telephone, insurance premiums, legal, accounting, management, consulting and banking services and expenses, fees and expenses of the Fiduciaries, Costs of Issuance not paid from the proceeds of Bonds, travel, payments for pension, retirement, health and hospitalization and life and disability insurance benefits, all to the extent properly allocable to the Program. Program Expenses may also include amounts for establishing and maintaining a two-month reserve to pay operating costs, a reasonable reserve for losses and expenses estimated to be incurred by RIHousing and amounts appropriated to reimburse RIHousing for Program Expenses paid from other sources.

“Rebate Account” means the Rebate Account established pursuant to the Resolution.

“Record Date” means the date ten days (i) next preceding on Interest Payment Date, or (ii) in the case of any proposed redemption of Bonds, next preceding the date of the first redemption of Bonds.

“Recoveries of Principal” means all amounts received by RIHousing as a recovery of the principal amount disbursed by RIHousing in connection with any Mortgage Loan including any premium or penalty with respect thereto, on account of (a) the advance payment of amounts to become due pursuant to such Mortgage Loan, (b) the sale, assignment, endorsement or other disposition thereof, (c) the acceleration of payments due thereunder or other remedial proceedings taken in the event of the default thereon, (d) proceeds of mortgage insurance or the net proceeds of hazard or title insurance or (e) proceeds of condemnation.

“Redemption Account” means the Redemption Account established pursuant to the Resolution.

“Redemption Date” means the date upon which Bonds are to be called for redemption pursuant to the Resolution.

“Redemption Price” means, with respect to any Bonds, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof.

“Refunding Bond” means any Bond authenticated and delivered on original issuance pursuant to the Resolution or thereafter authenticated and delivered in lieu of or in substitution for any such Bond pursuant to the Resolution.

“Resolution” means the General Multi-Family Development Program Resolution, adopted by RIHousing on November 19, 2009, and any amendments or supplements made in accordance with its terms.

“Revenue Account” means the Revenue Account established pursuant to the Resolution.

“Revenues” means the Pledged Receipts and Recoveries of Principal.

“RIHousing” means the Rhode Island Housing and Mortgage Finance Corporation, a public corporation and instrumentality and agency, created and existing under the laws of the State, or any body, agency or instrumentality of the State which shall hereafter succeed to the powers, duties and functions of RIHousing.

“Series” means all Bonds authenticated and delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate, Sinking Fund Payments or other provisions, and any Bonds thereafter authenticated and delivered in lieu of or in substitution or exchange for (but not to refund) such Bonds as provided in the Resolution.

“Sinking Fund Payment” means, as of any particular date of calculation, the amount required to be paid at all events by RIHousing on a single future date for the retirement of Outstanding Bonds which mature after said future date, but does not include any amount payable by RIHousing by reason of the maturity of a Bond or by call for redemption at the election or direction of RIHousing.

“State” means the State of Rhode Island.

“Supplemental Resolution” means any resolution supplemental to or amendatory of the Resolution, adopted by RIHousing and effective in accordance with the Resolution.

“Trustee” means the trustee designated in the Resolution and its successor or successors and any other person at any time substituted in its place pursuant to the Resolution.

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FEDERAL AND STATE HOUSING ASSISTANCE PROGRAMS**The FHA Insurance Program – The FHA Risk-Sharing Program**

The following is a brief description of the multi-family mortgage insurance program administered by HUD, acting through FHA, pursuant to Section 542(c) of the Housing and Community Development Act of 1992, as amended, (the “Risk-Sharing Act”) of Title II of the National Housing Act, as amended, and is qualified in its entirety by reference to the National Housing Act and the Risk-Sharing Act and the regulations thereunder.

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

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

Projects eligible to be insured under the FHA Risk-Sharing Program include new construction projects, substantial rehabilitation projects, acquisition of existing projects, projects receiving Section 8 or other rental subsidies, single room occupancy projects, board and care/assisted living facilities and elderly projects. Transient housing or hotels, projects in military impact areas, retirement service centers, and nursing homes or intermediate care facilities are specifically excluded from eligibility for insurance under the program. Risk-sharing projects must constitute “affordable housing,” which means that either 20% or more of the units are rent-restricted (as defined below) and occupied by families whose income is 50% or less of the area median income as determined by HUD, with adjustments to income based on household size, or that 40% or more of the units are rent-restricted and occupied by families whose income is 60 percent or less of the area median income as determined by HUD, with adjustments to income based on household size. A residential unit is rent-restricted if the gross rent with respect to such unit does not exceed 30% of the income limitation applicable to the unit as published from time to time by HUD.

RIHousing has been designated by HUD as a “qualified HFA” under the Risk Sharing Act. RIHousing has entered into a risk-sharing agreement with HUD dated as of June 27, 1994 (the “Risk Sharing Agreement”). RIHousing has received both “Level I” and “Level II” approvals under the Regulations. A Level I approval requires RIHousing to reimburse HUD for up to 50% of any loss incurred as a result of a default under a mortgage loan but permits RIHousing to use its own underwriting standards and loan terms and conditions (as disclosed and submitted with its application). A Level II approval permits RIHousing to insure less than 50% of any losses on the mortgage loan and HUD has agreed to allow RIHousing to use its own underwriting standards and loan terms and conditions for Level II loans. For all of the Mortgage Loans financed by prior Bonds (other than Newport Heights 3B, Cornplanter Row, Maple Root Village, and Frenchtown II, and the second Mortgage Loans

for Coddington Point, Water's Edge, Heritage Village, Reynolds Farm Senior Housing II, Potters Tigrai, Broad Street Homes, Lockwood Plaza Phase I, Ade Bethune House, and Pocasset Manor), RIHousing is assuming 50% of the risk; RIHousing is assuming 100% of the risk for the Mortgage Loans relating to Newport Heights 3B, Cornplanter Row, Maple Root Village, and Frenchtown II, and the second Mortgage Loans relating to Coddington Point, Water's Edge, Heritage Village, Reynolds Farm Senior Housing II, Potters Tigrai, Broad Street Homes, Lockwood Plaza Phase I, Ade Bethune House, and Pocasset Manor. RIHousing is also assuming 100% of the risk for the second Mortgage Loans relating to the 2026 Series 1 Developments (Hillcrest Village Apartments, Hillside Village Apartments, Park Holm V, and Sweetbriar). See **APPENDIX A—DESCRIPTION OF THE DEVELOPMENTS** herein.

RIHousing will authorize the use of the FHA Risk-Sharing Program in connection with new Mortgage Loans financed by Bonds on a case-by-case basis.

FHA Insurance under the FHA Risk-Sharing Program with respect to any mortgage loan may be terminated upon the occurrence of certain events, including the following: (1) the corresponding mortgage is paid in full; (2) RIHousing acquires mortgaged property and notifies the Commissioner that it will not file an insurance claim; (3) a party other than RIHousing acquires property at a foreclosure sale; (4) RIHousing notifies the Commissioner of a voluntary termination; (5) RIHousing or its successors commit fraud or make a material misrepresentation to the Commissioner with respect to certain information; (6) the receipt by the Commissioner of an application for final claims settlement by RIHousing; or (7) RIHousing acquires the mortgaged property and fails to make an initial claim.

During its participation in the program, the HFA must take responsibility for certain functions, including those relating to the Affirmative Fair Housing Marketing Plan, labor standards, insurance of advances, cost certification, and lead-based paint requirements. A mortgagor must certify to the HFA that it is in compliance with certain enumerated discrimination and civil rights statutes and executive orders. HUD has specifically retained certain functions, including monitoring compliance with the Davis-Bacon Act, environmental laws, enforcement of certain fair housing and equal opportunity laws and other program criteria. Certain HUD requirements may only be applicable when construction advances are insured.

Upon completion of construction, presentation of a closing docket, including an executed regulatory agreement between the HFA and the mortgagor, and certifications required by the Regulations, FHA issues a final endorsement of the mortgage note for the costs related to the project which have been certified by an independent certified public accountant and have been approved by RIHousing. Although RIHousing has been given authority to approve cost certifications by a mortgagor, HUD has the authority, in its sole discretion, at any time prior to and including final endorsement, to adjust the amount of mortgage insurance.

The Regulations define an event of default under an FHA-insured mortgage as (1) a failure to make any payment due under the mortgage or (2) a failure to perform any other mortgage covenant (which include covenants in the related regulatory agreement, which is incorporated by reference in the applicable mortgage) if the mortgagee, because of such failure, has accelerated the debt. A mortgagee is entitled to receive the benefits of insurance after the mortgagor has defaulted and such default continues for a period of 30 days. If the default continues to exist at the end of the 30-day grace period, the mortgagee is required to give HUD written notice of the default within 10 days after such grace period and monthly thereafter, unless waived by HUD, until such default has been cured or RIHousing has filed an application for an initial claim payment. Unless a written extension is granted by HUD, RIHousing must file an application for initial claim payment (or, if appropriate, for partial claim payment) within 75 days from the date of default. Such claim may be made as early as the first day of the month following the month for which a payment was missed. Upon request of RIHousing, HUD may extend, up to 180 days from the date of default, the deadline for filing a claim. In those cases where RIHousing certifies that the project owner is in the process of transacting a bond refunding, refinancing the mortgage, or

changing the ownership for the purpose of curing the default and bringing the mortgage current, HUD may extend the deadline for filing a claim beyond 180 days but not exceed 360 days from the date of default.

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

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

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

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

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

Section 8 Housing Assistance Payments Program

Section 8 of the United States Housing Act of 1937, as amended by the Housing and Community Development Act of 1974 (as so amended, the "Housing Act"), established a federal housing assistance program of federal assistance for multifamily housing developments of the type that RIHousing finances under its Program (each, a "Section 8 Development"). The Section 8 program involves the distribution of housing assistance payments to the owners of housing developments assisted under such program. The Section 8 program is administered on the federal level by HUD. The housing assistance payments program for each Section 8 Development currently is administered at the state level by RIHousing (in such role, the "Contract Administrator"); no assurances can be given that RIHousing will continue to administer such housing assistance payments program at the state level.

Pursuant to regulations issued by HUD under the Section 8 program during the period 1975-1984, HUD granted “set-asides” for state housing agencies (i.e., reservations of annual housing assistance payments under the Section 8 program) which an agency, with HUD approval, can allocate to developments according to its own housing program. As provided in the regulations, HUD reserved a portion of such set-asides for the State of Rhode Island to be used in connection with the new construction or substantial rehabilitation of housing.

In the case of developments that are permanently financed by RIHousing and that utilize a portion of the Contract Administrator’s annual set-asides of Section 8 contract authority, Section 8 housing assistance payments are provided through an Annual Contributions Contract (“ACC”) between HUD and the Contract Administrator and a Housing Assistance Payment Contract (“HAP Contract”) between the Contract Administrator and the owner of the assisted development. Pursuant to the ACC, the Contract Administrator will receive an annual contribution from HUD, payable monthly in advance, with respect to each assisted dwelling unit and will, in turn, disburse monthly housing assistance payments to the owner of the development under the HAP Contract. However, each year of rental assistance is subject to annual appropriation and spending authorization in the federal budget.

In the case of developments which have been allocated project-based housing assistance payments by HUD, subsidy payments are made pursuant to a Housing Assistance Payments contract (“HAP Contract”) between HUD and the project owner, a contract administrator on behalf of HUD, or a public housing authority (“PHA”). Under the HAP contract, a monthly HAP payment is made to the project owner with respect to units under the HAP contract occupied by an eligible tenant (the “Assisted Units”). The HAP contract and applicable laws and regulations also provide for certain adjustments to rents for Assisted Units. No assurance can be given, however, that any rent increases will be sufficient to compensate for any increased operating expenses for the development.

The amount of the subsidy payable by HUD to the project owner or to the Contract Administrator for the account of the owner under the HAP Contract, as applicable, is the applicable contract rent less the payment, if any, required to be made to the owner by the tenant as determined by HUD. The tenant payment is generally equal to 30% of family income, with a minimum rent for all tenants. HUD has implemented a \$25 minimum rent for most families (HUD Notice H 96-89). Thus, the total rental income from Section 8 housing units payable to or for the account of the owner is equal to the contract rent, part being paid by the tenants directly to the owner and the remainder being paid by HUD, through the Contract Administrator as applicable, to the owner in the form of HAP Contract Payments. The proportion of the contract rent actually paid by HUD and that actually paid by tenants will vary depending upon tenant income.

Eligible tenants for rental units assisted under the Section 8 program, as implemented by the Contract Administrator, are families with family income not in excess of 50% of the median income for the area in which the development is located, as determined by HUD and adjusted for family size. HUD regulations define the term “family” to include elderly persons, persons with disabilities, individuals with handicaps or displaced single persons and, under certain limited conditions, other single persons. In the State of Rhode Island, 50% of median income ranges vary among geographic location and family size; a sample of such income ranges is below.

Location	Low (1 Person)	High (Family of 8)
Providence	\$39,250	\$74,000
Westerly	\$45,150	\$85,150
Newport	\$48,200	\$90,900

If a vacancy exists, other than as a result of action by the owner which is in violation of the lease, the owner will be entitled to housing assistance payments equal to 80% of the contract rent for a vacancy period not exceeding 60 days, so long as the owner diligently endeavors to fill the vacancy with an eligible tenant. Such payments for vacancies will be reduced to the extent the owner receives payment from the tenant for such vacancy period or the owner is otherwise entitled to payments from any other source, including a security deposit, for the

vacant unit. In addition, if a unit continues to be vacant after this 60-day period, the owner may receive additional payments of up to one year for each vacancy equal to the principal and interest payments required to amortize the debt attributable to that unit, provided that (a) the unit is in decent, safe and sanitary condition during the vacancy period, (b) the owner has taken and continues to take all feasible actions to fill the vacancy, (c) the development is not providing the owner with revenues equal to costs incurred and the amount of the payments do not exceed the deficiency and (d) the owner submits a statement with supporting evidence satisfactory to HUD (or the Contract Administrator) that the development can achieve financial soundness within a reasonable time. HUD (or the Contract Administrator) may deny any claim for additional payments if it determines that, based on the owner's statement and other evidence, there is not a reasonable prospect that the development can achieve financial soundness within a reasonable time. Housing assistance payments are not payable with respect to units that are occupied by tenants who are not eligible for Section 8 assistance. However, if the dwelling unit is subsequently reoccupied by an eligible tenant, housing assistance payments will again become available to the owner unless the HAP Contract has been modified in the interim by deleting that dwelling unit from its coverage.

HUD or the Contract Administrator, as applicable, is permitted, but not required, to delete from the HAP Contract any units that the owner fails, for substantial periods of time, to lease or make available for lease by eligible tenants. RIHousing mortgage loan documents prohibit the owner from leasing more than 20% of the dwelling units to ineligible tenants without prior approval from RIHousing.

HUD's Section 8 regulations and the ACCs provide that the initial contract rents for the assisted dwelling units in each development may be adjusted annually pursuant to a HUD-established automatic annual adjustment factor. Under the Housing Act, the annual adjustment factor is applied on the anniversary date of each HAP Contract, resulting in upward or downward adjustment, except that contract rents may not be reduced below the contract rents in effect on or after April 15, 1987, for newly constructed or substantially rehabilitated projects, unless the project has been refinanced in a manner that reduces the periodic payment of the owner. However, pursuant to federal legislation enacted in 1997, contract rents may not be increased beyond HUD Fair Market Rents (as described below) plus the differential between the initial contract rent and comparable rents at the time of execution of the HAP Contract (the "Initial Difference"), unless the owner submits evidence of higher comparable market rents as determined by independent appraisals of at least three comparable local developments. Special additional adjustments may be approved by HUD to reflect actual and necessary expenses of owning and maintaining the development that have resulted from substantial general increases in real property taxes, utility rates or similar costs (i.e., assessments and utilities not covered by regulated rates), but only to the extent that such general increases are not compensated for by the automatic annual adjustment. Adjustments, however, are limited to 120% of the HUD Fair Market Rents plus the Initial Difference. Present HUD policy also provides that the annual adjustment factors for Section 8 units which experienced no turnover in tenants since the preceding HAP Contract anniversary date will be one percentage point less than the annual adjustment factors that would otherwise apply. Consequently, there can be no assurance that increases in contract rents, if any, will result in revenues sufficient to compensate for increased operating expenses of the Section 8 Developments.

Each year, HUD publishes its determination of fair market rents ("HUD Fair Market Rents"). Such HUD Fair Market Rents constitute HUD's determination of the rents, including utilities (except telephone), ranges and refrigerators, parking and all maintenance, management and other essential housing services, which would be required to obtain, in a particular market area, privately developed and owned rental housing of modest design with suitable amenities.

The following table sets forth the approximate range of monthly rents for the Developments effective as of spring 2026 based on unit size and the current range of HUD Fair Market Rents in Rhode Island:

**Range of Section 8 Development Monthly Rents and HUD Fair Market Rents
for the Program Developments**

	Efficiency	One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms
Section 8 Developments	Not Applicable	\$2,000	\$2,500	\$2,781	Not Applicable
HUD Fair Market Rents	\$1,318-\$1,752	\$1,402-\$1,764	\$1,729-\$2,314	\$2,087-\$3,131	\$2,480-\$3,595
LIHTC/Non-Section 8	\$1,177-\$1,446	\$1,261-\$1,549	\$1,513-\$1,860	\$1,749-\$2,148	\$1,951-\$2,397

In the last decade there have been several court decisions with respect to the Section 8 program and the limitations on contract rent adjustments. Generally, the courts have upheld HUD's right to use comparability studies to decrease contract rents to eliminate material differences between rents charged for assisted and comparable unassisted units which are greater than the Initial Difference.

At this time, RIHousing is unable to predict what actions, if any, HUD or the Congress will take in the future with respect to such rent adjustments. Actions by HUD in the future could have the effect of limiting upward adjustments in contract rents or of decreasing contract rents currently in effect to eliminate any material difference between the contract rents and rents charged for comparable unassisted units, except to the extent of the Initial Differences. Such actions, if taken, could adversely affect the ability of the owners of the Developments to pay principal and interest on the Mortgage Loans, which in turn could adversely affect the ability of RIHousing to make timely payments of interest and principal on the Bonds with amounts pledged under the Resolutions. Congress has passed legislation and HUD has implemented procedures to restrict contract rent increases above fair market rents for each fiscal year since 1995. Any of the actions mentioned above could adversely affect the ratings on, and the market price of, the 2026 Series 1 Bonds.

The maximum total annual contribution that may be contracted for in an ACC will equal the initial gross rents for all assisted units in the development. If the amount of housing assistance payments actually disbursed under an ACC in any given year is less than the total available amount, the excess (initially an amount equal to the portion of the gross rents payable by the tenants) is available to be set aside by HUD in an account (the "project account") for the particular development and will be available for future years to fund increases in contract rents for the development or decreases in family incomes. If and when a project account falls below 40% of the maximum annual commitment, HUD undertakes in the ACC to provide additional funding, to the extent permitted by law, in order to increase the maximum annual contribution payable under the ACC.

Subsection (c)(6) of Section 8 provides:

The Secretary [of HUD] shall take steps as may be necessary, including the making of contracts for assistance payments in amounts in excess of the amounts required at the time of the initial renting of dwelling units, the reservation of annual contributions authority for the purpose of amending housing assistance contracts, or the allocation of a portion of new authorizations for the purpose of amending housing assistance contracts, to assure that assistance payments are increased on a timely basis to cover increases in maximum monthly rents or decreases in family incomes.

In practice, HUD has not been replenishing the project accounts when the amounts in such project accounts have fallen below 40% of the maximum annual commitment, but has sought and received amendment authority from the Congress to enable it to discharge its obligations under the HAP Contracts and the ACCs.

Although the Section 8 housing assistance payments are made directly or indirectly to the owner and, in effect, represent rental income, the HAP Contract may, with HUD's approval, be pledged by the owner to RIHousing as mortgage lender on the development. All of the HAP Contracts covering RIHousing's Section 8 Developments have been so pledged. However, the owner will retain the right to collect such payments so long as the owner is in compliance with the provisions of the HAP Contract and RIHousing Mortgage Loan documents. RIHousing's rights to receive Section 8 subsidy payments with respect to the developments have been pledged and assigned to the Trustee as part of the security for the Bonds. Under federal laws, the United States government may have the right to set off liabilities of RIHousing to the United States against the payments under ACCs. Housing assistance payments by HUD do not terminate if the mortgage on the development goes into default, so long as the owner has not breached any of its obligations under the HAP Contract, including, among other responsibilities, its obligation to maintain and operate the development so as to provide decent, safe and sanitary housing. In the event of breach by the owner, HUD may abate or terminate housing assistance payments after giving the owner and the Contract Administrator an opportunity to take corrective action.

Section 811 Rental Assistance Program

In November 2015, HUD and RIHousing entered into a Cooperative Agreement to commence a rental assistance program for persons with disabilities under Section 811 of the Cranston-Gonzalez National Affordable Housing Act, as amended by the Frank Melville Supportive Housing Investment Act of 2010 ("Section 811"). RIHousing administers the Section 811 program in partnership with the Rhode Island Executive Office of Health and Human Services and Rhode Island Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals. RIHousing awards Section 811 funds to eligible projects in conjunction with RIHousing's administration of its existing financing programs, including Low Income Housing Tax Credits, and tax-exempt bond financing.

All Section 811 funding is used to provide project-based rental assistance for eligible persons with disabilities referred by other state departments. All participants must be Medicaid recipients and eligible for case management services through Medicaid. Additionally, a participant must be a Rhode Island resident who is disabled and at least 18 years of age, but under 62 years of age at the time of program entry. The household income must be at or below 30% of AMI for the area where the property is located. Supportive services for participants are provided by third-party service agencies.

Portfolio Restructuring

In the late 1990's there were numerous pronouncements from HUD and various elected officials as to the future of HUD and the various programs operating pursuant to Section 8. These pronouncements primarily concerned those projects which have mortgages insured by the Federal Housing Administration ("FHA") with terms ranging from 30 to 40 years and which have HAP Contracts with terms of approximately 20 years. In 1998 HUD was authorized to initiate a permanent program to restructure FHA-insured mortgage loans with expiring HAP Contracts; in 2000, federal legislation was enacted to permit such mortgages financed by state housing agencies (like RIHousing) to also be restructured but only if the same is not contrary to the terms of the mortgage agreements.

At this time, RIHousing cannot predict the terms of further legislation, if any, which may be enacted which may restructure and change HUD, its administration or its programs (including the Section 8 program) and the funding of HUD and its programs. RIHousing cannot predict whether any such legislation, if enacted, would

adversely affect the ability of RIHousing to make timely payments of principal and interest on the 2026 Series 1 Bonds, with amounts pledged under the Resolution.

U.S. Department of Agriculture Rural Rental Assistance Program

The U.S. Department of Agriculture's ("USDA") Rural Rental Assistance program (the "USDA Rural Rental Assistance Program") is project-based rental subsidy assistance available to selected developments financed at least in part by the USDA's Rural Rental Housing (Section 515) or Farm Labor Housing (Section 514) mortgage lending programs. Housing and Community Facilities Programs ("HCFP"), an agency of the USDA, administers the USDA Rural Rental Assistance Program. Under the USDA Rural Rental Assistance Program, HCFP pays the owner of a multi-family development the difference between eligible tenants' contribution (30% of tenant adjusted income) and the monthly rental rate. The subsidy is available to eligible tenants on a designated number or percentage of units in participating developments. Eligible tenants include persons of very low and low incomes, the elderly and persons with disabilities, if such persons are unable to pay the basic monthly rent with 30% of their adjusted monthly income. Once approved for an eligible development, USDA Rural Rental Assistance is renewable as many times as funds are available.

U.S. Department of Agriculture Section 538 Guaranteed Rural Rental Housing Loan Program

USDA's Section 538 Guaranteed Rural Rental Housing Program ("Section 538 Program") provides a loan note guarantee to the lender of the permanent loan amount for qualifying residential rental properties, serving low or moderate-income families. Generally, properties must be located in areas with population of less than 10,000 (and in some cases up to 20,000 or 25,000).

Section 538 Program loans may have a loan and amortization term of up to 40 years. In addition to the 90% loan note guarantee, the Section 538 Program may also provide an interest credit on the first \$1,500,000 of the permanent loan (funneled through the lender) to the property owner to buy down the interest rate to the applicable federal rate.

At initial occupancy, each tenant household's income cannot exceed 115% of the area median income as adjusted for family size. On an annual basis, the monthly rent cannot exceed 30% of the area median income as adjusted for family size.

Servicing procedures are defined under Section IV. Servicing, Section V. Default and Section VI. Liquidation of the Lender's Agreement Business and Industry Guaranteed Loan Program and Section 9006 Program Form 4279-4. The lender will notify USDA of any loan 30 days past due on form FmHA 1980-44 and all actions taken will be with the written concurrence of USDA.

If the lender concludes pursuant to USDA regulations that liquidation of a guaranteed loan account is necessary, the lender will pursue actions in concurrence with USDA and prepare a liquidation plan. If USDA concurs with the liquidation plan the Lender will ordinarily conduct the liquidation. The Lender will transmit to the USDA their pro rata share of any payments received from the Borrower and of liquidation and any other proceeds, using FmHA form 449-30.

McKinney Vento Moderate Rehab Assistance Program

The McKinney-Vento homeless assistance programs are a set of federal programs created by the "McKinney-Vento Homeless Assistance Act." While largely reformed in 2009, within these programs exist three legacy programs under which grants are still administered. One such program is the Moderate Rehabilitation/Single Room Occupancy (SRO) Program, which funds operating assistance that serves individuals who are homeless or at risk of homelessness and is authorized by Section 441 of the McKinney Vento Homeless Assistance Act.

Under the program, HUD enters into Housing Assistance Payment (HAP) Contracts with public housing agencies in connection with the moderate rehabilitation of residential properties that provide dwelling units for income eligible residents. The housing agencies make Section 8 rental assistance payments to participating owners (i.e., landlords) on behalf of homeless individuals who rent the rehabilitated dwellings. The rental assistance payments cover the difference between the portion of the tenant's income required by HUD to be paid towards rent (usually 30% of tenant income) and the unit's rent.

STATE OF RHODE ISLAND RENTAL ASSISTANCE PROGRAM

The Rhode Island Rental Assistance Program (the "Assistance Program") is a state rental assistance program, which provides rental assistance payments to certain persons and entities which acquire, construct or substantially rehabilitate housing developments in the State of Rhode Island ("Owners"), 50% of the units of which are available to and affordable by individuals or families ("Low-income Tenants") whose total income does not exceed 60% of the median family income adjusted for family size for the area in which the development is located, as determined annually by HUD. Units for which rent charged does not exceed the maximum Fair Market Rents established by HUD for the Section 8 Existing Housing Program are considered available for occupancy by Low-income Tenants.

The Assistance Program, which began in 1989, is subject to an annual appropriation by the Rhode Island General Assembly.

Monthly rental assistance payments made under the Assistance Program are equal to the difference between an amount equal to 30% of the tenants adjusted income and an amount equal to the sum of (a) the fair market rent for the assisted unit plus (b) a utility allowance determined by the Department.

RIHousing has funded all or a portion of the State's obligations for Rental Subsidy Payments for most years since fiscal 1990. During each of the prior two fiscal years, RIHousing has made the annual payment on behalf of the State in the amount of approximately \$100,000. Such Rental Subsidy Payments were determined pursuant to contracts, the last of which expired in 2012. While for policy purposes RIHousing continues to make Rental Subsidy Payments on behalf of tenants residing in a certain diminishing number of rental units at this time, RIHousing has implemented a variety of plans to reduce its annual funding under the Assistance Program, with the goal of reducing, upon tenant turnover, the number of rental units subsidized under the Assistance Program to zero. Accordingly, RIHousing expects that any future payments it makes in connection with the Assistance Program will diminish each fiscal year, and there can be no assurance that RIHousing will continue to make any payments related to the Assistance Program in the future, on behalf of the State or otherwise.

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FORM OF CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this “Disclosure Certificate”), dated _____, 2026, by Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”), is executed and delivered in connection with the issuance of RIHousing’s Multi-Family Development Bonds, 2026 Series 1-A, and its Multi-Family Development Bonds, 2026 Series 1-B (together, the “Series Bonds”) pursuant to its Multi-Family Development Program Resolution, adopted by the Board of Commissioners of RIHousing on November 19, 2009 (the “General Resolution”), as amended and supplemented (the “Resolution”). Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Resolution.

Section 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is executed and delivered by RIHousing as of the date set forth below, for the benefit of the holders and owners (the “Bondholders”) of the Series Bonds and in order to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below). To the best knowledge of RIHousing, RIHousing is the only obligated person (as defined in the Rule) with respect to the Series Bonds under the Rule.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Disclosure Certificate, unless the context clearly otherwise requires.

“*Annual Financial Information*” means the financial information and operating data described in Exhibit I.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“*Audited Financial Statements*” means the audited consolidated financial statements of RIHousing, prepared pursuant to the standards and as described in Exhibit I.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by RIHousing and which has filed with RIHousing a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Financial Obligation*” means, for the purposes of the events identified in clauses (15) and (16) in Exhibit II hereto, the term “financial obligation” means: (A) a debt obligation; (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”).

“*Listed Event*” means the occurrence of any of the events with respect to the Series Bonds set forth in Exhibit II.

“*Listed Events Disclosure*” means dissemination of a notice of a Listed Event as set forth in Section 5.

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

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series Bonds.

“*Prescribed Form*” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Listed Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“*Rule*” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*State*” means the State of Rhode Island.

“*Undertaking*” means the obligations of RIHousing pursuant to Sections 4 and 5.

Section 3. CUSIP Numbers/Final Official Statement. The CUSIP Numbers of the Series Bonds are as listed in Exhibit III hereof. The final Official Statement relating to the Series Bonds is dated _____, 2026 (the “Final Official Statement”).

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Disclosure Certificate, RIHousing hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) by one of the following methods: (i) RIHousing may deliver such Annual Financial Information and the Audited Financial Statements to the MSRB within 180 days of the completion of RIHousing’s fiscal year or (ii) delivery of an Official Statement of RIHousing to the MSRB within 180 days of the completion of RIHousing’s fiscal year, but only to the extent such Official Statement includes such Annual Financial Information and Audited Financial Statements.

RIHousing is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, RIHousing will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Disclosure Certificate, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Listed Events Disclosure. Subject to Section 9 of this Disclosure Certificate, RIHousing hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days

after the occurrence of the event, Listed Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series Bonds or defeasance of any Series Bonds need not be given under this Disclosure Certificate any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series Bonds pursuant to the Resolution.

Section 6. Duty To Update EMMA/MSRB. RIHousing shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of RIHousing to Provide Information. RIHousing shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of RIHousing to comply with any provision of this Disclosure Certificate, the Bondholder of any Series Bond may seek specific performance by court order to cause RIHousing to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution or any other agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of RIHousing to comply with this Disclosure Certificate shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Disclosure Certificate, RIHousing may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if:

- (i) The amendment or waiver is 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 RIHousing or type of business conducted;
- (ii) This Disclosure Certificate, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (iii) The amendment or waiver does not materially impair the interests of the Bondholders of the Series Bonds, as determined either by parties unaffiliated with RIHousing (such as the Trustee) or by an approving vote of the Bondholders of the Series Bonds holding a majority of the aggregate principal amount of the Series Bonds (excluding Series Bonds held by or on behalf of RIHousing or its affiliates) pursuant to the terms of the Resolution at the time of the amendment; or
- (iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. The Undertaking of RIHousing shall be terminated hereunder when RIHousing shall no longer have any legal liability for any obligation on or relating to the repayment of the Series Bonds. RIHousing shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. RIHousing may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent RIHousing from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If RIHousing chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, RIHousing shall not have any obligation under this Disclosure Certificate to update such information or include it in any future disclosure or notice of the occurrence of a Listed Event.

Section 12. Beneficiaries. This Disclosure Certificate has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Disclosure Certificate shall inure solely to the benefit of RIHousing, the Dissemination Agent, if any, the Trustee and the Bondholders of the Series Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. RIHousing shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Assignment. RIHousing shall not transfer its obligations under the Disclosure Certificate unless the transferee agrees to assume all obligations of RIHousing under this Disclosure Certificate or to execute a continuing disclosure undertaking under the Rule.

Section 15. Governing Law. This Disclosure Certificate shall be governed by the laws of the State.

Section 16. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

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RHODE ISLAND HOUSING AND MORTGAGE
FINANCE CORPORATION

By _____
Name: _____
Title: _____

Dated: _____, 2026

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

“*Annual Financial Information*” means financial information and operating data exclusive of Audited Financial Statements as set forth below:

The Series Bonds

- *Outstanding Principal Amount*
- *Fund Balances*

The Mortgage Loans

- *Information of the type provided in Appendix A of the Final Official Statement*

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission. RIHousing shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 180 days after the last day of RIHousing’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to RIHousing.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Disclosure Certificate, including for this purpose a change made to the fiscal year-end of RIHousing, RIHousing will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE SERIES BONDS FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Nonpayment-related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of RIHousing*
13. The consummation of a merger, consolidation or acquisition involving RIHousing or the sale of all or substantially all of the assets of RIHousing, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a financial obligation of RIHousing, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of RIHousing, any of which affect Bondholders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of RIHousing, any of which reflect financial difficulties

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for RIHousing 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 RIHousing, 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 RIHousing.

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RIHOUSING IMPACT FRAMEWORK

Originally created in 1973, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is a public corporation and instrumentality and agency of the State of Rhode Island (the “State”). As the State’s primary housing agency, RIHousing achieves its mission through innovation and by providing a range of multifamily and single family solutions, including providing financing and technical assistance options to support the creation and preservation of affordable housing in the State. RIHousing is governed by a board of seven Commissioners (the “Board of Commissioners”) who have a breadth of experience and expertise across commercial real estate, city planning, private law, and community development banking. The Board of Commissioners partners with RIHousing’s senior management to govern RIHousing and to develop its robust formal policies, procedures, and programs.

Summary of Impact Highlights

- ✓ In 2025 alone, RIHousing invested \$1.3 billion in the State’s economy by providing: ***\$608 million in mortgages and assistance to homebuyers, \$429 million in financing construction to rehabilitate 1,183 rental units, and \$293 million in rental assistance to 17,371 households.***
- ✓ In response to the State's housing crisis, Governor McKee proposed, and Rhode Islanders voted to ***approve a \$120 million state bond to support affordable housing efforts across the State in 2024.*** The bulk of the funding was made available through the most recent Consolidated Funding round. RIHousing and the Executive Office of Housing announced the first round of awards in April 2026 and opened a second round of applications in May 2026.

Homeowner Initiatives

- RIHousing works to ensure that all Rhode Island residents have access to homeownership, helping keep people in safe and healthy homes, and building livable and sustainable communities.
- In 2023, RIHousing developed a ***\$50 million fund to help homeowners avoid foreclosure and launched a down payment assistance (DPA) program for first-generation homeowners that has helped more than 130 homebuyers to date.***
- ***RIHousing’s Loan Servicing Department*** services the residential mortgage loans in its own portfolio and provides loan sub-servicing to other residential mortgage lenders and one other state housing finance agency.
- The ***RIHousing HelpCenter*** offers free, confidential counseling services to homeowners struggling to keep their homes.
- RIHousing tirelessly works to address inequities and barriers to homeownership by opening doors to first-time homebuyers who traditionally have been left out of the housing market. In 2025, RIHousing provided mortgage financing to ***1,465 first-time homebuyers, of which 49% were minority homebuyers and 43% were female head of household.***

✓ **Rental Housing Initiatives**

- RIHousing is the ***State’s sole allocating agency for federal Low Income Housing Tax Credits (“LIHTC”)*** pursuant to its Qualified Allocation Plan (“QAP”).

- Rhode Island faces a shortage of rental homes that are affordable and available to extremely low-income households.¹ According to the National Low Income Housing Coalition, in 2025, Rhode Island had the 18th highest gap between what renters earn and the cost to rent a two-bedroom apartment, highlighting the need for RIHousing’s work in supporting the creation of these homes.²
- Between 2021 and 2023, RIHousing administered *\$277 million in rental and utility assistance to over 37,000 households as part of the Emergency Rental Assistance Program*.
- In 2025, RIHousing provided: *project-based rental assistance to 15,683 renters and voucher-based rental assistance to 1,495 renters*.
- The **LeadSafe Program** helps keep properties safe and healthy through grants for lead mitigation. In 2026, the program was awarded a four-year grant of \$7,000,000 from HUD for Lead Hazard Remediation and \$739,500 in supplemental funding for Healthy Homes.
- Since 2023, RIHousing has received two awards from the National Council of State Housing Agencies for its successful administration of vouchers serving special populations through strategic partnerships and dedicated support and for its efforts to construct a dedicated server for all RIHousing program data, enabling expanded operations, enhanced reporting, and improved analysis of housing insights and trends.³

[Continued on next page]

¹ National Low Income Housing Coalition (NLIHC), “Housing Needs by State,” at <https://nlihc.org/housing-needs-by-state/rhode-island>

² NLIHC at https://nlihc.org/sites/default/files/oor/2025_OOR_MiniBook.pdf

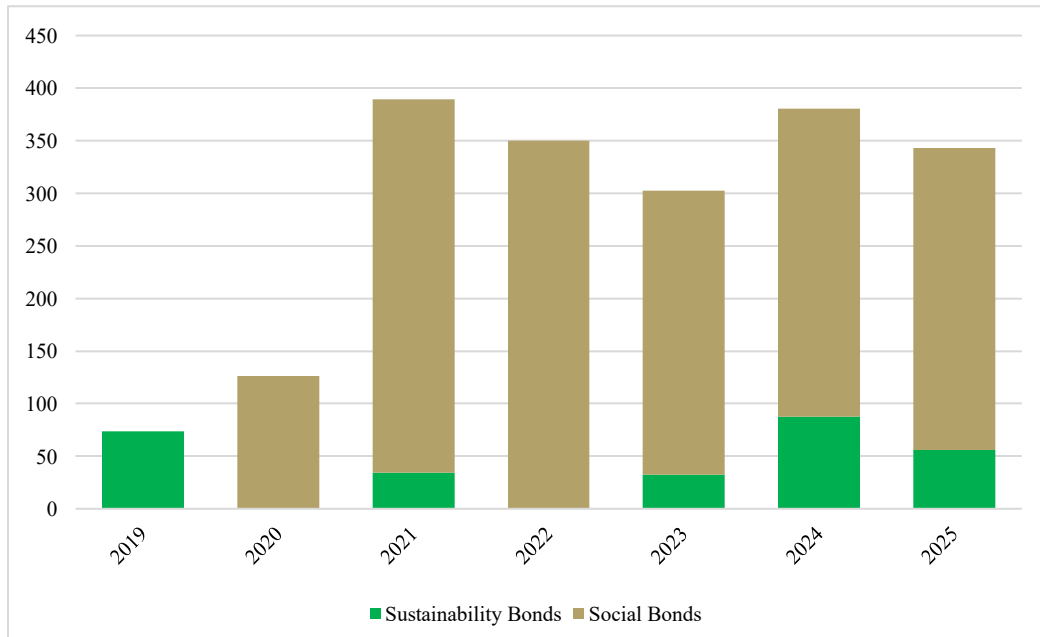
³ NCSHA at <https://www.ncsha.org/awards-category/special-needs-housing/housing-for-persons-with-special-needs/> and <https://www.ncsha.org/awards-category/management-innovation/technology/?y=2023>

RIHousing Social and Sustainability Bond Issuances

RIHousing is authorized to, among other things, provide financing for affordable housing through the sale of mortgages and by issuing bonds and notes to finance single family and multifamily mortgage loans. RIHousing designates certain of its bonds as **Social Bonds** or **Sustainability Bonds** to highlight to investors the social and environmental aspects of RIHousing programs. RIHousing **Social Bonds** and **Sustainability Bonds** issuances to date include:

Homeownership Opportunity Program <i>(Single Family Program)</i>	Multi-Family Development Program <i>(Multifamily)</i>	
Provides single family homeownership loans to low- to moderate-income first-time homeowners	Provides mortgage loans to finance the development of rental housing units for low-income renters	
✓ \$1.6 billion Social Bonds issued from September 1, 2020 to December 31, 2025 (15 issuances) ✓ Inaugural Social Bonds issuance – 2020	✓ \$284.7 million Sustainability Bonds issued from October 1, 2019 to December 31, 2025 (6 issuances) ✓ Inaugural Sustainability Bonds issuance – 2019	✓ \$47.5 million in Multi-Family Social Bonds issued from January 1, 2021 to the present (1 issuance) ✓ Inaugural Social Bonds issuance – 2021

Summary of Publicly Offered RIHousing Social and Sustainability Bonds
(\$MM) as of December 31, 2025
Calendar Year by Sale Date



RIHousing Programs and Alignment to the RIHousing Impact Framework

As summarized below, RIHousing’s single family program’s **Social Bonds** are aligned with the four core components of the International Capital Market Association’s (“ICMA”) Social Bond Principles and its multifamily program’s **Sustainability Bonds** and **Social Bonds** are aligned with the four core components of the ICMA’s Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines. Both programs align with several of the United Nations Sustainable Development Goals (“SDGs”).

The following pages provide additional details on: (I) RIHousing’s Homeownership Opportunity Program, (II) RIHousing’s Multi-Family Development Program, (III) RIHousing’s Governance, and (IV) the Second Party Opinion by S&P Global Ratings on the RIHousing Impact Framework.

RIHousing’s Impact Framework			
Lending Program	Homeownership Opportunity Program (Single Family)	Multi-Family Development Program	
ESG Designation	Social Bonds	Sustainability Bonds	Social Bonds
ICMA Alignment	Social Bond Principles (2025)	Sustainability Bond Guidelines (2021) Social Bond Principles (2025) Green Bond Principles (2025)	Social Bond Principles (2025)
Use of Proceeds	- Finance single family mortgage loans for first-time homebuyers, including providing down payment assistance loans	- Finance affordable multifamily rental housing projects benefiting from tax credit allocation and include energy efficiency features	- Refinance affordable, multifamily rental housing projects benefiting from tax credit allocations
Process for Project Evaluation and Selection	- Meet eligibility criteria under the Homeownership Opportunity Program	- Meet eligibility criteria under the Multi-Family Development Program and the Green Standards and scoring under the QAP	- Meet eligibility criteria under the Multi-Family Development Program
Management of Proceeds	- Proceeds are deposited in segregated accounts and invested in Investment Securities until disbursed to finance single family mortgage loans	- Proceeds are deposited in segregated accounts and invested in Investment Securities until disbursed to finance multifamily projects	- Proceeds are deposited in segregated accounts and invested in Investment Securities until disbursed to refund the refunded bonds
Reporting	Annual (as of June 30 th)	Annual (as of June 30 th)	Annual (as of June 30 th)
UN SDGs			
UN SDG Targets	1.4, 8.10, 10.2, 11.1	1.4, 7.3, 8.10, 10.2, 11.1	1.4, 8.10, 10.2, 11.1

I. RIHOUSING HOMEOWNERSHIP OPPORTUNITY PROGRAM

RIHousing finances single family affordable housing through a variety of channels, one of which is its longstanding Homeownership Opportunity Program (the “Program”). Through the Program, RIHousing provides mortgage loans, and closing cost assistance and down payment assistance to first-time homebuyers of low-to-moderate income (together, the “Program Loans”). RIHousing may designate as **Social Bonds** certain bonds issued under its **General Homeownership Opportunity Program Bond Resolution (the “Bond Resolution”)** used to finance Program Loans.

The following tables provide a summary describing historical loan originating activity and borrower profile for Program Loans financed by RIHousing, pursuant to the Program, from January 2019 through December 31, 2025.

RIHousing Homeownership Opportunity Program (January 2019 – December 2025)			
First Lien Loans (\$ millions)	First Lien Loans (#)	Cities	Counties
\$1,785.2	5,661	33	5

I. Program Loan Statistics

Average Mortgage Size	\$315,356
Average Purchase Price	\$325,327
Average Household Income	\$75,653
DPA Loans Provided	5,589
% of Borrowers Receiving DPA	98.73%
Average DPA Amount Provided	\$11,960
DPA Provided (% of Purchase Price)	3.68%

RIHousing Homeownership Opportunity Program Mortgage Loans Originated By Borrower Income as a % of Area Median Income (“AMI”)

	2019-2021		2022		2023		2024		2025		Total	
AMI Band	\$	Cumulative %	\$	Cumulative %	\$	Cumulative %	\$	Cumulative %	\$	Cumulative %	\$	Cumulative %
<50%	\$60.2	9%	\$8.4	3%	\$2.6	1%	\$1.0	0%	\$3.7	1%	\$75.8	4%
50% - 59%	114.2	26%	28.0	11%	13.5	6%	12.4	5%	11.2	6%	179.3	14%
60% - 69%	153.1	49%	53.8	28%	31.3	18%	33.8	16%	31.3	19%	303.3	31%
70% - 79%	137.1	69%	65.7	49%	50.0	38%	45.4	32%	46.3	38%	344.5	51%
80% - 89%	89.6	82%	61.9	69%	59.4	60%	54.4	51%	43.1	55%	308.4	68%
90% - 99%	61.6	92%	49.9	84%	44.6	78%	54.1	69%	39.9	71%	250.1	82%
100%+	56.2	100%	50.1	100%	58.2	100%	88.4	100%	70.9	100%	323.9	100%
Total	\$672.1		\$317.7		\$259.7		\$289.3		\$246.4		\$1,785.2	

The following sections discuss: (A) RIHousing’s First-time Homebuyer Program; (B) RIHousing’s Loans for Existing Homeowners; (C) RIHousing’s Down Payment Assistance (DPA) Programs; (D) Homebuyer Education Classes; (E) Loan Servicing and Help Center; (F) Bonds’ Alignment with the ICMA Social Bond Principles; and (G) Bonds’ Alignment with the United Nations Sustainable Development Goals.

A. First-time Homebuyer Program

RIHousing's First-time Homebuyer Program consists of providing first-lien, 20- or 30-year amortizing mortgage loans to first-time homebuyers in the State (the "First-time Homebuyer Loans"). Eligible properties must be a 1-4 family home or condominium in the State, and eligible borrowers must meet minimum income limits, occupy the home as a primary residence, and complete a RIHousing or HUD-approved homebuyer education course (discussed further herein at Subsection D).

RIHousing determines eligibility, in part, based on requirements as set forth in the Internal Revenue Code of 1986 (the "Code"), which includes purchase price restrictions and area median income (AMI) limits. AMI limits are published annually by the U.S. Department of Housing and Urban Development (HUD) Office of Policy Development and Research. As permitted by the Code, RIHousing uses the greater of the statewide or area limits. When issuing tax-exempt bonds to finance the purchase of single family, first-time homebuyer mortgage loans, the income limit is 115% of AMI for households of 3 or more persons, or 100% of AMI for 1-2 person households. In Targeted Areas,⁴ income limits may not exceed 140% of AMI for households of 3 or more persons, or 120% of AMI for a 1-2 person household. In addition, RIHousing may issue taxable bonds to finance mortgage loans to first-time homebuyers with incomes exceeding the Code's AMI limits.

B. Loans for Existing Homeowners

In addition to its First-time Homebuyer Program, RIHousing has established programs to assist existing, low-income homeowners obtain affordable financing options for meeting certain income limits.

Home Repair Loans

RIHousing Home Repair Loans wrap the cost of buying and rehabilitating a home into one mortgage. Such loans are made to eligible borrowers for the repair or improvement of residential housing to make such houses decent, safe, and sanitary. Home Repair Loans are secured by first-, second- or third-lien mortgage loans on the property, which must be the borrower's principal residence. Further, a period of at least 20 years must have elapsed between the date on which the residence was first used and the date rehabilitation commences.

The maximum amount of a Home Repair Loan is \$25,000 per residence or such greater amount as may be permitted by law. The interest rates on Home Repair Loans are established by RIHousing from time to time, and the loan term ranges from a minimum of five years to a maximum of 20 years.

Access Independence Loans

In collaboration with the State of Rhode Island Behavioral Healthcare, Developmental Disabilities, and Hospitals, the Access Independence II program helps aging and special needs populations have a safe and healthy place to call home. Loans of up to \$50,000 are available for eligible families and caregivers of people with developmental disabilities to modify their homes in order to support their needs and continue living with their families. Funds cover the costs for adaptations, including the installation of ramps, modifications of bathrooms, installation of lifts, or other equipment purchases.

⁴ "Targeted Areas" is defined as (i) a census tract in which 70% or more of the families have an income which is 80% or less of the State-wide median family income and such other areas as RIHousing may designate in accordance with the Code or (ii) an Area of Chronic Economic Distress, which is an area designated by the State and approved by the Secretary of the Treasury and the HUD Secretary.

C. Down Payment Assistance (DPA) Programs

First-time Homebuyer Loans can be combined with a DPA loan or grant, which allows borrowers to finance closing costs up to 100% of the purchase price of their home. Eligible borrowers must have obtained a RIHousing First-time Homebuyer Loan through a participating lender or through RIHousing in order to be eligible for DPA and/or closing cost assistance. Each DPA program is described in detail in the chart below.

<u>DPA Program</u>	<u>Description</u>
State-Wide Grant	RIHousing administered an immediately forgivable grant, on behalf of the State, in the amount of \$17,500 to eligible first-time homebuyers. The available funds for this grant were fully expended in the summer of 2024.
Extra Assistance	Provides eligible first-time homebuyers with a 15-year amortizing, second lien of 6% of the purchase price (not to exceed \$20,000) to assist with down payment and/or closing costs. In most cases, the interest rate on a borrower's Extra Assistance loan will be the same as the interest rate on its RIHousing first mortgage.
FirstGenHomeRI	Provides a \$25,000 forgivable grant ⁵ to first-generation homebuyers to cover down payment and/or closing costs. Eligible borrowers must reside in certain Rhode Island census tracts and may purchase a home anywhere in the State.
15kDPA	Provides a 0% interest loan up to \$15,000, with no minimum monthly payments due. The loan is due upon the occurrence of any of the following events: (i) the borrower no longer occupies the home as a primary residence; (ii) the property is sold, conveyed, transferred, assigned, encumbered, or mortgaged; or (iii) if all or any portion of the title to the property becomes vested in anyone other than the Borrower.
RI REALTORS® Homebuyer Grant	In partnership with the REALTOR® Foundation: Rhode Island, RIHousing is administering up to 50 grants to assist eligible first-time homebuyers with down payment and closing costs. Eligible borrowers may receive a \$1,000 grant, while veterans and active-duty military personnel may receive up to \$2,000.

D. Homebuyer Education Classes

RIHousing does not just help people buy homes, it provides them with the tools and resources needed to keep the homes they worked to obtain. To that end, RIHousing first-time homebuyers are required to take an approved homebuyer education class, which includes, as currently formatted: (a) Steps to Buying a Home, including the mortgage application process, (b) Overview of RIHousing's loan programs, and (c) Financial Considerations: credit, debt and planning for the future.

From January 1, 2021 to December 31, 2025, RIHousing provided more than 21,360 Rhode Islanders with homebuyer education offered in English and Spanish: 8,493 online, and 12,911 as part of a live and virtual homebuyer education class with course content on budgeting and financial literacy.

⁵ FirstGenHomeRI is provided at 0% interest with no monthly payment and is fully forgivable after five years of owning and residing in the home.

E. Loan Servicing and Help Center

Once in a home, homeowners are further supported by RIHousing through its Loan Servicing Department and through counseling and mediation services provided by the RIHousing HelpCenter.

RIHousing's Loan Servicing Department provides borrowers the option to pay their mortgage in-person on a monthly basis and to receive assistance in the event of questions or concerns. RIHousing currently provides servicing for all Program Loans. As servicer, RIHousing maintains communication with its borrowers and provides them with continuing support. To assist borrowers, the Loan Servicing Department maintains multiple options for loss mitigation which enable borrowers to stay in their homes should they be faced with financial difficulties. These options include capitalization of arrearage, interest rate reduction, and term extension. The Loan Servicing Department also administers a tax lien program which provides assistance to Rhode Islanders struggling to pay their real estate taxes.

RIHousing's HelpCenter is a free, HUD-approved counseling agency that specializes in foreclosure prevention and provides services such as mortgage counseling and lender mediation to all Rhode Islanders, regardless of whether they are an RIHousing borrower.

In 2020, in response to the COVID-19 pandemic, the Loan Servicing Department assisted over 2,000 borrowers with temporary mortgage forbearance options to ensure they remained in their homes and provided up to six months of mortgage assistance to 67 Rhode Island homeowners who had lost their jobs due to the pandemic. The locally-present, in-house Loan Servicing Department and HelpCenter allowed RIHousing to ensure that borrowers continued to have access to mortgage counselors during this critical period when many borrowers were faced with financial hardship.

As of December 31, 2025, the volume and type of single family first mortgage loans being serviced by RIHousing, including but not limited to Program Loans, was as follows:

FHA	\$2,729,844,308
VA	34,634,086
USDA	4,121,805
Conventional	767,003,955

For context, Mortgage Loans represent approximately 70.79% of the volume of loans serviced by RIHousing for its own account, which portfolio also includes Borrower Assistance Loans (1.89%), other second liens (0.57%), multifamily loans (26.73%) and REO (0.02%).

F. Bonds' Alignment with the ICMA's Social Bond Principles

RIHousing's single family **Social Bonds** align with the four core components of the "Social Bond Principles" as promulgated by the ICMA's Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals: (1) Use of Proceeds, (2) Process for Project Evaluation and Selection, (3) Management of Proceeds, and (4) Reporting.

1. Use of Proceeds

The proceeds of RIHousing's single family **Social Bonds** are used to finance affordable home loans and down payment assistance to low-to-moderate income first-time homebuyers for owner-occupied, single family affordable housing in the State, pursuant to RIHousing's Program.

2. Process for Loan Evaluation and Selection

Mortgage loans purchased with the proceeds of RIHousing's single family **Social Bonds** must meet Program eligibility criteria under the Bond Resolution, the Act, and the Code. Such mortgage loans may be originated by RIHousing or, as discussed below, by an eligible lender that has financed an eligible mortgage loan consistent with RIHousing underwriting standards. The eligible mortgage loan and selection process involves a thorough review of risks and mitigants, which includes reviewing any social and environmental risks. RIHousing staff seek approval by the Board of Commissioners for the issuance of single family homeownership bonds as often as is necessary to support the continued operation of the Program.

i. Eligible Borrowers

Each borrower must be an individual with a credit standing that satisfies RIHousing's underwriting criteria. First-time Homebuyer Loans and DPA loans are available to eligible borrowers residing in Rhode Island and who meet RIHousing's underwriting criteria, including not exceeding purchase price limits. Eligible borrowers must acquire a one to four-family home that will be the borrower's primary residence. In addition, when issuing tax-exempt debt to finance single family mortgage loans, the Code imposes maximum income limits of not more than 100% of AMI for 1-2 person households and 115% of AMI for households of 3 or more persons. In Targeted Areas (as defined in the Code), maximum income limits may not exceed 120% of AMI for 1-2 person households and 140% of AMI for households of 3 or more persons.

RIHousing's Loan Servicing Department consists of experienced professionals who assist first-time homebuyers navigate the path to homeownership, including initial consultation, pre-approval, and completion of the loan application through a secure, on-line portal. RIHousing staff are experienced and trained in the evaluation of residential financing documentation, and review the documentation of each Program applicant to determine whether such documents comply with RIHousing's Program requirements.

ii. Eligible Loans

RIHousing offers 20- or 30-year mortgage loans with zero points to qualified borrowers in the State. Borrowers may elect to pay points to obtain a lower corresponding rate. The mortgage loans are generally required to be insured through the Federal Housing Administration (FHA), guaranteed by the Department of Veterans Administration (VA) or USDA Rural Development, or conventionally financed with traditional primary mortgage insurance.

iii. Eligible Lenders

As of December 31, 2025, approximately 12.65% of the outstanding first-lien Program Loans in the RIHousing Bond Resolution have been originated by RIHousing. RIHousing also offers Program Loans through approximately 50 participating mortgage lenders (each a "Participating Lender"). Each Participating Lender has been approved by RIHousing and enters into a Mortgage Purchase Agreement with RIHousing, under which the Participating Lender agrees to deliver to RIHousing Program Loans meeting the requirements of RIHousing's underwriting criteria and of the Code. RIHousing compensates Participating Lenders by paying a service released premium based on the rate charged on each loan delivered to RIHousing. Each Participating Lender is also permitted to charge the borrower other reasonable and customary appraisal, credit and closing costs fees, but may not receive any other fees or remuneration in making new Program Loans unless specifically authorized by RIHousing.

Each Participating Lender must make loans for single family dwellings in the normal course of business and must be a Fannie Mae or Freddie Mac approved seller/servicer, or must otherwise be approved by RIHousing as having the capability and experience necessary to originate loans responsibly under the Program. RIHousing is a qualified Fannie Mae and Freddie Mac approved seller/servicer, as well as a Federal Housing Administration ("FHA") approved delegated underwriter and a Ginnie Mae MBS Issuer.

3. Management of Proceeds

Net of certain transaction costs, the proceeds of RIHousing's single family **Social Bonds** are invested in Investment Securities, as defined in the Bond Resolution, until disbursed to finance Program Loans under the Resolution. All disbursements are tracked by RIHousing.

4. Post-Issuance Reporting

RIHousing will prepare annual updates, as of the last day of each fiscal year, regarding the Program Loans funded from proceeds of RIHousing's single family **Social Bonds** until such proceeds are fully expended, in the form and content below. Although RIHousing intends to provide such annual updates, it is not required to provide such updates pursuant to a continuing disclosure agreement under the Bond Resolution or any other agreement to provide continuing disclosure, and the failure to do so does not constitute an event of default thereunder or under the Bond Resolution. RIHousing expects to post annual updates as a voluntary filing on the Electronic Municipal Market Access System ("EMMA") of the Municipal Securities Rulemaking Board ("MSRB"). Additionally, in conjunction with the issuance of tax-exempt bonds, RIHousing has various ongoing compliance reporting requirements to ensure that use of proceeds is and continues to be consistent with what is allowable under applicable federal tax law.

FORM OF SOCIAL BONDS ANNUAL REPORTING

Total Lendable Proceeds	Lendable Proceeds Spent as of __/__/__	Lendable Proceeds Remaining
\$[_____]	\$[_____]	\$[_____]

Series Program Loans Originated			
% of AMI:	\$ of Loans	# of Loans	Cumulative % of Proceeds
<50%			
50% - 59%			
60% - 69%			
70% - 79%			
80% - 89%			
90% - 99%			
100%+			

Down Payment Assistance ("DPA") Provided In Conjunction with Series Program Loans	
	\$ / # / %
Total DPA Provided (\$)	
Total DPA Provided (#)	
% of Borrowers Receiving DPA (%)	
Average DPA Provided per Borrower (\$)	
Average DPA Provided (% of Purchase Price)	

G. Single Family **Social Bonds**’ Alignment with the United Nations Sustainable Development Goals

By reference to the ICMA’s *Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals*, RIHousing has determined that its single family Social Bonds designation reflects the use of the proceeds in a manner that is consistent with the following United Nations SDGs:

- Goal No. 1 (No Poverty) is focused on ending poverty in all its forms everywhere. Target 1.4 maps to the SDG categories of Affordable Housing, Access to Essential Services, and Socioeconomic Advancement and Empowerment.
- Goal No. 8 (Decent Work and Economic Growth) is focused on promoting sustainable and inclusive economic growth. Target 8.10 maps to the SDG category of Access to Essential Services.
- Goal No. 10 (Reduced Inequalities) is focused on the needs of disadvantaged and marginalized populations. Target 10.2 maps to the SDG categories of Socioeconomic Advancement and Empowerment and Access to Essential Services.
- Goal No. 11 (Sustainable Cities and Communities) is focused on making cities and human settlements inclusive, safe, resilient, and sustainable. Target 11.1 maps to the SDG category of Affordable Housing and Affordable Basic Infrastructure.

II. RIHOUSING’S MULTIFAMILY PROGRAM

RIHousing finances affordable multifamily housing developments through the issuance of bonds under its **General Multi-Family Development Program Resolution** and its **Multi-Family Development Program Supplemental Resolution (together, the “General Resolution”)**. RIHousing may designate certain bonds issued under the General Resolution as **Sustainability Bonds** and/or as **Social Bonds**.

RIHousing administers the State’s federal LIHTC Program, which provides tax credits and other benefits to owners and developers of low-income, multifamily housing. To receive an allocation of LIHTCs, whether from the State’s allocated pool or through the use of tax-exempt bond financing, a project must meet eligibility requirements under both the QAP and Section 42 of the Code.

The following sections discuss: (A) RIHousing’s Multifamily Development Program; (B) RIHousing’s Green Standards; (C) Sustainability Bonds’ Alignment with the ICMA’s Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines; (D) Sustainability Bonds’ Alignment with United Nations Sustainable Development Goals; (E) Social Bonds’ Alignment with the ICMA’s Social Bond Principles; and (F) Social Bonds’ Alignment with United Nations Sustainable Development Goals.

A. The Multi-Family Development Program

Under its long-standing Multi-Family Development Program (the “Multi-Family Program”), RIHousing finances mortgage loans for the acquisition, refinancing, and rehabilitation of affordable rental housing for low-income households, including but not limited to, elderly residents and residents requiring supportive services. Eligible projects under the Multi-Family Program must be for residential units that satisfy rent and tenant income restriction requirements.⁶

As of December 31, 2025, RIHousing has financed more than 119 rental housing developments under the General Resolution consisting of 6,380 affordable rental housing units in 16 cities across the State via tax-exempt and taxable bond proceeds. RIHousing currently services all of its multifamily mortgage loans under the

⁶ The specific rent and tenant income restriction requirements can be found in RIHousing’s QAP, posted on its website at <https://www.rihousing.com/wp-content/uploads/2026/01/2026-Section-7-QAP.pdf>

General Resolution. As servicer, RIHousing has ongoing communication with its borrowers and provides borrowers with continuing support through the quarterly and annual review of their respective operations, including a risk rating which evaluates the financial, managerial, and physical health of the developments, including adequacy of reserves and debt service coverages.

Certain rental units financed under the Multi-Family Program may receive rental assistance payments from the HUD Section 8 program (the “Section 8 Program”). The Section 8 Program provides housing assistance payments to or for the account of the owners of the developments. The assistance payment represents the difference between the total contract rents for such units and the eligible tenants’ rental payments, which is not more than 30% of the tenant’s income. Affordable rental housing units financed under the Multi-Family Program may also be insured by the FHA risk sharing program, which allows state and local housing finance agencies that have entered into risk sharing agreements with HUD to carry out certain HUD functions in connection with the origination of FHA-insured mortgage loans, including assumption of loan underwriting, loan management, and property disposition.

B. RIHousing Green Standards

RIHousing strives to ensure that affordable housing developments are as energy efficient as possible by requiring energy efficiency standards consistent with RIHousing’s Green Standards. The Green Standards, discussed below, provide minimum standards for affordable housing projects financed by RIHousing and address energy efficiency and sustainability, design and construction, and community development. In addition, all projects expected to be financed under RIHousing’s **Sustainability Bonds** program receive allocation of federal LIHTC pursuant to the QAP which includes additional Efficiency scoring for projects that (i) exceed Energy Star 3.1 (or most recent version) for new construction or substantial rehab that surpasses Tier II standards, (ii) meet RNC Tier III and most current Net Zero or Passive Housing standards, (iii) incorporate solar panels or other renewables including net metering, and (iv) the development does not include destruction of fields, forest, agricultural lands or environmentally sensitive land.

1. Energy Efficiency and Sustainability

Currently, National Grid’s Rhode Island Residential New Construction (RNC) Tier I standards are the baseline requirement of RIHousing’s current Design and Construction Standards. These standards are consistent with the recently adopted 2024 R.I. State Energy Conservation Code Standards. RIHousing strives to ensure that developments are as energy efficient as possible, and, to the extent financially feasible, incorporates many of the Healthy Home, Green Building, Defensible Spaces, and Universal Design principles found in the RNC Tier I Standards, and RIHousing strives to incorporate additional industry green building practices. RIHousing continues to work with National Grid and the Office of Energy Resources to develop strategies to improve energy efficiency in existing and new Rhode Island affordable housing, and to incentivize the use of renewable resources. For example, up to 3 points will be awarded under the QAP to new construction developments that achieve RNC Tier II and Energy Star 3.1 revision 11 standards. An additional 3 points will be awarded to projects that achieve RNC III and meet the State’s most current Net Zero or Passive Housing standards. New construction and substantial rehabilitation projects are strongly encouraged to achieve the National Grid’s RNC Tier II standards, for which RIHousing awards additional points when evaluating project submissions (discussed below under Project Evaluation and Selection within Sections C and E).

In addition, RIHousing requires that all-electric equipment and appliances be utilized or that units be designed electric ready. New construction and substantial rehabilitation developments must be designed Photovoltaic (“PV”) ready including conduit pathways, circuit breaker accommodation in the electric service equipment, and upsized bus bar amperage rating to accommodate the future installation of a photovoltaic system. Roof structures in new construction need also be designed to accommodate the structural loads associated with PV panels, supporting structure, and ballasts (if applicable). Furthermore, 10% of all parking spaces must be “EV-Ready” including conduit with pull wire from the house panel to each space, clear wall area for equipment,

capacity in electrical panels/switchgears, and transformer sized appropriately to take the additional load. At least one electric vehicle parking space must be located along an accessible route from the building.

2. Design and Construction Standards

RIHousing developed its Design and Construction Standards (the “Standards”) to ensure the long-term viability of housing developed under RIHousing’s Multi-Family Program. These Standards are based on experience from managing rental housing and are designed to ensure that the housing units developed are economical, comfortable, durable, healthy, energy efficient and attractive. These Standards are in addition to the Building Code requirements and any applicable federal, State and local ordinances or regulations.

RIHousing values and promotes healthy, durable, high quality, affordable construction, and ultimately, RIHousing strives to cost effectively combine sustainable building processes and affordable housing construction. Sustainable means long-lasting, high-performance housing. The goal is to use resources wisely to help establish a continuous cycle of use and renewal within the carrying capacity of the environment. Each developer of projects financed by RIHousing is encouraged, and, in the case of new construction, incentivized, to consider long term impacts and cost to the development as well as the environment.

The overall goal of the Standards is to produce affordable and attractive housing that is also:

1. *Durable*: Materials should be long-lasting and able to withstand heavy use with minimal maintenance. Buildings should be designed and built to keep water and pests out.
2. *Energy efficient*: A modest upfront investment in materials and systems can result in lower operating costs over the life of a building while conserving natural resources.
3. *Healthy*: Significant aspects of health and quality of the indoor environment are to reduce conditions that can trigger asthma and other respiratory problems.
4. *Safe*: RIHousing encourages building and site designs that create defensible space inside and outside. Defensible spaces are areas that discourage unhealthy behavior and make transgressors feel observed and uncomfortable.

3. Comprehensive Community Development Standards

Since 2008, RIHousing has incorporated “smart growth” standards into its multifamily development funding decisions. Identified as Comprehensive Community Development (CCD) in the QAP, CCD is a holistic strategy for efficient use of land and other resources that maximizes open space and discourages sprawl. This strategy includes directing development and reinvestment to existing communities as well as redevelopment and growth in and around planned or existing growth or town centers where higher densities can be supported by public and alternative technology infrastructure.

The CCD prioritizes development at higher densities and includes award points for compact building designs, infill development, redevelopment and the adaptive re-use of existing buildings. The CCD also includes conservation-minded development guidelines for rural communities that result in a more efficient use of land and other resources through the creation of more traditional, compact neighborhoods. These communities have many of the following “Smart Growth” features: mixed land use; part of an overall municipal plan with community stakeholder collaboration; compact design; economically sustainable; aesthetically pleasing; includes a diversity of people, incomes and housing types; is distinctive in character; and is healthy and energy efficient. RIHousing’s CCD standards include the assessments for various green criteria such as a project’s proximity to a State-proposed Growth Center or mass transportation, along with public water and utility usage, and crime prevention through environmental design principles.

C. **Sustainability Bonds'** Alignment with the ICMA's Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines

RIHousing's **Sustainability Bonds** align with the four core components of the ICMA's Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines: (1) Use of Proceeds, (2) Process for Project Evaluation and Selection, (3) Management of Proceeds, and (4) Reporting.

1. Use of Proceeds

The proceeds of RIHousing's **Sustainability Bonds** are used to finance the preservation of existing multifamily affordable housing, and the creation of new affordable rental housing in the State that includes energy efficiency standards and features.

2. Project Evaluation and Selection

As part of its process for approving a project for financing through the issuance of bonds under its **Sustainability Bonds** program, RIHousing staff review whether the project is expected to provide safe, quality housing at rent levels which low- and moderate-income individuals and families can afford. The project evaluation and selection process incorporates a thorough review of risks and mitigants, which includes reviewing social and environmental risks. Upon receipt of an application for financing, RIHousing staff review the proposal and begin a dialogue with the developer. When a financing package has been agreed upon, the financing request is brought to the Board of Commissioners for a Preliminary Commitment or Reservation of Funds. Thereafter, staff meet with the applicant to review required items for Firm Commitment by the Board of Commissioners.

Projects financed with **Sustainability Bonds** require that the development receive an allocation of federal LIHTC and that the applicant demonstrate that the proposed development will include one or more energy efficiency standards and features consistent with the RIHousing Green Standards and QAP. Applicants generally are required to provide an executed contract with an energy consultant to monitor design and construction as necessary to meet the program requirements. At the LIHTC application stage, RIHousing may award up to 14 points (of 138) for project proposals that exceed RNC Tier I standards (discussed above) as follows:

- Up to 3 points for (i) new construction developments that achieve National Grid's RNC Tier II and Energy Star 3.1 revision 11 standards; (ii) substantial rehabilitation developments that demonstrate an ability to achieve RNC Tier II standards; or (iii) Historic Mill rehabilitation developments that achieve Level I (1 point) or Level II (2 points) under the National Grid Rhode Island Adaptive Reuse Program.
- Up to 3 points may be awarded to projects that achieve RNC Tier III and meet the State's most current Net Zero or Passive House standards.
- Up to 3 points for those developments that incorporate PV solar panels or other renewables including net metering (as defined in R.I.G.L. Chapter 39-26-5).
- 3 points for a development that does not involve the destruction of fields, forests, agricultural lands or environmentally sensitive land, and/or includes a cluster development in which more than 50% of the land is conserved.
- 2 points for projects that are 100% electric, have all electric systems and appliances, and meet the energy efficiency requirements of RIHousing's Design and Construction Standards.

3. Management of Proceeds

Net of certain transaction costs, the proceeds of **Sustainability Bonds** are invested in Investment Securities, as defined in the General Resolution, until disbursed to finance multifamily projects. All disbursements are tracked by RIHousing.

4. Reporting

RIHousing will prepare annual updates, as of the last day of each fiscal year, regarding the developments financed with proceeds of RIHousing **Sustainability Bonds** until such proceeds are fully expended, in the form and content below. Although RIHousing intends to provide such annual updates, it is not required to provide such updates pursuant to a continuing disclosure agreement under the General Resolution or any other agreement to provide continuing disclosure, and the failure to do so does not constitute an event of default thereunder or under the General Resolution. RIHousing expects to post such annual updates as a voluntary filing on EMMA of the MSRB.

The RIHousing Compliance Team ensures the long-term preservation of affordable housing and that federal law and RIHousing requirements are followed. To achieve these objectives, the Compliance Team offers training, education and technical assistance to owner and property manager partners. Further, federal regulations require all properties receiving LIHTC allocations to be inspected. In addition to site inspections, a monitoring team reviews tenant files to ensure program requirements are met. Compliance reporting requirements include Forms 8609, 8609-Schedule A, 8586, and Form 8703 (for tax-exempt bond financing) annual filings with the IRS, and periodic reporting to RIHousing and other State and local monitoring agencies.

FORM OF SUSTAINABILITY BONDS ANNUAL REPORTING(1)

Amount of proceeds of the [] Series Bonds (Sustainability Bonds) deposited to Program Fund at issuance: \$[]

Project Name	Project Location	Project Sponsor	4% LIHTC Allocated	Population Served	Environmental Attributes	Population Targeted (Services)	Series Proceeds Spent (%) as of June 30, --
Project #1				% AMI			
Project #2				% AMI			
Project #3				% AMI			
Project #4				% AMI			
Project #5				% AMI			
Project #6				% AMI			

(1) Once all the financed projects have been completed and all related bond proceeds disbursed, no further annual updates will be provided.

D. Sustainability Bonds' Alignment with United Nations Sustainable Development Goals

By reference to the ICMA Green, *Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals*, RIHousing has determined that its **Sustainability Bond** designation reflects the use of bond proceeds in a manner that is consistent with the following United Nations SDGs:

- Goal No. 1 (No Poverty) is focused on ending poverty in all its forms everywhere. Target 1.4 maps to the SDG categories of Affordable Housing, Access to Essential Services, and Socioeconomic Advancement and Empowerment.
- Goal No. 7 (Affordable and Clean Energy) is focused on ensuring access to affordable, reliable, sustainable, and modern energy for all. Target 7.3 maps to the SDG category of Energy Efficiency.
- Goal No. 8 (Decent Work and Economic Growth) is focused on promoting sustainable and inclusive economic growth. Target 8.10 maps to the SDG category of Access to Essential Services.
- Goal No. 10 (Reduced Inequalities) is focused on the needs of disadvantaged and marginalized populations. Target 10.2 maps to the SDG categories of Socioeconomic Advancement and Empowerment and Access to Essential Services.
- Goal No. 11 (Sustainable Cities and Communities) is focused on making cities and human settlements inclusive, safe, resilient, and sustainable. Target 11.1 maps to the SDG category of Affordable Housing and Affordable Basic Infrastructure.

E. Multifamily Social Bonds' Alignment with ICMA's Social Bond Principles

From time to time, RIHousing may issue multifamily **Social Bonds**, the proceeds of which are used to refund or refinance affordable, rental housing projects benefiting from LIHTC allocation. RIHousing's multifamily **Social Bonds** are aligned with the four core components of the ICMA's Social Bond Principles (1) Use of Proceeds, (2) Process for Project Evaluation and Selection, (3) Management of Proceeds, and (4) Reporting.

1. Use of Proceeds

The proceeds of RIHousing's multifamily **Social Bonds** are used to finance or refinance multifamily mortgage loans that have been issued to finance the preservation of existing affordable rental housing units for low-income households throughout the State. Certain of the developments or portions thereof are reserved for the occupancy of elderly or disabled tenants. Owners of developments receiving mortgage loans funded through RIHousing's Multi-Family Program are required to enter into a regulatory agreement restricting a percentage of the development's units for families of low-income.

2. Project Evaluation and Selection

Projects refinanced by RIHousing's multifamily **Social Bonds** must satisfy the eligibility and underwriting requirements of the Multi-Family Program. As discussed above, RIHousing staff review whether the project is expected to provide safe, quality housing at rent levels which low- and moderate-income individuals and families can afford. The project evaluation and selection process incorporates a thorough review of risks and mitigants, which includes reviewing social and environmental risks. Upon receipt of an application for financing, RIHousing staff review the proposal and begin a dialogue with the developer. When a financing package has been agreed upon, the financing request is brought to the RIHousing Board of Commissioners for a Preliminary Commitment or Reservation of Funds. Thereafter, staff meet with the applicant to review required items for Firm Commitment by the Board of Commissioners.

3. Management of Proceeds

Net of certain transaction costs, the proceeds of **Social Bonds** are invested in Investment Securities, as defined in the General Resolution, until disbursed to finance multifamily rental projects. All disbursements are tracked by RIHousing.

4. Reporting

RIHousing will prepare annual updates, as of the last day of each fiscal year, regarding the developments refinanced with proceeds of RIHousing's multifamily **Social Bonds** until such proceeds are fully expended, in the form and content below. Although RIHousing intends to provide such annual updates, RIHousing is not required to provide such updates pursuant to a continuing disclosure agreement under the Bond Resolution or any other agreement to provide continuing disclosure, and the failure to do so does not constitute an event of default thereunder or under the General Resolution. RIHousing expects to post such annual updates as a voluntary filing on EMMA of the MSRB.

The RIHousing Compliance Team ensures the long-term preservation of affordable housing and that federal law and RIHousing requirements are followed. To achieve these objectives, the Compliance Team offers training, education and technical assistance to owner and property manager partners. Further, federal regulations require all properties receiving LIHTC allocations to be inspected. In addition to site inspections, a monitoring team reviews tenant files to ensure program requirements are met. Compliance reporting requirements include Forms 8609, 8609-Schedule A, 8586, and Form 8703 (for tax-exempt bond financing) annual filings with the IRS, and periodic reporting to RIHousing and other State and local monitoring agencies.

FORM OF SOCIAL BONDS ANNUAL REPORTING

Amount of proceeds of the [] Series Bonds (Social Bonds) deposited to Program Fund at issuance: \$[]

Project Name	Project Location	Project Sponsor	4% LIHTC Allocated	Population Served or % AMI	Population Targeted (Services)	Series Proceeds Spent (%) as of June 30, --
Project #1						
Project #2						
Project #3						
Project #4						
Project #5						
Project #6						

F. Multifamily **Social Bonds**' Alignment with United Nations Sustainable Development Goals

By reference to the ICMA's *Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals*, RIHousing has determined that its multifamily **Social Bonds** designation reflects the use of the proceeds in a manner that is consistent with the following United Nations SDGs:

- Goal No. 1 (No Poverty) is focused on ending poverty in all its forms everywhere. Target 1.4 maps to the SDG categories of Affordable Housing, Access to Essential Services, and Socioeconomic Advancement and Empowerment.

- Goal No. 8 (Decent Work and Economic Growth) is focused on promoting sustainable and inclusive economic growth. Target 8.10 maps to the SDG category of Access to Essential Services.
- Goal No. 10 (Reduced Inequalities) is focused on the needs of disadvantaged and marginalized populations. Target 10.2 maps to Socioeconomic Advancement and Empowerment and Access to Essential Services.
- Goal No. 11 (Sustainable Cities and Communities) is focused on making cities and human settlements inclusive, safe, resilient, and sustainable. Target 11.1 maps to the SDG category of Affordable Housing and Affordable Basic Infrastructure.

III. GOVERNANCE

RIHousing’s Board of Commissioners (the “Board”) provides overall policy direction in governing business activities, as well as oversight, strong fiscal management, and establishing long-term goals to meet the State’s housing needs. The Board of Commissioners is governed by seven members:

- the Director of the Department of Administration;
- the General Treasurer;
- the Secretary of Housing, and
- four additional commissioners appointed by the Governor with the advice and consent of the State Senate.

Appointed commissioners must be experienced in all aspects of housing design, development, finance, management, and state and municipal finance. Appointed commissioners serve for terms of four years, and until they are reappointed or their respective successors are appointed. The Secretary of Housing serves as the Chairperson; the Vice Chairperson and Treasurer are elected by the members of the Board of Commissioners from among their number.

RIHousing prides itself on transparency. Its Board of Commissioners meetings are open to the public, and the schedule of meetings, agenda, and minutes of past public meetings are posted on the RIHousing website. Pursuant to its bylaws, the Board of Commissioners must meet, at minimum, ten times per year.

As part of its five-year strategic plan, RIHousing is committed to implementing creative recruitment models to attract a diverse workforce and support an inclusive workplace.

IV. SECOND PARTY OPINION

RIHousing has engaged an independent third party, S&P Global Ratings, to evaluate its **Social Bonds** and **Sustainability Bonds** Frameworks within its Impact Framework. As discussed in detail in its Second Party Opinion, S&P Global Ratings has concluded that RIHousing’s Impact Framework aligns with the Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines, and aligns with the United Nations Sustainable Development Goals.

APPENDIX G-2

S&P SECOND PARTY OPINION

An S&P Global Second Party Opinion (SPO) includes S&P Global Ratings' opinion on whether the documentation of a sustainable finance instrument, framework, or program, or a financing transaction aligns with certain third-party published sustainable finance principles. Certain SPOs may also provide our opinion on how the issuer's most material sustainability factors are addressed by the financing. An SPO provides a point-in-time opinion, reflecting the information provided to us at the time the SPO was created and published, and is not surveilled. We assume no obligation to update or supplement the SPO to reflect any facts or circumstances that may come to our attention in the future. An SPO is not a credit rating, and does not consider credit quality or factor into our credit ratings. See [Analytical Approach: Second Party Opinions](#).

Second Party Opinion

Rhode Island Housing And Mortgage Finance Corp.'s Impact Framework

June 30, 2026

Primary contact

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Location: United States

Sector: Real Estate

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✗

- ✓ Social Bond Principles, ICMA, 2025
- ✓ Green Bond Principles, ICMA, 2025
- ✓ Sustainability Bond Guidelines, ICMA, 2021

See [Alignment Assessment](#) for more detail.

Strengths

Rhode Island Housing and Mortgage Finance Corp. (RIHousing) has a strong social license to operate in the communities it serves. Its efforts in the single-family and multifamily affordable housing spaces exhibit many market best practices in maintaining and expanding access to safe and affordable housing. Its efforts also include ambitious education and counseling services to promote financial literacy and upward mobility to the populations it serves.

A stringent regulatory framework underscores compliance with social objectives. Various federal and state laws, with specific requirements to lend to and set aside housing for low- to moderate-income residents and maintain affordable rent levels for all residents, govern RIHousing's single-family mortgage loans and multifamily rental projects.

The benchmark for energy-efficient development is surveyed and refreshed every three years.

Weaknesses

RIHousing does not include energy efficiency thresholds within its framework. We view this as standard practice for sustainable debt. However, the Qualified Allocation Plan (QAP) that governs the Low-Income Housing Tax Credit (LIHTC) program in Rhode Island includes minimum thresholds for energy efficiency that RIHousing's multifamily projects must meet when being evaluated for financing.

The final environmental performance of financed buildings is uncertain. This is because QAP is a points-based system. There is also a risk of financing new buildings with fossil-fuel heating or significant embodied emissions. It is unclear how the QAP will continue to evolve over time, but we note climate ambition in the guidance has become more robust in recent years.

Areas to watch

RIHousing's disclosures for assessing and managing physical climate risks are limited. While environmental impact assessments are completed before multifamily projects are developed, the issuer's transparency in quantifying climate risks is nascent, which we believe can be material for affordable housing projects in Rhode Island.

Shades of Green Projects Assessment Summary

Based on the project category's Shades of Green detailed below, the expected allocation of proceeds, and consideration of environmental ambitions reflected in RIHousing’s Impact Framework, we assess the framework Light Green.

Energy Efficiency	 Light green
Finance the preservation of existing multifamily affordable housing and the creation of new affordable rental housing that includes one or more energy efficient standards and features.	

Issuer Sustainability Context

This section provides an analysis of the issuer's sustainability management and the embeddedness of the financing framework within its overall strategy.

Company Description

Created in 1973, RIHousing is a public corporation of the State of Rhode Island. As the state's primary housing agency, RIHousing provides affordable financing options and assistance programs for both multifamily and single-family housing. RIHousing continues to drive homeownership and rental housing initiatives to foster the creation and preservation of affordable housing and the growth of sustainable communities.

Material Sustainability Factors

Access and affordability

Low housing stock and lack of affordable options can severely influence people's livelihoods, especially vulnerable, low-income populations who can face the threat of homelessness. Access and affordability are especially important for residential tenants in areas where rents can account for a large percentage of residents' incomes. Lack of accessibility and affordability of commercial properties can also hinder the sustainable growth of local communities.

Impact on communities

Properties, and by extension the owners, are inherently part of the communities in which they operate because they provide an essential service and can shape communities economically and socially. The residential sector is particularly meaningful to communities, where affordable housing and gentrification pressures can alter communities' social fabric and can be challenging to remediate.

Not-for-profit housing operators are not significantly exposed to consumer preferences as providers of safety-net accommodation. Rather, we see more localized risks related to residents being opposed to public housing or negative externalities (concerns about high crime, for example). Similarly, if a public housing association fails to keep its residents safe with proper housing standards, its reputation and relations with various stakeholders can be damaged, increasing risks around social cohesion and community unrest.

Climate transition risk

Energy use in buildings has been a major contributor to climate change, representing around one-third of global greenhouse gas (GHG) emissions on a final-energy-use basis according to the International Energy Agency. Embedded emissions from building materials and new construction may also adversely affect progress toward future low-carbon climate resiliency goals. This leaves the sector highly susceptible to the growing public, political, legal, and regulatory pressure to accelerate climate goals.

Building occupiers and operators may face higher energy bills as power prices rise, and higher capital expenditures as upgrades are required to accommodate the energy transition and meet more stringent efficiency standards. Incremental climate-related investments can require significant capital outlays but will potentially reduce the risk of obsolescence due to changes in regulation or climate goals. In addition, low-carbon properties may achieve higher cost efficiencies or attract premium rents in the longer term, therefore enhancing their value.

Physical climate risk

The geographically fixed nature of real estate assets exposes them to physical climate risks. While varying by location, these could include acute risks (such as wildfires, floods, and storms), which are becoming more frequent and severe, as well as

chronic risks (such as long-term changes in temperature and precipitation patterns and rising sea levels). Acute and chronic risks could damage properties or place tenant health and safety at risk.

These challenges can also require investments to manage the potential impact on, in severe cases, relocation of tenants. While aggregate impact is moderate—the type, number, and magnitude of these risks varies by region—highly exposed regions may be subject to material physical climate risk exposure. Most participants have some insurance coverage, but it could become more difficult to secure insurance for the most exposed assets in the future, absent adaptation.

Issuer And Context Analysis

By providing financing and technical assistance options in Rhode Island, RIHousing delivers solutions to access and affordability for low- to moderate-income individuals. The cost of living in Rhode Island remains higher than many states and the shortage of affordable housing stock remains an issue across the country. RIHousing is addressing these concerns by providing resources in the form of single-family mortgage loans for first-time homebuyers, including down payment assistance loans, and financing and refinancing for multifamily rental housing projects. RIHousing's mortgage delinquency rate of 60 days or more is just under 7.81%. In addition, RIHousing has helped with intervention measures during severe economic shocks, such as pandemic-related challenges, and it provides educational tools and resources. More recently, RIHousing developed a \$50 million fund in 2023 to help avoid homeowner foreclosures and provided \$293 million in 2025 in rental and utility assistance. These efforts promote more equitable and sustainable housing systems in the region.

The preservation and creation of affordable housing units is integral to transform Rhode Island's communities and develop a more cohesive and stable social fabric. Housing instability can lead to poor health conditions, including increased rates of chronic illnesses and mental health issues. It can also deepen existing inequalities and barriers to homeownership, particularly for low-income households and for people of color. From January 2019 through December 2025, RIHousing has provided affordable housing to 5,661 families in 33 cities in all five counties. For the single-family program, 51% served populations with incomes below 80% of area median income (AMI) and 4% served populations with incomes below 50% of AMI. We believe such lending practices simultaneously mitigate gentrification and income segregation risk. By targeting these types of investments, RIHousing aims to maximize opportunities such as access to education and health care as well as spur job creation and economic growth in historically underinvested communities. RIHousing also addresses long-term environmental health issues in low- and moderate-income housing, including through its LeadSafe mitigation program.

Within its multifamily program, RIHousing addresses climate transition risk through energy efficiency standards and features consistent with the RIHousing Green Standards. RIHousing has been working with National Grid (NGRID) and the Office of Energy Resources to develop strategies for improving energy efficiency in existing and new affordable housing, and to create incentives to use renewable resources. The 2021 Rhode Island Residential New Construction (RNC) Program lays out the Path to Energy Efficiency, which provides support and incentives for homes achieving a minimum of 15% energy savings, and Path to Zero Net Energy, which provides additional support and incentives for builders and homeowners looking to achieve high performance certifications. Rhode Island is a member of the Regional Greenhouse Gas Initiative, has GHG reduction goals for 2035 and 2050, and the Zero Energy for Ocean State (ZEOS) Program has supported 186 units of net zero housing in the state since inception in 2019. In addition, the state's GAP results in strict allocation of low-income housing tax credit (LIHTC) funding, which creates incentives for climate-friendly building design and encourages green building certifications. However, efforts are not as developed and integrated into the single-family programs.

Multifamily housing projects supported by RIHousing surpass the energy performance requirements in the Rhode Island state building code. The Base Energy Code, required by all municipalities in the state, is currently based on the International Energy Conservation Council (IECC) 2018 manual, which provides quantitative and qualitative guidelines that promote energy conservation and sustainability in building design and operation. However, the Rhode Island House of Representatives passed legislation requiring the state to adopt the IECC 2024. In addition, some municipalities have adopted the RI Stretch

Code, which builds on the Base Code and requires buildings to meet a minimum energy efficiency performance threshold, among other features. While Rhode Island is in line with other states that are making advances in terms of energy efficiency, the overall sector requires more ambition to fulfill net zero and Paris-aligned goals.

Lastly, physical climate risk is a material factor for RIHousing because the Northeast is facing intensifying acute risks such as flooding and storms, especially in coastal locations. When physical risks like these materialize, the low- and moderate-income populations housed in the assets financed by RIHousing may have less financial capacity to rebuild their homes and communities. The RI Building Code contains provisions regarding flood standards, floodplain construction, and stormwater management.

Alignment Assessment

This section provides an analysis of the framework's alignment to the Social and Green Bond/Loan principles and the Sustainability Bond Guidelines.

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✗

- ✓ Social Bond Principles, ICMA, 2025
- ✓ Green Bond Principles, ICMA, 2025
- ✓ Sustainability Bond Guidelines, ICMA, 2021

✓ Use of proceeds

The framework's green project categories are shaded in light green while all social project categories are considered aligned with the principles. The issuer commits to allocate the net proceeds issued under the framework exclusively to eligible green and social projects. The type of social projects is clearly articulated in the framework in addition to the social benefit for the target population. With the environmental project's light green shading the overall framework is aligned with the principles, in our view. Please refer to the Analysis of Eligible Projects section for more information on our analysis of the environmental and social benefits of the expected use of proceeds.

✓ Process for project evaluation and selection

RIHousing clearly describes its process to evaluate and select projects for financing within the eligible project categories in the framework. Within the social project category, it allocates proceeds to mortgage loans that meet program eligibility criteria stated under the Bond Resolution, the Act, and the Internal Revenue Code and satisfy RIHousing's underwriting criteria. RIHousing's Loan Center and staff is responsible for reviewing documentation of each mortgage loan applicant to ensure it meets the project criteria. The Board of Commissioners provide final approval of eligible projects as often as necessary. For proceeds allocated to social and sustainable projects, RIHousing's staff review the proposed development for alignment with eligibility criteria; RIHousing frequently issues multiple tranches of debt simultaneously to separate funds for projects consistent with the social or sustainability labels from other funds. The project selection and review process for both project categories include a review for any social and environmental risks and mitigants.

✓ Management of proceeds

RIHousing commits to tracking the disbursement of proceeds to eligible projects. It deposits social and sustainability bond proceeds into segregated accounts, and it then invests the funds temporarily in Investment Securities until they are distributed to eligible projects. Projects include financing single family mortgage loans and multifamily rental housing projects and refinancing of multifamily rental housing projects. According to management, if a project no longer qualifies as an eligible project, it will reallocate funds to a different eligible project.

✓ Reporting

RIHousing commits to reporting on allocation of proceeds and impact metrics annually on EMMA and MSRB websites until full allocation. In the framework, RIHousing outlines the social and environmental impact metrics it commits to disclose in the annual reports. Disclosures about single-family lending will include the number and amount of loans provided per AMI bracket and the amount of down payment assistance provided. Disclosures for multifamily projects include project name, project location, LIHTC allocation, percentage AMI of population served, and environmental attributes.

Analysis Of Eligible Projects

This section provides details of our analysis of eligible projects, based on their environmental benefits and risks, using the "[Analytical Approach: Shades Of Green Assessments](#)," as well as our analysis of eligible projects considered to have clear social benefits and to address or mitigate a key social issue.

For each social financing under the framework, RIHousing expects to allocate 100% of net proceeds to eligible affordable housing projects in the single-family or multifamily programs. For each sustainability financing, it expects to allocate 100% of the net proceeds to multifamily projects eligible in both the affordable housing and energy efficiency categories.

Social and Green project categories

Energy Efficiency

Assessment	Description
 Light green	Finance the preservation of existing multifamily affordable housing and the creation of new affordable rental housing that includes one or more energy efficient standards and features.

Social analytical considerations

- The construction and preservation of affordable mixed-income housing will improve living conditions for low- and moderate-income residents in Rhode Island by helping maintain and expand access to safe, affordable housing. RIHousing offers training, and technical assistance to property owners and managers participating in the program.
- To qualify for the program, housing facilities must satisfy tenant income restriction requirements, and rent cannot exceed 30% of the income limit for qualifying units. The target population is well defined, and the groups selected represent the underserved residents who earn up to 60% of the state's AMI. In some instances, affordable housing projects may exceed the underwritten AMI levels, if necessary, but we believe the broad range of AMI brackets adequately seeks to minimize income segregation, which is a common social risk associated with affordable housing. The state's QAP also creates incentives to build affordable housing in areas where it is less than 10% of the existing housing stock.
- We believe RIHousing's established track record in providing affordable multifamily rental housing, combined with its comprehensive policies, procedures, and programs, such as aligning with the state's QAP, ensures that both perceived and realized social risks associated with the eligible projects are appropriately identified, managed, and mitigated. All projects must meet RIHousing's Design and Construction Standards, which address housing costs, comfort, durability, efficiency, and resident health, and exceed the state building code.

Green analytical considerations

- We have assessed this project as category light green because all financed projects, including both new construction and refurbishments, will have environmental characteristics that materially exceed the state building code and thus represent progress toward a low-carbon and climate resilient future. All projects will receive LIHTC funding, which is allocated using the state's QAP scoring system. The QAP requires energy efficiency performance stronger than what is required under the state's Base Code, and the framework further says that all multifamily developments financed under the sustainability bonds program are expected to receive energy efficiency points under the state's QAP. The points require projects to exceed requirements for LIHTC eligibility. According to management, only projects that receive energy efficiency points will be financed by the issuance of sustainability bonds.
- The QAP creates incentives for climate-friendly building design and encourages projects to reach best market practices in energy efficiency. The 2026 QAP has incorporated the Rhode Island Residential New Construction Program via National Grid, which lists three "Tiers of Energy Savings". Tier 1 (energy savings between 15% and 25% compared with baseline) is the minimum requirement for projects under the QAP while tier 2 (26%-39% savings) and tier 3 (40% plus savings) receive incentives through

the QAP point system. The energy efficiency standards listed in the Residential New Construction (RNC) tiering guide are measured against the average energy performance of new construction projects in Rhode Island, a baseline that is updated every three years. In our opinion, this ensures competitive improvements in energy efficiency, but is less well established than a Home Energy Rating System (HERS)-based system.

- Historically, new construction projects financed with RIHousing sustainability bonds have consistently met the tier 2 standard (26%-39% improvement) and management anticipates projects financed under the framework will reach similar energy efficiency levels. On average, RIHousing's 2026 LIHTC projects received about 5 out of 11 possible energy efficiency category points for exceeding RNC tier 1 standards--the highest points being 6 and the lowest 4.
- That said, the minimum energy efficiency requirements within the QAP mandate energy efficiency that is inferior to the state's Stretch Code. In addition, partial points can be awarded for smaller investments, and the energy efficiency section also awards points for developing on land that does not involve the destruction of fields, forests, agricultural lands or environmentally sensitive land, and/or includes a cluster development in which more than 50% of the land is conserved. Therefore, the actual energy efficiency gains associated with energy efficiency points under the QAP may represent a more marginal improvement over the existing building stock and new construction.
- This approach does not explicitly prohibit the use of fossil fuel-based heating. As a result, there is risk of emissions lock in, whereby an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes and their corresponding GHGs. However, energy efficiency gains reduce associated emissions. The construction of new multifamily homes contributes to GHG emissions as well, with most of a building's lifecycle emissions coming from the construction phase. Applicants generally are required to provide an executed contract with an energy consultant to monitor design and construction as necessary to meet the program requirements.
- The construction of new multifamily homes and refurbishment of existing properties exposes them to physical climate risk in a region that is facing intensifying flooding and storm events, which disproportionately affect vulnerable populations. There are no specific criteria related to mitigation of physical climate risks of the financed assets in addition to what is required for all Rhode Island construction. In general, buildings are highly exposed to physical climate risks, and while building codes to some extent consider such risks, this is no guarantee that such risks are properly addressed.

S&P Global Ratings' Shades of Green

Assessments					
 Dark green	 Medium green	 Light green	 Yellow	 Orange	 Red
Description					
Activities that correspond to the long-term vision of an LCCR future.	Activities that represent significant steps toward an LCCR future but will require further improvements to be long-term LCCR solutions.	Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.	Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.	Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.	Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.
Example projects					
 Solar power plants	 Energy efficient buildings	 Hybrid road vehicles	 Health care services	 Conventional steel production	 New oil exploration

Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

Social project categories

Affordable Housing

Provision of affordable housing under the following RIHousing programs:

- Single-Family Homeownership Opportunity Program: Finance single-family loans for low- to moderate-income, first-time homebuyers; and home equity and repair loans to current homeowners.
- Multi-Family Development Program: Finance the preservation of existing multifamily affordable housing and the creation of new affordable rental housing.

Analytical considerations

Single-Family Homeownership Opportunity Program

- We believe providing single-family mortgage loans for qualifying low- and moderate-income, first-time homebuyers has significant benefits in expanding access to affordable housing and encourages investment in sustainable communities. Single-family homes receive fixed-rate mortgages, and debt to income (DTI) cannot exceed 45%, which we view as important borrower protections. The program incorporates purchase price restrictions on residential dwellings. Homeowner education and consulting services are also provided, along with post-purchase education and guidance to promote financial literacy and preparedness.
- Qualifying first-time, income-eligible buyers may also receive assistance from a Down Payment Assistance (DPA) Program. From 2019-2025, 98.73% of Homeownership Opportunity Program first-time homebuyers received a DPA loan or grant, in an average amount of \$11,960 or 3.68% of the purchase price of the home. We believe this equity can provide long-term benefits in helping individuals stay in their home and achieve the long-term socio-economic benefits of homeownership.
- RIHousing services all mortgages it currently provides. This gives RIHousing significant flexibility to work with borrowers facing financial difficulty to prevent foreclosure, including interest rate adjustments, capitalization of arrearage, and term extension.
- We believe RIHousing's use of AMI, a metric used by the U.S. Department of Housing and Urban Development (HUD), is a best practice when defining low-income target populations. For single-family homes, the income limit is 100% of AMI for homes with one to two people and 115% of AMI for homes with three people or more. In identified targeted areas, a household with up to two people can go up to 120% AMI and as high as 140% of AMI for homes with three or more people. Of the borrowers in 2025, 49% were minorities and 43% had female heads of household.
- We believe RIHousing's established track record in providing affordable single-family housing, combined with its comprehensive policies, procedures, and programs, such as its mortgage payment protection coverage, ensures that both perceived and realized social risks associated with the eligible projects are appropriately identified, managed, and mitigated.

Multi-Family Development Program

- The construction and preservation of affordable mixed income housing will improve living conditions for low- and moderate-income residents in Rhode Island by helping maintain and expand access to safe, affordable housing. RIHousing offers training and technical assistance to property owners and managers participating in the program.
- To qualify for the program, housing facilities must satisfy tenant income restriction requirements, and rent cannot exceed 30% of the income limit for qualifying units. The target population is well defined, and the groups selected represent the underserved residents who earn up to 60% or less of the state's AMI. In some instances, affordable housing projects may exceed the underwritten AMI levels, if necessary, but we believe the broad range of AMI brackets adequately seeks to minimize income segregation, which is a common social risk associated with affordable housing. The state's QAP also creates incentives to build affordable housing in areas where it is less than 10% of the existing housing stock.
- We believe RIHousing's established track record in providing affordable multifamily rental housing, combined with its comprehensive policies, procedures, and programs, such as aligning with the state's QAP, ensures that both perceived and realized social risks associated with the eligible projects are appropriately identified, managed, and mitigated. All projects must

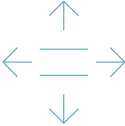
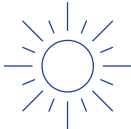
Second Party Opinion: Rhode Island Housing And Mortgage Finance Corp.'s Impact Framework

meet RIHousing's Design and Construction Standards, which address housing costs, comfort, durability, efficiency, and resident health, and exceed the state building code.

Mapping To The U.N.'s Sustainable Development Goals

Where the financing documentation references the Sustainable Development Goals (SDGs), we consider which SDGs it contributes to. We compare the activities funded by the financing to the International Capital Markets Association (ICMA) SDG mapping and outline the intended linkages within our SPO analysis. Our assessment of SDG mapping does not affect our alignment opinion.

This framework intends to contribute to the following SDGs:

Use of Proceeds	SDGs			
Affordable Housing	 1. No poverty	 8. Decent work and economic growth	 10. Reduced inequalities	 11. Sustainable cities and communities
Energy Efficiency	 7. Affordable and clean energy	 11. Sustainable cities and communities		

Related Research

- [Analytical Approach: Second Party Opinions](#), March 6, 2025
- [FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions](#), March 6, 2025
- [Analytical Approach: Shades Of Green Assessments](#), July 27, 2023

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APPENDIX H

FORM OF SUSTAINABILITY BONDS ANNUAL REPORTING[†]

Amount of proceeds of the 2026 Series 1 Bonds (Sustainability Bonds) deposited to Program Fund at issuance: \$ _____

Project Name	Project Location	Project Sponsor	4% LIHTC Allocated	Population Served	Environmental Attributes	Population Targeted (Services)	Series Proceeds Spent (%) as of June 30, --
Hillcrest Village Apartments	Providence		Yes	% AMI		Elderly/Disabled	
Hillside Village Apartments	Providence		Yes	% AMI		Family	
Park Holm V	Newport		Yes	% AMI		Family	
Sweetbriar	Bristol		Yes	% AMI		Family	

[†] Once all the financed projects have been completed and all related bond proceeds disbursed, no further annual updates will be provided.

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PROPOSED FORM OF BOND COUNSEL OPINION

_____, 2026

Rhode Island Housing and Mortgage
Finance Corporation
44 Washington Street
Providence, Rhode Island 02903

Dear Commissioners:

We have examined the Constitution and the laws of the State of Rhode Island (the “State”) and a record of proceedings relating to the issuance of \$_____ aggregate principal amount of Multi-Family Development Bonds, 2026 Series 1-A (Non-AMT) (the “2026 Series 1-A Bonds”), and \$_____ aggregate principal amount of Multi-Family Development Bonds, 2026 Series 1-B (Non-AMT) (the “2026 Series 1-B Bonds” and, together with the 2026 Series 1-A Bonds, the “2026 Series 1 Bonds”) of Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”), a public corporation and instrumentality and agency of the State created by and pursuant to Chapter 55 of Title 42 of the General Laws of Rhode Island, 1956 (2006 Reenactment), as amended (the “Act”), and organized and existing under the Act and the laws of the State.

The 2026 Series 1 Bonds are issued pursuant to the Act and a resolution adopted by RIHousing on November 19, 2009, entitled “Multi-Family Development Program General Bond Resolution” (the “General Resolution”), as supplemented by a supplemental resolution adopted by RIHousing on May 28, 2026 and a Certificate of Determination dated the date hereof, delivered pursuant thereto and incorporated therein (the General Resolution, as so supplemented, is herein called the “Resolution”). The 2026 Series 1 Bonds, the bonds currently outstanding under the General Resolution and any additional bonds which may be issued under the General Resolution are herein called the “Bonds.”

The 2026 Series 1 Bonds are dated, will mature on the dates and in the principal amounts, bear interest at the rates per annum, are subject to redemption prior to maturity and are otherwise as described in the Resolution.

The 2026 Series 1 Bonds are issued for the principal purpose of providing funds to carry out the Program as described in the Resolution by financing Mortgage Loans (as defined in the Resolution). RIHousing is authorized to issue Bonds, in addition to the 2026 Series 1 Bonds, upon the terms and conditions set forth in the Resolution, and such Bonds, when issued, shall, with the 2026 Series 1 Bonds and with all other such Bonds heretofore and theretofore issued, be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Resolution. Any capitalized terms used and not otherwise defined herein are used as defined in the Resolution.

Upon the basis of the foregoing, we are of the opinion that:

1. Under the Constitution and laws of the State, RIHousing has been duly created and validly exists, and RIHousing has good, right and lawful authority, among other things, to carry out its Program, to provide sufficient funds therefor by the adoption of the Resolution and the issuance and sale of the 2026 Series 1 Bonds, and to perform its obligations under the terms and conditions of the Resolution.

2. The Resolution has been duly adopted by RIHousing, is in full force and effect, and is valid and binding upon RIHousing and enforceable in accordance with its terms.

3. The 2026 Series 1 Bonds are valid and legally binding special revenue obligations of RIHousing payable solely from the revenues, funds or moneys pledged for the payment thereof pursuant to the Resolution, are enforceable in accordance with their terms and the terms of the Resolution, and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution.

4. The 2026 Series 1 Bonds are secured by a pledge in the manner and to the extent set forth in the Resolution. The Resolution creates a valid pledge of and lien on the Mortgage Loans, the Revenues and all amounts held in any Account established by the Resolution (except the Rebate Account), including investments thereof, as such terms are used in the Resolution, which the Resolution purports to create, subject only to the provisions of the Resolution permitting the application, disposition or exercise thereof for or to the purposes and on the terms and conditions set forth in the Resolution.

5. The State is not liable on the 2026 Series 1 Bonds, and the 2026 Series 1 Bonds are not a debt of the State. Neither the faith, credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the 2026 Series 1 Bonds.

6. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein (i) interest on the 2026 Series 1 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except that no opinion is expressed as to such exclusion of interest on any 2026 Series 1 Bond for any period during which such 2026 Series 1 Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of facilities financed with the proceeds of the 2026 Series 1 Bonds or a “related person” and (ii) interest on the 2026 Series 1 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the 2026 Series 1 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 our opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by RIHousing, the developers of the projects financed with the proceeds of the 2026 Series 1 Bonds (the “Series 1 Developers”) and others in connection with the 2026 Series 1 Bonds, and we have assumed compliance by RIHousing and the Series 1 Developers with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2026 Series 1 Bonds from gross income under Section 103 of the Code.

7. Pursuant to the provisions of the Act, income on the 2026 Series 1 Bonds (including any profit on the sale thereof) is free from State personal income taxes.

The opinions expressed in paragraphs 2, 3 and 4 above are subject to applicable bankruptcy, moratorium, reorganization insolvency or other laws heretofore or hereafter enacted affecting creditors’ rights or remedies and are subject to application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforceability is considered in a proceeding in equity or at law. We have examined copies of an executed 2026 Series 1-A Bond, and an executed 2026 Series 1-B Bond, and, in our opinion, the forms of such 2026 Series 1 Bonds and their execution are regular and proper.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the 2026 Series 1 Bonds, or the ownership or disposition thereof, except as stated in paragraphs 6 and 7 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 2026 Series 1 Bonds.

We express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the 2026 Series 1 Bonds.

This opinion is issued as of the date hereof, as we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever.

Very truly yours,